



# Annual Report 2010



Increase Yield Sauce 10%



Improve Product Mixing



Improve Waste Water Treatment

Thai Theparos Food Products Public Company Limited

[www.gmsauce.com](http://www.gmsauce.com)



เมนูเด็ดทั่วทิศ...อร่อยได้ทั่วไทย



ทุกทิศทั่วไทย ใช้ซอสปรุงรสฝาเขียว ตราภูเขาทอง

# Content

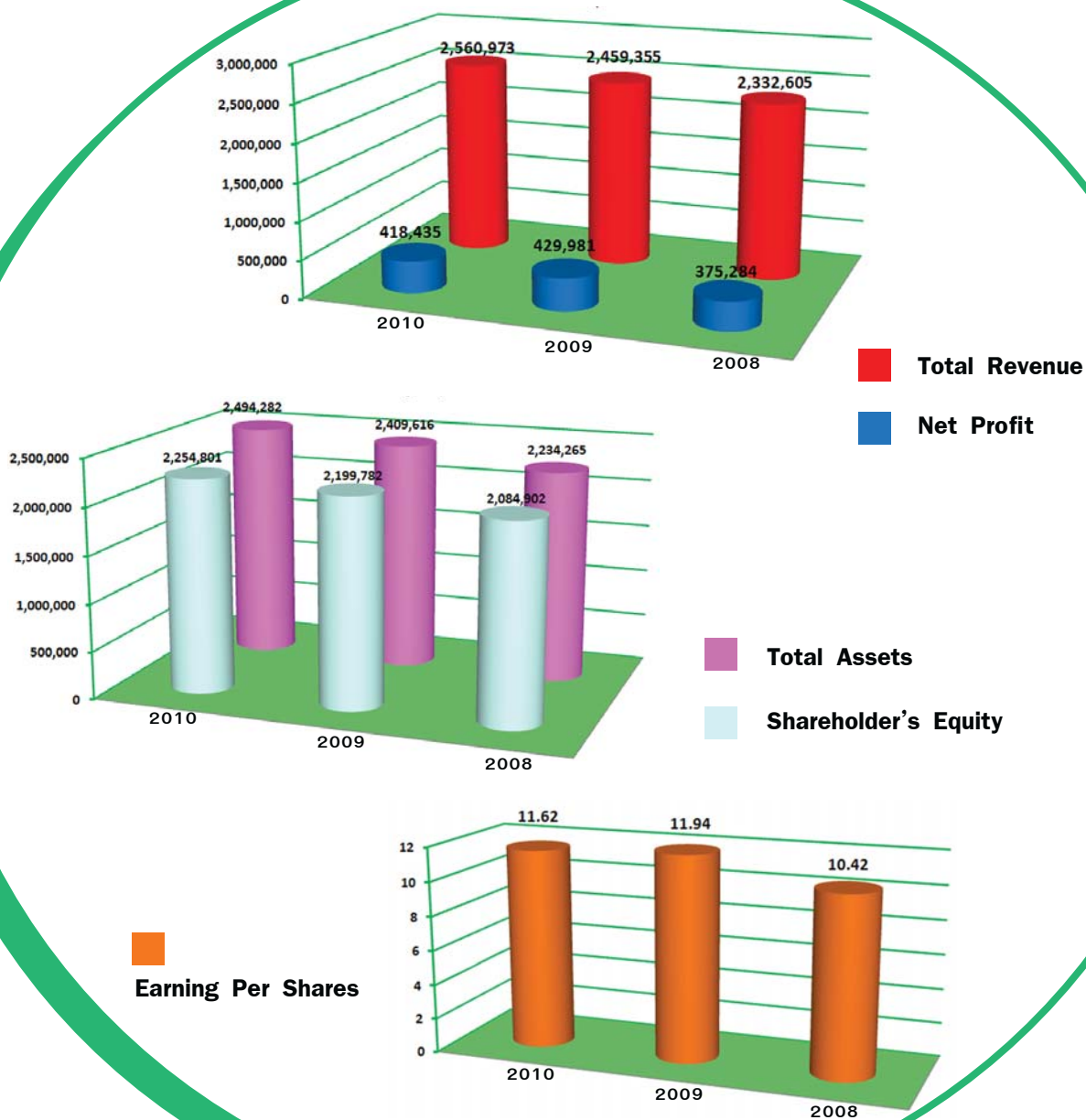
Summary of The Financial Position and operation Result	1
Message from the Chairman	3
Corporate Information	4
Golden Mountain History	5
Nature of Business	6
Structure of Sales Revenue	6
Significant Changes	7
Industry and Competition	8
Marketing & Social Activities in 2010	9
Organization Chart	10
Board of Directors	11
Management Team	14
Major Shareholders	16
Management Discussion and Analysis	17
The Principles of Good Corporate Governance	20
Risks Factors	27
Related party transactions	28
Financial Statements	29
- Report of The Board of Directors for Financial Report	30
- Audit Committee Report	31
- Audit report of Certified Public Accountant	32
- Financial statements Thai Theparos Food Products PCL.	33



## Summary of The Financial Position and Operation Result



Unit : Thousand Baht	2010	2009	2008
Sales	2,545,345	2,416,401	2,305,828
Cost of Sales	1,526,365	1,431,336	1,403,225
Net Profit	418,435	429,981	375,284
Total Assets	2,494,282	2,409,616	2,234,265
Total Liabilities	239,481	209,833	149,363
Shareholder's Equity	2,254,801	2,199,782	2,084,902
Earning Per Share (Baht)	11.62	11.94	10.42
Dividend Per Share (Baht)	10.50	10.10	8.75
Pay out Ratio (%)	90.36	84.59	83.97
Cost of Sales / Sales (%)	59.97	59.23	60.86
Sales Growth (%)	5.34	4.80	4.46
Net Profit Growth (%)	(1.80)	14.58	(1.80)
Net Profit Margin (%)	16.34	17.48	16.09
Return on Equity (%)	18.79	20.07	18.27
Return on Total Assets (%)	17.07	18.52	16.89
Book Value Per Share (Baht)	62.63	61.11	57.91



# Message from the Chairman



**Parinya Winyarat**  
**Chairman of the Board**

Year 2010, the overall economy in Thailand has been recovering, but was not luster enough due to the multitude of problems occurring throughout the year ranged from the country's prolonged political difficulties, severe drought, widespread flooding, the stepping up oil price and the strengthening baht currency resulted in people's purchasing power and exporters have been severely hurt.

As our consumers and customers faced these factors, the company has been adversely affected as well. The heavy flooding in many provinces was one of these which the company was obliged to issue the emergency measures to help our customers and consumers, the victims of the massive flooding. In addition, the main raw material prices in manufacturing increased continuously affected production costs significantly.

In the second half of the year, thanks to measures taken by the government and private sector partners in order to stimulate consumer purchasing power, some entrepreneurs who have been affected by the events were encouraged to start investing again. The 2010 performance has recovered to some degree better than expected.

During these challenging times, the imperative business plans and measurements supporting the core operations as production, marketing and sale were set forth efficiently, so the company's performance in 2010 recorded satisfactory.

While the competition in condiment market has been increasing aggressively, the company continually plays a vital role on the quality of the products at most. Apart from the certifications of ISO9001:2008, GMP & HACCP, another achievement of the company this year when we participated in the preparation of environmental management system. (EMSs) was the awarding of Environmental Management System Stage 1st from Department of Industrial Works, Ministry of Industry in November 2010 and continues to conduct the Stage 2nd system in 2011. Our EMSs' policies are elimination of pollution and waste at its source and treatment of hazardous and non-hazardous waste properly as well control the use of various energies more efficiently so as to preserve and protect our environment and improving the quality of life for communities which will further strengthen our credibility and corporate image as well as promote long term energy cost saving.

The company also participated in HAL-Q system (Hygiene, Assurance, Liability Quality System) of the Halal Science Center, Chulalongkorn University. This is the quality management system for Halal food production which integrated Halal standard in food standard with safety and hygiene in the production of Halal food for Islamic provisions. The assessment was reviewed and expected to be approved HAL-Q system in Fermented Soy Sauce and Distilled Vinegar in early 2011. There are positive signs for Halal food markets to expand more overseas. The Company intends to prepare HAL-Q standard in the other products of the company.

Couple with the company's quality improvement and development, the human resources development in every part is the need. Many courses of training and seminar to educate employees' knowledge and upgrade their skills and talents across all departments have been continually organized. The company is dedicated to promote good corporate governance and quality leadership. This is a part of our commitment to deliver greater long term shareholders value.

I, on behalf of the Board of Directors, would like to express our sincere gratitude to our shareholders, customers, consumers and business partners for their continuous support throughout the year and sincerely thanks to the management team and all our employees for their cooperation and hard work.

