

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

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 8 to the financial statements.
1.4 Number of employees as at September 30, 2007 and 2006	(1) Including its subsidiaries 2,729 persons and 2,580 persons, respectively. (2) The Company only 1,571 persons and 1,571 persons, respectively.
1.5 Employee expenses for the nine-month periods ended September 30, 2007 and 2006	(1) Including its subsidiaries Baht 317.38 million and Baht 297.73 million, respectively. (2) The Company only Baht 207.59 million and Baht 192.34 million, respectively.

2. BASIS FOR PREPARATION OF INTERIM FINANCIAL STATEMENTS

These interim financial statements are prepared in accordance with Thai Accounting Standards under the Accounting Act, B.E. 2543 (2000), including the Accounting Profession Act, B.E. 2547 (2004). These interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2006.

2.1 These 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
	2007	2006	
E F Co., Ltd.	99.99	99.99	Thailand
Top Trend Manufacturing Co., Ltd.	51	51	Thailand
Sriracha Engineering Service Co., Ltd.	-	51	Thailand
Wildlives (Thailand) Co., Ltd.	99.99	99.99	Thailand

ASSOCIATES

COMPANIES	% HOLDING		ESTABLISHED IN
	2007	2006	
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 significant 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. CHANGING ACCOUNTING POLICY

In 2007, the Company has changed its accounting policy for investments in subsidiaries and associates, which is presented in the separate financial statements from the equity method to cost method following the Notification of the Federation of Accounting Professions No. 26/2549 (Amendment No.1) and No. 32/2549 regarding Accounting Standard No. 44 “Consolidated Financial Statements and Accounting for Investments in Subsidiaries,” and Accounting Standard No. 45 “Accounting for Investments in Associates”. In changing such accounting policy, the Company has restated the previous periods separate financial statements shown herein as comparison as if the Company has recorded such investments by the cost method following the new accounting policy all through. Therefore, the information of the separate financial statements for the year ended December 31, 2006 and for the three-month and nine-month periods ended September 30, 2006 shown herewith as comparison was the information prepared under the new accounting policy. The effect from changing accounting policy is as follows:

Balance sheet as at December 31, 2006		THOUSAND BAHT	
Decrease in short – term loans to related companies from setting up allowance for doubtful accounts.			(982)
Decrease in investments in subsidiaries.			(62,940)
Decrease in investments in associates.			(34,310)
Decrease in investment deficiency.			3,179
Decrease in ending retained earnings.			(95,053)
Statements of income for the three-month and nine-month periods ended September 30, 2006		THOUSAND BAHT	
		Three-month period	Nine-month period
Increase in dividend income.		4,500	17,262
Decrease in share of profits from investment for using the equity method.		(10,776)	(35,719)
Increase in selling and administrative expenses from doubtful debts increase.		(79)	(13)
Decrease in net profit.		(6,355)	(18,470)
Decrease in earnings per share (Baht per share)		(0.06)	(0.18)
Decrease in diluted earnings per share (Baht per share)		(0.06)	(0.18)

Cumulative effect from the change in accounting policy which has to be decreasingly adjusted to the beginning retained earnings for the separate financial statements as at January 1, 2007 amount of Baht 95.05 million and as at January 1, 2006 amount of Baht 66.89 million.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenues and expenses recognition

The Company recognized revenues and expenses from the following bases :

Sales	-	Recognized as revenues whenever goods are delivered.
Sales of goods on consignment	-	Recognized as revenues whenever the consignment goods were sold to the third parties.
Rental income	-	Recognized over the lease period.
Other income	-	Recognized on the accrual basis.
Expenses	-	Recognized on the accrual basis.

4.2 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.

4.3 Investments in Open-end Fund

Investments in Open-end Fund are considered as trading securities, stated at fair value. Cost of the disposed trading securities during the period is calculated by the weighted average method.

4.4 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.

4.5 Investments

Investments in subsidiaries are those companies in which the parent in the group companies, 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 in the separate financial statements are stated at cost after deduction of provision for diminution in investment value.

