

GOLDFINE MANUFACTURERS PUBLIC COMPANY
LIMITED AND ITS SUBSIDIARY COMPANIES
REPORT AND FINANCIAL STATEMENTS

30th JUNE, 2006

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 companies as at 30th June, 2006, 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.

I had audited the consolidated financial statements for the year ended 31st December, 2005 of Goldfine Manufacturers Public Company Limited and its subsidiary companies in accordance with generally accepted auditing standards, and express an unqualified audit opinion on those statements whose report thereon dated on 10th February, 2006. The consolidated balance sheet as at the same date presented herein for comparative purpose formed an integral part of the financial statements which I had examined and reported thereon. I have not performed any other review procedures subsequent to the date of that report.

I had reviewed the financial statements for the six-month period ended 30th June, 2005 of Goldfine Manufacturers Public Company Limited and its subsidiary company 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 2nd August, 2005. The related consolidated statements of earnings for the three-month and the six-month periods then ended, the statements of 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 I 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 July, 2006

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS

AS AT 30th JUNE, 2006 AND AS AT 31st DECEMBER, 2005

(Unit : Thousand Baht)

	Note	Consolidated		The Company Only	
		<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
		(Unaudited / but reviewed)	(Audited) (Restated)	(Unaudited / but reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	20,100	56,042	15,986	53,526
Current investments		656	111,318	656	111,318
Trade accounts receivable - net	6	262,378	227,939	261,867	227,482
Trade account receivable - related party	4	-	-	3,232	2,086
Inventories	7	278,510	207,319	276,441	205,555
Other current assets		6,870	6,356	6,600	7,787
Total current assets		<u>568,514</u>	<u>608,974</u>	<u>564,782</u>	<u>607,754</u>
NON-CURRENT ASSETS					
Fixed deposits used as collateral		5,000	5,000	5,000	5,000
Investments for using equity method	8	-	-	14,766	3,544
Property, plant and equipment - net		191,123	172,571	190,559	171,971
Intangible asset - net	9	16,123	16,332	-	-
Deferred income tax - assets		3,570	3,074	3,570	2,820
Other non-current assets		515	2,152	376	2,013
Total non-current assets		<u>216,331</u>	<u>199,129</u>	<u>214,271</u>	<u>185,348</u>
TOTAL ASSETS		<u><u>784,845</u></u>	<u><u>808,103</u></u>	<u><u>779,053</u></u>	<u><u>793,102</u></u>

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

DIRECTOR

DIRECTOR

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

BALANCE SHEETS (Continued)

AS AT 30th JUNE, 2006 AND AS AT 31st DECEMBER, 2005

(Unit : Thousand Baht)

	Note	Consolidated		The Company Only	
		2006 (Unaudited / but reviewed)	2005 (Audited) (Restated)	2006 (Unaudited / but reviewed)	2005 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Overdrafts and short-term loan from financial institutions	10	15,836	-	15,836	-
Trade accounts payable	11	52,732	23,744	52,732	23,742
Trade account payable - related party	4	70	5	-	5
Other accounts payable	12	18,766	29,327	14,170	14,538
Income tax payable		13,602	31,865	13,602	31,865
Advance received from customers	13	28,417	5,556	28,417	5,556
Other current liabilities		10,069	3,173	9,521	2,899
Total current liabilities		139,492	93,670	134,278	78,605
NON-CURRENT LIABILITIES					
Employee guarantee payable		14	10	-	-
TOTAL LIABILITIES		139,506	93,680	134,278	78,605
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		308,850	378,572	308,850	378,572
Shareholders' equity of parent company		644,775	714,497	644,775	714,497
Currency translation differences		563	(75)	-	-
Minority interest of subsidiary		1	1	-	-
TOTAL SHAREHOLDERS' EQUITY		645,339	714,423	644,775	714,497
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		784,845	808,103	779,053	793,102
		-	-	-	-

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

DIRECTOR

DIRECTOR

(UNAUDITED / BUT REVIEWED)

