

GOLDFINE MANUFACTURERS PUBLIC COMPANY  
LIMITED AND ITS SUBSIDIARY COMPANY  
REPORT AND FINANCIAL STATEMENTS  
30th JUNE, 2005

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

I have reviewed the accompanying consolidated balance sheet of Goldfine Manufacturers Public Company Limited and its subsidiary as at 30th June, 2005, the related consolidated statements of earnings for the three-month and the six-month periods then ended, and the statements of change in shareholders' equity and cash flow for the six-month period then ended and the separate financial statements of Goldfine Manufacturers Public Company Limited for the same period. 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 review.

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

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

Another auditor in the same auditing firm had audited the financial statements for the year ended 31st December, 2004 of Goldfine Manufacturers Public Company Limited in accordance with generally accepted auditing standards, and express an unqualified audit opinion on those statements whose report thereon dated on 11th February, 2005. The balance sheet as at the same date presented herein for comparative purpose formed an integral part of the financial statements which such auditor had examined and reported thereon. I have not performed any other review procedures subsequent to the date of that report.

Another auditor in the same auditing firm had reviewed the financial statements for the six-month period ended 30th June, 2004 of Goldfine Manufacturers Public Company Limited in accordance with the auditing standards applicable to review engagement and drew a conclusion from the review that none of any other material modification should be made to financial statements in order for them to be in conformity with generally accepted accounting principles whose report thereon dated on 26th July, 2004. The statements of earnings for the three-month and the six-month periods then ended, change in shareholders' equity and cash flow for the six-month period then ended presented herein for comparative purpose formed an integral part of the financial statements which such auditor had reviewed and reported thereon. I have not performed any other review procedures subsequent to the date of that report.

Mr. Boonsri Techavarutama  
Certified Public Accountant (Thailand) No. 3336  
BDO Richfield Limited

BANGKOK : 2nd August, 2005

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

BALANCE SHEETS

(Unit : Thousand Baht)

	<u>Note</u>	Consolidated		The Company Only	
		As at 30th June, 2005 (Unaudited / but reviewed)	As at 31st December, 2004 (Audited)	As at 30th June, 2005 (Unaudited / but reviewed)	As at 31st December, 2004 (Audited)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4.1	33,464	121,279	28,564	121,279
Current investments	4.2	60,000	341	60,000	341
Trade accounts receivable - net	4.3	205,736	174,774	205,736	174,774
Inventories		225,603	209,162	225,603	209,162
Other current assets		6,468	5,816	6,468	5,816
<b>TOTAL CURRENT ASSETS</b>		<b>531,271</b>	<b>511,372</b>	<b>526,371</b>	<b>511,372</b>
<b>NON-CURRENT ASSETS</b>					
Fixed deposits	4.4	9,240	22,240	9,240	22,240
Investment for using equity method	4.5	-	-	4,878	-
Property, plant and equipment - net		146,728	134,790	146,728	134,790
Deferred income tax - assets	4.6	4,096	4,176	4,096	4,176
Other non-current assets		216	51	216	51
<b>TOTAL NON-CURRENT ASSETS</b>		<b>160,280</b>	<b>161,257</b>	<b>165,158</b>	<b>161,257</b>
<b>TOTAL ASSETS</b>		<b>691,551</b>	<b>672,629</b>	<b>691,529</b>	<b>672,629</b>

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

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DIRECTOR

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DIRECTOR

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

BALANCE SHEETS (Continued)

(Unit : Thousand Baht)

