

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS**

JUNE 30, 2014

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
To the Shareholders and Board of Directors of
S & J International Enterprises Public Company Limited

I have reviewed the consolidated statement of financial position of S & J International Enterprises Public Company Limited and its subsidiaries as at June 30, 2014, the related consolidated statements of income, comprehensive income for the three-month and six-month periods then ended, changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the financial statements, and have also reviewed the separate financial statements of S & J International Enterprises Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34: Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

Except as mentioned in the next paragraph, I conducted my review in accordance with the Thai Standard on Review Engagements 2410: Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Basis for qualified conclusion

According to Note 9 to the interim financial statements, the financial statements of two associated companies, for the six-month period ended June 30, 2014 which are applied to record the investment for using the equity method for the interim consolidated financial statements are based on the financial information prepared by its management without reviewing from its auditors. The interim consolidated financial statements as at June 30, 2014, included the investments amount of Baht 288.90 million and share of profit of the associates for the six-month period ended June 30, 2014, amount of Baht 1.57 million, and I was unable to apply the other reviewing procedures to satisfy in such transaction.



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4

Qualified conclusion

Except as mentioned in the preceding paragraph, based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34: Interim Financial Reporting.

C. Aunpitipongsa

(Mr. Chaiyakorn Aunpitipongsa)

Certified Public Accountant Registration No. 3196

August 7, 2014



S & J INTERNATIONAL
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S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

THOUSAND BAHT

	Notes	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
		As at	As at	As at	As at
		June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
		Unaudited Reviewed	Audited	Unaudited Reviewed	Audited
ASSETS					
Current Assets					
Cash and cash equivalents	5	63,174	29,266	28,112	3,667
Trade accounts receivable	6	1,095,363	977,637	917,782	818,223
Other receivables					
Advance payment for inventories		53,683	37,263	46,934	28,003
Prepaid expenses		17,654	6,163	17,654	6,163
Others		20,933	10,786	21,035	12,039
Total other receivables		92,270	54,212	85,623	46,205
Short-term loans to subsidiaries	7	-	-	-	2,000
Inventories		1,169,620	1,030,466	962,058	838,377
Other current assets		53,899	63,450	40,339	49,739
Total Current Assets		2,474,326	2,155,031	2,033,914	1,758,211
Non-current Assets					
Investments in available-for-sale securities	8	1,002,348	878,143	1,002,348	878,143
Investments in associates	9	405,286	414,804	198,345	198,345
Investments in subsidiaries	10	-	-	134,904	134,904
Investments in related companies	11	44,871	44,990	44,871	44,990
Investments in other companies	12	52,183	54,799	46,948	49,029
Investments property		72,060	74,065	71,939	73,944
Property, plant and equipment		1,855,170	1,914,869	1,429,281	1,453,594
Leasehold right		737	1,123	-	-
Intangible assets		34,616	35,721	28,646	27,715
Other non-current assets		13,782	9,925	11,617	6,424
Total Non-current Assets		3,481,053	3,428,439	2,968,899	2,867,088
TOTAL ASSETS		5,955,379	5,583,470	5,002,813	4,625,299

12

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COMPANY LIMITED

Notes to the interim financial statements form an integral part of these statements.

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

THOUSAND BAHT

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	As at	As at	As at	As at
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
	Unaudited Reviewed	Audited	Unaudited Reviewed	Audited
Note				
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Bank overdrafts and short-term borrowings				
from financial institutions	1,798,841	1,603,237	1,584,399	1,374,000
Trade accounts payable	492,965	405,817	524,893	434,764
Other accounts payable				
Accrued expenses	50,214	38,905	38,351	30,595
Accrued bonus	64,177	89,798	57,614	89,589
Asset payable	33,189	19,900	29,841	17,195
Others	55,702	39,550	39,587	26,892
Total other accounts payable	203,282	188,153	165,393	164,271
Accrued corporate income taxes	7,686	33,477	6,818	28,809
Accrued interest	666	1,166	593	1,026
Others current liabilities	36,536	7,344	34,530	5,529
Total Current Liabilities	2,539,976	2,239,194	2,316,626	2,008,399
Non-current Liabilities				
Provision for long-term				
employee benefits	127,145	120,312	106,279	98,653
Deferred tax liabilities	15 97,129	73,838	97,856	80,643
Other non-current liabilities	736	875	167	306
Total Non-current Liabilities	225,010	195,025	204,302	179,602
TOTAL LIABILITIES	2,764,986	2,434,219	2,520,928	2,188,001


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S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

THOUSAND BAHT

CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
As at	As at	As at	As at
June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Unaudited	Audited	Unaudited	Audited
Reviewed		Reviewed	

LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)

Shareholders' Equity

Share capital

Authorized share capital

200,000,000 common stocks of

Baht 1 par value

200,000	200,000	200,000	200,000
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Issued and paid-up share capital

149,930,828 common stocks at

Baht 1 each

149,931	149,931	149,931	149,931
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Premium on common stocks

724,763	724,763	724,763	724,763
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Retained earnings

Appropriated

Legal reserve

20,000	20,000	20,000	20,000
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Unappropriated

1,443,878	1,502,653	1,026,352	1,081,129
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Other components of the shareholders' equity

571,936	471,327	560,839	461,475
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Total Shareholders' Equity of Parent Company

2,910,508	2,868,674	2,481,885	2,437,298
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Non-controlling interests

279,885	280,577	-	-
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Total Shareholders' Equity

3,190,393	3,149,251	2,481,885	2,437,298
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TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

5,955,379	5,583,470	5,002,813	4,625,299
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62

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Notes to the interim financial statements form an integral part of these statements.

UNAUDITED

REVIEWED

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2014

		THOUSAND BAHT (Except earnings per share presented in Baht)				
		CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS		
Note		2014	2013	2014	2013	
	Sales	1,295,427	1,145,170	1,102,450	928,003	
	Cost of sales	1,020,249	914,318	863,090	743,365	
	Gross profit	275,178	230,852	239,360	184,638	
	Other incomes					
	Dividend income	36,475	33,978	63,726	64,878	
	Others	24,594	12,975	22,132	9,561	
	Total other incomes	61,069	46,953	85,858	74,439	
	Profit before expenses	336,247	277,805	325,218	259,077	
	Selling expenses	29,654	26,263	21,583	17,294	
	Administrative expenses	248,524	199,038	228,614	174,739	
	Loss on diminution in investment	2,735	2,798	2,200	2,276	
	Directors' remuneration	9,950	9,900	8,550	7,600	
	Finance costs	8,289	10,949	7,050	9,249	
	Total expenses	299,152	248,948	267,997	211,158	
	Share of profit (loss) from investments in associates	(1,748)	10,100	-	-	
	Profit before income tax expenses	35,347	38,957	57,221	47,919	
	Income tax revenues	15	(993)	(1,682)	(917)	(3,087)
	Profit for the periods	36,340	40,639	58,138	51,006	
	Profit attributable to					
	Equity holders of the parent	36,170	40,402	58,138	51,006	
	Non-controlling interests	170	237	-	-	
		36,340	40,639	58,138	51,006	
	Earnings per share to equity holders of the parent					
	Basic Earnings Per Share (Baht)	0.24	0.27	0.39	0.34	

Issued and paid-up 149,930,828 common stocks



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Notes to the interim financial statements form an integral part of these statements.

