

S & J INTERNATIONAL ENTERPRISES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE INTERIM FINANCIAL STATEMENTS

JUNE 30, 2008 AND 2007

1. GENERAL INFORMATION

1.1 Company status	A juristic person established under Thai law and listed on the Stock Exchange of Thailand.
1.2 Company location <ul style="list-style-type: none">- Head office/factory- Branch- Branch	<p>600/4 Moo 11, Sukapiban Road 8, Tambol Nhongkharm Amphur Sriracha, Chonburi, Thailand.</p> <p>115 Naradhiwas Rajanakarindra Road (Soi 10), Kwaeng Tungwatdon, Khet Sathorn, Bangkok, Thailand.</p> <p>662/4-6 Moo 11, Sukapiban Road 8, Tambol Nhongkharm Amphur Sriracha, Chonburi, Thailand.</p>
1.3 Type of business	<p>(1) Manufacturing all type of cosmetics.</p> <p>(2) Investing in its subsidiaries and associates which carry on business according to Note 7 to the financial statements.</p>
1.4 Employee expenses for the six-month periods ended June 30, 2008 and 2007	<p>(1) Including its subsidiaries Baht 228.56 million and Baht 203.33 million, respectively.</p> <p>(2) The Company only Baht 143.16 million and Baht 132.71 million, respectively.</p>

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

These interim financial statements are prepared in accordance with Thai Accounting Standards under the Accounting Act, B.E. 2543 (2000), including the Accounting Profession Act, B.E. 2547 (2004). These interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2007.

2.1 These interim consolidated financial statements included the interim financial statements of S & J International Enterprises Public Company Limited with its subsidiaries and the Company's portion in associates as follows:

SUBSIDIARIES

COMPANIES	% HOLDING		ESTABLISHED IN
	2008	2007	
E F Co., Ltd.	99.99	99.99	Thailand
Top Trend Manufacturing Co., Ltd.	51	51	Thailand
Wildlives (Thailand) Co., Ltd.	99.99	99.99	Thailand
Value Sports Co., Ltd.	66.67	-	Thailand

ASSOCIATES

COMPANIES	% HOLDING		ESTABLISHED IN
	2008	2007	
Yamahatsu (Thailand) Co., Ltd.	30	30	Thailand
Shaldan (Thailand) Co., Ltd.	21	21	Thailand
Operational Energy Group Limited	30	30	Thailand

2.2 Inter-company balances and significant transactions have been eliminated in the interim consolidation.

3. CHANGING ACCOUNTING POLICY

In 2007, the Company has changed its accounting policy for investments in subsidiaries and associates, which is presented in the separate financial statements from the equity method to cost method following the Accounting Standard No. 44 (Revised 2007) “Consolidated and Separate Financial Statements” and Accounting Standard No. 45 (Revised 2007) “Investments in Associates”. Cumulative effect on the change in accounting policy which has to be decreasingly adjusted to the beginning retained earnings for the separate financial statements as at January 1, 2007 amount of Baht 95.05 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.
Sales of goods on consignment	-	Recognized as revenues whenever the consignment goods were sold to the third parties.
Rental income	-	Recognized over the lease period.
Other income	-	Recognized on the accrual basis.
Expenses	-	Recognized on the accrual basis.

4.2 Allowance for doubtful accounts

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

4.3 Inventories

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

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

4.4 Investments

Investments in subsidiaries are 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 value.

Investments in associates are 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 related companies are 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 value.

Investments in other companies are 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 value.

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

The Company recorded dividend income when declared.

4.5 Investments in real estate

Investments in real estate are stated at cost after deduction of loss from the impairment of assets.

4.6 Property, plant and equipment

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

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

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

Expenditures for additions, renewals or betterments which affected the significant increment in value of current 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 Computer softwares

Computer softwares are stated at acquisition cost less amortization by using the straight-line method within ten 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 Earnings per share

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

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

4.11 Employee benefits

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 period.

Retirement gratuity fund

Obligations for contributions to retirement gratuity fund are computed on the benefit formula at balance sheet date and are recognized as an expense in the statements of income. Benefits are payable to employees upon retirement.

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 balance sheet date are converted to Baht at the rate of exchange in effect on that date.

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

4.13 Forward exchange contracts

Foreign currency transactions which are made forward exchange contracts with the bank, the agreed forward exchange rates according to the remaining periods of contracts from accounting period will be used to present fair value.

4.14 Cash and cash equivalents

For the purpose of preparation of cash flows statements, cash and cash equivalents are cash on hand, fixed deposits at financial institutions due not more than 3 months with no obligation.

