

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

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 <ul style="list-style-type: none">- Head office/factory - Branch - Branch	600/4 Moo 11, Sukapiban Road 8, Tambol Nhongkharm Amphur Sriracha, Chonburi, Thailand. 115 Naradhiwas Rajanakarindra Road (Soi 10), Kwaeng Tungwatdon, Khet Sathorn, Bangkok, Thailand. 662/4-6 Moo 11, Sukapiban Road 8, Tambol Nhongkharm Amphur Sriracha, Chonburi, Thailand.
1.3 Type of business	(1) Manufacturing all type of cosmetics. (2) Investing in its subsidiaries and associates which carry on business according to Note 8 to the financial statements.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 The consolidated and separate financial statements are prepared in accordance with Thai Accounting Standards and 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 consolidated financial statements, they are adjusted to be under the same accounting policies as parent company.

2.2 Announcement of new accounting standards and new financial reporting standards

(a) Accounting standards, financial reporting standards and accounting treatment guidance which become effective to the financial statements for the periods beginning on or after January 1, 2009 :

Framework for Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007) Impairment of Assets

TFRS 5 (revised 2007) (formerly: TAS 54) Non- current Assets Held for Sale

and Discontinued Operations

Accounting Treatment Guidance for Leasehold Right

Accounting Treatment Guidance for Business Combination under Common Control

The Company has adopted according to accounting standards, financial reporting standards and accounting treatment guidance with no significant impact on the financial statements for the current period.

(b) Accounting standards which are not effective for the current year

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2012
TAS 24 (revised 2007) (formerly : TAS 47)	Related Party Disclosures	January 1, 2011
TAS 40	Investment Property	January 1, 2011

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

2.4 These consolidated financial statements included the 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
	2009	2008	
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
Value Sport Co., Ltd.	-	66.67	Thailand
S&J International (UK) limited	100.00	-	England

ASSOCIATES

COMPANIES	% HOLDING		ESTABLISHED IN
	2009	2008	
Yamahatsu (Thailand) Co., Ltd.	30	30	Thailand
Shaldan (Thailand) Co., Ltd.	-	21	Thailand
Operational Energy Group Limited	30	30	Thailand

2.5 Inter-company balances and significant transactions of the Company and its subsidiaries have been eliminated from the consolidation financial statements.

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 Allowance for goods returned

The Company provides allowance for goods returned based on past experience.

3.4 Inventories

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

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

3.5 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 net after deduction the 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 years by the weighted average method.

The Company recorded dividend income when the right to receive is established.

3.6 Investments in real estate

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

3.7 Property, plant and equipment

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

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

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

3.8 Leasehold right

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

3.9 Intangible assets

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

3.10 Operating leases

Leases where most of substantial risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to expenses in the statements of income over the lease term.

3.11 Earnings per share

Basic earnings per share is calculated by dividing the annual net profit by the number of issued and paid-up common stocks by the weighted average method.

Diluted earnings per share is calculated by dividing the annual net profit by the number of weighted average common stocks held by outsiders during the year plus the weighted average number of common stocks which have to be issued for the conversion of all the dilutive potential common stocks to be common stocks as such no any adjustment is made to the net profit for the year.

3.12 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 is 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 year.

Retirement fund

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

3.13 Foreign currency transactions

Foreign currency transactions incurred during the years are recorded in Baht on 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 years.

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 year.
- 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.

3.14 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 year.

3.15 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.

3.16 Use of accounting estimates

In preparation of financial statements in accordance with generally accepted accounting principles requires management to use various estimates and assumptions that will be affected to the reported amounts of revenues, expenses, assets and liabilities including disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

4. SHORT - TERM INVESTMENTS

Current portion of investment in Government bonds arising from the Company has purchased savings bond amounting to Baht 5.0 million of 5 year maturity, commencing from June 21, 2004 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.

Investments in related companies are reclassified from investments in subsidiary to short - term investment in related companies (See Note 8) as follows:

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2009	2008	2009	2008
<u>Value Sport Co., Ltd.</u>				
Investment - Cost	-	-	2,000,000	-
Fair value at transferred investments date	113,517	-	-	-
<u>Less</u> Provision for diminution in investments in related company	(113,517)	-	(2,000,000)	-
Ending balances - net	-	-	-	-

5. TRADE ACCOUNTS RECEIVABLE

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2009	2008	2009	2008
Trade notes receivable	19,772,496	14,828,251	13,643,060	11,689,254
Trade accounts receivable				
Current	424,022,444	369,679,464	349,768,577	318,569,405
Overdue within 3 months	178,616,986	135,507,830	136,527,353	98,039,958
Overdue between 3 to 6 months	6,162,217	4,799,835	2,514,627	2,847,406
Overdue between 6 to 12 months	2,054,628	2,752,666	87,204	2,566,248
Overdue more than 12 months	17,390,299	18,930,303	11,681,123	13,295,471
Total	648,019,070	546,498,349	514,221,944	447,007,742
<u>Less</u> Allowance for doubtful accounts	(17,643,026)	(19,214,728)	(11,306,644)	(13,432,144)
Allowance for goods returned	-	(378,728)	-	-
Trade accounts receivable - net	630,376,044	526,904,893	502,915,300	433,575,598

6. SHORT-TERM LOANS TO SUBSIDIARIES

(BAHT)

PARTICULARS	THE SEPARATE FINANCIAL STATEMENTS		INTEREST RATES (%) PER ANNUM	
	2009	2008	2009	2008
	Wildlives (Thailand) Co., Ltd.			
Beginning Balances	2,500,000	3,000,000		
Settlement during the year	-	(500,000)		
Ending Balances - net	2,500,000	2,500,000	2.50 - 4.50	4.00 - 4.50
Value Sports Co., Ltd.				
Beginning Balances	1,000,000	-		
Increase during in year	-	1,000,000		
Settlement during the year	(1,000,000)	-		
Ending Balance	-	1,000,000		
<u>Less</u> Allowance for doubtful accounts	-	(1,000,000)		
Ending Balances - net	-	-	2.50 - 4.50	4.00 - 4.50
Total Short-term Loans to Subsidiaries - net	2,500,000	2,500,000		

Short-term loans to subsidiaries are unsecured loans.

