

REPORT OF THE INDEPENDENT AUDITOR

To the Shareholders and Board of Directors of Goldfine Manufacturers Public Company Limited

I have audited the accompanying consolidated balance sheet of Goldfine Manufacturers Public Company Limited and subsidiaries as at 31 December 2006, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended. I have also audited Goldfine Manufacturers Public Company Limited 's own balance sheets as at 31 December 2006, and related statements of income, changes in shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit. The consolidated financial statements of the Company and subsidiaries, and the Company's own financial statements for the year ended 31 December 2005, presented herein for comparative purpose, were audited by other auditor who issued an unqualified audit report thereon dated 10 February 2006.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the consolidated of the Company and subsidiaries and the Company's own financial statements referred to above present fairly, in all material respects, the consolidated financial position of Goldfine Manufacturers Public Company Limited and subsidiaries as at 31 December 2006, and the consolidated results of their operations, and cash flows for the year then ended, and Goldfine Manufacturers Public Company Limited 's own financial position as at 31 December 2006, and the results of its operations and cash flows for the year then ended, in conformity with generally accepted accounting principles.

MRS. SUMALEE CHOKDEEANANT

Certified Public Accountant

Registration No. 3322

Bangkok, Thailand

21 February 2007

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT 31 DECEMBER 2006 AND 2005

ASSETS

(Unit : Baht)

	Notes	CONSOLIDATED		THE COMPANY OWN F/S	
		2006	2005	2006	2005
CURRENT ASSETS					
Cash and cash equivalents	5	61,099,268	106,109,465	58,834,007	103,594,042
Temporary investments	6	10,000	61,250,000	10,000	61,250,000
Trade accounts receivable					
- general customers - net	7	277,517,141	227,938,931	276,358,130	227,482,246
- related company	4, 7	-	-	4,319,945	2,085,580
Inventories	8	242,136,242	207,319,631	239,361,526	205,555,647
Other current assets		6,718,828	6,356,561	6,371,965	7,786,918
Total Current Assets		587,481,479	608,974,588	585,255,573	607,754,433
NON - CURRENT ASSETS					
Fixed deposits used as collateral	9	5,000,000	5,000,000	5,000,000	5,000,000
Investment accounted for by equity method	10	-	-	17,567,689	3,544,372
Property, plant and equipment - net	11	199,349,380	172,571,282	198,584,884	171,970,732
Intangible asset-net	12	15,913,212	16,331,981	-	-
Deferred income tax - assets	13	3,318,235	3,073,434	3,318,235	2,819,543
Other non - current assets		1,225,510	2,152,078	1,086,609	2,013,178
Total Non - Current Assets		224,806,337	199,128,775	225,557,417	185,347,825
TOTAL ASSETS		812,287,816	808,103,363	810,812,990	793,102,258

The accompanying notes form an integral part of the financial statements.

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

BALANCE SHEETS

AS AT 31 DECEMBER 2006 AND 2005

LIABILITIES AND SHAREHOLDERS' EQUITY

(Unit : Baht)

	Notes	CONSOLIDATED		THE COMPANY OWN F/S	
		2006	2005	2006	2005
CURRENT LIABILITIES					
Trade accounts payable					
- general suppliers	15	35,838,625	23,746,972	35,838,625	23,746,972
- related company	4	25,875	4,810	25,875	4,810
Other accounts payable		11,124,390	29,323,920	11,124,390	14,532,948
Income tax payable	13	20,330,496	31,864,625	20,330,496	31,864,626
Advances received from customers		11,716,337	5,556,625	11,716,336	5,556,624
Other current liabilities		8,642,865	3,173,785	7,734,000	2,898,651
Total Current Liabilities		87,678,588	93,670,737	86,769,722	78,604,631
NON - CURRENT LIABILITIES					
Employee guarantee payable		14,000	10,000	-	-
Total Non - Current Liabilities		14,000	10,000	-	-
TOTAL LIABILITIES		87,692,588	93,680,737	86,769,722	78,604,631
SHAREHOLDERS' EQUITY					
Share capital - common shares at Baht 1 par value					
- Registered 150,000,000 shares		150,000,000	150,000,000	150,000,000	150,000,000
- Issued and paid-up 150,000,000 shares		150,000,000	150,000,000	150,000,000	150,000,000
Paid - in capital surplus					
- Premium on ordinary shares		157,500,000	157,500,000	157,500,000	157,500,000
- Surplus on revaluation of assets	11	13,425,016	13,425,016	13,425,016	13,425,016
Retained earnings					
- Appropriated for statutory reserve		15,000,000	15,000,000	15,000,000	15,000,000
- Unappropriated		388,118,252	378,572,611	388,118,252	378,572,611
Shareholders' equity of parent company		724,043,268	714,497,627	724,043,268	714,497,627
Foreign financial statements translation differences		552,432	(74,739)	-	-
Minority interest of subsidiary		(472)	(262)	-	-
TOTAL SHAREHOLDERS' EQUITY		724,595,228	714,422,626	724,043,268	714,497,627
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		812,287,816	808,103,363	810,812,990	793,102,258

The accompanying notes form an integral part of the financial statements.

