

GOLDFINE MANUFACTURERS PUBLIC COMPANY
LIMITED AND ITS SUBSIDIARY COMPANY
REPORT AND FINANCIAL STATEMENTS
30th SEPTEMBER, 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 September, 2005, the related consolidated statements of earnings for the three-month and the nine-month periods then ended, and the statements of change in shareholders' equity and cash flow for the nine-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 nine-month period ended 30th September, 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 27th October, 2004. The statements of earnings for the three-month and the nine-month periods then ended, change in shareholders' equity and cash flow for the nine-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 : 28th October, 2005

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

BALANCE SHEETS

AS AT 30th SEPTEMBER, 2005 AND AS AT 31st DECEMBER, 2004

(Unit : Thousand Baht)

	Note	Consolidated		The Company Only	
		<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
		(Unaudited / but reviewed)	(Audited)	(Unaudited / but reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	31,333	121,279	27,895	121,279
Current investments	4.2	70,000	341	70,000	341
Trade accounts receivable - net	4.3, 4.11	254,049	174,774	254,149	174,774
Inventories	4.4	259,380	209,162	259,267	209,162
Other current assets		6,081	5,816	5,983	5,816
Total current assets		<u>620,843</u>	<u>511,372</u>	<u>617,294</u>	<u>511,372</u>
NON-CURRENT ASSETS					
Fixed deposits	4.5	6,240	22,240	6,240	22,240
Investment for using equity method	4.6	-	-	4,321	-
Property, plant and equipment - net	4.7	162,446	134,790	161,875	134,790
Deferred income tax - assets	4.8	2,891	4,176	2,772	4,176
Other non-current assets		404	51	265	51
Total non-current assets		<u>171,981</u>	<u>161,257</u>	<u>175,473</u>	<u>161,257</u>
TOTAL ASSETS		<u><u>792,824</u></u>	<u><u>672,629</u></u>	<u><u>792,767</u></u>	<u><u>672,629</u></u>

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

DIRECTOR

DIRECTOR

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY

BALANCE SHEETS (Continued)

AS AT 30th SEPTEMBER, 2005 AND AS AT 31st DECEMBER, 2004

(Unit : Thousand Baht)

	Note	Consolidated		The Company Only	
		<u>2005</u> (Unaudited / but reviewed)	<u>2004</u> (Audited)	<u>2005</u> (Unaudited / but reviewed)	<u>2004</u> (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Overdrafts and short-term loan from financial institutions	4.9	49,035	25,071	49,035	25,071
Trade accounts payable	4.10, 4.11	48,116	23,298	48,116	23,298
Accrued managements' remuneration	4.11	-	10,000	-	10,000
Income tax payable	4.8	17,080	30,174	17,080	30,174
Accrued bonus		9,000	-	9,000	-
Advance receipt from customers		7,247	4,693	7,247	4,693
Other current liabilities		5,290	5,211	5,237	5,211
Total current liabilities		<u>135,768</u>	<u>98,447</u>	<u>135,715</u>	<u>98,447</u>
NON-CURRENT LIABILITIES					
Employee guarantee payable		<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>135,771</u>	<u>98,447</u>	<u>135,715</u>	<u>98,447</u>
SHAREHOLDERS' EQUITY					
Share capital					
Registered, issued and paid - up					
150 million 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		321,127	238,257	321,127	238,257
Shareholders' equity of parent company		<u>657,052</u>	<u>574,182</u>	<u>657,052</u>	<u>574,182</u>
Minority interest of subsidiary		<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SHAREHOLDERS' EQUITY		<u>657,053</u>	<u>574,182</u>	<u>657,052</u>	<u>574,182</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>792,824</u>	<u>672,629</u>	<u>792,767</u>	<u>672,629</u>
		-	-	-	-

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
FOR THE THREE-MONTH PERIODS ENDED 30th SEPTEMBER, 2005 AND 2004

(Unit : Thousand Baht)

