

Thai Luxe Enterprises Public Company Limited
and its subsidiaries
Report and consolidated interim financial statements
For the three-month and six-month periods ended
30 June 2010 and 2009

Review report of Independent Auditor

To the Shareholders of Thai Luxe Enterprises Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Thai Luxe Enterprises Public Company Limited and its subsidiaries as at 30 June 2010, the related consolidated statements of income for the three-month and six-month periods ended 30 June 2010, and the consolidated statements of changes in shareholders' equity and cash flows for the six-month periods ended 30 June 2010, and have reviewed the separate financial statements of Thai Luxe Enterprises Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review. I did not review the financial statements of Betagro - Thailuxe Vina Feed Mill Company Limited, which are included in these consolidated financial statements. The financial statements of this subsidiary for the three-month and six-month periods ended 30 June 2010 showed total assets of Baht 166.6 million, constituting 12.0 percent of consolidated total assets, total revenues for the three-month and six-month periods ended 30 June 2010 of Baht 92.9 million and Baht 120.2 million, constituting 11.3 percent and 8.3 percent of consolidated total revenues, respectively, and net income for the three-month and six-month periods ended 30 June 2010 of Baht 8.2 million and Baht 3.2 million, respectively. The financial statements of this subsidiary were reviewed by another auditor, whose report has been furnished to me. My review report on the Company's consolidated and separate financial statements for the three-month and six-month periods ended 30 June 2010, insofar as it relates to the amounts included for this subsidiary, is based solely on the review report of this other auditor.

I conducted my review in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my review and the review report of the other auditor, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The consolidated financial statements of Thai Luxe Enterprises Public Company Limited and its subsidiaries, and the separate financial statements of Thai Luxe Enterprises Public Company Limited for the year ended 31 December 2009 were audited in accordance with generally accepted auditing standards by another auditor of our firm who expressed an unqualified opinion on those statements under his report dated 22 February 2010. The consolidated and separate balance sheets as at 31 December 2009, as presented herein for comparative purposes, formed an integral part of the financial statements which that auditor audited and reported on.

The consolidated statements of income for the three-month and six-month periods ended 30 June 2009 and the consolidated statement of changes in shareholders' equity and cash flows for the six-month periods ended 30 June 2009 of Thai Luxe Enterprises Public Company Limited and its subsidiaries and the separate financial statements of Thai Luxe Enterprises Public Company Limited for the same periods, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under his report dated 10 August 2009, that nothing had come to his attention to cause him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Khitsada Lerdwana
Certified Public Accountant (Thailand) No. 4958

Ernst & Young Office Limited
Bangkok: 9 August 2010

(Unaudited but reviewed)

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Income statements

For the three-month periods ended 30 June 2010 and 2009

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Revenues					
Sales		801,407	750,491	732,248	700,346
Rental income		4,276	4,239	4,276	4,239
Other income					
Revenue from input vat refundable		7,985	-	7,985	-
Others		6,690	5,657	7,397	5,631
		<u>14,675</u>	<u>5,657</u>	<u>15,382</u>	<u>5,631</u>
Total revenues		<u>820,358</u>	<u>760,387</u>	<u>751,906</u>	<u>710,216</u>
Expenses					
Cost of sales		680,825	645,418	625,429	600,081
Selling expenses		34,675	31,732	31,183	30,014
Administrative expenses		22,886	27,336	22,653	25,826
Exchange loss		-	2,080	-	1,933
Management benefit expenses		4,598	4,584	4,369	4,258
		<u>742,984</u>	<u>711,150</u>	<u>683,634</u>	<u>662,112</u>
Total expenses		<u>742,984</u>	<u>711,150</u>	<u>683,634</u>	<u>662,112</u>
Income before share of income (loss) from investments in associate, finance cost and corporate income tax		<u>77,374</u>	<u>49,237</u>	<u>68,272</u>	<u>48,104</u>
Share of income (loss) from investment in associate		(324)	802	-	-
		<u>77,050</u>	<u>50,039</u>	<u>68,272</u>	<u>48,104</u>
Income before finance cost and corporate income tax		<u>77,050</u>	<u>50,039</u>	<u>68,272</u>	<u>48,104</u>
Finance cost		(1,795)	(935)	(961)	(773)
		<u>75,255</u>	<u>49,104</u>	<u>67,311</u>	<u>47,331</u>
Income before corporate income tax		<u>75,255</u>	<u>49,104</u>	<u>67,311</u>	<u>47,331</u>
Corporate income tax	13	(6,707)	(5,853)	(6,707)	(5,853)
		<u>68,548</u>	<u>43,251</u>	<u>60,604</u>	<u>41,478</u>
Net income for the period		<u>68,548</u>	<u>43,251</u>	<u>60,604</u>	<u>41,478</u>
Net income attributable to:					
Equity holders of the parent		65,996	42,911	<u>60,604</u>	<u>41,478</u>
Minority interests of the subsidiaries		2,552	340		
		<u>68,548</u>	<u>43,251</u>		
Earnings per share					
11					
Basic earnings per share					
Net income attributable to equity holders of the parent		<u>0.173</u>	<u>0.125</u>	<u>0.159</u>	<u>0.121</u>
Diluted earnings per share					
Net income attributable to equity holders of the parent		<u>0.173</u>	<u>0.124</u>	<u>0.159</u>	<u>0.120</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Income statements