	Note	Consolidated		The Company Only	
		As at 30th June, 2005 (Unaudited / but reviewed)	As at 31st December, 2004 (Audited)	As at 30th June, 2005 (Unaudited / but reviewed)	As at 31st December, 2004 (Audited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Overdrafts and short-term loan					
from financial institutions	4.7	13,645	25,071	13,645	25,071
Trade accounts payable	4.8, 4.9	39,068	23,298	39,068	23,298
Accrued managements' remuneration	4.9	10,000	10,000	10,000	10,000
Income tax payable	4.6	20,271	30,174	20,271	30,174
Accrued bonus		6,000	-	6,000	-
Advance receipt from customers		6,103	4,693	6,103	4,693
Other current liabilities		4,973	5,211	4,952	5,211
<b>TOTAL LIABILITIES</b>		<b>100,060</b>	<b>98,447</b>	<b>100,039</b>	<b>98,447</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital					
Registered, issued and fully paid - up					
150,000,000 ordinary shares of Baht 1 each		150,000	150,000	150,000	150,000
Additional paid - in capital					
Premium on ordinary shares		157,500	157,500	157,500	157,500
Surplus on revaluation of assets		13,425	13,425	13,425	13,425
Retained earnings (deficit)					
Appropriated					
Legal reserve		15,000	15,000	15,000	15,000
Unappropriated		255,565	238,257	255,565	238,257
Shareholders' equity of parent company		591,490	574,182	591,490	574,182
Minority interest of subsidiary		1	-	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>591,491</b>	<b>574,182</b>	<b>591,490</b>	<b>574,182</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>691,551</b>	<b>672,629</b>	<b>691,529</b>	<b>672,629</b>
		0	0	0	0

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

DIRECTOR

DIRECTOR

(UNAUDITED / BUT REVIEWED)

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY  
STATEMENTS OF EARNINGS

(Unit : Thousand Baht)

	Note	For the three-month periods ended 30th June			
		Consolidated		The Company Only	
		2005	2004	2005	2004
REVENUES					
Sales		280,022	210,793	280,022	210,793
Other income		8,469	1,017	8,468	1,017
TOTAL REVENUES		<u>288,491</u>	<u>211,810</u>	<u>288,490</u>	<u>211,810</u>
EXPENSES					
Cost of sales	4.9	198,950	157,076	198,950	157,076
Selling and administrative expenses		21,971	17,929	21,970	17,929
TOTAL EXPENSES		<u>220,921</u>	<u>175,005</u>	<u>220,920</u>	<u>175,005</u>
EARNINGS (LOSS) BEFORE INTEREST EXPENSES AND INCOME TAX		67,570	36,805	67,570	36,805
INTEREST EXPENSES		-115	-966	-115	-966
INCOME TAX		-13,640	-10,892	-13,640	-10,892
EARNINGS (LOSS) BEFORE MINORITY INTEREST OF SUBSIDIARY		53,815	24,947	53,815	24,947
NET EARNINGS (LOSS) OF MINORITY INTEREST OF SUBSIDIARY		-	-	-	-
NET EARNINGS (LOSS)		<u>53,815</u>	<u>24,947</u>	<u>53,815</u>	<u>24,947</u>
EARNINGS (LOSS) PER SHARE (BAHT)					
Net earnings (loss)		<u>0.36</u>	<u>0.21</u>	<u>0.36</u>	<u>0.21</u>
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (THOUSAND SHARES)		150,000	120,000	150,000	120,000

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

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DIRECTOR

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DIRECTOR

(UNAUDITED / BUT REVIEWED)

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY  
STATEMENTS OF EARNINGS

(Unit : Thousand Baht)

	Note	For the six-month periods ended 30th June			
		Consolidated		The Company Only	
		2005	2004	2005	2004
REVENUES					
Sales		482,905	403,416	482,905	403,416
Other income		8,870	1,050	8,869	1,050
TOTAL REVENUES		<u>491,775</u>	<u>404,466</u>	<u>491,774</u>	<u>404,466</u>
EXPENSES					
Cost of sales	4.9	345,491	292,048	345,491	292,048
Selling and administrative expenses		45,359	48,469	45,358	48,469
TOTAL EXPENSES		<u>390,850</u>	<u>340,517</u>	<u>390,849</u>	<u>340,517</u>
EARNINGS (LOSS) BEFORE INTEREST EXPENSES AND INCOME TAX		100,925	63,949	100,925	63,949
INTEREST EXPENSES		-263	-1,253	-263	-1,253
INCOME TAX	4.6	<u>-20,354</u>	<u>-19,062</u>	<u>-20,354</u>	<u>-19,062</u>
EARNINGS (LOSS) BEFORE MINORITY INTEREST OF SUBSIDIARY		80,308	43,634	80,308	43,634
NET EARNINGS (LOSS) OF MINORITY INTEREST OF SUBSIDIARY		-	-	-	-
NET EARNINGS (LOSS)		<u>80,308</u>	<u>43,634</u>	<u>80,308</u>	<u>43,634</u>
EARNINGS (LOSS) PER SHARE (BAHT)					
Net earnings (loss)		<u>0.54</u>	<u>0.54</u>	<u>0.54</u>	<u>0.54</u>
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (THOUSAND SHARES)		150,000	80,989	150,000	80,989