	Note	Consolidated		The Company Only	
		<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
REVENUES					
Sales		298,685	259,331	298,797	259,331
Other income		(558)	676	(558)	676
TOTAL REVENUES		<u>298,127</u>	<u>260,007</u>	<u>298,239</u>	<u>260,007</u>
EXPENSES					
Cost of sales		193,475	190,871	193,588	190,871
Selling and administrative expenses		20,627	19,265	20,507	19,265
TOTAL EXPENSES		<u>214,102</u>	<u>210,136</u>	<u>214,095</u>	<u>210,136</u>
EARNINGS (LOSS) BEFORE INTEREST EXPENSES					
AND INCOME TAX		84,025	49,871	84,144	49,871
INTEREST EXPENSES		(175)	(738)	(175)	(738)
INCOME TAX		(18,288)	(14,854)	(18,407)	(14,854)
EARNINGS (LOSS) BEFORE MINORITY INTEREST					
OF SUBSIDIARY		65,562	34,279	65,562	34,279
NET EARNINGS (LOSS) OF MINORITY INTEREST					
OF SUBSIDIARY		-	-	-	-
NET EARNINGS (LOSS)		<u>65,562</u>	<u>34,279</u>	<u>65,562</u>	<u>34,279</u>
EARNINGS (LOSS) PER SHARE (BAHT)					
Net earnings (loss)		<u>0.43</u>	<u>0.29</u>	<u>0.43</u>	<u>0.29</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.

DIRECTOR

DIRECTOR

(UNAUDITED / BUT REVIEWED)

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY
STATEMENTS OF EARNINGS
FOR THE NINE-MONTH PERIODS ENDED 30th SEPTEMBER, 2005 AND 2004

(Unit : Thousand Baht)

	Note	Consolidated		The Company Only	
		2005	2004	2005	2004
REVENUES					
Sales	4.11	781,590	662,747	781,702	662,747
Other income		8,312	1,726	8,311	1,726
TOTAL REVENUES		<u>789,902</u>	<u>664,473</u>	<u>790,013</u>	<u>664,473</u>
EXPENSES					
Cost of sales	4.11	538,966	482,919	539,079	482,919
Selling and administrative expenses		65,986	67,734	65,865	67,734
TOTAL EXPENSES		<u>604,952</u>	<u>550,653</u>	<u>604,944</u>	<u>550,653</u>
EARNINGS (LOSS) BEFORE INTEREST EXPENSES					
AND INCOME TAX		184,950	113,820	185,069	113,820
INTEREST EXPENSES		(438)	(1,991)	(438)	(1,991)
INCOME TAX	4.8	(38,642)	(33,916)	(38,761)	(33,916)
EARNINGS (LOSS) BEFORE MINORITY INTEREST					
OF SUBSIDIARY		145,870	77,913	145,870	77,913
NET EARNINGS (LOSS) OF MINORITY INTEREST					
OF SUBSIDIARY		-	-	-	-
NET EARNINGS (LOSS)		<u>145,870</u>	<u>77,913</u>	<u>145,870</u>	<u>77,913</u>
EARNINGS (LOSS) PER SHARE (BAHT)					
Net earnings (loss)		<u>0.97</u>	<u>0.83</u>	<u>0.97</u>	<u>0.83</u>
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES					
(THOUSAND SHARES)		150,000	94,087	150,000	94,087

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 CHANGE IN SHAREHOLDERS' EQUITY
CONSOLIDATED
FOR THE NINE-MONTH PERIODS ENDED 30th SEPTEMBER, 2005 AND 2004

(Unit : Thousand Baht)

	Note	Issued and 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		
Balance as at beginning of period 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)		-	-	-	-	77,913	-	77,913
Dividend payment	4.12	-	-	-	-	(130,000)	-	(130,000)
Legal reserve - increase during the period		-	-	-	8,900	(8,900)	-	-
Balance as at end of period 2004		<u>120,000</u>	<u>1,500</u>	<u>13,425</u>	<u>10,900</u>	<u>213,293</u>	<u>-</u>	<u>359,118</u>
Balance as at beginning of period 2005		150,000	157,500	13,425	15,000	238,257	-	574,182
Net earnings (loss)		-	-	-	-	145,870	-	145,870
Dividend payment	4.12	-	-	-	-	(63,000)	-	(63,000)
Minority interest of subsidiary - increase during the period		-	-	-	-	-	1	1
Balance as at end of period 2005		<u>150,000</u>	<u>157,500</u>	<u>13,425</u>	<u>15,000</u>	<u>321,127</u>	<u>1</u>	<u>657,053</u>