4.15 Use of accounting estimates

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

5. TRADE ACCOUNTS RECEIVABLE consist of :

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2008	December 31, 2007	June 30, 2008	December 31, 2007
Trade notes receivable	19,786	14,634	10,544	8,738
Trade accounts receivable				
Current	337,587	339,285	264,959	271,105
Overdue within 3 months	94,751	89,593	60,953	61,592
Overdue between 3 to 6 months	3,050	2,834	2,617	2,043
Overdue between 6 to 12 months	1,951	3,357	1,514	606
Overdue more than 12 months	19,574	19,849	12,317	13,752
Total	476,699	469,552	352,904	357,836
<u>Less</u> Allowance for doubtful accounts	(19,882)	(20,875)	(12,235)	(12,595)
Trade accounts receivable - net	456,817	448,677	340,669	345,241

6. SHORT-TERM LOANS TO SUBSIDIARY AND RELATED COMPANIES consist of :

(THOUSAND BAHT)

PARTICULARS	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS		INTEREST RATE (%) PER ANNUM	
	June 30, 2008	December 31, 2007	June 30, 2008	December 31, 2007	June 30, 2008	December 31, 2007
- Subsidiaries						
Wildlives (Thailand) Co., Ltd.						
Beginning Balances	-	-	3,000	3,500		
Settlement during the periods	-	-	(500)	(500)		
Ending Balances	-	-	2,500	3,000		
Less Allowance for doubtful accounts	-	-	-	(605)		
Ending Balances - net	-	-	2,500	2,395	4.00	4.00 - 5.50
Value Sports Co., Ltd.						
Beginning Balances	-	-	-	-		
Increase during in period	-	-	1,000	-		
Ending Balances	-	-	1,000	-	4.00	-
Total Short-term Loans to Subsidiaries - net	-	-	3,500	2,395		
- Related Company						
Osoth Interlaboratories Co., Ltd.						
Beginning Balances	-	1,900	-	1,900		
Settlement during the period	-	(1,900)	-	(1,900)		
Ending Balances	-	-	-	-	-	5.50
Total Short-term Loans to Related Company	-	-	-	-		
Total Short-term Loans to Subsidiaries and Related Companies - net	-	-	3,500	2,395		

Short-term loans to subsidiary and related companies are unsecured loans.

7. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

(THOUSAND BAHT)

	% Holding		CONSOLIDATED (Equity Method)		THE SEPARATE FINANCIAL STATEMENTS (Cost Method)	
	June 30, 2008	December 31, 2007	June 30, 2008	December 31, 2007	June 30, 2008	December 31, 2007
<u>SUBSIDIARIES</u>						
E F Co., Ltd.	99.99	99.99	-	-	4,006	4,006
Top Trend Manufacturing Co., Ltd.	51	51	-	-	36,625	36,625
Wildlives (Thailand) Co., Ltd.	99.99	99.99	-	-	* 1,000	* 1,000
Value Sports Co., Ltd.	66.67	-	-	-	* 2,000	-
Total Investments in Subsidiaries			-	-	43,631	41,631
<u>Less</u> * Provision for diminution in value of investments in subsidiaries			-	-	(2,595)	(1,000)
Total Investments in Subsidiaries - net			-	-	41,036	40,631
<u>ASSOCIATES</u>						
Yamahatsu (Thailand) Co., Ltd.	30	30	31,512	25,667	6,000	6,000
Shaldan (Thailand) Co., Ltd.	21	21	3,369	3,300	4,392	4,392
Operational Energy Group Limited	30	30	48,868	49,728	13,151	13,151
Total Investments in Associates			83,749	78,695	23,543	23,543

(THOUSAND BAHT)

	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID –UP SHARE CAPITAL		DIVIDEND FOR THE SIX-MONTH PERIODS	
			June 30, 2008	December 31, 2007	June 30, 2008	June 30, 2007
<u>SUBSIDIARIES</u>						
E F Co., Ltd.	Consumer products	Shareholders / co – directors	4,000	4,000	-	-
Top Trend Manufacturing Co., Ltd.	Plastic containers	Shareholders / co – directors	60,000	60,000	7,650	6,732
Wildlives (Thailand) Co., Ltd.	Consumer products	Shareholders / co – directors	1,000	1,000	-	-
Value Sports Co., Ltd.	Manufacture and distributing sale machinery equipment	Shareholders / co – directors	3,000	-	-	-
Total					7,650	6,732
<u>ASSOCIATES</u>						
Yamahatsu (Thailand) Co., Ltd.	Hair products	Shareholders / co – directors	20,000	20,000	-	-
Shaldan (Thailand) Co., Ltd.	Air refresher	Shareholders / co – directors	20,000	20,000	-	-
Operational Energy Group Limited	Servicing to operate the power plant	Shareholders / co – directors	30,000	30,000	9,000	9,000
Total					9,000	9,000