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit : Baht)

	Notes	CONSOLIDATED		THE COMPANY OWN F/S	
		2006	2005	2006	2005
REVENUES					
Sales	4	1,256,369,891	1,092,794,384	1,254,437,125	1,094,396,426
Other income		2,661,101	9,904,446	2,551,033	9,886,098
TOTAL REVENUES		1,259,030,992	1,102,698,830	1,256,988,158	1,104,282,524
COSTS AND EXPENSES					
Cost of sales	4	955,160,677	748,434,488	956,101,408	750,245,864
Selling and administrative expenses	4	137,437,379	95,610,315	131,502,939	93,672,852
Directors' remuneration	4	1,895,000	1,120,000	1,895,000	1,120,000
Equity in net loss of subsidiary companies		-	-	3,204,556	1,454,928
TOTAL COST AND EXPENSES		1,094,493,056	845,164,803	1,092,703,903	846,493,644
Income Before Interest Expense and Income Tax		164,537,936	257,534,027	164,284,255	257,788,880
Interest expense		(1,278,025)	(971,355)	(1,278,025)	(971,355)
Income tax	13	(33,714,481)	(53,248,139)	(33,460,590)	(53,502,030)
Income After Income Tax		129,545,430	203,314,533	129,545,640	203,315,495
Minority interest in net income		210	962	-	-
NET INCOME FOR THE YEAR		129,545,640	203,315,495	129,545,640	203,315,495
BASIC EARNINGS PER SHARE					
Net income (Unit : Baht)		0.86	1.36	0.86	1.36
Weighted average number of common shares (Shares)		150,000,000	150,000,000	150,000,000	150,000,000
Par value (Baht)		1	1	1	1

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit : Baht)

	Notes	Paid - up Share Capital	Premium on ordinary shares	Surplus on revaluation of assets	Retained earnings		Foreign Currency Financial Statements translation differences	Minority interest	Total
					Legal reserve	Unappropriated retained earnings			
CONSOLIDATED									
Balance as at 1 January 2005		150,000,000	157,500,000	13,425,016	15,000,000	238,257,117	-	-	574,182,133
Net income for the year		-	-	-	-	203,315,495	-	-	203,315,495
Dividend payment	21	-	-	-	-	(63,000,000)	-	-	(63,000,000)
Currency translation differences during the year		-	-	-	-	-	(74,739)	-	(74,739)
Minority interest in net income for the year		-	-	-	-	-	-	(262)	(262)
Balance as at 31 December 2005		150,000,000	157,500,000	13,425,016	15,000,000	378,572,612	(74,739)	(262)	714,422,627
Balance as at 1 January 2006		150,000,000	157,500,000	13,425,016	15,000,000	378,572,612	(74,739)	(262)	714,422,627
Net income for the year		-	-	-	-	129,545,640	-	-	129,545,640
Dividend payment	21	-	-	-	-	(120,000,000)	-	-	(120,000,000)
Currency translation differences during the year		-	-	-	-	-	627,171	-	627,171
Minority interest in net income for the year		-	-	-	-	-	-	(210)	(210)
Balance as at 31 December 2006		150,000,000	157,500,000	13,425,016	15,000,000	388,118,252	552,432	(472)	724,595,228

The accompanying notes form an integral part of the financial statements.

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit : Baht)

	Notes	Paid - up Share Capital	Premium on ordinary shares	Surplus on revaluation of assets	Retained earnings		Total
					Legal reserve	Unappropriated retained earnings	
<u>THE COMPANY OWN F/S</u>							
Balance as at 1 January 2005		150,000,000	157,500,000	13,425,016	15,000,000	238,257,117	574,182,133
Net income for the year		-	-	-	-	203,315,495	203,315,495
Dividend payment	21	-	-	-	-	(63,000,000)	(63,000,000)
Balance as at 31 December 2005		150,000,000	157,500,000	13,425,016	15,000,000	378,572,612	714,497,628
Balance as at 1 January 2006		150,000,000	157,500,000	13,425,016	15,000,000	378,572,612	714,497,628
Net income for the year		-	-	-	-	129,545,640	129,545,640
Dividend payment	21	-	-	-	-	(120,000,000)	(120,000,000)
Balance as at end of period 2006		150,000,000	157,500,000	13,425,016	15,000,000	388,118,252	724,043,268

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY OWN F/S	
	2006	2005	2006	2005
Cash flows from operating activities :-				
Net income for year	129,546	203,315	129,546	203,315
Adjustments to reconcile net income to net cash provided from (used in) operating activities:-				
Gain from tempory investment	-	(131)	-	(131)
Allowance for doubtful receivables	204	1,192	204	1,192
Equity in net loss of subsidiary companies	-	-	3,204	1,455
Depreciation	23,288	17,789	23,155	17,741
Leasehold right - amortization	419	-	-	-
Loss (Gain) on sales of fixed assets	783	371	783	371
Provision for asset impairment	(915)	(610)	(915)	(610)
Unrealized loss (gain) on exchange rate	2,654	(155)	2,654	(155)
Decrease (increase) in deferred income tax - assets	(245)	1,102	(499)	1,356
Cash provided from operating activities before changes in operating assets and liabilities	155,734	222,873	158,132	224,534
Changes in operating assets and liabilities:				
Decrease (Increase) in operating assets:				
Trade accounts receivable				
- general customers - net	(53,016)	(54,144)	(52,313)	(53,687)
- related company	-	-	(2,234)	(2,086)
Inventories	(34,817)	1,843	(33,806)	3,607
Other current assets	(362)	(2,158)	(511)	(1,971)
Other non-current assets	926	(2,101)	926	(1,962)
Increase (decrease) in operating liabilities:				
Trade accounts payable				
- general suppliers	12,721	2,733	12,723	2,731
- related company				
Other accounts payable	(3,387)	12,198	(3,387)	12,198
Accrued managements' remuneration	-	(10,000)	-	(10,000)
Income tax payable	(11,534)	1,691	(11,534)	1,691
Advances receipt from customers	6,160	863	6,160	863
Other current liabilities	(9,330)	(2,038)	4,835	(2,312)
Employee guarantee payable	14	10	-	-
Net cash provided from operating activities	63,109	171,770	78,991	173,606

The accompanying notes form an integral part of the financial statements.