Investments in associates are those companies in which the parent in the group companies has shareholding from 20% to 50% of the total voting rights or has significant influence over the associates, that is the parent in the group companies 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 for consolidation and cost method for the separate financial statements.

Investments in related companies are those companies in which the group companies have 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 group companies have shareholding but have 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 for 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.

4.6 Investments in real estate

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

4.7 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 as intended.

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.

4.8 Leasehold right

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

4.9 Computer softwares

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

4.10 Operating leases

Leases where most of substantial risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to expenses in the statements of income over the lease term.

4.11 Earnings per share

In 2007, basic earnings per share is calculated by dividing the periodical net profit by the number of issued and paid-up common stocks by the weighted average method.

In 2006, basic earnings per share is calculated by dividing the periodical net profit by the number of issued and paid-up common stocks at the end of the periods.

Diluted earnings per share is calculated by dividing the periodical net profit by the number of weighted average common stocks held by outsiders during the period plus the weighted average number of common stocks which have to be issued for the conversion of all the dilutive potential common stocks to be common stocks as such no any adjustment is made to the net profit for the period.

4.12 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.

4.13 Forward exchange contracts

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

4.14 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.

4.15 Use of accounting estimates

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

5. INVESTMENTS IN OPEN-END FUND

(THOUSAND BAHT)

CONSOLIDATED	September 30, 2007	December 31, 2006
Investments in Open-end Fund	-	3,000
Allowance for adjustment investment value	-	25
Investments in Open-end Fund - net	-	3,025

During March 2007, subsidiary has sold investments in Open-end Fund amount of Baht 3.06 million at book value amount of Baht 3.03 million. Gain from investments in Open-end Fund incurred during the period was shown in the statements of income of subsidiary.

6. TRADE ACCOUNTS RECEIVABLE consist of :

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	September 30, 2007	December 31, 2006	September 30, 2007	December 31, 2006
Trade notes receivable	16,242	20,441	11,704	17,190
Trade accounts receivable				
Current	370,157	262,411	300,051	216,014
Overdue within 3 months	121,370	86,004	96,171	61,560
Overdue between 3 to 6 months	3,325	4,432	554	4,129
Overdue between 6 to 12 months	8,731	6,323	8,183	5,568
Overdue more than 12 months	19,778	14,506	13,658	9,429
Total	539,603	394,117	430,321	313,890
<u>Less</u> Allowance for doubtful accounts	(19,570)	(18,469)	(12,860)	(13,400)
Trade accounts receivable – net	520,033	375,648	417,461	300,490

7. SHORT-TERM LOANS TO SUBSIDIARY AND RELATED COMPANIES

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS		INTEREST RATE (%)	
	September 30, 2007	December 31, 2006	September 30, 2007	December 31, 2006	September 30, 2007	December 31, 2006
- Subsidiaries						
E F Co., Ltd.						
Beginning Balance	-	-	-	2,000		
Settlement during the period	-	-	-	(2,000)		
Ending Balance	-	-	-	-	-	4.75 – 5.50
Wildlives (Thailand) Co., Ltd.						
Beginning Balances	-	-	3,500	4,500		
Increase during the period	-	-	-	-		
Settlement during the period	-	-	(500)	(1,000)		
Ending Balances	-	-	3,000	3,500		
Less Allowance for doubtful accounts	-	-	(795)	(982)		
Ending Balances - net	-	-	2,205	2,518	4.00 - 5.50	4.75 – 5.50
Total Short-term Loans to Subsidiaries – net	-	-	2,205	2,518		
- Related Company						
Osoth Interlaboratories Co., Ltd.						
Beginning Balances	1,900	1,900	1,900	1,900		
Settlement during the period	(1,900)	-	(1,900)	-		
Ending Balances	-	1,900	-	1,900	5.50	4.75 – 5.50
Total Short-term Loans to Related Company	-	1,900	-	1,900		
Total Short-term Loans to Subsidiary and Related Companies - net	-	1,900	2,205	4,418		

