

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE INTERIM FINANCIAL STATEMENTS****MARCH 31, 2006 AND 2005****1. GENERAL INFORMATION**

1.1 Company status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
1.2 Company location - Head office/factory - Branch - Branch	600/4 Moo 11, Sukapiban Road 8, Tambol Nhongkharm Amphur Sriracha, Chonburi, Thailand. 115 Naradhiwas Rajanakarindra Road (Soi 10), Kwaeng Tungwatdon, Khet Sathorn, Bangkok, Thailand. 662/4-6 Moo 11, Sukapiban Road 8, Tambol Nhongkharm Amphur Sriracha, Chonburi, Thailand.
1.3 Type of business	(1) Manufacturing all type of cosmetics. (2) Investing in its subsidiaries and associates which carry on business according to Note 6 to the financial statements.
1.4 Number of employees as at March 31, 2006 and 2005	(1) Including its subsidiaries 2,335 persons and 1,953 persons, respectively. (2) The Company only 1,250 persons and 1,039 persons, respectively.
1.5 Employee expenses for the three-month periods ended March 31, 2006 and 2005	(1) Including its subsidiaries Baht 89.51 million and Baht 75.89 million, respectively. (2) The Company only Baht 56.94 million and Baht 50.75 million, respectively.

2. BASIS FOR PREPARATION OF INTERIM FINANCIAL STATEMENTS

These interim financial statements are prepared in accordance with the Accounting Act B.E. 2543 (2000) and generally accepted accounting principles. The interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2005.

2.1 The interim consolidated financial statements included the interim financial statements of S & J International Enterprises Public Company Limited with its subsidiaries and the Company's portion in associates as follows:

SUBSIDIARIES

COMPANIES	% HOLDING		ESTABLISHED IN
	2006	2005	
E F Co., Ltd.	99.99	99.99	Thailand
Top Trend Manufacturing Co., Ltd.	51	51	Thailand
Sriracha Engineering Service Co., Ltd.	51	51	Thailand
Wildlives (Thailand) Co., Ltd.	99.99	99.99	Thailand

ASSOCIATES

COMPANIES	% HOLDING		ESTABLISHED IN
	2006	2005	
Yamahatsu (Thailand) Co., Ltd.	30	30	Thailand
Shaldan (Thailand) Co., Ltd.	21	21	Thailand
Operational Energy Group Limited	30	30	Thailand

2.2 Inter-company balances and transactions have been eliminated in the interim consolidation.

2.3 The difference between book value of subsidiaries and cost of investments was shown under goodwill.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues and expenses recognition

The Company recognized revenues and expenses from the following bases :

- Sales - Recognized as revenues whenever goods are delivered.
- Other income - Recognized on the accrual basis.
- Expenses - Recognized on the accrual basis.

3.2 Allowance for doubtful accounts

The Company provides allowance for doubtful accounts for the estimated losses that may be incurred from the uncollected accounts receivable based on past experience in debt collection.

3.3 Inventories

Inventories are stated at cost or net realizable value, whichever is the lower. Cost is determined by the weighted average method.

The Company set up provision for diminution in value of obsolete, deteriorated goods and inventories which are expected to be unsalable by considering the condition of inventories.

3.4 Investments

Investments in subsidiaries are those companies in which the parent company, directly or indirectly, has power more than one half of the total voting rights or power to govern the financial and operating policies of subsidiaries. Investments in subsidiaries are presented by equity method and the Company is responsible for the portion of investment deficiency in proportion to its shareholding.

Investments in associates are those companies in which the parent company has shareholding from 20% to 50% of the total voting rights or has significant influence over the associates, that is the parent company has power to participate in determining relating to the financial and operating policies of the enterprise but not up to the level of governing such policies. Investments in associates are stated by equity method.

Investments in related companies are those companies in which the Company has its shareholding less than 20% and/or the companies which directly or indirectly have some common management, major shareholders or such related persons. Investments in related companies are stated at cost after deduction of provision for diminution in investment value.