For the six-month periods ended 30 June 2010 and 2009

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
Revenues					
Sales		1,412,072	1,119,306	1,329,512	1,062,703
Rental income		8,568	8,484	8,568	8,484
Other income					
Revenue from input vat refundable		7,985	-	7,985	-
Others		12,889	8,006	14,297	8,372
		<u>20,874</u>	<u>8,006</u>	<u>22,282</u>	<u>8,372</u>
Total revenues		<u>1,441,514</u>	<u>1,135,796</u>	<u>1,360,362</u>	<u>1,079,559</u>
Expenses					
Cost of sales		1,209,844	956,008	1,145,216	902,046
Selling expenses		64,175	53,158	56,643	50,195
Administrative expenses		49,125	51,872	45,396	48,936
Exchange loss		-	1,090	-	990
Management benefit expenses		9,072	9,323	8,496	8,635
		<u>1,332,216</u>	<u>1,071,451</u>	<u>1,255,751</u>	<u>1,010,802</u>
Total expenses		<u>1,332,216</u>	<u>1,071,451</u>	<u>1,255,751</u>	<u>1,010,802</u>
Income before share of income (loss) from investments in associate, finance cost and corporate income tax		109,298	64,345	104,611	68,757
Share of income (loss) from investment in associate		(221)	2,484	-	-
		<u>109,077</u>	<u>66,829</u>	<u>104,611</u>	<u>68,757</u>
Income before finance cost and corporate income tax		<u>109,077</u>	<u>66,829</u>	<u>104,611</u>	<u>68,757</u>
Finance cost		(3,402)	(2,023)	(1,938)	(1,801)
		<u>105,675</u>	<u>64,806</u>	<u>102,673</u>	<u>66,956</u>
Income before corporate income tax		<u>105,675</u>	<u>64,806</u>	<u>102,673</u>	<u>66,956</u>
Corporate income tax	13	(14,011)	(8,931)	(14,011)	(8,931)
		<u>91,664</u>	<u>55,875</u>	<u>88,662</u>	<u>58,025</u>
Net income for the period		<u>91,664</u>	<u>55,875</u>	<u>88,662</u>	<u>58,025</u>
Net income attributable to:					
Equity holders of the parent		90,201	57,497	88,662	58,025
Minority interests of the subsidiaries		1,463	(1,622)		
		<u>91,664</u>	<u>55,875</u>		
Earnings per share					
11					
Basic earnings per share					
Net income attributable to equity holders of the parent		<u>0.239</u>	<u>0.168</u>	<u>0.235</u>	<u>0.170</u>
Diluted earnings per share					
Net income attributable to equity holders of the parent		<u>0.239</u>	<u>0.167</u>	<u>0.235</u>	<u>0.169</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thai Luxe Enterprises Public Company Limited and its subsidiaries
Cash flow statements
For the six-month periods ended 30 June 2010 and 2009