On April 1, 2008, the Company has invested in Value Sports Co., Ltd. which has co-directors by buying from related persons 20,000 shares worth Baht 2 million, accounted for 66.67 percent of authorized and paid up share capital. There is goodwill amount Baht 1.78 million incurred from this acquisition which the Company recorded as loss from impairment in the consolidated statements of income.

On March 30, 2007, the Extraordinary Shareholders' Meeting No. 1/2007 of Sriracha Engineering Service Company Limited was held and approved a special resolution to dissolve the company following the resolution of the Ordinary General Shareholders' Meeting No. 23 held on March 12, 2007. The subsidiary company registered its dissolution with the Ministry of Commerce on March 30, 2007. In the first quarter of 2007, the Company has transferred the investments from its subsidiary by transferring the remaining assets and liabilities from the consolidated financial statements, and recognizing the reverse entry of investment deficiency as gain from cutting off such investment in the consolidated statement of income. In the second quarter of 2007, the Company has obtained refund from such investment amount of Baht 1.65 million which was recorded as loss on investment in dissolved subsidiary in the separate statements of income.

The financial statements of Yamahatsu (Thailand) Company Limited, Shaldan (Thailand) Company Limited and Operational Energy Group Limited, which are applied for recording the equity method are based on the financial information prepared by their management and not yet reviewed by the auditors.

8. INVESTMENTS IN RELATED COMPANIES consist of :

(THOUSAND BAHT)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Cost Method		Dividend for the six-month periods	
	June 30, 2008	December 31, 2007	June 30, 2008	December 31, 2007	June 30, 2008	June 30, 2007
1. Thai Q P Co., Ltd.	7.50	7.50	9,000	9,000	630	540
2. General Glass Co., Ltd.	16	16	*16,000	16,000	-	-
3. Thai Lotte Co., Ltd.	0.56	0.56	* 8,000	* 8,000	-	-
4. Thai Fujiya Co., Ltd.	6.67	6.67	* 7,500	* 7,500	-	-
5. H & B Kabinburi Co., Ltd.	9	9	1,350	1,350	135	135
6. Osoth Interlaboratories Co., Ltd.	19	19	*22,800	*22,800	-	-
7. Thai Cubic Technology Co., Ltd.	5	5	2,000	2,000	400	-
8. Train Time Test Co., Ltd.	14	14	175	175	70	28
9. BSC Entertainment Co., Ltd.	10	10	*20,565	*20,565	-	-
10. B.K.C. International Co., Ltd.	19	19	* 475	* 475	-	-
11. United Utility Co., Ltd.	0.27	0.27	* 692	692	-	-
Total			88,557	88,557	1,235	703
<u>Less</u> Allowance for loss on capital decrease in						
- Thai Fujiya Co., Ltd.			(5,500)	(5,500)		
- Osoth Interlaboratories Co., Ltd.			(2,850)	(2,850)		
- BSC Entertainment Co., Ltd.			(7,505)	(7,505)		
*Provision for diminution in value of investments in related companies			(35,185)	(33,603)		
Total Investments in Related Companies - net			37,517	39,099		

(THOUSAND BAHT)

	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID –UP SHARE CAPITAL	
			June 30, 2008	December 31, 2007
1. Thai Q P Co., Ltd.	Consumer products	Shareholders / co – directors	120,000	120,000
2. General Glass Co., Ltd.	Glass bottles	Shareholders / co – directors	100,000	100,000
3. Thai Lotte Co., Ltd.	Chewing gum	Shareholders / co – directors	1,420,000	1,420,000
4. Thai Fujiya Co., Ltd.	Cake, bakery and restaurant	Shareholders / co – directors	30,000	30,000
5. H & B Kabinburi Co., Ltd.	Cloth toy and ware	Shareholders / co – directors	15,000	15,000
6. Osoth Interlaboratories Co., Ltd.	Medicine	Shareholders / co – directors	105,000	105,000
7. Thai Cubic Technology Co., Ltd.	Plate and varnish	Shareholders / co – directors	40,000	40,000
8. Train Time Test Co., Ltd.	Training and seminar	Shareholders / co – directors	1,250	1,250
9. BSC Entertainment Co., Ltd.	Bowling alley	Shareholders / co – directors	174,000	174,000
10. B.K.C. International Co., Ltd.	Consumer products	Shareholders / co – directors	2,500	2,500
11. United Utility Co., Ltd.	Real estate	Shareholders / co – directors	34,230	34,230

9. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES

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

(THOUSAND BAHT)

CONSOLIDATED AND THE SEPARATE FINANCIAL STATEMENTS	% Holding		Cost Method		Dividend for the six-month periods	
	June 30, 2008	December 31, 2007	June 30, 2008	December 31, 2007	June 30, 2008	June 30, 2007
Related Companies						
1. Boutique New City Plc.	0.02	0.02	124	124	-	-
2. Far East DDB Plc.	0.01	0.01	40	40	3	3
3. I.C.C. International Plc.	0.34	0.27	24,712	16,391	977	777
4. President Bakery Plc.	1.00	1.00	13,500	13,500	904	945
5. Sahacogen (Chonburi) Plc.	13.96	13.96	192,963	192,963	39,992	39,992
6. Saha Pathana Inter-Holding Plc.	0.03	0.03	3,706	3,706	34	-
Total			235,045	226,724	41,910	41,717
<u>Add</u> Unrealized gain on investment revaluation			432,723	404,511	-	-
Total net investments in available-for-sales securities- related companies			667,768	631,235	41,910	41,717
Other Companies						
1. Nation Multimedia Group Plc.			8,586	8,586	-	-
2. Bangkok Bank Plc.			5,001	5,001	127	111
Total			13,587	13,587	127	111
<u>Less</u> Unrealized loss on investment revaluation			(1,428)	(1,296)	-	-
Total net investments in available-for-sales securities - other companies			12,159	12,291	-	111
Total available-for-sales securities			679,927	643,526	42,037	41,828

(THOUSAND BAHT)

RELATED COMPANIES	TYPE OF BUSINESS	RELATIONSHIP	ISSUED AND PAID –UP SHARE CAPITAL	
			June 30, 2008	December 31, 2007
1. Boutique New City Plc.	Garment	Shareholders / co – directors	120,000	120,000
2. Far East DDB Plc.	Advertising and agency	Shareholders / co – directors	75,000	75,000
3. I.C.C. International Plc.	Commerce	Shareholders / co – directors	290,634	290,634
4. President Bakery Plc.	Food	Co-shareholders	450,000	450,000
5. Sahacogen (Chonburi) Plc.	Generating and distributing electricity	Shareholders / co – directors	955,000	955,000
6. Saha Pathana Inter-Holding Plc.	Commerce	Co-shareholders	494,034	494,034

During March 2008, the Company has purchased investments in I.C.C. International Public Company Limited of 200,000 shares, worth Baht 8,320,750.

10. INVESTMENTS IN OTHER COMPANIES consist of :

(THOUSAND BAHT)

	% Holding		Cost Method		Dividend for the six-month periods	
	June 30, 2008	December 31, 2007	June 30, 2008	December 31, 2007	June 30, 2008	June 30, 2007
1. Sahapat Properties Co., Ltd.	2.50	2.50	500	* 500	-	-
2. Eastern Rubber Co., Ltd.	1.50	1.50	* 450	* 450	-	-
3. Advantage Footwear Co., Ltd.	0.38	0.38	* 1,387	* 1,387	-	-
4. Treasure Hill Co., Ltd.	2.00	2.00	* 4,000	* 4,000	-	-
5. Thanara Co., Ltd.	1.25	1.25	750	750	-	-
6. Thai Kamaya Co., Ltd.	8.00	5.00	9,080	5,000	2,000	-
7. Thai Herbal Products Co., Ltd.	1.50	1.50	* 1,200	* 1,200	-	-
8. Tipvarin Wattana Co., Ltd.	15.00	15.00	1,455	1,455	-	-
9. Saha Sehwa Co., Ltd.	3.48	3.48	* 5,050	* 5,050	-	-
10. T-Way Co., Ltd.	15.00	15.00	45	45	-	-
11. K. Commercial & Construction Co., Ltd.	2.20	2.20	3,278	3,278	110	110
12. E. P. F. Co., Ltd.	18.00	18.00	702	702	306	252
13. Pan Land Co., Ltd.	1.00	1.00	* 3,000	* 3,000	-	-
14. Thai Yukilon Co., Ltd.	6.94	6.94	5,000	5,000	850	675
15. Sriracha Aviation Co., Ltd.	6.06	6.06	* 2,000	* 2,000	-	-
16. Waseda Education (Thailand) Co., Ltd.	7.14	7.14	* 2,000	* 2,000	-	-
Total			39,897	35,817	3,266	1,037
<u>Less</u> *Provision for diminution in value of investments in other companies			(7,240)	(7,158)		
Total Investments in Other Companies - net (The separate financial statements)			32,657	28,659		
SUBSIDIARY INVESTED IN						
- Treasure Hill Co., Ltd.						
	1.00	1.00	* 2,000	* 2,000		
<u>Less</u> *Provision for diminution in value of investments in other companies			(2,000)	(2,000)		
Total Investments in Other Companies - net (Consolidated)			32,657	28,659		

