

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

1. GENERAL INFORMATION

1.1 Legal status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
1.2 Company location	
- Head office/factory	600/4 Moo 11, Sukapiban Road 8, Tambol Nhongkharm Amphur Sriracha, Chonburi, Thailand.
- Branch	115 Naradhiwas Rajanakarindra Road (Soi 10), Kwaeng Tungwatdon, Khet Sathorn, Bangkok, Thailand.
- Branch	662/4-6 Moo 11, Sukapiban Road 8, Tambol Nhongkharm Amphur Sriracha, Chonburi, Thailand.
- Branch	19/41-43 Moo 7 Bangna-Trad Km. 17 Tambol Bangchlong, Amphur Bangplee, Samut Prakan , Thailand.
- Branch	679 Moo 11, Tambol Nhongkharm Amphur Sriracha, Chonburi, Thailand.
1.3 Type of business	(1) Manufacturing all type of cosmetics. (2) Investing in its associates and subsidiaries which carry on business according to Notes 10 and 11 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 financial reporting standards under the Accounting Act, B.E. 2543 (2000), the Accounting Profession Act, B.E. 2547 (2004) and the Notification of the Office of the Securities and Exchange Commission. Except the financial statements of S&J International (UK) Limited are prepared in accordance with the accounting standards of England and the financial statements of Guangzhou S&J Cosmetics Limited Company are prepared in accordance with the accounting standards of People Republic of China. In preparation of the consolidated financial statements, they are adjusted to be under the same accounting policies as parent company.

2.2 Compliance with the new accounting standards and financial reporting standards in the year

In 2011, the Company has adopted to new and revised accounting standards and financial reporting standards issued by the Federation of Accounting Professions, 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
Financial Reporting Standard Interpretations	
TFRIC 15	Agreements for the Construction of Real Estate
Accounting Standard Interpretations	
SIC 31	Revenue-Barter Transactions Involving Advertising Service

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
Accounting Standard Interpretations:	
SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or Its Shareholders

The Group Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the accounting standard TAS 12 Income Taxes.

- 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
	2011	2010	
<u>SUBSIDIARIES DIRECTLY HELD BY THE COMPANY</u>			
E F Co., Ltd.	99.99	99.99	Thailand
Top Trend Manufacturing Co., Ltd.	50.00	51.00	Thailand
Wildlives (Thailand) Co., Ltd.	99.99	99.99	Thailand
S&J International (UK) Limited	100.00	100.00	England
<u>SUBSIDIARY HELD BY</u>			
<u>S&J INTERNATIONAL (UK) LIMITED</u>			
Guangzhou S&J Cosmetics Limited Company	100.00	-	China

ASSOCIATES

COMPANIES	% HOLDING		ESTABLISHED IN
	2011	2010	
Yamahatsu (Thailand) Co., Ltd.	30.00	30.00	Thailand
Operational Energy Group Limited	30.00	30.00	Thailand
Osoth Interlaboratories Co., Ltd.	33.19	33.19	Thailand

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

3. CHANGES IN ACCOUNTING POLICY

In 2011, the Company and subsidiaries have adopted to the new accounting policy, in accordance with TAS 19 Employee Benefits. To adopt this accounting policy, the Company and subsidiaries have chosen the perceived value of debt increase by adjusted to the beginning retained earnings in the year 2011 for consolidated financial statements in equity holders of the parent company amount of Baht 73.18 million, the non-controlling interests amount of Baht 5.94 million and for the separate financial statements amount of Baht 60.53 million.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenues and expenses recognition

The Company recognized revenues and expenses from the following bases :

- | | |
|-------------------------------|--|
| Sales | - Recognized as revenues whenever goods are delivered, the significant risks and rewards have been transferred to the buyer. |
| Sales of goods on consignment | - Recognized as revenues whenever the consignment goods are sold to the third parties. |
| Dividend income | - Recognized when the shareholder's right to receive is established. |
| Rental income | - Recognized over the lease period. |
| Other income | - Recognized on the accrual basis. |
| Interest income | - Recognized on the accrual basis based on effective interest rate. |
| Expenses | - Recognized on the accrual basis. |

4.2 Allowance for doubtful accounts

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

4.3 Inventories

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

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

4.4 Investments

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

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

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

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

Investments in available-for-sale securities are investments in listed securities stated at fair value with the objective for long-term investments. The Company recognized its revaluation in available-for-sale securities as separate item in other comprehensive income, under the caption “gain (loss) from the valuation of investment available-for-sale securities”.

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

4.5 Investments property

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

4.6 Property, plant and equipment

Property, plant and equipment are stated at cost. Plant and equipment are stated at acquisition cost less accumulated depreciation and provision on impairment of assets.

Depreciation is calculated by the straight-line method based on the estimated useful life of the following assets:

	<u>Years</u>
Building and improvement	20
Machineries	5 - 8
Office furniture, fixtures and equipment	5
Vehicles	5 - 8

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

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

4.7 Leasehold right

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

4.8 Intangible assets

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

4.9 Operating leases

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

4.10 Employee benefits

Short-term employee benefits

The Company recognized salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

Long-term employee benefits

Defined contribution plan

The Company and its subsidiaries provide a provident fund, which is a defined contribution plan, the assets of which are held in a separate trust fund and managed by the external fund manager. Such provident fund is contributed by payments from employees and the Company. Contributions to the provident fund are charged to the statements of income in the incurred period.

Defined benefit plan

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

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

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

4.11 Earnings per share

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

4.12 Foreign currency transactions

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

Gains or losses on exchange rate fluctuation are credited or charged to operations during the 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 other comprehensive income.

4.13 Forward exchange contracts

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

4.14 Cash and cash equivalents

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

4.15 Significant accounting judgments and estimates

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

Estimates and assumptions are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions of significant accounting relate primarily to allowance for doubtful accounts, allowance for depreciation of plant and equipment, provision for long-term employee benefits. All other estimates mentioned above are further disclosed in the corresponding notes to the financial statements.

5. CASH AND CASH EQUIVALENTS

As at December 31, 2011 and 2010, cash and cash equivalents include the following

(BAHT)

PARTICULARS	CONSOLIDATED		SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Cash	620,393	314,189	450,000	174,393
Cash at Bank-Savings account	27,320,547	33,001,866	171,585	349,871
Cash at Bank-Current account	8,092,221	12,889,816	3,818,710	6,330,757
Cash and cash equivalents	36,033,161	46,205,871	4,440,295	6,855,021

As at December 31, 2011 and 2010, bank deposits in savings accounts carried interest between 0.75 - 1.00 percent per annum and between 0.25 - 1.00 percent per annum, respectively.