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2006 AND 2005

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY OWN F/S	
	2006	2005	2006	2005
Cash flows from investing activities:				
Purchase of temporary investments	-	(108,101)	-	(108,101)
Proceeds from sale of temporary investment	61,240	48,573	61,240	48,573
Decrease in fixed deposits	-	15,990	-	15,990
Purchase of investment in subsidiary	-	-	(15,302)	(4,999)
Proceeds from sales of fixed assets	5,762	2,230	6,025	2,230
Purchase of property, plant and equipment	(55,696)	(57,561)	(55,662)	(56,913)
Net cash provided by (used in) investing activities	11,306	(98,869)	(3,699)	(103,220)
Cash flows from financing activities:-				
Decrease in overdrafts and short-term loans from financial institutions	-	(25,071)	-	(25,071)
Dividend payment	(120,000)	(63,000)	(120,000)	(63,000)
Increase in minority interest	-	1	-	-
Net cash used in financing activities	(120,000)	(88,070)	(120,000)	(88,071)
Effect of exchange rate on cash and cash equivalent	(52)	-	(52)	-
Foreign currency financial statements translation differences	626	-	-	-
Net decrease in cash and cash equivalent	(45,011)	(15,169)	(44,760)	(17,685)
Cash and cash equivalent - beginning of the year	106,110	121,279	103,594	121,279
Cash and cash equivalent - end of the year	61,099	106,110	58,834	103,594
Supplemental cash flows information				
Cash paid during the year				
Interest expense	1,278	971	1,278	971
Income tax	45,493	51,557	45,493	51,811

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2006 AND 2005

1. GENERAL INFORMATION

Goldfine Manufacturers Public Company Limited was incorporated as a limited company under the Thai Civil and Commercial Code on 26th September, 1989 and became a public limited company on 19th April, 2004. The Company is engaged in the manufacturing, import and export of ornament and jewelry. Its office is situated at Latkrabang Industrial Estate, Bangkok.

The subsidiaries of the Company are

- a) Oroplus (Thailand) Company Limited which was incorporated as a limited company under the Thai Civil and Commercial Code on 26th May, 2005. The subsidiary company's business activity are domestic sales of jewelry and gems. The office is located in Bangkok.
- b) Goldfine Manufacturers (Vietnam) Company Limited which was incorporated as a limited company on 26 October 2005. The subsidiary company's business activity is to manufacture and process various kind of cutting stone and jewelry. The office is located in Vietnam, currently under construction and had no business operation.

As at 31 December 2006 and 2005, the Company and its subsidiary have a total number of employees and staff costs for the years then ended, as follows:

	Consolidated		The Company own	
	2006	2005	2006	2005
Number of employees (person)	1,545	1,576	1,532	1,568
Staff cost shown under the caption of				
Cost of sales (Thousand Baht)	209,780	177,769	209,780	177,769
Selling and administrative expenses (Thousand Baht)	43,599	34,749	40,892	33,669

2. BASIS FOR PREPARATION OF THE CONSOLIDATED AND THE COMPANY'S ONW FINANCIAL STATEMENTS

The Company's consolidated financial statements and the own financial statements have been prepared in accordance with generally accepted accounting principles under the Accounting Act B.E. 2543, and the Federation of Accounting Professions Act. B.E. 2547 and the regulation promulgated by the Securities Exchange Commission and the Stock Exchange of Thailand.

The consolidated financial statements included the financial statements of Goldfine Manufacturers Public Company Limited and its subsidiary companies as follows:

<u>Subsidiary company</u>	<u>Type of business</u>	<u>Country</u>	<u>Relation</u>	<u>Percentage of Holding</u>		<u>Financial Information</u>	
				<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Oroplus (Thailand) Co., Ltd.	Selling jewelry and gems	Thailand	The subsidiary	99.99	99.99	Audited by the same auditor	Audited by other auditor
Goldfine Manufacturers (Vietnam) Co., Ltd.	Manufacture and process various kind of cutting stone and jewelry	Vietnam	The subsidiary	100	100	Audited by other auditor in the same auditing group	Audited by other auditor

In April 2006, Goldfine Manufacturers (Vietnam) Company Limited has decided to fix the accounting period to be ended on 31 December 2005 in compliance with the Company's accounting period.

Therefore, the financial statements of Goldfine Manufacturers (Vietnam) Company Limited for the period ended 31 December 2005 has been issued and included in the restated consolidated financial statements of the Company and subsidiaries for the year ended 31 December 2005 for comparison with the 2006 consolidated financial statements, with no effect on previously reported net earnings (loss) or shareholders' equity.

Intercompany balances and transactions and investment in subsidiary companies have been eliminated from the consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Sales

Revenue from sales is recognized on the basis of invoiced value (excluding value added tax) of goods sold and delivered after deducting discounts and returns.

3.2 Cash and cash equivalents

Cash and cash equivalents represent cash on hand, deposits at bank and short-term investment, net of bank deposit pledged as collaterals.

3.3 Temporary investment

Marketable investment units and fixed deposit account for 3 - 12 months presented under the temporary investment caption are presented at fair value.

3.4 Allowance for doubtful accounts

Allowance for doubtful accounts is provided for on the basis of collection experience and payment ability of the debtors at the end of the year, taking into account overdue balance of each debtor.

3.5 Inventories

The Company - inventories are valued at the lower of cost (average basis) or net realizable value whichever is lower.

The subsidiary - inventories are valued at the lower of cost (FIFO method) or net realizable value whichever is lower.

3.6 Long-term investment

Investment in subsidiary company

Investment in subsidiary company is accounted for by the equity method. The investment is initially recorded at cost and will be adjusted to increase or decrease with the profit or loss of the investee company based on the percentage of the Company's interest.

3.7 Property, plant and equipment

Plant and equipment are stated at cost less accumulated depreciation.