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash flows from operating activities				
Net income before tax	105,675	64,806	102,673	66,956
Adjustments to reconcile net income to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	30,941	35,403	26,582	27,116
Bad debts	1,215	1,705	1,215	1,705
Increase in allowance for doubtful accounts	2,104	387	108	387
Increase in allowance for stock obsolescences	-	1,957	-	1,957
Unrealised loss (gain) on valuation of trading securities	30	(197)	30	(197)
Gain on sales of trading securities	(209)	(100)	(209)	(100)
Gain on sales of available-for-sale securities	(113)	(24)	(113)	(24)
Gain on sales of equipment	(632)	(1,892)	(632)	(1,892)
Write-off equipment	261	-	261	-
Share of loss (income) from investments in associate	221	(2,484)	-	-
Dividend received from long-term investment	(500)	(250)	(500)	(250)
Unrealised on exchange loss	690	936	674	979
Interest expenses	1,753	906	452	683
Income from operating activities before changes in operating assets and liabilities	141,436	101,153	130,541	97,320
Operating assets (increase) decrease				
Trade accounts receivable/long-term receivables	(82,769)	(147,799)	(55,167)	(121,016)
Amounts due from related parties	(30)	(12)	(125)	(12)
Management fee receivable - related party	-	-	(154)	117
Inventories	(82,822)	(105,588)	(58,614)	(82,307)
Other current assets	(11,619)	(2,699)	(12,659)	(407)
Other non-current assets	531	(268)	88	(15)
Operating liabilities increase (decrease)				
Trade accounts payable	97,736	163,566	78,038	137,796
Other current liabilities	3,718	13,918	426	14,626
Other non-current liabilities	(943)	(505)	(943)	(505)
Cash flows from operating activities	65,238	21,766	81,431	45,597
Cash paid for interest expenses	(1,572)	(912)	(436)	(689)
Cash paid for corporate income tax	(12,029)	(4,975)	(12,040)	(4,975)
Net cash flows from operating activities	51,637	15,879	68,955	39,933

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the six-month periods ended 30 June 2010 and 2009

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash flows from investing activities				
Increase in restricted bank deposit	(7)	(23)	(7)	(23)
Purchase of current investments - trading securities	(248,000)	(162,000)	(248,000)	(162,000)
Cash receipt from sales of trading securities	288,000	200,000	288,000	200,000
Purchase of current investments - available-for-sale securities	(138,000)	(30,000)	(138,000)	(30,000)
Cash receipt from sales of available-for-sale securities	101,000	25,000	101,000	25,000
Increase in short-term loans to related party	-	-	(9,200)	-
Acquisition of equipment	(9,344)	(3,211)	(9,186)	(3,176)
Proceed from sales of equipment	661	2,130	661	2,130
Acquisition of intangible asset	(19)	-	(19)	-
Dividend received from long-term investment	500	250	500	250
Net cash flows from (used in) investing activities	(5,209)	32,146	(14,251)	32,181
Cash flows from financing activities				
Increase in bank overdrafts	590	423	590	423
Increase (decrease) in trust receipts	(5,506)	3,941	(5,506)	3,941
Cash receipt from short-term loans from financial institution	56,737	35,077	-	-
Repayment of short-term loans from financial institution	(43,561)	(3,120)	-	-
Repayment of long-term loan	-	(27,953)	-	(27,953)
Cash receipt from capital increase as a result of warrants exercise	34,290	13,975	34,290	13,975
Dividend paid	(38,045)	(34,218)	(38,045)	(34,218)
Net cash flows from (used in) financing activities	4,505	(11,875)	(8,671)	(43,832)
Decrease in translation adjustments	(3,130)	(7,114)	-	-
Net increase in cash and cash equivalents	47,803	29,036	46,033	28,282
Cash and cash equivalents at beginning of period	38,729	16,784	34,753	16,005
Cash and cash equivalents at end of period	86,532	45,820	80,786	44,287
	-	-	-	-
Supplemental cash flows information				
Non-cash related transactions				
Assets acquired under long-term lease	587	-	587	-

The accompanying notes are an integral part of the financial statements.

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2010 and 2009

1. General information

1.1 Corporate information

Thai Luxe Enterprises Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of feeds for aquatic animals and its registered address is 69/5 Moo 5 Rama 2 Road (Km. 71) Tambol Bangkhantaek, Amphur Muang, Samutsongkhram.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2007) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of income, changes in shareholders’ equity, and cash flows as in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.3 Basis of consolidation

These consolidated financial statements include the financial statements of Thai Luxe Enterprises Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2009.