6. TRADE ACCOUNTS RECEIVABLE

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
<u>Trade accounts receivable of related parties</u>				
Trade notes receivable	2,383,873	3,311,895	2,383,873	3,311,895
Trade accounts receivable				
Current	354,781,446	302,876,793	304,807,664	268,110,871
Overdue within 3 months	94,292,352	23,020,588	67,686,543	4,408,702
Overdue between 3 to 6 months	495,307	648,574	402,423	34,668
Overdue between 6 to 12 months	813,151	-	380,841	-
Overdue more than 12 months	3,623	-	-	-
Total	452,769,752	329,857,850	375,661,344	275,866,136
<u>Trade accounts receivable others</u>				
Trade notes receivable	15,900,783	14,957,600	8,963,978	9,083,667
Trade accounts receivable				
Current	404,277,383	251,159,509	329,011,359	193,445,211
Overdue within 3 months	158,386,284	126,935,802	119,426,590	100,891,423
Overdue between 3 to 6 months	20,677,882	4,754,301	18,943,546	4,093,712
Overdue between 6 to 12 months	40,947,810	4,777,425	40,478,858	4,136,792
Overdue more than 12 months	13,841,148	11,560,471	8,627,507	7,487,720
Total	654,031,290	414,145,108	525,451,838	319,138,525
<u>Less</u> Allowance for doubtful accounts	(10,410,710)	(11,760,454)	(6,577,401)	(7,297,401)
Trade accounts receivable others - net	643,620,580	402,384,654	518,874,437	311,841,124
Trade accounts receivable - net	1,096,390,332	732,242,504	894,535,781	587,707,260

7. SHORT-TERM LOANS TO SUBSIDIARIES

(BAHT)

PARTICULARS	THE SEPARATE FINANCIAL STATEMENTS		INTEREST RATES (%) PER ANNUM	
	2011	2010	2011	2010
Wildlives (Thailand) Co., Ltd.				
Beginning Balances	2,000,000	2,500,000		
Increase during the years	4,000,000	-		
Settlement during the years	-	(500,000)		
Ending Balances	6,000,000	2,000,000	2.50 - 4.00	2.50
E F Co., Ltd.				
Beginning Balance	-	-		
Increase during the year	500,000	-		
Ending Balance	500,000	-	3.50 - 4.00	-
Total short-term loans to subsidiaries	6,500,000	2,000,000		

Short-term loans to subsidiaries are unsecured loans.

8. INVENTORIES

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Finished goods	254,565,491	263,072,526	201,480,244	207,896,631
Goods in process	155,607,495	109,281,491	74,254,856	80,887,840
Raw materials	246,756,907	227,281,515	188,345,952	172,323,482
Packagings	208,491,809	214,863,203	213,707,503	219,480,914
Consumed supplies	10,073,105	9,905,442	10,073,105	9,905,442
Materials in transit	17,944,469	18,591,966	16,562,377	19,154,035
Total	893,439,276	842,996,143	704,424,037	709,648,344
<u>Less</u> Allowance for diminution in inventories	(30,536,970)	(30,515,578)	(20,088,969)	(23,431,657)
Inventories - net	862,902,306	812,480,565	684,335,068	686,216,687

9. INVESTMENTS IN AVAILABLE-FOR-SALE

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

(BAHT)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Investment Value		Dividends	
	2011	2010	2011	2010	2011	2010
Related Companies						
1. Boutique New City Plc.	0.02	0.02	124,000	124,000	1,500	700
2. Far East DDB Plc.	0.01	0.01	40,000	40,000	4,800	3,000
3. I.C.C. International Plc.	0.35	0.35	26,704,590	26,704,590	1,130,239	1,027,490
4. President Bakery Plc.	1.00	1.00	13,500,000	13,500,000	3,433,500	2,731,500
5. Sahacogen (Chonburi) Plc.	14.63	14.28	218,828,546	206,628,187	24,544,073	23,180,513
6. Saha Pathana Inter-Holding Plc.	0.24	0.24	21,248,990	21,248,990	256,960	233,600
Total cost			280,446,126	268,245,767	29,371,072	27,176,803
<u>Add</u> Gain from the valuation of investment available for sale			468,929,238	433,052,533		
Investments in available-for-sales - related companies - fair value			749,375,364	701,298,300		
Other Companies						
1. Nation Multimedia Group Plc.			8,586,370	8,586,370	-	-
2. Bangkok Bank Plc.			5,000,700	5,000,700	348,150	284,850
Total cost			13,587,070	13,587,070	348,150	284,850
<u>Add</u> Gain from the valuation of investment available for sale			623,561	3,049,469		
Investments in available-for-sales - other companies - fair value			14,210,631	16,636,539		
Investments in available-for-sales - fair value			763,585,995	717,934,839	29,719,222	27,461,653

(BAHT)

RELATED COMPANIES	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			2011	2010
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 2011, the Company has additionally purchased investments in Sahacogen (Chonburi) Public Company Limited of 3,400,000 shares, worth Baht 12,200,359.

10. INVESTMENTS IN ASSOCIATES

(BAHT)

ASSOCIATES	% Holding		CONSOLIDATED (Equity Method)		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	2011	2010	2011	2010	2011	2010
Yamahatsu (Thailand) Co., Ltd.	30	30	73,524,764	61,167,076	5,999,950	5,999,950
Operational Energy Group Limited	30	30	102,726,899	94,515,528	13,150,567	13,150,567
Total			176,251,663	155,682,604	19,150,517	19,150,517
Osoth Interlaboratories Co., Ltd.	33.19	33.19	34,000,067	30,166,735	52,636,000	52,636,000
<u>Less</u> Allowance for loss on capital decrease			-	-	(2,850,000)	(2,850,000)
Provision for diminution in investments in associates			-	-	(19,950,000)	(19,950,000)
Investments in Osoth Interlaboratories Co., Ltd. - net			34,000,067	30,166,735	29,836,000	29,836,000
Investments in Associates - net			210,251,730	185,849,339	48,986,517	48,986,517

(BAHT)

ASSOCIATES	TYPE OF BUSINESS	ISSUED AND PAID - UP SHARE CAPITAL		DIVIDENDS	
		2011	2010	2011	2010
Yamahatsu (Thailand) Co., Ltd.	Hair products	20,000,000	20,000,000	-	-
Operational Energy Group Limited	Servicing to operate the power plant	30,000,000	30,000,000	6,299,993	6,299,993
Osoth Interlaboratories Co., Ltd.	Medicine	150,000,000	150,000,000	-	-
Total				6,299,993	6,299,993

In 2011, the associates have adopted to the new accounting policy, in accordance with TAS 19 Employee Benefits. To adopt this accounting policy, the associates have chosen the perceived value of debt increase by adjusted to the beginning retained earnings. Therefore the consolidated financial statements have been adjusted for investments in associates and beginning retained earnings amount of Baht 6.47 million.