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF EARNINGS

FOR THE THREE-MONTH PERIODS ENDED 30th JUNE, 2006 AND 2005

(Unit : Thousand Baht)

	Note	Consolidated		The Company Only	
		2006	2005	2006	2005
REVENUES					
Sales	4	330,578	280,022	330,476	280,022
Other income		732	8,469	724	8,468
TOTAL REVENUES		<u>331,310</u>	<u>288,491</u>	<u>331,200</u>	<u>288,490</u>
EXPENSES					
Cost of sales	4	269,600	198,950	269,859	198,950
Selling and administrative expenses		27,768	21,671	26,372	21,549
Share of loss from investment for equity method		-	-	1,387	121
Directors' remuneration		405	300	405	300
TOTAL EXPENSES		<u>297,773</u>	<u>220,921</u>	<u>298,023</u>	<u>220,920</u>
EARNINGS (LOSS) BEFORE INTEREST EXPENSES					
AND INCOME TAX		33,537	67,570	33,177	67,570
INTEREST EXPENSES		(758)	(115)	(758)	(115)
INCOME TAX		(6,966)	(13,640)	(6,606)	(13,640)
EARNINGS (LOSS) BEFORE MINORITY INTEREST					
OF SUBSIDIARIES		25,813	53,815	25,813	53,815
NET EARNINGS (LOSS) OF MINORITY INTEREST					
OF SUBSIDIARY		-	-	-	-
NET EARNINGS (LOSS)		<u>25,813</u>	<u>53,815</u>	<u>25,813</u>	<u>53,815</u>
EARNINGS (LOSS) PER SHARE (BAHT)					
Net earnings (loss)		<u>0.17</u>	<u>0.36</u>	<u>0.17</u>	<u>0.36</u>
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES					
(THOUSAND SHARES)		150,000	150,000	150,000	150,000

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

DIRECTOR_____
DIRECTOR

(UNAUDITED / BUT REVIEWED)

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES**STATEMENTS OF EARNINGS****FOR THE SIX-MONTH PERIODS ENDED 30th JUNE, 2006 AND 2005***(Unit : Thousand Baht)*

	Note	Consolidated		The Company Only	
		2006	2005	2006	2005
REVENUES					
Sales	4	552,735	482,905	551,979	482,905
Other income		1,747	8,870	1,739	8,869
TOTAL REVENUES		554,482	491,775	553,718	491,774
EXPENSES					
Cost of sales	4	426,288	345,491	426,522	345,491
Selling and administrative expenses		62,939	44,789	59,952	44,667
Share of loss from investment for equity method		-	-	2,243	121
Directors' remuneration	4	1,070	570	1,070	570
TOTAL EXPENSES		490,297	390,850	489,787	390,849
EARNINGS (LOSS) BEFORE INTEREST EXPENSES					
AND INCOME TAX		64,185	100,925	63,931	100,925
INTEREST EXPENSES		(779)	(263)	(779)	(263)
INCOME TAX		(13,128)	(20,354)	(12,874)	(20,354)
EARNINGS (LOSS) BEFORE MINORITY INTEREST					
OF SUBSIDIARIES		50,278	80,308	50,278	80,308
NET EARNINGS (LOSS) OF MINORITY INTEREST					
OF SUBSIDIARY		-	-	-	-
NET EARNINGS (LOSS)		50,278	80,308	50,278	80,308
EARNINGS (LOSS) PER SHARE (BAHT)					
Net earnings (loss)		0.34	0.54	0.34	0.54
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES					
(THOUSAND SHARES)		150,000	150,000	150,000	150,000

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

DIRECTOR_____
DIRECTOR

(UNAUDITED / BUT REVIEWED)

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY

CONSOLIDATED

FOR THE SIX-MONTH PERIODS ENDED 30th JUNE, 2006 AND 2005

(Unit : Thousand Baht)