1.4 Adoption of new accounting standards

During the current period, the Federation of Accounting Professions issued a number of revised and new accounting standards as listed below. These standards are not effective for the current year, except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective.

	<u>Effective date</u>
Framework for the Preparation and Presentation of Financial Statements (revised 2009)	Immediately effective
TAS 1 (revised 2009) Presentation of Financial Statements	1 January 2011
TAS 2 (revised 2009) Inventories	1 January 2011
TAS 7 (revised 2009) Statement of Cash Flows	1 January 2011
TAS 8 (revised 2009) Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2011
TAS 10 (revised 2009) Events after the Reporting Period	1 January 2011
TAS 11 (revised 2009) Construction Contracts	1 January 2011
TAS 12 Income Taxes	1 January 2013
TAS 17 (revised 2009) Leases	1 January 2011
TAS 20 (revised 2009) Accounting for Government Grants and Disclosure of Government Assistance	1 January 2013
TAS 23 (revised 2009) Borrowing Costs	1 January 2011
TAS 24 (revised 2009) Related Party Disclosures	1 January 2011
TAS 27 (revised 2009) Consolidated and Separate Financial Statements	1 January 2011
TAS 28 (revised 2009) Investments in Associates	1 January 2011
TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2011
TAS 31 (revised 2009) Interests in Joint Ventures	1 January 2011
TAS 33 (revised 2009) Earnings per Share	1 January 2011
TAS 34 (revised 2009) Interim Financial Reporting	1 January 2011
TAS 36 (revised 2009) Impairment of Assets	1 January 2011
TAS 37 (revised 2009) Provisions, Contingent Liabilities and Contingent Assets	1 January 2011
TAS 38 (revised 2009) Intangible Assets	1 January 2011
TAS 40 (revised 2009) Investment Property	1 January 2011
TFRS 5 (revised 2009) Non-current Assets Held for Sale and Discontinued Operations	1 January 2011
TFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2011

(Unaudited but reviewed)

The management of the Company has assessed the effect of the accounting standards and financial reporting standards and believes that these standards will not have any significant impact on the financial statements for the year in which they are initially applied. This excludes TAS 12, for which management is still evaluating the first-year impact to the financial statements, and has yet to reach a conclusion.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2009.

2. Investments in trading securities

(Unit: Thousand Baht)

Consolidated/ Separate
financial statements

	30 June 2010	31 December 2009
		(Audited)
Trading securities		
Ordinary shares - Siam Commercial Bank Public Company Limited	1	1
Unit trusts - Open Ended Fund		
SCB Savings Fixed Income Fund	40,694	80,515
Total investments in trading securities	40,695	80,516

3. Investments in available-for-sale securities

(Unit: Thousand Baht)

Consolidated/ Separate financial statements

	30 June 2010		31 December 2009	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
				(Audited)
Available-for-sale securities				
Unit trusts - Open Ended Fund Bualuang Thanatavee Fixed Income Fund	15,089	15,118	30,034	30,045
Unit trusts - Open Ended Fund The Krung Thai Sa-Som-Sub Fund	14,058	14,100	-	-
Unit trusts - Open Ended Fund Thanachart Cash Management Mutual Fund	38,000	38,074	-	-
Revaluation surplus on changes in value of investments	145		11	
Total investments in available-for-sale securities	67,292		30,045	

4. Trade accounts receivable / long-term receivables

4.1 Trade accounts receivable

The outstanding balances of trade accounts receivable are aged, based on due date, as follows:

<u>Age of receivables</u>	(Unit: Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
		(Audited)		(Audited)
<u>Related party</u>				
Past due				
Up to 3 months	-	-	17,473	2,111
3 - 6 months	-	-	6,233	-
	-	-	23,706	2,111
<u>Unrelated parties</u>				
Not yet due	212,206	142,409	158,692	135,949
Past due				
Up to 3 months	60,507	50,579	48,993	40,105
3 - 6 months	3,449	5,541	3,157	3,432
6 - 12 months	4,309	5,588	1,727	3,288
Over 12 months	8,189	4,651	3,930	3,014
Total	288,660	208,768	216,499	185,788
Less: Allowance for doubtful debts	(15,118)	(13,014)	(8,131)	(8,023)
	273,542	195,754	208,368	177,765
Total trade accounts receivable - net	273,542	195,754	232,074	179,876

4.2 Long-term receivables

These represent the balance of long outstanding debts due from various trade debtors against whom the Company has taken legal actions. As at 30 June 2010, the Company has set up an allowance for doubtful accounts amounting Baht 54.8 million (31 December 2009: Baht 54.8 million) in its accounts by taking into consideration the auction price and the value of the related collaterals.