# Corporate Information

<b>Name of Company</b>	Thai Theparos Food Products Public Company Limited
<b>Head office</b>	208 Moo 6 Taiban Road, Taiban Sub-District, Muang District, Samutprakarn, Thailand 10280 Tel : +66-2703-4444 Fax : +66-2387-1163, +66-2703-4444 Ext 3000 www.gmsauce.com
<b>Registration No.</b>	0107536001265
<b>Branch 1</b>	162/1 Moo 2, Ban-Fon Mae Ta Road, Chompoo District, Muang District, Lampang Province 52000 Tel : (054) 251-149, 251-005 Fax : (054) 251-138
<b>Established</b>	1954
<b>First Trade Date</b>	20 January 1995
<b>Symbol</b>	SAUCE
<b>Industry / Sector</b>	Agro and Food Industry / Food and Beverage
<b>Registered Share Capital</b>	600 Million Baht (60,000,000 shares of Baht 100.00 par value)
<b>Issued and paid up Capital</b>	360 Million Baht (36,000,000 shares of Baht 100.00 par value)
<b>Number of Staff</b>	Head office 735 persons
<b>Fiscal Year</b>	1 January – 31 December
<b>Other Reference</b>	<i>A. Register</i> Stock Exchange of Thailand Capital Market Academy Building, The Stock Exchange of Thailand 2/7 Moo 4, (North Park Project) Vibhavadi-Rangsit Road Km. 27, Tung Song Hong, Laksi, Bangkok 10210 Tel 0-2596-9000, 0-2596-9302-11 Fax 0-2832-4994 to 0-2832-4996 <i>B. Auditors</i> Mr. Sakda Kaothanthong CPA Registration Number 4628 or Mr. Bunyarit Thanormcharoen CPA Registration Number 7900 or Mr. Charoen Phosamritlert CPA Registration Number 4068 or Mrs. Wilai Buranakittisophon CPA Registration Number 3920 KPMG Phoomchai Audit Limited. 22 nd Floor Empire Tower 195 South Sathorn Road, Yannawa, Sathorn Bangkok 10120 Tel : 0-2677-2000 Fax : 0-2677-2222 <i>C. Law Consultant</i> Bunchong & Vidhya Law Office Ltd. Wall Street Tower Bldg., 9 Fl., 33/35 Suriwongse Rd. Bangkok 10500 Tel : 0-2236-2334 Fax : 0-2236-3916
<b>Associate (1)</b>	YAMASA (THAILAND) Co., Ltd. 208 Moo 6 Taiban Road, Taiban Sub-District, Muang District, Samutprakarn, Thailand 10280 Tel : +66-2703-5360 Fax : +66-2703-4956 www.yamasathailand.com
<b>Core Business</b>	Distributor Japanese soy sauce under “ Yamasa ” brand in South East Asia.
<b>Registered Share Capital</b>	30 Million Baht (300,000 shares of Baht 100.00 par value)
<b>Issued and paid up Capital</b>	20 Million Baht ( 3 shares of Baht 100.00 par value) (146,998 shares of Baht 66.68 par value) (152,999 shares of Baht 66.66 par value)
<b>Associate (2)</b>	EXTER (THAILAND) LTD. 208 Moo 6 Taiban Road, Taiban Sub-District, Muang District, Samutprakarn, Thailand 10280 Tel : +66-2755-2888 Fax : +66-2755-2887
<b>Core Business</b>	Manufacturer and distributor of seasoning food products under “ Exter ” brand export to Europe and South East Asia.
<b>Registered Share Capital</b>	20 Million Baht (2,000,000 shares of Baht 10.00 par value)
<b>Issued and paid up Capital</b>	20 Million Baht (2,000,000 shares of Baht 10.00 par value)
<b>Proportion holds shares</b>	40%
<b>Nature of Business</b>	

Thai Theparos Food Products PLC. is the manufacturer and distributor of seasoning food products under “Golden Mountain” brand consisting of seasoning sauce, chilli sauce, distilled vinegar, tomato ketchup, chilli & tomato sauce, oyster sauce, fermented soy sauce and powdering sauce, fermented soy sauce powder, oyster sauce under “Tahai” brand as well as Sriraja chilli sauce under “Sriraja Panich” brand and naturally brewed Japanese soy sauce under “Kinzan Shoyu” brand including house brand.





# Golden Mountain History



In 1954 ,Mr. Chai Sae Kow established Thai Theparos Factory ROP to manufacture variety of food seasoning and distributed them under the “Golden Mountain” brand name.

Under the professional guidance of Mr. Chai Sae Kow and Mr. Krailas Winyarat. Golden Mountain met with marketing success and achieved remarkable production efficiency. Since then, the company’s management has continually striven for excellence in the industry, and at present, under the leadership of Mr. Parinya Winyarat, “Golden Mountain” is the trademark of Thai Theparos Food Products Public Company Limited.

Under thoroughly professional leadership, which has established firm confidence through operational efficiency and successful marketing strategies, Thai Theparos has experienced steady growth and on going development, as a set policy, the company has always devoted a good portion of its resources to research and development in order to secure continual product excellence.

## Towards International Standard

Thai Theparos received ISO 9002 certification from SGS Yarsley International Certification Services as of June 19, 2000 received GMP Certification from the Ministry of Public Health as of June 12, 2001 and received HACCP Certification from SGS Yarsley International Certification Services as of June 29, 2001



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## Nature of Business

Thai Theparos Food Products Public Company Limited is in the food and beverage industry as follows

We are the manufacturer and distributor of seasoning food products under “Golden Mountain” brand consisting of seasoning sauce, chilli sauce, distilled vinegar, tomato ketchup, chilli & tomato sauce, oyster sauce, fermented soy sauce and powdering sauce, fermented soy sauce powder, oyster sauce under “Tahai” brand as well as Sriraja chilli sauce under “Sriraja Panich” brand and naturally brewed Japanese soy sauce under “Kinzan Shoyu” brand including house brand.

In 2009, Company produces and sale Japanese Soysauce under Yamasa Brand to parter Yamasa (Thailand) Company Limited.

### Structure of Sales Revenue

In 2010, the Company distributes all our products both domestic and export market. Domestic sales accounts for 89.35% of total sales, consists of wholesalers, discount stores, department stores, restaurants and food shops, retailers and industry, both in Bangkok and up-country. Export sales accounts for 10.65% of total sales, consists of exporters and distributors.

### Products Sales

(Unit : Thousand Baht)

Products	2010		2009	
	Amount	%	Amount	%
Domestic Sales	2,274,179	89.35	2,216,311	91.72
Export Sales	271,166	10.65	200,090	8.12
Total Sales	2,545,345	100.00	2,416,401	100.00
Increase (Decrease) of Total Sales		5.34		4.80



# Significant Changes



In 2010, the Company has run its business normally. There is no any significant changes related to the nature of business, products, marketing or supply of raw materials except for the followings:

## Investment in associate

The joint venture between SAUCE and EXTER BV The Netherlands ( the manufacturer and distribution of “EXTER” reaction flavour.) for establishing “ Exter (Thailand) Ltd.” As our associate on May 17, 2010 ( authorized share capital Bht. 20.00 million.) with holding shares 40% and 60 % respectively for manufacture and distribute EXTER” reaction flavour. This products will Be launched in Europe and South East Asia region. Sauce will produce raw materials under “ Exter (Thailand) Ltd.’s assignment. It is expected the to start manufacture in the 2 nd Quarter of 2011.

## Associate

The company produce “ Yamasa “ Soy sauce distributing to Yamasa (Thailand) Co., Ltd. Total sales in the first year amounting to Bht. 1.31 million due to the beginning production in April 2009.



[www.yamasathailand.com](http://www.yamasathailand.com)



Naturally Brewed  
Soy Sauce  
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# Industry and Competition

## Market Condition in 2010

During the first half of 2010, the domestic condiment market has been recovering to some degree continuing the final quarter 2009. However, in the second half of the year, the condiment business was sluggish same as other food business and others due to some fragility caused by both internal and external factors, in particular, the sustained high oil prices, and political turmoil in May 2010, In addition, widespread flooding in the south and many provinces in Thailand. Not until the last quarter of 2010, that the condiment market started significantly recover.

The overall condiment sector growth in 2010 slightly increased from 3 % of 2009 to 4%. The market competition was likely resemble that of 2009 with a strategy of cheaper price and free premium of which consumers' response was not effectively stimulated due to the aforesaid factors. The consumers' purchasing power was affected with their careful spending concerned to only necessary products.

The competition in Modern Trade segment has grew more intense since 2009. Most of Discount Stores sold their house brands' products at 15%-20% lower than the leading brands. Furthermore, they put their marketing campaigns occasionally by selling the leading brands' products at price below their cost to entice customers' interest to purchase those products and others as well.

Advertising through various media increased. Each manufacturer tried to produce many products to take advantage on their marketing strategy. Some manufacturers launched their fighting brands or served other retailers by making house brands to lower their production costs. Besides, the promotions and campaigns were much expanded either price reduce, free premium or double packing sales which consumers will gain the most.

In any event, overall condiment market was toughly expanded in 2010. There were much more than 50 brands with more than 30 manufacturers in the market, in additional, new various types of products were launched, such as stir-fried sauce, gourmet powder, the varieties of packaging size for individual consumers and restaurant or semi-industrial segments. As for the company, the latest products launched in 2010 were "Soy Sauce, Yellow Cap 740ML", "Seasoning Sauce Red Cap 3L", "Distilled Vinegar 5% 10L", "Fermented Soy Sauce #2 10L".

For sales promotion in 2010, the Company launched "The Andaman Party for All Partners" campaign, going to Andaman Sea during May 7-10, 2010. The wholesalers put their interests and were cooperative, the campaign ended successfully. Moreover, There were public advertising campaign by caravan teamwork named "Tuk Tit Tuo Thai Chai Phu Kho Tong" meaning "All region of Thailand consumes Golden Mountain Sauces" travelling and advertising through all regions of Thailand.

The outlook for 2011, the industry shall be adversely affected by the economic crisis both domestic and overseas, inflation, higher income from salary, minimum wage adjustments, price increases in farm products, the government stability, political problems, unseen natural diasters and the impact of the Agreement ASEAN Free Trade Area (AFTA) to reduce import duty of 8,300 lists of goods to 0% freely imported in the ASEAN group. These multitude of problems will be our challenges that the company have to put our utmost efforts to overcome. Meantime, we still continue to emphasize as a major on the product quality, hygiene and safety for our customers and consumers.