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

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DIRECTOR

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DIRECTOR

(UNAUDITED / BUT REVIEWED)

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

STATEMENTS OF CASH FLOW

(Unit : Thousand Baht)

	For the six-month periods ended 30th June			
	Consolidated		The Company Only	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Cash flows from operating activities				
Net earnings (loss)	80,308	43,634	80,308	43,634
Adjustments to reconcile net earning to net cash provided by (used in) operating activities:				
(Gain) loss from current investment	(131)	(1)	(131)	(1)
Doubtful debt	(25)	1,776	(25)	1,776
Share of loss of from investment for using equity method	-	-	121	-
Depreciation	8,604	7,623	8,604	7,623
(Gain) loss on sales of fixed assets	548	-	548	-
Provision for impairment asset - amortization	(373)	(335)	(373)	(335)
Loss on impairment of asset	-	7,983	-	7,983
Unrealized (gain) loss on exchange rate	(5,208)	(822)	(5,208)	(822)
Deferred income tax - assets	80	(2,827)	80	(2,827)
	<u>83,803</u>	<u>57,031</u>	<u>83,924</u>	<u>57,031</u>
(Increase) decrease in operating assets:				
Trade accounts receivable	(25,145)	29,741	(25,145)	29,741
Inventories	(16,441)	(47,238)	(16,441)	(47,238)
Other current assets	(652)	(342)	(652)	(342)
Other non-current assets	(165)	11	(165)	11
Increase (decrease) in operating liabilities:				
Trade accounts payable	15,150	17,846	15,150	17,846
Accrued managements' remuneration	-	(17,000)	-	(17,000)
Income tax payable	(9,903)	(6,337)	(9,903)	(6,337)
Accrued bonus	6,000	7,200	6,000	7,200
Advance receipt from customers	1,410	1,207	1,410	1,207
Other current liabilities	(238)	(20,048)	(259)	(20,048)
Net cash provided by (used in) operating activities	<u>53,819</u>	<u>22,071</u>	<u>53,919</u>	<u>22,071</u>

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

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DIRECTOR

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DIRECTOR



(UNAUDITED / BUT REVIEWED)

## GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

## STATEMENTS OF CASH FLOW (Continued)

(Unit : Thousand Baht)

	For the six-month periods ended 30th June			
	Consolidated		The Company Only	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Cash flows from investing activities:				
Purchase of current investment	(48,184)	-	(48,184)	-
Proceeds from sale of current investment	48,656	-	48,656	-
(Increase) decrease in fixed deposits	13,000	(140)	13,000	(140)
Purchase of investment for using equity method	-	-	(4,999)	-
Proceeds from sales of fixed assets	1,822	-	1,822	-
Purchase of property, plant and equipment	(22,539)	(8,746)	(22,539)	(8,746)
Net cash provided by (used in) investing activities	<u>(7,245)</u>	<u>(8,886)</u>	<u>(12,244)</u>	<u>(8,886)</u>
Cash flows from financing activities:				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(11,426)	37,065	(11,426)	37,065
Increase in share capital	-	100,000	-	100,000
Dividend payment	(63,000)	(139,000)	(63,000)	(139,000)
Increase in minority interest	1	-	-	-
Net cash provided by (used in) financing activities	<u>(74,425)</u>	<u>(1,935)</u>	<u>(74,426)</u>	<u>(1,935)</u>
Effect of exchange rate on cash and cash equivalent	36	-	36	-
Net increase (decrease) in cash and cash equivalents	(27,815)	11,250	(32,715)	11,250
Cash and cash equivalents - beginning of the period	121,279	8,477	121,279	8,477
Cash and cash equivalents - ending of the period	<u>93,464</u>	<u>19,727</u>	<u>88,564</u>	<u>19,727</u>
Supplemental cash flows information				
Cash paid during the period				
Interest expenses	263	1,253	263	1,253
Income tax	30,257	28,226	30,257	28,226
Supplementary non-monetary items from				
Investing activities				
Increase in property, plant and equipment	-	(7,015)	-	(7,015)
Increase in surplus on revaluation of assets	-	7,015	-	7,015