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 invested 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 value on the date of reclassification for accounting record.

The financial statements of associates which are applied for recording the investments in associates by the equity method based on the financial information audited by the other auditors. Except the financial statements of Osoth Interlaboratories Co., Ltd. as at December 31, 2010 which are applied for recording the equity method based on the financial information prepared by their management which are unaudited by the auditor.

The share of profit from investments for using the equity method which are recorded on the consolidated statements of income for the years ended December 31, 2011 and 2010, as follows :

(BAHT)

SHARE OF PROFIT FROM INVESTMENTS FOR USING THE EQUITY METHOD	CONSOLIDATED	
	2011	2010
Yamahatsu (Thailand) Co., Ltd.	12,357,688	30,793,248
Operational Energy Group Limited	20,079,899	26,743,068
Osoth Interlaboratories Co., Ltd.	4,733,911	330,735
Total	37,171,498	57,867,051

In December 2011, Osoth Interlaboratories Co., Ltd. increased its share capital from 1,500,000 shares to 6,000,000 shares (at Baht 100 par value) the Company has additionally invested amount of 1,493,580 shares (at Baht 100 par value) and paid for subscription at Baht 40 each, worth amount Baht 59,743,200. Due to such company has not yet registered with the Ministry of Commerce, the Company recorded such amount and presented under “Advance payment for share subscription to associates”.

11. INVESTMENTS IN SUBSIDIARIES

(BAHT)

SUBSIDIARIES	% Holding		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	2011	2010	2011	2010
E F Co., Ltd.	99.99	99.99	4,005,696	4,005,696
Top Trend Manufacturing Co., Ltd.	50.00	51.00	124,824,970	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			134,903,596	46,703,596

(BAHT)

SUBSIDIARIES	TYPE OF BUSINESS	ISSUED AND PAID - UP SHARE CAPITAL		DIVIDENDS	
		2011	2010	2011	2010
<u>SUBSIDIARIES DIRECTLY HELD BY THE COMPANY</u>					
E F Co., Ltd.	Consumer products	4,000,000	4,000,000	-	-
Top Trend Manufacturing Co., Ltd.	Plastic containers	120,000,000	60,000,000	15,180,000	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	-	-
<u>SUBSIDIARY HOLDING BY S&J International (UK) Limited</u>					
Guangzhou S&J Cosmetics Limited Company	Distributing packaging	4,711,857	-	-	-
Total				15,180,000	9,180,000

TRANSACTIONS OF SUBSIDIARIES

SUBSIDIARIES DIRECTLY HELD BY THE COMPANY

Top Trend Manufacturing Co., Ltd.

In August 2011, Top Trend Manufacturing Co., Ltd. increased its share capital from Baht 60 million (amount 600,000 shares at Baht 100 per share) to Baht 120 million (amount 1,200,000 shares at Baht 100 per share). The Company has additionally purchased investments in such company amount of 294,000 shares at Baht 300 per share, worth amount Baht 88.20 million. Therefore, the proportion of investment decrease from 51% to 50% of the paid-up share capital. But the Company still has the power to govern the financial and operating policies of the subsidiary.

S&J International (UK) Limited

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 by having assets as at December 31, 2011 and 2010 in the amount of Baht 46.62 million and Baht 27.38 million, respectively. And total revenues for the years ended December 31, 2011 and 2010 in the amount of Baht 237.05 million and Baht 157.91 million, respectively.

Subsidiary holding by S&J International (UK) Limited

In February 2011, subsidiary has invested in Guangzhou S&J Cosmetics Limited Company which registered in the People Republic of China, worth Baht 4.71 million, in shareholding proportion of 100%. Financial statements for the year ended December 31, 2011, were audited by other certified public accountants, and were used to prepare consolidated financial statements by having assets as at December 31, 2011 in the amount of Baht 4.38 million, and total revenues for the year ended December 31, 2011 in the amount of Baht 1.32 million.

12. INVESTMENTS IN RELATED COMPANIES

(BAHT)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Investment Value		Dividend	
	2011	2010	2011	2010	2011	2010
1. Thai Q P Co., Ltd.	-	7.50	-	1,125,000	-	787,500
2. General Glass Co., Ltd.	16	16	* 35,200,000	* 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	162,000	135,000
5. Thai Cubic Technology Co., Ltd.	5	5	2,000,000	2,000,000	440,000	200,000
6. Train Time Test Co., Ltd.	14	14	175,000	175,000	56,000	-
7. BSC Entertainment Co., Ltd.	10	10	*21,869,623	*21,869,623	-	-
8. B.K.C. International Marketing Co., Ltd.	19	19	* 949,995	* 949,995	-	-
9. United Utility Co., Ltd.	0.27	0.27	* 691,800	* 691,800	-	-
10. Shaldan (Thailand) Co., Ltd.	15.50	15.50	* 6,392,000	* 6,392,000	-	-
Total cost			76,628,418	58,553,418	658,000	1,122,500
<u>Less</u> Allowance for loss on capital decrease in						
- BSC Entertainment Co., Ltd.			(7,505,337)	(7,505,337)		
- General Glass Co., Ltd.			(12,000,000)	-		
*Provision for diminution in investments in related companies			(30,587,384)	(28,199,405)		
Total Investments in Related Companies - net			26,535,697	22,848,676		

(BAHT)

	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID - UP SHARE CAPITAL	
			2011	2010
1. Thai Q P Co., Ltd.	Consumer products	Shareholders / co – directors	-	15,000,000
2. General Glass Co., Ltd.	Glass bottles	Shareholders / co – directors	145,000,000	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. Thai Cubic Technology Co., Ltd.	Plate and varnish	Shareholders / co – directors	40,000,000	40,000,000
6. Train Time Test Co., Ltd.	Training and seminar	Shareholders / co – directors	1,250,000	1,250,000
7. BSC Entertainment Co., Ltd.	Bowling alley	Shareholders / co – directors	187,050,000	187,050,000
8. B.K.C. International Marketing Co., Ltd.	Consumer products	Shareholders / co – directors	5,000,000	2,500,000
9. United Utility Co., Ltd.	Real estate	Shareholders / co – directors	34,230,000	34,230,000
10. Shaldan (Thailand) Co., Ltd.	Air refresher	Shareholders / co – directors	40,000,000	40,000,000

On June 16, 2011, the Extraordinary Shareholders' Meeting No. 1/2011 of Thai Q P Company Limited was held and approved a special resolution to dissolve the company and registered its dissolution with the Ministry of Commerce on June 27, 2011, the Company has transferred the investments in related company to short - term investments in related company with the same amount on consolidated and the separate financial statements worth amount Baht 1,125,000.