	<u>Note</u>	<u>Issued and paid-up share capital</u>	<u>Premium on ordinary shares</u>	<u>Surplus on revaluation of assets</u>	<u>Retained earnings (deficit)</u>		<u>Currency translation differences</u>	<u>Minority interest of subsidiary</u>	<u>Total</u>
					<u>Appropriated legal reserve</u>	<u>Unappropriated</u>			
Balance as at beginning of period 2005		150,000	157,500	13,425	15,000	238,257	-	-	574,182
Net earnings (loss)		-	-	-	-	80,308	-	-	80,308
Dividend payment	14	-	-	-	-	(63,000)	-	-	(63,000)
Minority interest - 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>255,565</u>	<u>-</u>	<u>1</u>	<u>591,491</u>
Balance as at beginning of period 2006		150,000	157,500	13,425	15,000	378,572	(75)	1	714,423
Net earnings (loss)		-	-	-	-	50,278	-	-	50,278
Dividend payment	14	-	-	-	-	(120,000)	-	-	(120,000)
Currency translation differences during period		-	-	-	-	-	638	-	638
Balance as at end of period 2006		<u>150,000</u>	<u>157,500</u>	<u>13,425</u>	<u>15,000</u>	<u>308,850</u>	<u>563</u>	<u>1</u>	<u>645,339</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 COMPANIES

STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY

THE COMPANY ONLY

FOR THE SIX-MONTH PERIODS ENDED 30th JUNE, 2006 AND 2005

(Unit : Thousand Baht)

	Note	Issued and	Premium on	Surplus on	Retained earnings (deficit)		Total
		paid-up share capital	ordinary shares	revaluation of assets	Appropriated legal reserve	Unappropriated	
Balance as at beginning of period 2005		150,000	157,500	13,425	15,000	238,257	574,182
Net earnings (loss)		-	-	-	-	80,308	80,308
Dividend payment	14	-	-	-	-	(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>255,565</u>	<u>591,490</u>
Balance as at beginning of period 2006		150,000	157,500	13,425	15,000	378,572	714,497
Net earnings (loss)		-	-	-	-	50,278	50,278
Dividend payment	14	-	-	-	-	(120,000)	(120,000)
Balance as at end of period 2006		<u>150,000</u>	<u>157,500</u>	<u>13,425</u>	<u>15,000</u>	<u>308,850</u>	<u>644,775</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 COMPANIES**STATEMENTS OF CASH FLOW****FOR THE SIX-MONTH PERIODS ENDED 30th JUNE, 2006 AND 2005***(Unit : Thousand Baht)*

	Consolidated		The Company Only	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Cash flows from operating activities				
Net earnings (loss)	50,278	80,308	50,278	80,308
Adjustments to reconcile net earning to net cash provided by (used in) operating activities				
(Gain) loss from current investment	-	(131)	-	(131)
Doubtful debt increase (decrease)	1,670	(25)	1,670	(25)
Share of loss from investment for using equity method	-	-	2,243	121
Depreciation	10,941	8,604	10,875	8,604
Leasehold right - amortization	209	-	-	-
(Gain) loss on sales of fixed assets	315	548	315	548
Provision for impairment asset - amortization	(161)	(373)	(161)	(373)
Unrealized (gain) loss on exchange rate	1,873	(5,208)	1,873	(5,208)
Deferred income tax - assets (increase) decrease	(496)	80	(750)	80
	<u>64,629</u>	<u>83,803</u>	<u>66,343</u>	<u>83,924</u>
<u>(Increase) decrease in operating assets</u>				
Trade accounts receivable	(38,233)	(25,145)	(38,179)	(25,145)
Trade accounts receivable - related party	-	-	(1,146)	-
Inventories	(71,191)	(16,441)	(70,886)	(16,441)
Other current assets	(514)	(652)	(739)	(652)
Other non-current assets	1,637	(165)	1,637	(165)
<u>Increase (decrease) in operating liabilities</u>				
Trade accounts payable	29,254	12,716	29,256	12,716
Trade account payable - related party	65	-	(5)	-
Other accounts payable	(10,561)	2,434	(368)	2,434
Income tax payable	(18,263)	(9,903)	(18,263)	(9,903)
Advance received from customers	22,861	1,410	22,861	1,410
Other current liabilities	6,896	5,762	6,622	5,741
Employee guarantee payable	4	-	-	-
Net cash provided by (used in) operating activities	<u>(13,416)</u>	<u>53,819</u>	<u>(2,867)</u>	<u>53,919</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 COMPANIES

