

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE INTERIM FINANCIAL STATEMENTS****MARCH 31, 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 <ul style="list-style-type: none">- 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 March 31, 2007 and 2006	(1) Including its subsidiaries 2,198 persons and 2,335 persons, respectively. (2) The Company only 1,221 persons and 1,250 persons, respectively.
1.5 Employee expenses for the three-month periods ended March 31, 2007 and 2006	(1) Including its subsidiaries Baht 96.28 million and Baht 89.51 million, respectively. (2) The Company only Baht 62.92 million and Baht 56.94 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 of the Company from 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 Company’s financial statements for the year ended December 31, 2006 and for the three-month period ended March 31, 2006 shown herewith as comparison was the information prepared under the new accounting policy. The effect from changing accounting policy is as follows:

THOUSAND BAHT

Balance sheet as at December 31, 2006	Amount
Decrease in short – term loans to related companies from 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)
Statement of income for the three-month period ended March 31, 2006	
Increase in dividend income.	4,500
Decrease in share of profits from investment for using the equity method.	(16,134)
Decrease in selling and administrative expenses from doubtful debts decrease.	501
Decrease in net profit.	(11,133)
Decrease in earnings per share (Baht)	(0.11)

Cumulative effect from the change in accounting policy which has to be decreasingly adjusted to the beginning retained earnings for the Company's 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 consignee	-	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 are stated at cost after deduction of provision for impairment.

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 consolidated financial statements and cost method for the Company only.

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 land

Investments in land 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 required.

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 Basic 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.

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.

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.

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)

	March 31, 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 as at book value amount of Baht 3.03 million. Gain from investments in Open-end Fund incurred during the period was credit in the statements of income of subsidiary.

6. TRADE ACCOUNTS RECEIVABLE consist of :

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE COMPANY ONLY	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Trade notes receivable	19,614	20,441	14,272	17,190
Trade accounts receivable				
Current	262,478	262,411	198,525	216,014
Overdue within 3 months	26,037	86,004	21,470	61,560
Overdue between 3 to 6 months	10,129	4,432	10,022	4,129
Overdue between 6 to 12 months	5,206	6,323	4,465	5,568
Overdue more than 12 months	18,202	14,506	12,737	9,429
Total	341,666	394,117	261,491	313,890
<u>Less</u> Allowance for doubtful accounts	(19,428)	(18,469)	(13,220)	(13,400)
Trade accounts receivable – net	322,238	375,648	248,271	300,490

7. SHORT-TERM LOANS TO SUBSIDIARY AND RELATED COMPANIES

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE COMPANY ONLY		INTEREST RATE (%)	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
- Subsidiaries						
E F Co., Ltd.						
Beginning Balances	-	-	-	2,000		
Settlement during the period	-	-	-	(2,000)		
Ending Balances	-	-	-	-	-	4.75 – 5.50
Wildlives (Thailand) Co., Ltd.						
Beginning Balances	-	-	3,500	4,500		
Increase during the period	-	-	-	-		
Settlement during the period	-	-	-	(1,000)		
Ending Balances	-	-	3,500	3,500		
Less Allowance for doubtful accounts	-	-	(713)	(982)		
Ending Balances - net	-	-	2,787	2,518	5.50	4.75 – 5.50
Total Short-term Loans to Subsidiaries – net	-	-	2,787	2,518		
- Related Company						
Osoth Interlaboratories Co., Ltd.						
Beginning Balances	1,900	1,900	1,900	1,900		
Settlement during the period	-	-	-	-		
Ending Balances	1,900	1,900	1,900	1,900	5.50	4.75 – 5.50
Total Short-term Loans to Related Company	1,900	1,900	1,900	1,900		
Total Short-term Loans to Subsidiary and Related Companies	1,900	1,900	4,687	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 COMPANY ONLY (Cost Method)	
	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
	2007	2006	2007	2006	2007	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 impairment 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	23,571	21,673	6,000	6,000
Shaldan (Thailand) Co., Ltd.	21	21	3,466	3,232	4,392	4,392
Operational Energy Group Limited	30	30	44,438	32,948	13,151	13,151
Total Investments in Associates			71,475	57,853	23,543	23,543

(THOUSAND BAHT)

	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID –UP SHARE CAPITAL		DIVIDEND	
			March 31, 2007	December 31, 2006	March 31, 2007	March 31, 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	-	-
Sriracha Engineering Service Co., Ltd.	Engineering services	Shareholders / co – directors	-	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

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. The investments in such subsidiary are stated as investments in related company at book value on the dissolution date.