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 CHANGE IN SHAREHOLDERS' EQUITY

THE COMPANY ONLY

FOR THE NINE-MONTH PERIODS ENDED 30th SEPTEMBER, 2005 AND 2004

(Unit : Thousand Baht)

	Note	Issued and paid-up share capital	Premium on ordinary shares	Surplus on revaluation of assets	Retained earnings (deficit)		Total
					Appropriated legal reserve	Unappropriated	
Balance as at beginning of period 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)		-	-	-	-	77,913	77,913
Dividend payment	4.12	-	-	-	-	(130,000)	(130,000)
Legal reserve - increase during the period		-	-	-	8,900	(8,900)	-
Balance as at end of period 2004		<u>120,000</u>	<u>1,500</u>	<u>13,425</u>	<u>10,900</u>	<u>213,293</u>	<u>359,118</u>
Balance as at beginning of period 2005		150,000	157,500	13,425	15,000	238,257	574,182
Net earnings (loss)		-	-	-	-	145,870	145,870
Dividend payment	4.12	-	-	-	-	(63,000)	(63,000)
Balance as at end of period 2005		<u>150,000</u>	<u>157,500</u>	<u>13,425</u>	<u>15,000</u>	<u>321,127</u>	<u>657,052</u>

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 CASH FLOW
FOR THE NINE-MONTH PERIODS ENDED 30th SEPTEMBER, 2005 AND 2004

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	2005	2004	2005	2004
Cash flows from operating activities :				
Net earnings (loss)	145,870	77,913	145,870	77,913
Adjustments to reconcile net earning to net cash provided by (used in) operating activities:				
(Gain) loss from current investment	(131)	(2)	(131)	(2)
Doubtful debt	(228)	1,638	(228)	1,638
Bad debt	1,014	-	1,014	-
Share of loss of from investment for using equity method	-	-	678	-
Depreciation	12,924	11,489	12,908	11,489
(Gain) loss on sales of fixed assets	(371)	-	(371)	-
Provision for impairment asset - amortization	(512)	(547)	(512)	(547)
Loss on impairment of asset	-	7,983	-	7,983
Unrealized (gain) loss on exchange rate	383	(203)	383	(203)
Deferred income tax - assets	1,285	(2,722)	1,404	(2,722)
	<u>160,234</u>	<u>95,549</u>	<u>161,015</u>	<u>95,549</u>
(Increase) decrease in operating assets:				
Trade accounts receivable	(80,494)	2,346	(80,594)	2,346
Inventories	(50,218)	(91,731)	(50,105)	(91,731)
Other current assets	(265)	(981)	(167)	(981)
Other non-current assets	(353)	17	(214)	17
Increase (decrease) in operating liabilities:				
Trade accounts payable	24,837	30,948	24,837	30,948
Accrued managements' remuneration	(10,000)	(17,000)	(10,000)	(17,000)
Income tax payable	(13,094)	(10,714)	(13,094)	(10,714)
Accrued bonus	9,000	10,800	9,000	10,800
Advance receipt from customers	2,554	1,961	2,554	1,961
Other current liabilities	79	(22,987)	26	(22,987)
Employee guarantee payable	3	-	-	-
Net cash provided by (used in) operating activities	<u>42,283</u>	<u>(1,792)</u>	<u>43,258</u>	<u>(1,792)</u>

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 CASH FLOW (Continued)****FOR THE NINE-MONTH PERIODS ENDED 30th SEPTEMBER, 2005 AND 2004***(Unit : Thousand Baht)*