(Unaudited but reviewed)

5. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 June				Transfer pricing policies
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of raw materials	-	-	23.7	9.8	Contract prices
Purchases of raw materials	-	-	-	1.6	Market prices
<u>Transactions with related companies</u>					
Rental income	3.6	3.6	3.6	3.6	Contract prices

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policies
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of raw materials	-	-	37.6	12.2	Contract prices
Management fee income	-	-	1.1	0.8	Contract prices
Purchases of raw materials	-	-	-	1.6	Market prices
<u>Transactions with related companies</u>					
Rental income	7.2	7.2	7.2	7.2	Contract prices
Purchases of raw materials	0.5	6.5	0.5	6.5	Market prices
Management fee expense	1.1	1.1	-	-	Contract prices

(Unaudited but reviewed)

The balances of the accounts as at 30 June 2010 and 31 December 2009 between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2010	2009	2010	2009
		(Audited)		(Audited)
<u>Trade accounts receivable - related party</u>				
Subsidiary				
Betagro - Thailuxe Vina Feed Mill Co., Ltd.	-	-	23,706	2,111
Total trade accounts receivable - related party	-	-	23,706	2,111
<u>Amounts due from related parties</u>				
Subsidiary				
Betagro - Thailuxe Vina Feed Mill Co., Ltd.	-	-	210	115
Associated company				
SMP Food Products Co., Ltd.	84	54	84	54
Total amounts due from related parties	84	54	294	169
<u>Short-term loans to related party and interest receivable</u>				
Subsidiary				
Betagro - Thailuxe Holding Co., Ltd.	-	-	10,262	860
Total short-term loans to related party and interest receivable	-	-	10,262	860
<u>Management fee receivable - related party</u>				
Subsidiary				
Betagro - Thailuxe Vina Feed Mill Co., Ltd.	-	-	553	399
Total management fee receivable - related party	-	-	553	399
<u>Trade accounts payable - related party</u>				
Related company				
Betagro Agro Public Company Ltd.	255	-	255	-
Total trade accounts payable - related party	255	-	255	-
<u>Rental guarantees - related party</u>				
Associated company				
SMP Food Products Co., Ltd.	3,000	3,000	3,000	3,000
Total rental guarantees - related party	3,000	3,000	3,000	3,000

The outstanding balance of short-term loans to related party represented loans, maturing within one year and carrying interest rate at 7.5 percent per annum.

(Unaudited but reviewed)

During the six-month period ended 30 June 2010, movements of short-term loans to related party and interest receivable were as follows:

	(Unit: Thousand Baht)		
	Balance as at 1 January 2010	During the period Increase	Balance as at 30 June 2010
<u>Short-term loans to related party and interest receivable</u>			
Subsidiary			
Betagro - Thailuxe Holding Co., Ltd.			
Short-term loans	800	9,200	10,000
Interest receivable	60	202	262
Total short-term loans to related party and interest receivable	<u>860</u>	<u>9,402</u>	<u>10,262</u>

Directors and management's benefits

During the six-month period ended 30 June 2010, the Company and its subsidiaries paid salaries, meeting allowance and gratuities to their directors and management totaling Baht 9.1 million (Separate financial statements: Baht 8.5 million) (30 June 2009: Baht 9.3 million, Separate financial statements: Baht 8.6 million).

6. Investments in subsidiary

Company's name	(Unit: Thousand Baht)									
	Separate financial statements									
	Paid-up capital		Shareholding percentage		Cost		Provision for impairment of investment		Carrying amounts based on cost method-net	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009
			(%)	(%)						
Betagro-Thailuxe Holding Co., Ltd.	150,000	150,000	65	65	96,994	96,994	(58,600)	(58,600)	38,394	38,394
Total					<u>96,994</u>	<u>96,994</u>	<u>(58,600)</u>	<u>(58,600)</u>	<u>38,394</u>	<u>38,394</u>

No dividend was received from the above subsidiary company for the six-month periods ended 30 June 2010 and 2009.