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

During March 2007, the subsidiary has sold its investment with acquisition cost of Baht 1 million which was totally set up provision for diminution in value of investment. The subsidiary obtained proceeds amount of Baht 10,000 which was recorded as gain at the same amount in the statement of income of subsidiary.

11. INVESTMENTS IN REAL ESTATE

(THOUSAND BAHT)

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2008	December 31,2007	June 30, 2008	December 31,2007
Investments in land	47,990	47,990	47,870	47,870
<u>Less</u> Provision for impairment of asset	(4,400)	(4,400)	(4,400)	(4,400)
Investments in land-net	43,590	43,590	43,470	43,470
Investments in land with structures	9,953	9,953	9,953	9,953
Total investments in real estate	53,543	53,543	53,423	53,423

In the second quarter of 2007, 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 in (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

12. OTHER RECEIVABLE

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

13. SHARE CAPITAL

During January 1, 2007 to June 30, 2008, 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 in (Baht)
February 7, 2007	142,500	142,500	570,000
March 7, 2007	506,500	506,500	2,026,000
June 7, 2007	42,000	42,000	168,000
September 7, 2007	37,500	37,500	150,000
December 7, 2007	276,750	276,750	1,107,000
Total year 2007	1,005,250	1,005,250	4,021,000
January 9, 2008	214,500	214,500	858,000
February 8, 2008	87,500	87,500	350,000
March 7, 2008	367,250	367,250	1,469,000
Total year 2008	669,250	669,250	2,677,000
Duly exercised in 2006	1,814,500	1,814,500	7,258,000
Total	3,489,000	3,489,000	13,956,000

During December 27-28, 2007, the warrant holders who are the Company's directors, employees of the Company and its subsidiaries have exercised 214,500 warrants to purchase 214,500 common stocks at an exercise price of Baht 4 each totalling Baht 858,000. The Company recorded the advance receipt from the exercise of such warrants under the caption "Advance share subscription", presenting it under shareholders' equity in the balance sheets as at December 31, 2007. The Company registered the above increase in its paid up share capital with the Ministry of Commerce on January 9, 2008.

WARRANTS

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

The financial statements for the six-month period ended June 30, 2008 presenting the warrant holders who are the Company's directors, employees of the Company and its subsidiaries have exercised their warrants to purchase 669,250 common stocks. Therefore, as at June 30, 2008 there are 1,511,000 units outstanding balances of warrants.

14. 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.

15. DIVIDEND PAYMENT

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

On April 23, 2007, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay dividends for 2006 to the shareholders of 102,463,500 shares at Baht 0.65 per share, totalling Baht 66.60 million. The dividend payment was made on May 22, 2007.

16. DIRECTORS' REMUNERATION

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

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

On April 23, 2007, the Ordinary General Shareholders' Meeting was held and approved a resolution to pay directors' remuneration at the maximum of Baht 10 million per year.

On April 4, 2007, the Ordinary General Shareholders' Meeting of Top Trend Manufacturing Company Limited was held and approved a resolution to pay directors' remuneration amount of Baht 1.14 million.