	Consolidated		The Company Only	
	2005	2004	2005	2004
Cash flows from investing activities:				
Purchase of current investment	(48,101)	-	(48,101)	-
Proceeds from sale of current investment	48,573	-	48,573	-
(Increase) decrease in fixed deposits	16,000	(140)	16,000	(140)
Purchase of investment for using equity method	-	-	(4,999)	-
Proceeds from sales of fixed assets	2,972	-	2,972	-
Purchase of property, plant and equipment	(42,669)	(19,953)	(42,082)	(19,953)
Net cash provided by (used in) investing activities	(23,225)	(20,093)	(27,637)	(20,093)
Cash flows from financing activities:				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	23,964	55,882	23,964	55,882
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	(39,035)	16,882	(39,036)	16,882
Effect of exchange rate on cash and cash equivalent	31	-	31	-
Net increase (decrease) in cash and cash equivalents	(19,946)	(5,003)	(23,384)	(5,003)
Cash and cash equivalents - beginning of the period	121,279	8,477	121,279	8,477
Cash and cash equivalents - ending of the period	101,333	3,474	97,895	3,474
Supplemental cash flows information				
Cash paid during the period				
Interest expenses	438	1,991	438	1,991
Income tax	50,237	47,352	50,237	47,352
Supplementary non-monetary items from				
Investing activities and financing activities				
Increase in property, plant and equipment	-	(7,015)	-	(7,015)
Increase in surplus on revaluation of assets	-	7,015	-	7,015
Increase in legal reserve	-	8,900	-	8,900
Decrease in retained earnings -unappropriated	-	(8,900)	-	(8,900)

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 CASH FLOW (Continued)
FOR THE NINE-MONTH PERIODS ENDED 30th SEPTEMBER, 2005 AND 2004

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	2005	2004	2005	2004
Cash and cash equivalents				
Cash and deposits at financial institutions				
Petty cash	155	150	150	150
Cash at banks				
Saving accounts	29,132	2,703	25,572	2,703
Current accounts	2,046	621	2,173	621
	31,333	3,474	27,895	3,474
Current investments				
Fixed deposit account				
Bank Thai Public Company Limited	70,000	-	70,000	-
	101,333	3,474	97,895	3,474
	101,333	3,474	97,895	3,474

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

DIRECTOR

DIRECTOR

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANY**NOTES TO FINANCIAL STATEMENTS****AS AT 30th SEPTEMBER, 2005 AND AS AT 31st DECEMBER, 2004****AND FOR THE NINE-MONTH PERIODS ENDED 30th SEPTEMBER, 2005 AND 2004****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 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 September, 2005 and 2004, the Company and subsidiary have a total number of employees and staff costs for the nine-month periods 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)	1,630	1,343	1,626	1,343
Staff cost shown under the caption of				
Cost of sales (Thousand Baht)	130,194	112,613	130,194	112,613
Selling and administrative expenses (Thousand Baht)	25,555	23,164	25,026	23,164

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 latest annual financial statements.

DIRECTOR

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 company 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>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Oroplus (Thailand) Co., Ltd.	Selling jewelry and gems	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.

DIRECTOR

DIRECTOR

4. SUPPLEMENTARY INFORMATION

4.1 Cash and cash equivalents

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Petty cash	155	150	150	150
Cash at banks				
Savings accounts	29,132	112,671	25,572	112,671
Current accounts	<u>2,046</u>	<u>8,458</u>	<u>2,173</u>	<u>8,458</u>
Total	<u>31,333</u>	<u>121,279</u>	<u>27,895</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>2005</u>		
	<u>Type</u>	<u>Interest Rate</u>	<u>Thousand Baht</u>
		% per annum	
Fixed deposit account			
Bank Thai Public Company Limited	3 months term	1.5	70,000
Marketable equity securities			
TMB Money Fund	-	-	-
	<u>Consolidated and The Company Only</u>		
	<u>2004</u>		
	<u>Type</u>	<u>Interest Rate</u>	<u>Thousand Baht</u>
		% per annum	
Marketable equity securities			
TMB Money Fund	-	-	341