Depreciation of plant and equipment are determined on a straight-line method over the estimated useful lives of the assets as follows:

Land improvement	5 years
Building and building improvement	20 years
Furniture and fixtures	5 years
Machinery and equipment	10 years
Tools and equipment	5 years
Office equipment	5 years
Software license	5-10 years
Vehicles	10 years

No depreciation is made for land.

The increment resulting from the appraisal was recorded in the accounts as surplus on revaluation of assets and is included as part of shareholders' equity.

Expenditure incurred in addition, renewal or betterment, which results in a substantial increase in an asset's current replacement value, is capitalized. Repair and maintenance costs are recognized as expenses when incurred.

3.8 Foreign currencies

Exchange rates adopted :-

Foreign currency transactions during the year - at the rates ruling on the transaction dates.

Assets and liabilities in foreign currency outstanding on the balance sheet date - at the rates ruling on the balance sheet date, except where there are forward contracts, then the forward rates will be used instead.

Exchange gains and losses are included in determining earnings.

3.9 Impairment of assets

The Company will reduce the carrying amount of the Company's asset to its recoverable amount if, and only if, the recoverable amount of an asset is less than its carrying amount, and presents such reduction is an impairment loss.

3.10 Deferred corporate income tax

The Company accounts for deferred corporate income tax on a liability method. The timing difference is presented as a deferred corporate income tax assets and liabilities in the balance sheet which is subject to change as the corporate income tax rate changes.

3.11 Accounting estimation

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

3.12 Earnings per share

Earnings per share is determined by dividing net income by the weighted average numbers of ordinary share outstanding during the year.

4. TRANSACTIONS WITH RELATED PARTIES

The Company has certain transactions with its related parties. A portion of the Company's assets, liabilities, revenues and expenses arose from transactions with the related parties which are directly and indirectly related through common shareholding and/or directorships.

Related parties, which have transactions with the Company, are as follows:

	<u>Nature of business</u>	<u>Relationship</u>	<u>Shareholding portion held by the Company</u>	
			<u>2006</u>	<u>2005</u>
			%	%
Treasure Box Company Limited	Manufacturing and Selling of jewelry box	Co-management	-	-
Oroplus (Thailand) Company Limited	Selling of jewelry and gems	The Company's subsidiary	99.99	99.99
Goldfine Manufacturers (Vietnam)	Selling of jewelry and gems	The Company's subsidiary	100	100

The Company has the policy on pricing for its related transactions as follows:

Sales and purchases

Sales and purchases of goods from related parties are made in accordance with conditions and terms of general trade practice, with pricing approximate the market.

Managements' remuneration

The Company has a policy to pay remuneration to the key executive management based on their ability to achieve the sales target set at the beginning of the year.

Significant transactions with related parties for the year ended 31 December are as follow

	(Unit : Thousand Baht)			
	<u>CONSOLIDATED</u>		<u>THE COMPANY OWN F/S</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Sales				
Oroplus (Thailand) Co., Ltd. (subsidiary)	-	-	3,251	2,086
Purchases				
Treasure Box Co., Ltd. (Co - management)	164	4	164	4
Administrative expenses				
Managements' remuneration	-	10,000	-	10,000
Directors' remuneration	1,895	1,120	1,895	1,120

Significant balance with related companies as at 31 December 2006 and 2005 consist of :

	(Unit : Thousand Baht)			
	CONSOLIDATED		THE COMPANY OWN F/S	
	2006	2005	2006	2005
Trade accounts receivable				
- Oroplus (Thailand) Co., Ltd.	-	-	4,320	2,086
Trade account payable				
- Treasure Box Co., Ltd.	26	5	26	5

5. CASH AND CASH EQUIVALENT

	(Unit : Thousand Baht)			
	CONSOLIDATED		THE COMPANY OWN F/S	
	2006	2005	2006	2005
Petty cash	1,350	73	100	53
Cash at banks				
Savings accounts	52,936	23,945	51,929	21,469
Current accounts	6,813	32,024	6,805	32,004
Fixed accounts (not over than 3 months)	-	50,068	-	50,068
Total	61,099	106,110	58,834	103,594

Cash at banks - saving accounts are maintained for the operation purpose.

6. TEMPORARY INVESTMENT

	CONSOLIDATED AND THE COMPANY OWN F/S		
	2006		
	Term	Interest Rate % per annum	Thousand Baht
Fixed deposit account			
Krung Thai Bank Public Company Limited	48 months	3.75	10

CONSOLIDATED AND THE COMPANY OWN F/S

	2005		
	Term	Interest Rate % per annum	Thousand Baht
Fixed deposit account			
Bank Thai Public Company Limited	4 months	3.25	60,000
TMB Bank Public Company Limited	12 months	2	1,240
Krung Thai Bank Public Company Limited	48 months	3.75	10
Total			61,250

7. TRADE ACCOUNTS RECEIVABLE - NET

An aging analysis of the trade accounts receivable as at 31 December are set forth below:

Ages of receivable	(Unit : Thousand Baht)			
	CONSOLIDATED		THE COMPANY OWN F/S	
	2006	2005	2006	2005
<u>Trade accounts receivable – general customers</u>				
Not yet due	197,878	145,473	196,719	145,016
Past due				
Less than 3 months	72,113	79,122	72,113	79,122
3 – 6 months	6,280	2,900	6,280	2,900
6 – 12 months	1,013	593	1,013	593
Over 12 months	1,736	1,151	1,736	1,151
Total	279,020	229,239	277,861	228,782
Less : Allowance for doubtful accounts	(1,503)	(1,300)	(1,503)	(1,300)
Trade accounts receivable - net	277,517	227,939	276,358	227,482

(Unit : Thousand Baht)