7. INVENTORIES

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2009	2008	2009	2008
	Finished goods	143,837,506	162,507,774	117,754,299
Goods in process	58,730,347	51,916,182	47,347,742	50,452,497
Raw materials	153,295,009	135,820,417	110,452,812	96,903,505
Packagings	141,368,682	137,167,839	141,368,682	137,167,840
Consumed supplies	6,795,326	3,425,200	6,795,326	2,602,028
Goods in transit	4,016,829	10,999,179	4,016,829	10,999,179
Total	508,043,699	501,836,591	427,735,690	425,985,071
<u>Less</u> Allowance for diminution in inventories	(28,335,427)	(23,789,241)	(20,521,731)	(16,143,233)
Inventories - net	479,708,272	478,047,350	407,213,959	409,841,838

8. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

(BAHT)

	% Holding		CONSOLIDATED (Equity Method)		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	2009	2008	2009	2008	2009	2008
<u>SUBSIDIARIES</u>						
E F Co., Ltd.	99.99	99.99	-	-	4,005,696	4,005,696
Top Trend Manufacturing Co., Ltd.	51.00	51.00	-	-	36,624,970	36,624,970
Wildlives (Thailand) Co., Ltd.	99.99	99.99	-	-	999,930	999,930
Value Sports Co., Ltd.	-	66.67	-	-	-	* 2,000,000
S&J International (UK) Limited	100.00	-	-	-	5,073,000	-
					(GBP100,000)	
Total Investments in Subsidiaries			-	-	46,703,596	43,630,596
<u>Less</u> * Provision for diminution in investments in subsidiaries			-	-	-	(2,000,000)
Total Investments in Subsidiaries - net			-	-	46,703,596	41,630,596
<u>ASSOCIATES</u>						
Yamahatsu (Thailand) Co., Ltd.	30	30	30,373,828	29,265,423	5,999,950	5,999,950
Shaldan (Thailand) Co., Ltd.	-	21	-	2,695,282	-	4,392,000
Operational Energy Group Limited	30	30	74,072,453	55,337,673	13,150,567	13,150,567
Total Investments in Associates			104,446,281	87,298,378	19,150,517	23,542,517

(BAHT)

	TYPE OF BUSINESS	ISSUED AND PAID - UP SHARE CAPITAL		DIVIDENDS	
		2009	2008	2009	2008
<u>SUBSIDIARIES</u>					
E F Co., Ltd.	Consumer products	4,000,000	4,000,000	-	-
Top Trend Manufacturing Co., Ltd.	Plastic containers	60,000,000	60,000,000	9,180,000	7,650,000
Wildlives (Thailand) Co., Ltd.	Consumer products	1,000,000	1,000,000	-	-
Value Sports Co., Ltd.	Assemble and distribute motor kit	-	3,000,000	-	-
S&J International (UK) Limited	Distributing cosmetic products and gift set and marketing service	5,073,000	-	-	-
Total				9,180,000	7,650,000
<u>ASSOCIATES</u>					
Yamahatsu (Thailand) Co., Ltd.	Hair products	20,000,000	20,000,000	9,900,000	9,599,920
Shaldan (Thailand) Co., Ltd.	Air refresher	-	20,000,000	-	-
Operational Energy Group Limited	Servicing to operate the power plant	30,000,000	30,000,000	4,499,995	8,999,990
Total				14,399,995	18,599,910

In 2009, Value Sports Co., Ltd. its subsidiary has stopped operating. On February 8, 2010, the Board of Directors' Meeting No. 2/2010 was held and has a resolution to dissolve the company. Therefore, investments in subsidiary are reclassified to short - term investments in related company and totally set up provision for diminution in investment due to no payback from such investments.

In October 2009, Shaldan (Thailand) Co., Ltd. increased the authorized share capital from 200,000 shares to 400,000 shares. The Company has additionally purchased investments of 20,000 shares, worth Baht 2,000,000. Resulting the decrease in the Company's shareholding from 21.00% to 15.50% of paid-up share capital. As a consequence, the Company does not have any significant influence over the associate. The Company, therefore, has reclassified investments in associate to investments in related company by using the fair value on the date of accounting record.

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 consolidated financial statements for the year ended December 31, 2009, by having assets as at December 31, 2009 in the amount of Baht 7.52 million. And net profit for the year ended December 31, 2009 was in the amount of Baht 0.80 million.

On April 1, 2008, the Company has invested in Value Sports Co., Ltd. which has co-directors by buying from related persons 20,000 shares worth Baht 2 million, accounted for 66.67 per cent of issued and paid-up share capital. There is goodwill amount of Baht 1.78 million incurred from the fair value of the identifiable assets and liabilities acquired lower than the acquisition cost of the acquirer. The Company recorded as total loss from diminution in investment in the consolidation statements of income.

The financial statements of Yamahatsu (Thailand) Company Limited, Shaldan (Thailand) Company Limited and Operational Energy Group Limited, which are applied for recording the equity method are based on the financial information audited by the other auditors.