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

8. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

(THOUSAND BAHT)

	% Holding		CONSOLIDATED (Equity Method)		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	September 30, 2007	December 31, 2006	September 30, 2007	December 31, 2006	September 30, 2007	December 31, 2006
<u>SUBSIDIARIES</u>						
E F Co., Ltd.	99.99	99.99	-	-	4,006	4,006
Top Trend Manufacturing Co., Ltd.	51	51	-	-	36,625	36,625
Sriracha Engineering Service Co., Ltd.	-	51	-	-	-	2,931
Wildlives (Thailand) Co., Ltd.	99.99	99.99	-	-	1,000	1,000
Total Investments in Subsidiaries			-	-	41,631	44,562
<u>Less</u> Provision for diminution in value of investments in Subsidiaries			-	-	(1,000)	(2,209)
Total Investment in Subsidiaries - net			-	-	40,631	42,353
<u>ASSOCIATES</u>						
Yamahatsu (Thailand) Co., Ltd.	30	30	22,057	21,673	6,000	6,000
Shaldan (Thailand) Co., Ltd.	21	21	3,284	3,232	4,392	4,392
Operational Energy Group Limited	30	30	43,644	32,948	13,151	13,151
Total Investments in Associates			68,985	57,853	23,543	23,543

(THOUSAND BAHT)

	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID –UP SHARE CAPITAL		DIVIDEND	
			September 30, 2007	December 31, 2006	September 30, 2007	September 30, 2006
<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	6,732	7,650
Sriracha Engineering Service Co., Ltd.	Engineering services	Shareholders / co – directors	-	3,000	-	612
Wildlives (Thailand) Co., Ltd.	Consumer products	Shareholders / co – directors	1,000	1,000	-	-
Total					6,732	8,262
<u>ASSOCIATES</u>						
Yamahatsu (Thailand) Co., Ltd.	Hair products	Shareholders / co – directors	20,000	20,000	5,700	-
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	9,000	9,000
Total					14,700	9,000

On March 30, 2007, the Extraordinary Shareholders’ Meeting No. 1/2007 of Sriracha Engineering Service Company Limited was held and approved a special resolution to dissolve the company following the resolution of the Ordinary General Shareholders’ Meeting No. 23 held on March 12, 2007. The subsidiary company registered its dissolution with the Ministry of Commerce on March 30, 2007. In the first quarter of 2007, the Company has transferred the investments from its subsidiary by transferring the remaining assets and liabilities from the consolidated financial statements, and recognizing the reverse entry of investment deficiency as gain from cutting off such investment in the consolidated statement of income. In the second quarter of 2007, the Company has obtained refund from such investment amount of Baht 1.65 million which was recorded as loss on investment in dissolved subsidiary in the separate statements of income.

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

9. INVESTMENTS IN RELATED COMPANIES consist of :

(THOUSAND BAHT)

	% Holding		Cost Method		Dividend	
	September 30,	December 31,	September 30,	December 31,	September 30,	September 30,
	2007	2006	2007	2006	2007	2006
1. Thai Q P Co., Ltd.	7.50	7.50	9,000	9,000	540	270
2. General Glass Co., Ltd.	16	16	16,000	16,000	-	-
3. Thai Lotte Co., Ltd.	1.90	1.90	* 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	135	135
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	28	28
9. BSC Entertainment Co., Ltd.	10	10	* 20,565	* 20,565	-	-
10. C.V.V. Hotel Business Co., Ltd.	1.56	1.56	* 888	* 888	-	-
11. Konica Minolta Photochem (Thailand) Co., Ltd.	5	5	1,750	1,750	-	175
12. B.K.C. International Co., Ltd.	19	19	* 475	* 475	-	-
Total			90,503	90,503	703	608
<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 diminution in value of investments in related companies			(34,049)	(33,563)		
Total Investments in Related Companies – net			40,599	41,085		

During 2006, General Glass Company Limited has increased its capital to 8,000,000 shares, amount of Baht 80 million, the Company thereby has purchased additional investments in such company of 1,400,000 shares with fully paid amount of Baht 14,000,000.