The financial statements of Yamahatsu (Thailand) Company Limited, Shaldan (Thailand) Company Limited and Operational Energy Group Limited, which are applied for using 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	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006	March 31, 2007	March 31, 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.	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. 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	-	-
12. B.K.C. International Co., Ltd.	19	19	* 475	* 475	-	-
13. Sriracha Engineering Service Co., Ltd.	51	-	* 2,931	-	-	-
Total			93,434	90,503	540	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			(34,841)	(33,563)		
Total Investments in Related Companies – net			42,738	41,085		

In the 1st quarter of 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 at Baht 5 per share (par value of Baht 10), worth Baht 7 million.

(THAI CURRENCY : THOUSAND BAHT)

	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID –UP SHARE CAPITAL	
			March 31, 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	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	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
13. Sriracha Engineering Service Co., Ltd.	Engineering services	Shareholders / co – directors	3,000	-

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	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006	March 31, 2007	March 31, 2006
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.	0.27	0.27	16,391	16,391	-	-
4. President Bakery Plc.	1.00	1.00	13,500	13,500	-	-
5. Sahacogen (Chonburi) Plc.	13.96	13.96	192,963	192,963	39,992	-
Total			223,018	223,018	39,992	-
<u>Add</u> Unrealized gain on investment revaluation			370,498	365,567	-	-
Total net investments in available-for-sales securities-related companies			593,516	588,585	39,992	-
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>Less</u> Unrealized loss on investment revaluation			(277)	(1,007)	-	-
Total net investments in available-for-sales securities-other companies			13,310	12,580	-	-
Total investments in available-for-sales securities			606,826	601,165	39,992	-

(THOUSAND BAHT)

RELATED COMPANIES	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID –UP SHARE CAPITAL	
			March 31, 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

11. INVESTMENTS IN OTHER COMPANIES consist of :

(THOUSAND BAHT)

	% Holding		Cost Method		Dividend	
	March 31,	December 31,	March 31,	December 31,	March 31,	March 31,
	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	-	-
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			(7,311)	(7,311)		
Total Investments in Other Companies – net (The Company Only)			28,506	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 impairment of investments in other companies			(2,000)	(3,000)		
Total Investments in Other Companies – net (Consolidated)			28,506	28,506		

During March 2007, the subsidiary sold its investment amount of Baht 1 million which was totally set up the provision for impairment of investment. The subsidiary obtained money from such investment amount of Baht 10,000 which was recorded as revenue at the same amount in the statement of income of subsidiary.

12. 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.

13. SHARE CAPITAL

During May 26, 2006 to March 31, 2007, the warrant holders who are the Company's directors, employees of the Company and its subsidiaries have exercised 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 :-

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

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's employees of 5,000,000 units, which was duly approved by the Ordinary General Shareholders' Meeting on April 26, 2004.

As at March 31, 2007 and December 31, 2006 , the warrant holders who are the Company's directors, employees of the Company and its subsidiaries have exercised their warrants to purchase 649,000 common stocks and 1,814,500 common stocks, respectively. Therefore, as at March 31, 2007 there are 2,536,500 outstanding balances of warrants.

14. 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.

15. DIVIDEND PAYMENT

On February 22, 2007, the Board of Director's Meeting was held and has 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 Ordinary General Shareholders' Meeting held on April 23, 2007 has approved the payment of such proposed dividend.

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 100,000,000 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.

16. 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.