9. INVESTMENTS IN RELATED COMPANIES

(BAHT)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Cost Method		Dividend	
	2009	2008	2009	2008	2009	2008
1. Thai Q P Co., Ltd.	7.50	7.50	4,500,000	9,000,000	1,170,000	630,000
2. General Glass Co., Ltd.	16	16	*16,000,000	*16,000,000	-	-
3. Thai Lotte Co., Ltd.	0.51	0.56	* 8,000,000	* 8,000,000	-	-
4. Cake & Bakery Co., Ltd. (Formerly: Thai Fujiya Co., Ltd.)	-	6.67	-	* 7,500,000	-	-
5. H & B Kabinburi Co., Ltd.	9	9	1,350,000	1,350,000	135,000	135,000
6. Osoth Interlaboratories Co., Ltd.	19	19	*22,800,000	*22,800,000	-	-
7. Thai Cubic Technology Co., Ltd.	5	5	2,000,000	2,000,000	400,000	400,000
8. Train Time Test Co., Ltd.	14	14	175,000	175,000	-	70,000
9. BSC Entertainment Co., Ltd.	10	10	*21,869,623	*20,564,623	-	-
10. B.K.C. International Co., Ltd.	19	19	* 474,998	* 474,998	-	-
11. United Utility Co., Ltd.	0.27	0.27	* 691,800	* 691,800	-	-
12. Shaldan (Thailand) Co., Ltd.	15.50	-	* 6,392,000	-	-	-
Total			84,253,421	88,556,421	1,705,000	1,235,000
<u>Less</u> Allowance for loss on capital decrease in						
- Cake & Bakery Co., Ltd. (Formerly :Thai Fujiya Co., Ltd.)			-	(5,500,000)		
- Osoth Interlaboratories Co., Ltd.			(2,850,000)	(2,850,000)		
- BSC Entertainment Co., Ltd.			(7,505,337)	(7,505,337)		
*Provision for diminution in investments in related companies			(43,992,985)	(35,184,539)		
Total Investments in Related Companies - net			29,905,099	37,516,545		

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

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.

	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			2009	2008
1. Thai Q P Co., Ltd.	Consumer products	Shareholders / co – directors	60,000,000	120,000,000
2. General Glass Co., Ltd.	Glass bottles	Shareholders / co – directors	100,000,000	100,000,000
3. Thai Lotte Co., Ltd.	Chewing gum	Shareholders / co – directors	1,570,000,000	1,420,000,000
4. Cake & Bakery Co., Ltd. (Formerly: Thai Fujiya Co., Ltd.)	Cake, bakery and restaurant	Shareholders / co – directors	-	30,000,000
5. H & B Kabinburi Co., Ltd.	Cloth toy and ware	Shareholders / co – directors	15,000,000	15,000,000
6. Osoth Interlaboratories Co., Ltd.	Medicine	Shareholders / co – directors	105,000,000	105,000,000
7. Thai Cubic Technology Co., Ltd.	Plate and varnish	Shareholders / co – directors	40,000,000	40,000,000
8. Train Time Test Co., Ltd.	Training and seminar	Shareholders / co – directors	1,250,000	1,250,000
9. BSC Entertainment Co., Ltd.	Bowling alley	Shareholders / co – directors	187,050,000	174,000,000
10. B.K.C. International Co., Ltd.	Consumer products	Shareholders / co – directors	2,500,000	2,500,000
11. United Utility Co., Ltd.	Real estate	Shareholders / co – directors	34,230,000	34,230,000
12. Shaldan (Thailand) Co., Ltd.	Air refresher	Shareholders / co – directors	40,000,000	-

10. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES

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

(BAHT)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Cost Method		Dividends	
	2009	2008	2009	2008	2009	2008
Related Companies						
1. Boutique New City Plc.	0.02	0.02	124,000	124,000	220	220
2. Far East DDB Plc.	0.01	0.01	40,000	40,000	3,000	3,000
3. I.C.C. International Plc.	0.35	0.34	26,704,590	24,712,121	977,490	977,490
4. President Bakery Plc.	1.00	1.00	13,500,000	13,500,000	2,416,500	1,615,500
5. Sahacogen (Chonburi) Plc.	14.28	14.28	206,628,187	206,628,187	20,453,394	39,991,878
6. Saha Pathana Inter-Holding Plc.	0.24	0.03	21,248,990	3,705,240	33,600	33,600
Total			268,245,767	248,709,548	23,884,204	42,621,688
<u>Add</u> Unrealized gain on investment revaluation			457,491,152	415,517,631		
Total net investments in available-for-sales securities - related companies			725,736,919	664,227,179		
Other Companies						
1. Nation Multimedia Group Plc.			8,586,370	8,586,370	-	-
2. Bangkok Bank Plc.			5,000,700	5,000,700	189,900	189,900
Total			13,587,070	13,587,070	189,900	189,900
<u>Less</u> Unrealized loss on investment revaluation			(2,445,078)	(7,383,208)		
Total net investments in available-for-sales securities - other companies			11,141,992	6,203,862		
Total available-for-sales securities - net			736,878,911	670,431,041	24,074,104	42,811,588

(BAHT)

RELATED COMPANIES	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			2009	2008
1. Boutique New City Plc.	Garment	Shareholders / co - directors	120,000,000	120,000,000
2. Far East DDB Plc.	Advertising and agency	Shareholders / co - directors	75,000,000	75,000,000
3. I.C.C. International Plc.	Commerce	Shareholders / co - directors	290,633,730	290,633,730
4. President Bakery Plc.	Food	Co-shareholders	450,000,000	450,000,000
5. Sahacogen (Chonburi) Plc.	Generating and distributing electricity	Shareholders / co - directors	955,000,000	955,000,000
6. Saha Pathana Inter-Holding Plc.	Investment	Co-shareholders	494,034,300	494,034,300

During 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.

During 2008, the Company has additionally purchased investments in I.C.C. International Public Company Limited of 200,000 shares, worth Baht 8,320,750 and additionally purchased investments in Sahacogen (Chonburi) Public Company Limited of 3,049,700 shares, worth Baht 13,664,977.