Investments in other companies are those companies in which the Company has shareholding but has no power to govern or participate in setting up any policy. Investments in other companies are stated at cost after deduction of provision for diminution in investment value.

Investments in available-for-sale securities are investments in listed securities stated at fair value with the objective of long-term investments. The Company recognized its revaluation in available-for-sale securities as separate item in Shareholders' Equity, under the caption "Unrealized gain (loss) on investment revaluation".

Investments in Government bond, the Company classified as debt securities to be held-to-maturity, stated at amortized cost.

The Company calculated cost of the disposed securities during the periods by the weighted average method.

The Company recorded dividend income when declared.

3.5 Investments in land

Investments in land are stated at cost after deduction of loss from the impairment of assets.

3.6 Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation is calculated by the straight-line method based on the estimated useful lives of the following assets:

	<u>Years</u>
Building and improvement	20
Machineries	5
Office furniture, fixtures and equipment	5
Vehicles	5

Interest expenses incurred from loans obtained for building construction project are capitalized until such building is ready for use.

Expenditures for additions, renewals or betterments which affected the significant increment in value of current assets will be capitalized, considered as capital expenditures. Regarding repair and maintenance costs are recognized as expenses during the accounting periods when incurred.

3.7 Leasehold right

Leasehold right is stated at acquisition cost less amortization by using the straight-line method over leases period.

3.8 Computer softwares

Computer softwares are stated at acquisition cost less amortization by using the straight-line method within ten years.

3.9 Goodwill

Goodwill is amortized by the straight-line method within 10 years, unless there is the believable evidence that other procedure of amortization is more appropriate under the existing circumstance. In case the Company has supportive evidence of amortization by other procedure, the Company will select the amortization which appropriates for future economic benefit that the Company expects to obtain from that goodwill.

3.10 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit by the number of issued and paid-up common stocks at the end of the periods.

3.11 Foreign currency transactions

Foreign currency transactions incurred during the periods are recorded in Baht at the rate ruling on the date of transactions. Outstanding foreign currency assets and liabilities at the balance sheet date are converted to Baht at the rate of exchange in effect at that date.

Gains or losses on exchange rate fluctuation are credited or charged to operations during the periods.

3.12 Forward Exchange Contracts

Foreign currency transactions which are forward exchange contracts, the agreed forward exchange rates according to the remaining periods of contracts from accounting period will be used to present fair value.

3.13 Cash and cash equivalents

For the purpose of preparation of cash flows statements, cash and cash equivalents are cash on hand, fixed deposits at financial institutions due not more than 3 months with no obligation.

3.14 Estimation

In preparation of financial statements in accordance with generally accepted accounting standards requires management to use various estimations and assumptions that will be affected to the amounts of revenues, expenses, assets and liabilities included the disclosures of contingent assets and liabilities. Actual results may differ from those estimates.

4. TRADE ACCOUNTS RECEIVABLE consist of :

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE COMPANY ONLY	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
Trade notes receivable	24,903	31,675	18,986	24,827
Trade accounts receivable				
Current	238,845	238,063	178,075	191,563
Overdue within 3 months	56,375	95,475	41,298	65,518
Overdue between 3 to 6 months	3,122	3,010	2,103	2,023
Overdue between 6 to 12 months	9,125	9,491	8,353	8,029
Overdue more than 12 months	13,883	10,263	11,205	8,845
Total	346,253	387,977	260,020	300,805
<u>Less</u> Allowance for doubtful accounts	(16,317)	(16,758)	(12,096)	(12,276)
Trade accounts receivable – net	329,936	371,219	247,924	288,529