7. Investments in associated company

Company's name	Nature of business	Country of incorporation	(Unit: Thousand Baht)							
			Consolidated/ Separate financial statements							
			Shareholding percentage		Cost		Carrying amounts based on equity method			
			30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009		
			(%)	(%)						
SMP Food Products Company Limited	Manufacturing and distributing of frozen food	Thailand	21.43	21.43	9,000	9,000	9,919	10,140	9,919	10,140
Total					<u>9,000</u>	<u>9,000</u>	<u>9,919</u>	<u>10,140</u>	<u>9,919</u>	<u>10,140</u>

(Unaudited but reviewed)

No dividend was received from the above associated company for the six-month periods ended 30 June 2010 and 2009.

As at 30 June 2010, investments in SMP Food Products Company Limited had been accounted for under equity method based on financial statements as at 30 June 2010 prepared by its managements and not reviewed by its auditors.

As at 31 December 2009, investments in SMP Food Products Company Limited had been accounted for under equity method based on financial statements as at 31 December 2009, prepared by its managements and not audited by its auditors. However, the audited financial statements as at 31 December 2009 of these associated company, which were subsequently received by the Company during 2010, presented no material differences from those prepared by the management.

8. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month and six-month periods ended 30 June 2010 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2010	476,449	436,646
Acquisitions during period - at cost	9,931	9,773
Disposals and write-off during period - net book value at disposal date	(290)	(290)
Depreciation for period	<u>(30,674)</u>	<u>(26,315)</u>
Net book value as at 30 June 2010	<u>455,416</u>	<u>419,814</u>

The overseas subsidiary has mortgaged building, machinery and equipment with a total net book value as at 30 June 2010 of Baht 35.6 million as collateral for credit facilities granted by commercial banks.

9. Share capital

At the Annual General Meeting of the Company's shareholders held on 26 April 2010, the Company's shareholders approved the reduction in its registered share capital from Baht 383.76 million (383.76 million ordinary shares at a par value of Baht 1 each) to Baht 380.45 million (380.45 million ordinary shares at a par value of Baht 1 each) by cancelling 3.31 million authorised but unissued ordinary shares with a par value of Baht 1 each, totaling Baht 3.31 million, previously reserved to accommodate the exercise of warrants, which currently expired as mentioned in Note 10 to the financial statements. The Company registered the reduction in registered share capital with the Ministry of Commerce on 7 May 2010.

During the first quarter, warrants were exercised to purchase new ordinary shares as follows:

	Increase in paid up share capital from warrant exercise	Increase in share premium from warrants exercise	Date of registration of additional shares from warrant exercise with the Ministry of Commerce
	(Baht)	(Baht)	
Outstanding as at 1 January 2010	357,591,305	203,795,653	
Exercised during January 2010	22,860,215	11,430,107	29 January 2010
Outstanding as at 30 June 2010	380,451,520	215,225,760	

10. Warrants

The Company has granted warrants to its existing shareholders (TLUXE-W1), and directors and employees (TLUXE-ESOP), for no consideration. A summary of the warrants granted is presented below.

	TLUXE-W1	TLUXE-ESOP
Approved by	Extraordinary General Meeting No. 1/2005	Extraordinary General Meeting No. 1/2005
Date of original grant	25 January 2006	25 January 2006
No. of warrants granted	125,000,000	7,500,000*
Life of warrants (years)	4	4
Exercisable	Semi-annually	Semi-annually
First exercise date	25 January 2007	25 January 2007
Final exercise date	25 January 2010	25 January 2010
Exercise price per 1 ordinary shares (Baht)	1.50	1.50
Exercise ratio (warrants to ordinary shares)	1:1	1:1

*By the resolution of the Extraordinary General Shareholders 1/2005, it was resolved that the Company was authorized the issue of 8,760,000 warrants, however a resolution of the Meeting of the Company's Board of Directors held on 15 November 2005, approved the reduction of the number of warrants to be issued to the directors and employees to 7,500,000 warrants.

