

**S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES****NOTES TO THE INTERIM FINANCIAL STATEMENTS****JUNE 30, 2011 AND 2010****1. GENERAL INFORMATION**

<b>1.1</b> Legal status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
<b>1.2</b> 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.
<b>1.3</b> 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 and financial reporting 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 the 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
	June 30, 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&amp;J INTERNATIONAL (UK) LIMITED</u>			
Guangzhou S&J Cosmetics Limited Company	100.00	-	China

**ASSOCIATES**

COMPANIES	% HOLDING		ESTABLISHED IN
	June 30, 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 has 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 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	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
<b><u>Trade accounts receivable of related parties</u></b>				
Trade notes receivable	4,146	3,312	4,146	3,312
Trade accounts receivable				
Current	352,155	302,877	313,803	268,111
Overdue within 3 months	52,138	23,020	47,641	4,409
Overdue between 3 to 6 months	958	649	428	34
Overdue between 6 to 12 months	146	-	83	-
Total	409,543	329,858	366,101	275,866
<b><u>Trade accounts receivable others</u></b>				
Trade notes receivable	18,208	14,957	13,331	9,084
Trade accounts receivable				
Current	372,330	251,160	306,948	193,445
Overdue within 3 months	145,840	126,936	108,870	100,891
Overdue between 3 to 6 months	27,068	4,754	25,653	4,094
Overdue between 6 to 12 months	4,836	4,777	3,927	4,136
Overdue more than 12 months	13,794	11,560	9,175	7,488
Total	582,076	414,144	467,904	319,138
<u>Less</u> Allowance for doubtful accounts	(11,179)	(11,760)	(6,937)	(7,297)
Total trade accounts receivable others-net	570,897	402,384	460,967	311,841
Total trade accounts receivable - net	980,440	732,242	827,068	587,707



## 6. SHORT-TERM LOANS TO SUBSIDIARY

(THOUSAND BAHT)

PARTICULARS	THE SEPARATE FINANCIAL STATEMENTS		INTEREST RATES (%) PER ANNUM	
	June 30, 2011	December 31, 2010	June 30, 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 six-month periods	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010	June 30, 2011	June 30, 2010
<b>Related Companies</b>						
1. Boutique New City Plc.	0.02	0.02	124	124	2	1
2. Far East DDB Plc.	0.01	0.01	40	40	5	3
3. I.C.C. International Plc.	0.35	0.35	26,705	26,705	1,130	1,027
4. President Bakery Plc.	1.00	1.00	13,500	13,500	1,768	1,418
5. Sahacogen (Chonburi) Plc.	14.28	14.28	206,628	206,628	24,544	23,180
6. Saha Pathana Inter-Holding Plc.	0.24	0.24	21,249	21,249	257	234
Total			268,246	268,246	27,706	25,863
<u>Add</u> Gain from the valuation of investment available for sale			428,775	433,052		
Net investments in available-for-sales - related companies			697,021	701,298		
<b>Other Companies</b>						
1. Nation Multimedia Group Plc.			8,586	8,586	-	-
2. Bangkok Bank Plc.			5,001	5,001	222	190
Total			13,587	13,587	222	190
<u>Add</u> Gain from the valuation of investment available for sale			3,384	3,050		
Net investments in available-for-sales - other companies			16,971	16,637		
<b>Total net investments in available-for-sales</b>			<b>713,992</b>	<b>717,935</b>	<b>27,928</b>	<b>26,053</b>

(THOUSAND BAHT)

RELATED COMPANIES	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			June 30, 2011	December 31, 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)	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Yamahatsu (Thailand) Co., Ltd.	30	30	70,951	61,167	6,000	6,000
Operational Energy Group Limited	30	30	100,042	94,515	13,151	13,151
Total			170,993	155,682	19,151	19,151
Osoth Interlaboratories Co., Ltd.	33.19	33.19	30,999	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)
Investments in Osoth Interlaboratories Co., Ltd. - net			30,999	30,167	29,836	29,836
Total Investments in Associates - net			201,992	185,849	48,987	48,987

(THOUSAND BAHT)

ASSOCIATES	TYPE OF BUSINESS	ISSUED AND PAID - UP SHARE CAPITAL		DIVIDENDS FOR THE SIX-MONTH PERIODS	
		June 30, 2011	December 31, 2010	June 30, 2011	June 30, 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	6,300	6,300
Osoth Interlaboratories Co., Ltd.	Medicine	150,000	150,000	-	-
Total				6,300	6,300

