

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

MARCH 31, 2011 AND 2010

1. GENERAL INFORMATION

1.1 Legal status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
1.2 Company location	
- Head office/factory	600/4 Moo 11, Sukapiban Road 8, Tambol Nhongkharm Amphur Sriracha, Chonburi, Thailand.
- Branch	115 Naradhiwas Rajanakarindra Road (Soi 10), Kwaeng Tungwatdon, Khet Sathorn, Bangkok, Thailand.
- Branch	662/4-6 Moo 11, Sukapiban Road 8, Tambol Nhongkharm Amphur Sriracha, Chonburi, Thailand.
- Branch	19/41-43 Moo 7 Bangna-Trad Km. 17 Tambol Bangchlong, Amphur Bangplee, Samut Prakan , Thailand.
- Branch	679 Moo 11, Tambol Nhongkharm Amphur Sriracha, Chonburi, Thailand.
1.3 Type of business	(1) Manufacturing all type of cosmetics. (2) Investing in its associates and subsidiaries which carry on business according to Notes 8 and 9 to the interim financial statements.

2. BASIS FOR PREPARATION OF INTERIM FINANCIAL STATEMENTS

2.1 These interim consolidated and separate financial statements are prepared in accordance with Thai Accounting Standards under the Accounting Act, B.E. 2543 (2000), the Accounting Profession Act, B.E. 2547 (2004) and the Notification of the Office of the Securities and Exchange Commission. Except the financial statements of S&J International (UK) Limited and financial statements of Guangzhou S&J Cosmetics Limited Company, are prepared in accordance with the accounting standards of England. 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, 2010.

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
	March 31, 2011	December 31, 2010	
<u>SUBSIDIARIES DIRECTLY HELD BY THE COMPANY</u>			
E F Co., Ltd.	99.99	99.99	Thailand
Top Trend Manufacturing Co., Ltd.	51.00	51.00	Thailand
Wildlives (Thailand) Co., Ltd.	99.99	99.99	Thailand
S&J International (UK) Limited	100.00	100.00	England
<u>SUBSIDIARY HELD BY</u>			
<u>S&J INTERNATIONAL (UK) LIMITED</u>			
Guangzhou S&J Cosmetics Limited Company	100.00	-	China

ASSOCIATES

COMPANIES	% HOLDING		ESTABLISHED IN
	March 31, 2011	December 31, 2010	
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 Compliance with the new accounting standards and financial reporting standards in the period

In 2011, the Company and its subsidiaries have complied with 27 issues of revised and new accounting standards and financial reporting standards, issued by the Federation of Accounting Professions which are effective to the financial statements for the periods beginning on or after January 1, 2011 onward.

3. CHANGES IN ACCOUNTING POLICY

In 2011, the Company and subsidiaries have adopted the new accounting policy, in accordance with TAS 19 Employee Benefits. To adopt this accounting policy, the Company and subsidiaries have chosen the perceived value of debt increase by adjusted to the beginning retained earnings in the year 2011 for consolidated financial statements in equity holders of the parent company amount of Baht 67.99 million, the non-controlling interests amount of Baht 5.94 million and for the separate financial statements amount of Baht 60.53 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, the significant risks and rewards have been transferred to the buyer. |
| Sales of goods on consignment | - | Recognized as revenues whenever the consignment goods are sold to the third parties. |
| Dividend income | - | Recognized when the shareholder's right to receive is established. |
| 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 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 inventories which are expected to be unsalable by considering the current condition of inventories.

4.4 Investments

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

Investments in subsidiaries mean those companies in which the parent in the group companies, directly or indirectly, has power more than one half of the total voting rights or power to govern the financial and operating policies of subsidiaries. Investments in subsidiaries in the separate financial statements are stated at cost after deduction of provision for diminution in investment.

Investments in related companies mean 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.

Investments in other companies mean 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.

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 other comprehensive income, under the caption “gain (loss) from the valuation of investment available-for-sale”.

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

4.5 Investments property

Investments property include land and building for rent stated at acquisition cost less accumulated depreciation. Depreciation of building for rent is calculated by the straight-line method based on the estimated useful lives of assets within 20 years.

4.6 Property, plant and equipment

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

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

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

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

4.7 Leasehold right

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

4.8 Intangible assets

Computer softwares are stated at acquisition cost less amortization by using the straight-line method within 10 years.

