

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

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 subsidiaries and associates which carry on business according to Note 7 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, its subsidiary, 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, 2009.

2.2 Announcement of accounting standards and financial reporting standards (revised 2009)

(A) Twenty one issues of Framework for Preparation and Presentation of Financial Statements, Accounting Standards and Financial Reporting Standards have been revised and/or renumbered. Framework for Preparation and Presentation of Financial Statements has become effective since May 26, 2010. Nineteen issues of Accounting Standards and Financial Reporting Standards will be effective to the financial statement for the periods beginning on or after January 1, 2011 onward. Accounting Standards No. 20 (revised 2009) Re: Accounting for Government Grants and Disclosure for Government Assistance will be effective to the financial statements for the periods beginning on or after January 1, 2013 onward.

(B) Three new Accounting standards and Financial Reporting Standards have been issued as follow :

	<u>Effective date</u>
TAS 12 Income Taxes	January 1, 2013
TAS 29 Financial Reporting in Hyperinflationary Economics	January 1, 2011
TFRS 6 Exploration for and Evaluation of Mineral Resources	January 1, 2011

2.3 These interim financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.4 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, 2010	December 31, 2009	
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

ASSOCIATES

COMPANIES	% HOLDING		ESTABLISHED IN
	June 30, 2010	December 31, 2009	
Yamahatsu (Thailand) Co., Ltd.	30.00	30.00	Thailand
Operational Energy Group Limited	30.00	30.00	Thailand

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues and expenses recognition

The Company recognized revenues and expenses from the following bases :

- Sales - Recognized as revenues whenever goods are delivered, 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.

3.2 Allowance for doubtful accounts

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

3.3 Inventories

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

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

3.4 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 Shareholders' Equity, under the caption "Unrealized gain (loss) on investment revaluation".

Investments in Government bond, the Company classified as debt securities to be held-to-maturity, stated at amortized cost. The current portion of investment in Government bonds due in one year was presented under current assets in short - term investment.

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

3.5 Investments in real estate

Investments in real estate are stated at cost net after the provision on impairment of assets.

3.6 Property, plant and equipment

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

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

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

3.7 Leasehold right

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

3.8 Intangible assets

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

3.9 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.

3.10 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.

3.11 Employee benefits expenses

Employee provident fund

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 the statements of income in the incurred period.

Retirement fund

Obligations to provide for retirement fund will be recognized as an expense in the statements of income, by calculating following the defined formula. These benefits are payable upon retirement.

3.12 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 balance sheet 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 Shareholders' Equity.

3.13 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.

3.14 Cash and cash equivalents

Cash and cash equivalents are cash on hand, fixed deposits at financial institutions due not more than 3 months with no obligation.

3.15 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.

4. SHORT - TERM INVESTMENTS

Current portion of investment in Government bonds are savings bond amounting to Baht 5.0 million of 5 year maturity, due on June 21, 2009 with interest rate at 4.625% per annum. This bond was pledged as a guarantee for renting factory from Preserved Food Organization (P.F.O), Ministry of Defense. At present, the lease is ended but the Company is in the process of negotiation with P.F.O. in returning the Lease Assets including returning the guarantee bond.

Investments in related companies occurred from the reclassification of investments in subsidiary to short - term investment in related company (See Note 7) as follows:

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009
<u>Value Sport Co., Ltd.</u>				
Investment - Cost	-	-	2,000	2,000
Fair value at transferred investments date	114	114	-	-
<u>Less</u> Provision for diminution in investments in related company	(114)	(114)	(2,000)	(2,000)
Ending balances - net	-	-	-	-

