

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 2011 and 2010

Review report of Independent Auditor

To the Shareholders of Thai Luxe Enterprises Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Thai Luxe Enterprises Public Company Limited and its subsidiaries as at 30 June 2011, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2011 and 2010, the changes in shareholders' equity, and cash flows for the six-month periods ended 30 June 2011 and 2010, and have also 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 reviews. I did not review the interim financial statements of Betagro - Thailuxe Vina Feed Mill Company Limited, which is a subsidiary of the Company. The interim financial statements of this subsidiary for the three-month and six-month periods ended 30 June 2011, which are included in these consolidated financial statements, showed total assets of Baht 96.5 million, constituting 6.5 percent of consolidated total assets, total revenues for the three-month and six-month periods ended 30 June 2011 of Baht 36.5 million and Baht 55.8 million, constituting 5.3 percent and 4.4 percent of consolidated total revenues, respectively, and net loss for the three-month and six-month periods ended 30 June 2011 of Baht 1.3 million and Baht 12.7 million, respectively. The interim 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 for the three-month and six-month periods ended 30 June 2011, insofar as it relates to the amounts included for this subsidiary, is based solely on the review report of this another auditor.

I conducted my reviews 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 reviews and the review report of the another 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.

I have previously audited 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 2010 in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated 15 February 2011. The consolidated and separate statements of financial position as at 31 December 2010, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. In addition, as described in Note 1.4 and Note 2 to the financial statements, during the current period, the Company adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied them in its preparation and presentation of the interim financial statements. The Company has restated the 2010 financial statements to reflect the changes in accounting policies resulting from the adoption of these new accounting standards. In my opinion, the adjustments made for the preparation of the restated statements are appropriate and have been properly applied. Other than the forgoing, I have not performed any other audit procedures subsequent to the date of the above report.

Khitsada Lerdwana
Certified Public Accountant (Thailand) No. 4958

Ernst & Young Office Limited
Bangkok: 8 August 2011

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Statements of financial position

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 June 2011</u>	<u>31 December 2010</u>	<u>30 June 2011</u>	<u>31 December 2010</u>
		(Unaudited but reviewed)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)
Assets					
Current assets					
Cash and cash equivalents		195,981	155,149	193,199	133,915
Current investments					
Trading securities	4	16,575	124,061	16,575	124,061
Available-for-sale securities	4	149,311	86,651	149,311	86,651
Trade accounts receivable - unrelated parties	5	227,964	218,958	191,741	181,925
Less: Allowance for doubtful accounts	5	(28,289)	(15,011)	(19,002)	(9,207)
Trade accounts receivable - unrelated parties, net		199,675	203,947	172,739	172,718
Short-term loans to related parties and interest receivables	6	-	-	950	996
Inventories - net		380,959	317,965	348,193	281,741
Other current assets					
Prepaid expenses		4,567	3,976	3,112	3,192
Others		11,971	7,113	9,017	5,954
Total current assets		959,039	898,862	893,096	809,228
Non-current assets					
Restricted bank deposit	14	2,742	2,731	2,742	2,731
Investments in subsidiaries - net	7	-	-	34,094	34,094
Investments in associate	8	8,872	13,133	13,286	13,286
Other long-term investment - net		3,450	3,450	3,450	3,450
Long-term receivables	5	62,057	63,943	62,057	63,943
Less: Allowance for doubtful accounts	5	(54,836)	(54,836)	(54,836)	(54,836)
Long-term receivables - net		7,221	9,107	7,221	9,107
Investment properties - net		20,499	21,459	20,499	21,459
Property, plant and equipment - net	9	478,974	474,856	451,186	443,261
Intangible assets - net		2,622	2,892	2,622	2,892
Other non-current assets		1,397	1,852	244	253
Total non-current assets		525,777	529,480	535,344	530,533
Total assets		1,484,816	1,428,342	1,428,440	1,339,761

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

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 June 2011</u>	<u>31 December 2010</u>	<u>30 June 2011</u>	<u>31 December 2010</u>
		(Unaudited but reviewed)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions		41,941	71,407	-	686
Trust receipts		147,479	38,626	147,479	38,626
Trade accounts payable		164,355	150,547	158,503	149,439
Short-term loans from related party and accrued interest	6	12,492	-	-	-
Current portion of liabilities under long-term					
lease agreements		2,754	2,817	2,754	2,817
Corporate income tax payable		16,439	30,696	16,439	30,696
Other current liabilities					
Accrued expenses		33,498	40,160	31,670	37,244
Rental guarantee - related party	6	3,000	3,000	3,000	3,000
Advance received from customers		5,007	3,639	4,400	3,639
Others		11,884	15,700	11,269	15,361
Total other current liabilities		53,389	62,499	50,339	59,244
Total current liabilities		438,849	356,592	375,514	281,508
Non-current liabilities					
Liabilities under long-term lease agreements, net					
of current portion		5,077	6,413	5,077	6,413
Provision for long-term employee benefits		13,755	12,920	13,755	12,920
Total non-current liabilities		18,832	19,333	18,832	19,333
Total liabilities		457,681	375,925	394,346	300,841