4.9 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.

4.10 Employee benefits expenses

Defined contribution plan

The Company provides a provident fund, which is a defined contribution plan, the assets of which are held in a separate trust fund and managed by the external fund manager. Such provident fund is contributed by payments from employees and the Company. Contributions to the provident fund are charged to operation during the periods in the incurred period.

Defined benefit plan

In 2011, the provision for employee retirement benefits is recognized as an expense of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

The Company provides other long-term benefits to the eligible employees in return for their service in the current and prior periods before one's retirement. In the financial statements, the obligations represent the present value of the other long-term employee benefits. The obligations are calculated on the same basis as the defined benefit plan.

In 2010, obligations for contributions to retirement fund are computed on the benefit formula and recognized as an expense in the statements of income. Benefits are payable upon retirement.

4.11 Earnings per share

Basic earnings per share is calculated by dividing the periodical net profit with the number of common stocks held by outsiders by the weighted average method.

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 on the statements of financial position date are converted to Baht at the rate of exchange in effect on that date.

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

For preparation of the consolidated financial statements, the financial statements of the subsidiary denominated in foreign currencies are converted to Baht based on the following exchange rates:

- Assets and liabilities were translated by the average exchange rates at the end of the period.
- Shareholders' equity and depreciation were translated by the exchange rate in effect on the transaction dates.
- Revenues and expenses were translated by the average exchange rates for the period.

The translation of financial statement differences in foreign currencies was shown under other comprehensive income.

4.13 Forward exchange contracts

Foreign currency transactions which are covered by forward exchange contract, the Company will record at fair value. Gains or losses on exchange rates are credited or charged to operations of each period.

4.14 Cash and cash equivalents

Cash and cash equivalents are cash on hand, fixed deposits at financial institutions due not more than 3 months from the date of acquisition 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 the reported amounts of revenues, expenses, assets and liabilities including disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

5. TRADE ACCOUNTS RECEIVABLE

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
<u>Trade accounts receivable of related parties</u>				
Trade notes receivable	4,136	3,312	4,136	3,312
Trade accounts receivable				
Current	293,277	302,877	263,776	268,111
Overdue within 3 months	58,473	23,020	43,525	4,409
Overdue between 3 to 6 months	408	649	345	34
Overdue between 6 to 12 months	401	-	-	-
Total	356,695	329,858	311,782	275,866
<u>Trade accounts receivable others</u>				
Trade notes receivable	13,533	14,957	8,331	9,084
Trade accounts receivable				
Current	324,320	251,160	254,603	193,445
Overdue within 3 months	118,811	126,936	104,288	100,891
Overdue between 3 to 6 months	6,236	4,754	5,381	4,094
Overdue between 6 to 12 months	8,197	4,777	7,324	4,136
Overdue more than 12 months	11,557	11,560	7,307	7,488
Total	482,654	414,144	387,234	319,138
<u>Less</u> Allowance for doubtful accounts	(11,359)	(11,760)	(7,117)	(7,297)
Total trade accounts receivable others-net	471,295	402,384	380,117	311,841
Total trade accounts receivable - net	827,990	732,242	691,899	587,707

6. SHORT-TERM LOANS TO SUBSIDIARY

(THOUSAND BAHT)

PARTICULARS	THE SEPARATE FINANCIAL STATEMENTS		INTEREST RATES (%) PER ANNUM	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Wildlives (Thailand) Co., Ltd.				
Beginning Balances	2,000	2,500		
Settlement during the period	-	(500)		
Ending Balances	2,000	2,000	2.50 - 3.00	2.50

Short-term loans to subsidiary are unsecured loans.