## The Export Markets

In 2010, seasoning products of Thailand were exported more than 12,973 million baht that said more than 11.61% increase compared with 2009. The main products as soy sauce, fish sauce, instant curry paste and seasoning powder and others seasoning products. As for chilli sauce (including sweet chilli sauce), soy sauce, tomato ketchup were more than 1,830 million baht which is 14% of total value and said that increasing 9% from 2009.

The main importers of soy sauce are USA, Lao, Australia, France and Cambodia which acquired more than 268 million baht or 57% of total value 467 million baht.

For chilli sauce, main importers are UK, Germany, France, USA and The Netherlands which acquired more than 607 million baht or 50% of total value 1,214 million baht.

In 2010, SAUCE export seasoning products totaling 271.16 million baht increase 35.51% or 71.07 million baht compared with 200.09 million baht in 2009.





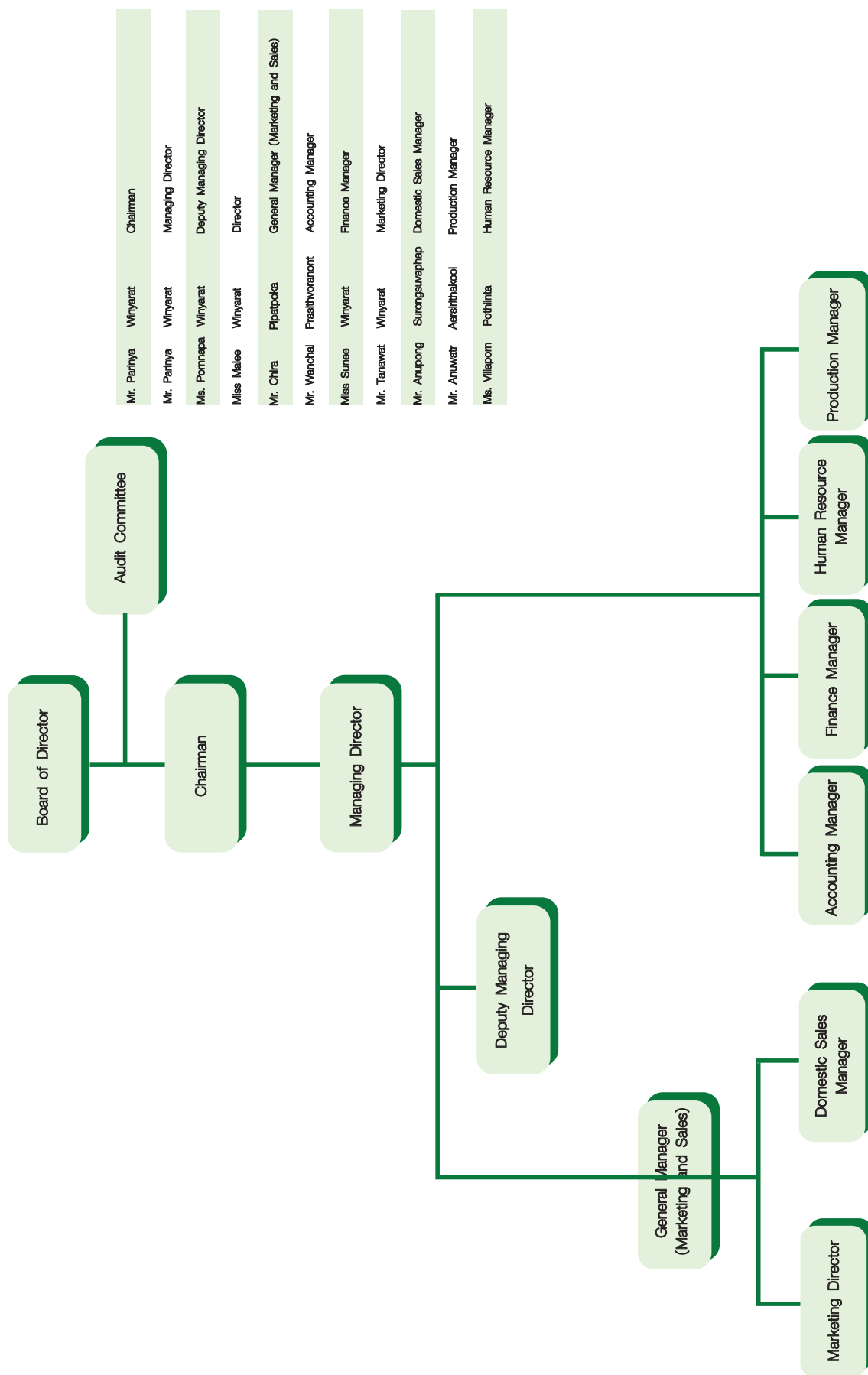
# Marketing & Social Activities in 2010



Sauce has always places the importance on social contribution activities and has supported various activities throughout the year 2010 as follows :

- National Children Day Activity at a wide range of places such as the Government House, Crocodile Farm Samutprakarn, Royal Thai Naval Academy, Bangkok Planetarium, the area of Sue Pa Road. Several activities are created as a mean to implant the children to make goodness for the society in a funny and lively atmosphere.
- Vegetarian Festival at Song Khla, Trang, Phuket, Nakhonsawan, Bangkok and Bangkok Metropolitan.
- Activity for contributing flood victims. Sauce has joined the activities along with the private sector, public sector and the Royal Thai Army. The purpose is to contribute and relieve the distress among people by donating our products through “Rajaprajanugroh Foundation” and “Friend in need of “PA” Volunteers Foundation Thai Red Cross”. The donation is to support the flood victims nationwide such as Chaiyaphum, Singburi, Ayudhaya, Surathani, Nakhonsrithammarat, Songkhla, Satul and Pattalung Province.
- Sauce launched sales promotion campaign with Sales Distributor at Phuket During May 2010 for making good relation between the management team and retailer.
- Sauce has joined the activity of “Retailer Alliance” organized by Siam Makro Public Company Limited, our trade partner, in order to increase our brand name to be well known among customers as well as sell our products to end users and participant.
- Road Show Activities by under the Slogan “All regions nationwide use Golden Mountain Sauce” in order to promote, sell our products and demonstrate cooking by using our products.
- TVC SPOT “ Golden Mountain 4 regions ”. The budget of advertising is approximately 6 MB.

# Organization Chart



# Board of Directors

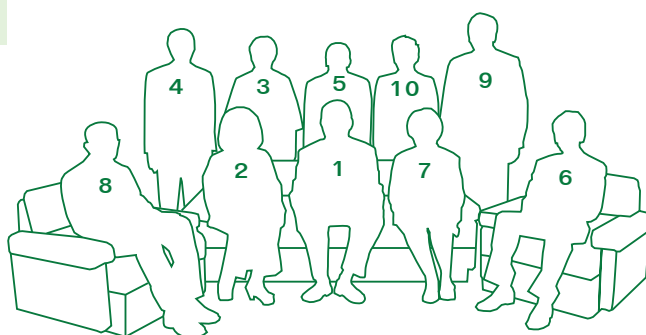


## 1. Mr. Parinya Winyarat (Director / Chairman of the Board and Managing Director)

Age : 57  
 Education : Bachelor Degree in Chemistry,  
 National Taiwan University  
 Experience  
 2000 – Present : Managing Director,  
 Thai Theparos Food Products PLC.  
 1993 – Present : Director / Chairman of the Board  
 and Managing Director  
 Thai Theparos Food Products PLC.  
 1987 – 1992 : Managing Director,  
 Thai Theparos Food Products PLC.  
 No. of holding shares : 11,915,858 shares  
 No. of share changed : – shares  
 Relation Among family : Mr.Bancha Winyarat's Father  
 with the Company and Mr.Tanawat Winyarat's uncle.  
 Director remuneration : 1,100,000 baht  
 No. of Board of Directors Meeting in 2010 : 6  
 Attended Board of Directors Meeting in 2010 : 6

## 2. Ms. Pornnapa Winyarat (Director / Deputy Managing Director)

Age : 62  
 Director Training : Director Accreditation Program (DAP)  
 Program Class 37/2005 Thai Institute of Directors  
 Association  
 Experience  
 1996 – Present : Deputy Managing Director,  
 Thai Theparos Food Products PLC.  
 1993 – Present : Director,  
 Thai Theparos Food Products PLC.  
 No. of holding shares : 1,695,857 shares  
 No. of share changed : – shares  
 Relation Among family : Mr.Tanawat Winyarat's Mother  
 with the Company and Mr. Parinya Winyarat 's Elder  
 Director remuneration : 500,000 baht  
 No. of Board of Directors Meeting in 2010 : 6  
 Attended Board of Directors Meeting in 2010 : 6



## 3. Miss Malee Winyarat (Director)

Age : 57  
 Education : Bachelor Degree in Business Administration  
 (Money and Banking) Ramkhamhaeng University  
 Director Training : Director Accreditation Program (DAP)  
 Program Class 37/2005  
 Thai Institute of Directors Association  
 Experience  
 1993 – Present : Director  
 Thai Theparos Food Products PLC.  
 1993 – 2010 : Director and Deputy Managing Director  
 (Accounting and Finance)  
 Thai Theparos Food Products PLC.  
 1987 – 1993 : Accounting and Finance Manager,  
 Thai Theparos Food Products PLC.  
 No. of holding shares : 1,400,452 shares  
 No. of share changed : – shares  
 Relation Among family : Mr.Parinya Winyarat's niece  
 with the Company and Mr. Bandit Winyarat's sister  
 Director remuneration : 600,000 baht  
 No. of Board of Directors Meeting in 2010 : 6  
 Attended Board of Directors Meeting in 2010 : 6



#### 4. Mr. Bandit Winyarat (Director)

Age : 55

Education : Master of Arts , Major Man and Environment Management, Chiang Mai University

: Bachelor Degree in Mechanical Engineering, Adamson University, Philippines

Director Training : Director Accreditation Program (DAP)

Program : Class 37/2005

: Thai Institute of Directors Association

Experience

1993 – Present : Director

: Thai Theparos Food Products PLC.