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

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Statements of financial position (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010
		(Unaudited but reviewed)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)
Shareholders' equity					
Share capital					
Registered	10				
618,451,520 ordinary shares of Baht 1 each					
(31 December 2010: 380,451,520 ordinary shares of Baht 1 each)		618,451	380,451	618,451	380,451
Issued and fully paid up					
380,451,520 ordinary shares of Baht 1 each		380,451	380,451	380,451	380,451
Share premium		215,226	215,226	215,226	215,226
Retained earnings					
Appropriated - statutory reserve		38,376	38,376	38,376	38,376
Unappropriated		417,163	433,561	399,738	404,754
Other components of shareholders' equity		(34,021)	(32,167)	303	113
Equity attributable to owners of the Company		1,017,195	1,035,447	1,034,094	1,038,920
Non-controlling interests of the subsidiaries		9,940	16,970	-	-
Total shareholders' equity		1,027,135	1,052,417	1,034,094	1,038,920
Total liabilities and shareholders' equity		1,484,816	1,428,342	1,428,440	1,339,761
		-	-	-	-

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

..... Director

(Unaudited but reviewed)

Thai Luxe Enterprises Public Company Limited and its subsidiaries**Statements of comprehensive income****For the three-month periods ended 30 June 2011 and 2010**

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2011</u>	<u>2010</u> (Restated)	<u>2011</u>	<u>2010</u> (Restated)
Profit or loss:					
Revenues					
Sales		673,118	801,407	637,469	732,248
Service income		1,620	1,504	1,620	1,504
Rental income		3,723	4,276	3,723	4,276
Other income					
Revenue from input vat refundable		-	7,985	-	7,985
Others		5,159	5,186	5,358	5,893
		<u>5,159</u>	<u>13,171</u>	<u>5,358</u>	<u>13,878</u>
Total revenues		<u>683,620</u>	<u>820,358</u>	<u>648,170</u>	<u>751,906</u>
Expenses					
Cost of sales		556,340	680,276	526,082	624,880
Cost of services		568	640	568	640
Selling expenses		31,905	35,130	30,119	31,638
Administrative expenses		35,487	27,346	32,030	26,884
Exchange loss		217	-	755	-
		<u>624,517</u>	<u>743,392</u>	<u>589,554</u>	<u>684,042</u>
Profit before share of loss from investments in associate, finance cost and corporate income tax		59,103	76,966	58,616	67,864
Share of loss from investments in associate		(1,297)	(324)	-	-
Profit before finance cost and corporate income tax		57,806	76,642	58,616	67,864
Finance cost		(1,785)	(1,795)	(1,213)	(961)
Profit before corporate income tax		56,021	74,847	57,403	66,903
Corporate income tax	13	(9,001)	(6,707)	(9,001)	(6,707)
Profit for the period		<u>47,020</u>	<u>68,140</u>	<u>48,402</u>	<u>60,196</u>
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		-	(170)	-	-
Gain on changes in value of available-for-sale investments		217	100	217	100
Other comprehensive income for the period		<u>217</u>	<u>(70)</u>	<u>217</u>	<u>100</u>
Total comprehensive income for the period		<u>47,237</u>	<u>68,070</u>	<u>48,619</u>	<u>60,296</u>

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

(Unaudited but reviewed)

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Statements of comprehensive income (Continued)

For the three-month periods ended 30 June 2011 and 2010

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
		(Restated)		(Restated)
Profit attributable to:				
Equity holders of the Company	47,436	65,588	<u>48,402</u>	<u>60,196</u>
Non-controlling interests of the subsidiaries	<u>(416)</u>	<u>2,552</u>		
	<u>47,020</u>	<u>68,140</u>		
Total comprehensive income attributable to:	-			
Equity holders of the Company	47,653	65,578	<u>48,619</u>	<u>60,296</u>
Non-controlling interests of the subsidiaries	<u>(416)</u>	<u>2,492</u>		
	<u>47,237</u>	<u>68,070</u>		
	-			
Earnings per share	11			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.125</u>	<u>0.172</u>	<u>0.127</u>	<u>0.158</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>0.103</u>	<u>0.172</u>	<u>0.105</u>	<u>0.158</u>

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

(Unaudited but reviewed)

Thai Luxe Enterprises Public Company Limited and its subsidiaries**Statements of comprehensive income****For the six-month periods ended 30 June 2011 and 2010**