Ages of receivable	CONSOLIDATED		THE COMPANY OWN F/S	
	2006	2005	2006	2005
<u>Trade accounts receivable - related company</u>				
Not yet due	-	-	-	-
Past due		-		
Less than 3 months	-	-	67	2,086
3 - 6 months	-	-	2,094	-
6 - 12 months	-	-	1,090	-
Over 12 months	-	-	1,069	-
Total	-	-	4,320	2,086
Less : Allowance for doubtful accounts	-	-	-	-
Trade accounts receivable - net	-	-	4,320	2,086

8. INVENTORIES

	(Unit : Thousand Baht)			
	CONSOLIDATED		THE COMPANY OWN F/S	
	2006	2005	2006	2005
Raw material	144,680	119,881	144,680	119,881
Work in process	57,987	47,040	57,987	47,040
Factory supplies	12,925	12,706	12,925	12,706
Finished goods	26,544	27,692	23,769	25,928
Total	242,136	207,319	239,361	205,555

9. FIXED DEPOSITS USED AS COLLATERAL

As at 31 December 2006 and 2005, fixed deposits of Baht 5.0 million have been used as collateral for overdraft.

10. INVESTMENT ACCOUNTED FOR BY THE EQUITY METHOD

(Unit : Thousand Baht)

<u>The Company Own</u>						
<u>2006</u>						
			Percentage	Cumulative in share		
	Type of	Share Capital	of	Investments	of earnings (loss)	Investments in
	<u>business</u>	<u>Holding</u>	<u>Holding</u>	<u>at Cost</u>	<u>in investments</u>	<u>Equity method</u>
Subsidiaries						
Oroplus (Thailand) Co., Ltd.	Selling jewelry and gems	49,993	99.99	4,999	(3,559)	1,440
Goldfine Manufacturers (Vietnam) Co., Ltd.	Manufacture and process various kind of cutting stone and jewelry	-	100	17,228	(1,100)	<u>16,128</u>
						<u>17,568</u>

(Unit : Thousand Baht)

<u>2005</u>						
			Percentage	Cumulative in share		
	Type of	Share Capital	of	Investments	of earnings (loss)	Investments in
	<u>business</u>	<u>Holding</u>	<u>Holding</u>	<u>at Cost</u>	<u>in investments</u>	<u>Equity method</u>
Subsidiary						
Oroplus (Thailand) Co., Ltd.	Selling jewelry and gems	49,993	99.99	4,999	(1,455)	<u>3,544</u>

In October, 2005 and February, 2006, the Company acquired investment of USD 439,948, representing a 100% of investment in Goldfine Manufacturers (Vietnam) Company Limited. Thus such company becomes a subsidiary company.

11. PROPERTY, PLANT AND EQUIPMENT - NET

(Unit : Thousand Baht)

CONSOLIDATED

	2005	Increase	Decrease	Transfer in (out)	2006
Cost :					
Land	21,195				21,195
Land – Appraisal increment	13,425	-	-	-	13,425
Land improvement	1,655	12,178		16,415	30,248
Building and building improvement	71,747			5,351	77,098
Furniture and fixtures	4,771	157	-	-	4,928
Machinery and equipment	70,083	16,581	-	-	86,664
Tools and equipment	40,791	8,718	(3)	-	49,506
Office equipment	16,365	3,854	-	343	20,562
Software license	2,954	464		70	3,488
Vehicles	40,025	6,577	(15,513)	-	31,089
Construction in progress	15,296	7,332	-	(21,987)	641
Machinery and equipment in progress	180	98	-	(192)	(86)
Total	298,487	55,959	(15,516)	-	338,930
Accumulated depreciation :					
Land improvement	764	1264	-	-	2,028
Building and building improvement	25,775	3,826	-	-	29,601
Furniture and fixtures	4,539	83	-	-	4,622
Machinery and equipment	33,435	6,547	-	-	39,982
Tools and equipment	27,785	5,488	(3)	-	33,270
Office equipment	11,034	1,888	-	-	12,922
Software license	365	555	-	-	920
Vehicles	10,876	3,637	(8,705)	-	5,808
Total	114,573	23,288	(8,708)	-	129,153
Less : Provision for impairment of					
building and improvement	(11,343)		915		(10,428)
Net book value	172,571				199,349
Depreciation allocation:					
- Cost of goods sold	13,041				19,577
- Selling and administrative expenses	4,748				3,711
Total	17,789				23,288

(Unit : Thousand Baht)

THE COMPANY OWN F/S

	2005	Increase	Decrease	Transfer in (out)	2006
Cost :					
Land	21,195	-	-	-	21,195
Land - Appraisal increment	13,425	-	-	-	13,425
Land improvement	1,655	12,178	-	16,415	30,248
Building and building improvement	71,747	-	-	5,351	77,098
Furniture and fixtures	4,556	157	-	-	4,713
Machinery and equipment	70,082	16,581	-	-	86,663
Tools and equipment	40,377	8,718	(3)	-	49,092
Office equipment	16,365	3,824	-	343	20,532
Software license	2,935	464	-	70	3,469
Vehicles	40,025	6,577	(15,513)	-	31,089
Construction in process	15,296	7,065	-	(21,987)	374
Machinery and equipment in progress	180	98	-	(192)	86
Total	297,838	55,662	(15,516)	-	337,984
Accumulated depreciation :					
Building improvement	764	1,264	-	-	2,028
Building	25,775	3,826	-	-	29,601
Furniture and fixtures	4,522	40	-	-	4,562
Machinery and equipment	33,434	6,547	-	-	39,981
Tools and equipment	27,755	5,488	(3)	-	33,240
Office equipment	11,034	1,799	-	-	12,833
Software license	364	554	-	-	918
Vehicles	10,876	3,637	(8,705)	-	5,808
Total	114,524	23,155	(8,708)	-	128,971
Less : Provision for impairment of building and improvement	(11,343)		915		(10,428)
Net book value	171,971				198,585
Depreciation allocation:					
- Cost of goods sold	13,041				19,577
- Selling and administrative expenses	4,700				3,578
Total	17,741				23,155

The gross carrying amount of the fully depreciated equipments of the Company that are still in use is Baht 47,485 thousand (2005 : Baht 43,155 thousand).