In the third quarter of 2006, the investment in Guangdong Xiezhong Cosmetics Company Limited amount of Baht 9.03 million which was totally set up the provision for diminution in value of such investment was dissolved. The Company obtained refund from such investment in the amount of Baht 2.54 million which was credited as profit at the same amount in the statements of income.

(THAI CURRENCY : THOUSAND BAHT)

	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID –UP SHARE CAPITAL	
			September 30, 2007	December 31, 2006
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	100,000	100,000
3. Thai Lotte Co., Ltd.	Chewing gum	Shareholders / co – directors	420,000	420,000
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	1,250	1,250
9. BSC Entertainment Co., Ltd.	Bowling alley	Shareholders / co – directors	174,000	174,000
10. C.V.V. Hotel Business Co., Ltd.	Hotel	Shareholders / co – directors	44,000	44,000
11. Konica Minolta Photochem (Thailand) Co., Ltd.	Photographic development	Co-shareholders	35,000	35,000
12. B.K.C. International Co., Ltd.	Consumer products	Shareholders / co – directors	2,500	2,500

10. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES

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

(THOUSAND BAHT)

COMPANIES	% Holding		Cost Method		Dividend	
	September 30, 2007	December 31, 2006	September 30, 2007	December 31, 2006	September 30, 2007	September 30, 2006
Related Companies						
1. Boutique New City Plc.	0.02	0.02	124	124	-	2
2. Far East DDB Plc.	0.01	0.01	40	40	3	3
3. I.C.C. International Plc.	0.27	0.27	16,391	16,391	777	678
4. President Bakery Plc.	1.00	1.00	13,500	13,500	1,440	1,410
5. Sahacogen (Chonburi) Plc.	13.96	13.96	192,963	192,963	39,992	26,660
Total			223,018	223,018	42,212	28,753
<u>Add</u> Unrealized gain on investment revaluation			401,650	365,567	-	-
Total net investments in available-for-sales securities-related companies			624,668	588,585	42,212	28,753
Other Companies						
1. Nation Multimedia Group Plc.			8,586	8,586	-	-
2. Bangkok Bank Plc.			5,001	5,001	174	143
Total			13,587	13,587	174	143
<u>Less</u> Unrealized loss on investment revaluation			(1,222)	(1,007)	-	-
Total net investments in available-for-sales securities-other companies			12,365	12,580	174	143
Total available-for-sales securities			637,033	601,165	42,386	28,896

(THOUSAND BAHT)

RELATED COMPANIES	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID –UP SHARE CAPITAL	
			September 30, 2007	December 31, 2006
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	450,000	450,000
5. Sahacogen (Chonburi) Plc.	Generating and distributing electricity	Shareholders / co – directors	955,000	955,000

During second quarter of 2006, the Company has purchased additional investments in I.C.C. International Public Company Limited of 100,000 shares, worth Baht 4 million. And President Bakery Public Company Limited has increased its capital 15,000,000 shares, amount of Baht 150 million, the Company thereby has purchased additional investment in such company of 150,000 shares, worth Baht 6 million.

11. INVESTMENTS IN OTHER COMPANIES consist of :

(THOUSAND BAHT)

	% Holding		Cost Method		Dividend	
	September 30,	December 31,	September 30,	December 31,	September 30,	September 30,
	2007	2006	2007	2006	2007	2006
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	300	1,000
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	110	110
12. E. P. F. Co., Ltd.	18.00	18.00	702	* 702	252	-
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	675	675
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	1,337	1,785
<u>Less</u> *Provision for diminution in value of investments in other companies			(7,158)	(7,311)		
Total Investments in Other Companies – net (The separate financial statements)			28,659	28,506		
SUBSIDIARIES INVEST IN						
- Treasure Hill Co., Ltd.	1.00	1.00	* 2,000	* 2,000		
- Pancomp International Co., Ltd.	-	5.00	-	* 1,000		
<u>Less</u> *Provision for diminution in value of investments in other companies			(2,000)	(3,000)		
Total Investments in Other Companies – net (Consolidated)			28,659	28,506		

During March 2007, the subsidiary has sold its investment with acquisition cost of Baht 1 million which was totally set up as provision for diminution in value of investment. The subsidiary obtained proceeds amount of Baht 10,000 which was recorded as revenue at the same amount in the statement of income of subsidiary.