In August 2011, General Glass Co., Ltd. has registered the decrease in capital from 10.00 million shares to 2.50 million shares (at Baht 10 par value) by deducting the capital decrease with deficits. The Company has set up the provision for loss on capital decrease in proportion of investment worth amount Baht 12 million. Afterwards, such company increased its share capital from 2.50 million shares to 14.50 million shares (at Baht 10 par value) by issuing new shares amount 12 million shares (at Baht 10 par value). The Company has additionally purchased investments in such company amount of 1.92 million shares worth amount Baht 19.20 million.

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.

13. INVESTMENTS IN OTHER COMPANIES

(BAHT)

	% Holding		Investment Value		Dividends	
	2011	2010	2011	2010	2011	2010
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
7. Thai Herbal Products Co., Ltd.	1.50	1.50	1,200,000	1,200,000	120,000	120,000
8. Tipvarin Wattana Co., Ltd.	15.00	15.00	1,233,000	1,454,940	123,300	123,300
9. Saha Sehwa Co., Ltd.	3.48	3.48	* 5,049,970	* 5,049,970	-	-
10. T-Way Co., Ltd.	12.00	12.00	14,407,500	14,407,500	-	-
11. K. Commercial & Construction Co., Ltd.	2.20	2.20	3,277,670	3,277,670	110,000	110,000
12. E. P. F. Co., Ltd.	18.00	18.00	702,000	702,000	468,000	468,000
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	500,000	1,000,000
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 cost			56,037,640	56,259,580	1,321,300	2,061,300
<u>Less</u> *Provision for diminution in investments in other companies			(7,808,328)	(7,204,955)		
Total Investments in Other Companies - net (Separate financial statements)			48,229,312	49,054,625		
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	4,800,000		
Total cost			6,800,000	6,800,000		
<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	4,800,000		
Total Investments in Other Companies - net (Consolidated)			53,029,312	53,854,625		

TRANSACTIONS OF OTHER COMPANIES

Tipvarin Wattana Co., Ltd.,

In August 2011, the Company has refund from investment in Tipvarin Wattana Co., Ltd., because such company has reduced its registered capital by reducing par value of Baht 18 per share (original par value of Baht 118 per share to Baht 100 per share), the Company has refund from investment totalling Baht 221,940.

T-Way Co., Ltd.

- In January 2010, the additional call for share subscription increase of T-Way Co., Ltd. was paid for 985,000 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.

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

T-Way Co., Ltd.

- In January 2010, the subsidiary company has additionally purchased investments in T-Way Co., Ltd. of 300,000 shares and paid for subscription 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.
- In December 2011, T-Way Co., Ltd. increased its share capital from amount 12,000,000 shares to amount 16,000,000 shares (at Baht 10 par value). The subsidiary company has additionally purchased investment amount of 160,000 shares (at Baht 10 par value) and paid for subscription at Baht 5 each, worth Baht 800,000. Due to such company has not yet registered with the Ministry of Commerce, the Company recorded such amount and presented under “Advance payment for share subscription to other company”.

14. INVESTMENTS PROPERTY

(BAHT)

CONSOLIDATED	Land	Land and building	Building for rent	Total
<u>Cost</u>				
December 31, 2009	1,690,000	9,952,923	66,572,769	78,215,692
Increase	-	-	-	-
December 31, 2010	1,690,000	9,952,923	66,572,769	78,215,692
Increase	-	-	9,686,347	9,686,347
December 31, 2011	1,690,000	9,952,923	76,259,116	87,902,039
<u>Accumulated depreciation</u>				
December 31, 2009	-	-	1,960,705	1,960,705
Depreciation for the year 2010	-	-	3,328,638	3,328,638
December 31, 2010	-	-	5,289,343	5,289,343
Depreciation for the year 2011	-	-	3,490,520	3,490,520
December 31, 2011	-	-	8,779,863	8,779,863
<u>Net book value</u>				
December 31, 2010	1,690,000	9,952,923	61,283,426	72,926,349
December 31, 2011	1,690,000	9,952,923	67,479,253	79,122,176
<u>Fair value</u>				
December 31, 2010	1,765,000	11,050,230	100,100,000	112,915,230
December 31, 2011	1,765,000	11,050,230	106,295,827	119,111,057

Depreciation for the years

2010 (included in administrative expenses)

3,328,638

2011 (included in administrative expenses)

3,490,520

THE SEPARATE FINANCIAL STATEMENTS	Land	Land and building	Building for rent	Total
<u>Cost</u>				
December 31, 2009	1,570,000	9,952,923	66,572,769	78,095,692
Increase	-	-	-	-
December 31, 2010	1,570,000	9,952,923	66,572,769	78,095,692
Increase	-	-	9,686,347	9,686,347
December 31, 2011	1,570,000	9,952,923	76,259,116	87,782,039
<u>Accumulated depreciation</u>				
December 31, 2009	-	-	1,960,705	1,960,705
Depreciation for the year 2010	-	-	3,328,638	3,328,638
December 31, 2010	-	-	5,289,343	5,289,343
Depreciation for the year 2011	-	-	3,490,520	3,490,520
December 31, 2011	-	-	8,779,863	8,779,863
<u>Net book value</u>				
December 31, 2010	1,570,000	9,952,923	61,283,426	72,806,349
December 31, 2011	1,570,000	9,952,923	67,479,253	79,002,176
<u>Fair value</u>				
December 31, 2010	1,645,000	11,050,230	100,100,000	112,795,230
December 31, 2011	1,645,000	11,050,230	106,295,827	118,991,057

Depreciation for the years

2010 (included in administrative expenses)	3,328,638
2011 (included in administrative expenses)	3,490,520