The Company received an approval to offer warrants to shareholders from the Office of the Securities and Exchange Commission on 30 December 2005.

(Unaudited but reviewed)

Presented below is a summary of warrant activity:

	(Units)	
	TLUXE-W1	TLUXE-ESOP
No. of warrants issued	125,000,000	7,500,000
Exercised during the year 2007 to 2009	(101,460,805)	(6,130,500)
Exercised during 1 January 2010 to the final exercise date for warrants (25 January 2010)	(22,020,715)	(839,500)
Outstanding of expired warrants	<u>1,518,480</u>	<u>530,000</u>

11. Earnings per share

Basic earnings per share is calculated by dividing net income for the period by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing net income for the period by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued. However, there is no calculation of diluted income per share for the three-month and six-month periods ended 30 June 2010 since warrants were expired as mentioned in Note 10 to the financial statements.

The following table sets forth the computation of basic and diluted earning per share.

Consolidated financial statements						
For the three-month periods ended 30 June						
Net income		Weighted average number of ordinary shares		Earnings per share		
<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand Share)	(Thousand Share)	(Baht)	(Baht)	
Basic earnings per share						
Net income attributable to equity holders of the parent						
65,996	42,911	380,452	342,242	0.173	0.125	
Effect of dilutive potential ordinary shares						
-	-	-	111			
-	-	-	<u>1,927</u>			
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>65,996</u>	<u>42,911</u>	<u>380,452</u>	<u>344,280</u>	0.173	0.124	

(Unaudited but reviewed)

Consolidated financial statements						
For the six-month periods ended 30 June						
Net income		Weighted average number of ordinary shares		Earnings per share		
<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand Share)	(Thousand Share)	(Baht)	(Baht)	
Basic earnings per share						
Net income attributable to equity holders of the parent						
90,201	57,497	377,905	342,132	0.239	0.168	
Effect of dilutive potential ordinary shares						
TLUXE- ESOP						
-	-	-	111			
TLUXE-W1						
-	-	-	1,930			
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>90,201</u>	<u>57,497</u>	<u>377,905</u>	<u>344,173</u>	0.239	0.167	

Separate financial statements						
For the three-month periods ended 30 June						
Net income		Weighted average number of ordinary shares		Earnings per share		
<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand Share)	(Thousand Share)	(Baht)	(Baht)	
Basic earnings per share						
Net income attributable to equity holders of the parent						
60,604	41,478	380,452	342,242	0.159	0.121	
Effect of dilutive potential ordinary shares						
TLUXE- ESOP						
-	-	-	111			
TLUXE-W1						
-	-	-	1,927			
Diluted earnings per share						
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>60,604</u>	<u>41,478</u>	<u>380,452</u>	<u>344,280</u>	0.159	0.120	

(Unaudited but reviewed)

Separate financial statements					
For the six-month periods ended 30 June					
Net income		Weighted average number of ordinary shares		Earnings per share	
<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
(Thousand Baht)	(Thousand Baht)	(Thousand Share)	(Thousand Share)	(Baht)	(Baht)
Basic earnings per share					
Net income attributable to equity holders of the parent					
88,662	58,025	377,905	342,132	0.235	0.170
Effect of dilutive potential ordinary shares					
TLUXE- ESOP	-	-	111		
TLUXE-W1	-	-	1,930		
Diluted earnings per share					
Net income of ordinary shareholders assuming the conversion of warrants to ordinary shares					
<u>88,662</u>	<u>58,025</u>	<u>377,905</u>	<u>344,173</u>	0.235	0.169

12. Dividend

On 22 February 2010, the Meeting of the Company's Board of Directors no. 1/2010 proposed the payment of a dividend of Baht 0.06 per share from the profit of non-promoted activities and Baht 0.04 per share from the profit of promoted activities to the Company's shareholders, a total of approximately Baht 38.05 million. The resolution of this meeting was approved by the Annual General Meeting of the Company's shareholders on 26 April 2010. This dividend was paid to shareholders in the current quarter.