1993 – 2008 : Deputy Managing Director

: Thai Theparos Food Products PLC.

1993 – 2007 : Branch Manager ( Lampang )

: Thai Theparos Food Products PLC.

No. of holding shares : 2,641,952 shares

No. of share changed : -

Relation Among family : Mr.Parinya Winyarat's niece

with the Company and Mr. Bandit Winyarat 's

Director remuneration : 500,000 baht

No. of Board of Directors Meeting in 2010 : 6

Attended Board of Directors Meeting in 2010 : 6

#### 5. Mr. Phot Kongputhi (Independent Director )

Age : 73

Education : Accounting,

: A.B.I., Institute of Book - Keeper,London

Experience

2008 – Present : Director and Managing Director,

: Promma Mining Co., Ltd.

2002 – Present : Independent Director,

: Thai Theparos Food Products PLC.

No. of holding shares : None

No. of share changed : -

Relation Among family : -

with the Company

Director remuneration : 400,000 baht

No. of Board of Directors Meeting in 2010 : 6

Attended Board of Directors Meeting in 2010 : 6

#### 6. Mr. Chamni Junchai (Independent Director / Audit Committee Member)

Age : 55

Education : Graduate Diploma in Management of Public Economy King Prajadhipok's Institute

: MBA. ,Thammasat University B.A.

: Accounting, Thammasat University Siminar

Director Training : Director Accreditation Program (DAP)

Program : Class 30/2004

: Thai Institute of Directors Association

: Role of the Chairman Program (RCP)

: Class 21/2009

: Thai Institute of Directors Association

Experience

1999–Present : Audit Committee Member,

: Thai Theparos Food Products PLC.

1993–Present : Independent Director,

: Thai Theparos Food Products PLC.

: President,

: C.J. Morgan Co.Ltd.

: Executive Financial Advisor to the Board

: Nation Housing Authority

Present : Independent Director and Chairman of the Audit

: Committee, Sino–Thai Engineering & Construction PLC.

: Director, Audit Committee Member

: STP & I PLC.

: Chairman,

: Agro Industrial Machinery PLC.

2005–2006 : Advisor to Chairman of Committee on

: Communications and Telecommunications

: Advisor to Subcommittee on Communications

: and Telecommunications Committee on

: Communications and Telecommunications

2004–2005 : Qualified Director and Executive Director,

: Iron And Steel Institute of Thailand

1995–1999 : Vice President, Nakornthai Strip Mill PLC.

: Director and Vice President,

: N.T.S. Steel Group PLC.

No. of holding shares : No

No. of share changed : -

Relation Among family : -

with the Company

Director remuneration : 300,000 baht

Audit Committee remuneration : 120,000 baht

No. of Board of Directors Meeting in 2010 : 6

Attended Board of Directors Meeting in 2010 : 6

No. of Board of Audit Committee Meeting in 2010 : 4

Attended Board of Audit Committee Meeting in 2010 : 4

## 7. Asst. Prof. Raweewan Piyayopanakul (Independent Director / Audit Committee Chairman)

Age : 64  
 Education : Bachelor Degree in Accounting, Thammasat University  
 : MBA, Michigan State University  
 Director Training : Director Accreditation Program (DAP)  
 Program : Audit Committee Program (ACP)  
 Thai Institute of Directors Association  
 Experience  
 2008 – Present : Audit Committee Chairman, Sabina PLC.  
 2006 – Present : Pensioner  
 2002 – Present : Audit Committee, Tata Steel (Thailand) PLC.  
 2000 – Present : Audit Committee, Thai Cane Paper PLC.  
 1999 – Present : Audit Committee Chairman, Thai Theparos Food Products PLC.  
 1993 – Present : Independent Director, Thai Theparos Food Products PLC.  
 No. of holding shares : None  
 No. of share changed : –  
 Relation Among family : –  
 with the Company  
 Director remuneration : 300,000 baht  
 Audit Committee remuneration : 180,000 baht  
 No. of Board of Directors Meeting in 2010 : 6  
 Attended Board of Directors Meeting in 2010 : 6  
 No. of Board of Audit Committee Meeting in 2010 : 4  
 Attended Board of Audit Committee Meeting in 2010 : 4

## 8. Vice Admiral Tanong Sirirangsri (Independent Director / Audit Committee)

Age : 79  
 Education : United States Naval War College , USA  
 Royal Thai Navy College  
 Director Training : Director Certification Program (DCP)  
 Program : Class 65/2005  
 Director Accreditation Program (DAP)  
 Class 38/2005  
 Audit Committee Program (ACP)  
 Class 7/2005  
 Thai Institute of Directors Association  
 Experience  
 1999 – Present : Audit Committee, Thai Theparos Food Products PLC.  
 1994 – Present : Independent Director, Thai Theparos Food Products PLC.  
 1993 – Present : Managing Director & Port Director, Sriracha Harbour PLC.  
 No. of holding shares : No  
 No. of share changed : –  
 Relation Among family : –  
 with the Company  
 Director remuneration : 300,000 baht  
 Audit Committee remuneration : 120,000 baht  
 No. of Board of Directors Meeting in 2010 : 6  
 Attended Board of Directors Meeting in 2010 : 6  
 No. of Board of Audit Committee Meeting in 2010 : 4  
 Attended Board of Audit Committee Meeting in 2010 : 4

## 9. Mr. Tanawat Winyarat (Director)

Age : 39  
 Education : Master of Science in Finance, Bentley College , Massachusetts, USA  
 : Master of Science in Manufacturing System Engineering, Rensselaer Polytechnic Institute, USA  
 : Bachelor of Science in Management System Rensselaer Polytechnic Institute, USA  
 Experience  
 2010 – Present : Director, Thai Theparos Food Products PLC.  
 2010 – Present : Director, Exter (Thailand) Limited  
 2008 – Present : Director, Yamasa Corporation (Thailand) Co.,Ltd.  
 2005 – Present : Director, Ratchatayothin Co.Ltd.  
 2004 – Present : Marketing Manager Thai Theparos Food Products PLC.  
 No. of holding shares : 2,570,900 shares  
 No. of share changed : –  
 Relation Among family : Mrs. Pornapa Winyarat's son  
 with the Company : Mr. Parinya Winyarat 's  
 Director remuneration : 300,000 baht  
 No. of Board of Directors Meeting in 2010 : 4  
 Attended Board of Directors Meeting in 2010 : 4

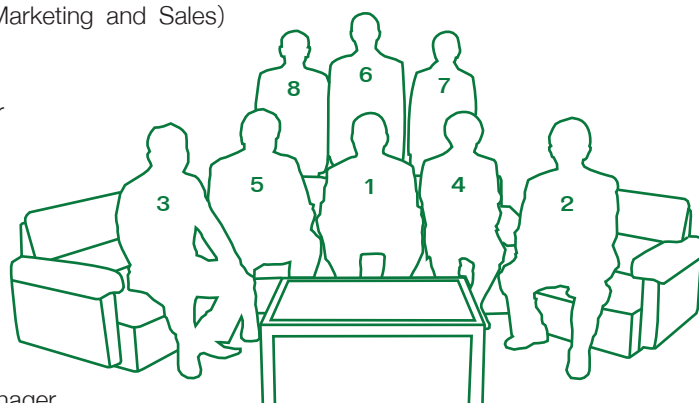
## 10. Mr. Bancha Winyarat (Director)

Age : 26  
 Education : Bachelor of Engineering, Mechanical Engineering with Business Finance University of London  
 Experience  
 2010 – Present : Director, Thai Theparos Food Products PLC.  
 2010 – Present : Director, Exter (Thailand) Limited  
 No. of holding shares : 1,560,000 shares  
 No. of share changed : 560,000 shares  
 Relation Among family : Mr. Parinya Winyarat 's son  
 with the Company  
 Director remuneration : 300,000 baht  
 No. of Board of Directors Meeting in 2010 : 4  
 Attended Board of Directors Meeting in 2010 : 2

# Management Team



1. Mr. Parinya Winyarat Chairman of the Board and Managing Director
2. Mr. Chira Pipatpoka General Manager (Marketing and Sales)
3. Mr. Wanchai Prasithvoranunta Accounting Manager
4. Miss Sunee Winyarat Finance Manager
5. Mr. Tanawat Winyarat Marketing Manager
6. Mr. Anupong Surongsuvaphap Domestic Sales Manager
7. Ms. Vilaiporn Pothiinta Human Resource Manager
8. Mr. Anuwatr Aersitrakool Production Manager





# Management Team

## Mr. Chira Pipatpoka (General Manager – Marketing and Sales)

Age : 54

Education : Master of Business Administration (MBA) Thammasat University  
: Bachelor of Engineering, Chulalongkorn University

Experience

1999 – Present : General Manager (Marketing and Sales), Thai Theparos Food Products PLC.

1997 – 1999 : Vice Chairman, Optic Square Co.Ltd.

1993 – 1997 : Senior Production Manager, Thai Theparos Food Products PLC.