12. Investments in real estate

In the second quarter of 2007, the Company, related company and other companies jointly invested in land with structures amount of Baht 30.36 million which are under consideration for commercial use. Therefore, the total acquisition cost was recorded as investments in real estate under the proportion of investment as follows :

	Amount in (Million Baht)	Ratio of ownership
Vitayasithi Co., Ltd.	14.93	76.57
S & J International Enterprises Public Co., Ltd.	9.95	51.05
K. Commercial & Construction Co., Ltd.	5.48	28.08
	30.36	155.70

13. 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, onwards. Later, in February 2006, the new term and condition for repayment were relaxed by monthly repayment from Baht 500,000 to Baht 1,500,000 and the last payment will be made within January 2011.

14. SHARE CAPITAL

During May 26, 2006 to September 30, 2007, the warrant holders who are the Company's directors, employees of the Company and its subsidiaries have exercised their warrants to purchase common stocks at an exercise price of Baht 4 each. The Company has fully received the money from its shareholders and has registered the paid-up capital increase with the Ministry of Commerce as follows :-

Registered Date	Exercised Warrants (Units)	Purchase Common Stocks (Shares)	Amount in (Baht)
June 7, 2006	1,249,500	1,249,500	4,998,000
July 5, 2006	283,000	283,000	1,132,000
August 7, 2006	32,500	32,500	130,000
September 7, 2006	102,500	102,500	410,000
October 5, 2006	13,000	13,000	52,000
December 8, 2006	134,000	134,000	536,000
Total year 2006	1,814,500	1,814,500	7,258,000
February 7, 2007	142,500	142,500	570,000
March 7, 2007	506,500	506,500	2,026,000
June 7, 2007	42,000	42,000	168,000
September 7, 2007	37,500	37,500	150,000
Total year 2007	728,500	728,500	2,914,000

WARRANTS

On April 25, 2005, the Ordinary General Shareholders' Meeting was held and has a resolution to approve the issuance of warrants offered to the directors, employees of the Company and its subsidiaries under the Company's ESOP programme of 5,000,000 units with 3 year maturity at the offering price of Baht zero. The exercise ratio is 1 unit to 1 common stock at 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' employees of 5,000,000 shares, which was duly approved by the Ordinary General Shareholders' Meeting on April 26, 2004.

The financial statements for the nine-month period ended September 30, 2007 and for the year ended December 31, 2006, presenting the warrant holders who are the Company's directors, employees of the Company and its subsidiaries have exercised their warrants to purchase 728,500 common stocks and 1,814,500 common stocks, respectively. Therefore, as at September 30, 2007 there are 2,457,000 units outstanding balances of warrants.

15. 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.

16. DIVIDEND PAYMENT

On April 23, 2007, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividends for 2006 to the shareholders of 102,463,500 shares at Baht 0.65 per share, totalling Baht 66.60 million. The dividend payment was made on May 22, 2007.

On April 24, 2006, the Ordinary General Shareholders' Meeting was held and approved 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 dividend payment was made on May 22, 2006.

17. DIRECTORS' REMUNERATION

On April 23, 2007, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay directors' remuneration at the maximum of Baht 10 million per year.

On April 4, 2007, 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 24, 2006, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay directors' remuneration at the maximum of 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.