13. Corporate income tax

Corporate income tax of the Company for the period has been calculated on the earnings of the non-tax-exempted activities after adding back certain expenses and deducting income which disallowable for tax computation purposes. In addition, during the first quarter of 2010, the Company paid additional corporate income tax for the year 2008 amounting to approximately Baht 2.5 million, which was assessed by tax officers.

14. Credit facilities

Credit facilities of the Company and its subsidiaries granted by the banks are secured by the mortgages/pledges and guarantees listed below.

1. All of the overseas subsidiary's buildings, machinery and equipment.
2. The Company's fixed deposits with outstanding balance amounting to approximately Baht 2.7 million.
3. Guarantee by the Company's directors.

15. Segment information

The Company and its subsidiaries' business operations involve one principal segment in manufacture and distributing of feeds for aquatic animals and are carried on both locally and overseas. Below is the consolidated financial information for the periods ended 30 June 2010 and 2009 of the Company and its subsidiaries by segment.

(Unit: Million Baht)

For the three-month periods ended 30 June

	Domestic		Overseas		Elimination of inter-segment transaction		Consolidated financial statements	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenue from sales	709	691	92	59	-	-	801	750
Inter-segment revenues	24	10	-	4	(24)	(14)	-	-
Total revenues	<u>733</u>	<u>701</u>	<u>92</u>	<u>63</u>	<u>(24)</u>	<u>(14)</u>	<u>801</u>	<u>750</u>
Segment income	<u>106</u>	<u>101</u>	<u>14</u>	<u>4</u>			120	105
Unallocated income and expenses:								
Other income							19	9
Share of gain from investments								
in associate							-	1
Selling expenses							(34)	(32)
Administrative expenses							(23)	(27)
Exchange loss							-	(2)
Management benefit expenses							(5)	(4)
Financial cost							(2)	(1)
Corporate income tax							(6)	(6)
Minority interest							(3)	-
Net income							<u>66</u>	<u>43</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Domestic		Overseas		Elimination of inter-segment transaction		Consolidated financial statements	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenue from sales	1,292	1,051	120	68	-	-	1,412	1,119
Inter-segment revenues	38	12	-	4	(38)	(16)	-	-
Total revenues	1,330	1,063	120	72	(38)	(16)	1,412	1,119
Segment income	184	161	18	2			202	163
Unallocated income and expenses:								
Other income							30	16
Share of gain from investments in associate							-	2
Selling expenses							(64)	(53)
Administrative expenses							(49)	(52)
Exchange loss							-	(1)
Management benefit expenses							(9)	(9)
Financial cost							(4)	(2)
Corporate income tax							(14)	(9)
Minority interest							(2)	2
Net income							90	57

Financial information from the balance sheet regarding geographical segments as at 30 June 2010 and 31 December 2009 are as follows

(Unit: Million Baht)

	Domestic		Overseas		Elimination of inter-segment revenues		Consolidated financial statements	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009
		(Audited)		(Audited)		(Audited)		(Audited)
Trade accounts receivable - net	232	180	72	18	(30)	(2)	274	196
Property, plant and equipment - net							455	476
Unallocated assets							661	520
Total assets							1,390	1,192

Transfer prices between business segments are comparable to the prices charged to the third parties.

16. Commitments and contingent liabilities**16.1 Capital commitments**

As at 30 June 2010, the Company had capital commitments of approximately Euro 0.1 million, relating to the acquisition of machinery.

16.2 Operating lease commitments

The overseas subsidiary has entered into lease agreement in respect of the lease of land. The term of the agreement is 44 years. Operating lease agreement is non-cancellable.

As at 30 June 2010, future minimum lease payments required under these non-cancellable operating leases contract was as follows.

	<u>Million US dollar</u>
Payable within:	
Less than 1 year	0.02
1 to 5 years	0.08
More than 5 years	0.30

16.3 Guarantees

As at 30 June 2010, there were outstanding bank guarantees of approximately Baht 6.6 million issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These letters of guarantee are relating to guarantee electricity use.

16.4 Forward exchange contracts

Forward exchange contracts outstanding at 30 June 2010 are summarised below.

<u>Foreign currency</u>	<u>Sold amount</u>	<u>Contractual exchange rate</u>
	(Million)	(Baht per 1 foreign currency unit)
US dollar	1.9	32.249 - 32.606

17. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised director on 9 August 2010.