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, 2011, include recording the equity method on the statements of income for the six-month periods ended June 30, 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 SIX - MONTH PERIODS ENDED JUNE 30,	CONSOLIDATED	
	2011	2010
Yamahatsu (Thailand) Co., Ltd.	9,784	11,365
Operational Energy Group Limited	12,212	12,302
Osoth Interlaboratories Co., Ltd.	1,733	-
Total	23,729	23,667

## 9. INVESTMENTS IN SUBSIDIARIES

(THOUSAND BAHT)

SUBSIDIARIES	% Holding		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 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 SIX - MONTH PERIODS	
		June 30, 2011	December 31, 2010	June 30, 2011	June 30, 2010
<b><u>SUBSIDIARIES</u></b>					
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	-	-
<b><u>SUBSIDIARY HELDING BY S&amp;J International (UK) Limited</u></b>					
Guangzhou S&J Cosmetics Limited Company	Distributing packaging	4,710	-	-	-
<b>Total</b>				9,180	9,180

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 six-month period ended June 30, 2011 and consolidated financial statements for the year ended December 31, 2010 by having assets in the amount of Baht 60.85 million and Baht 27.38 million, respectively. And total incomes for the three-month and six-month periods ended June 30, 2011 in the amount of Baht 97.56 million and Baht 152.98 million, respectively. And total income for the three-month and six-month periods ended June 30, 2010 in the amount of Baht 63.68 million and Baht 96.99 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.

In June 2011, Top Trend Manufacturing Co., Ltd. increased its share capital from 600,000 shares to 1,200,000 shares (at Baht 100 par value) the Company has additionally investment amount of 294,000 shares at Baht 300 per share, worth amount Baht 88.20 million. Due to such company has not yet registered with the Ministry of Commerce, the Company recorded such amount as advance payment for share subscription and presented under “Advance payment for share subscription to subsidiary”.

**10. INVESTMENTS IN RELATED COMPANIES**

(THOUSAND BAHT)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Cost Method		Dividend for the six-month periods	
	June 30,	December 31,	June 30,	December 31,	June 30,	June 30,
	2011	2010	2011	2010	2011	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	162	135
5. Thai Cubic Technology Co., Ltd.	5	5	2,000	2,000	440	200
6. Train Time Test Co., Ltd.	14	14	175	175	56	-
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	658	335
<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			(30,587)	(28,199)		
Total Investments in Related Companies - net			20,461	22,849		

(THOUSAND BAHT)

	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			June 30,	December 31,
			2011	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 six-month periods	
	June 30, 2011	December 31, 2010	June 31, 2011	December 31, 2010	June 30, 2011	June 30, 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	-	240
7. Thai Herbal Products Co., Ltd.	1.50	1.50	1,200	1,200	120	120
8. Tipvarin Wattana Co., Ltd.	15.00	15.00	1,455	1,455	123	123
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	110	110
12. E. P. F. Co., Ltd.	18.00	18.00	702	702	468	468
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
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	821	2,061
<u>Less</u> *Provision for diminution in investments in other companies			(7,808)	(7,205)		
Total Investments in Other Companies - net (Separate financial statements)			48,451	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)			53,251	53,854		

## 12. INVESTMENTS PROPERTY

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
Cost	82,331	77,515	82,211	77,395
<u>Less</u> Accumulated depreciation	(6,939)	(5,289)	(6,939)	(5,289)
Investments property- net	75,392	72,226	75,272	72,106
Fair value	111,150	111,150	111,150	111,150

Assets fair value are appraised by cost approach and market comparative approach.

## 13. SHARE CAPITAL

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) and approved the allocation of the increase capital amount 45,186,500 shares (at Baht 1 per share) by offering to the existing shareholders, to subscribe for share in ration of 7 existing shares per 3 new shares at the offering price of Baht 12 per share, (In case of fractions of shares from allocation to the existing shareholder, the fractions of shares must be rounded off). In case there are new ordinary shares remaining from the allocation to the existing shareholders per right or lower right. The Board of Directors or Managing Director or the attorney by the Board of Directors have authority to allocate and offer the remaining unsubscribed shares to the private placement. As such, the said offering price must not lower than 90% of the average marking share price which shall be calculated by the weighted average closed price not less than 7 working days but not more than 15 working day before the offering date of which the Board of Directors or Managing Director or the attorney by the Board of Directors will have authority to determine the date of subscription the offered price. During the months of May 2011 to June 2011 there were shareholders exercising their rights as follow:

Date of registered paid-up capital with the Ministry of Commerce	Exercised Common Stocks (Shares)	Common Stocks (Baht)	Premium on Common Stocks (Baht)
June 8, 2011	44,023,484	44,023,484	484,258,324

For the allocation of another 50,000,000 shares (at Baht 1 per share), Ordinary General Shareholders' authorized the Board of Directors to consider the next allocation.

