

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

1. GENERAL INFORMATION

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

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 accounting standards and financial reporting standards

To be in accordance with the IFRS, in 2010, the Federation of Accounting Professions announced the revision of TAS and TFRS, some are to replace existing standards and some are additional standards. These standards were published in the Royal Thai Government Gazette as follows:

The standard which is immediately effective

Framework for the Preparation and Presentation of Financial Statements (revised 2009), which the Company and the group companies have adopted this standard since the effective date on 26 May 2010.

The standards which are effective to the financial statements beginning on or after January 1, 2011 are as follows:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events After the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings Per Share

TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share - Based Payments
TFRS 3 (revised 2009)	Business Combination
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

The standards which are effective to the financial statements beginning on or after January 1, 2013 are as follows:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rate

The group companies' management believes that these accounting standards and financial reporting standards will not have any significant impact on the financial statements for the year when they are initially applied, except.

TAS 12	Income Taxes
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 19	Employee Benefits

The group companies' management is evaluating the impact of such accounting standards on the financial statements in the year when they are adopted.

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
	2010	2009	
E F Co., Ltd.	99.99	99.99	Thailand
Top Trend Manufacturing Co., Ltd.	51.00	51.00	Thailand
Wildlives (Thailand) Co., Ltd.	99.99	99.99	Thailand
S&J International (UK) limited	100.00	100.00	England

ASSOCIATES

COMPANIES	% HOLDING		ESTABLISHED IN
	2010	2009	
Yamahatsu (Thailand) Co., Ltd.	30	30	Thailand
Operational Energy Group Limited	30	30	Thailand
Osoth Interlaboratories Co., Ltd.	33.19	-	Thailand

2.5 Inter-company balances and significant transactions of the Company and its subsidiaries have been eliminated from the consolidated 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 Inventories

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

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

3.4 Investments

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

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

Investments in related companies mean those companies in which the group companies have its shareholding less than 20% and/or the companies which directly or indirectly have some common management, major shareholders or such related persons. Investments in related companies are stated at cost after deduction of provision for diminution in investment.

Investments in other companies mean those companies in which the group companies have shareholding but have no power to govern or participate in setting up any policy. Investments in other companies are stated at cost after deduction of provision for diminution in investment.

Investments in available-for-sale securities are investments in listed securities stated at fair value with the objective for long-term investments. The Company recognized its revaluation in available-for-sale securities as separate item in Shareholders' Equity, under the caption "Unrealized gain (loss) on investment revaluation".

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

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

3.5 Investments in real estate

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

3.6 Property, plant and equipment

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

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

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

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

3.7 Leasehold right

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

3.8 Intangible assets

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

3.9 Operating leases

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

3.10 Earnings per share

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

3.11 Employee benefits expenses

Employee provident fund

The Company provides a provident fund, which is a defined contribution plan. The assets of which are held in a separate trust fund and 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.

3.12 Foreign currency transactions

Foreign currency transactions incurred during the years are recorded in Baht at the rate ruling on the date of transactions. Outstanding foreign currency assets and liabilities on the balance sheet date are converted to Baht at the rate of exchange in effect on that date.

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

The translation of financial statement differences in foreign currencies was shown under Shareholders' Equity.

3.13 Forward exchange contracts

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

3.14 Cash and cash equivalents

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

3.15 Use of accounting estimates

In preparation of financial statements in accordance with generally accepted accounting principles requires management to use various estimates and assumptions that will be affected 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 are savings bond amounting to Baht 5.0 million of 5 year maturity, due on June 21, 2009 with interest rate at 4.625% per annum. This bond was pledged as a guarantee for renting factory from Preserved Food Organization (P.F.O), Ministry of Defense. At present, the lease is ended. Afterwards, on July 8, 2010, the Company returned the Leased Assets to P.F.O and obtained the guarantee back.

Investments in related company (Value Sport Co., Ltd.) occurred from the reclassification of investments in subsidiary to short - term investment in related company (See Note 9). Such company has substantial accumulated losses, in the year 2009, the Company set up provision for diminution in investment. On February 26, 2010, the Extraordinary Shareholders' Meeting No. 1/2010 of such company was held and approved a special resolution to dissolve the company and registered its dissolution with the Ministry of Commerce on March 10, 2010. Afterwards, in July 2010, the liquidation of such company was completed. The Company obtained proceeds amount of Baht 66,575 which was recorded as gain the same amount in the consolidated and separate statements of income. Details of investments are as follows:

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
<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	
	2010	2009	2010	2009
Trade notes receivable	18,269,495	19,772,496	12,395,562	13,643,060
Trade accounts receivable				
Current	554,036,303	424,022,444	461,556,082	349,768,577
Overdue within 3 months	149,956,390	178,616,986	105,300,125	136,527,353
Overdue between 3 to 6 months	5,402,874	6,162,217	4,128,380	2,514,627
Overdue between 6 to 12 months	4,777,425	2,054,628	4,136,792	87,204
Overdue more than 12 months	11,560,471	17,390,299	7,487,720	11,681,123
Total	744,002,958	648,019,070	595,004,661	514,221,944
<u>Less</u> Allowance for doubtful accounts	(11,760,454)	(17,643,026)	(7,297,401)	(11,306,644)
Trade accounts receivable - net	732,242,504	630,376,044	587,707,260	502,915,300