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2014

	THOUSAND BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Profit for the periods	36,340	40,639	58,138	51,006
Other comprehensive income :				
Translation of financial statement differences	2,072	872	-	-
Gain (loss) from the remeasuring of investment available for sale securities	20,533	(169,529)	20,533	(169,529)
Components of income tax	(4,107)	33,906	(4,107)	33,906
Gain (loss) from the remeasuring of investment available for sale securities-net of tax	16,426	(135,623)	16,426	(135,623)
Total other comprehensive income (loss) for the periods	18,498	(134,751)	16,426	(135,623)
Total comprehensive income (loss) for the periods	54,838	(94,112)	74,564	(84,617)
Total comprehensive income (loss) attributable to				
Equity holders of the parent	54,668	(94,349)	74,564	(84,617)
Non-controlling interests	170	237	-	-
	54,838	(94,112)	74,564	(84,617)

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S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014

	THOUSAND BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Profit for the periods	62,977	60,620	65,837	63,490
Other comprehensive income :				
Translation of financial statement differences	1,245	(1,481)	-	-
Gain (loss) from the remeasuring of investment available for sale securities	124,205	(327,498)	124,205	(327,498)
Components of income tax	(24,841)	65,500	(24,841)	65,500
Gain (loss) from the remeasuring of investment available for sale securities-net of tax	99,364	(261,998)	99,364	(261,998)
Actuarial gain (loss) from employee benefit plan	1,376	-	(836)	-
Components of income tax	(275)	-	167	-
Actuarial gain (loss) from employee benefit plan-net of tax	1,101	-	(669)	-
Total other comprehensive income (loss) for the periods	101,710	(263,479)	98,695	(261,998)
Total comprehensive income (loss) for the periods	164,687	(202,859)	164,532	(198,508)
Total comprehensive income (loss) attributable to				
Equity holders of the parent	161,779	(204,746)	164,532	(198,508)
Non-controlling interests	2,908	1,887	-	-
	164,687	(202,859)	164,532	(198,508)

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S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014
CONSOLIDATED

	Notes	THOUSAND BAHT									
		Shareholders' equity of the parent					Shareholders' equity of the parent				
		Issued and paid-up share capital	Premium on common stocks	Retained earnings	Other components of the shareholders' equity		Total equity holders of the parent	Non-controlling interests	Total		
		Appropriated	Unappropriated	Translation of financial statements differences	Investments in available-for-sale securities	Total other components of the shareholders' equity		shareholders' equity			
Year 2014											
Beginning balances, January 1, 2014		149,931	724,763	20,000	1,502,653	9,852	461,475	471,327	2,868,674	280,577	3,149,251
Comprehensive income for the period 2014											
Total comprehensive income for the period											
Actuarial gain from employee benefit plan											
Total comprehensive income for the period 2014											
Dividend payment	13				(119,945)						
Subsidiary's dividend paid to non-controlling interests											
Ending balances, June 30, 2014		149,931	724,763	20,000	1,443,878	11,097	560,839	571,936	2,910,508	279,885	3,190,393
Year 2013											
Beginning balances, January 1, 2013 - before restated		149,931	724,763	20,000	1,357,304	4,939	1,040,239	1,045,178	3,297,176	283,998	3,581,174
Effect of change in accounting policy	3				40,283		(208,048)	(208,048)	(167,765)	3,002	(164,763)
Restated balances, January 1, 2013		149,931	724,763	20,000	1,397,587	4,939	832,191	837,130	3,129,411	287,000	3,416,411
Total comprehensive income (loss) for the period 2013					58,753	(1,481)	(261,998)	(263,479)	(204,746)	1,887	(202,859)
Dividend payment	13				(119,945)						
Subsidiary's dividend paid to non-controlling interests											
Ending balances, June 30, 2013		149,931	724,763	20,000	1,336,375	3,458	570,193	575,651	2,804,720	276,887	3,081,607

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S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED

Notes to the interim financial statements form an integral part of these statements.

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014

THE SEPARATE FINANCIAL STATEMENTS

THOUSAND BAHT

	Notes	Issued and paid-up share capital	Premium on common stocks	Retained earnings		Other components of the shareholders' equity		Total shareholders' equity
				Appropriated	Unappropriated	Other comprehensive income	Investments in available-for-sale securities	
Year 2014								
Beginning balances, January 1, 2014		149,931	724,763	20,000	1,081,129	461,475		2,437,298
Comprehensive income for the period 2014								
Total comprehensive income for the period					65,837	99,364		165,201
Actuarial losses from employee benefit plan					(669)	-		(669)
Total comprehensive income for the period 2014					65,168	99,364		164,532
Dividend payment	13				(119,945)	-		(119,945)
Ending balances, June 30, 2014		149,931	724,763	20,000	1,026,352	560,839		2,481,885
Year 2013								
Beginning balances, January 1, 2013 - before restated		149,931	724,763	20,000	973,155	1,040,239		2,908,088
Effect of change in accounting policy	3				31,689	(208,048)		(176,359)
Restated balances, January 1, 2013		149,931	724,763	20,000	1,004,844	832,191		2,731,729
Total comprehensive income (loss) for the period 2013					63,490	(261,998)		(198,508)
Dividend payment	13				(119,945)	-		(119,945)
Ending balances, June 30, 2013		149,931	724,763	20,000	948,389	570,193		2,413,276



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Notes to the interim financial statements form an integral part of these statements.