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2011</u>	<u>2010</u> (Restated)	<u>2011</u>	<u>2010</u> (Restated)
Profit or loss:					
Revenues					
Sales		1,242,188	1,412,072	1,202,494	1,329,512
Service income		4,099	2,990	4,099	2,990
Rental income		8,065	8,568	8,065	8,568
Other income					
Revenue from input vat refundable		-	7,985	-	7,985
Others		10,553	9,899	11,248	11,307
		<u>10,553</u>	<u>17,884</u>	<u>11,248</u>	<u>19,292</u>
Total revenues		<u>1,264,905</u>	<u>1,441,514</u>	<u>1,225,906</u>	<u>1,360,362</u>
Expenses					
Cost of sales		1,034,855	1,208,862	1,001,382	1,144,234
Cost of services		1,688	1,164	1,688	1,164
Selling expenses		59,792	64,994	55,273	57,462
Administrative expenses		72,339	58,011	65,690	53,706
Exchange loss		5,757	-	-	-
		<u>1,174,431</u>	<u>1,333,031</u>	<u>1,124,033</u>	<u>1,256,566</u>
Profit before share of loss from investments in associate, finance cost and corporate income tax		90,474	108,483	101,873	103,796
Share of loss from investments in associate		(4,261)	(221)	-	-
Profit before finance cost and corporate income tax		86,213	108,262	101,873	103,796
Finance cost		(4,061)	(3,402)	(2,409)	(1,938)
Profit before corporate income tax		82,152	104,860	99,464	101,858
Corporate income tax	13	(16,976)	(14,011)	(16,976)	(14,011)
Profit for the period		<u>65,176</u>	<u>90,849</u>	<u>82,488</u>	<u>87,847</u>
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		(3,144)	(3,130)	-	-
Gain on changes in value of available-for-sale investments		190	134	190	134
Other comprehensive income for the period		<u>(2,954)</u>	<u>(2,996)</u>	<u>190</u>	<u>134</u>
Total comprehensive income for the period		<u>62,222</u>	<u>87,853</u>	<u>82,678</u>	<u>87,981</u>

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

(Unaudited but reviewed)

Thai Luxe Enterprises Public Company Limited and its subsidiaries

Statements of comprehensive income (Continued)

For the six-month periods ended 30 June 2011 and 2010

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
		(Restated)		(Restated)
Profit attributable to:				
Equity holders of the Company	71,106	89,386	<u>82,488</u>	<u>87,847</u>
Non-controlling interests of the subsidiaries	<u>(5,930)</u>	<u>1,463</u>		
	<u>65,176</u>	<u>90,849</u>		
Total comprehensive income attributable to:	-	-		
Equity holders of the Company	69,252	87,486	<u>82,678</u>	<u>87,981</u>
Non-controlling interests of the subsidiaries	<u>(7,030)</u>	<u>367</u>		
	<u>62,222</u>	<u>87,853</u>		
	-	-		
Earnings per share	11			
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.187</u>	<u>0.237</u>	<u>0.217</u>	<u>0.232</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>0.156</u>	<u>0.237</u>	<u>0.181</u>	<u>0.232</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 2011 and 2010**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2011</u>	<u>2010</u> (Restated)	<u>2011</u>	<u>2010</u> (Restated)
Cash flows from operating activities				
Profit before tax	82,152	104,860	99,464	101,858
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	30,413	30,941	28,580	26,582
Bad debts	799	1,215	799	1,215
Increase in allowance for doubtful accounts	13,278	2,104	9,795	108
Unrealised loss (gain) on valuation of trading securities	(15)	30	(15)	30
Gain on sales of trading securities	(499)	(209)	(499)	(209)
Gain on sales of available-for-sale securities	(470)	(113)	(470)	(113)
Gain on sales of equipment	(29)	(632)	(29)	(632)
Write-off equipment	-	261	-	261
Share of loss from investments in associate	4,261	221	-	-
Dividend received from other long-term investment	(500)	(500)	(500)	(500)
Increase in provision for long-term employee benefits	835	815	835	815
Unrealised on exchange loss	2,704	690	1,326	674
Interest expenses	<u>2,733</u>	<u>1,753</u>	<u>1,033</u>	<u>452</u>
Income from operating activities before changes in operating assets and liabilities	135,662	141,436	140,319	130,541
Operating assets (increase) decrease				
Trade accounts receivable/long-term receivables	(7,919)	(82,769)	(8,729)	(55,167)
Inventories	(62,994)	(82,822)	(66,452)	(58,614)
Other current assets	(5,419)	(11,649)	(2,903)	(12,938)
Other non-current assets	455	531	9	88
Operating liabilities increase (decrease)				
Trade accounts payable	13,808	97,736	9,064	78,038
Other current liabilities	<u>(9,416)</u>	<u>3,945</u>	<u>(8,886)</u>	<u>653</u>
Cash flows from operating activities	64,177	66,408	62,422	82,601
Cash paid for interest expenses	(2,306)	(1,572)	(1,052)	(436)
Cash paid for corporate income tax	<u>(31,156)</u>	<u>(12,029)</u>	<u>(31,156)</u>	<u>(12,040)</u>
Net cash flows from operating activities	<u>30,715</u>	<u>52,807</u>	<u>30,214</u>	<u>70,125</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 (continued)****For the six-month periods ended 30 June 2011 and 2010**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2011</u>	<u>2010</u> (Restated)	<u>2011</u>	<u>2010</u> (Restated)
Cash flows from investing activities				
Increase in restricted bank deposit	(11)	(7)	(11)	(7)
Purchase of current investments - trading securities	(187,000)	(248,000)	(187,000)	(248,000)
Cash receipt from sales of trading securities	295,000	288,000	295,000	288,000
Purchase of current investments - available-for-sale securities	(167,000)	(138,000)	(167,000)	(138,000)
Cash receipt from sales of available-for-sale securities	105,000	101,000	105,000	101,000
Increase in short-term loans to related parties	-	-	-	(9,200)
Acquisition of equipment	(35,287)	(9,344)	(35,287)	(9,186)
Proceed from sales of equipment	41	661	41	661
Acquisition of intangible asset	-	(19)	-	(19)
Dividend received from other long-term investment	500	500	500	500
Net cash flows from (used in) investing activities	11,243	(5,209)	11,243	(14,251)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(26,424)	13,766	(686)	590
Increase (decrease) in trust receipts	107,416	(5,506)	107,416	(5,506)
Increase in short-term loans from related party	12,375	-	-	-
Repayment of liabilities under long-term lease agreements	(1,399)	(1,170)	(1,399)	(1,170)
Cash receipt from capital increase as a result of warrants exercise	-	34,290	-	34,290
Dividend paid	(87,504)	(38,045)	(87,504)	(38,045)
Net cash flows from (used in) financing activities	4,464	3,335	17,827	(9,841)
Decrease in translation adjustments	(5,590)	(3,130)	-	-
Net increase in cash and cash equivalents	40,832	47,803	59,284	46,033
Cash and cash equivalents at beginning of period	155,149	38,729	133,915	34,753
Cash and cash equivalents at end of period	195,981	86,532	193,199	80,786
	-	-	-	-
Supplemental cash flows information				
Non-cash related transaction				
Assets acquired under long-term leases	-	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 2011 and 2010