The Company's land and construction there on, have been mortgaged with financial institution for credit facilities (Note 13).

In 2002, the Company recorded the increase in surplus on land revaluation as part of shareholders' equity at Baht 6.41 million. The surplus resulted from the assessment by an appraisal company using the market approach to reflect current value.

As at 21 April 2004, the Company made an appraisal for its property by using independent appraisal, American Appraisal (Thailand) Limited. Property consisted of Land, Building and component parts of the land, acquired during the year 2003 determined at fair market value. As a result, there is a surplus on revaluation of land at the amount of Baht 7.02 million and the impairment of building and component parts of the land the amount of Baht 7.98 million. The effects of these transactions have already been recorded in the Company's financial statement in the first quarter of 2004.

12. INTANGIBLE ASSET - NET

Intangible asset - net of the subsidiary composed of:

	(Unit : Thousand Baht)			
	CONSOLIDATED		THE COMPANY OWN F/S	
	2006	2005	2006	2005
Property lease right	16,332	16,332	-	-
Less : Accumulated amortization	(419)	-	-	-
Property lease right - net	<u>15,913</u>	<u>16,332</u>	<u>-</u>	<u>-</u>

The property lease right payments are the amount that Goldfine Manufacturers (Vietnam) Company Limited (the subsidiary) has paid to Amata (Vietnam) Co., Ltd. (the lessor) for the Land Use Right (LUR) over the period of 39 years of 11,413.70 square meters of land area located in the Plot No. 201 of Amata Industrial Park in Vietnam for the construction of the subsidiary's factory for manufacturing business.

Amortization of this property lease commenced on 1 January 2006 and the amortization for the year ended 2006 of Baht 418,769 (2005 : Baht 0) has been included in selling and administrative expenses.

13. INCOME TAX

(Unit : Thousand Baht)	
CONSOLIDATED	
2006	2005

	Tax Expense	Tax Payable	Tax Expense	Tax Payable
Net earnings before income tax	163,006	163,006	256,564	256,564
Timing difference - expenditure				
Add (less) : Allowance for doubtful account	-	204	-	(666)
Provision for impairment asset - amortization	-	(915)	-	(610)
Goods returns	-	1,121	-	1,619
Permanent difference - expenditure				
Add : Disallowable expenses	4,298	4,298	3,750	3,750
Net earnings for tax calculation	<u>167,304</u>	<u>167,714</u>	<u>260,314</u>	<u>260,657</u>
Income tax	33,183	33,959	51,856	52,146
Deferred income tax - assets				
Allowance for doubtful account	41	-	(133)	-
Provision for impairment asset - amortization	(183)	-	(122)	-
Equity in net loss of subsidiary companies	640	-	291	-
Goods returns	169	-	243	-
Tax benefit from net taxable loss of subsidiary company	109	-	11	-
	<u>33,959</u>	<u>33,959</u>	<u>52,146</u>	<u>52,146</u>
Less : Withholding tax		(27)		(10)
Mid - year tax		(13,602)		(20,271)
Income tax payable		<u>20,330</u>		<u>31,865</u>

(Unit : Thousand Baht)

THE COMPANY OWN

	2006		2005	
	Tax Expense	Tax Payable	Tax Expense	Tax Payable
Net earnings before income tax	163,006	163,006	256,817	256,817
Timing difference - expenditure				
Add (less) : Allowance for doubtful account	-	204	-	(666)
Provision for impairment asset - amortization	-	(915)	-	(610)
Equity in net loss of subsidiary companies	-	3,205	-	1,455
Permanent difference - expenditure				
Add : Disallowable expenses	4,297	4,297	3,733	3,733
Net earnings for tax calculation	<u>167,303</u>	<u>169,797</u>	<u>260,550</u>	<u>260,729</u>

(Unit : Thousand Baht)

THE COMPANY OWN

	2006		2005	
	Tax Expense	Tax Payable	Tax Expense	Tax Payable

Income tax	33,460	33,959	52,110	52,146
Deferred income tax – assets				
Allowance for doubtful account	41	-	(133)	-
Provision for impairment asset - amortization	(183)	-	(122)	-
Equity in net loss of subsidiary companies	640	-	291	-
	<u>33,959</u>	<u>33,959</u>	<u>52,146</u>	<u>52,146</u>
Less : Withholding tax		(27)		(10)
Mid-year tax		(13,602)		(20,271)
Income tax payable		<u>20,330</u>		<u>31,865</u>

(Unit : Thousand Baht)

	CONSOLIDATED		THE COMPANY OWN	
	2006	2005	2006	2005
<u>Statements of earnings</u>				
Income tax	33,183	51,856	33,461	52,110
Reverse tax benefit of subsidiary company	531	-	-	-
Effect of change in tax rate				
Deferred income tax – assets				
-Allowance for doubtful debt	-	197	-	197
-Provision for impairment asset	-	1,195	-	1,195
Total	<u>33,714</u>	<u>53,248</u>	<u>33,461</u>	<u>53,502</u>