5. SHORT-TERM LOANS TO SUBSIDIARY AND RELATED COMPANIES

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE COMPANY ONLY		INTEREST RATE (%)	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
- Subsidiaries						
E F Co., Ltd.						
Beginning Balances	-	-	2,000	3,000		
Settlement during the periods	-	-	(500)	(1,000)		
Ending Balances	-	-	1,500	2,000	4.75 – 5.50	3.50 – 4.75
Wildlives (Thailand) Co., Ltd.						
Beginning Balances	-	-	4,500	3,500		
Increase during the period	-	-	-	1,000		
Ending Balances	-	-	4,500	4,500	4.75 – 5.50	3.50 – 4.75
Total Short-term Loans to Subsidiaries	-	-	6,000	6,500		
- Related Companies						
Osoth Interlaboratories Co., Ltd.						
Beginning Balances	1,900	10,000	1,900	10,000		
Settlement during the periods	-	(8,100)	-	(8,100)		
Ending Balances	1,900	1,900	1,900	1,900	4.75 – 5.50	3.00 – 4.75
General Glass Co., Ltd.						
Beginning Balances	-	7,450	-	7,450		
Settlement during the periods	-	(7,450)	-	(7,450)		
Ending Balances	-	-	-	-	-	2.00
Total Short-term Loans to Related Companies	1,900	1,900	1,900	1,900		
Total Short-term Loans to Subsidiary and Related Companies	1,900	1,900	7,900	8,400		

Short-term loans to subsidiary and related companies are unsecured loans.

6. INVESTMENTS FOR USING THE EQUITY METHOD consist of :

(THOUSAND BAHT)

	% Holding		Cost Method		Equity Method	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
<u>SUBSIDIARIES</u>						
E F Co., Ltd.	99.99	99.99	4,006	4,006	262	(65)
Top Trend Manufacturing Co., Ltd.	51	51	36,625	36,625	102,738	98,678
Sriracha Engineering Service Co., Ltd.	51	51	2,931	2,931	(3,733)	(4,441)
Wildlives (Thailand) Co., Ltd.	99.99	99.99	1,000	1,000	(456)	(957)
Total Investments in Subsidiaries			44,562	44,562	103,000	98,678
Total Investment Deficiency					(4,189)	(5,463)
<u>ASSOCIATES</u>						
Yamahatsu (Thailand) Co., Ltd.	30	30	6,000	6,000	17,156	15,951
Shaldan (Thailand) Co., Ltd.	21	21	4,392	4,392	3,081	3,142
Operational Energy Group Limited	30	30	13,151	13,151	25,628	20,734
Total Investments in Associates			23,543	23,543	45,865	39,827

(THOUSAND BAHT)

	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID –UP SHARE CAPITAL		DIVIDEND	
			March 31, 2006	December 31, 2005	March 31, 2006	March 31, 2005
<u>SUBSIDIARIES</u>						
E F Co., Ltd.	Consumer products	Shareholders / co – directors	4,000	4,000	-	-
Top Trend Manufacturing Co., Ltd.	Plastic containers	Shareholders / co – directors	60,000	60,000	-	-
Sriracha Engineering Service Co., Ltd.	Engineering services	Shareholders / co – directors	3,000	3,000	-	-
Wildlives (Thailand) Co., Ltd.	Consumer products	Shareholders / co – directors	1,000	1,000	-	-
Total					-	-
<u>ASSOCIATES</u>						
Yamahatsu (Thailand) Co., Ltd.	Hair products	Shareholders / co – directors	20,000	20,000	-	-
Shaldan (Thailand) Co., Ltd.	Air refresher	Shareholders / co – directors	20,000	20,000	-	-
Operational Energy Group Limited	Servicing to operate the power plant	Shareholders / co – directors	30,000	30,000	4,500	-
Total					4,500	-

Due to as at March 31, 2006, Sriracha Engineering Service Company Limited and Wildlives (Thailand) Company Limited and as at December 31, 2005, E F Company Limited, Sriracha Engineering Service Company Limited and Wildlives (Thailand) Company Limited have capital deficiencies, therefore, investments in subsidiaries for using the equity method were shown in liabilities under “Investment deficiency”.

In 2005, the Company has increased the percentage of holding from 25.95% to 30% in Operational Energy Group Limited by acquiring additional investment in such company of 121,600 shares, worth Baht 1.89 million.

The financial statements of Yamahatsu (Thailand) Company Limited, Shaldan (Thailand) Company Limited and Operational Energy Group Limited, which applied for using the equity method are based on the financial information prepared by their management and not yet reviewed by the auditors.