6. SHORT-TERM LOANS TO SUBSIDIARIES

(BAHT)

PARTICULARS	THE SEPARATE FINANCIAL STATEMENTS		INTEREST RATES (%) PER ANNUM	
	2010	2009	2010	2009
Wildlives (Thailand) Co., Ltd.				
Beginning Balances	2,500,000	2,500,000		
Settlement during the year	(500,000)	-		
Ending Balances	2,000,000	2,500,000	2.50	2.50 - 4.50
Value Sports Co., Ltd.				
Beginning Balances	-	1,000,000		
Settlement during the year	-	(1,000,000)		
Ending Balances	-	-	-	2.50 - 4.50
Total Short-term Loans to Subsidiaries	2,000,000	2,500,000		

Short-term loans to subsidiaries are unsecured loans.

7. INVENTORIES

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
Finished goods	257,011,873	143,837,506	207,896,631	117,754,299
Goods in process	109,281,491	58,730,347	80,887,840	47,347,742
Raw materials	228,724,457	153,295,009	172,323,482	110,452,812
Packagings	219,480,914	141,368,682	219,480,914	141,368,682
Consumed supplies	9,905,442	6,795,326	9,905,442	6,795,326
Materials in transit	18,591,966	4,016,829	19,154,035	4,016,829
Total	842,996,143	508,043,699	709,648,344	427,735,690
<u>Less</u> Allowance for diminution in inventories	(30,515,578)	(28,335,427)	(23,431,657)	(20,521,731)
Inventories - net	812,480,565	479,708,272	686,216,687	407,213,959

8. INVESTMENTS IN ASSOCIATES

(BAHT)

ASSOCIATES	% Holding		CONSOLIDATED (Equity Method)		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	2010	2009	2010	2009	2010	2009
Yamahatsu (Thailand) Co., Ltd.	30	30	61,167,076	30,373,828	5,999,950	5,999,950
Operational Energy Group Limited	30	30	94,515,528	74,072,453	13,150,567	13,150,567
Total			155,682,604	104,446,281	19,150,517	19,150,517
Osoth Interlaboratories Co., Ltd.	33.19	-	30,166,735	-	52,636,000	-
<u>Less</u> Allowance for loss on capital decrease			-	-	(2,850,000)	-
Provision for diminution in investments in associates			-	-	(19,950,000)	-
Total			30,166,735	-	29,836,000	-
Total Investments in Associates - net			185,849,339	104,446,281	48,986,517	19,150,517

(BAHT)

ASSOCIATES	TYPE OF BUSINESS	ISSUED AND PAID - UP SHARE CAPITAL		DIVIDENDS	
		2010	2009	2010	2009
Yamahatsu (Thailand) Co., Ltd.	Hair products	20,000,000	20,000,000	-	9,900,000
Operational Energy Group Limited	Servicing to operate the power plant	30,000,000	30,000,000	6,299,993	4,499,995
Osoth Interlaboratories Co., Ltd.	Medicine	150,000,000	-	-	-
Total				6,299,993	14,399,995

TRANSACTIONS OF ASSOCIATES COMPANIES

Yamahatsu (Thailand) Co., Ltd. and Operational Energy Group Limited

The financial statements of Yamahatsu (Thailand) Co., 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. The investments for using the equity method which are recorded in the consolidated financial statements as at December 31, 2010 and 2009 in the amount of Baht 155.68 million and Baht 104.44 million, respectively. And share of profit from investments for using the equity method as follows:

(MILLION BAHT)

PARTICULARS	FOR THE YEARS ENDED DECEMBER 31,	
	2010	2009
Yamahatsu (Thailand) Co., Ltd.	30.79	11.01
Operational Energy Group Limited	26.74	23.23
Total share of profit for using the equity method	57.53	34.24

Osoth Interlaboratories Co., Ltd.

Investments in Osoth Interlaboratories Co., Ltd. occurred from the reclassification of investments in related company to investment in associated company (See Note 10).

The financial statements of Osoth Interlaboratories Co., Ltd. which are applied for recording the equity method based on the financial information prepared by their management which are unaudited by the auditor. The investments for using the equity method which are recorded in the consolidated as at December 31, 2010 in the amount of Baht 30.17 million, and share of profit from investments for using the equity method as follows:

(MILLION BAHT)

PARTICULARS	FOR THE YEARS ENDED DECEMBER 31,	
	2010	2009
<u>SHARE OF PROFIT FOR USING THE EQUITY METHOD</u>		
Osoth Interlaboratories Co., Ltd.	0.33	-

Shaldan (Thailand) Co., Ltd.