Balance sheets

Deferred income tax - assets arising from timing difference				
Allowance for doubtful debt - beginning	260	590	260	590
Add (less): Increase (decrease) in allowance for				
doubtful account	41	(133)	41	(133)
Effect of change in tax rate	-	(197)	-	(197)
Allowance for doubtful debt - ending	<u>301</u>	<u>260</u>	<u>301</u>	<u>260</u>
Provision for impairment asset - beginning	2,269	3,586	2,269	3,586
Less : Provision for impairment asset – amortization -	(183)	(122)	(183)	(122)
Effect of change in tax rate	-	(1,195)	-	(1,195)
Provision for impairment asset - ending	<u>2,086</u>	<u>2,269</u>	<u>2,086</u>	<u>2,269</u>
Share of loss of subsidiary companies - beginning	291	-	291	-
Less : Equity in net loss of subsidiary companies	640	291	640	291
Share of loss of subsidiary companies - ending	<u>931</u>	<u>291</u>	<u>931</u>	<u>291</u>
Goods returns	-	243	-	-
Tax benefit from net taxable loss of subsidiary company	-	11	-	-
Total	<u>3,318</u>	<u>3,074</u>	<u>3,318</u>	<u>2,820</u>

14. BANK OVERDRAFTS AND SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit : Thousand Baht)

CONSOLIDATED	THE COMPANY OWN F/S
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	2006	2005	2006	2005
Bank Overdrafts	-	-	-	-
Liabilities under trust receipts	-	-	-	-
Total	-	-	-	-

As at 31 December 2006 and 2005, the Company has overdraft facilities with three local banks amounting to Baht 20,000 thousand, Baht 16,000 thousand and Baht 5,000 thousand, respectively, which bear interest at the rate of a 3 months fixed deposit + 2% per annum and at the MOR. The Company has foreign credit facilities which comprises of packing credit, trust receipt, foreign exchange contracts and short-term loan amounting to Baht 242,000 thousand and USD 7,000 thousand (as at 31 December 2005 : Baht 322,000 thousand and USD 7,000 thousand). Overdrafts and loans from banks are guaranteed by the Company's directors, the Company's fixed deposits and the Company's land and construction thereof (Note 9 and 11).

As at 31 December 2006 and 2005, the Company has no outstanding overdrafts and loan from financial institutions.

15. TRADE ACCOUNTS PAYABLE

	(Unit : Thousand Baht)			
	CONSOLIDATED		THE COMPANY OWN F/S	
	2006	2005	2006	2005
Trade accounts payable - overseas	16,683	13,926	16,683	13,926
Trade accounts payable - domestic	19,156	9,821	19,156	9,821
Total	35,839	23,747	35,839	23,747

16. COMMITMENT AND CONTINGENT LIABILITIES

As at 31 December 2006 and 2005 the Company no has contingent liabilities for letter of guarantee to Metropolitan Electricity Authority issued by the bank amounting to Baht 1.3 million (2004 : Baht 1,3 million) which is guaranteed by the Company's fixed deposit (Note 9).

The subsidiary company has entered in agreements for office lease and the related services. The payments for the lease and service agreements is made on a monthly basis at Baht 36,000 starting from 1 August 2005 to 31 July 2008.

17. FORWARD FOREIGN EXCHANGE CONTRACTS

As at 31 December 2006 and 2005, the Company has no policy to use derivative financial instrument for speculation or commercial use.

Forward foreign exchange contracts are made to manage exposure of fluctuations in foreign currency exchange rates on specific transactions.

At 31 December 2006 the settlement dates on open forward contracts ranged 30 days to 90 days (2005 : 74 days to 94 days). The amount to be received and contractual exchange rates of the outstanding contracts were as follows:

		(Unit : Thousand Baht)	
		2006	2005
		<hr/>	<hr/>
Amount to be received			
US\$	134,195.23 (Baht 36.35 / US\$)	4,878	
US\$	200,000 (Baht 36.34 / US\$)	7,268	
US\$	300,000 (Baht 35.97 / US\$)	10,791	
US\$	100,000 (Baht 35.85 / US\$)	3,585	
US\$	69,202.3 (Baht 35.78 / US\$)	2,476	
US\$	246,898.45 (Baht 35.34 / US\$)	8,725	
US\$	200,000 (Baht 41.00 / US\$)		8,200
US\$	200,000 (Baht 40.95 / US\$)		8,190
US\$	100,000 (Baht 40.90 / US\$)		4,090
US\$	100,000 (Baht 40.89 / US\$)		4,089
US\$	41,420 (Baht 40.89 / US\$)		1,694
US\$	39,663 (Baht 41.02 / US\$)		1,627

18. DISCLOSURE ON FINANCIAL INFORMATION

18.1 Accounting policies

Details of significant accounting policies and method adopted, including criteria for the recognition of revenues and expenses in respect of each class of financial assets and liabilities are disclosed in Note 2 to the financial statements.

18.2 Currency exchange rates risk

The Company has assets and liabilities in foreign currency that are not covered by forward exchange contract, except for the accounts receivable that applied the forward exchange contract covering only those receivables in due and to be settled in the next period. The Company does not make forward exchange contract for all the transactions, so as to reduce any risk that may result in having too many forward exchange contracts, as well as the commitment fee payable to the bank in case such contracts are not fully utilized in the future.

	<u>2006</u>	<u>2005</u>
Current assets		
Cash at Banks		
USD	17,098	16,710
Trade accounts receivable - net		
USD	7,597,520	4,820,260
Current liabilities		
Trade accounts payable		
USD	460,454	305,844
EUR	-	40
Other accounts payable		
YEN	-	3,790,500
USD	56,000	-
CHF	1,730	-
EURO	2,286	-
Accrued commission		
USD	-	1,078

Exchange rates adopted for foreign currencies assets and liabilities as at 31 December are as follows:

	<i>(Unit : Baht)</i>	
	<u>2006</u>	<u>2005</u>
Assets		
1 USD	35.9555	40.9826
1 EURO	47.1483	48.4372
1 CFH	29.3264	31.1071

	<i>(Unit : Baht)</i>	
	<u>2006</u>	<u>2005</u>
Liabilities		
1 USD	36.2308	41.1746
1 EURO	47.7701	48.9498
1 CHF	29.7510	31.4584
100 YEN	30.5787	35.1085

18.3 Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect its results of operation and its cash flows. The Company is exposed to interest rate risk relating primarily to its deposits, overdrafts and loans from bank which are normally subject to interest rates specified by commercial bank. The Company considers such risk to be minimal since the interest rates pertaining to the aforementioned transactions are closed to the market rates. Therefore, the Company does not use derivative financial instruments to hedge such risk.