17. FOREIGN CURRENCY TRANSACTIONS

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

Currencies	Amount in thousand	Exchange rates on delivery date (Baht)	Delivery dates
<u>As at June 30, 2008</u>			
USD	1,025	32.87 - 33.68	August 2008 - January 2009
<u>As at December 31, 2007</u>			
USD	17	33.84	March 2008
JPY	47	0.30838 - 0.30678	February 2008
EUR	1	46.15	February 2008

17.2 The Company has made Selling Forward Exchange Contracts with the local commercial bank for hedging against any risk in exchange rate fluctuation which might be affected 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>As at June 30, 2008</u>			
USD	1,983	31.50 - 33.62	September 2008 - January 2009
JPY	50,031	0.3104 - 0.3118	July 2008 - August 2008
<u>As at December 31, 2007</u>			
USD	2,531	33.49 - 34.15	April 2008 - July 2008
JPY	21,828	0.2951 - 0.2984	January 2008 - February 2008
GBP	11	67.4667 - 68.7467	February 2008

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

(AMOUNT IN THOUSAND)

CONSOLIDATED	June 30, 2008		December 31, 2007	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	589	19,684	78	2,634
JYP	-	-	5,635	1,663
GBP	-	-	23	1,531
Total assets		19,684		5,828
Liabilities				
USD	33	1,106	118	3,985
JPY	1,951	621	1,177	353
EUR	57	3,027	-	-
GBP	7	442	3	219
SEK	3	17	-	-
NZD	0.2	5	0.2	5
HKD	6	26	-	-
CHF	4	122	6	171
Total liabilities		5,366		4,733

(AMOUNT IN THOUSAND)

THE SEPARATE FINANCIAL STATEMENTS	June 30, 2008		December 31, 2007	
	Foreign currencies	Converted to Baht	Foreign currencies	Converted to Baht
Assets				
USD	527	17,612	1	45
JPY	-	-	5,635	1,663
GBP	-	-	23	1,531
Total assets		17,612		3,239
Liabilities				
USD	30	1,007	117	3,980
JPY	1,545	492	1,177	353
EURO	4	193	-	-
GBP	7	442	3	219
SEK	3	17	-	-
NZD	0.2	5	0.2	5
HKD	6	26	-	-
Total liabilities		2,182		4,557

18. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries' financial information by segment in the consolidation for the six-month periods ended June 30, 2008 and 2007 are as follows :

(THOUSAND BAHT)

Year 2008	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	924,227	348,206	8,246	101,956	-	1,178,723
Operating result by segment	32,837	49,050	469	107,411	108,266	83,211
Net profit						107,141
Property, plant and equipment-net	275,899	333,429	1,732	-	-	611,060
Leasehold right-net	3,289	610	-	-	-	3,899
Computer software-net	4,574	-	18	-	-	4,592
Total assets						2,549,486

(THOUSAND BAHT)

Year 2007	Cosmetics	Containers	Others	Inter-company transactions		Total
				Debit	Credit	
Sales	860,148	276,419	6,503	90,835	-	1,052,235
Operating result by segment	28,583	19,633	273	97,084	96,884	48,289
Net profit						95,265
Property, plant and equipment-net	273,667	336,623	190	-	-	610,480
Leasehold right-net	6,042	1,131	-	-	-	7,173
Computer softwares-net	4,344	-	-	-	-	4,344
Total assets						2,391,485

The financial information by geographical segments can be classified to local and export sales in the consolidation for the six-month periods, ended June 30, 2008 and 2007 as follows:

(THOUSAND BAHT)

Particulars	Local		Export		Total	
	2008	2007	2008	2007	2008	2007
Sales	845,402	774,742	333,321	277,493	1,178,723	1,052,235
Operating result by segment	70,824	44,632	12,387	3,657	83,211	48,289

19. INCOME TAX EXPENSES

The Company and subsidiaries' income taxes for the three-month and six-month periods ended June 30, 2008 and 2007 are calculated from accounting profit and adjusted with other revenues and some expenses which are exempted from income tax for example, dividend income or being disallowable expenses in corporate income tax computation; for example, doubtful debts.

The corporate income taxes of the Company and subsidiaries are calculated at the rate of 30 per cent.

20. TRANSACTIONS WITH RELATED PERSONS AND PARTIES

The Company has certain business transactions with its related persons and parties which are related through directorship or shareholding or having shareholders or some co-directors. The effects of these transactions were reflected in the accompanying financial statements in normal business and general trading conditions, except sub-lease contract as Note 22.