7. INVESTMENTS IN RELATED COMPANIES consist of :

(THOUSAND BAHT)

	% Holding		Cost Method		Dividend	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005	March 31, 2006	March 31, 2005
1. Thai Q P Co., Ltd.	7.50	7.50	9,000	9,000	270	-
2. General Glass Co., Ltd.	14.20	10	9,000	2,000	-	-
3. Thai Lotte Co., Ltd.	3.64	3.64	* 8,000	* 8,000	-	-
4. Thai Fujiya Co., Ltd.	6.67	6.67	* 7,500	* 7,500	-	-
5. H & B Kabinburi Co., Ltd.	9	9	1,350	1,350	-	-
6. Osoth Interlaboratories Co., Ltd.	19	19	* 22,800	* 22,800	-	-
7. Thai Cubic Technology Co., Ltd.	5	5	2,000	2,000	-	-
8. Train Time Test Co., Ltd.	14	14	175	175	-	-
9. Guangdong Xiezhong Cosmetics Co., Ltd.	11.25	11.25	* 9,032	* 9,032	-	-
10. BSC Entertainment Co., Ltd.	10	10	20,565	20,565	-	-
11. C.V.V. Hotel Business Co., Ltd.	1.56	1.56	* 888	* 888	-	-
12. Konica Minolta Photochem (Thailand) Co., Ltd.	5	5	1,750	1,750	-	-
13. B.K.C. International Co., Ltd.	19	19	475	475	-	-
Total			92,535	85,535	270	-
<u>Less</u> Allowance for loss on capital decrease in						
- Thai Fujiya Co., Ltd. .			(5,500)	(5,500)		
- Osoth Interlaboratories Co., Ltd.			(2,850)	(2,850)		
- BSC Entertainment Co., Ltd.			(7,505)	(7,505)		
*Provision for impairment of investments in related companies			(33,700)	(33,700)		
Total Investments in Related Companies – net			42,980	35,980		

During 2006, General Glass Company Limited has increased its capital to 8,000,000 shares, amount of Baht 80 million, the Company purchased additional investments of 1,400,000 shares with duly paid-up at Baht 5 per share (par value Baht 10), worth Baht 7 million.

(THAI CURRENCIES : THOUSAND BAHT)

(FOREIGN CURRENCIES : THOUSAND)

	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID –UP	
			SHARE CAPITAL	
			March 31, 2006	December 31, 2005
1. Thai Q P Co., Ltd.	Consumer products	Shareholders / co – directors	120,000	120,000
2. General Glass Co., Ltd.	Glass bottles	Shareholders / co – directors	60,000	20,000
3. Thai Lotte Co., Ltd.	Chewing gum	Shareholders / co – directors	220,000	220,000
4. Thai Fujiya Co., Ltd.	Cake, bakery and restaurant	Shareholders / co – directors	30,000	30,000
5. H & B Kabinburi Co., Ltd.	Cloth toy and ware	Shareholders / co – directors	15,000	15,000
6. Osoth Interlaboratories Co., Ltd.	Medicine	Shareholders / co – directors	105,000	105,000
7. Thai Cubic Technology Co., Ltd.	Plate and varnish	Shareholders / co – directors	40,000	40,000
8. Train Time Test Co., Ltd.	Training and seminar	Shareholders / co – directors	2,000	2,000
9. Guangdong Xiezhong Cosmetics Co., Ltd.	Cosmetics	Shareholders / co – directors	US\$ 3,200	US\$ 3,200
10. BSC Entertainment Co., Ltd.	Bowling alley	Shareholders / co – directors	174,000	174,000
11. C.V.V. Hotel Business Co., Ltd	Hotel	Shareholders / co – directors	44,000	44,000
12. Konica Minolta Photochem (Thailand) Co., Ltd.	Photographic development	Co-shareholders	35,000	35,000
13. B.K.C. International Co., Ltd.	Consumer products	Shareholders / co – directors	10,000	10,000

8. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES

Available-for-sale securities are listed securities on the stock exchange.