18.4 Credit risk

Credit risk arises from sales made on deferred credit terms. The Company controls its credit risk by setting counterparty limits and ensuring that sales of products are made to customers with an appropriate credit history.

18.5 Estimating fair value of financial assets and liabilities

Since the majority on the financial assets and liabilities are short-term, the management believes that the fair value of the Company's financial assets and liabilities do not materially differ from their carrying value.

19. Financial information by segment

Earnings of the Company divided by type of business nature are presented as follows:

(Unit : Thousand Baht)

Consolidated					
For the years ended 31 December					
2006			2005		
Export	Domestic	Total	Export	Domestic	Total

Revenues						
Sales	1,250,507	5,863	1,256,370	1,089,951	2,843	1,092,794
Other income	2,543	118	2,661	9,845	59	9,904
Total Revenues	1,253,050	5,981	1,259,031	1,099,796	2,902	1,102,698
Cost and Expenses						
Cost of sales	953,106	2,055	955,161	747,170	1,264	748,434
Selling and administrative expenses	132,192	5,245	137,437	93,289	2,322	95,611
Equity in net loss of subsidiary companies	-	-	-	-	-	-
Directors' remuneration	1,889	6	1,895	1,115	5	1,120
Total Cost and Expenses	1,087,187	7,306	1,094,493	841,574	3,591	845,165
Income before interest expense and income tax	165,863	(1,325)	164,538	258,222	(689)	257,533
Interest expense	(1,274)	(4)	(1,278)	(967)	(4)	(971)
Income tax	(33,460)	(254)	(33,714)	(53,502)	254	(53,248)
Income after income tax	131,129	(1,583)	129,546	203,753	(439)	203,314
Minority interest in net income	-	-	-	-	1	1
Net income	131,129	(1,583)	129,546	203,753	(438)	203,315

	31 December 2006			31 December 2005		
	Export	Domestic	Total	Export	Domestic	Total
Property, plant and equipment - net	198,230	1,119	199,349	171,266	1,305	172,571
Other assets	611,342	1,596	612,938	633,298	2,234	635,532
Total assets	809,572	2,715	812,287	804,564	3,539	808,103

(Unit : Thousand Baht)

	The Company's own F/S					
	For the years ended 31 December					
	2006			2005		
	Export	Domestic	Total	Export	Domestic	Total
Revenues						
Sales	1,250,507	3,930	1,254,437	1,089,951	4,445	1,094,396
Other income	2,543	8	2,551	9,845	41	9,886
Total Revenues	1,253,050	3,938	1,256,988	1,099,796	4,486	1,104,282

Cost and Expenses						
Cost of sales	953,106	2,995	956,101	747,170	3,076	750,246
Selling and administrative expenses	131,092	411	131,503	93,289	384	93,673
Equity in net loss of subsidiary companies	1,101	2,104	3,205	-	1,455	1,455
Directors' remuneration	1,889	6	1,895	1,115	5	1,120
Total Cost and Expenses	1,087,188	5,516	1,092,704	841,574	4,920	846,494
Income before interest expenses and income tax	165,862	(1,578)	164,284	258,222	(434)	257,788
Interest expense	(1,274)	(4)	(1,278)	(967)	(4)	(971)
Income tax	(33,460)	-	(33,460)	(53,502)	-	(53,502)
Net income	131,128	(1,582)	129,546	203,753	(438)	203,315
	31 December 2006			31 December 2005		
	Export	Domestic	Total	Export	Domestic	Total
Property, plant and equipment - net	197,963	622	198,585	171,266	705	171,971
Other assets	610,310	1,918	612,228	618,584	2,547	621,131
Total assets	808,273	2,540	810,813	789,850	3,252	793,102

20. LEGAL RESERVE

Legal reserve represents the reserve which the Company appropriated under the provisions of the Public Limited Companies Act B.E. 2535, which requires the Company to appropriate at least 5% of its net income after deduction of the deficit brought forward (if any) as reserve fund until the reserve reaches 10% of the authorized share capital. This reserve is not available for dividend distribution.

The Company had already appropriated a legal reserve in full amount at Baht 15 million.

21. DIVIDEND PAYMENT

	<u>Dividend Payment</u>				Period of dividend payment Quarter
	From the results of operations for the years ended 31st December	<u>Dividend</u> Baht / Share	Number of <u>ordinary shares</u> Thousand shares	<u>Total amount</u> Thousand Baht	
Extraordinary Shareholders Meeting					
No. 1/2004 on 26 January 2004	2003	650	200	130,000	1/2004
Ordinary Shareholders Meeting for the year					
2005 On 11 April 2005	2004	0.42	150,000	63,000	2/2005
Ordinary Shareholders Meeting for the year					
2006 On 11 April 2006	2005	0.80	150,000	120,000	2/2006

22. PROVIDENT FUND

The Company established a provident fund under the Provident Fund Act (B.E. 2530). The fund is contributed by the employees and the Company and is managed by the TMB Bank Public Company Limited. The fund will be paid to the employees upon termination in accordance with the rules of the fund.

In 2006, Baht 1.5 million has been contributed to the fund by the Company (2005 : Baht 1.5 million)

23. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's board of directors.