11. INVESTMENTS IN OTHER COMPANIES

(BAHT)

	% Holding		Cost Method		Dividends	
	2009	2008	2009	2008	2009	2008
1. Sahapat Properties Co., Ltd.	2.50	2.50	500,000	500,000	-	-
2. Eastern Rubber Co., Ltd.	1.50	1.50	* 450,000	* 450,000	-	-
3. Advantage Footwear Co., Ltd.	0.38	0.38	* 1,387,500	* 1,387,500	-	-
4. Treasure Hill Co., Ltd.	2.00	2.00	* 4,000,000	* 4,000,000	-	-
5. Thanara Co., Ltd.	1.25	1.25	750,000	750,000	-	-
6. Thai Kamaya Co., Ltd.	8.00	8.00	9,080,000	9,080,000	240,000	2,000,000
7. Thai Herbal Products Co., Ltd.	1.50	1.50	1,200,000	1,200,000	72,000	24,000
8. Tipvarin Wattana Co., Ltd.	15.00	15.00	1,454,940	1,454,940	-	-
9. Saha Sehwa Co., Ltd.	3.48	3.48	* 5,049,970	* 5,049,970	-	-
10. T-Way Co., Ltd.	14.29	15.00	5,082,500	45,000	60,000	-
11. K. Commercial & Construction Co., Ltd.	2.20	2.20	3,277,670	3,277,670	220,000	110,000
12. E. P. F. Co., Ltd.	18.00	18.00	702,000	702,000	351,000	306,072
13. Pan Land Co., Ltd.	1.00	1.00	* 3,000,000	* 3,000,000	-	-
14. Thai Yukilon Co., Ltd.	6.94	6.94	5,000,000	5,000,000	850,000	850,000
15. Sriracha Aviation Co., Ltd.	6.06	6.06	* 2,000,000	* 2,000,000	-	-
16. Waseda Education (Thailand) Co., Ltd.	7.14	7.14	4,000,000	* 2,000,000	-	-
Total			46,934,580	39,897,080	1,793,000	3,290,072
<u>Less</u> *Provision for diminution in investments in other companies			(6,887,693)	(7,223,998)		
Total Investments in Other Companies - net (Separate financial statements)			40,046,887	32,673,082		
SUBSIDIARY INVESTED IN						
- Treasure Hill Co., Ltd.	1.00	1.00	* 2,000,000	* 2,000,000		
- T-Way Co., Ltd.	4.29	-	1,500,000	-		
Total			3,500,000	2,000,000		
<u>Less</u> *Provision for diminution in investments in other companies			(2,000,000)	(2,000,000)		
Total Investment in Other Companies of the Subsidiary - net			1,500,000	-		
Total Investments in Other Companies - net (Consolidated)			41,546,887	32,673,082		

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.

During April 2008, the Company has additionally purchased investments in Thai Kamaya Company Limited of 30,000 shares, worth Baht 4,080,000.

12. INVESTMENTS IN REAL ESTATE

(BAHT)

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2009	2008	2009	2008
Investments in land	990,000	47,990,000	870,000	47,870,000
<u>Less</u> Provision for impairment of asset	-	(4,400,000)	-	(4,400,000)
Investments in land-net	990,000	43,590,000	870,000	43,470,000
Investments in land with structures	9,952,923	9,952,923	9,952,923	9,952,923
Total investments in real estate	10,942,923	53,542,923	10,822,923	53,422,923

On November 12, 2009, the Board of Directors' Meeting approved a resolution to build the factory plant on land which recorded in investments in land amount of Baht 42.60 million. Therefore, investments in real estate are transferred to property, plant and equipment.

The Company, related company and other companies jointly invested in land with structures amount of Baht 30.36 million which are under consideration for commercial use. Therefore, the total acquisition cost was recorded as investments in real estate with the proportion of investment as follows :

	Amount (Million Baht)	Ratio of Ownership
Vitayasithi Co., Ltd.	14.93	76.57
S & J International Enterprises Public Co., Ltd.	9.95	51.05
K. Commercial & Construction Co., Ltd.	5.48	28.08
	30.36	155.70

13. PROPERTY, PLANT AND EQUIPMENT

(BAHT)

CONSOLIDATED	2008	INCREASE	DISPOSAL	TRANSFER TO/FROM	DECREASE FROM STOPPED OPERATING	2009
<u>Cost</u>						
Land and improvement	28,926,625	27,790,000	-	58,910,000	-	115,626,625
Building and improvement	334,523,948	27,468,086	-	43,721,738	(105,057)	405,608,715
Furniture and fixtures	163,395,912	14,183,134	-	368,890	(5,280)	177,942,656
Office equipment	59,718,783	8,682,764	(395,735)	-	(98,874)	67,906,938
Machineries and equipment	1,082,600,934	94,841,020	(474,750)	14,319,825	(394,360)	1,190,892,669
Vehicles	45,094,436	11,549,375	(2,923,178)	683,776	(861,113)	53,543,296
Assets under construction and installation	67,237,665	54,971,357	-	(59,094,229)	(10,891)	63,103,902
Total cost	1,781,498,303	239,485,736	(3,793,663)	58,910,000	(1,475,575)	2,074,624,801
<u>Accumulated depreciation</u>						
Building and improvement	153,069,191	16,641,861	-	-	(35,177)	169,675,875
Furniture and fixtures	118,732,942	21,342,307	-	-	(1,145)	140,074,104
Office equipment	48,213,740	5,371,582	(373,527)	-	(21,546)	53,190,249
Machineries and equipment	732,314,762	102,121,275	(474,532)	-	(183,028)	833,778,477
Vehicles	33,203,390	4,455,036	(2,923,176)	-	(121,816)	34,613,434
Total accumulated depreciation	1,085,534,025	149,932,061	(3,771,235)	-	(362,712)	1,231,332,139
	695,964,278					843,292,662
<u>Less</u> Provision for impairment of assets	(2,200,000)	-	-	(4,400,000)	-	(6,600,000)
Total Property, Plant and Equipment-net	693,764,278					836,692,662
Depreciation for the years	128,965,347					149,932,061

As at December 31, 2009 and 2008, the Company and its subsidiaries have fully depreciated fixed assets up to their useful lives but are usable at the cost of Baht 671.58 million and Baht 616.87 million, respectively.