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. The share of profit from investments for using the equity method which are recorded on the consolidated statements of income for the year 2009, in the amount of Baht 1.39 million.

9. INVESTMENTS IN SUBSIDIARIES

(BAHT)

SUBSIDIARIES	% Holding		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	2010	2009	2010	2009
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
S&J International (UK) Limited	100.00	100.00	5,073,000	5,073,000
			(GBP100,000)	(GBP100,000)
Total Investments in Subsidiaries			46,703,596	46,703,596

(BAHT)

SUBSIDIARIES	TYPE OF BUSINESS	ISSUED AND PAID - UP SHARE CAPITAL		DIVIDENDS	
		2010	2009	2010	2009
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	9,180,000
Wildlives (Thailand) Co., Ltd.	Consumer products	1,000,000	1,000,000	-	-
S&J International (UK) Limited	Distributing cosmetic products, gift set and marketing service	5,073,000	5,073,000	-	-
Total				9,180,000	9,180,000

TRANSACTIONS OF SUBSIDIARIES

S&J International (UK) Limited

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 audited by other certified public accountant, and were used to prepare consolidated financial statements for the years ended December 31, 2010 and 2009, by having assets as at December 31, 2010 and 2009 in the amount of Baht 27.38 million and Baht 7.52 million, respectively. And total revenues for the years ended December 31, 2010 and 2009 in the amount of Baht 157.91 million and Baht 29.97 million, respectively.

Value Sports Co., Ltd.

In 2009, Value Sports Co., Ltd. its subsidiary has stopped operating. Therefore, investments in subsidiary are reclassified to short - term investments in related company (See Note 4).

10. INVESTMENTS IN RELATED COMPANIES

(BAHT)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Cost Method		Dividend	
	2010	2009	2010	2009	2010	2009
1. Thai Q P Co., Ltd.	7.50	7.50	1,125,000	4,500,000	787,500	1,170,000
2. General Glass Co., Ltd.	16	16	* 16,000,000	*16,000,000	-	-
3. Thai Lotte Co., Ltd.	0.51	0.51	* 8,000,000	* 8,000,000	-	-
4. H & B Kabinburi Co., Ltd.	9	9	1,350,000	1,350,000	135,000	135,000
5. Osoth Interlaboratories Co., Ltd.	-	19	-	*22,800,000	-	-
6. Thai Cubic Technology Co., Ltd.	5	5	2,000,000	2,000,000	200,000	400,000
7. Train Time Test Co., Ltd.	14	14	175,000	175,000	-	-
8. BSC Entertainment Co., Ltd.	10	10	*21,869,623	*21,869,623	-	-
9. B.K.C. International Marketing Co., Ltd.	19	19	* 949,995	* 474,998	-	-
10. United Utility Co., Ltd.	0.27	0.27	* 691,800	* 691,800	-	-
11. Shaldan (Thailand) Co., Ltd.	15.50	15.50	* 6,392,000	* 6,392,000	-	-
Total			58,553,418	84,253,421	1,122,500	1,705,000
<u>Less</u> Allowance for loss on capital decrease in						
- Osoth Interlaboratories Co., Ltd.			-	(2,850,000)		
- BSC Entertainment Co., Ltd.			(7,505,337)	(7,505,337)		
*Provision for diminution in investments in related companies			(28,199,405)	(43,992,985)		
Total Investments in Related Companies - net			22,848,676	29,905,099		

(BAHT)

	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			2010	2009
1. Thai Q P Co., Ltd.	Consumer products	Shareholders / co – directors	15,000,000	60,000,000
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	1,570,000,000
4. H & B Kabinburi Co., Ltd.	Cloth toy and ware	Shareholders / co – directors	15,000,000	15,000,000
5. Osoth Interlaboratories Co., Ltd.	Medicine	Shareholders / co – directors	-	105,000,000
6. Thai Cubic Technology Co., Ltd.	Plate and varnish	Shareholders / co – directors	40,000,000	40,000,000
7. Train Time Test Co., Ltd.	Training and seminar	Shareholders / co – directors	1,250,000	1,250,000
8. BSC Entertainment Co., Ltd.	Bowling alley	Shareholders / co – directors	187,050,000	187,050,000
9. B.K.C. International Marketing Co., Ltd.	Consumer products	Shareholders / co – directors	2,500,000	2,500,000
10. United Utility Co., Ltd.	Real estate	Shareholders / co – directors	34,230,000	34,230,000
11. Shaldan (Thailand) Co., Ltd.	Air refresher	Shareholders / co – directors	40,000,000	40,000,000

In August 2010, Osoth Interlaboratories Co., Ltd. has increased its share capital from Baht 105 million (amount of 1,050,000 shares at Baht 100 each) to Baht 150 million (amount of 1,500,000 shares at Baht 100 each). The Company has additionally investment amount of 149,360 shares at Baht 100 each, worth amount Baht 14,936,000. Afterwards, on December 17, 2010, the Company has purchased investments in such company from related companies amount of 149,000 shares at Baht 100 each worth amount Baht 14,900,000. When combined with existing investments, the Company has investments in such company amount of Baht 52,636,000 (amount of 497,860 shares). Resulting the increase in the shareholding from 19.00% to 33.19%. As a consequence, the Company has significant influence. The Company, therefore, has reclassified investments in related company to associated company by using the fair value on the date of accounting record (See Note 8).