5. TRADE ACCOUNTS RECEIVABLE

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009
Trade notes receivable	29,394	19,772	20,112	13,643
Trade accounts receivable				
Current	473,120	424,023	383,637	349,769
Overdue within 3 months	130,350	178,617	89,329	136,527
Overdue between 3 to 6 months	4,531	6,162	947	2,515
Overdue between 6 to 12 months	1,958	2,055	356	87
Overdue more than 12 months	16,725	17,390	10,701	11,681
Total	656,078	648,019	505,082	514,222
<u>Less</u> Allowance for doubtful accounts	(16,748)	(17,643)	(10,391)	(11,307)
Trade accounts receivable - net	639,330	630,376	494,691	502,915

6. SHORT-TERM LOANS TO SUBSIDIARY

(THOUSAND BAHT)

PARTICULARS	THE SEPARATE FINANCIAL STATEMENTS		INTEREST RATES (%) PER ANNUM	
	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009
Wildlives (Thailand) Co., Ltd.	2,500	2,500	2.50	2.50 - 4.50

Short-term loans to subsidiary are unsecured loans.

7. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

(THOUSAND BAHT)

	% Holding		CONSOLIDATED (Equity Method)		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009
<u>SUBSIDIARIES</u>						
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 - net			-	-	46,704	46,704
<u>ASSOCIATES</u>						
Yamahatsu (Thailand) Co., Ltd.	30	30	41,739	30,374	6,000	6,000
Operational Energy Group Limited	30	30	80,074	74,072	13,151	13,151
Total Investments in Associates			121,813	104,446	19,151	19,151

(THOUSAND BAHT)

	TYPE OF BUSINESS	ISSUED AND PAID - UP SHARE CAPITAL		DIVIDEND FOR THE SIX - MONTH PERIODS	
		June 30, 2010	December 31, 2009	June 30, 2010	June 30, 2009
<u>SUBSIDIARIES</u>					
E F Co., Ltd.	Consumer products	4,000	4,000	-	-
Top Trend Manufacturing Co., Ltd.	Plastic containers	60,000	60,000	9,180	9,180
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	-	-
Total				9,180	9,180
<u>ASSOCIATES</u>					
Yamahatsu (Thailand) Co., Ltd.	Hair products	20,000	20,000	-	-
Operational Energy Group Limited	Servicing to operate the power plant	30,000	30,000	6,300	4,500
Total				6,300	4,500

In 2009, Value Sports Co., Ltd. its subsidiary has stopped operating. Afterwards, on February 26, 2010, the Extraordinary Shareholders' Meeting No. 1/2010 of Value Sports Co., Ltd. was held and approved a special resolution to dissolve the company and registered its dissolution with the Ministry of Commerce on March 10, 2010. Therefore, investments in subsidiary are reclassified to short - term investments in related company and was set up provision for diminution in investment due to no payback from such investments.

On March 19, 2009, the Company has invested in 100,000 common stocks of S&J International (UK) Limited at GBP 1 each, worth GBP 100,000. (The subsidiary has authorized and paid-up share capital 100,000 shares at GBP 1 each, amount of GBP 100,000.)

The financial statements of S&J International (UK) Limited, its subsidiary in the foreign country were reviewed by other certified public accountant, and were used to prepare interim consolidated financial statements as at June 30, 2010 and financial statements as at December 31, 2009 by having assets in the amount of Baht 29.95 million and Baht 7.52 million, respectively. And net profit for the three-month and six-month periods ended June 30, 2010 in the amount of Baht 6.95 million and Baht 11.56 million, respectively. And net profit for the three-month and six-month periods ended June 30, 2009 in the amount of Baht 0.08 million and Baht 0.54 million, respectively.

The financial statements of Yamahatsu (Thailand) Company Limited and Operational Energy Group Limited which are applied for recording the equity method in the interim consolidated financial statement as at June 30, 2010, and the equity method in statements of income for the three-month and six-month periods ended June 30, 2010 and 2009 are based on the financial information prepared by their management and not yet reviewed by the auditors. For investments for using the equity method in the consolidated financial statements as at December 31, 2009 are based on the financial information audited by the other auditors.