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

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DIRECTOR\_\_\_\_\_  
DIRECTOR

(UNAUDITED / BUT REVIEWED)

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY  
STATEMENTS OF CASH FLOW (Continued)

(Unit : Thousand Baht)

	For the six-month periods ended 30th June			
	Consolidated		The Company Only	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Cash and cash equivalents				
Cash and deposits at financial institutions				
Petty cash	150	150	150	150
Cash at banks				
Saving accounts	32,672	19,282	27,706	19,282
Current accounts	642	295	708	295
	<u>33,464</u>	<u>19,727</u>	<u>28,564</u>	<u>19,727</u>
Current investments				
Fixed deposit account				
Bank Thai Public Company Limited	60,000	-	60,000	-
	<u>93,464</u>	<u>19,727</u>	<u>88,564</u>	<u>19,727</u>

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

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DIRECTOR

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DIRECTOR

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY  
STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY  
CONSOLIDATED  
FOR THE SIX-MONTH PERIODS ENDED 30th JUNE, 2005 AND 2004

(Unit : Thousand Baht)

Note	Issued and fully paid-up share capital	Premium on ordinary shares	Surplus on revaluation of assets	Retained earnings (deficit)		Minority interest of subsidiary	Total
				Appropriated legal reserve	Unappropriated		
Beginning balance as at 1st January, 2004	20,000	1,500	6,410	2,000	274,280	-	304,190
Ordinary shares - increase during the period	100,000	-	-	-	-	-	100,000
Increase from asset revaluation	-	-	7,015	-	-	-	7,015
Net earnings (loss)	-	-	-	-	43,634	-	43,634
Dividend payment	4.10	-	-	-	(130,000)	-	(130,000)
Legal reserve - increase during the period	-	-	-	7,200	(7,200)	-	-
Ending balance as at 30th June, 2004	<u>120,000</u>	<u>1,500</u>	<u>13,425</u>	<u>9,200</u>	<u>180,714</u>	<u>-</u>	<u>324,839</u>
Beginning balance as at 1st January, 2005	150,000	157,500	13,425	15,000	238,257	-	574,182
Net earnings (loss)	-	-	-	-	80,308	-	80,308
Dividend payment	4.10	-	-	-	(63,000)	-	(63,000)
Minority interest of subsidiary - increase during the period	-	-	-	-	-	1	1
Ending balance as at 30th June, 2005	<u>150,000</u>	<u>157,500</u>	<u>13,425</u>	<u>15,000</u>	<u>255,565</u>	<u>1</u>	<u>591,491</u>

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

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DIRECTOR\_\_\_\_\_  
DIRECTOR

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY  
 STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY  
 THE COMPANY ONLY  
 FOR THE SIX-MONTH PERIODS ENDED 30th JUNE, 2005 AND 2004

(Unit : Thousand Baht)

	Note	Issued and fully paid-up share capital	Premium on ordinary shares	Surplus on revaluation of assets	Retained earnings (deficit)		Total
					Appropriated legal reserve	Unappropriated	
Beginning balance as at 1st January, 2004		20,000	1,500	6,410	2,000	274,280	304,190
Ordinary shares - increase during the period		100,000	-	-	-	-	100,000
Increase from asset revaluation		-	-	7,015	-	-	7,015
Net earnings (loss)		-	-	-	-	43,634	43,634
Dividend payment	4.10	-	-	-	-	(130,000)	(130,000)
Legal reserve - increase during the period		-	-	-	7,200	(7,200)	-
Ending balance as at 30th June, 2004		<u>120,000</u>	<u>1,500</u>	<u>13,425</u>	<u>9,200</u>	<u>180,714</u>	<u>324,839</u>
Beginning balance as at 1st January, 2005		150,000	157,500	13,425	15,000	238,257	574,182
Net earnings (loss)		-	-	-	-	80,308	80,308
Dividend payment	4.10	-	-	-	-	(63,000)	(63,000)
Ending balance as at 30th June, 2005		<u>150,000</u>	<u>157,500</u>	<u>13,425</u>	<u>15,000</u>	<u>255,565</u>	<u>591,490</u>

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

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 DIRECTOR

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 DIRECTOR

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES  
NOTES TO FINANCIAL STATEMENTS

**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 engage in the business of manufacturing, import and export of ornament and jewelry. Its office is situated at Latkrabang Industrial Estate, Bangkok.