(THOUSAND BAHT)

COMPANIES	% Holding		Cost Method		Dividend	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005	March 31, 2006	March 31, 2005
Related Companies						
1. Boutique New City Plc.	0.02	0.02	124	124	-	-
2. Far East DDB Plc.	0.01	0.01	40	40	-	-
3. I.C.C. International Plc.	0.23	0.23	12,391	12,391	-	-
4. President Bakery Plc.	1.00	1.00	7,500	7,500	-	-
5. Sahacogen (Chonburi) Plc.	13.96	13.96	192,963	192,963	-	-
Total			213,018	213,018	-	-
<u>Add</u> Unrealized gain on investment revaluation			353,391	347,350	-	-
Total net investments in available-for-sales securities- related companies			566,409	560,368	-	-
Other Companies						
1. Nation Multimedia Group Plc.			8,586	8,586	-	-
2. Bangkok Bank Plc.			5,001	5,001	-	-
Total			13,587	13,587	-	-
<u>Add</u> Unrealized gain (loss) on investment revaluation			50	(434)	-	-
Total net investments in available-for-sales securities- other companies			13,637	13,153	-	-
Total investments in available-for-sales securities			580,046	573,521	-	-

(THOUSAND BAHT)

RELATED COMPANIES	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID –UP SHARE CAPITAL	
			March 31, 2006	December 31, 2005
1. Boutique New City Plc.	Garment	Shareholders / co – directors	120,000	120,000
2. Far East DDB Plc.	Advertising and agency	Shareholders / co – directors	75,000	75,000
3. I.C.C. International Plc.	Commerce	Shareholders / co – directors	290,634	290,634
4. President Bakery Plc.	Food	Co-shareholders	300,000	300,000
5. Sahacogen (Chonburi) Plc.	Generating and distributing electricity	Shareholders / co – directors	955,000	955,000

9. INVESTMENTS IN OTHER COMPANIES consist of :

(THOUSAND BAHT)

	% Holding		Cost Method		Dividend	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005	March 31, 2006	March 31, 2005
1. Sahapat Properties Co., Ltd.	2.50	2.50	* 500	* 500	-	-
2. Eastern Rubber Co., Ltd.	1.50	1.50	* 450	* 450	-	-
3. Advantage Footwear Co., Ltd.	0.38	0.38	* 1,387	* 1,387	-	-
4. Treasure Hill Co., Ltd.	2.00	2.00	* 4,000	* 4,000	-	-
5. Thanara Co., Ltd.	1.25	1.25	750	750	-	-
6. Thai Kamaya Co., Ltd.	5.00	5.00	5,000	5,000	-	-
7. Thai Herbal Products Co., Ltd.	1.50	1.50	* 1,200	* 1,200	-	-
8. Tipvarin Wattana Co., Ltd.	15.00	15.00	1,455	1,455	-	-
9. Saha Sehwa Co., Ltd.	3.48	3.48	* 5,050	* 5,050	-	-
10. T-Way Co., Ltd.	15.00	15.00	45	45	-	-
11. K. Commercial & Construction Co., Ltd.	2.20	2.20	3,278	3,278	-	-
12. E. P. F. Co., Ltd.	18.00	18.00	* 702	* 702	-	-
13. Pan Land Co., Ltd.	1.00	1.00	* 3,000	* 3,000	-	-
14. Thai Yukilon Co., Ltd.	6.94	6.94	5,000	5,000	-	-
15. Sriracha Aviation Co., Ltd.	6.06	6.06	* 2,000	* 2,000	-	-
16. Waseda Education (Thailand) Co., Ltd.	8.00	8.00	* 2,000	* 2,000	-	-
Total			35,817	35,817	-	-
<u>Less</u> *Provision for impairment of investments in other companies			(7,598)	(7,598)		
Total Investments in Common Stocks – net			28,219	28,219		

10. OTHER RECEIVABLES

In 2000, the Osoth Interlaboratories Company Limited, its trade account receivable has made a letter of debt confirmation and guarantee for payment to the Company. The Company agreed to convert its trade receivable to long-term debt amounting to Baht 97.21 million with 3 year moratorium, commencing from December 28, 2000 to December 27, 2003. The evidence indicated ownership of machinery worth of Baht 44.47 million was pledged as collateral. After such moratorium, monthly settlement will be made at Baht 1.0 million of every month ended, commencing from January 2004. In February 2006, the new condition for repayment was made by monthly repayment from Baht 500,000 to Baht 1,500,000 and the last payment will be made in January 2011.