DIRECTOR

DIRECTOR

4.3 Trade accounts receivable - net

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

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Not yet due	128,602	126,261	128,702	126,261
Overdue				
Less than or equal 3 months	92,364	43,867	92,364	43,867
More than 3 months and less than or equal 6 months	31,111	2,935	31,111	2,935
More than 6 months and less than or equal 12 months	2,629	2,281	2,629	2,281
More than 12 months	<u>1,081</u>	<u>1,396</u>	<u>1,081</u>	<u>1,396</u>
Total trade accounts receivable	255,787	176,740	255,887	176,740
Less : Allowance for doubtful account	<u>(1,738)</u>	<u>(1,966)</u>	<u>(1,738)</u>	<u>(1,966)</u>
Trade accounts receivable - net	<u>254,049</u>	<u>174,774</u>	<u>254,149</u>	<u>174,774</u>

4.4 Inventories

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Raw material	156,446	151,708	156,446	151,708
Work in process	56,930	43,682	56,930	43,682
Finished goods	33,222	2,274	33,109	2,274
Factory supplies	12,628	11,498	12,628	11,498
Goods in transit	<u>154</u>	<u>-</u>	<u>154</u>	<u>-</u>
Total	<u>259,380</u>	<u>209,162</u>	<u>259,267</u>	<u>209,162</u>

DIRECTOR

DIRECTOR

4.5 Fixed deposits

As at 30th September, 2005, fixed deposits of Baht 6,240 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 (Note 4.9) and guarantee to the Metropolitan Electricity Authority (Note 4.13).

4.6 Investment for using equity method

(Unit : Thousand Baht)

			2005			
Type of <u>business</u>	Share Capital <u>Holding</u>	Percentage of <u>Holding</u>	Investments at Cost	Cumulative in share		
				of earnings (loss) in investments	Investments in Equity method	
Subsidiary company						
Oroplus (Thailand) Co., Ltd. Selling jewelry and gems	49,993	99.99	4,999	(678)	4,321	

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

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

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

DIRECTOR

DIRECTOR

(UNAUDITED / BUT REVIEWED)

4.7 Property, plant and equipment - net

(Unit : Thousand Baht)

	Consolidated										
	<u>Land</u>	<u>Land - appraisal increment</u>	<u>Land improvement</u>	<u>Building and improvement</u>	<u>Machinery and equipment</u>	<u>Tools and equipment</u>	<u>Furniture and office equipment</u>	<u>Software right</u>	<u>Vehicles</u>	<u>Construction in process</u>	<u>Total</u>
Cost :											
As at 1st January, 2005	21,195	13,425	1,655	66,556	60,372	34,765	16,829	-	28,972	2,550	246,319
Purchase	-	-	-	-	6,061	4,171	4,029	28	16,446	11,934	42,669
Disposal	-	-	-	-	-	-	-	-	(5,393)	-	(5,393)
As at 30th September, 2005	21,195	13,425	1,655	66,556	66,433	38,936	20,858	28	40,025	14,484	283,595
Accumulated depreciation :											
As at 1st January, 2005	-	-	433	22,447	28,130	23,307	14,728	-	10,531	-	99,576
Depreciation charge for the period	-	-	248	2,489	4,030	3,294	734	-	2,129	-	12,924
Depreciation - disposal	-	-	-	-	-	-	-	-	(2,792)	-	(2,792)
As at 30th September, 2005	-	-	681	24,936	32,160	26,601	15,462	-	9,868	-	109,708
Provision for impairment asset :											
As at 1st January, 2005	-	-	-	11,953	-	-	-	-	-	-	11,953
Amortization during the period	-	-	-	(512)	-	-	-	-	-	-	(512)
As at 30th September, 2005	-	-	-	11,441	-	-	-	-	-	-	11,441
Net book value											
As at 30th September, 2005	21,195	13,425	974	30,179	34,273	12,335	5,396	28	30,157	14,484	162,446
As at 31st December, 2004	21,195	13,425	1,222	32,156	32,242	11,458	2,101	-	18,441	2,550	134,790

DIRECTOR

DIRECTOR

(UNAUDITED / BUT REVIEWED)

(Unit : Thousand Baht)