No. of holding shares : No

No. of shares changed : –

## Mr. Wanchai Prasithvoranunta (Accounting Manager)

Age : 49

Education : Bachelor Degree in Business Administration (Second Class Honor), Sukhothai Thammathirat University

Experience

1994 – Present : Accounting Manager Thai Theparos Food Products PLC.

No. of holding shares : 500,000 shares

No. of shares changed : –

## Miss Sunee Winyarat (Finance Manager)

Age : 51

Education : Bachelor Degree in Economics, Ramkhamhaeng University

Experience

1994 – Present : Finance Manager Thai Theparos Food Products PLC.

Seminar : Corporate Secretary Development Program, Chulalongkorn University

No. of holding share : 1,306,653 shares

No. of shares changed : – shares

## Mrs. Vilaiporn Phothiinta (Human Resource Manager)

Age : 51

Education : Bachelor of Public Administration Sukhothai Thammathirat University

Experience

2004 – Present : Human Resource Manager Thai Theparos Food Products PLC.

No. of holding shares : 509,800 shares

No. of shares changed : 6,600 shares

## Mr. Thanawat Winyarat (Marketing Manager)

Age : 39

Education : Master of Science in Finance, Bentley College, Massachusetts, USA  
: Master of Science in Manufacturing System Engineering, Rensselaer Polytechnic Institute  
: Bachelor of Science in Management System Rensselaer Polytechnic Institute

Experience

2010 – Present : Director Thai Theparos Food Products PLC.

2010 – Present : Director Exter (Thailand) Co.,Ltd

2008 – Present : Director Yamasa (Thailand) Co.,Ltd

2003 – Present : Director, Ratchatayotin Co.,Ltd.

2004 – Present : Marketing Manager Thai Theparos Food Products PLC.

No. of holding shares : 2,570,900

No. of shares changed : –

## Mr. Anupong Surongsuvaphap (Domestic Sales Manager)

Age : 50

Education : Bachelor of Marketing Krirk University

Experience

2004 – Present : Domestic Sales Manager Thai Theparos Food Products PLC.

No. of holding shares : 1,000

No. of shares changed : –

## Mr. Anuwat Aersitrakool (Production Manager)

Age : 45

Education : Bachelor of Agriculture Industry, King Mongkut Institute of Technology Ladkrabang

Experience

2005 – Present : Production Manager Thai Theparos Food Products Plc.

2001 – 2005 : Plant Manager Wang Palm Oils Company Limited (Wangkanai Group)

No. of holding shares : –

No. of shares changed : –

# Major Shareholders

As of the Annual General Meeting of Shareholders No. 1/2010 on 23 April 2010

Major Shareholders	Shares	(%) of Total Share
1. WINYARAT FAMILY	26,300,300	73.06
2. TANGWICHACHAN FAMILY	1,483,200	4.12
3. Bangkok Life Insurance Co, Ltd	1,182,800	3.29
4. Ms. Vilaiporn Potiinta	509,800	1.42
5. Mr. Wanchai Prasithvoranunta	500,000	1.39
6. Bangkok Insurance PLC.	489,600	1.36
7. Ms. Pattama Sethanukul	420,000	1.17
8. Green Sport (Thailand) Co.Ltd.	386,100	1.07
9. Miss Natechanok Suwanacheep	365,000	1.01
10. Mr. Cherdchoo Soponpanich	310,000	0.86
<b>Total</b>	<b>31,946,800</b>	<b>88.75</b>

# Management Discussion and Analysis

For the year ended December 31, 2010 and 2009

## Operating and Financial Status

### Operating review

#### Profitability

Thai Theparos Plc earn net profit as the year ended December 31 as follow:-

	Million Baht	(%) of total revenue
2010	418.44	16.34
2009	429.98	17.48

The factors that the Company earn net profit in 2010 decreased by 2.69 percent or Bt. 11.55 million compare to that of 2009 shown here under :-

(Million Baht)	2010	2009	Change	%
1. Sales	2,545.35	2,416.40	128.95	5.34
2. % of cost of sales /sales	59.97%	59.23%	0.74%	1.25
3. Selling expenses	313.63	301.20	12.43	4.13
% of total sales	12.32%	12.46%	-0.14%	(1.15)
4. Administrative expenses	117.54	116.69	0.85	0.73
% of total sales	4.62%	4.83%	-0.21%	(4.37)
5. Management benefit expenses	23.49	25.36	(1.87)	(7.37)
% of sales	0.92%	1.05%	-0.13%	(12.07)
6. Gain on reverse of allowance for impairment of unused land	-	23.75	(23.75)	(100.00)

Cost of sales increased by 0.74 % of total sales because of the higher price of main raw materials such as sugar up 15.17 % and garlic up 21.57 % from those of 2009.

Selling expenses increased by 4.13 % or Bt. 12.43 million from that of 2009, because transportation expensed increase Bt 10.33 million from the increasing price of gasoline.

In June 2009, the company has engaged an independent professional appraiser to appraise the Company's unused land. Based on the appraisal report dated 2 July 2009, using the Market Comparison Approach by the fair market value, the revalued land was estimated at Bt. 94.95 million. Therefore, the Company recorded the reversal of allowance for impairment losses amounted to Bt. 23.75 million as revenue in the statement of income.

From the above reasons, the net profit decreased from Bt. 429.98 million in 2009 to Bt. 418.44 million in 2010, decreased by 2.69% or Bt. 11.55 million from that of 2009.

If excluding, the gain on reverse of allowance for impairment as above mentioned, the performance result for the year 2010, the company earned net profit Baht 418.44 million or increased from the previous year Baht 12.19 Million or increased by 3.01% compared to that of 2009 Baht 406.25 million.

Sauce has earning before interest expense and income tax (EBIT) for the years ended December 31 as follows:-

	Million Baht	(%) of total revenue
2010	578.07	22.57
2009	584.07	23.75



From the above data, the profit before interest and income tax expenses in 2010 decreased by 1.03% or Bt. 6.00 million from that of 2009.

The operation result of 2010 is acceptable as shown by the following ratios:

	2010	2009
Return on Equity (%)	18.79	20.07
Return on Total Assets (%)	17.07	18.52
Total Assets Turnover (Time)	1.04	1.06
Fixed Assets Turnover (Time)	2.65	2.65

#### Dividend Payment

The pay out policy of the company was not less than 50% of the net profit in each year.

In 2010, the Company demonstrated earnings per share of Bt. 11.62, increased from Bt 11.94 in 2009 by 2.96 %.

The dividend in 2009 operation was Bt. 10.10 per share or 84.59% of the net profit and we paid the dividend in the amount of Bt. 363.60 million on May 17, 2010.

#### Report and Analysis of Financial Position

##### Financial Structure

##### Debt Equity Ratios

In 2010 and 2009, the debt equity ratio were 0.11 and 0.10 respectively. The financial structure is suitable to the size of operations and business.

	2010		2009	
	Millon Bt.	%	Millon Bt.	%
Total Liabilities	239.48	9.60	209.83	8.71
Shareholder's Equity	2,254.80	90.40	2,199.78	91.29
Total Assets	2,494.28	100.00	2,409.61	100.00
Accrued income tax	88.19	36.83	75.47	35.97
Trade accounts payable	81.66	34.10	59.12	28.18
Accrued expenses	51.34	21.44	56.45	26.90
Other current liabilities	18.29	7.64	18.79	8.95
Total Liabilities	239.48	100.00	209.83	100.00
Paid-up Share	360.00	15.97	360.00	16.36
Premium on share capital	615.60	27.30	615.60	27.98
Fair value changes	0.10	0.00	-0.09	-0.00
Appropriated Retained earning	60.00	2.66	60.00	2.73
Unappropriated Retained earning	1,219.10	54.07	1,164.27	52.93
Total Shareholder's Equity	2,254.80	100.00	2,199.78	100.00

The company has no debt resulting from loan of any kind. All liabilities are current liabilities. Most of company's capital come from shareholders.

**Liquidity****Cash flows**

(Million Baht)	2010	2009	Change	%
Cash flows from operating activities	508.95	550.10	(41.15)	(7.48)
Net cash uses in investment activities	(155.87)	(222.74)	66.87	(30.02)
Net cash uses in financing activities	(363.60)	(315.00)	(48.60)	15.43
Net increase (decrease) in cash and cash equivalents	(10.52)	12.36	(22.88)	(185.11)

**Current ratio**

Current ratio in 2010 is 5.60 times, increases from 6.08 times in 2009. This result from the increase of current liabilities by Bt. 29.65 million, most of these are accounts payable and accrued income tax, and the increase of current assets by Bt. 65.03 million, most of these are current investment and accounts receivable.

Sauce still enjoys high current ratios with no shortage of cash flow. The collection period was 37 days more than 2009 by 1 day. The inventories turnover period was 54 days which less than 2009 by 4 days. As at December 31, 2010, we have total cash and cash equivalents more than Bt. 341.90 million, in addition, have clear credit limit with the major banks more than Bt. 35.50 million, to support the Company for emergency.

**Quality of Assets****Change in Assets**

As at December 31, 2010 Sauce has Bt. 2,494.28 million of total assets, the growth is 3.51 compare to Bt. 2,409.61 million as at December 31, 2009.