The financial statements of Shaldan (Thailand) Company Limited which are applied for recording the equity method in statements of income for the three-month and six-month periods ended June 30, 2009 are based on the financial information prepared by their management and not yet reviewed by the auditors. Since October 2009, the Company decrease in shareholding of Shaldan (Thailand) Company Limited from associate to related company.

8. INVESTMENTS IN RELATED COMPANIES

(THOUSAND BAHT)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Cost Method		Dividend for the six-month periods	
	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009	June 30, 2010	June 30, 2009
1. Thai Q P Co., Ltd.	7.50	7.50	1,125	4,500	-	720
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	135	135
5. Osoth Interlaboratories Co., Ltd.	19	19	*22,800	*22,800	-	-
6. Thai Cubic Technology Co., Ltd.	5	5	2,000	2,000	200	400
7. Train Time Test Co., Ltd.	14	14	175	175	-	-
8. BSC Entertainment Co., Ltd.	10	10	*21,869	*21,869	-	-
9. B.K.C. International Co., Ltd.	19	19	* 950	* 475	-	-
10. United Utility Co., Ltd.	0.27	0.27	* 692	* 692	-	-
11. Shaldan (Thailand) Co., Ltd.	15.50	15.50	* 6,392	* 6,392	-	-
Total			81,353	84,253	335	1,255
<u>Less</u> Allowance for loss on capital decrease in						
- Osoth Interlaboratories Co., Ltd.			(2,850)	(2,850)		
- BSC Entertainment Co., Ltd.			(7,505)	(7,505)		
*Provision for diminution in investments in related companies			(48,149)	(43,993)		
Total Investments in Related Companies - net			22,849	29,905		

(THOUSAND BAHT)

	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			June 30, 2010	December 31, 2009
1. Thai Q P Co., Ltd.	Consumer products	Shareholders / co – directors	15,000	60,000
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. Osoth Interlaboratories Co., Ltd.	Medicine	Shareholders / co – directors	105,000	105,000
6. Thai Cubic Technology Co., Ltd.	Plate and varnish	Shareholders / co – directors	40,000	40,000
7. Train Time Test Co., Ltd.	Training and seminar	Shareholders / co – directors	1,250	1,250
8. BSC Entertainment Co., Ltd.	Bowling alley	Shareholders / co – directors	187,050	187,050
9. B.K.C. International Co., Ltd.	Consumer products	Shareholders / co – directors	5,000	2,500
10. United Utility Co., Ltd.	Real estate	Shareholders / co – directors	34,230	34,230
11. Shaldan (Thailand) Co., Ltd.	Air refresher	Shareholders / co – directors	40,000	40,000

In December 2009, the Company has refund from investment in Thai Q P Co., Ltd. in proportion of investment worth amount Baht 4.50 million, due to such company has reduced its share capital from 1,200,000 shares to 600,000 shares (at Baht 100 par value) and in May 2010, the Company has refund from investment in proportion of investment worth amount Baht 3.38 million, due to such company has reduced its share capital from 600,000 shares to 150,000 shares (at Baht 100 par value).

In April 2010, the Company has paid for the additional call for share subscription increase of B.K.C. International Co., Ltd. of 189,999 shares at Baht 2.50 each, worth Baht 474,998.

In December 2009, the Company has additionally purchased investments in the same proportion in BSC Entertainment Co., Ltd. of 130,500 shares, worth Baht 1.30 million.

During July 2009, the Company has sold investment in Cake & Bakery Co., Ltd. (Formerly: Thai Fujiya Co., Ltd.) with acquisition cost of investment amount Baht 7.50 million. Such investment was provided allowance for loss on capital decrease amount of Baht 5.50 million and provision for diminution in value of investment amount of Baht 2 million. The Company obtained proceed from disposal amount Baht 2,000, and recorded as gain in the statements of income.

9. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES

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

(THOUSAND BAHT)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Cost Method		Dividend for the six-month periods	
	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009	June 30, 2010	June 30, 2009
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	3	3
3. I.C.C. International Plc.	0.35	0.35	26,705	26,705	1,027	977
4. President Bakery Plc.	1.00	1.00	13,500	13,500	1,418	1,292
5. Sahacogen (Chonburi) Plc.	14.28	14.28	206,628	206,628	23,180	20,453
6. Saha Pathana Inter-Holding Plc.	0.24	0.24	21,249	21,249	234	34
Total			268,246	268,246	25,863	22,759
<u>Add</u> Unrealized gain on investment revaluation			442,707	457,491		
Total net investments in available-for-sales securities - related companies			710,953	725,737		
Other Companies						
1. Nation Multimedia Group Plc.			8,586	8,586	-	-
2. Bangkok Bank Plc.			5,001	5,001	190	127
Total			13,587	13,587	190	127
<u>Less</u> Unrealized loss on investment revaluation			(2,636)	(2,445)		
Total net investments in available-for-sales securities-other companies			10,951	11,142		
Total net available-for-sales securities			721,904	736,879	26,053	22,886

(THOUSAND BAHT)

RELATED COMPANIES	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			June 30, 2010	December 31, 2009
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 December 2009, the Company has additionally purchased investments in I.C.C. International Public Company Limited of 50,000 shares, worth Baht 1,992,469 and additionally purchased investments in Saha Pathana Inter-Holding Public Company Limited of 1,000,000 shares, worth Baht 17,543,750.

10. INVESTMENTS IN OTHER COMPANIES

(THOUSAND BAHT)

	% Holding		Cost Method		Dividend for the six-month periods	
	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009	June 30, 2010	June 30, 2009
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	240	240
7. Thai Herbal Products Co., Ltd.	1.50	1.50	1,200	1,200	120	72
8. Tipvarin Wattana Co., Ltd.	15.00	15.00	1,455	1,455	123	-
9. Saha Sehwa Co., Ltd.	3.48	3.48	* 5,050	* 5,050	-	-
10. T-Way Co., Ltd.	14.29	14.29	10,008	5,083	-	-
11. K. Commercial & Construction Co., Ltd.	2.20	2.20	3,278	3,278	110	220
12. E. P. F. Co., Ltd.	18.00	18.00	702	702	468	351
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	850
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			51,860	46,935	2,061	1,733
<u>Less</u> *Provision for diminution in investments in other companies			(7,205)	(6,888)		
Total Investments in Other Companies - net (Separate financial statements)			44,655	40,047		
SUBSIDIARY INVESTED IN						
- Treasure Hill Co., Ltd.	1.00	1.00	* 2,000	* 2,000		
- T-Way Co., Ltd.	4.29	4.29	3,000	1,500		
Total			5,000	3,500		
<u>Less</u> *Provision for diminution in investments in other companies			(2,000)	(2,000)		
Total Investments in Other Companies of the Subsidiary - net			3,000	1,500		
Total Investments in Other Companies - net (Consolidated)			47,655	41,547		

In January 2010, the Company has paid for share subscription increase of T-Way Co., Ltd. for 985,000 shares at Baht 3 each, worth Baht 2,955,000. In June 2010, the Company has paid for the remaining share subscription at Baht 2 each, worth Baht 1,970,000, totalling Baht 4,925,000. The Company has fully paid for share subscription in such company.

In January 2010, the subsidiary company has paid for share subscription increase of T-Way Co., Ltd. for 300,000 shares at Baht 3 each, worth Baht 900,000. In June 2010, the subsidiary company has paid for the remaining share subscription at Baht 2 each, worth Baht 600,000, totalling Baht 1,500,000. The subsidiary company has fully paid for share subscription in such company.

In July 2009, Waseda Education (Thailand) Co., Ltd. has increased its capital 280,000 shares, worth of Baht 28 million, the Company has additionally purchased investment in such company amount of 20,000 shares, worth Baht 2 million.