In April 2010, the Company has paid for the additional call for share subscription increase of B.K.C. International Marketing Co., Ltd. of 189,999 shares at Baht 2.50 each, worth Baht 474,997.

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

In 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.

11. 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	
	2010	2009	2010	2009	2010	2009
Related Companies						
1. Boutique New City Plc.	0.02	0.02	124,000	124,000	700	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	0.35	26,704,590	26,704,590	1,027,490	977,490
4. President Bakery Plc.	1.00	1.00	13,500,000	13,500,000	2,731,500	2,416,500
5. Sahacogen (Chonburi) Plc.	14.28	14.28	206,628,187	206,628,187	23,180,513	20,453,394
6. Saha Pathana Inter-Holding Plc.	0.24	0.24	21,248,990	21,248,990	233,600	33,600
Total			268,245,767	268,245,767	27,176,803	23,884,204
<u>Add</u> Unrealized gain on investment revaluation			433,052,533	457,491,152		
Total net investments in available-for-sales securities - related companies			701,298,300	725,736,919		
Other Companies						
1. Nation Multimedia Group Plc.			8,586,370	8,586,370	-	-
2. Bangkok Bank Plc.			5,000,700	5,000,700	284,850	189,900
Total			13,587,070	13,587,070	284,850	189,900
<u>Less</u> Unrealized gain (loss) on investment revaluation			3,049,469	(2,445,078)		
Total net investments in available-for-sales securities - other companies			16,636,539	11,141,992		
Total net available-for-sales securities			717,934,839	736,878,911	27,461,653	24,074,104

(BAHT)

RELATED COMPANIES	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			2010	2009
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

In December 2009, the Company has additionally purchased investments in I.C.C. International Public Company Limited of 50,000 shares, worth Baht 1,992,469 and additionally purchased investments in Saha Pathana Inter-Holding Public Company Limited of 1,000,000 shares, worth Baht 17,543,750.

12. INVESTMENTS IN OTHER COMPANIES

(BAHT)

	% Holding		Cost Method		Dividends	
	2010	2009	2010	2009	2010	2009
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	240,000
7. Thai Herbal Products Co., Ltd.	1.50	1.50	1,200,000	1,200,000	120,000	72,000
8. Tipvarin Wattana Co., Ltd.	15.00	15.00	1,454,940	1,454,940	123,300	-
9. Saha Sehwa Co., Ltd.	3.48	3.48	* 5,049,970	* 5,049,970	-	-
10. T-Way Co., Ltd.	12.00	14.29	14,407,500	5,082,500	-	60,000
11. K. Commercial & Construction Co., Ltd.	2.20	2.20	3,277,670	3,277,670	110,000	220,000
12. E. P. F. Co., Ltd.	18.00	18.00	702,000	702,000	468,000	351,000
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	1,000,000	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	4,000,000	-	-
Total			56,259,580	46,934,580	2,061,300	1,793,000
<u>Less</u> *Provision for diminution in investments in other companies			(7,204,955)	(6,887,693)		
Total Investments in Other Companies - net (Separate financial statements)			49,054,625	40,046,887		
SUBSIDIARY INVESTED IN						
- Treasure Hill Co., Ltd.	1.00	1.00	* 2,000,000	* 2,000,000		
- T-Way Co., Ltd.	4.00	4.29	4,800,000	1,500,000		
Total			6,800,000	3,500,000		
<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			4,800,000	1,500,000		
Total Investments in Other Companies - net (Consolidated)			53,854,625	41,546,887		

TRANSACTIONS OF OTHER COMPANIES

T-Way Co., Ltd.

- 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.
- 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. Afterword, in January 2010, the Company has paid for share subscription increase of shares at Baht 3 each, worth Baht 2,955,000, and in June 2010, the Company has paid for the remaining share subscription at Baht 2 each, worth Baht 1,970,000, totalling Baht 4,925,000. The Company has fully paid for share subscription in such company.
- In August 2010, T-Way Co., Ltd. has increased its capital amount of 3,000,000 shares worth Baht 30 million. The Company has additionally purchased investment in such company amount of 428,600 shares, worth Baht 4,286,000.
- In October 2010, T-Way Co., Ltd. has increased its capital amount of 2,000,000 shares worth Baht 20 million. The Company has additionally purchased investment in such company amount of 11,400 shares, worth Baht 114,000.