18. FOREIGN CURRENCY TRANSACTIONS

18.1 The Company has made Buying Forward Exchange Contracts with the local commercial bank for hedging against any risk in exchange rate fluctuation which might be affected to Baht payable to the foreign accounts payable that can be summarized as follows :-

CURRENCIES	Amount in thousand	Exchange rate on delivery date (Baht)	Delivery date
<u>As at September 30, 2007</u>			
USD	460	33.16 – 34.58	October 2007 – February 2008
JPY	1,917	0.296800 – 0.298658	October 2007
EUR	4	46.15	November 2007
<u>As at December 31, 2006</u>			
USD	145	35.99 – 37.30	January 2007 – March 2007
JPY	541	0.3105 – 0.3318	January 2007 – March 2007
EUR	0.9	49.240 – 49.976	January 2007

18.2 The Company has made Selling Forward Exchange Contracts with the local commercial bank for hedging against any risk in exchange rate fluctuation which might be affected to Baht receivable from 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 September 30, 2007</u>			
USD	5,468	33.74758 – 36.55000	October 2007 – March 2008
JYP	59,920	0.2852 – 0.2983	November 2007 – December 2007
GBP	117	68.6967 – 69.2500	October 2007 – December 2007
<u>As at December 31, 2006</u>			
USD	1,226	35.1783 – 37.5500	February 2007 – May 2007
JPY	51,711	0.3070 – 0.3155	January 2007 - March 2007

18.3 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	September 30, 2007		December 31, 2006	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	64	2,181	20	704
GBP	2	108	-	-
Total assets		2,289		704
Liabilities				
USD	6	223	65	2,367
JPY	603	181	26,836	8,206
GBP	0.8	54	0.8	54
SEK	3	16	3	16
NZD	0.2	5	0.2	5
CHF	2	64	-	-
Total liabilities		543		10,648

(AMOUNT IN THOUSAND)

THE SEPARATE FINANCIAL STATEMENTS	September 30, 2007		December 31, 2006	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	0.4	14	9	314
GBP	2	108	-	-
Total assets		122		314
Liabilities				
USD	4	130	38	1,377
JPY	152	46	-	-
GBP	0.8	54	0.8	54
SEK	3	16	3	16
NZD	0.2	5	0.2	5
Total liabilities		251		1,452

19. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' financial information by segment for the nine-month periods ended September 30, 2007 and 2006 are as follows :

(THOUSAND BAHT)

Year 2007	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	1,502,044	450,591	10,339	149,766	-	1,813,208
Operating result by segment	79,598	45,770	729	155,842	156,537	126,792
Net profit						148,459
Property, plant and equipment-net	269,852	334,519	169	-	-	604,540
Leasehold right-net	5,349	1,001	-	-	-	6,350
Computer softwares	4,202	-	-	-	-	4,202
Total assets						2,490,062

(THOUSAND BAHT)

Year 2006	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	1,386,684	420,055	11,593	127,603	-	1,690,729
Operating result by segment	53,723	47,924	684	132,146	135,785	105,970
Net profit						108,035
Property, plant and equipment-net	290,750	361,352	254	11,217	18,143	645,430
Leasehold right-net	8,165	1,521	-	-	-	9,686
Computer softwares	4,764	-	-	-	-	4,764
Total assets						2,535,353

The financial information by geographical segments can be classified to local and export sales for the nine-month periods, ended September 30, 2007 and 2006 as follows:

(THOUSAND BAHT)

Particulars	Local		Export		Total	
	2007	2006	2007	2006	2007	2006
Sales	1,168,873	1,064,573	644,335	626,156	1,813,208	1,690,729
Operating result by segment	98,507	90,840	28,285	15,130	126,792	105,970

20. INCOME TAX EXPENSE

The Company and subsidiaries' income taxes for the three-month and nine-month periods ended September 30, 2007 and 2006 are calculated from accounting profit and adjusted with other revenues and some expenses which are exempted from income tax or being disallowable expenses in corporate income tax computation.

In 2007, the corporate income tax of the Company is calculated at the rate of 30 per cent.

In 2006, the corporate income tax of the Company is calculated at the rate of 25 per cent.