**Main Part of Assets**

	2010		2009	
	Million Bt.	%	Million Bt.	%
Property, plant and equipment	1,013.38	40.63	979.41	40.65
Current Investments	437.19	17.53	387.10	16.05
Cash and cash equivalents	341.90	13.71	352.42	14.63
Accounts receivable	271.72	10.89	251.58	10.44
Inventories	230.88	9.26	237.02	9.84
Unused Land	94.95	3.81	94.95	3.94
Other current assets	60.14	2.41	48.67	2.02
Long-term investments	20.50	0.82	40.33	1.67
Unused Plant and equipment	6.72	0.27	7.99	0.33
Investment in associate	10.53	0.42	1.82	0.08
Bank deposits under commitments	4.59	0.18	4.61	0.19
Advance payments for purchase of equipment	–	–	1.83	0.08
Intangible assets	1.22	0.05	1.32	0.05
Other non current assets	0.56	0.02	0.56	0.02
<b>Total Assets</b>	<b>2,494.28</b>	<b>100.00</b>	<b>2,409.61</b>	<b>100.00</b>

As at December 31, 2010, Sauce has current assets as 53.80%, and non current assets as 46.20% of total assets compare to 52.99% and 47.01% as at December 31, 2009.

Concerning accounts receivable, the Company has set aside an adequate allowance for doubtful accounts. Long-term investment will be due in 2019 for the mount of Bt. 20 million.

# The Principles of Good Corporate Governance

The Board of Director realizes on the importance of good corporate governance which is for transparency, accountability, business competency and confidence to stakeholders ,investors as well as relevant persons and set the good corporate governance policy covering an important principle as follows

## 1. Right of Shareholders

SAUCE recognizes on the right of shareholders and gives the importance and facilities to all shareholders to get the basic shareholder's right both in the position of investor in the securities and the owner of the company. Shareholders have the right to purchase, sell or transfer their securities independently as well as the right to receive the appropriate net profit, to join the shareholders meeting, give their opinions in the meeting. All shareholders have the right to vote according to their holding shares .The vote is counted one vote per share. No shareholders have privilege to restrict the right of other shareholders

Besides the above mentioned Basic Shareholders' rights, sauce gives the importance on the information disclosure correctly, in time and transparently to shareholders by disclosing the important information via the company's website both Thai and English version. In 2010, the Board of Directors has principle the activity for the matter of promoting and giving the facilities in using the right of shareholders as follows:

1.1 Disclosure the Board of Directors' Meeting's resolution no.2/2010 which held on March 3,2010 providing to arrange the Annual General Meeting of Shareholders on April 23,2010 via the Stock Exchange of Thailand 's website since the had pass the resolution to fix the meeting date.

1.2 The company will send the Invitation Letter for attending the Annual General Meeting of Shareholders no less than 21 days prior to the meeting date which mention the time ,place to attend the meeting and the agenda completely in accordance with the articles of the Stock Exchange of Thailand and the company's Article of Association which has sufficient information regarding the issues to be decided at the meeting. Each agenda will be specified whether it is for approve, disapprove or for abstain.

Invitation letter for attending the annual general meeting of shareholders has been disclosed in advance one month prior to meeting date on company's website at "shareholder" menu. Shareholders will have opportunity to receive information before the meeting adequately. They can propose the additional agenda to the shareholders meeting according to the time provided by the company.

The company will notify the shareholders of such meeting through Thai newspaper 30 days which published from March 23-25, 2010.

In the attending the meeting, the company shall inform shareholders to bring the documents required prior to attending the meeting and attached the proxy and specify the name of Independent Director and Audit Committee Chairman or appoint any other person as a proxy to attend and vote on their behalf in meeting.

1.3 On the meeting date, the company give shareholders to register prior one hour before the meeting begin and printing the voting ticket for each agenda to all shareholders.

1.4 Before the meeting Begin, the Chairman will explain the voting procedure and vote-counting method which will be in an efficient and transparent (counting by staff of Audit Firm). One share will count as one Vote and the resolution is by the majority votes. In case the resolution which is provided the votes not less than two-third of all votes of shareholders who attend the meeting and have the right to vote or the resolution which provide the votes not less than three-fourth of all votes of Shareholders who attend the meeting and have the right to vote which shall be in accordance with the laws and the company article's of association.

1.5 During the meeting, Chairman of the Board gives the opportunity and be allowed sufficient time to give opinions, ask questions and propose the additional agenda for appropriate time. The director will inform and give the information to shareholders with completely.

Besides, shareholders who attend the meeting afterwards the meeting begin, have the right to vote in the agenda which is being considered and still not passing the resolution.

1.6 The company has set the policy to the Board of Directors attending the Annual General Meeting of Shareholders, shareholders can ask questions to them. Board of Directors who attend the Annual General Meeting of Shareholders no.1/2009 which was held on April 23, 2009 comprise of Board of executive director consisting of 3 persons : Chairman of the Board, Deputy Managing Director ( Accounting and Finance ) and Deputy Managing Director 1 person and non executive director 2 persons, Audit Committee Chairman and audit committee member . The company, therefore, has a total of 7 directors attending the shareholders meeting.



## **2. Equitable treatment of shareholders**

SAUCE gives precedence to equal treatment of shareholders. The Board of Directors has set up a supervision policy to take care of the company by paying attention to the right of shareholders, and to treat all shareholders fairly and equally. This is achieved as follows:

2.1 Managing the shareholder meetings effectively, and in line with the regulations of the company. Consideration and voting will take place in accordance with the agenda, including the consideration about committees to appoint, remuneration for committees, the auditor to appoint, approving the auditor's fees and other agenda items that are raised by the shareholders in the meeting.

2.2 Shareholders who are not comfortable to attend the meeting may authorize the independent committee/ chairman or any other person, to represent them to attend the meeting and vote.

2.3 In order to vote about any agenda item, ballot papers will be used in order to carry out counting of the votes effectively and fast. The company will only archive the ballots in case some shareholders object or abstain. The auditor will evaluate the votes and ensures the vote is executed correctly, including archiving the ballots to be able to check later.

2.4 During the general shareholders' meeting minutes will be drawn up completely and correctly. The following points shall be included: conclusion of the meeting and the result of voting, by showing clear details with the numbers of voters who agreed, disagreed and abstained, and the total number of the votes for each agenda item, including questions, explanation and the opinion of the meeting. The aforementioned minutes will be distributed to all concerned parties within 14 days after the general meeting. The aforementioned minutes will also be published on the company's website. The company has published the conclusion of the shareholders' meeting on the website of the Stock Exchange of Thailand, in order to inform all shareholders as soon as the meeting was finished.

2.5 SAUCE has a policy that confidential information shall not be disclosed. Confidential information will be taken out before disclosing information to the public. The executives have to report all changes in the situation of the assets of the company. Executives are prohibited to trade assets of the company, from one month before the disclosure to the public and 2 weeks after it. The company strictly follows the guidelines of good practice from the Security and Exchange Commission.

The Board of Directors and executive with the position of general manager or higher, and accounting manager and finance manager with a comparable level, have to report the shares that they hold in the company. This also applies to their spouses and underage children. They have to report any changes in their shareholdings, after buying, selling, transferring or accepting a transfer to the Security and Exchange Commission within 3 days, and also report to the secretary of the Board.

## **3. Role of stakeholders**

SAUCE has given precedence to the rights of every group of stakeholders, both insider stakeholders e.g. shareholders, employees and executives, and outsider stakeholders, e.g. customers, rivals, trade partners, creditors, the government sector and other concerned parties including communities. Because the company realizes that support from stakeholders will enable the company to compete and generate profit, which is part of being successful in the long term.

3.1 Shareholders: the company is engrossed with operating the business in order to create a stable development and a competitive position, by considering the risks at present and in the future, in order to gain value for shareholders of the company in the long term. The company shall disclose clear, fair, fast, timely, correct and complete information, and seriously strive to protect the assets of the company, including paying dividend, in order to let shareholders have the topmost satisfaction.

3.2 The Board of Directors and executives are the people who have access to all information to be able to make the best assessment how to take care of every group of company stakeholders, both insider stakeholders and outsider stakeholders, in an equal and fair manner.

3.3 Employees: the company always realizes that the employees of the company are the most important resource, so the company is prepared to support the personnel continuously, by emphasizing development of knowledge, abilities, skills, and the quality of an employee. The Company provides continuous and regular management training, both inside and outside, like training-on-the-job for new employees, or for employees who change position, or move to another department, etc. Besides that, the company also takes care of employees' welfare, with providing facilities, such as association provident fund, scholarships for employee's children, tourist trips, the arrangement rehearsals for the fire prevention and hazard protection systems, etc. This is done to support a good quality of life, which is suitable to live in society and have a chance to grow with the development of the company.

3.4 Customers: the company is determined to give customers topmost satisfaction, both in quality and service, for the company's products, including timely delivery, fully meeting the requirements of customers by paying attention to and being responsible to a customer. The annual satisfaction survey gives the customers an opportunity to share their opinions. The Company also manages a program to continuously promote relationships between customers and the company. It organizes trips, both domestic and abroad, invites customers to visit factories etc. Sales administrator has been set up to respond to complaints from customers.

3.5 Trade partners: the Company acknowledges the importance of treating trade partners in accordance with the commercial conditions and to treat them in accordance with contracts. The Company also has a Code of Conduct, which contains rules for fair and honest behavior.

3.6 Competitors: the Company follows the commercial competition rules, and does not use dishonest ways to destroy commercial rivals, but allows the market mechanism to work.

3.7 Creditor: the Company behaves in accordance with the conditions of business agreements, and maintains the duty to behave towards the creditor as a good debtor. The company also gives information in advance to creditors.

3.8 Government sector and other concerned parties: the Company always follows laws and regulations from the government and other concerned parties, and has no intention to disobey the aforementioned practices.