The subsidiary of the Company namely Oroplus (Thailand) Co., Ltd. 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 sale of jewelry and gems. The office located in Bangkok.

As at 30th June, 2005 and 2004, the Company and subsidiary have a total number of employees and staff costs for the six-month period then ended, as follows:

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Number of employees (person)	1,665	1,272	1,664	1,272
Staff cost shown under the caption of				
Cost of sales (Thousand Baht)	85,663	72,583	85,663	72,583
Selling and administrative expenses (Thousand Baht)	18,077	15,029	18,005	15,029

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

The consolidated financial statements and the separate financial statements of the Company have been prepared in accordance with Accounting Standard No. 41 "Interim Financial Statements". These financial statements are intended to provide information additional to that include in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the late annual financial statements.

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DIRECTOR

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DIRECTOR

(UNAUDITED / BUT REVIEWED)

The consolidated financial statements and the separate financial statements of the Company have been presented in accordance with the form of balance sheet and statement of earnings for public companies as required by the Department of Commercial Registration dated 14th September, 2001 regarding The Brief Particulars in the Financial Statement B.E. 2544 (2001), issued under the Accounting Act, B.E. 2543 (2000).

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>As at 30th</u> <u>June, 2005</u>	<u>As at 31st</u> <u>December, 2004</u>	<u>As at 30th</u> <u>June, 2005</u>	<u>As at 31st</u> <u>December, 2004</u>
Oroplus (Thailand) Co., Ltd.	Selling jewelry	Thailand	The subsidiary	99.99	-	Audited by the same auditor	-

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

### 3. ACCOUNTING POLICIES

The Company used the same accounting policies as the ones used for the preparation of the annual financial statements for the year 2004 and included additional accounting policy as follows:

#### 3.1 Long-term investment

Investment in subsidiary company

Investment in subsidiary company was accounted for using 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.

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DIRECTOR

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DIRECTOR

#### 4. SUPPLEMENTARY INFORMATION

##### 4.1 CASH AND CASH EQUIVALENTS

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>As at 30th June, 2005</u>	<u>As at 31st December, 2004</u>	<u>As at 30th June, 2005</u>	<u>As at 31st December, 2004</u>
Petty cash	150	150	150	150
Cash at banks				
Savings accounts	32,672	112,671	27,706	112,671
Current accounts	<u>642</u>	<u>8,458</u>	<u>708</u>	<u>8,458</u>
Total	<u>33,464</u>	<u>121,279</u>	<u>28,564</u>	<u>121,279</u>

The saving accounts of the Company and subsidiary company is maintained for the operation purpose.

##### 4.2 Current investments

	<u>Consolidated and The Company Only</u>		
	<u>As at 30th June, 2005</u>		
	<u>Type</u>	<u>Interest Rate</u>	<u>Thousand Baht</u>
		<u>% per annum</u>	
Fixed deposit account			
Bank Thai Public Company Limited	3 months term	1.5	60,000
Marketable equity securities			
TMB Money Fund	-	-	-
	<u>Consolidated and The Company Only</u>		
	<u>As at 31st December, 2004</u>		
	<u>Type</u>	<u>Interest Rate</u>	<u>Thousand Baht</u>
		<u>% per annum</u>	
Marketable equity securities			
TMB Money Fund	-	-	341

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DIRECTOR

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DIRECTOR

**4.3 Trade accounts receivable - net**

An aging analysis of the trade accounts receivable is set forth below.