11. SHARE CAPITAL

WARRANTS

On April 25, 2005, the Ordinary General Shareholders' Meeting for 2005 was held and approved the issuance of warrants offered to the directors, employees of the Company and its subsidiaries under the Company's ESOP program of 5,000,000 units with 3 year maturity at the offering price of Baht zero. The exercise rate is 1 unit to 1 common stock for the exercise price of Baht 4 per share. The Meeting also has a resolution to confirm the allocation of capital increase to be reserved for the exercise of warrants offering to the directors, the Company and its subsidiaries's employees of 5,000,000 units, which was duly approved by the Ordinary General Shareholders' Meeting on April 26, 2004.

12. LEGAL RESERVE

The Company has set up legal reserve which duly met 10 % of authorized capital, in compliance with the Public Company Act, B.E. 2535 (1992). This reserve is forbidden for dividend payment.

13. DIVIDEND PAYMENT

On February 28, 2006, the Board of Director's Meeting was held and has a resolution to pay dividends for 2005 to the shareholders of 100 million shares at Baht 0.60 per share, totalling Baht 60 million. The Ordinary General Shareholders' Meeting held on April 24, 2006 has approved the payment of such proposed dividend.

On April 25, 2005, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividends for 2004 at Baht 0.60 per share to the shareholders of 100 million shares, totalling Baht 60 million. The dividend payment was made on May 20, 2005.

14. DIRECTORS' REMUNERATION

On April 24, 2006, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay directors' remuneration at the maximum Baht 10 million per year.

On April 18, 2006, the Ordinary General Shareholders' Meeting of Top Trend Manufacturing Company Limited was held and approved a resolution to pay directors' remuneration amount of Baht 1.14 million.

On April 25, 2005, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay directors' remuneration at the maximum Baht 10 million per year.

On April 18, 2005, the Ordinary General Shareholders' Meeting of Top Trend Manufacturing Company Limited was held and approved a resolution to pay directors' remuneration amount of Baht 1.10 million.

15. FOREIGN CURRENCY TRANSACTIONS

15.1 The Company has made buying forward exchange contracts with the local commercial bank for hedging against any risk in exchange rate which might be affected to import trade accounts payable that can be summarized as follows :-

CURRENCIES	Amount in Thousand	Exchange rate on delivery date (Baht)	Delivery date
<u>As at March 31, 2006</u>			
USD	269	38.7700 – 39.2580	May 2006 – September 2006
<u>As at December,2005</u>			
USD	49	40.8232 – 40.97638	January 2006 – February 2006

15.2 The Company has made selling forward exchange contracts with the local commercial bank for hedging against any risk in exchange rate which might be affected to export trade accounts receivable that can be summarized as follows :-

CURRENCIES	Amount in thousand	Exchange rate on delivery date (Baht)	Delivery date
<u>As at March 31, 2006</u>			
USD	341	39.41000 – 41.22574	May 2006 – July 2006
JPY	82,287	0.33000 – 0.33604	April 2006 – May 2006
<u>As at December 31,2005</u>			
USD	1,810	40.67050 – 41.22574	January 2006 – June 2006
JPY	26,772	0.34220 – 0.35055	January 2006 – February 2006

15.3 The Company has outstanding assets and liabilities denominated in foreign currencies which are not covered by any hedging of exchange rate risk as follows :-

(AMOUNT IN THOUSAND)

CONSOLIDATED	March 31, 2006		December 31, 2005	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	384	14,888	62	2,550
JPY	2	1	5	2
MYR	102	1,089	153	1,620
Total assets		15,978		4,172
Liabilities				
USD	1	44	16	662
JPY	480	160	306	107
GBP	0.7	49	-	-
SEK	3	15	3	15
NZD	0.2	4	0.2	5
SGD	-	-	0.1	3
CHF	46	1,396	26	818
Total liabilities		1,668		1,610