3.9 Communities, society and environment: the Company is concerned about communities, society and the environment, and manages these issues as follows;

- Waste water treatment system: the waste water treatment system of the company can process twice the amount of waste water as needed. At this moment BOD is not more than specified in the law. Over a period of 12 months, the average BOD for the company was 12.21 milligram per liter (the law requires that the BOD at a temperature 20 C during 5 days does not exceed 20 milligrams per liter).

- Environmental and safety arrangements in work places by considering safety, occupational health and environment, and offering conveniences to employees and customers.

- Supporting the conservation of the environment.

- Supporting activities of students from educational institutes regularly and continuously, including the annual activities on children's day.

- Supporting activities of the government sector, both inside Samutprakarn province and Bangkok.

- Supporting public charity activities with government and other parties from the private sector.

- Supporting activities to support the Buddhism.

- Running welfare stores where economically priced goods are sold, and discounts are given to employees and customers from nearby communities, including general customers, etc.

#### 4. Disclosure and Transparency

Board of Directors recognizes an importance of information disclosure with completeness, accountability both in financial and general including significant information effecting market of the share by issuing such information to the investors and stakeholders to all channels of the Stock Exchange of Thailand.

Regarding to the Investor Relation, the company has not yet set up an investor relation office since the Investor Relation activity is still small, but assigned Market Manager to communicate with the investors, institutes, shareholders as well as analysts and stakeholders. The investors can access the information through the company secretary at Tel no. 02-703-4444 or via website: [www.gmsauce.com](http://www.gmsauce.com)

In 2010, the company has disclosed sufficiently significant financial information in the financial statements in accordance with the Stock Exchange of Thailand and Office of Securities and Stock Exchange Commission and accounting standards by the information disclosure system of the Stock Exchange of Thailand. The financial statements has been audited and given and opinions without any condition by Certified Public Accountant, Audit Committee Meeting and Board of Director before disclosing to shareholders. Board of Directors have disclosed the responsibilities of Board of Directors to the financial report in the annual report as well.

The company has disclosed the summary of its Performance Result, Reviewed Financial Statements and quarterly & yearly Management Discussion and Analysis, the Declaration of Dividend Payment, fixing the date of Annual General Meeting of Shareholders

For more convenience to shareholders, sauce has set up the "shareholders" menu on company website since 2007 (In 2011 change to "Investor Relation").

Invitation letter for attending the annual general meeting of shareholders has been disclosed in advance one month prior to meeting date on company's website at "shareholder" menu. Shareholders will have opportunity to receive information before the meeting adequately. They can propose the additional agenda to the shareholders meeting according to the time provided by the company.

Sauce has improved the aforesaid information by disclosing via company's website which is always up to date.

Sauce has disclosed the significant information and news regularly. Shareholders and stakeholders will receive the information with completely via channels as follows

1. The Stock Exchange of Thailand's website
  - Quarterly and yearly financial statements
  - Annual report
  - Form 56-1
  - News (F45-1, MD &A, the declaration of dividend payment, Shareholder's resolution, Connected transaction, etc.)
2. Office of the Securities and Stock Exchange of Thailand Commission
3. Ministry of Commerce
4. Thai Newspaper (Invitation Letter to attend the Meeting, Balance sheet and loss and profit of account, the declaration of dividend payment etc.)
5. Company's website (www.gmsauce.com) Both Thai and English version.
6. Company Visit
7. Deliver the Invitation Letter to Shareholders by mail.

## **5. Responsibilities of the Board**

### **5.1 Structure of the Board of Directors**

The company's Board of Directors is comprise of qualified persons who posses knowledge, abilities and experience which are beneficial to the company. The election of Board members follows the resolutions of the Shareholder's Meetings, as well as the rules, regulations and the company's Articles of Association. The number of directors is appropriate to the company's business operations.

The Board of Directors has 10 members comprise of:

- 2 Executive Directors, equal to 20.00% of the Board member
- 4 Non-Executive Directors, equal to 40.00% of the Board member
- 4 Independent Directors, equal to 40.00% of the Board member

( Three Independent Directors have adequate expertise and experience to review creditability of the financial report )

The primary authorized directors with signatory authority on behalf of the company are Mr. Parinya Winyarat and Mr. Bandit Winyarat or Mr. Tanawat Winyarat must be signed by two authorized directors and affixed with the Company Seal.

#### ***Qualifications of Independent Directors***

1. An Independent Director must not hold more than 0.5 percent of the Company's shares with voting rights, or those of any affiliated or associated company.
2. An Independent Director must not take part in management and not be an employee. Staff member, or adviser who receives a regular salary; nor be in a profession such as auditor, lawyer, etc, that might effect the giving of impartial opinions to the company. Furthermore, the Independent Director must not be someone who has control over the company, the affiliated or the associated company, nor be a person with a conflict of interest, except in cases where he or she has resigned from any such position at least one year previously.
3. An Independent Director must have no direct or indirect business relationship that would restrict the Directors' Independence and impartiality, in an amount or value significant to the company's income, nor benefit, either directly or indirectly from the finances or management of the company, the affiliated or associated company, nor be a person with a conflict of interest that could affect him or her from giving an unbiased opinion.
4. An Independent Director must not be a close relative of any senior executives or a major shareholder of the company, the affiliated or associated company. Neither shall he be a person with a conflict of interest, nor be a representative acting to safeguard the interests of any.

#### ***Term of Office***

As required by our Articles of Association, in the General Shareholders Meeting, 1/3 of the directors have to be retired by rotation. The Directors of the public company limited have to be retired in the first and second year by random procedure, and the coming years, the directors who are entitled for the longest period have retired by rotation. The retired directors can be re-elected for another period. The Shareholders Meeting may vote any of directors for retirement before their term ending by the votes not less than 3/4 of total shareholders attending in the meeting and have the right to vote of which the total shares not less than half of total shareholders.

Regarding the term of office of the Audit of Committee shall hold office for a term of 2 years.

#### ***Directorship of the Board of Directors and Executives in other Companies***

At present, not Sauce director or executive holds a directorship in more than three other listed companies, nor are any in the position of chairman, executive director with signatory authority in excess of three companies.

#### ***Separation of the Chairman of The Board and the Managing Director***

The Chairman of the Board, and the Managing Director is the same person because the Chairman is appointed to be in charge for the Managing Director.

#### ***Corporate Secretary***

Sauce has appointed Miss Sunee Winyarat Finance Manager as Corporate Secretary. She has suitable knowledge and experience to perform this function and assumes the of the Secretary to the Board of Directors and the Audit Committee.

#### ***Board of Director***

As of December 31,2010 Board of Directors of Thai Theparos Food Products Public Company Limited consists of ten qualified persons as follows:

1. Mr. Parinya	Winyarat	Chairman of the Board and Managing Director
2. Mrs. Pornnapa	Winyarat	Deputy Managing Director
3. Miss Malee	Winyarat	Director
4. Mr. Bandit	Winyarat	Director
5. Mr. Tanawat	Winyarat	Director
6. Mr. Bancha	Winyarat	Director
7. Mr. Phot	Kongputhi	Independent Director
8. Asst. Prof.Raweewan	Piyayopanakul	Independent Director and Audit Committee Chairman
9. Mr. Chamni	Junchai	Independent Director and Audit Committee Member
10. Vice Admiral Tanong	Sirirangsri	Independent Director and Audit Committee Member

#### ***Recruitment of The Board of Directors***

SAUCE do not have the nominating committee. The Board of Directors will propose the qualified person to the Shareholders Meeting for approval.

There is no limit on percentage of the director's representatives in each of shareholders' groups.

As required by our regulation, Board of Directors consist of directors which not less than five persons and half of total directors have domicile in Thailand. The Board of Directors Election have been acted by the Shareholders Meeting. The shareholders has right to vote only one time (one share one vote). Every shareholder has to vote one person with all his votes, which can not separate any to other persons or other groups. In the General Shareholders Meeting, 1/3 of the directors have to be retired by rotation. The Directors of the public company limited have to be retired in the first and second year by random procedure, and the coming years, the directors who are entitled for the longest period have retired by rotation. The retired directors can be re-elected for another period. The Shareholders Meeting may vote any of directors for retirement before their term ending by the votes not less than 3/4 of total shareholders attending in the meeting and have the right to vote of which the total shares not less than half of total shareholders.

#### **5.2 Committees**

The Board has set up an Audit Committee to monitor the business operation.

The Company has no a remuneration committee, but uses a proper evaluation procedure; information from the same industry and size, also the Company operation result are considered.



***Audit Committee consist of 3 persons as follows:***

- |                                     |   |
|-------------------------------------|---|
| 1. Asst. Prof. Raweewan Piyapanakul | Independent Director and Audit Committee Chairman |
| 2. Mr. Chamni Junchai               | Independent Director and Audit Committee Member   |
| 3. Vice Admiral Tanong Sirirangsri  | Independent Director and Audit Committee Member   |

The Audit Committee number 1 and 2 who have adequate expertise and experience to review creditability of the financial reports.

***Audit committee Duties and Responsibilities***

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, and to determine an independent of the internal audit unit, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review the Company's compliance with the law on Securities and Exchange, the SET's regulations, and the laws relating to the Company's business;
4. To consider, select and nominate independent persons to be the Company's auditors, and to propose such persons' remuneration, as well as to attend a non-management meeting with the auditors at least once a year;
5. To consider the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the SET's regulations, to be ensured that the said transactions are reasonable and made for the highest benefit of the Company;
6. To prepare the Audit Committee's report which must be signed by the Audit Committee's Chairman and consist of at least the following information to be disclosed in the Company's annual report:
  - the number of the Audit Committee meetings, and the attendance of such meetings by each member of the Audit Committee,
  - an opinion on the accuracy, completeness and creditability of the Company's financial report,
  - an opinion on the adequacy of the Company's internal control system,
  - an opinion on the compliance with the law on Securities and Exchange, the SET's regulations, or the laws relating to the Company's business,
  - an opinion on the suitability of an auditor,
  - an opinion on the transactions that may lead to conflicts of interests,
  - an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
  - other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors; and
7. To perform any other act as assigned by the Company's Board of Directors, with the approval of the Audit Committee.