*(Unit : Thousand Baht)*

	Consolidated and The Company Only	
	As at 30th <u>June, 2005</u>	As at 31st <u>December, 2004</u>
Not yet due	153,532	126,261
Overdue		
Less than or equal 3 months	47,537	43,867
More than 3 months and less than or equal 6 months	3,554	2,935
More than 6 months and less than or equal 12 months	1,484	2,281
More than 12 months	<u>1,190</u>	<u>1,396</u>
Total trade accounts receivable	207,297	176,740
Less : Allowance for doubtful account	<u>(1,561)</u>	<u>(1,966)</u>
Trade accounts receivable - net	<u>205,736</u>	<u>174,774</u>

**4.4 Fixed deposits**

As at 30th June, 2005, fixed deposits of Baht 9,240 thousand (as at 31st December, 2004 : Baht 22,240 thousand) have been used as a collateral for overdraft and foreign credits facilities with the banks and guarantee to the Metropolitan Electricity Authority.

**4.5 Investment for using equity method**

*(Unit : Thousand Baht)*

	Type of <u>business</u>	Share Capital <u>Holding</u>	Percentage of <u>Holding</u>	As at 30th June, 2005		
				Investments <u>at Cost</u>	Cumulative in share of earnings (loss) <u>in investments</u>	Investments in <u>Equity method</u>
Subsidiary company						
Oroplus (Thailand) Co., Ltd.	Selling jewelry	49,993	99.99	4,999	(121)	4,878

In June, 2005, the Company acquired 49,993 shares of investment in Oroplus (Thailand) Co., Ltd., thus its status becomes an subsidiary company.

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(UNAUDITED / BUT REVIEWED)

The financial information for recording investment in subsidiary company by equity method in the financial statements are as follows :-

	<u>Financial Information</u>
	<u>As at 30th June, 2005</u>
Subsidiary company	
Oroplus (Thailand) Co., Ltd.	Audited by the same auditor

#### 4.6 INCOME TAX

(Unit : Thousand Baht)

	<u>Consolidated and The Company Only</u>			
	<u>For the six-month periods ended 30th June</u>			
	<u>2005</u>		<u>2004</u>	
	<u>Tax Expense</u>	<u>Tax Payable</u>	<u>Tax Expense</u>	<u>Tax Payable</u>
Net earnings (loss)	100,662	100,662	62,696	62,696
Timing difference - expenditure				
Add (less) : Allowance for doubtful account	-	(25)	-	1,776
Provision for impairment asset	-	-	-	7,983
Difference in depreciation from setting up				
provision for impairment asset	-	(373)	-	(335)
Share of loss of from subsidiary	-	121	-	-
Permanent difference - expenditure				
Add : Disallowable expenses	<u>988</u>	<u>988</u>	<u>846</u>	<u>846</u>
Net earnings (loss) for tax calculation	<u>101,650</u>	<u>101,373</u>	<u>63,542</u>	<u>72,966</u>
Income tax	20,330	20,275	19,062	21,890
Deferred income tax - assets				
Allowance for doubtful account	(5)	-	533	-
Provision for impairment asset	-	-	2,395	-
Difference in depreciation from setting up				
provision for impairment asset	(74)	-	(100)	-
Share of loss of from subsidiary	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>20,275</u>	20,275	<u>21,890</u>	21,890
Less : Withholding tax		<u>(4)</u>		<u>(1)</u>
Income tax payable		<u>20,271</u>		<u>21,889</u>

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DIRECTOR

(UNAUDITED / BUT REVIEWED)

(Unit : Thousand Baht)

	For the six-month periods ended 30th June			
	Consolidated		The Company Only	
	2005	2004	2005	2004
<u>Statements of earnings</u>				
Income tax of parent company	20,330	19,062	20,330	19,062
Tax benefit of subsidiary company	<u>(18)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	20,312	19,062	20,330	19,062
Add : Valuation allowance on deferred income tax asset	<u>42</u>	<u>-</u>	<u>24</u>	<u>-</u>
Total	<u>20,354</u>	<u>19,062</u>	<u>20,354</u>	<u>19,062</u>