Total investments in T-Way Co., Ltd. amount of 1,440,000 shares worth Baht 14,407,500, which T-Way Co., Ltd. has paid up share capital as at December 31, 2010, amount of 12,000,000 shares at Baht 10 each, worth Baht 120 million.

Waseda Education (Thailand) Co., Ltd.

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.

OTHER COMPANIES HELD BY Top Trend Manufacturing Co., Ltd.

T-Way Co., Ltd.

- 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. In January 2010, the subsidiary company has paid for share subscription increase at Baht 3 each, worth Baht 900,000, and in June 2010, the subsidiary company has paid for the remaining share subscription at Baht 2 each, worth Baht 600,000, totalling Baht 1,500,000. The subsidiary company has fully paid for share subscription in such company.
- In August 2010, the subsidiary has additionally purchased investment in such company amount of 128,500 shares, worth Baht 1,285,000.
- In October 2010, the subsidiary has additionally purchased investment in such company amount of 51,500 shares, worth Baht 515,000.

Total investments in T-Way Co., Ltd. amount of 480,000 shares, worth Baht 4,800,000.

13. INVESTMENTS IN REAL ESTATE

(BAHT)

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
Investments in land	990,000	990,000	870,000	870,000
Investments in land with structures	9,952,923	9,952,923	9,952,923	9,952,923
Total	10,942,923	10,942,923	10,822,923	10,822,923

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

14. PROPERTY, PLANT AND EQUIPMENT

(BAHT)

CONSOLIDATED	2009	INCREASE	DISPOSAL	TRANSFER TO/FROM	2010
<u>Cost</u>					
Land and improvement	115,626,625	-	-	-	115,626,625
Building and improvement	405,608,715	14,732,815	-	10,947,873	431,289,403
Furniture and fixtures	177,942,656	28,557,293	(422,107)	2,982,900	209,060,742
Office equipment	66,563,865	12,677,049	(2,060,640)	-	77,180,274
Machineries and equipment	1,190,892,669	122,507,105	(2,599,041)	21,925,892	1,332,726,625
Vehicles	53,543,296	10,257,973	(5,243,500)	-	58,557,769
Assets under construction and installation	63,103,902	138,970,762	-	(35,856,665)	166,217,999
Total cost	2,073,281,728	327,702,997	(10,325,288)	-	2,390,659,437
<u>Accumulated depreciation</u>					
Building and improvement	169,675,875	17,914,958	-	-	187,590,833
Furniture and fixtures	140,074,104	22,329,591	(420,187)	-	161,983,508
Office equipment	52,291,892	6,416,178	(2,047,508)	-	56,660,562
Machineries and equipment	833,778,477	115,761,179	(2,594,949)	-	946,944,707
Vehicles	34,613,434	6,558,137	(5,219,025)	-	35,952,546
Total accumulated depreciation	1,230,433,782	168,980,043	(10,281,669)	-	1,389,132,156
	842,847,946				1,001,527,281
<u>Less</u> Provision for impairment of assets	(6,600,000)	-	-	-	(6,600,000)
Total Property, Plant and Equipment-net	836,247,946				994,927,281
Depreciation for the years	149,932,061				168,980,043

As at December 31, 2010 and 2009, the Company and its subsidiaries have fully depreciated fixed assets up to their useful lives but are usable at the cost of Baht 804.36 million and Baht 671.58 million, respectively.

(BAHT)

THE SEPARATE FINANCIAL STATEMENTS	2009	INCREASE	DISPOSAL	TRANSFER TO/FROM	2010
<u>Cost</u>					
Land and improvement	114,866,625	-	-	-	114,866,625
Building and improvement	335,172,704	14,564,303	-	10,947,873	360,684,880
Furniture and fixtures	80,167,670	21,390,319	(422,107)	1,597,600	102,733,482
Office equipment	50,381,670	11,284,245	(1,911,240)	-	59,754,675
Machineries and equipment	488,977,831	84,123,451	(2,487,976)	11,061,017	581,674,323
Vehicles	37,366,217	8,026,900	(5,243,500)	-	40,149,617
Assets under construction and installation	54,908,473	130,521,390	-	(23,606,490)	161,823,373
Total cost	1,161,841,190	269,910,608	(10,064,823)	-	1,421,686,975
<u>Accumulated depreciation</u>					
Building and improvement	146,053,585	13,793,734	-	-	159,847,319
Furniture and fixtures	70,602,973	5,217,335	(420,187)	-	75,400,121
Office equipment	39,906,096	4,536,877	(1,898,114)	-	42,544,859
Machineries and equipment	372,861,638	43,934,543	(2,483,887)	-	414,312,294
Vehicles	22,266,678	4,863,932	(5,219,025)	-	21,911,585
Total accumulated depreciation	651,690,970	72,346,421	(10,021,213)	-	714,016,178
	510,150,220				707,670,797
<u>Less</u> Provision for impairment of assets	(6,600,000)	-	-	-	(6,600,000)
Total Property, Plant and Equipment-net	503,550,220				701,070,797
Depreciation for the years	54,509,238				72,346,421

As at December 31, 2010 and 2009, the Company has fully depreciated fixed assets up to their useful lives but are usable at the cost of Baht 512.64 million and Baht 457.47 million, respectively.