COMPANIES	RELATIONSHIP
Subsidiaries	See Note 7
Associates	See Note 7
Related companies	See Note 8
Better Way (Thailand) Co., Ltd.	Co – directors
International Laboratories Corp., Ltd.	Co – directors
Vitayasithi Co., Ltd.	Co – directors
Kewpie (Thailand) Co., Ltd.	Co – directors
O.C.C. Plc.	Co – directors
I.C.C. International Plc.	Co – directors
Oriental Salon Business Co., Ltd.	Co – directors
H & B Intertex Co., Ltd.	Co – directors
People 's Garment Plc.	Co – directors
Thai Fujiya Co., Ltd.	Co – shareholders
Saha Pathanapibul Plc.	Co – shareholders
Konica Minolta Photochem (Thailand) Co., Ltd.	Co – shareholders
Thai Wacoal Plc.	Co – shareholders
Saha Pathana Inter-Holding Plc.	Shareholders
Related persons	Employees

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

(THOUSAND BAHT)

Transactions in balance sheets	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2008	December 31, 2007	June 30, 2008	December 31, 2007
<u>Trade accounts receivable</u>				
- Subsidiaries	-	-	480	1,359
- Associates	3,316	4,723	935	2,413
- Related companies	168,013	197,219	146,752	172,517
Total	171,329	201,942	148,167	176,289
<u>Loans extended</u>				
- Subsidiaries (See Note 6)	-	-	3,500	3,000
<u>Less</u> Allowance for doubtful debt	-	-	-	(605)
Total	-	-	3,500	2,395
<u>Other current assets</u>				
- Subsidiaries	-	-	849	1,086
- Associates	125	256	125	256
- Related companies	99	22	99	22
Total	224	278	1,073	1,364
<u>Investment in subsidiaries</u>				
- Related persons (See Note 7)	-	-	2,000	-
<u>Other receivables</u>				
- Related companies	30,453	34,453	30,453	34,453
<u>Rental guarantee</u>				
- Related companies	3,519	200	1,731	200
<u>Trade accounts payable</u>				
- Subsidiaries	-	-	37,554	30,791
- Associates	10,653	9,296	9,606	7,379
- Related companies	10,849	4,028	7,472	1,072
Total	21,502	13,324	54,632	39,242
<u>Other current liabilities</u>				
- Subsidiaries	-	-	14	59
- Associates	27	28	27	28
- Related companies	1,983	1,826	1,983	1,826
Total	2,010	1,854	2,024	1,913

(THOUSAND BAHT)

Transactions in balance sheets	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2008	December 31, 2007	June 30, 2008	December 31, 2007
<u>Unearned rental</u>				
- Associates	78	82	78	82
- Related companies	2,227	3,244	2,227	3,244
Total	2,305	3,326	2,305	3,326

(THOUSAND BAHT)

Transactions in income statements for the six-month periods ended June 30,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
<u>Sales</u>				
- Subsidiaries	-	-	749	1,061
- Associates	15,142	4,686	7,717	788
- Related companies	514,237	465,031	463,441	413,904
Total	529,379	469,717	471,907	415,753
<u>Rental income</u>				
- Associates	4,700	4,531	4,700	4,531
- Related companies	4,760	5,762	4,760	5,762
Total	9,460	10,293	9,460	10,293
<u>Other income</u>				
- Subsidiaries	-	-	1,727	1,638
- Associates	1,533	920	1,533	920
- Related companies	405	429	405	429
Total	1,938	1,349	3,665	2,987
<u>Purchase and service</u>				
- Subsidiaries	-	-	101,135	89,766
- Associates	30,075	27,988	27,887	25,317
- Related companies	20,412	15,276	20,412	15,276
Total	50,487	43,264	149,434	130,359
<u>Rental expenses</u>				
- Associates	376	376	376	376
- Related companies	3,398	1,727	2,220	1,727
Total	3,774	2,103	2,596	2,103

(THOUSAND BAHT)

Transactions in income statements for the six-month periods ended June 30,	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	2008	2007	2008	2007
<u>Other expenses</u>				
- Subsidiaries	-	-	72	-
- Associates	248	203	236	191
- Related companies	33,127	31,355	13,626	13,146
Total	33,375	31,558	13,934	13,337

Revenues from sales, purchase of goods and service and other income and expenses as shown in the income statements are in accordance with general trading conditions under fixing price or at market price. For the transactions with no reference of market price, the agreed prices according to the agreement are applied.

21. COMMITMENT AND CONTINGENT LIABILITIES

(THOUSAND BAHT)

	CONSOLIDATED		THE SEPARATE FINANCIAL STATEMENTS	
	June 30, 2008	December 31, 2007	June 30, 2008	December 31, 2007
21.1 Commitment under letters of guarantee issued by commercial banks	49,839	71,361	48,209	69,731
21.2 Commitment under letters of guarantee on overdrafts with commercial banks for - Associates	4,200	4,200	4,200	4,200
21.3 Letters of credit	3,099	1,102	3,000	1,102
21.4 Royalty fees are payable by calculating from percentage of sales at the rate as fixed in the agreement.				
21.5 Lease contract of Preserved Food Organization (P.F.O.) yearly (See Note 22).				
21.6 Lease and Service Contracts for the office and warehouse and Advisory Contract having periods from 2 years onward as specified in each contract. As at June 30, 2008, the Company has commitment to pay future monthly rental and services approximately for				
	Consolidated	Baht	1,840,872	
	The separate financial statements	Baht	1,300,340	