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	As at 30th	As at 31st	As at 30th	As at 31st
	<u>June, 2005</u>	<u>December, 2004</u>	<u>June, 2005</u>	<u>December, 2004</u>
<u>Balance sheets</u>				
Deferred income tax - assets arising from timing difference				
Allowance for doubtful account	584	590	584	590
Provision for impairment asset	<u>3,586</u>	<u>3,951</u>	<u>3,586</u>	<u>3,951</u>
Less : Difference in depreciation from setting up provision for impairment asset	<u>(74)</u>	<u>(365)</u>	<u>(74)</u>	<u>(365)</u>
	3,512	3,586	3,512	3,586
Share of loss of from subsidiary company	<u>24</u>	<u>-</u>	<u>24</u>	<u>-</u>
Tax benefit from net taxable loss for the period as from 26th May, 2005 to 30th June, 2005	<u>18</u>	<u>-</u>	<u>-</u>	<u>-</u>
	42	-	24	-
Less : Valuation allowance on deferred income tax asset	<u>(42)</u>	<u>-</u>	<u>(24)</u>	<u>-</u>
	-	-	-	-
Total	<u>4,096</u>	<u>4,176</u>	<u>4,096</u>	<u>4,176</u>

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**4.7 OVERDRAFTS AND SHORT-TERM LOAN FROM FINANCIAL INSTITUTIONS**

*(Unit : Thousand Baht)*

	Consolidated and	
	The Company Only	
	As at 30th	As at 31st
	<u>June, 2005</u>	<u>December, 2004</u>
Trust receipt	13,645	21,885
Bank overdrafts	<u>-</u>	<u>3,186</u>
Total	<u>13,645</u>	<u>25,071</u>

As at 30th June, 2005, the Company has overdraft facilities with three local banks amounting to Baht 16,000 thousand, Baht 10,000 thousand and Baht 5,000 thousand, respectively, (as at 31st December, 2004 : the Company has overdraft facilities with four local banks amounting to Baht 16,000 thousand, Baht 11,000 thousand, Baht 5,000 thousand and Baht 10,000 thousand, respectively), which bear interest at the rate of a 3 months term fixed deposit + 2% per annum and at the MOR and the Company has foreign credit line which comprises of packing credit, trust receipt, foreign exchange contracts and short-term loan amounting to Baht 170,000 thousand and USD 7,000 thousand (as at 31st December, 2004 : Baht 210,000 thousand and USD 3,000 thousand). Overdrafts and loans from banks were guaranteed by the Company's directors, the Company's fixed deposits and the Company's land and construction thereof.

**4.8 TRADE ACCOUNTS PAYABLE**

*(Unit : Thousand Baht)*

	Consolidated and	
	The Company Only	
	As at 30th	As at 31st
	<u>June, 2005</u>	<u>December, 2004</u>
Trade accounts payable - overseas	12,382	4,521
Trade accounts payable - domestic	<u>26,686</u>	<u>18,777</u>
Total	<u>39,068</u>	<u>23,298</u>

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 DIRECTOR

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 DIRECTOR

#### 4.9 TRANSACTIONS WITH RELATED PARTIES

The Company has certain transactions with its related parties. A portion of the Company's liabilities 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>As at 30th</u>	<u>As at 31st</u>
			<u>June, 2005</u>	<u>December, 2004</u>
			%	%
Treasure Box Company Limited	Manufacturing and Selling of jewelry box	Co-managing	-	-
Oroplus (Thailand) Company Limited	Selling of jewelry	The subsidiary	99.99	-

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

##### Purchases

Purchase of goods from related companies 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 staff based on their ability to achieve the sales target set at the beginning of the year.

The outstanding balance of transactions with related parties are as follows:

	<i>(Unit : Thousand Baht)</i>	
	<u>As at 30th</u>	<u>As at 31st</u>
	<u>June, 2005</u>	<u>December, 2004</u>
Trade account payable		
Treasure Box Company Limited	-	670
Accrued managements' remuneration		
Management and director	10,000	10,000

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DIRECTOR

(UNAUDITED / BUT REVIEWED)

Transactions with related parties for the six-month periods ended 30th June, are as follow:

*(Unit : Thousand Baht)*

	<u>2005</u>	<u>2004</u>
Purchases		
Treasure Box Company Limited	651	-

#### 4.10 Dividend payment

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

#### 4.11 Commitment and contingent liabilities

As at 30th June, 2005 the Company has contingent liabilities for letter of Metropolitan Electricity Authority guarantee issued by the bank which reflect no differences from the amount and condition represented in the financial statements for the year 2004.

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

#### 4.12 FORWARD FOREIGN EXCHANGE CONTRACTS

As at 30th June, 2005 and as at 31st December, 2004, the Company has no policy to use derivative financial instrument for speculation or commercial use.