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. The registered office of the Company is at 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 Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows 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 2010, there have been no changes in the composition of the subsidiaries during the current period.

1.4 Application of new accounting standards during the period

During the current period, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

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

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Financial reporting interpretations committee:

TFRIC 15 Agreements for the Construction of Real Estate

Standing interpretations committee:

SIC 31 Revenue-Barter Transactions Involving Advertising Services

These accounting standards will not have any significant impact on the financial statements for the current period, except for the following accounting standards.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits and other long-term employee benefits using actuarial techniques. The Company and its subsidiaries previously accounted for such employee benefits when they were incurred.

The Company and its subsidiaries have changed this accounting policy in the current year and recognise the liability in the transition period retrospectively as though the Company and its subsidiaries initially recorded these employee benefit expenses. The change will have the effect of decreasing the profit of the Company and its subsidiaries for the three-month and six-month periods ended 30 June 2011 by Baht 0.43 million (0.001 Baht per share) and Baht 0.84 million (0.002 Baht per share), respectively, (Separate financial statements: decreasing profit by Baht 0.43 million (0.001 Baht per share) and Baht 0.84 million (0.002 Baht per share), respectively). The cumulative effect of the changes in the accounting policy has been presented in Note 2 to the financial statements.

TAS 40 (revised 2009) Investment Property

This accounting standard requires entities to choose to recognise investment property either under the cost model (with disclosure of fair value in the notes to financial statements) or the fair value model, whereby changes in fair value are to be recognised in profit or loss. Investment property was previously recognised under the caption of Property, Plant and Equipment, which is measured using the cost model. In adopting the new accounting policy, the Company separately presents investment property and measure it using the cost model. The Company has changed this accounting policy in the current year and recognise the transaction in the transition period retrospectively as though the Company initially recorded these investment property. However, in adopting the new accounting policy, no effect to previously reported net income or shareholders' equity.

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 2010, except for the changes in the following accounting policies due to the adoption of revised and new accounting standards.

Employee benefits

Post-employment benefits (Defined contribution plans)

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Post-employment benefits (Defined benefit plans) and other long-term employee benefits

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term benefits are determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

Actuarial gains and losses arising from post-employment benefits and other long-term benefits are recognised immediately in profit or loss.

For the first-time adoption of TAS 19 Employee Benefits, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, retrospectively as though the Company and its subsidiaries initially recorded these employee benefit expenses.

Investment properties

The Company presented its land not being used in operation, land and building rented to a related company as investment properties. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment.

(Unaudited but reviewed)

Depreciation charges of building investment property are valued with reference to its costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment property is included in determining income.

No depreciation is provided for land investment properties.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

2. Cumulative effect of changes in accounting policies due to the adoption of new accounting standards

During the current period, the Company made the changes to its significant accounting policies described in Note 1.5 to the financial statements, as a result of the adoption of revised and new accounting standards. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statement of financial position as at 31 December 2010 and the statements of comprehensive income for the three-month and six-month periods ended 30 June 2010 are summarised below.