7. INVESTMENTS IN AVAILABLE-FOR-SALE

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

(THOUSAND BAHT)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Cost Method		Dividend for the three-month periods	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010	March 31, 2011	March 31, 2010
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.	0.35	0.35	26,705	26,705	-	-
4. President Bakery Plc.	1.00	1.00	13,500	13,500	-	-
5. Sahacogen (Chonburi) Plc.	14.28	14.28	206,628	206,628	-	-
6. Saha Pathana Inter-Holding Plc.	0.24	0.24	21,249	21,249	-	-
Total			268,246	268,246	-	-
<u>Add</u> Gain from the valuation of investment available for sale			432,419	433,052		
Net investments in available-for-sales - related companies			700,665	701,298		
Other Companies						
1. Nation Multimedia Group Plc.			8,586	8,586	-	-
2. Bangkok Bank Plc.			5,001	5,001	-	-
Total			13,587	13,587	-	-
<u>Add</u> Gain from the valuation of investment available for sale			3,841	3,050		
Net investments in available-for-sales - other companies			17,428	16,637		
Total net available-for-sales			718,093	717,935	-	-

(THOUSAND BAHT)

RELATED COMPANIES	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			March 31,	December 31,
			2011	2010
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

8. INVESTMENTS IN ASSOCIATES

(THOUSAND BAHT)

ASSOCIATES	% Holding		CONSOLIDATED (Equity Method)		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
	2011	2010	2011	2010	2011	2010
Yamahatsu (Thailand) Co., Ltd.	30	30	65,311	61,167	6,000	6,000
Operational Energy Group Limited	30	30	102,903	94,515	13,151	13,151
Total			168,214	155,682	19,151	19,151
Osoth Interlaboratories Co., Ltd.	33.19	33.19	30,490	30,167	52,636	52,636
<u>Less</u> Allowance for loss on capital decrease			-	-	(2,850)	(2,850)
Provision for diminution in investments in associates			-	-	(19,950)	(19,950)
Total			30,490	30,167	29,836	29,836
Total Investments in Associates - net			198,704	185,849	48,987	48,987

(THOUSAND BAHT)

ASSOCIATES	TYPE OF BUSINESS	ISSUED AND PAID - UP SHARE CAPITAL		DIVIDENDS FOR THE THREE-MONTH PERIODS	
		March 31,	December 31,	March 31,	March 31,
		2011	2010	2011	2010
Yamahatsu (Thailand) Co., Ltd.	Hair products	20,000	20,000	-	-
Operational Energy Group Limited	Servicing to operate the power plant	30,000	30,000	-	-
Osoth Interlaboratories Co., Ltd.	Medicine	150,000	150,000	-	-
Total				-	-

The financial statements of associates which are applied for recording the investments in associate by the equity method in the interim consolidated financial statements as at March 31, 2011, include recording the equity method on the statements of income for the three-month periods ended March 31, 2011 and 2010, based on information prepared by their management which are not reviewed by the auditors.

(THOUSAND BAHT)

SHARE OF PROFIT FROM INVESTMENTS FOR USING THE EQUITY METHOD FOR THE THREE - MONTH PERIODS ENDED MARCH 31,	CONSOLIDATED	
	2011	2010
Yamahatsu (Thailand) Co., Ltd.	4,144	7,094
Operational Energy Group Limited	8,772	7,323
Osoth Interlaboratories Co., Ltd.	1,225	-
Total	14,141	14,417

9. INVESTMENTS IN SUBSIDIARIES

(THOUSAND BAHT)

SUBSIDIARIES	% Holding		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	March 31,	December 31,	March 31,	December 31,
	2011	2010	2011	2010
E F Co., Ltd.	99.99	99.99	4,006	4,006
Top Trend Manufacturing Co., Ltd.	51.00	51.00	36,625	36,625
Wildlives (Thailand) Co., Ltd.	99.99	99.99	1,000	1,000
S&J International (UK) Limited	100.00	100.00	5,073	5,073
			(GBP100,000)	(GBP100,000)
Total Investments in Subsidiaries			46,704	46,704

(THOUSAND BAHT)

SUBSIDIARIES	TYPE OF BUSINESS	ISSUED AND PAID - UP SHARE CAPITAL		DIVIDEND FOR THE THREE - MONTH PERIODS	
		March 31, 2011	December 31, 2010	March 31, 2011	March 31, 2010
<u>SUBSIDIARIES</u>					
E F Co., Ltd.	Consumer products	4,000	4,000	-	-
Top Trend Manufacturing Co., Ltd.	Plastic containers	60,000	60,000	-	-
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	-	-
<u>SUBSIDIARY HELDING BY S&J International (UK) Limited</u>					
Guangzhou S&J Cosmetics Limited Company	Distributing packaging,	4,710	-	-	-
Total				-	-

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 for the three-month period ended March 31, 2011 and consolidated financial statements for the year ended December 31, 2010 by having assets in the amount of Baht 51.67 million and Baht 27.38 million, respectively. And total incomes for the three-month periods ended March 31, 2011 and 2010 in the amount of Baht 55.42 million and Baht 33.31 million, respectively.