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

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(UNAUDITED / BUT REVIEWED)

At 30th June, 2005 the settlement dates on open forward contracts ranged 89 days to 95 days (as at 31st December, 2004 : 89 days to 95 days). The amount to be received and contractual exchange rates of the outstanding contracts were:

	<i>(Unit : Thousand Baht)</i>	
	As at 30th	As at 31st
	<u>June, 2005</u>	<u>December, 2004</u>
Amount to be received		
US\$ 16,740 (Baht 40.53 / US\$)	678	-
US\$ 100,000 (Baht 40.77 / US\$)	4,077	-
US\$ 100,000 (Baht 41.06 / US\$)	4,106	-
US\$ 100,000 (Baht 41.09 / US\$)	4,109	-
US\$ 10,145 (Baht 40.66 / US\$)	412	-
US\$ 200,000 (Baht 40.75 / US\$)	8,150	-
US\$ 100,000 (Baht 41.05 / US\$)	4,105	-
US\$ 400,000 (Baht 39.07 / US\$)	-	15,628
US\$ 400,000 (Baht 38.96 / US\$)	-	15,584
US\$ 300,000 (Baht 38.98 / US\$)	-	11,694
US\$ 100,000 (Baht 39.03 / US\$)	-	3,903
US\$ 30,683 (Baht 39.16 / US\$)	-	1,202

#### **4.13 DISCLOSURE ON FINANCIAL INFORMATION**

##### **4.13.1 Risk from conversion of currency**

The Company has assets and liabilities in foreign currency that are not covered by forward exchange contract, except for the account receivables that applied the forward exchange contract covering only those receivables in due and to be settled in the next period. The Company does not take out 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.

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DIRECTOR

(UNAUDITED / BUT REVIEWED)

	As at 30th	As at 31st
	<u>June, 2005</u>	<u>December, 2004</u>
Current assets		
Cash at Banks		
USD	16,590	16,507
Trade accounts receivable - net		
USD	4,358,166	3,239,207
Current liabilities		
Bank overdrafts and short-term loan from financial institutions		
USD	-	206,729
Trade accounts payable		
USD	297,172	114,070
CHF	2,370	-
EUR	-	916
Accrued commission		
USD	376	8,267

Exchange rates adopted for foreign currencies assets and liabilities as follows:

	As at 30th	As at 31st
	<u>June, 2005</u>	<u>December, 2004</u>
Assets		
1    USD	41.2225	39.0147
1    CHF	32.0663	34.2704
1    EURO	49.6552	52.9333
Liabilities		
1    USD	41.4091	39.2025
1    CHF	32.4282	34.6986
1    EURO	50.1787	53.4818

**4.13.2** The Company have the same policies for interest rate risk, credit risk and the estimation of the fair values of financial assets and liabilities as those presented in the financial statements for the year 2004.

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**4.14 FINANCIAL INFORMATION BY SEGMENT**

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

(Unit : Thousand Baht)

Consolidated									
For the six-month periods ended 30th June,									
	2005					2004			
	Gold	Silver	Accessories	Others	Total	Gold	Silver	Others	Total
Sales	201,519	280,115	1,271	-	482,905	219,652	183,764	-	403,416
Other income	-	-	-	8,870	8,870	-	-	1,050	1,050
Total revenues	201,519	280,115	1,271	8,870	491,775	219,652	183,764	1,050	404,466
Cost of sales	<u>(144,175)</u>	<u>(200,406)</u>	<u>(910)</u>	-	<u>(345,491)</u>	<u>(159,014)</u>	<u>(133,034)</u>	-	<u>(292,048)</u>
Gross profit	<u>57,344</u>	<u>79,709</u>	<u>361</u>	<u>8,870</u>	146,284	<u>60,638</u>	<u>50,730</u>	<u>1,050</u>	112,418
Selling and administrative expenses					(45,359)				(48,469)
Interest expenses					(263)				(1,253)
Income tax					<u>(20,354)</u>				<u>(19,062)</u>
Net earnings (loss)					<u>80,308</u>				<u>43,634</u>

**5. APPROVAL OF FINANCIAL STATEMENTS**

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

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DIRECTOR

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DIRECTOR