In August 2009, the additional call for share subscription increase of T-Way Co., Ltd. was paid for 15,000 shares at Baht 7.50 each, worth Baht 112,500. Afterwards, in September 2009, T-Way Co., Ltd. has increased its capital amount of 6,900,000 shares, the Company has additionally purchased investments in such company amount of 985,000 shares, and paid for subscription at Baht 5 each, worth Baht 4,925,000, totalling Baht 5,037,500.

In September 2009, the subsidiary company has additionally purchased investments in T-Way Co., Ltd. of 300,000 shares and paid for subscription at Baht 5 each, worth Baht 1,500,000.

11. OTHER RECEIVABLE - RELATED COMPANY

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

12. SHARE CAPITAL

On April 25, 2005, the Ordinary General Shareholders' Meeting was held and has a resolution to approve the issuance of warrants offered to the directors, employees of the Company and its subsidiaries under the Company's ESOP programme of 5,000,000 units with 3 year maturity at the offering price of Baht zero. The exercise ratio is 1 unit to 1 common stock at the exercise price of Baht 4 per share. On March 9, 2009, the warrants offered to the directors and employees of the Company and its subsidiaries was ended. Therefore, there are 186,500 units of warrants not exercised.

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

Registered Date	Exercised Warrants (Units)	Purchase Common Stocks (Shares)	Amount (Baht)
Warrants issuance	5,000,000	5,000,000	20,000,000
Exercised in 2006	1,814,500	1,814,500	7,258,000
Exercised in 2007	1,005,250	1,005,250	4,021,000
Exercised in 2008	756,750	756,750	3,027,000
Exercised in 2009			
January 13, 2009	50,750	50,750	203,000
February 11, 2009	603,250	603,250	2,413,000
March 13, 2009	583,000	583,000	2,332,000
Exercised in 2009	1,237,000	1,237,000	4,948,000
Total exercised	4,813,500	4,813,500	19,254,000
Total non exercised	186,500	186,500	746,000

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 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

On April 28, 2009, the Ordinary General Shareholders' Meeting for 2009 was held and approved a resolution to pay dividends for the results of 2008 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 22, 2009.

15. DIRECTORS' REMUNERATION

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.

On April 28, 2009, the Ordinary General Shareholders' Meeting for 2009 was held and approved a resolution to pay directors' remuneration at the maximum of Baht 10 million per year.

On April 30, 2009, the Ordinary General Shareholders' Meeting for 2009 of Top Trend Manufacturing Company Limited was held and approved a resolution to pay directors' remuneration amount of Baht 1.59 million.

16. FOREIGN CURRENCY TRANSACTIONS

16.1 The Company has made Buying Forward Exchange Contracts with the local commercial bank for hedging against any risk in exchange rate fluctuation which might affected 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 December 31, 2009</u>			
USD	13	33.36 - 33.42	June 2010
GBP	34	54.05 - 54.45	June 2010

16.2 The Company has made Selling Forward Exchange Contracts with the local commercial bank for hedging against any risk in exchange rate fluctuation which might 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 June 30, 2010</u>			
USD	2,646	32.27 - 32.71	September 2010 - January 2011
JPY	29,629	0.3564 - 0.3654	July 2010
<u>As at December 31, 2009</u>			
USD	3,942	33.15 - 33.585	April 2010 - July 2010
JPY	27,863	0.3741 - 0.37965	February 2010

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

(AMOUNT IN THOUSAND)

CONSOLIDATED	June 30, 2010		December 31, 2009	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	198.72	6,419	30.93	1,027
JPY	1,033.25	375	7,060.57	2,534
EUR	-	-	0.50	24
AUD	42.14	1,151	17.48	515
SGD	137.48	3,149	9.00	212
Total assets		11,094		4,312
Liabilities				
USD	1,863.78	60,734	439.83	14,742
JPY	24,997.25	9,246	1,234.84	452
GBP	125.05	6,149	2.67	143
EUR	90.35	3,604	1.92	92
HKD	-	-	0.79	3
AUD	21.54	600	4.33	130
SEK	1,374.00	5,768	-	-
Total liabilities		86,101		15,562