60

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (1/2)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014

	THOUSAND BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expenses	70,544	63,700	67,152	63,994
Adjustment to reconcile profit before income tax expenses to cash provided from (used in) operation :				
Increase (decrease) in doubtful debts	509	-	(16)	-
Increase (decrease) in provision for diminution in inventories	(1,603)	4,988	6,632	(375)
Loss on destruction of inventories	22,533	12,736	15,968	12,736
Depreciation and amortization expenses	156,421	154,857	102,477	89,648
Interest expenses	17,233	21,710	14,588	18,350
Amortization of unearned rental	(7)	(7)	(7)	(7)
Loss on diminution of investment	2,735	2,798	2,200	2,276
Dividend income from associates	-	-	(22,500)	(18,900)
Dividend income from subsidiaries	-	-	(4,751)	(12,000)
Dividend income from other companies	(36,475)	(33,978)	(36,475)	(33,978)
Gain on disposal and unused equipment	(573)	(265)	(540)	(265)
Amortization of assets under construction and installation to expenses	514	-	514	-
Unrealized loss on forward exchange contracts and foreign currency option agreements	21,698	14,514	21,698	14,514
Unrealized (gain) loss on exchange rates	542	(762)	566	(872)
Long-term employee benefits expenses	11,444	8,022	9,350	-6,600
Share of profit from investments in associates	(12,982)	(10,916)	-	-
Profit from operation before changes in operating assets and liabilities items	252,533	237,397	176,856	141,721
(INCREASE) DECREASE IN OPERATING ASSETS ITEMS				
Trade accounts receivable	(118,426)	(36,127)	(99,758)	1,747
Other receivables	(38,058)	5,696	(39,418)	4,855
Inventories	(160,084)	(194,410)	(146,281)	(180,591)
Other current assets	9,485	(20,851)	9,400	(17,858)
Other non-current assets	(3,791)	(869)	(5,193)	144
INCREASE (DECREASE) IN OPERATING LIABILITIES ITEMS				
Trade accounts payable	86,798	172,750	89,779	174,031
Other accounts payable	(16,839)	(24,281)	(27,717)	(15,789)
Other current liabilities	7,494	(2,565)	7,303	(1,873)
Provision for employee benefits	(3,235)	(3,807)	(2,560)	(3,720)
Other non-current liabilities	(132)	257	(132)	257
Cash provided from (used in) operation	15,745	133,190	(37,721)	102,924

Notes to the interim financial statements form an integral part of these statements.

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (2/2)

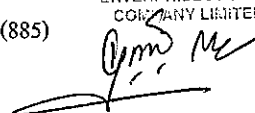
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2014

	THOUSAND BAHT			
	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Interest expenses paid	(17,733)	(24,185)	(15,021)	(20,553)
Income tax expenses paid	(35,183)	(35,129)	(30,767)	(28,314)
Translation of financial statement differences	1,245	(1,481)	-	-
NET CASH PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(35,926)	72,395	(83,509)	54,057
CASH FLOWS FROM INVESTING ACTIVITIES				
Settlement from short-term loans to subsidiary	-	-	2,000	1,000
Purchase of investments in available-for-sale securities	-	(6,605)	-	(6,605)
Purchase of property, plant and equipment	(60,302)	(95,195)	(47,294)	(43,597)
Purchase of intangible assets	(1,533)	(621)	(1,533)	(621)
Proceeds from disposal of equipment	635	533	601	533
Dividend income from investment in associates	22,500	18,900	22,500	18,900
Dividend income from investment in subsidiaries	-	-	4,751	12,000
Dividend income from other investments	36,475	33,978	36,475	33,978
NET CASH PROVIDED FROM (USED IN) INVESTING ACTIVITIES	(2,225)	(49,010)	17,500	15,588
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in bank overdrafts and short-term borrowings from financial institutions	195,604	93,953	210,399	57,531
Subsidiary's dividend paid to non-controlling interests	(3,600)	(12,000)	-	-
Dividend payment	(119,945)	(119,945)	(119,945)	(119,945)
NET CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES	72,059	(37,992)	90,454	(62,414)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	33,908	(14,607)	24,445	7,231
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	29,266	55,114	3,667	5,504
CASH AND CASH EQUIVALENTS AS AT JUNE 30,	63,174	40,507	28,112	12,735
ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS :				
NON-CASH FLOWS ITEMS COMPRISE :				
Increase in equipment from asset payable	31,967	13,247	28,838	9,188
Gain (loss) from the remeasuring of investment available for sale securities	124,205	(327,498)	124,205	(327,498)
Transferred advance payment for share subscription to investment in related companies	-	19,907	-	19,907
Transferred assets under construction and installation to intangible assets	(1,485)	-	(1,485)	-
Transferred other current assets to non-current assets	(66)	-	-	-
Effect of actuarial losses from employee benefit plan				
- Increase (decrease) deferred tax assets	(275)		167	-
- (Increase) decrease provision for long-term employee benefits	1,376		(836)	-
- (Increase) decrease retained earnings	(216)		669	-
- Increase non-controlling interests	(885)		-	-

Notes to the interim financial statements form an integral part of these statements.



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COMPANY LIMITED



12

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

JUNE 30, 2014

1. GENERAL INFORMATION

<p>1.1 Legal status</p>	<p>A juristic person established under Thai law and listed on the Stock Exchange of Thailand.</p>
<p>1.2 Company location</p> <ul style="list-style-type: none"> - Head office/factory - Branch - Branch - Branch - Branch - Branch 	<p>600/4 Moo 11, Sukapiban Road 8, Tambol Nhongkharm Amphur Sriracha, Chonburi, Thailand.</p> <p>115 Naradhiwas Rajanakarindra Road (Soi 10), Kwaeng Tungwatdon, Khet Sathorn, Bangkok, Thailand.</p> <p>662/4-6 Moo 11, Sukapiban Road 8, Tambol Nhongkharm Amphur Sriracha, Chonburi, Thailand.</p> <p>19/41-43 Moo 7 Bangna-Trad Km. 17 Tambol Bangchlong, Amphur Bangplee, Samut Prakan , Thailand.</p> <p>679 Moo 11, Tambol Nhongkharm Amphur Sriracha, Chonburi, Thailand.</p> <p>789/159 Moo 1, Nong Kho-Leamchabang Rd., Tambol Nongkham, Amphur Sriracha, Chonburi, Thailand.</p>
<p>1.3 Type of business</p>	<p>(1) Manufacturing all type of cosmetics.</p> <p>(2) Investing in its associates and subsidiaries which carry on business according to Notes 9 and 10 to the interim financial statements, respectively.</p>

2. BASIS FOR PREPARATION OF INTERIM FINANCIAL STATEMENTS

2.1 These interim consolidated and the separate financial statements are prepared on a condensed basis in accordance with Thai Accounting Standards No.34 Interim Financial Reporting issued by the Federation of Accounting Professions and the Notifacation of the Office of the Securities and Exchange Commission. Except the financial statements of S&J International (UK) Limited are prepared in accordance with the accounting standards of England and the financial statements of Guangzhou S&J Cosmetics Limited Company and the financial statements of S&J International (HK) Limited, are prepared in accordance with the accounting standards of People Republic of China. In preparation of the interim consolidated financial statements, they are adjusted to be under the same accounting policies as parent company. These interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2013.