During February 2011, S&J International (UK) Limited has invested in Guangzhou S&J Cosmetics Limited Company which registered in the People Republic of China, worth Baht 4.71 million.

10. INVESTMENTS IN RELATED COMPANIES

(THOUSAND BAHT)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Cost Method		Dividend for the three-month periods	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010	March 31, 2011	March 31, 2010
1. Thai Q P Co., Ltd.	7.50	7.50	1,125	1,125	-	-
2. General Glass Co., Ltd.	16	16	*16,000	*16,000	-	-
3. Thai Lotte Co., Ltd.	0.51	0.51	* 8,000	* 8,000	-	-
4. H & B Kabinburi Co., Ltd.	9	9	1,350	1,350	-	-
5. Thai Cubic Technology Co., Ltd.	5	5	2,000	2,000	-	-
6. Train Time Test Co., Ltd.	14	14	175	175	-	-
7. BSC Entertainment Co., Ltd.	10	10	*21,869	*21,869	-	-
8. B.K.C. International Marketing Co., Ltd.	19	19	* 950	* 950	-	-
9. United Utility Co., Ltd.	0.27	0.27	* 692	* 692	-	-
10. Shaldan (Thailand) Co., Ltd.	15.50	15.50	* 6,392	* 6,392	-	-
Total			58,553	58,553	-	-
<u>Less</u> Allowance for loss on capital decrease in						
- BSC Entertainment Co., Ltd.			(7,505)	(7,505)		
*Provision for diminution in investments in related companies			(28,199)	(28,199)		
Total Investments in Related Companies - net			22,849	22,849		

(THOUSAND BAHT)

	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			March 31, 2011	December 31, 2010
1. Thai Q P Co., Ltd.	Consumer products	Shareholders / co – directors	15,000	15,000
2. General Glass Co., Ltd.	Glass bottles	Shareholders / co – directors	100,000	100,000
3. Thai Lotte Co., Ltd.	Chewing gum	Shareholders / co – directors	1,570,000	1,570,000
4. H & B Kabinburi Co., Ltd.	Cloth toy and ware	Shareholders / co – directors	15,000	15,000
5. Thai Cubic Technology Co., Ltd.	Plate and varnish	Shareholders / co – directors	40,000	40,000
6. Train Time Test Co., Ltd.	Training and seminar	Shareholders / co – directors	1,250	1,250
7. BSC Entertainment Co., Ltd.	Bowling alley	Shareholders / co – directors	187,050	187,050
8. B.K.C. International Marketing Co., Ltd.	Consumer products	Shareholders / co – directors	5,000	2,500
9. United Utility Co., Ltd.	Real estate	Shareholders / co – directors	34,230	34,230
10. Shaldan (Thailand) Co., Ltd.	Air refresher	Shareholders / co – directors	40,000	40,000

11. INVESTMENTS IN OTHER COMPANIES

(THOUSAND BAHT)

	% Holding		Cost Method		Dividend for the three-month periods	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010	March 31, 2011	March 31, 2010
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.	8.00	8.00	9,080	9,080	-	-
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.	12.00	12.00	14,407	14,407	-	-
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.	7.14	7.14	4,000	4,000	-	-
Total			56,259	56,259	-	-
<u>Less</u> *Provision for diminution in investments in other companies			(7,205)	(7,205)		
Total Investments in Other Companies - net (Separate financial statements)			49,054	49,054		
SUBSIDIARY INVESTED IN						
- Treasure Hill Co., Ltd.	1.00	1.00	* 2,000	* 2,000		
- T-Way Co., Ltd.	4.29	4.29	4,800	4,800		
Total			6,800	6,800		
<u>Less</u> *Provision for diminution in investments in other companies			(2,000)	(2,000)		
Total Investments in Other Companies of the Subsidiary - net			4,800	4,800		
Total Investments in Other Companies - net (Consolidated)			53,854	53,854		

12. INVESTMENTS PROPERTY

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
Cost	82,331	77,515	82,211	77,395
<u>Less</u> Accumulated depreciation	(6,110)	(5,289)	(6,110)	(5,289)
Investments property- net	76,221	72,226	76,101	72,106
The fair value is in the process of evaluating.				