(Unit: Thousand Baht)

	31 December 2010	
	Consolidated	Separate
	financial statement	financial statement
Statement of financial position		
Increase in investment properties - net	21,459	21,459
Decrease in property, plant and equipment - net	(21,459)	(21,459)
Increase in provision for long-term employee benefits	12,920	12,920
Decrease in unappropriated retained earnings	(12,920)	(12,920)

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month period ended

30 June 2010

	Consolidated financial statement	Separate financial statement
Income statement		
Increase in employee expenses	408	408
Decrease in profit attributable to equity holders of the Company	(408)	(408)
Decrease in basic earnings per share (Baht)	(0.001)	(0.001)
Decrease in diluted earnings per share (Baht)	(0.001)	(0.001)

(Unit: Thousand Baht)

For the six-month period ended

30 June 2010

	Consolidated financial statement	Separate financial statement
Income statement		
Increase in employee expenses	815	815
Decrease in profit attributable to equity holders of the Company	(815)	(815)
Decrease in basic earnings per share (Baht)	(0.002)	(0.002)
Decrease in diluted earnings per share (Baht)	(0.002)	(0.002)

3. New accounting standards issued during the period not yet effective

During the current period, the Federation of Accounting Professions issued the below listed new accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Standing interpretations committee:

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

(Unaudited but reviewed)

4. Current investments

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	30 June 2011	31 December 2010 (Audited)
Investments in trading securities		
Ordinary shares - Siam Commercial Bank Public Company Limited	1	1
Unit trusts - Open Ended Fund SCB Savings Fixed Income Fund	6,569	124,060
Unit trusts - Open Ended Fund Krung Thai Thanasup B6 Fund	10,005	-
Total investments in trading securities	16,575	124,061

(Unit: Thousand Baht)

	Consolidated/ Separate financial statements			
	30 June 2011		31 December 2010 (Audited)	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
Investments in available-for-sale securities				
Unit trusts - Open Ended Fund Bualuang Thanatavee Fixed Income Fund	175	177	10,142	10,153
Unit trusts - Open Ended Fund the Krung Thai Sa-Som-Sub Fund	10,144	10,153	128	129
Unit trusts - Open Ended Fund Thanachart Cash Management Mutual Fund	40,252	40,307	252	253
Unit trusts - Open Ended Fund Thanachart Money Market Fund	35,426	35,639	70,000	70,100
Unit trusts - Open Ended Fund SCB Treasury Money Fund	57,000	57,024	-	-
Bank of Thailand Bonds*	6,011	6,011	6,016	6,016
Surplus on changes in value of investments	303		113	
Total investments in available-for-sale securities	149,311		86,651	

*The Company guaranteed its electricity use with Bank of Thailand bonds.

5. Trade accounts receivable / long-term receivables**5.1 Trade accounts receivable**

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
<u>Age of receivables</u>		(Audited)		(Audited)
<u>Unrelated parties</u>				
Not yet due	157,984	135,353	140,740	122,543
Past due				
Up to 3 months	37,625	64,375	31,880	48,827
3 - 6 months	8,133	8,924	238	3,180
6 - 12 months	13,756	5,488	12,715	5,488
Over 12 months	10,466	4,818	6,168	1,887
Total	227,964	218,958	191,741	181,925
Less: Allowance for doubtful debts	(28,289)	(15,011)	(19,002)	(9,207)
Trade accounts receivable - net	<u>199,675</u>	<u>203,947</u>	<u>172,739</u>	<u>172,718</u>

5.2 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 2011, the Company has set up an allowance for doubtful accounts amounting Baht 54.8 million (31 December 2010: Baht 54.8 million) in its accounts by taking into consideration the auction price and the value of the related collaterals.

6. 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
<u>Transactions with subsidiary company</u>					
(eliminated from the consolidated financial statements)					
Sales of raw materials	-	-	-	23.7	Contract prices
<u>Transactions with related companies</u>					
Rental income	3.1	3.6	3.1	3.6	Contract prices
Purchases of raw materials	1.2	0.3	1.2	0.3	Market prices

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer pricing policies
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
<u>Transactions with subsidiary company</u>					
(eliminated from the consolidated financial statements)					
Sales of raw materials	-	-	15.2	37.6	Contract prices
Management fee income	-	-	0.5	1.1	Contract prices
<u>Transactions with related companies</u>					
Rental income	6.7	7.2	6.7	7.2	Contract prices
Purchases of raw materials	2.2	0.5	2.2	0.5	Market prices
Management fee expense	0.6	1.1	-	-	Contract prices

(Unaudited but reviewed)