The corporate income taxes of subsidiaries are calculated at the rate of 30 per cent.

21. TRANSACTIONS WITH RELATED PERSONS OR PARTIES

The Company has certain business transactions with its related persons or parties which are related through directorship 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 23.

COMPANIES	RELATIONSHIP
Subsidiaries	See Note 8
Associates	See Note 8
Related companies	See Note 9
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 SEPARATE FINANCIAL STATEMENTS	
	September 30, 2007	December 31, 2006	September 30, 2007	December 31, 2006
<u>Trade accounts receivable</u>				
- Subsidiaries	-	-	773	1,844
- Associates	3,857	504	1,368	101
- Related companies	149,176	172,386	126,135	150,377
Total	153,033	172,890	128,276	152,322
<u>Loans extended</u>				
- Subsidiaries (See Note 7)	-	-	2,205	2,518
- Related companies	-	1,900	-	1,900
Total	-	1,900	2,205	4,418
<u>Revenues receivable</u>				
- Subsidiaries	-	-	831	720
- Associates	114	111	114	111
- Related companies	6	26	6	26
Total	120	137	951	857
<u>Other receivables</u>				
- Related companies	35,953	40,453	35,953	40,453
<u>Unearned rental</u>				
- Related companies	6,661	4,885	6,661	4,885
<u>Trade accounts payable</u>				
- Subsidiaries	-	-	33,249	23,562
- Associates	7,499	7,932	6,167	6,261
- Related companies	5,793	3,575	2,623	944
Total	13,292	11,507	42,039	30,767
<u>Other accounts payable</u>				
- Subsidiaries	-	-	27	51
- Associates	36	83	36	83
- Related companies	1,843	1,470	1,843	1,470
Total	1,879	1,553	1,906	1,604
<u>Rental guarantee</u>				
- Related companies	200	-	200	-

(THOUSAND BAHT)

Transactions in income statements for the nine-month periods ended September 30,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2007	2006	2007	2006
<u>Sales</u>				
- Subsidiaries	-	-	1,784	1,343
- Associates	11,518	7,732	4,012	543
- Related companies	716,037	566,175	640,758	481,009
Total	727,555	573,907	646,554	482,895
<u>Rental income</u>				
- Associates	6,796	6,537	6,796	6,537
- Related companies	8,773	8,570	8,773	8,570
Total	15,569	15,107	15,569	15,107
<u>Other income</u>				
- Subsidiaries	-	-	2,564	2,276
- Associates	1,771	1,069	1,771	1,069
- Related companies	726	1,546	726	1,546
Total	2,497	2,615	5,061	4,891
<u>Purchase and service</u>				
- Subsidiaries	-	-	147,938	126,112
- Associates	39,230	43,646	35,242	39,596
- Related companies	19,590	22,963	19,590	22,963
Total	58,820	66,609	202,770	188,671
<u>Rental expenses</u>				
- Associates	564	564	564	564
- Related companies	2,985	8,273	2,985	8,273
Total	3,549	8,837	3,549	8,837
<u>Other expenses</u>				
- Subsidiaries	-	-	32	137
- Associates	298	356	281	291
- Related companies	48,920	48,810	20,583	20,936
Total	49,218	49,166	20,896	21,364

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.

22. COMMITMENT AND CONTINGENT LIABILITIES

(THOUSAND BAHT)

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	September 30, 2007	December 31, 2006	September 30, 2007	December 31, 2006
22.1 Commitment under letters of guarantee issued by commercial banks	66,123	57,991	65,703	57,571
22.2 Commitment under letters of guarantee on overdrafts with commercial banks for - Associates	4,200	4,200	4,200	4,200
22.3 Letters of credit	4,151	9,358	3,859	163
22.4 Royalty fees are payable by calculating from percentage of sales at the rate as fixed in the agreement.				
22.5 Lease contract of Preserved Food Organization (P.F.O.) yearly (See Note 23).				
22.6 Lease and Service Contracts for the office and warehouse and Adviser Employment Contract having periods from 2 years onward as specified in each contract. As at September 30, 2007, the Company has commitment to pay future monthly rental and services approximately for				
	Consolidated	Baht	1,840,872	
	The separate financial statements	Baht	1,300,340	