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. During June 2011, Top Trend Manufacturing Co., Ltd. received payment of shares amount of 588,000 shares (from new common stock amount of 600,000 shares) at an exercise price of Baht 300 each, amount of Baht 176,400,000. The Company recorded the advance receipt from the exercise of such common stock under the caption "Advance share subscription" presenting it under shareholders' equity in the statements of financial position as at June 30, 2011. Due to the company has not registered the paid-up capital increase with the Ministry of Commerce.

#### **14. LEGAL RESERVE**

In compliance with the Public Company Act, B.E. 2535 (1992), the Company has to set up legal reserve at least 5 % of annual net profit less deficits brought forward (if any) until meet 10 % of authorized share capital. Such legal reserve is not allowed to pay for dividend.

#### **15. 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 was made 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.



## 16. 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.

## 17. FOREIGN CURRENCY TRANSACTIONS

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

(AMOUNT IN THOUSAND)

CONSOLIDATED	June 30, 2011		December 31, 2010	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
<b>Assets</b>				
USD	5,128.05	156,949	3,645.41	109,385
JPY	71,694.18	27,114	21,152.17	7,758
GBP	22.82	1,121	-	-
AUD	27.93	912	18.84	574
Total assets		186,096		117,717
<b>Liabilities</b>				
USD	2,489.91	76,909	1,102.59	33,405
JPY	11,144.84	4,299	9,246.74	3,460
GBP	133.63	6,522	-	-
EUR	562.10	25,229	43.83	1,764
AUD	4.33	144	51.12	1,585
Total liabilities		113,103		40,214

(AMOUNT IN THOUSAND)

THE SEPARATE FINANCIAL STATEMENTS	June 30, 2011		December 31, 2010	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
<b>Assets</b>				
USD	4,995.03	152,878	3,404.06	102,143
JPY	71,694.18	27,114	21,152.17	7,758
GBP	22.82	1,121	-	-
Total assets		181,113		109,901
<b>Liabilities</b>				
USD	2,363.11	72,992	1,060.56	32,131
JPY	11,144.84	4,299	9,246.74	3,460
GBP	598.58	29,820	-	-
EURO	621.96	27,887	43.83	1,764
AUD	4.33	144	51.12	1,585
Total liabilities		135,142		38,940

17.2 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 June 30, 2011</u>			
USD	112	30.42 - 30.49	August 2011
GBP	200	49.10 - 49.38	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

17.3 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 June 30, 2011</u>			
USD	10,194	30.07 - 31.62	August 2011 - December 2011
GBP	23	49.97 - 50.15	September 2011
JPY	150,908	0.37 - 0.38	December 2011 - January 2012
<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

## 18. EXPENSES BY NATURE

(THOUSAND BAHT)

For the six - month periods ended June 30,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Increase in the changes of finished goods and work in progress	(214,674)	(205,002)	(174,197)	(196,831)
Raw material and consumables used	1,374,031	1,070,663	1,482,574	1,121,829
Purchase of inventories	142,763	88,226	-	-
Directors and management benefit expenses	27,828	28,350	25,153	23,764
Employee benefit expenses	373,265	299,912	246,580	192,833
Depreciation and amortization expenses	95,922	84,744	47,789	34,783
Other expenses	295,087	219,341	175,008	120,751
Total	2,094,222	1,586,234	1,802,907	1,297,129

## 19. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' financial information by segment in the consolidation for the six - month periods ended June 30, 2011 and 2010 are as follows :

(THOUSAND BAHT)

Year 2011	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	1,859,990	454,508	169,321	277,778	-	2,206,041
Operating result by segments	73,843	27,998	21,115	284,340	292,639	131,255
Profit for the period						147,445
Property, plant and equipment-net	1,059,240	347,730	1,207	-	-	1,408,177
Total assets						4,906,219

(THOUSAND BAHT)

Year 2010	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	1,317,540	413,089	105,573	201,408	-	1,634,794
Operating result by segments	39,521	23,177	11,796	8,622	3,948	69,820
Profit for the period						105,403
Property, plant and equipment-net	572,743	316,392	875	-	-	890,010
Total assets						3,585,221