The balances of the accounts as at 30 June 2011 and 31 December 2010 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2011	2010	2011	2010
		(Audited)		(Audited)
<u>Short-term loans to related parties and interest receivables</u>				
Subsidiaries				
Betagro - Thailuxe Holding Co., Ltd.	-	-	950	920
Betagro - Thailuxe Vina Feed Mill Co., Ltd.	-	-	-	76
Total short-term loans to related parties and interest receivables	-	-	950	996
<u>Short-term loans from related party and accrued interest</u>				
Related company				
Thai Asse Trading Co., Ltd.	12,492	-	-	-
Total short-term loans from related party and accrued interest	12,492	-	-	-
<u>Rental guarantee - related party</u>				
Associated company				
SMP Food Products Co., Ltd.	3,000	3,000	3,000	3,000
Total rental guarantee - related party	3,000	3,000	3,000	3,000

The outstanding balance of short-term loans to Betagro - Thailuxe Holding Co., Ltd. represented loans, maturing within one year and carrying interest rate at 7.5 percent per annum.

The short-term loans from Thai Asse Trading Co., Ltd., amounting to USD 0.4 million or equivalent to Baht 12.5 million, maturing within six-month and carrying interest rate at 8.0 percent per annum.

(Unaudited but reviewed)

During the six-month period ended 30 June 2011, movements of short-term loans to related parties and interest receivables and short-term loans from related party and accrued interest were as follows:

(Unit : Thousand Baht)

	Separate financial statements			
	Balance as at 1 January 2011	During the period		Balance as at 30 June 2011
		Increase	Decrease	
<u>Short-term loans to related parties and interest receivables</u>				
Subsidiaries				
Betagro - Thailuxe Holding Co., Ltd.				
Short-term loans	800	-	-	800
Interest receivable	120	30	-	150
	920	30	-	950
Betagro - Thailuxe Vina Feed Mill Co., Ltd.				
Interest receivable	76	-	(76)	-
	76	-	(76)	-
Total short-term loans to related parties and interest receivables	996	30	(76)	950

(Unit : Thousand Baht)

	Consolidated financial statements			
	Balance as at 1 January 2011	During the period		Balance as at 30 June 2011
		Increase	Unrealised gain on exchange	
<u>Short-term loans from related party and accrued interest</u>				
Related company				
Thai Asse Trading Co., Ltd.				
Short-term loans	-	12,375	(4)	12,371
Accrued interest	-	121	-	121
Total short-term loans from related party and accrued interest	-	12,496	(4)	12,492

Directors and management's benefits

During the six-month period ended 30 June 2011, the Company and its subsidiaries had salaries, bonuses, meeting allowances, gratuities, employee benefits and other benefits of their directors and management recognised as expenses totaling Baht 11.9 million (Separate financial statement: Baht 11.2 million) (30 June 2010: Baht 10.5 million, Separate financial statement: Baht 9.9 million).

7. Investments in subsidiary

Detail of investments in subsidiary as presented in separate financial statements is as follows:

(Unit: Thousand Baht)

Company's name	Separate financial statements									
	Paid-up capital		Shareholding percentage		Cost		Provision for impairment of investment		Carrying amounts based on cost method - net	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010
		(Audited)	(%)	(%)		(Audited)		(Audited)		(Audited)
Betagro-Thailuxe Holding Co., Ltd.	150,000	150,000	65	65	96,994	96,994	(62,900)	(62,900)	34,094	34,094
Total					96,994	96,994	(62,900)	(62,900)	34,094	34,094

No dividend was received from the above subsidiary company for the six-month periods ended 30 June 2011 and 2010.

8. Investments in associate

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated/ Separate financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010
			(%)	(%)		(Audited)		(Audited)
SMP Food Products Company Limited	Manufacturing and distributing of frozen food	Thailand	21.43	21.43	13,286	13,286	8,872	13,133
Total					13,286	13,286	8,872	13,133

No dividend was received from the above associate company for the six-month periods ended 30 June 2011 and 2010.

As at 30 June 2011, investments in SMP Food Products Company Limited had been accounted for under equity method based on financial statements as at 30 June 2011 prepared by its managements and not reviewed by its auditors.

(Unaudited but reviewed)

As at 31 December 2010, investments in SMP Food Products Company Limited had been accounted for under equity method based on financial statements as at 31 December 2010, prepared by its managements and not audited by its auditors. However, the audited financial statements as at 31 December 2010 of this associate company, which were subsequently received by the Company during 2011, presented no material differences from those prepared by the management.

9. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2011	474,856	443,261
Acquisitions during period - at cost	35,287	35,287
Disposals during period - net book value at disposal date	(12)	(12)
Depreciation for period	(29,183)	(27,350)
Translation adjustment	(1,974)	-
Net book value as at 30 June 2011	<u>478,974</u>	<u>451,186</u>

The overseas subsidiary has mortgaged building, machinery and equipment with a total net book value as at 30 June 2011 of Baht 27.8 million as collateral for credit facilities granted by commercial banks.