13. LEGAL RESERVE

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

14. DIVIDEND PAYMENT

On April 25, 2011, the Ordinary General Shareholders' Meeting for 2011 was held and approved a resolution to pay dividends for the results of 2010 operation to the shareholders of 104,813,500 shares at Baht 1.10 per share, totalling Baht 115.29 million. The dividend payment date is fixed on May 9, 2011

On April 27, 2010, the Ordinary General Shareholders' Meeting for 2010 was held and approved a resolution to pay dividends for the results of 2009 operation to the shareholders of 104,813,500 shares at Baht 1.00 per share, totalling Baht 104.81 million. The dividend payment was made on May 26, 2010

15. DIRECTORS' REMUNERATION

On April 25, 2011, the Ordinary General Shareholders' Meeting for 2011 was held and approved a resolution to pay directors' remuneration at the maximum of Baht 10 million per year.

On April 29, 2011, the Ordinary General Shareholders' Meeting for 2011 of Top Trend Manufacturing Company Limited was held and approved a resolution to pay directors' remuneration amount of Baht 2.67 million.

On April 27, 2010, the Ordinary General Shareholders' Meeting for 2010 was held and approved a resolution to pay directors' remuneration at the maximum of Baht 10 million per year.

On April 23, 2010, the Ordinary General Shareholders' Meeting for 2010 of Top Trend Manufacturing Company Limited was held and approved a resolution to pay directors' remuneration amount of Baht 2.50 million.

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	March 31, 2011		December 31, 2010	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	3,526.81	106,363	3,645.41	109,385
JPY	56,033.12	20,294	21,152.17	7,758
EUR	1.28	55	-	-
AUD	34.41	1,067	18.84	574
Total assets		127,779		117,717
Liabilities				
USD	850.88	25,896	1,102.59	33,405
JPY	12,621.54	4,662	9,246.74	3,460
GBP	124.19	6,105	-	-
EUR	55.20	2,383	43.83	1,764
AUD	49.05	1,549	51.12	1,585
Total liabilities		40,595		40,214

(AMOUNT IN THOUSAND)

THE SEPARATE FINANCIAL STATEMENTS	March 31, 2011		December 31, 2010	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	3,331.34	100,468	3,404.06	102,143
JPY	56,033.12	20,294	21,152.17	7,758
Total assets		120,762		109,901
Liabilities				
USD	780.84	23,765	1,060.56	32,131
JPY	12,621.54	4,662	9,246.74	3,460
GBP	383.52	18,853	-	-
EURO	168.92	7,293	43.83	1,764
AUD	49.05	1,549	51.12	1,585
Total liabilities		56,122		38,940

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

Currencies	Amount in thousand	Exchange rates on delivery date (Baht)	Delivery dates
<u>As at March 31, 2011</u>			
JPY	4,934	0.3668 - 0.36949	August 2011
<u>As at December 31, 2010</u>			
USD	24	30.03 - 30.33	March 2011- June 2011
GBP	25	46.90 - 46.98	March 2011
JPY	6,149	0.3578 - 0.3598	February 2011 - March 2011

16.3 The Company has made Selling Forward Exchange Contracts with the local commercial bank for hedging against any risk in exchange rate fluctuation which might affect Baht received from export trade accounts receivable that can be summarized as follows :-

Currencies	Amount in thousand	Exchange rates on delivery date (Baht)	Delivery dates
<u>As at March 31, 2011</u>			
USD	7,222	30.05 - 31.43	April 2011 - October 2011
JPY	135,067	0.37 - 0.38	September 2011
<u>As at December 31, 2010</u>			
USD	8,492	30.07 - 30.19	February 2011 - July 2011
JPY	31,161	0.3610 - 0.3672	January 2011

17. EXPENSES BY NATURE

(THOUSAND BAHT)

For the three - month periods ended March 31,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Increase in the changes of finished goods and work in progress	(136,669)	(77,734)	(107,505)	(66,912)
Raw material and consumables used	672,539	478,966	708,905	499,016
Purchase of inventories	63,434	39,741	-	-
Directors and management benefit expenses	9,350	9,459	8,086	8,287
Employee benefit expenses	173,605	141,771	115,894	91,665
Depreciation and amortization expenses	45,547	41,685	21,730	16,811
Other expenses	139,351	91,917	85,086	46,620
Total	967,157	725,805	832,196	595,487

18. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' financial information by segment in the consolidation for the three - month periods ended March 31, 2011 and 2010 are as follows :

(THOUSAND BAHT)

Year 2011	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	869,585	217,177	64,526	114,990	-	1,036,298
Operating result by segments	37,389	12,908	7,719	118,836	129,961	69,141
Net profit for the period						65,802
Property, plant and equipment-net	846,235	307,243	699	-	-	1,154,177
Total assets						4,225,783

(THOUSAND BAHT)

Year 2010	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	612,208	205,569	38,937	91,024	-	765,690
Operating result by segments	16,726	19,484	5,504	6,731	4,908	39,891
Net profit for the period						46,422
Property, plant and equipment-net	454,451	321,649	852	-	-	776,952
Total assets						3,108,308

The financial information by geographical areas can be classified to local and export sales in the consolidation for the three - month periods ended March 31, 2011 and 2010 as follows:

(THOUSAND BAHT)

Particulars	Local		Export		Total	
	2011	2010	2011	2010	2011	2010
Sales	720,889	588,221	315,409	177,469	1,036,298	765,690
Operating result by segments	35,418	23,993	33,723	15,898	69,141	39,891

19. INCOME TAX EXPENSES

The Company and subsidiaries' income taxes for the three-month periods ended March 31, 2011 and 2010 are calculated from accounting profit and adjusted with other revenues and some expenses which are exempted from income tax; for example, dividend income, or being disallowable expenses in corporate income tax computation; for example, doubtful debts.

In 2011, the corporate income tax of the Company is calculated at the rate of 30 per cent.

In 2010, the corporate income tax of the Company is calculated at the rate of 25 per cent.

The corporate income taxes of subsidiaries are calculated at the rate of 15 - 30 per cent.

20. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

The Company has certain business transactions with its related 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.

COMPANIES	RELATIONSHIP
Associates	See Note 8
Subsidiaries	See Note 9
Related companies	See Note 10
Better Way (Thailand) Co., Ltd.	Co - directors
International Laboratories Corp., Ltd.	Co - directors
Vitayasithi Co., Ltd.	Co - directors
Kewpie (Thailand) 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

The significant transactions with related persons and parties are as follows :

(THOUSAND BAHT)

Transactions in statements of financial position	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
<u>Trade accounts receivable</u>				
- Subsidiaries	-	-	273	784
- Associates	83,879	62,692	70,356	55,391
- Related companies	272,816	267,166	241,153	219,691
Total	356,695	329,858	311,782	275,866
<u>Shot - term loans extended</u>				
- Subsidiary (See Note 6)	-	-	2,000	2,000
<u>Other current assets</u>				
- Subsidiaries	-	-	1,280	4,318
- Associates	-	320	-	320
- Related companies	237	4,495	237	250
Total	237	4,815	1,517	4,888
<u>Investments in associates</u>				
- Related companies	-	14,900	-	14,900
<u>Non-current Assets</u>				
<u>Other receivables</u>				
- Associates	-	653	-	653
<u>Property deposit</u>				
- Related companies	28,957	28,957	-	-
<u>Rental guarantee</u>				
- Related companies	5,440	4,589	4,910	3,991
Total	34,397	34,199	4,910	4,644
<u>Trade accounts payable</u>				
- Subsidiaries	-	-	56,983	50,328
- Associates	7,133	7,200	7,133	7,200
- Related companies	26,373	12,831	20,863	6,266
Total	33,506	20,031	84,979	63,794
<u>Other current liabilities</u>				
- Subsidiaries	-	-	317	322
- Associates	2	14	2	14
- Related companies	3,367	7,832	3,367	3,586
Total	3,369	7,846	3,686	3,922
<u>Non current liabilities</u>				
- Related companies	-	127	-	127

(THOUSAND BAHT)