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, 2011 and 2010 as follows:

(THOUSAND BAHT)

Particulars	Local		Export		Total	
	2011	2010	2011	2010	2011	2010
Sales	1,481,331	1,232,666	724,710	402,128	2,206,041	1,634,794
Operating result by segments	91,086	33,560	40,169	36,260	131,255	69,820

## 20. INCOME TAX EXPENSES

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

## 21. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

The Company has certain business transactions with its related persons and 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
Related persons	Directors

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

(THOUSAND BAHT)

Transactions in statements of financial position	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
<u>Trade accounts receivable</u>				
- Subsidiaries	-	-	4,788	784
- Associates	85,238	62,692	70,162	55,391
- Related companies	324,305	267,166	291,151	219,691
Total	409,543	329,858	366,101	275,866
<u>Shot - term loans extended</u>				
- Subsidiary (See Note 6)	-	-	2,000	2,000
<u>Other current assets</u>				
- Subsidiaries	-	-	1,254	4,318
- Associates	20	320	20	320
- Related companies	1,257	4,495	1,257	250
Total	1,277	4,815	2,531	4,888
<u>Investments in associates</u>				
- Related companies	-	14,900	-	14,900
<u>Advance payment for share subscription</u>				
- Subsidiary (See Note 9)	-	-	88,200	-
<u>Purchase equipment</u>				
- Related persons	2,000	-	2,000	-
<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	5,571	4,589	5,041	3,991
Total	34,528	34,199	5,041	4,644
<u>Trade accounts payable</u>				
- Subsidiaries	-	-	73,672	50,328
- Associates	12,125	7,200	12,125	7,200
- Related companies	6,755	12,831	5,445	6,266
Total	18,880	20,031	91,242	63,794

(THOUSAND BAHT)

Transactions in statements of financial position	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
<u>Other current liabilities</u>				
- Subsidiaries	-	-	350	322
- Associates	-	14	-	14
- Related companies	9,844	7,832	4,970	3,586
Total	9,844	7,846	5,320	3,922
<u>Non current liabilities</u>				
- Related companies	120	127	120	127
<u>Advance share subscription</u>				
- Related companies	81,000	-	-	-
- Related persons	7,200	-	-	-

(THOUSAND BAHT)

Transactions in income statements for the six - month periods ended June 30,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
<u>Sales</u>				
- Subsidiaries	-	-	4,734	346
- Associates	158,030	70,879	131,324	42,620
- Related companies	825,609	801,913	742,582	726,372
Total	983,639	872,792	878,640	769,338
<u>Rental income</u>				
- Subsidiaries	-	-	54	54
- Associates	12,282	11,382	12,282	11,382
- Related companies	158	1,078	158	1,078
Total	12,440	12,460	12,494	12,514
<u>Other income</u>				
- Subsidiaries	-	-	2,311	2,306
- Associates	3,905	103	3,905	103
- Related companies	2,238	3,219	2,238	2,677
Total	6,143	3,322	8,454	5,086

(THOUSAND BAHT)

Transactions in income statements for the six - month periods ended June 30,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
<u>Purchase of goods and service</u>				
- Subsidiaries	-	-	277,400	198,031
- Associates	27,351	27,677	27,351	27,677
- Related companies	44,460	58,270	41,092	54,777
Total	71,811	85,947	345,843	280,485
<u>Rental expenses</u>				
- Related companies	5,253	3,798	5,253	3,798
<u>Other expenses</u>				
- Subsidiaries	-	-	1,463	231
- Associates	11	-	11	-
- Related companies	55,084	45,220	30,736	20,955
Total	55,095	45,220	32,210	21,186

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.



**22. COMMITMENT AND CONTINGENT LIABILITIES**

(THOUSAND BAHT)

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2011	December 31, 2010	June 30, 2011	December 31, 2010
1. Commitment under letters of guarantee issued by commercial banks	131,108	94,467	124,470	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	911	21,131	911	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 July 1, 2011 as follows:				
	<u>CONTRACT PERIODS</u>	<u>CONSOLIDATED</u>	<u>THE SEPARATE</u>	<u>FINANCIAL STATEMENTS</u>
	Current portion	61,161,822 Baht	55,835,632 Baht	
	Overdue more than 1 year within 5 years	69,333,367 Baht	68,418,270 Baht	
6. Commitment of contracts to buy or sell				
<p>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.</p>				

### 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 August 8, 2011.