10. Share capital and warrants

10.1 On 11 January 2011, the Extraordinary Meeting of Shareholders no. 1/2011 passed a resolutions to:

10.1.1 To approve the issuance of 169.0 million warrants for offering to the Company's existing shareholders (TLUXE-W2) from 2.25 existing ordinary shares per 1 warrant unit, with no cost. Any fractions will be discarded. The warrants entitle the holders to subscribe to the Company's ordinary shares in a ratio of 1 warrant per 1 ordinary share at a price of Baht 2.50 each, and are exercisable for 4 years from the issue date.

10.1.2 To approve the issuance of 19.0 million warrants for offering to directors, management and employees (TLUXE-ESOP2), with no cost. The warrants entitle the holders to subscribe to the Company's ordinary shares in a ratio of 1 warrant per 1 ordinary share at a price of Baht 2.50 each, and are exercisable for 4 years from the issue date.

- 10.1.3 To approve the increase of registered share capital from Baht 380.5 million (380.5 million ordinary shares of a par value of Baht 1 each) to Baht 618.5 million (618.5 million ordinary shares of a par value of Baht 1 each) by issuing 238.0 million new ordinary shares at a par value of Baht 1 each. The Company registered the increase of its share capital with the Ministry of Commerce on 21 January 2011. The allocating of the new ordinary shares as detailed below.
- a) Allocation of 169.0 million new ordinary shares to accommodate the exercise of warrants (TLUXE-W2).
 - b) Allocation of 19.0 million new ordinary shares to accommodate the exercise of warrants (TLUXE-ESOP2).
 - c) Allocation of 50.0 million new ordinary shares to accommodate the exercise of Taiwan Depositary Receipts (TDRs).
- 10.2 On 16 February 2011, the Extraordinary Meeting of Shareholders no. 2/2011 passed a resolution to approve a change in the proportion ratio of warrants to purchase 169.0 million ordinary shares of TLUXE-W2 to existing shareholders, from 2.25 existing ordinary shares per 1 warrant unit to 2.2512 existing ordinary shares per 1 warrant unit, with no consideration.
- 10.3 The Company issued the warrants described in 10.1.1 and 10.2 to existing shareholders of the Company on 21 February 2011. On 15 March 2011, the Stock Exchange of Thailand accepted the listing of 168,999,014 of the warrants as securities (TLUXE-W2). The warrants can be exercised to subscribe to newly issued ordinary shares in a ratio of one warrant per one ordinary share, at an exercise price of Baht 2.50 each, with the exercise periods commencing on the last business days of each March and September. The exercise period starts on 30 March 2012.
- 10.4 On 22 February 2011, the meeting of the Company's board of directors No. 4/2011 passed a resolution to add an agenda item related to the allotment of warrants in accordance with the TLUXE-ESOP2 project to the Annual General Shareholders' Meeting. This is because the letters of proxy distributed to shareholders in the Extraordinary Meeting of Shareholders No. 1/2011 for the purpose of considering such issue exhibited differences from the criteria laid down by the Office of the Securities and Exchange Commission.

10.5 At the Annual General Meeting of the Shareholders held on 22 April 2011, it was resolved to approve the issuance of 19,000,000 warrants for offering to the Company's director, management and employees (TLUXE-ESOP2), with no cost. The warrants entitle the holders to subscribe to the Company's ordinary shares in a ratio of 1 warrant per 1 ordinary share at a price of Baht 2.50 each, and are exercisable for 4 years from the issue date.

On 21 July 2011, which was the date that the warrants were issued, the Company allocated 19,000,000 units of TLUXE-ESOP2 to the directors, management and employees of the Company. The exercise periods commencing on the last business days of each March and September. The exercise period starts on 30 September 2013.

10.6 During January 2010, the Company received subscription to 22,020,715 ordinary shares at Baht 1.50 each from the exercise of warrants from existing shareholders (TLUXE-W1) and 839,500 ordinary shares at Baht 1.50 each from the exercise of warrants from directors and employees (TLUXE-ESOP), a total of Baht 34,290,322.

11. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) 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 year or on the date the potential ordinary shares were issued. However, there is no calculation of diluted earnings per share for the three-month and six-month periods ended 30 June 2010 since old warrants were expired.

(Unaudited but reviewed)

The following table sets forth the computation of basic and diluted earnings 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
	(Restated)				(Restated)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
47,436	65,588	380,451	380,451	0.125	0.172	
Effect of dilutive potential ordinary shares						
TLUXE-W2						
-	-	78,529	-			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>47,436</u>	<u>65,588</u>	<u>458,980</u>	<u>380,451</u>	0.103	0.172	

Consolidated financial statements						
For the six-month periods ended 30 June						
Net income		Weighted average number of ordinary shares		Earnings per share		
<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
	(Restated)				(Restated)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
71,106	89,386	380,451	377,905	0.187	0.237	
Effect of dilutive potential ordinary shares						
TLUXE-W2						
-	-	75,320	-			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>71,106</u>	<u>89,386</u>	<u>455,771</u>	<u>377,905</u>	0.156	0.237	