Transactions in income statements for the three - month periods ended March 31,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
<u>Sales</u>				
- Subsidiaries	-	-	262	188
- Associates	78,368	36,487	65,753	21,868
- Related companies	387,921	380,391	345,750	343,019
Total	466,289	416,878	411,765	365,075
<u>Rental income</u>				
- Subsidiaries	-	-	27	27
- Associates	6,141	5,691	6,141	5,691
- Related companies	80	539	80	539
Total	6,221	6,230	6,248	6,257
<u>Other income</u>				
- Subsidiaries	-	-	1,160	1,093
- Associates	3,823	46	3,823	46
- Related companies	489	1,352	489	810
Total	4,312	1,398	5,472	1,949
<u>Purchase of goods and service</u>				
- Subsidiaries	-	-	121,272	90,156
- Associates	9,986	15,202	9,986	15,202
- Related companies	27,055	33,864	25,481	31,630
Total	37,041	49,066	156,739	136,988
<u>Rental expenses</u>				
- Related companies	2,573	1,463	2,573	1,463
Total	2,573	1,463	2,573	1,463
<u>Other expenses</u>				
- Subsidiaries	-	-	567	46
- Associates	5	-	5	-
- Related companies	25,782	20,688	14,335	8,917
Total	25,787	20,688	14,907	8,963

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.

21. COMMITMENT AND CONTINGENT LIABILITIES

(THOUSAND BAHT)

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
1. Commitment under letters of guarantee issued by commercial banks	101,312	94,467	94,674	87,829
2. Commitment under letters of guarantee on overdrafts with commercial banks for - Related companies	3,100	3,100	3,100	3,100
3. Letters of credit	45,343	21,131	45,343	21,130
4. Royalty fees are payable by calculating from percentage of sales at the rate as fixed in the agreement.				
5. 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 April 1, 2011 as follows:				
	<u>CONTRACT PERIODS</u>	<u>CONSOLIDATED</u>	<u>THE SEPARATE</u>	<u>FINANCIAL STATEMENTS</u>
	Current portion	69,498,250 Baht	62,785,375 Baht	
	Overdue more than 1 year within 5 years	79,829,420 Baht	79,819,770 Baht	
6. Commitment of contracts to buy or sell				
6.1 On December 10, 2010, the Company agreed to purchase land from a certain company for construction of the factory in the amount of Baht 102.25 million. Land deposit of Baht 30.68 million was paid and presented under other non-current assets in "Property deposit". Therefore, there is commitment to pay the remaining amount of Baht 71.57 million. Afterwards, in March 2011, the Company paid the remaining and transferred property deposit to Company's land.				
6.2 On August 18, 2010, the subsidiary agreed to purchase land from the related company for construction of the factory in the amount of Baht 96.53 million. Land deposit of Baht 28.96 million was paid and presented under other non-current assets in "Property deposit". Therefore, there is commitment to pay the remaining within August 17, 2013, amount of Baht 67.57 million.				

22. EVENTS AFTER THE REPORTING PERIOD

On April 25, 2011, the Ordinary General Shareholders' Meeting approved the reduction of registered capital from 120,000,000 shares (at Baht 1 per share) to 104,813,500 shares (at Baht 1 per share) by the cancellation of registered share capital that had not been issued of 15,186,500 shares (at Baht 1 per share), and approved the increase of registered capital from 104,813,500 shares (at Baht 1 per share) to 200,000,000 share (at Baht 1 per share) by issuing new common stock of 95,186,500 shares (at Baht 1 per share).

On April 29, 2011, the Ordinary General Shareholders' Meeting of Top Trend Manufacturing Co., Ltd. approved the increase of registered capital from 60,000,000 Baht (amount 600,000 shares at Baht 100 per share) to Baht 120,000,000 (amount 1,200,000 shares at Baht 100 per share) by issuing new common stock of 600,000 shares at par value of Baht 100 per share, amount of Baht 60,000,000.

23. RECLASSIFICATION OF ACCOUNTS

Some accounting transactions in the financial statements of the Company and subsidiaries for the year ended December 31, 2010, have been reclassified to conform with the current period classifications with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

(THOUSAND BAHT)

	Consolidated statements of financial position		The separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Investments property	72,226	10,943	72,106	10,823
Property, plant and equipment - net	933,644	994,927	639,788	701,071
Other current liabilities	252,028	260,292	198,174	206,438
Provision for employee benefits	8,264	-	8,264	-

24. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's directors on May 10, 2011.