STATEMENTS OF CASH FLOW (Continued)

FOR THE SIX-MONTH PERIODS ENDED 30th JUNE, 2006 AND 2005

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Cash flows from investing activities				
Purchase of current investment	(10,758)	(48,184)	(10,758)	(48,184)
Proceeds from sale of current investment	71,352	48,656	71,352	48,656
(Increase) decrease in fixed deposits	-	13,000	-	13,000
Purchase of investment for using equity method	-	-	(11,539)	(4,999)
Proceeds from sales of fixed assets	2,730	1,822	2,730	1,822
Purchase of property, plant and equipment	(32,377)	(22,539)	(32,347)	(22,539)
Net cash provided by (used in) investing activities	<u>30,947</u>	<u>(7,245)</u>	<u>19,438</u>	<u>(12,244)</u>
Cash flows from financing activities				
Increase (decrease) in overdrafts and short-term loans				
from financial institutions	15,836	(11,426)	15,836	(11,426)
Dividend payment	(120,000)	(63,000)	(120,000)	(63,000)
Increase in minority interest	-	1	-	-
Net cash provided by (used in) financing activities	<u>(104,164)</u>	<u>(74,425)</u>	<u>(104,164)</u>	<u>(74,426)</u>
Effect of exchange rate on cash and cash equivalent	(15)	36	(15)	36
Currency translation differences	638	-	-	-
Net increase (decrease) in cash and cash equivalents	<u>(86,010)</u>	<u>(27,815)</u>	<u>(87,608)</u>	<u>(32,715)</u>
Cash and cash equivalents - beginning of the period	<u>106,110</u>	<u>121,279</u>	<u>103,594</u>	<u>121,279</u>
Cash and cash equivalents - ending of the period	<u>20,100</u>	<u>93,464</u>	<u>15,986</u>	<u>88,564</u>
Supplemental cash flows information				
<u>Cash paid during the period</u>				
Interest expenses	768	263	768	263
Income tax	31,887	30,257	31,887	30,257
Supplementary non-monetary items from				
<u>Operating activities and financing activities</u>				
Decrease in other current asset	-	-	1,926	-
Increase in investment	-	-	(1,926)	-

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

DIRECTOR

DIRECTOR

(UNAUDITED / BUT REVIEWED)

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF CASH FLOW (Continued)

FOR THE SIX-MONTH PERIODS ENDED 30th JUNE, 2006 AND 2005

	Consolidated		<i>(Unit : Thousand Baht)</i> The Company Only	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Cash and cash equivalents				
<u>Cash and deposits at financial institutions</u>				
Petty cash	67	150	62	150
Cash at banks				
Saving accounts	20,026	32,672	15,885	27,706
Current accounts	7	642	39	708
	<u>20,100</u>	<u>33,464</u>	<u>15,986</u>	<u>28,564</u>
<u>Current investments</u>				
Fixed deposit account (3 months term)	-	60,000	-	60,000
	<u>20,100</u>	<u>93,464</u>	<u>15,986</u>	<u>88,564</u>

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

DIRECTOR

DIRECTOR

GOLDFINE MANUFACTURERS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES**NOTES TO FINANCIAL STATEMENTS****AS AT 30th JUNE, 2006 AND AS AT 31st DECEMBER, 2005****AND FOR THE SIX-MONTH PERIODS ENDED 30th JUNE, 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 business of manufacturing, importing and exporting 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 26th October, 2005. The subsidiary company's business activity are to manufacture and process various kind of cutting stone and jewelry. The office located in Vietnam.