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

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 property 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

15. PROPERTY, PLANT AND EQUIPMENT

(BAHT)

CONSOLIDATED	Land and improvement	Building and improvement	Furniture and fixtures	Office equipment	Machineries and equipment	Vehicles	Assets under construction and installation	Total
Cost								
December 31, 2009	114,926,625	339,035,946	177,942,656	66,563,865	1,190,892,669	53,543,296	63,103,902	2,006,008,959
Increase	-	14,732,815	28,557,293	12,677,049	122,507,105	10,257,973	138,970,762	327,702,997
Disposal/unused	-	-	(422,107)	(2,060,640)	(2,599,041)	(5,243,500)	-	(10,325,288)
Transferred to/from	-	10,947,873	2,982,900	-	21,925,892	-	(35,856,665)	-
December 31, 2010	114,926,625	364,716,634	209,060,742	77,180,274	1,332,726,625	58,557,769	166,217,999	2,323,386,668
Increase	105,551,695	7,125,986	29,365,566	14,582,350	208,132,794	6,989,350	576,832,949	948,580,690
Disposal/unused	-	(7,156,060)	(1,421,479)	(1,365,840)	(11,639,613)	(2,760,424)	-	(24,343,416)
Transferred to/from	2,246,350	31,304,891	3,067,270	262,590	49,792,752	-	(86,673,853)	-
December 31, 2011	222,724,670	395,991,451	240,072,099	90,659,374	1,579,012,558	62,786,695	656,377,095	3,247,623,942
Accumulated depreciation								
December 31, 2009	-	167,715,170	140,074,104	52,291,892	833,778,477	34,613,434	-	1,228,473,077
Depreciation for the year 2010	-	14,586,320	22,329,591	6,416,178	115,761,179	6,558,137	-	165,651,405
Disposal/unused	-	-	(420,187)	(2,047,508)	(2,594,949)	(5,219,025)	-	(10,281,669)
December 31, 2010	-	182,301,490	161,983,508	56,660,562	946,944,707	35,952,546	-	1,383,842,813
Depreciation for the year 2011	-	16,381,241	17,706,392	8,505,007	143,122,091	6,962,254	-	192,676,985
Disposal/unused	-	(7,155,800)	(1,415,908)	(1,342,106)	(11,616,462)	(2,384,700)	-	(23,914,976)
December 31, 2011	-	191,526,931	178,273,992	63,823,463	1,078,450,336	40,530,100	-	1,552,604,822
Provision for impairment of assets								
December 31, 2009	4,400,000	-	-	-	-	-	2,200,000	6,600,000
Increase	-	-	-	-	-	-	-	-
December 31, 2010	4,400,000	-	-	-	-	-	2,200,000	6,600,000
Decrease	(4,400,000)	-	-	-	-	-	-	(4,400,000)
December 31, 2011	-	-	-	-	-	-	2,200,000	2,200,000
Net book value								
December 31, 2010	110,526,625	182,415,144	47,077,234	20,519,712	385,781,918	22,605,223	164,017,999	932,943,855
December 31, 2011	222,724,670	204,464,520	61,798,107	26,835,911	500,562,222	22,256,595	654,177,095	1,692,819,120

Depreciation for the years

2010 (125.45 million Baht included in manufacturing cost and the remaining balance included in administrative expenses)

165,651,405

2011 (147.08 million Baht included in manufacturing cost and the remaining balance included in administrative expenses)

192,676,985

As at December 31, 2011 and 2010, the consolidated financial statements have fully depreciated fixed assets and are usable at the cost of Baht 895.95 million and Baht 804.36 million, respectively.

(BAHT)

THE SEPARATE FINANCIAL STATEMENTS	Land and improvement	Building and improvement	Furniture and fixtures	Office equipment	Machineries and equipment	Vehicles	Assets under construction and installation	Total
Cost								
December 31, 2009	114,166,625	268,599,935	80,167,670	50,381,670	488,977,831	37,366,217	54,908,473	1,094,568,421
Increase	-	14,564,303	21,390,319	11,284,245	84,123,451	8,026,900	130,521,390	269,910,608
Disposal/unused	-	-	(422,107)	(1,911,240)	(2,487,976)	(5,243,500)	-	(10,064,823)
Transferred to/from	-	10,947,873	1,597,600	-	11,061,017	-	(23,606,490)	-
December 31, 2010	114,166,625	294,112,111	102,733,482	59,754,675	581,674,323	40,149,617	161,823,373	1,354,414,206
Increase	101,936,695	6,980,080	9,707,828	12,518,542	132,076,027	3,528,970	504,409,772	771,157,914
Disposal/unused	-	(7,156,060)	(1,262,479)	(1,042,763)	(10,998,613)	(1,578,181)	-	(22,038,096)
Transferred to/from	2,246,350	31,304,891	3,067,270	262,590	45,967,763	-	(82,848,864)	-
December 31, 2011	218,349,670	325,241,022	114,246,101	71,493,044	748,719,500	42,100,406	583,384,281	2,103,534,024
Accumulated depreciation								
December 31, 2009	-	144,092,880	70,602,973	39,906,096	372,861,638	22,266,678	-	649,730,265
Depreciation for the year 2010	-	10,465,096	5,217,335	4,536,877	43,934,543	4,863,932	-	69,017,783
Disposal/unused	-	-	(420,187)	(1,898,114)	(2,483,887)	(5,219,025)	-	(10,021,213)
December 31, 2010	-	154,557,976	75,400,121	42,544,859	414,312,294	21,911,585	-	708,726,835
Depreciation for the year 2011	-	12,287,872	7,849,753	6,389,390	64,225,744	5,287,585	-	96,040,344
Disposal/unused	-	(7,155,799)	(1,259,732)	(1,019,196)	(10,990,071)	(1,202,460)	-	(21,627,258)
December 31, 2011	-	159,690,049	81,990,142	47,915,053	467,547,967	25,996,710	-	783,139,921
Provision for impairment of assets								
December 31, 2009	4,400,000	-	-	-	-	-	2,200,000	6,600,000
Increase	-	-	-	-	-	-	-	-
December 31, 2010	4,400,000	-	-	-	-	-	2,200,000	6,600,000
Decrease	(4,400,000)	-	-	-	-	-	-	(4,400,000)
December 31, 2011	-	-	-	-	-	-	2,200,000	2,200,000
Net book value								
December 31, 2010	109,766,625	139,554,135	27,333,361	17,209,816	167,362,029	18,238,032	159,623,373	639,087,371
December 31, 2011	218,349,670	165,550,973	32,255,959	23,577,991	281,171,533	16,103,696	581,184,281	1,318,194,103

Depreciation for the years

2010 (36.18 million Baht included in manufacturing cost and the remaining balance included in administrative expenses)

69,017,783

2011 (56.88 million Baht included in manufacturing cost and the remaining balance included in administrative expenses)

96,040,344

As at December 31, 2011 and 2010, the separate financial statements have fully depreciated fixed assets and are usable at the cost of Baht 526.52 million and Baht 512.64 million, respectively.