As at December 31, 2010, Company recognized interest expense to assets under construction and installation amount of Baht 109,265.

15. LEASEHOLD RIGHT

(BAHT)

CONSOLIDATED	2009	INCREASE	DISPOSAL/ TRANSFER	2010
<u>Cost</u>				
Leasehold right	2,521,439	246,315	-	2,767,754
Total	2,521,439	246,315	-	2,767,754
<u>Accumulated amortization</u>				
Leasehold right	1,065,727	612,213	-	1,677,940
Total	1,065,727	612,213	-	1,677,940
Leasehold right - net	1,455,712			1,089,814
Amortization for the years	2,489,091			612,213

16. INTANGIBLE ASSETS

(BAHT)

CONSOLIDATED	2009	INCREASE	DISPOSAL/ TRANSFER	2010
Computer softwares	15,936,477	10,065,979	12,106,200	38,108,656
Computer softwares under installation	12,106,200	800,000	(12,106,200)	800,000
Total	28,042,677	10,865,979	-	38,908,656
<u>Less</u> Accumulated amortization	4,159,246	4,518,327	-	8,677,573
Computer softwares - net	23,883,431			30,231,083
Amortization for the years	1,059,188			4,518,327

(BAHT)

THE SEPARATE FINANCIAL STATEMENTS	2009	INCREASE	DISPOSAL/ TRANSFER	2010
Computer softwares	14,365,845	7,975,979	-	22,341,824
Computer softwares under installation	-	800,000	-	800,000
Total	14,365,845	8,775,979	-	23,141,824
<u>Less</u> Accumulated amortization	3,232,313	1,727,916	-	4,960,229
Computer softwares - net	11,133,532			18,181,595
Amortization for the years	1,032,211			1,727,916

17. 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 Company has received the last payment on January 2011.

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

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
Bank overdrafts	2,229,953	4,783,144	1,398,655	3,778,734
Loans from banks	971,000,000	566,000,000	736,000,000	346,000,000
Total	973,229,953	570,783,144	737,398,655	349,778,734

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

19. 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.

On August 2, 2010 BT Asset Management Company Limited has registered the name change to CIMB-Principal Asset Management Company Limited.

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, 2010 and 2009 as follows:

(MILLION BAHT)

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
S & J International Enterprises Public Co., Ltd.	4.79	4.35	4.79	4.35
Top Trend Manufacturing Co., Ltd.	1.61	1.45	-	-
Total	6.40	5.80	4.79	4.35

20. 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, 2010 and 2009 as follows:

(MILLION BAHT)

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
S & J International Enterprises Public Co., Ltd.	1.48	2.10	1.48	2.10
Top Trend Manufacturing Co., Ltd.	-	0.70	-	-
Total	1.48	2.80	1.48	2.10

21. SHARE CAPITAL

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

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

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

22. 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.

23. DIVIDEND PAYMENT

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

On April 28, 2009, the Ordinary General Shareholders' Meeting for 2009 was held and approved a resolution to pay dividends for the results of 2008 operation to the shareholders of 104,813,500 shares at Baht 1.00 per share, totalling Baht 104.81 million. The dividend payment was made on May 22, 2009.

24. DIRECTORS' REMUNERATION

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

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

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

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

25. FOREIGN CURRENCY TRANSACTIONS

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

25.2 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 2010</u>			
USD	8,492	30.07 - 30.19	February 2011 - July 2011
JPY	31,161	0.3610 - 0.3672	January 2011
<u>Year 2009</u>			
USD	3,942	33.15 - 33.585	April 2010 - July 2010
JPY	27,863	0.3741 - 0.3797	February 2010

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

(AMOUNT IN THOUSAND)

CONSOLIDATED	2010		2009	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	3,645.41	109,385	3,654.52	121,406
JPY	21,152.17	7,758	31,983.16	11,481
EUR	-	-	0.50	24
AUD	18.84	574	17.48	515
SGD	-	-	9.00	212
Total assets		117,717		133,638
Liabilities				
USD	1,102.59	33,405	892.83	29,925
JPY	9,246.74	3,460	1,234.84	452
GBP	-	-	2.67	143
EUR	43.83	1,764	1.92	92
HKD	-	-	0.79	3
AUD	51.12	1,585	4.33	130
Total liabilities		40,214		30,745

(AMOUNT IN THOUSAND)

THE SEPARATE FINANCIAL STATEMENTS	2010		2009	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	3,404.06	102,143	3,625.73	120,449
JPY	21,152.17	7,758	31,983.16	11,481
Total assets		109,901		131,930
Liabilities				
USD	1,060.56	32,131	892.83	29,925
JPY	9,246.74	3,460	1,234.84	452
GBP	-	-	17.23	920
EUR	43.83	1,764	1.92	92
HKD	-	-	0.79	3
AUD	51.12	1,585	4.33	130
Total liabilities		38,940		31,522