- 2.2 These interim financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.
- 2.3 These interim consolidated financial statements included the interim financial statements of S & J International Enterprises Public Company Limited with its subsidiaries and the equity in associates as follows:

SUBSIDIARIES

COMPANIES	% HOLDING		ESTABLISHED IN
	June 30, 2014	December 31, 2013	
<u>SUBSIDIARIES DIRECTLY HELD BY THE COMPANY</u>			
E F Co., Ltd.	99.99	99.99	Thailand
Top Trend Manufacturing Co., Ltd.	50.00	50.00	Thailand
Wildlives (Thailand) Co., Ltd.	99.99	99.99	Thailand
S & J International (UK) Limited	100.00	100.00	England
<u>SUBSIDIARIES HELD BY</u>			
<u>S & J INTERNATIONAL (UK) LIMITED</u>			
Guangzhou S & J Cosmetics Limited Company	100.00	100.00	China
S & J International (HK) Limited	100.00	100.00	China

ASSOCIATES

COMPANIES	% HOLDING		ESTABLISHED IN
	June 30, 2014	December 31, 2013	
Yamahatsu (Thailand) Co., Ltd.	30.00	30.00	Thailand
Operational Energy Group Limited	30.00	30.00	Thailand
Osoth Interlaboratories Co., Ltd.	33.19	33.19	Thailand

- 2.4 Inter-company balances and significant transactions of the Company and its subsidiaries have been eliminated in the interim consolidation.

2.5 Accounting standards that became effective in the current accounting period


The Company and its subsidiaries have disclosed the accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after January 1, 2014 in the notes to financial statements for the year ended December 31, 2013. In addition, during the current period, the Federation of Accounting Professions has issued TAS 36 (revised 2012) Impairment of Assets that is also effective for fiscal years beginning on or after January 1, 2014.

Management of group companies has assessed the effects of the above accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, and believes that they do not have a significant impact.

3. CHANGES IN ACCOUNTING POLICY

In 2013, the Company and subsidiaries have adopted accounting policy of deferred tax in accordance with Thai Accounting Standard No.12 Income Taxes. To adopt this accounting policy, the Company and subsidiaries have to restate the financial statements, as if the Company and subsidiaries have recorded deferred tax assets or deferred tax liabilities by adjusted to the beginning retained earnings as at January 1, 2013. The effect of the change in accounting policy is as follow:

PARTICULARS IN STATEMENTS OF FINANCIAL POSITION	AMOUNT IN THOUSAND BAHT	
	CONSOLIDATED	THE SEPARATE FINANCIAL STATEMENTS
Increase in investments in associates	5,591	-
Increase in deferred tax liabilities	(170,354)	(176,359)
Increase in non-controlling interests	(3,002)	
Recognized in other components of shareholders' equity :-		
Decrease in gain on remeasuring available-for-sale securities	208,048	208,048
Increase in retained earnings of the parent	(40,283)	(31,689)

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 S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies and methods of computation used in these interim financial statements are consistent with those applied in the financial statements for the year ended December 31, 2013.

5. CASH AND CASH EQUIVALENTS

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Cash	685	646	450	450
Cash at bank	62,178	26,024	27,662	2,473
Cheque on hand	311	2,596	-	744
Cash and cash equivalents	63,174	29,266	28,112	3,667


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6. TRADE ACCOUNTS RECEIVABLE

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
<u>Trade accounts receivable</u>				
<u>of related parties</u>				
Trade notes receivable	1,817	3,121	1,817	3,121
Trade accounts receivable				
Current	322,219	296,007	277,323	257,605
Overdue within 3 months	32,071	37,680	13,584	18,292
Overdue between 3 to 6 months	420	2,304	7	7
Overdue between 6 to 12 months	3,428	519	26	-
Overdue more than 12 months	772	358	2	3
Total	360,727	339,989	292,759	279,028
<u>Trade accounts receivable</u>				
<u>of others companies</u>				
Trade notes receivable	34,365	17,312	28,423	16,169
Trade accounts receivable				
Current	512,445	368,734	445,729	303,723
Overdue within 3 months	180,077	241,770	145,607	212,703
Overdue between 3 to 6 months	2,869	5,693	1,875	2,701
Overdue between 6 to 12 months	5,763	4,143	3,246	3,979
Overdue more than 12 months	12,156	12,526	10,725	10,518
Total	747,675	650,178	635,605	549,793
<u>Less</u> Allowance for doubtful accounts	(13,039)	(12,530)	(10,582)	(10,598)
Trade accounts receivable others-net	734,636	637,648	625,023	539,195
Trade accounts receivable - net	1,095,363	977,637	917,782	818,223

7. SHORT-TERM LOANS TO SUBSIDIARIES

(THOUSAND BAHT)

PARTICULARS	THE SEPARATE FINANCIAL STATEMENTS		INTEREST RATES (%) PER ANNUM	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
	Wildlives (Thailand) Co., Ltd.			
Beginning balances	2,000	7,000		
Settlement during the periods	(2,000)	(5,000)		
Ending balances	-	2,000	3.50	3.50 - 4.00

Short-term loans to subsidiaries are unsecured loans.

8. INVESTMENTS IN AVAILABLE-FOR-SALE

Investments in available-for-sale are listed securities on the stock exchange.

(THOUSAND BAHT)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Investment Value		Dividend for the six-month periods	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013	June 30, 2014	June 30, 2013
Related Companies						
1. Boutique New City Plc.	0.02	0.02	124	124	-	1
2. Far East DDB Plc.	0.01	0.01	40	40	5	5
3. I.C.C. International Plc.	0.35	0.35	26,705	26,705	1,233	1,284
4. President Bakery Plc.	1.00	1.00	13,500	13,500	2,700	2,340
5. Sahacogen (Chonburi) Plc.	14.63	14.63	218,828	218,828	27,951	25,156
6. Saha Pathana Inter-Holding Plc.	0.24	0.24	21,249	21,249	269	269
Total cost			280,446	280,446	32,158	29,055
Add Gain from the remeasuring of investments in available for sale			691,238	567,875		
Investments in available-for-sales - related companies - fair value			971,684	848,321		
Other Companies						
1. Nation Multimedia Plc.			15,852	15,852	277	-
2. Bangkok Bank Plc.			5,001	5,001	285	285
Total cost			20,853	20,853	562	285
Add Gain from the remeasuring of investments available for sale			9,811	8,969		
Investments in available-for-sales - other companies-fair value			30,664	29,822		
Investments in available-for-sales - fair value			1,002,348	878,143	32,720	29,340

