

At T.20/2007

May 14, 2007

Re : 1st Quarter, 2007 Financial Statements and their clarifications.

To : Managing Director

The Stock Exchange of Thailand

- Attachment : 1. Copy of the Company Financial Statement and its subsidiaries as of
March 31, 2007 (Thai and English Versions)
2. Operational summary report of the company and its subsidiaries
(Thai and English Versions)

Attached herewith please find S & J's financial statements as of March 31, 2007 compared with the same period of prior year certified by public accountant.

Please be informed the operational result of the three-month periods ended March 31, 2007 compared with the same period of prior year showed net profit amounting to 60.8 million baht, an increase of 45.4 million baht because the company received dividend income from a related company amounting to 40.0 million baht in 2007 whilst in 2006 receiving dividend income amounting to 26.7 million baht in quarter 2.

In addition, please be informed of the changed effect from accounting policy regarding to investment record in its subsidiary and associate companies.

The Company changed its accounting policy regarding investment in subsidiary and associated companies so that the Company's separate financial statement, which formerly reported investment using the equity method, now reports using the cost method. This is to comply with TAS 44. Thus, the Company restated its financial statement by using the historical cost as the cost of the investment in subsidiaries of the Company's separate financial statement. This adjustment caused the net income on the Company's separate financial statement to be different from that reported in the consolidated financial

หน้า 1 ของจำนวนหน้า 3 หน้า

statement. The Company had net income of Baht 60.8 million for the three-month period ended March 31, 2007 according to the consolidated financial statement. However, the Company's separate financial statement over the same period showed a net income of Baht 42.5 million. Therefore, the Company would like to clarify with the additional information as follows:

1. The change of accounting record method per aforementioned resulting of net income for the three-month period ended March 31, 2007 and the comparable period in 2006 decreased by Baht 18.3 million and Baht 11.1 million respectively. (that is, decreased by Baht 0.18 per share and Baht 0.11 per share respectively.) This is due to the Company's separate financial statement did not include any share of profits from investments.

2. The effect from the restating to other items on the Company's separate financial statement for the quarter ended March 31, 2007, such as investment in subsidiaries and retained earnings on the balance sheets decreased by Baht 95.1 million. The cumulative effect of the accounting policy has been presented under the heading of "Cumulative effect of the change in accounting policy for investments in subsidiary and associated companies in the Company's separate financial statements" in the statement of changes in shareholders' equity.

However, the change of accounting policy affects only the Company's separate financial statement relating to investment in its subsidiary and associate companies. It did not have any effect on the consolidated financial statements or business fundamentals.

From the such recording of accounting policy in investment resulting of Consolidated financial statement is not equal to the Company's separate financial statement. To make it clear, the company had considered to revise dividend payment policy as follows:

“The company has a policy to pay dividends regularly to shareholders at the rate of 20-80% of net profit of the Company's separate financial statement (Per cost method). However, this rate principally depends on economic conditions and business performance of the company as well as the resolution of the shareholders' meeting. Dividend payment will comply with clause 56-58 of the Articles of Association of the company. The stated clauses have an essential stipulation that dividends must be paid



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S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED

on the basis of profit only but not from other incomes. In case the company remains in accumulated loss status, it is prohibited to pay dividend. Dividend will be calculated on the amount of shares basis. Each share has an equal dividend. The dividends must be paid within one month after the date of the Shareholders' or Board of Directors' meeting has a resolution. The board may pay interim dividends to Shareholders if the board regards that the company has a sufficient profit to do so and report to shareholders in the next meeting.”

Please kindly be informed and post as appropriate.

Sincerely yours,

Thirasak Vikitset

Mr.Thirasak Vikitset

Manager Director

Registra Dept.

Tel. 0-2676-2727 Ext. 508, 510-516

หน้า 3 ของจำนวนหน้า 3 หน้า