26. EXPENSES BY NATURE

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
(Increase) decrease in the changes in finished goods and work in progress	(163,725,511)	7,757,913	(123,682,430)	13,210,478
Raw material and consumables used	2,668,724,586	1,958,076,407	2,769,620,620	1,978,370,361
Purchase of finished goods	142,249,870	35,776,020	-	-
Directors and management benefit expenses	49,489,168	44,119,113	42,375,920	37,889,298
Employee benefit expenses	677,478,197	538,391,972	452,043,137	362,191,180
Depreciation and amortization expenses	174,110,583	153,480,340	74,074,337	57,447,613
Other expenses	570,646,413	378,733,336	333,114,136	240,240,275
Total	4,118,973,306	3,116,335,101	3,547,545,720	2,689,349,205

27. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' financial information by segment in the consolidation for the years ended December 31, 2010 and 2009 are as follows :

(BAHT)

Year 2010	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	3,709,188,932	909,112,278	178,209,952	427,006,491	-	4,369,504,671
Operating result by segment	180,753,391	76,905,981	18,383,571	433,692,431	429,333,033	271,683,545
Net profit						294,381,793
Property, plant and equipment-net	701,070,797	293,103,007	753,477	-	-	994,927,281
Intangible assets - net	18,181,595	12,049,488	-	-	-	30,231,083
Total assets						3,785,311,816

(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						226,757,933
Property, plant and equipment-net	503,550,220	332,318,023	379,703	-	-	836,247,946
Intangible assets-net	11,133,532	12,749,899	-	-	-	23,883,431
Total assets						2,991,828,837

The financial information by geographical areas can be classified to local and export sales in the consolidation for the years ended December 31, 2010 and 2009 as follows:

(BAHT)

Particulars	Local		Export		Total	
	2010	2009	2010	2009	2010	2009
Sales	2,854,915,208	2,290,536,273	1,514,589,463	1,034,384,776	4,369,504,671	3,324,921,049
Operating result by segments	163,310,458	162,678,650	108,373,087	71,402,406	271,683,545	234,081,056

28. INCOME TAX EXPENSES

The Company and subsidiaries' income taxes for the years ended December 31, 2010 and 2009 are calculated from accounting profit and adjusted with other revenues and some expenses which are exempted from income tax; for example, dividend income, or being disallowable expenses in corporate income tax computation; for example, doubtful debts.

In 2010 and 2009, 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.

29. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

The Company has certain business transactions with its related parties which are related through, directorship or shareholding or having shareholders or some co-directors. The effects of these transactions were reflected in the accompanying financial statements in normal business and general trading conditions.

COMPANIES	RELATIONSHIP
Associates	See Note 8
Subsidiaries	See Note 9
Related companies	See Note 10
Better Way (Thailand) Co., Ltd.	Co – directors
International Laboratories Corp., Ltd.	Co – directors
Vitayasithi Co., Ltd.	Co – directors
Kewpie (Thailand) Co., Ltd.	Co – directors
O.C.C. Plc.	Co – directors
I.C.C. International Plc.	Co – directors
Oriental Salon Business Co., Ltd.	Co – directors
H & B Intertex Co., Ltd.	Co – directors
People 's Garment Plc.	Co – directors
Cake & Bakery Co., Ltd.	Co – shareholders
Saha Pathanapibul Plc.	Co – shareholders
Thai Wacoal Plc.	Co – shareholders
Saha Pathana Inter-Holding Plc.	Shareholders
Related persons	Directors / Directors of subsidiaries

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

(BAHT)

Transactions in balance sheets	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
<u>Trade accounts receivable</u>				
- Subsidiaries	-	-	784,199	1,403,638
- Associates	62,691,586	11,039,986	55,391,255	4,790,076
- Related companies	267,166,255	284,224,929	219,690,681	247,994,842
Total	329,857,841	295,264,915	275,866,135	254,188,556
<u>Short - term loans extended</u>				
- Subsidiaries (See Note 6)	-	-	2,000,000	2,500,000
<u>Other current assets</u>				
- Subsidiaries	-	-	4,318,432	2,295,559
- Associates	320,413	22,095	320,413	22,095
- Related companies	4,495,433	545,311	249,734	545,311
Total	4,815,846	567,406	4,888,579	2,862,965
<u>Investments in associates</u>				
- Related companies	14,900,000	-	14,900,000	-
<u>Other receivables</u>				
- Associates	653,410	-	653,410	-
- Related companies	-	17,853,410	-	17,853,410
Total	653,410	17,853,410	653,410	17,853,410
<u>Property deposit</u>				
- Related companies	28,957,500	-	-	-
<u>Rental guarantee</u>				
- Related companies	4,589,018	2,728,258	3,991,260	2,202,500
<u>Trade accounts payable</u>				
- Subsidiaries	-	-	50,327,634	47,943,820
- Associates	7,200,151	7,607,668	7,200,151	7,607,668
- Related companies	12,830,553	14,045,133	6,266,208	8,356,852
Total	20,030,704	21,652,801	63,793,993	63,908,340