(THOUSAND BAHT)

RELATED COMPANIES	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			June 30, 2014	December 31, 2013
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
6. Saha Pathana Inter-Holding Plc.	Investment	Co-shareholders	494,034	494,034

In June 2013, the Company has additionally purchased the same proportion of investments in Nation Multimedia Public Company Limited, amount of 6,604,900 shares, worth amount Baht 6,604,900 and the allocation of warrants to buy common stock at the ratio 1 to 1 amount of 6,604,900 units. Afterward, in December 2013, the Company has exercised in the first warrants to purchase 660,490 common stocks at an exercise price of Baht 1 each totaling Baht 660,490. Duration of exercise of warrants every June 15 and December 15 within 5 years ending in June 2018.

9. INVESTMENTS IN ASSOCIATES

(THOUSAND BAHT)

ASSOCIATES	% Holding		CONSOLIDATED (Equity Method)		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Yamahatsu (Thailand) Co., Ltd.	30	30	95,270	107,130	6,000	6,000
Operational Energy Group Limited	30	30	116,384	117,567	13,151	13,151
Total			211,654	224,697	19,151	19,151
Osoth Interlaboratories Co., Ltd.	33.19	33.19	193,632	190,107	201,994	201,994
<u>Less</u> Allowance for loss on capital decrease			-	-	(2,850)	(2,850)
Provision for diminution in investments in associates			-	-	(19,950)	(19,950)
Investments in Osoth Interlaboratories Co., Ltd. - net			193,632	190,107	179,194	179,194
Investments in Associates - net			405,286	414,804	198,345	198,345

(THOUSAND BAHT)

ASSOCIATES	TYPE OF BUSINESS	ISSUED AND		DIVIDENDS FOR THE	
		PAID - UP SHARE CAPITAL		SIX-MONTH PERIODS	
		June 30, 2014	December 31, 2013	June 30, 2014	June 30, 2013
Yamahatsu (Thailand) Co., Ltd.	Hair products	20,000	20,000	9,900	9,900
Operational Energy Group Limited	Servicing to operate the power plant	30,000	30,000	12,600	9,000
Osoth Interlaboratories Co., Ltd.	Medicine	600,000	600,000	-	-
Total				22,500	18,900

The financial statements of associates which are applied for recording the investments in associates by the equity method in the interim consolidated financial statements as at June 30, 2014, included recording the equity method on the consolidated statements of income for the six-month periods ended June 30, 2014 and 2013, based on information prepared by their management which are not reviewed by the auditors. Except the financial statements for the six-month period ended June 30, 2014 of Operational Energy Group Limited were reviewed by other certified public accountant.

The share of profit (loss) from investments for using the equity method which are recorded on the consolidated statements of income for the six-month periods ended June 30, 2014 and 2013, as follows:

(THOUSAND BAHT)

SHARE OF PROFIT (LOSS) FROM INVESTMENTS FOR USING THE EQUITY METHOD FOR THE SIX-MONTH PERIODS ENDED JUNE 30,	CONSOLIDATED	
	2014	2013
Yamahatsu (Thailand) Co., Ltd.	(1,960)	3,661
Operational Energy Group Limited	11,417	7,472
Osoth Interlaboratories Co., Ltd.	3,525	(217)
Total	12,982	10,916


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Summarised financial information of associates

Financial information of the associates are summarized, as follow:

(MILLION BAHT)

Company's name	Total assets		Total liabilities		Total revenues for the six-month periods		Profit (loss) for the six-month periods	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Yamahatsu (Thailand) Co., Ltd.	731	994	393	650	616	654	(6.5)	12
Operational Energy Group Limited	493	486	135	94	236	195	38	25
Osoth Interlaboratories Co., Ltd.	648	591	140	94	250	238	10.6	(0.65)

10. INVESTMENTS IN SUBSIDIARIES

(THOUSAND BAHT)

SUBSIDIARIES	% Holding		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
E F Co., Ltd.	99.99	99.99	4,006	4,006
Top Trend Manufacturing Co., Ltd.	50.00	50.00	124,825	124,825
Wildlives (Thailand) Co., Ltd.	99.99	99.99	1,000	1,000
S&J International (UK) Limited	100.00	100.00	5,073 (GBP100,000)	5,073 (GBP100,000)
Total Investments in Subsidiaries			134,904	134,904



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(THOUSAND BAHT)

SUBSIDIARIES	TYPE OF BUSINESS	ISSUED AND PAID - UP SHARE CAPITAL		DIVIDEND FOR THE SIX-MONTH PERIODS	
		June 30, 2014	December 31, 2013	June 30, 2014	June 30, 2013
<u>SUBSIDIARIES DIRECTLY HELD BY THE COMPANY</u>					
E F Co., Ltd.	Consumer products	4,000	4,000	-	-
Top Trend Manufacturing Co., Ltd.	Plastic containers	120,000	120,000	3,600	12,000
Wildlives (Thailand) Co., Ltd.	Consumer products	1,000	1,000	-	-
S&J International (UK) Limited	Distributing cosmetic products, gift set and marketing service	5,073	5,073	1,151	-
<u>SUBSIDIARIES HELD BY S&J International (UK) Limited</u>					
Guangzhou S&J Cosmetics Limited Company	Distributing packaging	4,712	4,712	-	-
S&J International (HK) Limited	Distributing packaging	5,372	5,372	-	-
Total				4,751	12,000

TRANSACTIONS OF SUBSIDIARIES

SUBSIDIARIES DIRECTLY HELD BY THE COMPANY

S&J International (UK) Limited

The financial statements of S&J International (UK) Limited, its subsidiary in the foreign country were reviewed and audited by other certified public accountant, and were used to prepare interim consolidated financial statements as at June 30, 2014 and consolidated financial statements for the year ended December 31, 2013 by having assets in the amount of Baht 99.45 million and Baht 72.56 million, respectively. And total revenues for the three-month and six-month periods ended June 30, 2014 in the amount of Baht 76.19 million and Baht 143.80 million, respectively. And net profit in the amount of Baht 8.11 million and Baht 12.97 million, respectively. And total revenues for the three-month and six-month periods ended June 30, 2013 in the amount of Baht 45.29 million and Baht 94.94 million. And net profit in the amount of Baht 4.22 million and Baht 9.64 million, respectively.