	The Company Only									
	Land	Land - appraisal increment	Land improvement	Building and improvement	Machinery and equipment	Tools and equipment	Furniture and office equipment	Vehicles	Construction in process	Total
Cost :										
As at 1st January, 2005	21,195	13,425	1,655	66,556	60,372	34,765	16,829	28,972	2,550	246,319
Purchase	-	-	-	-	6,061	3,827	3,814	16,446	11,934	42,082
Disposal	-	-	-	-	-	-	-	(5,393)	-	(5,393)
As at 30th September, 2005	21,195	13,425	1,655	66,556	66,433	38,592	20,643	40,025	14,484	283,008
Accumulated depreciation :										
As at 1st January, 2005	-	-	433	22,447	28,130	23,307	14,728	10,531	-	99,576
Depreciation charge for the period	-	-	248	2,489	4,030	3,284	728	2,129	-	12,908
Depreciation - disposal	-	-	-	-	-	-	-	(2,792)	-	(2,792)
As at 30th September, 2005	-	-	681	24,936	32,160	26,591	15,456	9,868	-	109,692
Provision for impairment asset :										
As at 1st January, 2005	-	-	-	11,953	-	-	-	-	-	11,953
Amortization during the period	-	-	-	(512)	-	-	-	-	-	(512)
As at 30th September, 2005	-	-	-	11,441	-	-	-	-	-	11,441
Net book value										
As at 30th September, 2005	21,195	13,425	974	30,179	34,273	12,001	5,187	30,157	14,484	161,875
As at 31st December, 2004	21,195	13,425	1,222	32,156	32,242	11,458	2,101	18,441	2,550	134,790

DIRECTOR

DIRECTOR

(UNAUDITED / BUT REVIEWED)

Depreciation included in the earnings statements for the nine-month periods ended 30th September, 2005 and 2004, are as follow :

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Included in cost of sales	8,834	10,641	8,834	7,819
Included in selling and administrative expenses	<u>4,090</u>	<u>4,962</u>	<u>4,074</u>	<u>3,670</u>
Total	<u><u>12,924</u></u>	<u><u>15,603</u></u>	<u><u>12,908</u></u>	<u><u>11,489</u></u>

The gross carrying amount of the fully depreciated equipments of the Company that are still in use is Baht 42,733 thousand (as at 31st December, 2004 : Baht 40,829 thousand).

The Company's land and construction thereof, have been pledged with financial institution for credit line granted (Note 4.9).

DIRECTOR

DIRECTOR

4.8 Income tax*(Unit : Thousand Baht)*

	Consolidated			
	For the nine-month periods			
	2005		2004	
	<u>Tax Expense</u>	<u>Tax Payable</u>	<u>Tax Expense</u>	<u>Tax Payable</u>
Net earnings (loss) before income tax	184,512	184,512	111,829	111,829
Timing difference - expenditure				
Add (less) : Allowance for doubtful account	-	(228)	-	1,638
Loss on impairment of asset	-	-	-	7,983
Provision for impairment asset - amortization	-	(512)	-	(547)
Permanent difference - expenditure				
Add : Disallowable expenses	<u>2,218</u>	<u>2,218</u>	<u>1,225</u>	<u>1,225</u>
Net earnings (loss) for tax calculation	<u>186,730</u>	<u>185,990</u>	<u>113,054</u>	<u>122,128</u>
Income tax	37,250	37,357	33,916	36,639
Deferred income tax - assets				
Allowance for doubtful account	(46)	-	492	-
Loss on impairment of asset	-	-	2,395	-
Provision for impairment asset - amortization	(102)	-	(164)	-
Share of loss of from subsidiary	136	-	-	-
Tax benefit from net taxable loss				
for the period as from 26th May, 2005				
to 30th September, 2005	<u>119</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>37,357</u>	37,357	<u>36,639</u>	36,639
Less : Withholding tax		(6)		(2)
Mid-year tax		<u>(20,271)</u>		<u>(19,125)</u>
Income tax payable		<u>17,080</u>		<u>17,512</u>

DIRECTOR_____
DIRECTOR

(UNAUDITED / BUT REVIEWED)

(Unit : Thousand Baht)