(Unaudited but reviewed)

Separate financial statements						
For the three-month periods ended 30 June						
Net income		Weighted average number of ordinary shares		Earnings per share		
<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
	(Restated)				(Restated)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
48,402	60,196	380,451	380,451	0.127	0.158	
Effect of dilutive potential ordinary shares						
TLUXE-W2						
-	-	78,529	-			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>48,402</u>	<u>60,196</u>	<u>458,980</u>	<u>380,451</u>	0.105	0.158	

Separate financial statements						
For the six-month periods ended 30 June						
Net income		Weighted average number of ordinary shares		Earnings per share		
<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)	
	(Restated)				(Restated)	
Basic earnings per share						
Profit attributable to equity holders of the Company						
82,488	87,847	380,451	377,905	0.217	0.232	
Effect of dilutive potential ordinary shares						
TLUXE-W2						
-	-	75,320	-			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of warrants to ordinary shares						
<u>82,488</u>	<u>87,847</u>	<u>455,771</u>	<u>377,905</u>	0.181	0.232	

12. Dividend

On 16 February 2011, the Meeting of the Company's Board of Directors no. 3/2011 proposed the payment of a dividend of Baht 0.15 per share from the profit of non-promoted activities and Baht 0.08 per share from the profit of promoted activities to the Company's shareholders, a total of approximately Baht 87.50 million. The resolution of this meeting was approved by the Annual General Meeting of the Company's Shareholders on 22 April 2011. This dividend was paid to shareholders in the current quarter.

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 second quarter of year 2010.

13. Corporate income tax

Corporate income tax of the Company for the periods 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 three-month and six-month periods ended 30 June 2011 and 2010 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 revenues		Consolidated financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
								(restated)
Revenue from sales	636	709	37	92	-	-	673	801
Services income	2	2	-	-	-	-	2	2
Inter-segment revenues	1	24	-	-	(1)	(24)	-	-
Total revenues	<u>639</u>	<u>735</u>	<u>37</u>	<u>92</u>	<u>(1)</u>	<u>(24)</u>	<u>675</u>	<u>803</u>
Segment income	<u>113</u>	<u>108</u>	<u>5</u>	<u>14</u>			118	122
Unallocated income and expenses:								
Other income							8	17
Selling expenses							(32)	(35)
Administrative expenses							(35)	(27)
Share of loss from investments								
in associate							(1)	-
Financial cost							(2)	(2)
Corporate income tax							(9)	(7)
Non-controlling interests of subsidiaries							-	(3)
Net profit							<u>47</u>	<u>65</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Domestic		Overseas		Elimination of inter-segment revenues		Consolidated financial statements	
	2011	2010	2011	2010	2011	2010	2011	2010
	(restated)							
Revenue from sales	1,186	1,292	56	120	-	-	1,242	1,412
Services income	4	3	-	-	-	-	4	3
Inter-segment revenues	16	38	-	-	(16)	(38)	-	-
Total revenues	<u>1,206</u>	<u>1,333</u>	<u>56</u>	<u>120</u>	<u>(16)</u>	<u>(38)</u>	<u>1,246</u>	<u>1,415</u>
Segment income	<u>203</u>	<u>187</u>	<u>7</u>	<u>18</u>			210	205
Unallocated income and expenses:								
Other income							18	26
Selling expenses							(60)	(65)
Administrative expenses							(72)	(58)
Exchange loss							(6)	-
Share of loss from investments								
in associate							(4)	-
Financial cost							(4)	(3)
Corporate income tax							(17)	(14)
Non-controlling interests of subsidiaries							6	(2)
Net profit							<u>71</u>	<u>89</u>

Financial information from the statement of financial position regarding geographical segments as at 30 June 2011 and 31 December 2010 are as follows.

(Unit: Million Baht)

	Domestic		Overseas		Elimination of inter-segment revenues		Consolidated financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	(Audited)		(Audited)		(Audited)		(Audited) (Restated)	
Trade accounts receivable - net	173	173	27	36	-	(5)	200	204
Property, plant and equipment - net							479	475
Unallocated assets							806	749
Total assets							<u>1,485</u>	<u>1,428</u>

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 2011, the Company had capital commitments of approximately Baht 6.3 million, relating to the acquisition of machinery and equipment installation.

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 2011, future minimum lease payments required under this 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	0.27

16.3 Service agreement commitments

As at 30 June 2011, the Company had commitments of NTD 13.3 million, USD 0.1 million and Baht 2.6 million relating to service agreements which are payable within one year.

16.4 Guarantees

As at 30 June 2011, there were outstanding bank guarantees of approximately Baht 0.8 million issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee relating to guarantee electricity use. In addition, the Company guaranteed its electricity use with Bank of Thailand bonds as mentioned in note 4 to the financial statements.

16.5 Forward exchange contracts

Forward exchange contracts outstanding at 30 June 2011 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	0.3	30.655 - 30.983

17. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised director on 8 August 2011.