As at December 31, 2011 and 2010, Company recognized interest expense to assets under construction and installation amount of Baht 2,316,354 and Baht 109,265, respectively.

16. LEASEHOLD RIGHT

(BAHT)

PARTICULARS	CONSOLIDATED				
	2009	INCREASE	2010	INCREASE	2011
Leasehold right	2,521,439	246,315	2,767,754	981,743	3,749,497
<u>Less</u> Accumulated amortization	1,065,727	612,213	1,677,940	684,190	2,362,130
Leasehold right - net	1,455,712		1,089,814		1,387,367
Amortization for the years			612,213		684,190

17. INTANGIBLE ASSETS

(BAHT)

CONSOLIDATED	Computer softwares	Computer softwares under installation	Total
<u>Cost</u>			
December 31, 2009	15,936,477	12,106,200	28,042,677
Increase	10,065,979	800,000	10,865,979
Transferred to/from	12,106,200	(12,106,200)	-
December 31, 2010	38,108,656	800,000	38,908,656
Increase	5,949,312	3,984,000	9,933,312
Transferred to/from	800,000	(800,000)	-
December 31, 2011	44,857,968	3,984,000	48,841,968
<u>Accumulated amortization</u>			
December 31, 2009	4,159,246	-	4,159,246
Amortization for the year 2010	4,518,327	-	4,518,327
December 31, 2010	8,677,573	-	8,677,573
Amortization for the year 2011	5,567,237	-	5,567,237
December 31, 2011	14,244,810	-	14,244,810
<u>Net book value</u>			
December 31, 2010	29,431,083	800,000	30,231,083
December 31, 2011	30,613,158	3,984,000	34,597,158

Amortization for the years

2010 (0.22 million Baht included in manufacturing cost and the remaining balance included in administrative expenses)	4,518,327
2011 (0.62 million Baht included in manufacturing cost and the remaining balance included in administrative expenses)	5,567,237

As at December 31, 2011, the consolidated financial statements have fully amortized intangible assets, which are usable at the cost of Baht 1.15 million.

(BAHT)			
THE SEPARATE FINANCIAL STATEMENTS	Computer softwares	Computer softwares under installation	Total
<u>Cost</u>			
December 31, 2009	14,365,845	-	14,365,845
Increase	7,975,979	800,000	8,775,979
December 31, 2010	22,341,824	800,000	23,141,824
Increase	4,698,480	3,984,000	8,682,480
Transferred to/from	800,000	(800,000)	-
December 31, 2011	27,840,304	3,984,000	31,824,304
<u>Accumulated amortization</u>			
December 31, 2009	3,232,313	-	3,232,313
Amortization for the year 2010	1,727,916	-	1,727,916
December 31, 2010	4,960,229	-	4,960,229
Amortization for the year 2011	2,405,659	-	2,405,659
December 31, 2011	7,365,888	-	7,365,888
<u>Net book value</u>			
December 31, 2010	17,381,595	800,000	18,181,595
December 31, 2011	20,474,416	3,984,000	24,458,416

Amortization for the years

2010 (included in administrative expenses)	1,727,916
2011 (included in administrative expenses)	2,405,659

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

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
Bank overdrafts	1,830,078	2,229,953	394,996	1,398,655
Short-term loans from financial institutions	1,273,000,000	971,000,000	1,096,000,000	736,000,000
Total	1,274,830,078	973,229,953	1,096,394,996	737,398,655

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

19. PROVISION FOR LONG - TERM EMPLOYEE BENEFITS

(BAHT)

CONSOLIDATED	FOR THE YEAR ENDED DECEMBER 31, 2011		
	Provision for employee retirement benefit under labor law	Other long-term employee benefits	Total
Incremental liabilities from adoption a new accounting policy	72,879,674	8,033,241	80,912,915
Current service cost	9,707,696	1,832,542	11,540,238
Interest cost	2,915,187	321,330	3,236,517
Benefits paid during the year	(147,600)	-	(147,600)
Provision at end of the year	85,354,957	10,187,113	95,542,070

(BAHT)

THE SEPARATE FINANCIAL STATEMENTS	FOR THE YEAR ENDED DECEMBER 31, 2011		
	Provision for employee retirement benefit under labor law	Other long-term employee benefits	Total
Incremental liabilities from adoption a new accounting policy	62,427,152	6,362,562	68,789,714
Current service cost	7,415,908	1,427,670	8,843,578
Interest cost	2,497,086	254,502	2,751,588
Benefits paid during the year	(147,600)	-	(147,600)
Provision at end of the year	72,192,546	8,044,734	80,237,280

The principle assumptions used in determining the employee benefit liabilities are shown as follows:

PARTICULARS FOR THE YEAR ENDED DECEMBER 31, 2011	CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS
Discount rate	4.00% per annum
Salary increase rate	4.00% - 5.00% per annum
Average staff turnover rate	3.00% - 6.70% per annum

In 2010, the Company had 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. The Company recorded provision for long-term employee benefits and was duly presented in the statement of income amount Baht 1.48 million. As at December 31, 2010 provision for long-term employee benefits of the Company amount to Baht 8.26 million.