	The Company Only			
	For the nine-month periods			
	2005		2004	
	Tax Expense	Tax Payable	Tax Expense	Tax Payable
Net earnings (loss) before income tax	184,631	184,631	111,829	111,829
Timing difference - expenditure				
Add (less) : Allowance for doubtful account	-	(228)	-	1,638
Loss on impairment of asset	-	-	-	7,983
Provision for impairment asset - amortization	-	(512)	-	(547)
Share of loss of from subsidiary	-	678	-	-
Permanent difference - expenditure				
Add : Disallowable expenses	<u>2,217</u>	<u>2,217</u>	<u>1,225</u>	<u>1,225</u>
Net earnings (loss) for tax calculation	<u>186,848</u>	<u>186,786</u>	<u>113,054</u>	<u>122,128</u>
Income tax	37,369	37,357	33,916	36,639
Deferred income tax - assets				
Allowance for doubtful account	(46)	-	492	-
Loss on impairment of asset	-	-	2,395	-
Provision for impairment asset - amortization	(102)	-	(164)	-
Share of loss of from subsidiary	<u>136</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>37,357</u>	37,357	<u>36,639</u>	36,639
Less : Withholding tax		(6)		(2)
Mid-year tax		<u>(20,271)</u>		<u>(19,125)</u>
Income tax payable		<u>17,080</u>		<u>17,512</u>

DIRECTOR

DIRECTOR

(UNAUDITED / BUT REVIEWED)

(Unit : Thousand Baht)

	For the nine-month periods			
	Consolidated		The Company Only	
	2005	2004	2005	2004
Statements of earnings				
Income tax	37,250	33,916	37,369	33,916
Effect of change in tax rate	<u>1,392</u>	<u>-</u>	<u>1,392</u>	<u>-</u>
Total	<u>38,642</u>	<u>33,916</u>	<u>38,761</u>	<u>33,916</u>

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	2005	2004	2005	2004
	Balance sheets			
Deferred income tax - assets arising				
from timing difference				
Allowance for doubtful debt	590	-	590	-
Add (less) : Increase (decrease) in allowance for doubtful account	(46)	590	(46)	590
Effect of change in tax rate	(196)	-	(196)	-
	348	590	348	590
Provision for impairment asset	3,586	3,951	3,586	3,951
Less : Provision for impairment asset - amortization	(102)	(365)	(102)	(365)
Effect of change in tax rate	(1,196)	-	(1,196)	-
	2,288	3,586	2,288	3,586
Share of loss of from subsidiary company	136	-	136	-
Tax benefit from net taxable loss for the period as from 26th May, 2005 to 30th September, 2005	119	-	-	-
	<u>255</u>	<u>-</u>	<u>136</u>	<u>-</u>
Total	<u>2,891</u>	<u>4,176</u>	<u>2,772</u>	<u>4,176</u>

DIRECTOR_____
DIRECTOR

4.9 Overdrafts and short-term loan from financial institutions

(Unit : Thousand Baht)

	Consolidated and The Company Only	
	<u>2005</u>	<u>2004</u>
Trust receipt	49,035	21,885
Bank overdrafts	<u>-</u>	<u>3,186</u>
Total	<u>49,035</u>	<u>25,071</u>

As at 30th September, 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, (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 respectively. The Company has foreign credit line which comprises of packing credit, trust receipt, foreign exchange contracts and short-term loan amounting to Baht 200,000 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 (Note 4.5) and the Company's land and construction thereof (Note 4.7).

4.10 Trade accounts payable

(Unit : Thousand Baht)

	Consolidated and The Company Only	
	<u>2005</u>	<u>2004</u>
Trade accounts payable - overseas	25,635	4,521
Trade accounts payable - domestic	<u>22,481</u>	<u>18,777</u>
Total	<u>48,116</u>	<u>23,298</u>

 DIRECTOR

 DIRECTOR

4.11 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</u>	
			<u>held by the Company</u>	
			<u>2005</u>	<u>2004</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	-

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 staff based on their ability to achieve the sales target set at the beginning of the year.