(AMOUNT IN THOUSAND)

THE SEPARATE FINANCIAL STATEMENTS	June 30, 2010		December 31, 2009	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	21.88	707	2.14	71
JPY	1,033.25	375	7,060.59	2,534
Total assets		1,082		2,605
Liabilities				
USD	1,809.47	58,964	439.83	14,742
JPY	23,957.26	8,862	1,234.84	452
GBP	125.05	6,149	17.23	920
EURO	90.35	3,604	1.92	92
HKD	-	-	0.79	3
AUD	21.54	600	4.33	130
SEK	1,374.00	5,768	-	-
Total liabilities		83,947		16,339

17. EXPENSES BY NATURE

(THOUSAND BAHT)

For the six - month periods ended June 30,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
Increase in the changes of finished goods and work in progress	(205,002)	(26,765)	(196,831)	(31,849)
Raw material and consumables used	1,070,663	809,862	1,121,829	831,624
Purchase of inventories	88,226	18,079	-	-
Management benefit expenses	28,350	27,536	23,764	21,691
Employee benefit expenses	299,912	233,174	192,833	152,819
Depreciation and amortization expenses	84,744	74,291	34,783	27,118
Other expenses	219,341	176,188	120,751	118,657
Total	1,586,234	1,312,365	1,297,129	1,120,060

18. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' financial information by segment in the consolidation for the six - month periods ended June 30, 2010 and 2009 are as follows :

(THOUSAND BAHT)

June 30, 2010	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	1,317,541	413,089	105,572	201,408	-	1,634,794
Operating result by segments	39,521	23,177	11,796	8,622	3,948	69,820
Net profit						105,403
Property, plant and equipment-net	572,743	316,392	875	-	-	890,010
Leasehold right-net	-	1,158	-	-	-	1,158
Intangible assets-net	10,969	11,404	-	-	-	22,373
Total assets						3,585,221

(THOUSAND BAHT)

June 30, 2009	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	1,143,105	278,360	21,541	99,456	-	1,343,550
Operating result by segments	42,278	8,789	(137)	104,586	105,663	52,007
Net profit						75,124
Property, plant and equipment-net	379,398	361,915	1,449	-	-	742,762
Leasehold right-net	542	1,754	-	-	-	2,296
Intangible assets-net	6,417	7,041	16	-	-	13,474
Total assets						2,805,335

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, 2010 and 2009 as follows:

(THOUSAND BAHT)

Particulars	Local		Export		Total	
	2010	2009	2010	2009	2010	2009
Sales	1,232,666	985,493	402,128	358,057	1,634,794	1,343,550
Operating result by segments	33,560	32,732	36,260	19,275	69,820	52,007

19. INCOME TAX EXPENSES

The Company and subsidiaries' income taxes for the three-month and six-month periods ended June 30, 2010 and 2009 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.

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, except sub-lease contract as Note 22.

COMPANIES	RELATIONSHIP
Subsidiaries	See Note 7
Associates	See Note 7
Related companies	See Note 8
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
Cake & Bakery Co., Ltd.	Co - shareholders
Saha Pathanapibul Plc.	Co - shareholders
Thai Wacoal Plc.	Co - shareholders
Saha Pathana Inter-Holding Plc.	Shareholders
Related persons	Directors of subsidiaries

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

(THOUSAND BAHT)