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 CIMB-Principal 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, 2011 and 2010 as follows:

(MILLION BAHT)

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
S & J International Enterprises Public Co., Ltd.	5.40	4.79	5.40	4.79
Top Trend Manufacturing Co., Ltd.	3.20	1.61	-	-
Total	8.60	6.40	5.40	4.79

21. SHARE CAPITAL

On April 25, 2011, the Ordinary General Shareholders' Meeting approved the reduction of registered capital from 120,000,000 shares (at Baht 1 per share) to 104,813,500 shares (at Baht 1 per share) by the cancellation of registered share capital that had not been issued of 15,186,500 shares (at Baht 1 per share), and approved the increase of registered capital from 104,813,500 shares (at Baht 1 per share) to 200,000,000 share (at Baht 1 per share) by issuing new common stock of 95,186,500 shares (at Baht 1 per share) and approved the allocation of the increase capital amount 45,186,500 shares (at Baht 1 per share) by offering to the existing shareholders, to subscribe for share in ration of 7 existing shares per 3 new shares at the offering price of Baht 12 per share, (in case of fractions of shares from allocation to the existing shareholders, the fractions of shares must be rounded off). In case there are new ordinary shares remaining from the allocation to the existing shareholders per right or lower right. The Board of Directors or Managing Director or the attorney by the Board of Directors have authority to allocate and offer the remaining unsubscribed shares to the private placement. As such, the said offering price must not lower than 90% of the average marking share price which shall be calculated by the weighted average closed price not less than 7 working days but not more than 15 working day before the offering date of which the Board of Directors or Managing Director or the attorney by the Board of Directors will have authority to determine the date of subscription and the offered price. During the months of May 2011 to December 2011 there were shareholders exercising their rights as follow:

Date of registered paid-up capital with the Ministry of Commerce	Exercised Common Stocks (Shares)	Common Stocks (Baht)	Premium on Common Stocks (Baht)
June 8, 2011	44,023,484	44,023,484	484,258,324
November 9, 2011	1,093,844	1,093,844	24,064,568
Total	45,117,328	45,117,328	508,322,892

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

On April 29, 2011, the Ordinary General Shareholders' Meeting of Top Trend Manufacturing Co., Ltd. approved the increase of registered capital from 60,000,000 Baht (amount 600,000 shares at Baht 100 per share) to Baht 120,000,000 (amount 1,200,000 shares at Baht 100 per share) by issuing new common stock of 600,000 shares at par value of Baht 100 per share, amount of Baht 60,000,000 at an exercise price of Baht 300 each. Top Trend Manufacturing Co., Ltd. has registered the paid-up capital increase with the Ministry of Commerce on August 11, 2011.

22. LEGAL RESERVE

In compliance with the Public Company Act, B.E. 2535 (1992), the Company has to set up legal reserve at least 5 % of annual net profit less deficits brought forward (if any) until meet 10 % of authorized share capital. Such legal reserve is not allowed to pay for dividend. The Company has appropriated the 2011 annual net profit for the legal reserve amounting to Baht 3.85 million. The Company has completely provided for the legal reserve which duly met 10% of authorized share capital.

23. DIVIDEND PAYMENT

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

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

24. DIRECTORS' REMUNERATION

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

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

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

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

25. FOREIGN CURRENCY TRANSACTIONS

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

(AMOUNT IN THOUSAND)

CONSOLIDATED	2011		2010	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	4,430.01	139,769	3,645.41	109,385
JPY	31,866.82	12,754	21,152.17	7,758
AUD	63.80	2,035	18.84	574
GBP	19.72	957	-	-
Total assets		155,515		117,717
Liabilities				
USD	1,338.91	42,620	1,102.59	33,405
JPY	9,511.00	3,922	9,246.74	3,460
GBP	4.22	208	-	-
EUR	104.05	4,301	43.83	1,764
AUD	4.25	138	51.12	1,585
CHF	5.77	196	-	-
Total liabilities		51,385		40,214

(AMOUNT IN THOUSAND)

THE SEPARATE FINANCIAL STATEMENTS	2011		2010	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	4,335.79	136,796	3,404.06	102,143
JPY	31,536.82	12,754	21,152.17	7,758
GBP	19.72	957	-	-
Total assets		150,507		109,901
Liabilities				
USD	1,158.16	36,866	1,060.56	32,131
JPY	8,511.00	3,510	9,246.74	3,460
GBP	478.91	23,567	-	-
EURO	112.04	4,632	43.83	1,764
AUD	4.25	138	51.12	1,585
Total liabilities		68,713		38,940

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

Currencies	Amount in thousand	Fair value (Thousand Baht)	Delivery dates
<u>Year 2010</u>			
USD	24	711	March 2011- June 2011
GBP	25	1,167	March 2011
JPY	6,149	2,254	February 2011 - March 2011

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

Currencies	Amount in thousand	Fair value (Thousand Baht)	Delivery dates
<u>Year 2011</u>			
USD	4,067	128,902	January 2012 - June 2012
JPY	88,530	36,161	February 2012 - July 2012
GBP	20	963	January 2012 - March 2012
<u>Year 2010</u>			
USD	8,492	256,334	February 2011 - July 2011
JPY	31,161	11,548	January 2011

26. EXPENSES BY NATURE

(BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
(Increase) decrease in the changes in finished goods and work in progress	(37,818,969)	(163,725,511)	13,049,371	(123,682,430)
Raw material and consumables used	3,048,035,664	2,668,724,586	3,176,074,686	2,769,620,620
Purchase of inventories	213,633,085	142,249,870	-	-
Directors and management benefit expenses	50,111,873	49,489,168	42,184,095	42,375,920
Employee benefit expenses	789,841,709	677,478,197	542,611,474	452,043,137
Depreciation and amortization expenses	202,418,932	174,110,583	101,936,523	74,074,337
Other expenses	693,789,099	570,646,413	438,032,856	333,114,136
Total	4,960,011,393	4,118,973,306	4,313,889,005	3,547,545,720

27. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' financial information by segment in the consolidation for the years ended December 31, 2011 and 2010 are as follows :

(BAHT)

Year 2011	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	4,476,031,027	1,022,551,481	271,325,618	525,131,616	-	5,244,776,510
Operating result by segments	186,502,074	90,985,568	21,452,765	533,070,542	538,896,226	304,766,091
Net profit equity holders of the parent						282,425,899
Property, plant and equipment-net	1,318,194,103	373,141,132	1,483,885	-	-	1,692,819,120
Total assets						5,038,163,510

(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 segments	180,753,391	76,905,981	18,383,571	433,692,431	429,333,033	271,683,545
Net profit equity holders of the parent						294,381,793
Property, plant and equipment-net	639,087,371	293,103,007	753,477	-	-	932,943,855
Total assets						3,785,311,816

The financial information by geographical areas can be classified to local and export sales in the consolidation for the years ended December 31, 2011 and 2010 as follows:

(BAHT)

Particulars	Local		Export		Total	
	2011	2010	2011	2010	2011	2010
Sales	3,298,157,526	2,854,915,208	1,946,618,984	1,514,589,463	5,244,776,510	4,369,504,671
Operating result by segments	166,997,775	163,310,458	137,768,316	108,373,087	304,766,091	271,683,545