As at 30th June, 2006 and 2005, the Company and subsidiaries have a total number of employees and staff costs for the six-month periods then ended, as follows:

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Number of employees (person)	2,021	1,665	2,007	1,664
Staff cost shown under the caption of				
Cost of sales (Thousand Baht)	107,016	85,663	107,016	85,663
Selling and administrative expenses (Thousand Baht)	18,342	18,077	16,952	18,005

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 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 the same auditor
Goldfine Manufacturers (Vietnam) Co., Ltd.	Manufacture and process various kind of cutting store and jewelry	Vietnam	The subsidiary	100	100	Audited by other auditor in the same auditing group	Audited by other auditor in the same auditing group

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

Therefore, the financial statement of Goldfine Manufacturers (Vietnam) Company Limited for the period ended 31st December, 2005 has been issued and included in the restated consolidated financial statement of the Company and its subsidiaries for the year ended 31st December, 2005 for the 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. ACCOUNTING POLICIES

The Company and its subsidiaries used the same accounting policies as the ones used for the preparation of the annual financial statements for the year 2005 and included additional accounting policy as follows:

3.1 Intangible asset

Intangible asset of the subsidiary represents the property lease stated at cost less accumulated amortization.

Amortization is calculated by the straight line method over the period of the lease agreement.

3.2 Accounts in foreign currencies

Transactions in foreign currencies are translated into Baht at the rates of exchange prevailing on the dates of transactions. Assets and liabilities in foreign currencies outstanding at the balance sheet date are translated into Baht at the rates of exchange prevailing on that date. Gain or loss on translation is included in the statements of earnings.

DIRECTOR

DIRECTOR

The financial statements of a foreign subsidiary in foreign currencies are translated into Baht for the consolidated purposes at the following rates of exchange :-

- Monetary assets and monetary liabilities are translated into Baht at bank's average exchange rates of buying and selling rates at the date in financial statements.
- Share capital is translated into Baht at exchange rates at the date of transactions.
- Revenues and expenses are translated into Baht at the average rate of exchange during the period.
- Currency translation differences is shown under shareholders' equity.

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>
			<u>%</u>	<u>%</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) Company Limited	Manufacture and process various kind of cutting store and jewelry	The Company's subsidiary	100	100

DIRECTOR

DIRECTOR

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.

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

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Trade account receivable - related party				
Oroplus (Thailand) Company Limited	-	-	3,232	2,086
Trade account payable - related party				
Treasure Box Company Limited	70	5	-	5

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

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Sales				
Oroplus (Thailand) Company Limited	-	-	1,216	-
Purchases				
Treasure Box Company Limited	70	651	-	651
Directors' remuneration	1,070	570	1,070	570
Administrative expenses - managements' remuneration	-	-	-	-

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5. CASH AND CASH EQUIVALENTS

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	2006	2005 (Restated)	2006	2005
Petty cash	67	58	62	53
Cash at banks				
Saving accounts	20,026	23,960	15,885	21,469
Current accounts	<u>7</u>	<u>32,024</u>	<u>39</u>	<u>32,004</u>
Total	<u>20,100</u>	<u>56,042</u>	<u>15,986</u>	<u>53,526</u>

The saving accounts of the Company and subsidiary companies are maintained for the operation purpose.

6. TRADE ACCOUNTS RECEIVABLE - NET

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

(Unit : Thousand Baht)

	Consolidated		The Company Only	
	2006	2005	2006	2005
Not yet due	207,450	145,473	206,939	145,016
Overdue				
Less than or equal 3 months	42,582	79,122	42,582	79,122
More than 3 months and less than or equal 6 months	6,413	2,900	6,413	2,900
More than 6 months and less than or equal 12 months	6,811	593	6,811	593
More than 12 months	<u>2,092</u>	<u>1,151</u>	<u>2,092</u>	<u>1,151</u>
Total trade accounts receivable	265,348	229,239	264,837	228,782
Less : Allowance for doubtful account	<u>(2,970)</u>	<u>(1,300)</u>	<u>(2,970)</u>	<u>(1,300)</u>
Trade accounts receivable - net	<u>262,378</u>	<u>227,939</u>	<u>261,867</u>	<u>227,482</u>