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Subsidiaries held by S&J International (UK) Limited

Guangzhou S&J Cosmetics Limited Company

The financial statements of Guangzhou S&J Cosmetics Limited Company, its subsidiary in the foreign country were reviewed and audited by other certified public accountants, and were used to prepare interim consolidated financial statements as at June 30, 2014 and consolidated financial statements for the year ended December 31, 2013 by having assets in the amount of Baht 3.42 million and Baht 3.53 million, respectively. And total revenues for the three-month and six-month periods ended June 30, 2014 in the amount of Baht 1.49 million and Baht 2.66 million, respectively. And net loss in the amount of Baht 0.06 million and Baht 0.26 million, respectively. And total revenues for the three-month and six-month periods ended June 30, 2013 in the amount of Baht 0.51 million and Baht 0.71 million. And net loss in the amount of Baht 0.79 million and Baht 1.95 million, respectively.

S&J International (HK) Limited

The financial statements of S&J International (HK) Limited Company, its subsidiary in the foreign country were reviewed and audited by other certified public accountants, and were used to prepare interim consolidated financial statements as at June 30, 2014 and consolidated financial statements for the year ended December 31, 2013 by having assets in the amount of Baht 8.15 million and Baht 7.55 million, respectively. And total revenues for the three-month and six-month periods ended June 30, 2014 in the amount of Baht 7.56 million and Baht 13.07 million, respectively. And net loss in the amount of Baht 0.25 million and Baht 0.47 million, respectively. And total revenues for the three-month and six-month periods ended June 30, 2013 in the amount of Baht 2.80 million and Baht 3.82 million. And net loss in the amount of Baht 0.05 million and Baht 0.16 million, respectively.


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11. INVESTMENTS IN RELATED COMPANIES

(THOUSAND BAHT)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Cost Method		Dividend for the six-month periods	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013	June 30, 2014	June 30, 2013
1. General Glass Co., Ltd.	16	16	* 35,200	* 35,200	-	-
2. Thai Lotte Co., Ltd.	0.27	0.27	* 8,000	* 8,000	-	-
3. H & B Kabinburi Co., Ltd.	9	9	1,350	1,350	162	189
4. Thai Cubic Technology Co., Ltd.	5	5	2,000	2,000	1,000	1,000
5. Train Time Test Co., Ltd.	14	14	175	175	-	-
6. B.K.C. International Marketing Co., Ltd.	19	19	* 950	* 950	-	-
7. United Utility Co., Ltd.	5.71	5.71	20,599	20,599	1,000	1,000
8. Sahagreen Energy Co., Ltd.	9	9	* 3,600	3,600	-	-
Total cost			71,874	71,874	2,162	2,189
<u>Less</u> Allowance for loss on capital decrease in						
- General Glass Co., Ltd.			(12,000)	(12,000)		
*Provision for diminution in investments in related companies			(15,003)	(14,884)		
Total Investments in Related Companies - net			44,871	44,990		

(THOUSAND BAHT)

	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			June 30, 2014	December 31, 2013
1. General Glass Co., Ltd.	Glass bottles	Shareholders / co – directors	145,000	145,000
2. Thai Lotte Co., Ltd.	Chewing gum	Shareholders / co – directors	3,013,000	3,013,000
3. H & B Kabinburi Co., Ltd.	Cloth toy and ware	Shareholders / co – directors	15,000	15,000
4. Thai Cubic Technology Co., Ltd.	Plate and varnish	Shareholders / co – directors	40,000	40,000
5. Train Time Test Co., Ltd.	Training and seminar	Shareholders / co – directors	1,250	1,250
6. B.K.C. International Marketing Co., Ltd.	Consumer products	Shareholders / co – directors	5,000	5,000
7. United Utility Co., Ltd.	Real estate	Shareholders / co – directors	350,000	350,000
8. Sahagreen Energy Co., Ltd.	Wood pellant	Shareholders / co – directors	40,000	40,000

12. INVESTMENTS IN OTHER COMPANIES

(THOUSAND BAHT)

	% Holding		Cost Method		Dividend for the six-month periods	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013	June 30, 2014	June 30, 2013
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.	0.83	0.83	750	750	-	-
6. Thai Kamaya Co., Ltd.	8.00	8.00	9,080	9,080	-	480
7. Thai Herbal Products Co., Ltd.	1.50	1.50	1,200	1,200	360	142
8. Tipvarin Wattana Co., Ltd.	7.50	7.50	1,233	1,233	123	123
9. Saha Sehwa Co., Ltd.	3.48	3.48	* 5,050	* 5,050	-	-
10. T-Way Co., Ltd.	12.00	12.00	*19,207	* 19,207	-	-
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	-	594
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	1,000	1,000
15. Sriracha Aviation Co., Ltd.	3.64	3.64	* 2,000	* 2,000	-	-
16. Waseda Education (Thailand) Co., Ltd.	7.14	7.14	4,000	4,000	-	-
Total cost			60,837	60,837	1,593	2,449
<u>Less</u> *Provision for diminution in investments in other companies			(13,889)	(11,808)		
Total Investments in Other Companies - net (Separate financial statements)			46,948	49,029		
SUBSIDIARY INVESTED IN						
- Treasure Hill Co., Ltd.	1.00	1.00	* 2,000	* 2,000		
- T-Way Co., Ltd.	4.00	4.00	* 6,400	* 6,400		
Total cost			8,400	8,400		
<u>Less</u> *Provision for diminution in investments in other companies			(3,165)	(2,630)		
Total Investments in Other Companies of the Subsidiary - net			5,235	5,770		
Total Investments in Other Companies - net (Consolidated)			52,183	54,799		

13. DIVIDEND PAYMENT AND DIRECTORS' REMUNERATION

On April 22, 2014, the Ordinary General Shareholders' Meeting for 2014 was held and approved a resolution to pay dividends for the results of 2013 operation to the shareholders of 149,930,828 shares at Baht 0.80 per share, totalling Baht 119.94 million. The dividend payment was made on May 21, 2014 and approved a resolution to pay directors' remuneration at the maximum of Baht 15 million per year.

On April 25, 2014, the Ordinary General Shareholders' Meeting of Top Trend Manufacturing Company Limited was held and approved a resolution to pay directors' remuneration amount of Baht 1.40 million.

On April 22, 2013, the Ordinary General Shareholders' Meeting for 2013 was held and approved a resolution to pay dividends for the results of 2012 operation to the shareholders of 149,930,828 shares at Baht 0.80 per share, totalling Baht 119.94 million. The dividend payment was made on May 21, 2013 and approved a resolution to pay directors' remuneration at the maximum of Baht 15 million per year.