DIRECTOR

DIRECTOR

(UNAUDITED / BUT REVIEWED)

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

(Unit : Thousand Baht)

	<u>2005</u>	<u>2004</u>
Trade account receivable		
Oroplus (Thailand) Company Limited	115	-
Trade account payable		
Treasure Box Company Limited	-	670
Accrued managements' remuneration		
Management and director	-	10,000

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

(Unit : Thousand Baht)

	<u>2005</u>	<u>2004</u>
Sales		
Oroplus (Thailand) Company Limited	115	-
Purchases		
Treasure Box Company Limited	651	64

4.12 Dividend payment

<u>Dividend Payment</u>					
	From the results of operation for the years <u>ended 31st December</u>	<u>Dividend</u> Baht / Share	No. of <u>ordinary shares</u> Thousand shares	<u>Total amount</u> Thousand Baht	Period of dividend <u>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

DIRECTOR

DIRECTOR

4.13 Commitment and contingent liabilities

As at 30th September, 2005 the Company has contingent liabilities for letter of guarantee issued by the bank to Metropolitan Electricity Authority 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.

4.14 Forward foreign exchange contracts

As at 30th September, 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.

At 30th September, 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>	
	<u>2005</u>	<u>2004</u>
Amount to be received		
US\$ 100,000 (Baht 41.07 / US\$)	4,107	-
US\$ 45,352 (Baht 41.06 / US\$)	1,862	-
US\$ 44,386 (Baht 41.20 / US\$)	1,829	-
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

 DIRECTOR

 DIRECTOR

4.15 Disclosure on financial information**4.15.1 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.

	<u>2005</u>	<u>2004</u>
Current assets		
Cash at Banks		
USD	16,589	16,507
Trade accounts receivable - net		
USD	6,013,723	3,239,207
Current liabilities		
Bank overdrafts and short-term loan from financial institutions		
USD	-	206,729
Trade accounts payable		
USD	604,473	114,070
EUR	-	916
Accrued commission		
USD	-	8,267

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

	<u>2005</u>	<u>2004</u>
		<i>(Unit : Baht)</i>
Assets		
1 USD	40.9147	39.0147
1 EURO	49.1014	52.9333
Liabilities		
1 USD	41.1075	39.2025
1 EURO	49.6372	53.4818

DIRECTOR

DIRECTOR

(UNAUDITED / BUT REVIEWED)

4.15.2 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.

4.16 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 nine-month periods ended 30th September,								
	2005					2004			
	Gold	Silver	Accessories	Others	Total	Gold	Silver	Others	Total
Sales	348,946	431,339	1,305	-	781,590	361,037	301,710	-	662,747
Other income	-	-	-	8,312	8,312	-	-	1,726	1,726
Total revenues	348,946	431,339	1,305	8,312	789,902	361,037	301,710	1,726	664,473
Cost of sales	(240,641)	(297,425)	(900)	-	(538,966)	(263,074)	(219,845)	-	(482,919)
Gross profit	108,305	133,914	405	8,312	250,936	97,963	81,865	1,726	181,554
Selling and administrative expenses					(65,986)				(67,734)
Interest expenses					(438)				(1,991)
Income tax					(38,642)				(33,916)
Net earnings (loss) of minority interest of subsidiary					-				-
Net earnings (loss)					145,870				77,913

(Unit : Thousand Baht)

	The Company Only								
	For the nine-month periods ended 30th September,								
	2005					2004			
	Gold	Silver	Accessories	Others	Total	Gold	Silver	Others	Total
Sales	348,946	431,451	1,305	-	781,702	361,037	301,710	-	662,747
Other income	-	-	-	8,311	8,311	-	-	1,726	1,726
Total revenues	348,946	431,451	1,305	8,311	790,013	361,037	301,710	1,726	664,473
Cost of sales	(240,641)	(297,538)	(900)	-	(539,079)	(263,074)	(219,845)	-	(482,919)
Gross profit	108,305	133,913	405	8,311	250,934	97,963	81,865	1,726	181,554
Selling and administrative expenses					(65,865)				(67,734)
Interest expenses					(438)				(1,991)
Income tax					(38,761)				(33,916)
Net earnings (loss)					145,870				77,913

5. APPROVAL OF FINANCIAL STATEMENTS

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

DIRECTOR

DIRECTOR