(BAHT)

THE SEPARATE FINANCIAL STATEMENTS	2008	INCREASE	DISPOSAL	TRANSFER TO/FROM	2009
<u>Cost</u>					
Land and improvement	28,166,625	27,790,000	-	58,910,000	114,866,625
Building and improvement	263,982,880	27,468,086	-	43,721,738	335,172,704
Furniture and fixtures	74,216,094	5,946,686	-	4,890	80,167,670
Office equipment	44,977,457	5,429,013	(24,800)	-	50,381,670
Machineries and equipment	415,379,989	65,156,556	(90,000)	8,531,286	488,977,831
Vehicles	28,740,020	11,549,375	(2,923,178)	-	37,366,217
Assets under construction and installation	58,627,742	48,538,645	-	(52,257,914)	54,908,473
Total cost	914,090,807	191,878,361	(3,037,978)	58,910,000	1,161,841,190
<u>Accumulated depreciation</u>					
Building and improvement	133,534,190	12,519,395	-	-	146,053,585
Furniture and fixtures	66,053,307	4,549,666	-	-	70,602,973
Office equipment	36,479,879	3,428,826	(2,609)	-	39,906,096
Machineries and equipment	341,230,075	31,721,360	(89,797)	-	372,861,638
Vehicles	22,899,863	2,289,991	(2,923,176)	-	22,266,678
Total accumulated depreciation	600,197,314	54,509,238	(3,015,582)	-	651,690,970
	313,893,493				510,150,220
Less Provision for impairment of assets	(2,200,000)	-	-	(4,400,000)	(6,600,000)
Total Property, Plant and Equipment-net	311,693,493				503,550,220
Depreciation for the years	50,442,320				54,509,238

As at December 31, 2009 and 2008, the Company has fully depreciated fixed assets up to their useful lives but are usable at the cost of Baht 457.47 million and Baht 422.29 million, respectively.

14. LEASEHOLD RIGHT

(BAHT)

CONSOLIDATED	2008	INCREASE	DISPOSAL/ TRANSFER	2009
<u>Cost</u>				
Leasehold right of Preserved Food Organization	55,000,000	-	(55,000,000)	-
Other leasehold right	2,411,923	838,990	(729,474)	2,521,439
Total	57,411,923	838,990	(55,729,474)	2,521,439
<u>Accumulated amortization</u>				
Leasehold right of Preserved Food Organization	53,093,836	1,906,164	(55,000,000)	-
Other leasehold right	1,212,274	582,927	(729,474)	1,065,727
Total	54,306,110	2,489,091	(55,729,474)	1,065,727
Leasehold right - net	3,105,813			1,455,712
Amortization for the years	3,276,912			2,489,091

(BAHT)

THE SEPARATE FINANCIAL STATEMENTS	2008	INCREASE	DISPOSAL/ TRANSFER	2009
Leasehold right of Preserved Food Organization	55,000,000	-	(55,000,000)	-
<u>Less</u> Accumulated amortization	53,093,836	1,906,164	(55,000,000)	-
Leasehold right - net	1,906,164			-
Amortization for the years	2,750,000			1,906,164

15. INTANGIBLE ASSETS

(BAHT)

CONSOLIDATED	2008	INCREASE	DISPOSAL/ TRANSFER	DECREASE FROM STOPPED OPERATING	2009
Computer softwares	6,798,705	2,922,528	4,891,171	(19,000)	14,593,404
Computer softwares under installation	4,891,171	12,106,200	(4,891,171)	-	12,106,200
Total	11,689,876	15,028,728	-	(19,000)	26,699,604
<u>Less</u> Accumulated amortization	2,203,523	1,059,188	-	(1,822)	3,260,889
Computer softwares - net	9,486,353				23,438,715
Amortization for the years	639,011				1,059,188

(BAHT)

THE SEPARATE FINANCIAL STATEMENTS	2008	INCREASE	DISPOSAL/ TRANSFER	2009
Computer softwares	6,625,865	2,848,809	4,891,171	14,365,845
Computer softwares under installation	4,891,171	-	(4,891,171)	-
Total	11,517,036	2,848,809	-	14,365,845
<u>Less</u> Accumulated amortization	2,200,102	1,032,211	-	3,232,313
Computer softwares - net	9,316,934			11,133,532
Amortization for the years	635,985			1,032,211

16. OTHER RECEIVABLES

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

17. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2009	2008	2009	2008
Bank overdrafts	4,783,144	5,198,827	3,778,734	1,289,575
Loans from banks	566,000,000	471,000,000	346,000,000	221,000,000
Total	570,783,144	476,198,827	349,778,734	222,289,575

Bank overdrafts and short-term loans from the financial institutions of the Company are unsecured loans.

18. SHORT-TERM LOANS FROM RELATED PERSONS AND PARTIES

In 2008, short-term loans from subsidiary's director amount Baht 7.3 million with interest rates bearing at 4.00% - 4.50% per annum are unsecured loans. The subsidiary company has made repayment during 2009 amount of Baht 2.75 million and the remaining amount of Baht 4.55 million was given to the subsidiary.

19. DEFERRED RENTAL INCOME

(BAHT)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	2009	2008
Sub-rental income from related company (See Note 32)	-	1,126,965
Land rental income from associates	-	74,725
Land rental income from related company	142,212	82,534
Total	142,212	1,284,224

20. EMPLOYEE PROVIDENT FUND

The Company and its subsidiaries have set up and registered provident fund in accordance with the Provident Fund Act, B.E. 2530 (1987). In order to be the savings and welfare promotion, as well as the fringe benefits upon resignation or retirement to its employees according to the Company's regulation, with one part of contribution from the employees and another part from the Company at the rate of 3% on their basic salaries. The Company has appointed the BT Asset Management Company Limited to be the fund manager.

Provident fund contributions made by the Company and its subsidiaries for their employees are recorded as expenses in the income statements for the years ended December 31, 2009 and 2008 as follows:

(MILLION BAHT)

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2009	2008	2009	2008
S & J International Enterprises Public Co., Ltd.	4.35	3.90	4.35	3.90
Top Trend Manufacturing Co., Ltd.	2.90	2.57	-	-
Total	7.25	6.47	4.35	3.90

21. PROVISION FOR EMPLOYEES' RETIREMENT FUND

The Company has the policy for employees' retirement from working at the age of 55 years with the compensation of employees' pension fund. Provision for retirement fund for every employee of age 50 years up is comprised of two parts. The first part is calculated according to the Labour Law, and the second part which is calculated from half of present salary received multiply by the excess amount over 20 working years.