DIRECTOR

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(UNAUDITED / BUT REVIEWED)

7. INVENTORIES*(Unit : Thousand Baht)*

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Raw material	161,196	119,720	161,196	119,720
Work in process	71,476	47,040	71,476	47,040
Finished goods	34,123	27,692	32,054	25,928
Factory supplies	11,715	12,706	11,715	12,706
Raw materials in transit	-	161	-	161
Total	<u>278,510</u>	<u>207,319</u>	<u>276,441</u>	<u>205,555</u>

8. INVESTMENTS FOR USING EQUITY METHOD*(Unit : Thousand Baht)*

	Type of business	Share Capital Holding	Percentage of Holding	<u>The Company Only</u>		
				<u>2006</u>	Cumulative in share	
				Investments at Cost	of earnings (loss) in investments	Investments in Equity method
Subsidiary companies						
Oroplus (Thailand) Co., Ltd.	Selling jewelry and gems	49,993	99.99	4,999	(3,190)	1,809
Goldfine Manufacturers (Vietnam) Co., Ltd.	Manufacture and process various kind of cutting stone and jewelry	-	100	13,465	(508)	<u>12,957</u>
						<u>14,766</u>

(Unit : Thousand Baht)

	Type of business	Share Capital Holding	Percentage of Holding	<u>2005</u>		
				<u>2005</u>	Cumulative in share	
				Investments at Cost	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	(1,455)	3,544

In June, 2005, the Company acquired 49,993 shares represented a 99.99% shareholding of investment in Oroplus (Thailand) Co., Ltd., thus such company becomes a subsidiary company.

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In October, 2005 and February, 2006, the Company acquired investment of USD 339,948 represented a 100% of investment in Goldfine Manufacturers (Vietnam) Company Limited thus such company becomes a subsidiary company.

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

	Financial Information	
	2006	2005
Subsidiary companies		
Oroplus (Thailand) Co., Ltd.	Audited by the same auditor	Audited by the same auditor
Goldfine Manufacturers (Vietnam) Co., Ltd.	Audited by other auditor in the same auditing group	Audited by other auditor in the same auditing group

9. INTANGIBLE ASSET - NET

Intangible asset - net of the subsidiary composed of:

	<i>(Unit : Thousand Baht)</i>			
	Consolidated		The Company Only	
	<u>2006</u>	<u>2005</u> (Restated)	<u>2006</u>	<u>2005</u>
Property lease	16,332	16,332	-	-
Less : Accumulated amortization	<u>(209)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Property lease - net	<u><u>16,123</u></u>	<u><u>16,332</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

The property lease payments are the amount that Goldfine Manufacturers (Vietnam) Company Limited (the subsidiary) is subjected to pay 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.

As at 30th June, 2006, the subsidiary has not yet received the LUR Certificate. According to the Property Lease Agreement, under the Property Lease Agreement entered into by both parties, the subsidiary shall make the last and final lease payment to the Lessor on 24th August, 2006, and the Lessor shall apply for the subsidiary the Certificate of the Land Use Right (LUR).

Amortization of this property lease was started from 1st January, 2006 and the amortization for the six-month period ended 30th June, 2006 of Baht 209 thousand (2005 : Baht 0 thousand) has been included in selling and administrative expenses.

10. OVERDRAFTS AND SHORT-TERM LOAN FROM FINANCIAL INSTITUTIONS

(Unit : Thousand Baht)

	<u>Consolidated and</u>	
	<u>The Company Only</u>	
	<u>2006</u>	<u>2005</u>
Trust receipt	15,836	-
Bank overdrafts	<u>-</u>	<u>-</u>
Total	<u>15,836</u>	<u>-</u>

As at 30th June, 2006, the Company has overdraft facilities and foreign credit line which comprises of packing credit, trust receipt, foreign exchange contracts and short-term loan with the same contents, amount and collateral as those presented in the financial statement for the year 2005.