(AMOUNT IN THOUSAND)

THE COMPANY ONLY	March 31, 2006		December 31, 2005	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	358	13,890	23	942
JPY	2	1	5	2
Total assets		13,891		944
Liabilities				
USD	1	44	10	403
JPY	136	45	306	107
GBP	0.7	49	-	-
SEK	3	15	3	15
NZD	0.2	4	0.2	5
Total liabilities		157		530

16. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' financial information by segment for the three-month periods ended March 31, 2006 and 2005 are as follows :

(THOUSAND BAHT)

Year 2006	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	335,342	130,395	5,004	40,471	-	430,270
Gross margin by segment	(3,715)	13,740	803	45,081	45,855	11,602
Net profit						15,435
Property, plant and equipment-net						672,892
Leasehold right-net						10,619
Computer software						5,046
Total assets						2,215,529

(THOUSAND BAHT)

Year 2005	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	306,273	111,719	4,208	32,808	3	389,395
Gross margin by segment	(4,557)	13,464	284	35,991	36,551	9,751
Net profit						10,070
Property, plant and equipment-net						587,390
Leasehold right-net						12,936
Computer software						3,854
Total assets						2,014,115

The financial information by geographical segment can be classified to local and export sales for the three-month periods, ended March 31, 2006 and 2005 as follows:

(THOUSAND BAHT)

Particulars	Local		Export		Total	
	2006	2005	2006	2005	2006	2005
Sales	321,212	315,298	109,058	74,097	430,270	389,395
Gross margin by segment	15,736	10,649	(4,134)	(898)	11,620	9,751

17. TRANSACTIONS WITH RELATED PERSONS OR PARTIES

The Company has certain business transactions with its related persons or parties which are related through being director or shareholding or having shareholders or some co-directors. The effects of these transactions were reflected in the accompanying financial statements in normal business and general trading conditions, except sub-lease contract as Note 19.

COMPANIES	RELATIONSHIP
Subsidiaries	See Note 6
Associates	See Note 6
Related companies	See Note 7
Better Way (Thailand) Co., Ltd.	Co – directors
International Laboratories Corp., Ltd.	Co – directors
Vitayasithi Co., Ltd.	Co – directors
Kewpie (Thailand) Co., Ltd.	Co – directors
Konica Minolta Photochem (Thailand) Co., Ltd.	Co – shareholders
Thai Wacoal Plc.	Co – shareholders
Saha Pathana Inter-Holding Plc.	Shareholders
O.C.C. Plc.	Co – directors
I.C.C. International Plc.	Co – directors
Oriental Salon Business Co., Ltd.	Co – directors
Saha Direction International Co., Ltd.	Co – directors
H & B Intertex Co., Ltd.	Co – directors

The significant transactions with related parties are as follows :

(THOUSAND BAHT)

Transactions in balance sheets	CONSOLIDATED		THE COMPANY ONLY	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
<u>Trade accounts receivable</u>				
- Subsidiaries	-	-	437	1,402
- Associates	1,105	257	124	66
- Related companies	128,745	148,797	107,022	120,515
Total	129,850	149,054	107,583	121,983
<u>Loans extended</u>				
- Subsidiaries	-	-	6,000	6,500
- Related companies	1,900	1,900	1,900	1,900
Total	1,900	1,900	7,900	8,400
<u>Revenues receivable</u>				
- Subsidiaries	-	-	729	847
- Associates	52	107	52	107
- Related companies	223	60	223	60
Total	275	167	1,004	1,014
<u>Other receivables</u>				
- Related companies	45,353	46,953	45,353	46,953
<u>Unearned rental</u>				
- Related companies	3,147	4,885	3,147	4,885
<u>Trade accounts payable</u>				
- Subsidiaries	-	-	29,138	19,526
- Associates	9,055	11,949	7,761	9,841
- Related companies	3,318	3,790	469	1,149
Total	12,373	15,739	37,368	30,516
<u>Other accounts payable</u>				
- Subsidiaries	-	-	85	4
- Associates	55	61	55	61
- Related companies	1,687	1,451	1,687	1,451
Total	1,742	1,512	1,827	1,516