Transactions in balance sheets	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009
<u>Trade accounts receivable</u>				
- Subsidiaries	-	-	190	1,404
- Associates	13,990	11,040	7,308	4,790
- Related companies	285,478	284,225	258,865	247,995
Total	299,468	295,265	266,363	254,189
<u>Shot - term loans extended</u>				
- Subsidiary (See Note 6)	-	-	2,500	2,500
<u>Other current assets</u>				
- Subsidiaries	-	-	1,270	2,296
- Associates	19	22	19	22
- Related companies	617	545	617	545
Total	636	567	1,906	2,863
<u>Other receivables</u>				
- Related companies	9,653	17,853	9,653	17,853
<u>Rental guarantee</u>				
- Related companies	4,370	2,728	3,844	2,203
<u>Trade accounts payable</u>				
- Subsidiaries	-	-	32,701	47,944
- Associates	9,772	7,607	9,772	7,607
- Related companies	27,798	14,045	22,239	8,357
Total	37,570	21,652	64,712	63,908
<u>Other current liabilities</u>				
- Subsidiaries	-	-	198	134
- Related companies	3,323	5,853	3,323	5,853
Total	3,323	5,853	3,521	5,987
<u>Unearned rental</u>				
- Related companies	135	142	135	142

(THOUSAND BAHT)

Transactions in income statements for the six - month periods ended June 30,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
<u>Sales</u>				
- Subsidiaries	-	-	346	1,351
- Associates	70,879	29,788	42,620	18,473
- Related companies	801,913	587,722	726,372	549,294
Total	872,792	617,510	769,338	569,118
<u>Rental income</u>				
- Subsidiaries	-	-	54	-
- Associates	11,382	7,057	11,382	7,057
- Related companies	1,078	4,763	1,078	4,763
Total	12,460	11,820	12,514	11,820
<u>Other income</u>				
- Subsidiaries	-	-	2,306	1,779
- Associates	103	1,181	103	1,181
- Related companies	3,219	415	2,677	415
Total	3,322	1,596	5,086	3,375
<u>Purchase of goods and service</u>				
- Subsidiaries	-	-	198,031	98,017
- Associates	27,677	29,186	27,677	25,629
- Related companies	58,270	30,311	54,777	30,304
Total	85,947	59,497	280,485	153,950
<u>Rental expenses</u>				
- Associates	-	376	-	376
- Related companies	3,798	1,970	3,798	1,970
Total	3,798	2,346	3,798	2,346
<u>Other expenses</u>				
- Subsidiaries	-	-	231	88
- Associates	-	291	-	279
- Related companies	45,220	60,876	20,955	43,084
Total	45,220	61,167	21,186	43,451
<u>Finance costs</u>				
- Related persons	-	122	-	-

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	
	June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009
1. Commitment under letters of guarantee issued by commercial banks	84,611	77,638	79,667	72,794
2. Commitment under letters of guarantee on overdrafts with commercial banks for - Related companies	4,200	4,200	4,200	4,200
3. Letters of credit	12,422	77	12,422	77
4. Royalty fees are payable by calculating from percentage of sales at the rate as fixed in the agreement.				
5. Lease contract of Preserved Food Organization (P.F.O.) yearly, as at December 31, 2009, the contract is ended (See Note 22). The Company is in the process of negotiation with P.F.O. in returning the Lease Assets, which the Company has commitment to repair these Lease Assets according to the contract.				
6. 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, 2010 as follows:				
	<u>CONTRACT PERIOD</u>	<u>CONSOLIDATED</u>	<u>THE SEPARATE FINANCIAL STATEMENTS</u>	
	Current portion	24,467,288 Baht	20,429,699 Baht	
	Overdue more than one year	22,038,440 Baht	21,899,820 Baht	

22. LEASEHOLD RIGHT AND SUB-LEASE CONTRACT

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

(THOUSAND BAHT)

	Portion paid to Ministry of Defense	Portion received from Thai Q P Co., Ltd.
1. Rental fee of Preserved Food Organization (P.F.O.)		
- Amount paid at the beginning of contract	55,000	38,500
2. Security for damage shown under		
- Investments in bond in current investments	5,000	
- Deposit received		3,500

23. RECLASSIFICATION OF ACCOUNTS

Certain accounting transactions of 2009 financial statements have been reclassified to conform with the presentation of 2010 financial statements.

24. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's directors on July 29, 2010.