11. TRADE ACCOUNTS PAYABLE

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	Trade accounts payable - domestic	28,992	9,818	28,992
Trade accounts payable - overseas	<u>23,740</u>	<u>13,926</u>	<u>23,740</u>	<u>13,926</u>
Total	<u>52,732</u>	<u>23,744</u>	<u>52,732</u>	<u>23,742</u>

12. OTHER ACCOUNTS PAYABLE

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
			(Restated)	
Other accounts payable - domestic	8,670	13,810	8,670	13,810
Other accounts payable - overseas	<u>10,096</u>	<u>15,517</u>	<u>5,500</u>	<u>728</u>
Total	<u>18,766</u>	<u>29,327</u>	<u>14,170</u>	<u>14,538</u>

13. ADVANCE RECEIVED FROM CUSTOMERS

(Unit : Thousand Baht)

	<u>Consolidated</u>		<u>The Company Only</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	Advance received from customers - raw material (gold)	23,058	-	23,058
Advance received from customers - other inventories	<u>5,359</u>	<u>5,556</u>	<u>5,359</u>	<u>5,556</u>
Total	<u>28,417</u>	<u>5,556</u>	<u>28,417</u>	<u>5,556</u>

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14. DIVIDEND PAYMENT

Consolidated and the Company Only					
Dividend Payment					
From the results of operation 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	Period of dividend payment Quarter	
Ordinary Shareholders Meeting for the year 2005					
On 11th April, 2005	2004	0.42	150,000	63,000	2/2005
Ordinary Shareholders Meeting for the year 2006					
On 11th April, 2006	2005	0.80	150,000	120,000	2/2006

15. COMMITMENT

The Company has a commitment which are immaterial different from the amount presented in the financial statements for the year 2005.

16. FORWARD FOREIGN EXCHANGE CONTRACTS

As at 30th June, 2006 and as at 31st December, 2005, 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.

As at 30th June, 2006 the settlement dates on open forward contracts are ranged from 91 days to 93 days (as at 31st December, 2005 : 74 days to 94 days). The amount to be received and contractual exchange rates of the outstanding contracts were:

	<u>2006</u>	<u>2005</u>
<i>(Unit : Thousand Baht)</i>		
Amount to be received		
US\$ 200,000 (Baht 38.44 / US\$)	7,688	-
US\$ 200,000 (Baht 38.43 / US\$)	7,686	-
US\$ 200,000 (Baht 38.41 / US\$)	7,682	-
US\$ 152,591 (Baht 38.40 / US\$)	5,859	-
US\$ 100,000 (Baht 38.40 / US\$)	3,840	-
US\$ 71,759 (Baht 38.43 / US\$)	2,758	-

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(UNAUDITED / BUT REVIEWED)

(Unit : Thousand Baht)

	<u>2006</u>	<u>2005</u>
Amount to be received		
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

17. DISCLOSURE ON FINANCIAL INFORMATION

17.1 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>2006</u>	<u>2005</u>
Current assets		
Cash at Banks		
USD	16,732	16,710
Trade accounts receivable - net		
USD	5,983,686	4,820,260
Current liabilities		
Trade accounts payable		
USD	615,593	305,844
EUR	-	40
CHF	4,650	-

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(UNAUDITED / BUT REVIEWED)

	<u>2006</u>	<u>2005</u>
Other accounts payable		
YEN	13,833,650	3,790,500
USD	18,497	-
CHF	5,043	-
Accrued commission payable		
USD	-	1,078

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

	<u>2006</u>	<u>2005</u>
		<i>(Unit : Baht)</i>
Assets		
1 USD	38.1407	40.9826
1 EUR	48.3085	48.4372
1 CHF	30.8147	31.1071
Liabilities		
1 USD	38.3295	41.1746
1 EUR	48.8191	48.9498
1 CHF	31.1886	31.4584
100 YEN	33.4992	35.1085

17.2 The Company and its subsidiary have the same policies for the management of 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 2005.