On April 25, 2013, the Ordinary General Shareholders' Meeting of Top Trend Manufacturing Company Limited was held and approved a resolution to pay directors' remuneration amount of Baht 2.30 million.

14. EXPENSES BY NATURE

(THOUSAND BAHT)

For the six - month periods ended June 30,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Increase in the changes of finished goods and work in progress	(35,900)	(91,702)	(23,818)	(85,275)
Raw material and consumables used	1,384,606	1,238,967	1,431,283	1,249,851
Purchase of inventories	146,197	101,664	-	-
Directors and management benefit expenses	32,924	27,372	29,821	23,367
Employee benefit expenses	472,581	421,368	324,264	273,191
Depreciation and amortization expenses	156,421	154,857	102,477	89,648
Other expenses	372,435	325,015	292,580	230,269
Total	2,529,264	2,177,541	2,156,607	1,781,051

15. INCOME TAX

Corporate income taxes of the Company and subsidiaries for the three-month and six-month periods ended June 30, 2014 and 2013 were calculated from accounting profit and adjusted with other revenues and some expenses which are exempted from income tax, such as dividend income, or being disallowable expenses in income taxes computation purposes such as doubtful debts.

The corporate income tax of the Company for the three-month and six-month periods ended June 30, 2014 and 2013 is calculated at the rate of 20 per cent.

The corporate income taxes of subsidiaries for the three-month and six-month periods ended June 30, 2014 and 2013 are calculated at the rate of 15 and 20 per cent.

Income taxes recognized in statements of income consist:

(THOUSAND BAHT)

PARTICULARS FOR THE PERIODS ENDED JUNE 30,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
<u>THREE-MONTH</u>				
The corporate income tax for the periods	5,292	4,409	4,939	3,146
Amortization and reversal of temporary differences	(6,285)	(6,091)	(5,856)	(6,233)
Income tax revenues	(993)	(1,682)	(917)	(3,087)
<u>SIX-MONTH</u>				
The corporate income tax for the periods	9,392	8,383	8,776	4,363
Amortization and reversal of temporary differences	(1,825)	(5,303)	(7,461)	(3,859)
Income tax expenses	7,567	3,080	1,315	504



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As at June 30, 2014 and December 31, 2013, the deferred tax assets/liabilities arose from the following temporary differences:

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
Temporary differences in the statements of income				
Allowance for doubtful trade accounts receivable	1,655	769	616	632
Provision for diminution in inventories	16,904	18,507	15,540	8,908
Unrealized loss on forward exchange contracts and foreign currency option agreements	23,445	1,747	23,445	1,747
Provision for long-term employee benefits	128,521	120,312	105,443	98,653
Allowance for loss on capital decrease and provision for diminution in investments	44,057	64,122	63,692	61,492
Provision for impairment of property	2,200	2,200	2,200	2,200
Total	216,782	207,657	210,936	173,632
Temporary differences in the shareholders' equity				
Unrealized gain on remeasuring available- for-sale securities	(701,049)	(576,844)	(701,049)	(576,844)
Temporary differences in the retained earnings				
Provision for employee benefits	(1,376)	-	836	-
Total	(485,643)	(369,187)	(489,277)	(403,212)
Deferred tax assets(liabilities) - (tax rate of 20%)	(97,129)	(73,838)	(97,856)	(80,643)


 S & J INTERNATIONAL
 ENTERPRISES PUBLIC
 COMPANY LIMITED

16. FOREIGN CURRENCY TRANSACTIONS

16.1 The Company and subsidiaries have outstanding assets and liabilities denominated in foreign currencies as follows :-

(AMOUNT IN THOUSAND)

CONSOLIDATED	June 30, 2014		December 31, 2013	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	4,865.93	157,225	6,528.68	213,343
JPY	25,988.74	8,249	97,156.19	30,139
SGD	5.10	131	4.65	119
GBP	75.39	4,138	117.21	6,280
Total assets		169,743		249,881
Liabilities				
USD	1,363.03	44,433	1,086.32	35,794
JPY	6,654.49	2,151	17,887.41	5,650
GBP	879.33	48,910	673.77	36,557
EUR	510.45	22,758	302.51	13,710
AUD	9.72	300	12.32	363
Total liabilities		118,552		92,074

(AMOUNT IN THOUSAND)

THE SEPARATE FINANCIAL STATEMENTS	June 30, 2014		December 31, 2013	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	4,713.66	152,305	6,452.66	210,859
JPY	25,988.74	8,249	97,156.19	30,139
GBP	75.39	4,138	117.21	6,280
Total assets		164,692		247,278
Liabilities				
USD	1,225.80	39,959	878.95	28,961
JPY	6,464.49	2,090	16,847.41	5,322
GBP	879.33	48,910	673.77	36,557
EURO	510.45	22,758	279.63	12,673
AUD	9.72	300	12.32	363
Total liabilities		114,017		83,876

16.2 The Company has made selling forward exchange contracts with the local commercial bank for hedging in exchange rate fluctuation which might affect Baht received from export trade accounts receivable that can be summarized as follows :-

Currencies	Amount in thousand	Fair value (Thousand Baht)	Delivery dates
<u>As at June 30, 2014</u>			
USD	9,105.29	296,651	July 2014 - January 2015
GBP	79.15	4,399	August 2014 - December 2014
JPY	194,121.12	62,820	August 2014 - May 2015
<u>As at December 31, 2013</u>			
USD	5,717	188,356	January 2014 - July 2014
GBP	184	9,986	February 2014
JPY	265,799	83,251	February 2014 - May 2014

16.3 Foreign currency option

The Company has made foreign currency call option contracts to buy foreign currency with a local commercial bank to be used as financial instrument for hedging against any risk in exchange rate fluctuation by specifying future exchange rate for assets with foreign currency to receive the foreign assets. The call option contracts have not been recognized as assets or liabilities on the contract date. Gains or losses from call option will be included in operation result in the period of exercised contracts.

Foreign currency call option contract is the specified highest exchange rate provided by the commercial bank for the Company to sell foreign currency. If the rate on the expired date is higher than or equal to the exercise rate, the Company has to sell the foreign currencies at the exercise rate. So, the Company's risk would occur if the exchange rate at the expiry date is lower than the exercise rate. The Company cannot use the right but be able to sell the foreign currency at the market rate and will receive premium as compensation.

As at June 30, 2014, the Company has foreign currency option agreement as follows :-

Currency	Amount in (Thousand)	Fair value (Thousand Baht)	Delivery dates
<u>As at June 30, 2014</u>			
USD	6,360.00	206,414	July 2014 - December 2014

The right to purchase foreign currency between of Baht 30.61- 30.82 per USD 1.

17. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' financial information by segment in the consolidation for the six - month periods ended June 30, 2014 and 2013 are as follows :

(THOUSAND BAHT)

Year 2014	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	2,120,839	523,068	175,295	311,462	-	2,507,740
Operating result by segments	(10,430)	5,729	12,470	325,047	325,672	8,394
Other incomes	102,920	6,114	1,387	31,335	-	79,086
Profit attributable to equity holders of the parent						60,954
Property, plant and equipment-net	1,429,281	424,770	1,119	-	-	1,855,170

(THOUSAND BAHT)

Year 2013	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	1,732,857	532,706	115,662	238,436	-	2,142,789
Operating result by segments	(19,968)	10,452	7,341	246,236	248,067	(344)
Other incomes	112,188	6,423	2,914	33,989	-	87,536
Profit attributable to equity holders of the parent						58,733
Property, plant and equipment-net	1,491,883	408,229	1,038	460	460	1,901,150

The financial information by geographical areas can be classified to local and export sales in the consolidation for the six - month periods ended June 30, 2014 and 2013 as follows:

(THOUSAND BAHT)

PARTICULARS	Local		Export		Total	
	2014	2013	2014	2013	2014	2013
Sales	1,572,166	1,505,512	935,574	637,277	2,507,740	2,142,789
Operating result by segments	(10,902)	7,980	19,296	(8,324)	8,394	(344)

18. TRANSACTIONS WITH RELATED PARTIES

The Company has certain business transactions with its related parties which are related through, 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.

COMPANIES	RELATIONSHIP
Associates	See Note 9
Subsidiaries	See Note 10
Related companies	See Note 11
Better Way (Thailand) Co., Ltd.	Co - directors
International Laboratories Corp., Ltd.	Co - directors
Vitayasithi Co., Ltd.	Co - directors
O.C.C. Plc.	Co - directors
I.C.C. International Plc.	Co - directors
Oriental Salon Business Co., Ltd.	Co - directors
H & B Intertex Co., Ltd.	Co - directors
People 's Garment Plc.	Co - directors
Saha Pathanapibul Plc.	Co - shareholders
Thai Wacoal Plc.	Co - shareholders
Saha Pathana Inter-Holding Plc.	Shareholders


 S.S.J. INTERNATIONAL
 ENTERPRISES PUBLIC
 COMPANY LIMITED

The significant transactions with related parties are as follows :

(THOUSAND BAHT)

Transactions in statements of financial position	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
<u>Trade accounts receivable</u>				
- Subsidiaries	-	-	425	3,683
- Associates	29,592	45,428	11,983	19,139
- Related companies	331,135	294,561	280,351	256,206
Total	360,727	339,989	292,759	279,028
<u>Other receivables</u>				
- Subsidiaries	-	-	3,196	3,544
- Associates	9,902	163	9,902	163
- Related companies	55	153	55	153
Total	9,957	316	13,153	3,860
<u>Short - term loans extended</u>				
- Subsidiaries (See Note 7)	-	-	-	2,000
<u>Purchase / Sell property and equipment</u>				
- Related companies	-	96,525	-	-
<u>Other non-current Assets</u>				
<u>Rental guarantee</u>				
- Related companies	5,486	4,847	4,482	4,317
<u>Trade accounts payable</u>				
- Subsidiaries	-	-	115,634	86,371
- Associates	15,080	11,695	15,080	11,695
- Related companies	22,382	23,076	11,133	22,812
Total	37,462	34,771	141,847	120,878
<u>Other accounts payable</u>				
- Subsidiaries	-	-	709	710
- Associates	-	8	-	8
- Related companies	5,695	9,444	5,695	3,900
Total	5,695	9,452	6,404	4,618
<u>Non current liabilities</u>				
- Related companies	37	41	37	41

(THOUSAND BAHT)

Transactions in income statements for the six-month periods ended June 30,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
<u>Sales</u>				
- Subsidiaries	-	-	4,483	2,205
- Associates	48,363	67,151	22,843	26,589
- Related companies	873,290	796,811	763,134	651,751
Total	921,653	863,962	790,460	680,545
<u>Rental income</u>				
- Subsidiaries	-	-	138	129
- Associates	14,472	13,823	14,472	13,823
- Related companies	99	154	99	154
Total	14,571	13,977	14,709	14,106
<u>Other income</u>				
- Subsidiaries	-	-	3,860	2,960
- Associates	1,107	1,488	1,107	1,488
- Related companies	497	3,040	238	3,040
Total	1,604	4,528	5,205	7,488
<u>Purchase of goods and service</u>				
- Subsidiaries	-	-	314,435	234,957
- Associates	40,654	34,752	40,654	34,752
- Related companies	62,663	35,488	49,300	30,862
Total	103,317	70,240	404,389	300,571
<u>Rental expenses</u>				
- Related companies	4,518	4,453	4,518	4,441
<u>Other expenses</u>				
- Subsidiaries	-	-	3,394	1,999
- Associates	100	850	100	850
- Related companies	68,218	75,394	33,559	33,873
Total	68,318	76,244	37,053	36,722

Revenues 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 compensation. For the transactions with no reference of market price, the agreed prices according to the agreement are applied.

19. COMMITMENT AND CONTINGENT LIABILITIES

(THOUSAND BAHT)

PARTICULARS	June 30, 2014		
	CONSOLIDATED	THE SEPARATE FINANCIAL STATEMENTS	
1. Commitment under letters of guarantee issued by commercial banks	36,174	29,313	
2. letter of credit	1,807	1,807	
3. Royalty fees are payable by calculating from percentage of sales at the rate as fixed in the agreement.			
4. The Company and subsidiaries have commitment to pay future monthly rental and services for lease and service contracts for the office, warehouse and advisory contract from July 1, 2014 as follows:			
	<u>CONTRACT PERIODS</u>	<u>CONSOLIDATED</u>	<u>THE SEPARATE FINANCIAL STATEMENTS</u>
	Current portion	77,600,814 Baht	71,349,729 Baht
	Overdue 1 year but not over 5 years	42,855,925 Baht	42,694,425 Baht

20. RECLASSIFICATION

The Company and subsidiaries certain accounting transactions in the financial statements for the period ended June 30, 2013, have been reclassified to conform to the current period classification. The reclassifications had no effect to previously reported profit or shareholders' equity.

21. FINANCIAL STATEMENTS APPROVAL

These interim financial statements were authorized for issuing by the Company's authorized directors on August 7, 2014.


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