Retirement fund contributions made by the Company and its subsidiaries for their employees are recorded as expenses in the income statements for the years ended December 31, 2009 and 2008 as follows:

(MILLION BAHT)

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2009	2008	2009	2008
S & J International Enterprises Public Co., Ltd.	2.10	7.20	2.10	7.20
Top Trend Manufacturing Co., Ltd.	0.70	0.70	-	-
Total	2.80	7.90	2.10	7.20

22. SHARE CAPITAL

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)
Duly exercised in 2006	1,814,500	1,814,500	7,258,000
Duly exercised in 2007	1,005,250	1,005,250	4,021,000
January 9, 2008	214,500	214,500	858,000
February 8, 2008	87,500	87,500	350,000
March 7, 2008	367,250	367,250	1,469,000
October 7, 2008	20,000	20,000	80,000
December 9, 2008	67,500	67,500	270,000
Total exercised year 2008	756,750	756,750	3,027,000
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
Total exercised year 2009	1,237,000	1,237,000	4,948,000
Total exercised	4,813,500	4,813,500	19,254,000

During December 22-30, 2008, the warrant holders have exercised 50,750 units of warrants to purchase 50,750 common stocks at an exercise price of Baht 4 each totalling Baht 203,000. The Company recorded the advance receipt from the exercise of such warrants under the caption "Advance share subscription", presenting it under shareholders' equity in the balance sheet as at December 31, 2008. The Company registered the above increase in its paid up share capital with the Ministry of Commerce on January 13, 2009.

WARRANTS

On April 25, 2005, the Ordinary General Shareholders' Meeting was held and has a resolution to approve the issuance of warrants offered to the directors, employees of the Company and its subsidiaries under the Company's ESOP programme of 5,000,000 units with 3 year maturity at the offering price of Baht zero. The exercise ratio is 1 unit to 1 common stock at the exercise price of Baht 4 per share. The Meeting also has a resolution to confirm the allocation of capital increase to be reserved for the exercise of warrants offering to the directors and employees of the Company and its subsidiaries amount 5,000,000 shares, which was duly approved by the Ordinary General Shareholders' Meeting on April 26, 2004.

The financial statements for the years ended December 31, 2009 and 2008 presenting the warrant holders who are the directors and employees of the Company and its subsidiaries have exercised their warrants to purchase 1,237,000 common stocks and 756,750 common stocks, respectively. 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.

23. LEGAL RESERVE

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

24. DIVIDEND PAYMENT

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.

On April 22, 2008, the Ordinary General Shareholders' Meeting for 2008 was held and approved a resolution to pay dividends for the results of 2007 operation to the shareholders of 103,489,000 shares at Baht 0.75 per share, totalling Baht 77.62 million. The dividend payment was made on May 21, 2008.

25. DIRECTORS' REMUNERATION

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.

On April 22, 2008, the Ordinary General Shareholders' Meeting for 2008 was held and approved a resolution to pay directors' remuneration at the maximum of Baht 10 million per year.

On April 25, 2008, the Ordinary General Shareholders' Meeting for 2008 of Top Trend Manufacturing Company Limited was held and approved a resolution to pay directors' remuneration amount of Baht 1.38 million.

26. FOREIGN CURRENCY TRANSACTIONS

26.1 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>Year 2009</u>			
USD	13	33.36 - 33.42	June 2010
GBP	34	54.05 - 54.45	June 2010
<u>Year 2008</u>			
USD	954	33.96 - 35.09	February 2009 - June 2009

26.2 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 to 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>Year 2009</u>			
USD	3,942	33.15 - 33.585	April 2010 - July 2010
JPY	27,863	0.3741 - 0.37965	February 2010
<u>Year 2008</u>			
USD	2,330	34.36 - 35.755	April 2009 - June 2009
JPY	34,298	0.372 - 0.3939	January 2009 - February 2009

26.3 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	2009		2008	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	31	1,027	551	19,169
JPY	7,061	2,534	1,127	431
EUR	0.50	24	17	812
AUD	17	515	-	-
SGD	9.00	212	-	-
Total assets		4,312		20,412
Liabilities				
USD	440	14,742	272	9,542
JPY	1,235	452	3,934	1,534
GBP	2.67	143	31	1,601
EUR	1.92	92	5.67	282
SEK	-	-	2.96	13
NZD	-	-	0.17	3
CHF	-	-	57	1,913
HKD	0.79	3	5.97	27
AUD	4.33	130	-	-
Total liabilities		15,562		14,915

(AMOUNT IN THOUSAND)

THE SEPARATE FINANCIAL STATEMENTS	2009		2008	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	2.14	71	486	16,926
JPY	7,061	2,534	1,127	431
Total assets		2,605		17,357
Liabilities				
USD	440	14,742	260	9,133
JPY	1,235	452	3,934	1,534
GBP	17	920	31	1,601
EUR	1.92	92	5.67	282
SEK	-	-	2.96	13
NZD	-	-	0.17	3
HKD	0.79	3	5.97	27
AUD	4.33	130	-	-
Total liabilities		16,339		12,593

27. EXPENSES BY NATURE

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2009	2008	2009	2008
(Increase) decrease in the changes in finished goods and work in progress	7,757,913	(62,103,069)	13,210,478	(48,058,986)
Raw material and consumables used	1,958,076,407	1,780,688,039	1,978,370,361	1,741,141,233
Purchase of finished goods	35,776,020	7,778,763	-	-
Management benefit expenses	44,119,113	39,673,735	37,889,298	34,887,425
Employee benefit expenses	538,391,972	500,097,378	362,191,180	321,974,594
Depreciation and amortization expenses	153,480,340	132,881,270	57,447,613	53,828,305
Other expenses	378,733,336	353,416,217	240,240,275	219,712,853
Total	3,116,335,101	2,752,432,333	2,689,349,205	2,323,485,424

28. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' financial information by segment in the consolidation for the years ended December 31, 2009 and 2008 are as follows :

(BAHT)

Year 2009	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	2,816,499,138	705,117,578	46,538,499	246,458,461	3,224,295	3,324,921,049
Operating result by segment	151,055,042	78,518,561	2,385,920	258,185,166	260,306,699	234,081,056
Net profit for equity holders of the parent						226,757,933
Property, plant and equipment-net	503,550,220	332,762,739	379,703	-	-	836,692,662
Leasehold right - net	-	1,455,712	-	-	-	1,455,712
Intangible assets - net	11,133,532	12,305,183	-	-	-	23,438,715
Total assets						2,991,828,837

(BAHT)

Year 2008	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	2,408,234,535	707,702,423	17,162,157	223,180,475	-	2,909,918,640
Operating result by segment	102,119,006	69,102,662	(544,422)	228,269,620	232,227,261	174,634,887
Net profit for equity holders of the parent						192,847,291
Property, plant and equipment-net	311,693,493	380,461,830	1,608,955	-	-	693,764,278
Leasehold right-net	1,906,164	1,199,649	-	-	-	3,105,813
Intangible assets-net	9,316,934	152,241	17,178	-	-	9,486,353
Total assets						2,699,824,623

The financial information by geographical areas can be classified to local and export sales in the consolidation for the years ended December 31, 2009 and 2008 as follows:

(BAHT)

Particulars	Local		Export		Total	
	2009	2008	2009	2008	2009	2008
Sales	2,290,536,273	1,939,137,236	1,034,384,776	970,781,404	3,324,921,049	2,909,918,640
Operating result by areas	162,678,650	118,221,557	71,402,406	56,413,330	234,081,056	174,634,887

29. INCOME TAX EXPENSES

The Company and subsidiaries' income taxes for the years ended December 31, 2009 and 2008 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 2009 and 2008, 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.

30. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

The Company has certain business transactions with its related parties which are related through, being employees, 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 32.

COMPANIES	RELATIONSHIP
Subsidiaries	See Note 8
Associates	See Note 8
Related companies	See Note 9
Better Way (Thailand) Co., Ltd.	Co – directors
International Laboratories Corp., Ltd.	Co – directors
Vitayasithi Co., Ltd.	Co – directors
Kewpie (Thailand) Co., Ltd.	Co – directors
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. (Formerly: Thai Fujiya Co., Ltd.)	Co – shareholders
Saha Pathanapibul Plc.	Co – shareholders
Thai Wacoal Plc.	Co – shareholders
Saha Pathana Inter-Holding Plc.	Shareholders
Related persons	Employees and directors of subsidiaries

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

(BAHT)

Transactions in balance sheets	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2009	2008	2009	2008
<u>Trade accounts receivable</u>				
- Subsidiaries	-	-	1,403,638	848,678
- Associates	11,039,986	4,235,382	4,790,076	2,763,600
- Related companies	284,224,929	238,367,719	247,994,842	219,121,480
Total	295,264,915	242,603,101	254,188,556	222,733,758
<u>Short - term loans extended</u>				
- Subsidiaries (See Note 6)	-	-	2,500,000	3,500,000
<u>Less</u> Allowance for doubtful debt	-	-	-	(1,000,000)
Total	-	-	2,500,000	2,500,000
<u>Other current assets</u>				
- Subsidiaries	-	-	2,295,559	1,155,173
- Associates	22,095	279,107	22,095	279,107
- Related companies	545,311	5,570,540	545,311	5,570,540
Total	567,406	5,849,647	2,862,965	7,004,820
<u>Investments in subsidiaries</u>				
- Related persons (See Note 8)	-	-	-	2,000,000
<u>Other receivables</u>				
- Related companies	17,853,410	26,253,410	17,853,410	26,253,410
<u>Property deposit</u>				
- Related companies	-	11,910,000	-	11,910,000
<u>Rental guarantee</u>				
- Related companies	2,728,258	3,537,245	2,202,500	1,748,900
<u>Trade accounts payable</u>				
- Subsidiaries	-	-	47,943,820	38,535,284
- Associates	7,607,668	8,385,762	7,607,668	7,031,771
- Related companies	14,045,133	13,128,740	8,356,852	10,432,877
Total	21,652,801	21,514,502	63,908,340	55,999,932
<u>Short-term loans from related persons</u>				
- Related persons (See Note 18)	-	7,300,000	-	-

(BAHT)

Transactions in balance sheets	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2009	2008	2009	2008
<u>Other current liabilities</u>				
- Subsidiaries	-	-	134,202	233,986
- Associates	-	50,932	-	50,932
- Related companies	2,352,951	7,220,175	2,352,951	7,220,175
Total	2,352,951	7,271,107	2,487,153	7,505,093
<u>Unearned rental</u>				
- Associates	-	74,725	-	74,725
- Related companies	142,212	1,209,499	142,212	1,209,499
Total	142,212	1,284,224	142,212	1,284,224

(BAHT)

Transactions in income statements for the years ended December 31,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2009	2008	2009	2008
<u>Sales</u>				
- Subsidiaries	-	-	3,187,574	1,655,294
- Associates	88,395,886	40,823,000	56,267,138	26,336,627
- Related companies	1,406,192,542	1,246,402,152	1,302,076,591	1,139,830,295
- Related persons	3,852,652	-	-	-
Total	1,498,441,080	1,287,225,152	1,361,531,303	1,167,822,216
<u>Rental income</u>				
- Subsidiaries	-	-	54,000	-
- Associates	18,461,395	9,458,353	18,461,395	9,458,353
- Related companies	7,310,763	9,566,594	7,310,763	9,566,594
Total	25,772,158	19,024,947	25,826,158	19,024,947
<u>Other income</u>				
- Subsidiaries	-	-	3,840,408	3,539,640
- Associates	1,873,359	3,342,322	1,873,359	3,342,322
- Related companies	2,409,313	597,605	2,409,313	597,605
- Related persons (See Note 18)	4,550,000	-	-	-
Total	8,832,672	3,939,927	8,123,080	7,479,567