22. LEASEHOLD RIGHT AND SUB-LEASE CONTRACT

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

(THOUSAND BAHT)

	Portion paid to Ministry of Defense	Portion received from Thai Q P Co., Ltd.
1. Rental fee of Preserved Food Organization (P.F.O.)		
- Amount paid at the beginning of contract	55,000	38,500
- Balance as at June 30, 2008	3,289	2,140
- Balance as at December 31, 2007	4,656	3,153
Shown under leasehold right and unearned rental		
2. Security for damage	5,000	3,500
Shown under investments in bond and deposit received		
3. Yearly rental (increasing in every 5 years)		
- Balance as at June 30, 2008	1,390	1,390
- Balance as at December 31, 2007	4,885	4,885
Shown under prepaid and unearned rental		
4. Related insurance premiums and other expenses will be totally collected from Thai Q P Co., Ltd.		
Shown under selling/administrative expenses and compensation income		

23. DILUTED EARNINGS PER SHARE RECONCILIATION

<u>CONSOLIDATED</u>	For the three-month period ended June 30, 2008			For the three-month period ended June 30, 2007		
	Net profit Thousand Baht	Number of shares Shares	Earnings per shares Baht	Net profit Thousand Baht	Number of shares Shares	Earnings per shares Baht
<u>Basic Earnings per share</u>						
Net profit available to ordinary shareholders	78,634	103,489,000	0.76	34,448	102,474,577	0.34
<u>Effect of assumed conversion</u>						
Warrants	-	1,035,704		-	1,699,262	
<u>Diluted earnings per share</u>						
Net profit available to ordinary shareholders plus assumed conversion	78,634	104,524,704	0.75	34,448	104,173,839	0.33

<u>CONSOLIDATED</u>	For the six-month period ended June 30, 2008			For the six-month period ended June 30, 2007		
	Net profit Thousand Baht	Number of shares Shares	Earnings per shares Baht	Net profit Thousand Baht	Number of shares Shares	Earnings per shares Baht
<u>Basic Earnings per share</u>						
Net profit available to ordinary shareholders	107,141	103,328,124	1.04	95,265	102,258,047	0.93
<u>Effect of assumed conversion</u>						
Warrants	-	1,106,303		-	1,837,995	
<u>Diluted earnings per share</u>						
Net profit available to ordinary shareholders plus assumed conversion	107,141	104,434,427	1.03	95,265	104,096,042	0.92

<u>THE COMPANY ONLY</u>	For the three-month period ended June 30, 2008			For the three-month period ended June 30, 2007		
	Net profit Thousand Baht	Number of shares Shares	Earnings per shares Baht	Net profit Thousand Baht	Number of shares Shares	Earnings per shares Baht
<u>Basic Earnings per share</u>						
Net profit available to ordinary shareholders	81,388	103,489,000	0.79	38,310	102,474,577	0.37
<u>Effect of assumed conversion</u>						
Warrants	-	1,035,704		-	1,699,262	
<u>Diluted earnings per share</u>						
Net profit available to ordinary shareholders plus assumed conversion	81,388	104,524,704	0.78	38,310	104,173,839	0.37

<u>THE COMPANY ONLY</u>	For the six-month period ended June 30, 2008			For the six-month period ended June 30, 2007		
	Net profit Thousand Baht	Number of shares Shares	Earnings per shares Baht	Net profit Thousand Baht	Number of shares Shares	Earnings per shares Baht
<u>Basic Earnings per share</u>						
Net profit available to ordinary shareholders	93,165	103,328,124	0.90	80,857	102,258,047	0.79
<u>Effect of assumed conversion</u>						
Warrants	-	1,106,303		-	1,837,995	
<u>Diluted earnings per share</u>						
Net profit available to ordinary shareholders plus assumed conversion	93,165	104,434,427	0.89	80,857	104,096,042	0.78

24. RECLASSIFICATION OF ACCOUNTING TRANSACTIONS

Some accounting transactions of 2007 financial statements have been reclassified to conform with the presentation of 2008 financial statements.

25. FINANCIAL STATEMENTS APPROVAL

These interim financial statements are duly approved by the Company's directors on July 29, 2008.