17. FOREIGN CURRENCY TRANSACTIONS

17.1 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 March 31, 2007</u>			
USD	16	35.71976 – 35.77000	April 2007 – June 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

17.2 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 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, 2007</u>			
USD	1,257	34.683 – 36.710	April 2007 – May 2007
JPY	50,912	0.2949 – 0.3009	April 2007 – June 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

17.3 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, 2007		December 31, 2006	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	23	795	20	704
Total assets		795		704
Liabilities				
USD	82	2,874	65	2,367
JPY	4,630	1,386	26,836	8,206
GBP	7	515	0.8	54
EUR	0.3	13	-	-
SEK	3	15	3	16
NZD	2	39	0.2	5
CHF	2	45	-	-
Total liabilities		4,887		10,648

(AMOUNT IN THOUSAND)

THE COMPANY ONLY	March 31, 2007		December 31, 2006	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	2	53	9	314
Total assets		53		314
Liabilities				
USD	82	2,874	38	1,377
JPY	4,630	1,386	-	-
GBP	7	515	0.8	54
EUR	0.3	13	-	-
SEK	3	15	3	16
NZD	2	39	0.2	5
Total liabilities		4,842		1,452

18. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' financial information by segment for the three-month periods ended March 31, 2007 and 2006 are as follows :

(THOUSAND BAHT)

Year 2007	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	369,830	125,351	3,823	43,025	-	455,979
Operating result by segment	(2,496)	4,568	525	48,028	48,375	2,944
Net profit						60,817
Property, plant and equipment-net	275,958	346,482	211	-	-	622,651
Leasehold right-net	6,749	1,261	-	-	-	8,010
Computer softwares	4,484	-	-	-	-	4,484
Total assets						2,189,298

(THOUSAND BAHT)

Year 2006	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	335,342	130,395	5,004	40,471	-	430,270
Operating result by segment	(3,715)	13,740	803	45,081	45,855	11,602
Net profit						15,435
Property, plant and equipment-net	303,593	377,509	230	9,702	18,142	672,892
Leasehold right-net	9,588	1,031	-	-	-	10,619
Computer softwares	5,046	-	-	-	-	5,046
Total assets						2,215,529

The financial information by geographical segments can be classified to local and export sales for the three-month periods, ended March 31, 2007 and 2006 as follows:

(THOUSAND BAHT)

Particulars	Local		Export		Total	
	2007	2006	2007	2006	2007	2006
Sales	368,402	321,212	87,577	109,058	455,979	430,270
Operating result by segment	10,791	15,736	(7,847)	(4,134)	2,944	11,602

19. INCOME TAX EXPENSE

The Company and subsidiaries' income tax for the three-month periods ended March 31, 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 income tax computation of the Company is calculated at the rate of 30 per cent.

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

The income tax of subsidiaries is calculated at the rate of 30 per cent.

20. 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 22.

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 COMPANY ONLY	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
<u>Trade accounts receivable</u>				
- Subsidiaries	-	-	679	1,844
- Associates	913	504	51	101
- Related companies	137,433	172,386	115,635	150,377
Total	138,346	172,890	116,365	152,322
<u>Loans extended</u>				
- Subsidiaries (See Note 7)	-	-	2,787	2,518
- Related companies	1,900	1,900	1,900	1,900
Total	1,900	1,900	4,687	4,418
<u>Revenues receivable</u>				
- Subsidiaries	-	-	710	720
- Associates	29	111	29	111
- Related companies	3	26	3	26
Total	32	137	742	857
<u>Other receivables</u>				
- Related companies	38,953	40,453	38,953	40,453
<u>Unearned rental</u>				
- Related companies	3,147	4,885	3,147	4,885
<u>Trade accounts payable</u>				
- Subsidiaries	-	-	26,414	23,562
- Associates	10,246	7,932	9,180	6,261
- Related companies	4,725	3,575	1,979	944
Total	14,971	11,507	37,573	30,767
<u>Other accounts payable</u>				
- Subsidiaries	-	-	-	51
- Associates	59	83	59	83
- Related companies	1,510	1,470	1,510	1,470
Total	1,569	1,553	1,569	1,604