(BAHT)

Transactions in income statements for the years ended December 31,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2009	2008	2009	2008
<u>Purchase of goods and services</u>				
- Subsidiaries	-	-	243,145,070	221,111,189
- Associates	51,255,625	55,010,663	46,169,092	49,359,336
- Related companies	63,123,118	53,174,271	61,434,164	53,174,271
Total	114,378,743	108,184,934	350,748,326	323,644,796
<u>Rental expenses</u>				
- Associates	564,300	752,400	564,300	752,400
- Related companies	4,199,674	6,780,020	4,199,674	4,423,800
Total	4,763,974	7,532,420	4,763,974	5,176,200
<u>Other expenses</u>				
- Subsidiaries	-	-	237,008	413,993
- Associates	423,171	430,251	405,171	406,251
- Related companies	104,493,752	79,868,907	64,094,443	41,028,189
Total	104,916,923	80,299,158	64,736,622	41,848,433
<u>Finance costs</u>				
- Related persons	211,206	160,972	-	-
Total	211,206	160,972	-	-

Revenues from sales, purchase of goods and services 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.

31. COMMITMENT AND CONTINGENT LIABILITIES

(BAHT)

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2009	2008	2009	2008
1. Commitment under letters of guarantee issued by commercial banks	77,637,530	83,610,682	72,793,530	81,980,682
2. Commitment under letters of guarantee on overdrafts with commercial banks for				
- Associate	-	4,200,000	-	4,200,000
- Related company	4,200,000	-	4,200,000	-
3. Letters of credit	77,089	13,341,609	77,089	13,341,609
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 32). 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 January 1, 2010 as follows:				
	<u>Contract period</u>	<u>CONSOLIDATED</u>	<u>THE SEPARATE FINANCIAL STATEMENTS</u>	
	Current portion	11,326,695 Baht	9,698,700 Baht	
	Overdue more than one year	5,212,700 Baht	4,953,000 Baht	

32. 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:

(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	55,000,000	38,500,000
- Balance as at December 31, 2009	-	-
- Balance as at December 31, 2008	1,906,164	1,126,965
Shown under leasehold right and deferred rental income		
2. Security for damage	5,000,000	3,500,000
Shown under investments in bond in current investments and deposit received		
3. Yearly rental		
- Balance as at December 31, 2009	-	-
- Balance as at December 31, 2008	4,884,591	4,884,591
Shown under prepaid and deferred rental income		
4. Related insurance premiums and other expenses will be totally collected from Thai Q P Co., Ltd.		
Shown under administrative expenses and compensation income		

33. DILUTED EARNINGS PER SHARE RECONCILIATION

<u>CONSOLIDATED</u>	2009			2008		
	Net profit	Number of shares	Earnings per shares	Net profit	Number of shares	Earnings per shares
	Baht	Shares	Baht	Baht	Shares	Baht
<u>Basic earnings per share</u>						
Net profit available to ordinary shareholders	226,757,933	104,630,664	2.17	192,847,291	103,417,574	1.86
<u>Effect of assumed conversion</u>						
Warrants	-	-	-	-	1,089,452	-
<u>Diluted earnings per share</u>						
Net profit available to ordinary shareholders plus assumed conversion	-	-	-	192,847,291	104,507,026	1.85

<u>THE SEPARATE FINANCIAL STATEMENTS</u>	2009			2008		
	Net profit	Number of shares	Earnings per shares	Net profit	Number of shares	Earnings per shares
	Baht	Shares	Baht	Baht	Shares	Baht
<u>Basic earnings per share</u>						
Net profit available to ordinary shareholders	185,243,303	104,630,664	1.77	168,069,826	103,417,574	1.63
<u>Effect of assumed conversion</u>						
Warrants	-	-		-	1,089,452	
<u>Diluted earnings per share</u>						
Net profit available to ordinary shareholders plus assumed conversion	-	-	-	168,069,826	104,507,026	1.61

34. FINANCIAL INSTRUMENTS

The Company and subsidiaries have information relating to financial instruments both in and off balance sheets, as follows:

34.1 Accounting policies and procedure

- See Note 3.

34.2 Risk from breach of contracts

- Due to the contracting party does not follow the requirement in the contract which caused damage to the Company and subsidiaries.
- The credit risk with respect to the concentration of trade accounts receivable, consists of
 - a) Portion of sales to customers that are related companies. (See Note 30)
 - b) Another portion of sales to other customers that are numerously.
- For the financial assets shown in the balance sheets, the book value of such assets is net from various provisions to be estimated fair value. Such provisions are assumed to be the highest value of risk incurred from breach of contracts.

34.3 Risk relating to interest rate

Risk from the fluctuation of interest rate may have negative effect to the Company for the current and the following years. The Company expects that it can manage the contingent risk, due to it has set up a plan and follow up the situation closely.

34.4 Risk from exchange rate

The Company and subsidiaries have risk from the fluctuation of foreign exchange rates, due to some debtors and creditors arisen from the trading in foreign currencies. The Company will make the forward exchange contract, in case of Baht currency is highly fluctuated and it is appropriate for the situation.

34.5 Fair value of financial instruments

The Company and subsidiaries have used the following methods and assumptions to estimate the fair value of financial instruments:

- Financial assets shown at book value which are equal to the estimated fair value.
- Financial liabilities shown at book value which are equal to the estimated fair value, due to such liabilities will be matured in short term.

35. RECLASSIFICATION OF ACCOUNTS

Some accounting transactions of 2008 financial statements have been reclassified to conform with the presentation of 2009 financial statements.

36. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on February 9, 2010.