(THOUSAND BAHT)

Transactions in income statements for the three-month periods ended March 31,	CONSOLIDATED		THE COMPANY ONLY	
	2006	2005	2006	2005
<u>Sales</u>				
- Subsidiaries	-	-	377	563
- Associates	2,224	1,704	191	343
- Related companies	184,697	189,650	159,816	161,401
Total	186,921	191,354	160,384	162,307
<u>Rental income</u>				
- Associates	2,179	1,173	2,179	1,173
- Related companies	2,843	507	2,843	507
Total	5,022	1,680	5,022	1,680
<u>Other income</u>				
- Subsidiaries	-	-	848	703
- Associates	331	252	331	252
- Related companies	290	420	290	420
Total	621	672	1,469	1,375
<u>Purchase and service</u>				
- Subsidiaries	-	-	40,005	32,088
- Associates	11,871	15,395	9,987	13,666
- Related companies	3,627	3,423	3,627	3,423
Total	15,498	18,818	53,619	49,177
<u>Rental expenses</u>				
- Associates	188	270	188	270
- Related companies	2,702	1,724	2,702	1,724
Total	2,890	1,994	2,890	1,994
<u>Other expenses</u>				
- Subsidiaries	-	-	107	145
- Associates	102	114	83	108
- Related companies	14,064	11,177	6,176	4,383
Total	14,166	11,291	6,366	4,636

Income from sales, purchase of goods and service and other income and expenses as shown in the income statements are in accordance with general trading conditions under fixing price or at market price. For the transactions with no reference of market price, the agreed prices according to the agreement are applied.

18. COMMITMENT AND CONTINGENT LIABILITIES

(THOUSAND BAHT)

	CONSOLIDATED		THE COMPANY ONLY	
	March 31, 2006	December 31, 2005	March 31, 2006	December 31, 2005
18.1 Commitment under letters of guarantee issued by commercial banks	38,024	37,355	37,604	36,335
18.2 Letters of credit	2,188	1,404	677	323
18.3 Royalty fees are payable by calculating from percentage of sales at the rate as fixed in the agreement.				
18.4 Lease contract of Preserved Food Organization (P.F.O.) yearly (See Note 19).				
18.5 Lease and service contracts for the office and warehouse having periods from 2 years onward as specified in each contract. As at March 31, 2006, the Company has commitment to pay future monthly rental and services approximately for				
	Consolidated	Baht	1,041,752	
	The Company Only	Baht	737,400	

19. LEASEHOLD RIGHT AND SUB-LEASE CONTRACT

On September 11, 1989, the Company has made lease contract with the Preserved Food Organization (P.F.O.), Ministry of Defense for the period of 20 years, commencing from September 11, 1989 to September 10, 2009. On July 23, 1990, the Company has made sub-lease contract of some portion to Thai Q P Company Limited, its related company for the period of 19 years, commencing from July 23, 1990 to July 23, 2009 as the following details :

(THOUSAND BAHT)

	Portion paid to Ministry of Defense	Portion received from Thai Q P Co., Ltd.
1. Rental fee of Preserved Food Organization (P.F.O.)		
- Amount paid at the beginning of contract	55,000	38,500
- Balance as at March 31, 2006	9,478	6,699
- Balance as at December 31, 2005	10,156	7,206
Shown under leasehold right and unearned rental		
2. Security for damage	5,000	3,500
Shown under investments in bond and guarantee income		
3. Yearly rental (increasing in every 5 years)		
- Balance as at March 31, 2006	3,147	3,147
- Balance as at December 31, 2005	4,885	4,885
Shown under prepaid and unearned rental		
4. Related insurance premiums and other expenses will be totally collected from Thai Q P Co., Ltd. (Shown under selling/administrative expenses and compensation income)		

20. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's directors.