28. INCOME TAX EXPENSES

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

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

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

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

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 10
Subsidiaries	See Note 11
Related companies	See Note 12
Better Way (Thailand) Co., Ltd.	Co - directors
International Laboratories Corp., Ltd.	Co - directors
Vitayasithi Co., Ltd.	Co - directors
Kewpie (Thailand) Co., Ltd.	Co - directors
O.C.C. Plc.	Co - directors
I.C.C. International Plc.	Co - directors
Oriental Salon Business Co., Ltd.	Co - directors
H & B Intertex Co., Ltd.	Co - directors
People 's Garment Plc.	Co - directors
Saha Pathanapibul Plc.	Co - shareholders
Thai Wacoal Plc.	Co - shareholders
Saha Pathana Inter-Holding Plc.	Shareholders
Related persons	Directors

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

(BAHT)

Transactions in statements of financial position	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
<u>Trade accounts receivable</u>				
- Subsidiaries	-	-	3,308,170	784,199
- Associates	121,529,202	62,691,586	105,404,554	55,391,255
- Related companies	330,180,005	267,166,264	266,948,620	219,690,681
Total	451,709,207	329,857,850	375,661,344	275,866,135
<u>Other receivables</u>				
- Subsidiaries	-	-	1,150,290	4,318,432
- Associates	614,263	973,823	614,263	973,823
- Related companies	793,172	4,495,433	793,172	249,734
Total	1,407,435	5,469,256	2,557,725	5,541,989
<u>Short - term loans extended</u>				
- Subsidiaries (See Note 7)	-	-	6,500,000	2,000,000
<u>Investments in associates</u>				
- Related companies	-	14,900,000	-	14,900,000
<u>Purchase equipment</u>				
- Related persons	2,000,000	-	2,000,000	-
<u>Non-current Assets</u>				
<u>Property deposit</u>				
- Related companies	28,957,500	59,633,108	-	30,675,608
<u>Rental guarantee</u>				
- Related companies	5,571,475	4,589,018	5,041,420	3,991,260
Total	34,528,975	64,222,126	5,041,420	34,666,868
<u>Trade accounts payable</u>				
- Subsidiaries	-	-	68,146,549	50,327,634
- Associates	6,597,265	7,200,151	6,597,265	7,200,151
- Related companies	39,915,080	12,830,553	32,949,035	6,266,208
Total	46,512,345	20,030,704	107,692,849	63,793,993
<u>Other accounts payable</u>				
- Subsidiaries	-	-	427,857	321,539
- Associates	3,510	14,000	3,510	14,000
- Related companies	4,020,512	7,831,880	4,020,512	3,586,182
Total	4,024,022	7,845,880	4,451,879	3,921,721
<u>Non-current liabilities</u>				
- Related companies	112,120	127,166	112,120	127,166

(BAHT)

Transactions in income statements for the years ended December 31,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2011	2010	2011	2010
<u>Sales</u>				
- Subsidiaries	-	-	10,457,895	1,888,671
- Associates	424,292,574	397,187,089	365,595,162	344,515,747
- Related companies	1,826,158,289	1,661,210,021	1,609,314,738	1,488,482,654
Total	2,250,450,863	2,058,397,110	1,985,367,795	1,834,887,072
<u>Rental income</u>				
- Subsidiaries	-	-	108,000	108,000
- Associates	25,443,680	23,063,520	25,443,680	23,063,520
- Related companies	312,091	1,839,471	312,091	1,839,471
Total	25,755,771	24,902,991	25,863,771	25,010,991
<u>Other income</u>				
- Subsidiaries	-	-	4,693,338	4,480,181
- Associates	6,234,932	1,406,561	6,234,932	1,406,561
- Related companies	4,322,449	5,103,240	4,322,449	4,561,235
- Related persons	-	1,404,890	-	1,404,890
Total	10,557,381	7,914,691	15,250,719	11,852,867
<u>Purchase of goods and service</u>				
- Subsidiaries	-	-	512,335,338	418,239,892
- Associates	50,745,956	47,351,122	50,745,956	47,351,122
- Related companies	121,469,080	125,583,274	114,251,290	117,597,600
Total	172,215,036	172,934,396	677,332,584	583,188,614
<u>Rental expenses</u>				
- Related companies	10,715,618	9,626,210	10,715,618	9,626,210
<u>Other expenses</u>				
- Subsidiaries	-	-	4,677,569	366,135
- Associates	45,501	63,751	45,501	63,751
- Related companies	122,614,508	103,524,710	69,049,614	53,794,504
Total	122,660,009	103,588,461	73,772,684	54,224,390

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	
	2011	2010	2011	2010
1. Commitment under letters of guarantee issued by commercial banks	161,095,050	94,466,637	154,234,350	87,828,637
2. Commitment under letters of guarantee on overdrafts with commercial banks for - Related company	3,100,000	3,100,000	3,100,000	3,100,000
3. Letters of credit	-	21,130,570	-	21,130,570
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, 2012 as follows:				
	<u>CONTRACT PERIOD</u>	<u>CONSOLIDATED</u>	<u>THE SEPARATE</u>	<u>FINANCIAL STATEMENTS</u>
	Current portion	80,120,370 Baht	70,844,095 Baht	
	Overdue more than one year	66,524,633 Baht	65,550,790 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. In March 2011, the Company paid the remaining and transferred property deposit to Company's land.				
6.2 On August 18, 2010, the subsidiary agreed to purchase land from the related company for construction of the factory in the amount of Baht 96.53 million. Land deposit of Baht 28.96 million was paid and presented under other non-current assets in "Property deposit". Therefore, there is commitment to pay the remaining within August 17, 2013, amount of Baht 67.57 million.				

31. FINANCIAL INSTRUMENTS

The Company and subsidiaries have information relating to financial instruments both in and off statements of financial position, as follows:

31.1 Accounting policies and procedure

- See Note 4.

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 statements of financial position, 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

The Company and subsidiaries certain accounting transactions in the financial statements for the year ended December 31, 2010, have been reclassified to conform with the current year classification. The Company and subsidiaries have complied with the presentation of the financial statements in accordance with the Notification of the Department of Business Development. The reclassifications had no effect to previously reported profit or shareholders' equity.

33. FINANCIAL STATEMENTS APPROVAL

These financial statements are duly approved by the Company's directors on February 22, 2012.