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18. Financial information by segment

Earnings (loss) of the Company divided by geographic are presented as follows:

(Unit : Thousand Baht)

	Consolidated					
	For the six-month periods					
	2006			2005		
Sales - export	Sales - domestic	Total	Sales - export	Sales - domestic	Total	
Revenues						
Sales	550,451	2,284	552,735	482,905	-	482,905
Other income	-	1,747	1,747	7,328	1,542	8,870
Total revenues	<u>550,451</u>	<u>4,031</u>	<u>554,482</u>	<u>490,233</u>	<u>1,542</u>	<u>491,775</u>
Expenses						
Cost of sales	425,372	916	426,288	345,491	-	345,491
Selling and administrative expenses	60,330	2,609	62,939	44,667	122	44,789
Share of loss from investment for equity method	-	-	-	-	-	-
Directors' remuneration	1,070	-	1,070	570	-	570
Total expenses	<u>486,772</u>	<u>3,525</u>	<u>490,297</u>	<u>390,728</u>	<u>122</u>	<u>390,850</u>
Earnings (loss) before interest expenses and income tax	63,679	506	64,185	99,505	1,420	100,925
Interest expenses	(779)	-	(779)	(263)	-	(263)
Income tax	(12,874)	(254)	(13,128)	(20,299)	(55)	(20,354)
Earnings (loss) before minority interest of subsidiaries	50,026	252	50,278	78,943	1,365	80,308
Net earnings (loss) of minority interest of subsidiary	-	-	-	-	-	-
Net earnings (loss)	<u>50,026</u>	<u>252</u>	<u>50,278</u>	<u>78,943</u>	<u>1,365</u>	<u>80,308</u>
	As at 30th June, 2006			As at 31st December, 2005		
	Sales - export	Sales - domestic	Total	Sales - export	Sales - domestic	Total
Property, plant and equipment - net	206,319	927	207,246	188,563	340	188,903
Other assets	575,204	2,395	577,599	617,946	1,254	619,200
Total assets	<u>781,523</u>	<u>3,322</u>	<u>784,845</u>	<u>806,509</u>	<u>1,594</u>	<u>808,103</u>

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(UNAUDITED / BUT REVIEWED)

(Unit : Thousand Baht)

	The Company Only					
	For the six-month periods					
	2006			2005		
Sales - export	Sales - domestic	Total	Sales - export	Sales - domestic	Total	
Revenues						
Sales	550,451	1,528	551,979	482,777	128	482,905
Other income	-	1,739	1,739	7,328	1,541	8,869
Total revenues	<u>550,451</u>	<u>3,267</u>	<u>553,718</u>	<u>490,105</u>	<u>1,669</u>	<u>491,774</u>
Expenses						
Cost of sales	425,372	1,150	426,522	345,400	91	345,491
Selling and administrative expenses	59,822	130	59,952	44,656	11	44,667
Share of loss from investment for equity method	508	1,735	2,243	-	121	121
Directors' remuneration	1,070	-	1,070	570	-	570
Total expenses	<u>486,772</u>	<u>3,015</u>	<u>489,787</u>	<u>390,626</u>	<u>223</u>	<u>390,849</u>
Earnings (loss) before interest expenses and income tax	63,679	252	63,931	99,479	1,446	100,925
Interest expenses	(779)	-	(779)	(263)	-	(263)
Income tax	(12,874)	-	(12,874)	(20,327)	(27)	(20,354)
Net earnings (loss)	<u>50,026</u>	<u>252</u>	<u>50,278</u>	<u>78,889</u>	<u>1,419</u>	<u>80,308</u>
	As at 30th June, 2006			As at 31st December, 2005		
	Sales - export	Sales - domestic	Total	Sales - export	Sales - domestic	Total
Property, plant and equipment - net	190,196	363	190,559	171,632	339	171,971
Other assets	587,651	843	588,494	619,906	1,225	621,131
Total assets	<u>777,847</u>	<u>1,206</u>	<u>779,053</u>	<u>791,538</u>	<u>1,564</u>	<u>793,102</u>

19. APPROVAL OF FINANCIAL STATEMENTS

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

DIRECTOR

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