(BAHT)

Transactions in balance sheets	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
<u>Other current liabilities</u>				
- Subsidiaries	-	-	321,539	134,202
- Associates	14,000	-	14,000	-
- Related companies	3,586,182	2,352,951	3,586,182	2,352,951
Total	3,600,182	2,352,951	3,921,721	2,487,153
<u>Unearned rental</u>				
- Related companies	127,166	142,212	127,166	142,212

(BAHT)

Transactions in income statements for the years ended December 31,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
<u>Sales</u>				
- Subsidiaries	-	-	1,888,671	3,187,574
- Associates	397,187,089	88,395,886	344,515,747	56,267,138
- Related companies	1,661,210,021	1,406,192,542	1,488,482,654	1,302,076,591
- Related persons	-	3,852,652	-	-
Total	2,058,397,110	1,498,441,080	1,834,887,072	1,361,531,303
<u>Rental income</u>				
- Subsidiaries	-	-	108,000	54,000
- Associates	23,063,520	18,461,395	23,063,520	18,461,395
- Related companies	1,839,471	7,310,763	1,839,471	7,310,763
Total	24,902,991	25,772,158	25,010,991	25,826,158
<u>Other income</u>				
- Subsidiaries	-	-	4,480,181	3,840,408
- Associates	1,406,561	1,873,359	1,406,561	1,873,359
- Related companies	5,103,240	2,409,313	4,561,235	2,409,313
- Related persons	1,404,890	4,550,000	1,404,890	-
Total	7,914,691	8,832,672	11,852,867	8,123,080

(BAHT)

Transactions in income statements for the years ended December 31,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
<u>Purchase of goods and service</u>				
- Subsidiaries	-	-	418,239,892	243,145,070
- Associates	47,351,122	51,255,625	47,351,122	46,169,092
- Related companies	125,583,274	63,123,118	117,597,600	61,434,164
Total	172,934,396	114,378,743	583,188,614	350,748,326
<u>Rental expenses</u>				
- Associates	-	564,300	-	564,300
- Related companies	9,626,210	4,199,674	9,626,210	4,199,674
Total	9,626,210	4,763,974	9,626,210	4,763,974
<u>Other expenses</u>				
- Subsidiaries	-	-	366,135	237,008
- Associates	63,751	423,171	63,751	405,171
- Related companies	103,524,710	104,493,752	53,794,504	64,094,443
Total	103,588,461	104,916,923	54,224,390	64,736,622
<u>Finance costs</u>				
- Related persons	-	211,206	-	-

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.

30. COMMITMENT AND CONTINGENT LIABILITIES

(BAHT)

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2010	2009	2010	2009
1. Commitment under letters of guarantee issued by commercial banks	94,466,637	77,637,530	87,828,637	72,793,530
2. Commitment under letters of guarantee on overdrafts with commercial banks for - Related company	3,100,000	4,200,000	3,100,000	4,200,000
3. Letters of credit	21,130,570	77,089	21,130,570	77,089
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 January 1, 2011 as follows:				
	<u>CONTRACT PERIOD</u>	<u>CONSOLIDATED</u>	<u>THE SEPARATE FINANCIAL STATEMENTS</u>	
	Current portion	37,144,097 Baht	28,145,177 Baht	
	Overdue more than one year	17,866,337 Baht	17,827,737 Baht	
6. Commitment of contracts to buy or sell				
6.1 On December 10, 2010, the Company agreed to purchase land from a certain company for construction of the factory in the amount of Baht 102.25 million. Land deposit of Baht 30.68 million was paid and presented under other non-current assets in "Property deposit". Therefore, there is commitment to pay the remaining amount of Baht 71.57 million.				
6.2 On August 18, 2010, the subsidiary agreed to purchase land from the related company for construction of the factory in the amount of Baht 96.53 million. Land deposit of Baht 28.96 million was paid and presented under other non-current assets in "Property deposit". Therefore, there is commitment to pay the remaining within August 17, 2013, amount of Baht 67.57 million.				

31. FINANCIAL INSTRUMENTS

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

31.1 Accounting policies and procedure

- See Note 3.

31.2 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 29)
 - b) Another portion of sales to other customers that are numerous.
- 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.

31.3 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.

31.4 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.

31.5 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.

32. RECLASSIFICATION OF ACCOUNTS

Some accounting transactions in the financial statements of the subsidiary for the year ended December 31, 2009, have been reclassified to conform with the current year classifications with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

	Consolidated balance sheet (BAHT)	
	As reclassified	As previously reported
Property, plant and equipment - net	836,247,946	836,692,662
Intangible assets - net	23,883,431	23,438,715

33. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on February 23, 2011.