23. 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 September 30, 2007	5,349	3,660
- Balance as at December 31, 2006	7,406	5,180
Shown under leasehold right and unearned rental		
2. Security for damage	5,000	3,500
Shown under investments in bond and deposit received		
3. Yearly rental (increasing in every 5 years)		
- Balance as at September 30, 2007	6,661	6,661
- Balance as at December 31, 2006	4,885	4,885
Totally shown under prepaid and unearned rental		
4. Related insurance premiums and other expenses will be totally collected from Thai Q P Co., Ltd.		
Totally shown under selling/administrative expenses and compensation income		

24. DILUTED EARNINGS PER SHARE RECONCILIATION

<u>CONSOLIDATED</u>	For the three-month period ended September 30, 2007			For the three-month period ended September 30, 2006		
	Net profit	Number of shares	Earnings per shares	Net profit	Number of shares	Earnings per shares
	Thousand Baht	Shares	Baht	Thousand Baht	Shares	Baht
<u>Basic earnings per share</u>						
Net profit available to ordinary shareholders	53,194	102,515,283	0.52	55,202	101,566,364	0.54
<u>Effect of assumed conversion</u>						
Warrants	-	1,744,230		-	2,239,089	
<u>Diluted earnings per share</u>						
Net profit available to ordinary shareholders plus assumed conversion	53,194	104,259,513	0.51	55,202	103,805,453	0.53

<u>CONSOLIDATED</u>	For the nine-month period ended September 30, 2007			For the nine-month period ended September 30, 2006		
	Net profit	Number of shares	Earnings per shares	Net profit	Number of shares	Earnings per shares
	Thousand Baht	Shares	Baht	Thousand Baht	Shares	Baht
<u>Basic earnings per share</u>						
Net profit available to ordinary shareholders	148,459	102,344,734	1.45	108,035	100,637,705	1.07
<u>Effect of assumed conversion</u>						
Warrants	-	1,839,785		-	2,945,828	
<u>Diluted earnings per share</u>						
Net profit available to ordinary shareholders plus assumed conversion	148,459	104,184,519	1.43	108,035	103,583,533	1.04

<u>THE SEPARATE FINANCIAL STATEMENTS</u>	For the three-month period ended September 30, 2007			For the three-month period ended September 30, 2006		
	Net profit	Number of shares	Earnings per shares	Net profit	Number of shares	Earnings per shares
	Thousand Baht	Shares	Baht	Thousand Baht	Shares	Baht
<u>Basic earnings per share</u>						
Net profit available to ordinary shareholders	44,842	102,515,283	0.44	48,847	101,566,364	0.48
<u>Effect of assumed conversion</u>						
Warrants	-	1,744,230		-	2,239,089	
<u>Diluted earnings per share</u>						
Net profit available to ordinary shareholders plus assumed conversion	44,842	104,259,513	0.43	48,847	103,805,453	0.47

<u>THE SEPARATE FINANCIAL STATEMENTS</u>	For the nine-month period ended September 30, 2007			For the nine-month period ended September 30, 2006		
	Net profit	Number of shares	Earnings per shares	Net profit	Number of shares	Earnings per shares
	Thousand Baht	Shares	Baht	Thousand Baht	Shares	Baht
<u>Basic earnings per share</u>						
Net profit available to ordinary shareholders	125,699	102,344,734	1.23	89,565	100,637,705	0.89
<u>Effect of assumed conversion</u>						
Warrants	-	1,839,785		-	2,945,828	
<u>Diluted earnings per share</u>						
Net profit available to ordinary shareholders plus assumed conversion	125,699	104,184,519	1.21	89,565	103,583,533	0.86

25. FINANCIAL STATEMENTS APPROVAL

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