(THOUSAND BAHT)

Transactions in income statements for the three-month periods ended March 31,	CONSOLIDATED		THE COMPANY ONLY	
	2007	2006	2007	2006
<u>Sales</u>				
- Subsidiaries	-	-	634	377
- Associates	1,883	2,224	186	191
- Related companies	223,743	184,697	198,017	159,816
Total	225,626	186,921	198,837	160,384
<u>Rental income</u>				
- Associates	2,264	2,179	2,264	2,179
- Related companies	2,364	2,843	2,364	2,843
Total	4,628	5,022	4,628	5,022
<u>Other income</u>				
- Subsidiaries	-	-	816	848
- Associates	325	331	325	331
- Related companies	318	290	318	290
Total	643	621	1,459	1,469
<u>Purchase and service</u>				
- Subsidiaries	-	-	42,391	40,005
- Associates	13,683	11,871	12,181	9,987
- Related companies	6,171	3,627	6,171	3,627
Total	19,854	15,498	60,743	53,619
<u>Rental expenses</u>				
- Associates	188	188	188	188
- Related companies	865	874	865	874
Total	1,053	1,062	1,053	1,062
<u>Other expenses</u>				
- Subsidiaries	-	-	-	107
- Associates	92	102	87	83
- Related companies	14,768	14,064	6,206	6,176
Total	14,860	14,166	6,293	6,366

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.

21. COMMITMENT AND CONTINGENT LIABILITIES

(THOUSAND BAHT)

	CONSOLIDATED		THE COMPANY ONLY	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
21.1 Commitment under letters of guarantee issued by commercial banks	60,572	57,991	60,152	57,571
21.2 Commitment under letters of guarantee on overdrafts with commercial banks for - Associates	4,200	4,200	4,200	4,200
21.3 Letters of credit	7,030	9,358	6,985	163
21.4 Royalty fees are payable by calculating from percentage of sales at the rate as fixed in the agreement.				
21.5 Lease contract of Preserved Food Organization (P.F.O.) yearly (See Note 22).				
21.6 Lease and service contracts for the office and warehouse having periods from 2 years onward as specified in each contract. As at March 31, 2007, the Company has commitment to pay future monthly rental and services approximately for				
	Consolidated	Baht	1,101,932	
	The Company Only	Baht	669,400	

22. 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, 2007	6,728	4,673
- 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 receipt		
3. Yearly rental (increasing in every 5 years)		
- Balance as at March 31, 2007	3,147	3,147
- 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)		

23. DILUTED EARNINGS PER SHARE RECONCILIATION

<u>CONSOLIDATED</u>	<u>For the three-month period ended March 31, 2007</u>		
	Net profit	Number of shares	Earnings per shares
	<u>Thousand Baht</u>	<u>Shares</u>	<u>Baht</u>
<u>Basic Earnings per share</u>			
Net profit available to ordinary shareholders	60,817	102,039,111	0.60
<u>Effect of assumed conversion</u>			
Warrants	-	1,980,396	
<u>Diluted earnings per share</u>			
Net profit available to ordinary shareholders plus assumed conversion	<u>60,817</u>	<u>104,019,507</u>	0.58

<u>THE COMPANY ONLY</u>	<u>For the three-month period ended March 31, 2007</u>		
	Net profit	Number of shares	Earnings per shares
	<u>Thousand Baht</u>	<u>Shares</u>	<u>Baht</u>
<u>Basic Earnings per share</u>			
Net profit available to ordinary shareholders	42,547	102,039,111	0.42
<u>Effect of assumed conversion</u>			
Warrants	-	1,980,396	
<u>Diluted earnings per share</u>			
Net profit available to ordinary shareholders plus assumed conversion	<u>42,547</u>	<u>104,019,507</u>	0.41

24. FINANCIAL STATEMENTS APPROVAL

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