***Board of Executive Director consist of 2 persons as follows:***

- |                           |   |
|---------------------------|---|
| 1. Mr. Parinya Winyarat   | Chairman of the Board and Managing Director |
| 2. Mrs. Pornnapa Winyarat | Deputy Managing Director                    |

***Board of Executive Director's Duties and Responsibilities***

To oversight company's efficiency Corporate Governance and business strength, the business expansion and investment in accordance with the Board of Directors policies. To look after financial management and screening other issues that will be proposed to the Board of Directors for determination and also operate other assignment from the Board of Directors.

**5.3 Board of Director's Duties and Responsibilities**

The Board of Directors is responsible to SAUCE's shareholders.

The Board has roles and responsibilities as follow:

1. Supervise and manage the company so that it complies with the law and the company objectives , the Articles of Association and the resolutions of Shareholder's meeting.
2. Approve the Vision, Mission, Values and Statement of Business Conduct.
3. Monitor the company's performance and progress toward achieving objectives as well as compliance with the laws, regulations and related policies.

4. Set up company's policies.
5. Ensure the existence of an effective internal control system and appropriate risk management framework.
6. Ensure effective audit system executed by both internal and external auditors.
7. Approve quarterly, and annual financial report; ensure that the reports are prepared under generally accepted accounting standards.
8. Ensure the disclosure of information correctly, completely and transparently.
9. Ensure protect the conflict of interest.
10. Consider and screen the other issues which will propose to shareholder meeting for consideration.

#### ***Policy on Corporate Governance***

The Board of Directors realize on the importance of good corporate governance, which is for accountability, business competency, and confidence of shareholders, investors and all related party. The Board has set the policy to cover all important aspect as follow :

Equally and fairly treat to shareholders and all stakeholders.

Focus in the additional long term value of the Company, carefully manage, be competence and efficient for maximum benefit of the shareholders. Precaution on any conflict of interests, and be responsible on own decisions and actions.

Do business with accountability, and auditable. Enough information should be accessible for all related party.

#### ***Inside Information Rules and Practices***

Our inside information rules and practices are not disclosed inside information before the information to be disclosed to public which the management have to report the company securities movement in management accounts in every movement as well. The management are forbidden to trade all of their accounts 1 month before and 2 weeks after the information is disclosed and made to public. The company is strictly perform according to inside trading practices of the Securities and Stock Exchange Commission.

#### ***Internal Control***

The company maintains an internal control structure and monitors that structure to ensure that the company's operations comply with established policies and procedures. The objectives of the internal control structure are to provide reasonable, but not absolute, assurance as to the integrity and reliability of financial statements, protect asset from unauthorized use of disposition, and ensure that transactions are executed in accordance with the authorization management.

#### **5.4 Board of Directors' Meetings**

The Board of Directors set periodical meetings in February, March, May, August, and November. Special meeting can be called as required. The agenda is clearly set in advance and including the review of operation.

The secretary issues invitation with agenda and information 7 days in advance. A regular meeting consumes 2.5-3 hours. In 2010, there are 5 regular meetings with all the directors attend.

#### **5.5 Remuneration for Directors and the Management**

Remuneration for Directors: On approval by the Annual General Meeting of the shareholders, the Company set the remuneration for Directors and additional salary for the Audit Committee.

Remuneration for the Management: The Board set the remuneration for the Management. The Executive Director will have salary and bonus in addition to the remuneration.

The Company has provided all remuneration for Directors and the Management for the year 2010 as follow:

	2010			
	Person	Remuneration for Directors	*Salary/Bonus & other	Total
Directors	10	4,000,000.00	8,237,100.00	12,637,100.00
Management	7	-	11,912,130.00	11,912,130.00
Directors and Management	17	4,000,000.00	20,149,230.00	24,549,230.00

\*Salary / bonus / consultant fee / contribution to provident fund / contribution to social security fund / peridium

# Risks Factors

## Operation Risk

### – Customer Dependence

More than 1,000 wholesalers (Yi pua), retailers and end users are our valued customers very long time with a good business relationship. The company will not receive any affectation if we lost anyone of them except the major three discount stores.

In the past three years, sales revenue of the three major discount stores accounts to 20% of total sales as follows:

Thousand Baht	2010	2009	2008
Sales revenue of three major discount stores	<u>529,507</u>	<u>521,601</u>	<u>467,182</u>
% of total sales	<u>20.80</u>	<u>21.59</u>	<u>20.26</u>

Besides the discount stores, we employs all distribution channel covering wholesalers (yi pua), restaurants, food stores as well as industry and more than 7,000 retailers nationwide.

From the factors of various customers, high quality of products, and the trade mark “Golden Mountain” brand name which is well known among customers more than 50 years establishing a significant advantage over competitors.

## Production Risk

### – Raw Material Lack

Although the company purchases raw material from a few manufacturers or suppliers, Most of them are major suppliers and they can supply raw material to the company throughout the year so we has never experience in lacking of raw materials. We can purchase its from another suppliers but the price will be higher than major suppliers slightly. Seasonal raw materials such as chili and garlic which have been processed for supporting the production throughout the year.

In the fourth quarter of 2008, we have affected by the lacking of seasonal raw materials and lost revenue accounts to Baht 23 million or equal to 1% of total sales. After that we has never experiences lacking of raw materials as the increasing of storage tank.

## Management Risks

As of the Annual General Meeting of Shareholders no.1/2010, Winyarat family holding share equal to 73.06% of entire shares which can control the resolution of the meeting in the matter of the appointment director or other matters which shall propose to the meeting for consideration and approval. Except the matters stipulating that the majority vote must not be less than third – fourth of the shareholders who come to participate in the meeting. Therefore, the other shareholders could not collect votes in order to examine and balance the matters proposed by major shareholders.

# Related party transactions

The company has no related parties transaction with shareholders or by common shareholders or directors. Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Company were as follows:

Name of entities	Yamasa (Thailand) Co., Ltd. (. Yamasa Corporation Limited Japan, 49% shareholding )		
Nature of relationships	Associate, 26% shareholding Mr. Tanawat Winyararat as co director		
	2010	2009	
	(in thousand Baht)		
Transactions	Sales of goods	3,581	1,307
Pricing policies	Market price		
The necessary	The purpose of Foundation Yamasa (Thailand) Limited is to, distribute Japanese Soy Sauce in the South East Asia region and authorized Thai Theparos Food Products Public Company Limited to be the sole manufacturer in Thailand		
	2010	2009	
	(in thousand Baht)		
Transactions	Rental income	120	110
Pricing policies	Contractually agreed price which compared to the lease of the company nearby.		
The necessary	The Company entered into a building granted – lease agreement for use as a office with Yamasa (Thailand) Limited which total area of 43 square metres. In order to save the transportation costs and it is convenient for management because they are in the same area.		

Audit Committee give an opinion relating to the related party transaction according to the Audit Committee's report dated February 22,2010 as follows.

“Considering in conflicts of interest transaction for the year 2010, audit committee give an opinion that connected transaction of Thai Theparos Food Products PCL. is fairly transaction. It will not give any benefit to person with a conflict of interests. It is an appropriate transaction and utmost usefulness for the company.”

## Auditor's remuneration

### 1. Audit fees

The Company paid for the audit fees as follows:

	2010	2009
Paid to the Company's auditor for the fiscal year in the amount of Baht	–	–
Paid to the Auditing firm for the fiscal year in the amount of Baht	630,000.–	600,000.–
<b>Total the audit fees</b>	<b>630,000.–</b>	<b>600,000.–</b>

### 2. Non-audit fees

The Company has not paid for the non-audit fees to the Company's auditor or the Auditing firm, person, the related parties the Auditor and the Auditing firm for the fiscal year.





## Thai Theparos Food Products PLC. Financial Statements

- Report of The Board of Directors for Financial Report	30
- Audit Committee Report	31
- Audit report of Certified Public Accountant	32
- Financial statements Thai Theparos Food PCL.	33

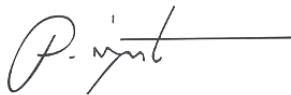


# Report of The Board of Directors' Responsibilities For Financial Report

Financial Statements of Thai Theparos Food Products PCL. are prepared in accordance with generally accepted accounting principals under the Accounting Act B.E. 2543 which included Accounting Standards issued under the Accounting Professions Act B.E.2547 and the regulations of the Securities and Stock Exchange Committee related to the preparation and presentation of financial report under the Securities and Stock Exchange Act B.E. 2535 including the declaration of Trade Registered Department subject to "Fixing the abbreviation transactions needed in the Financial Statements B.E. 2544" dated 14 February 2001 according to the act under section 11 paragraph 3 of the Accounting Act B.E. 2543

The Board of Directors is responsible for the Financial report of Thai Theparos Food Products PCL. to ensure that it is presented the financial position, revenues, expenses and cash flows with actual and reasonable by recording accounting data correctly, completely and sufficiently in order to maintain the assets and also protect fraud or irregularities. The preparation of Financial report, the Board of Directors has considered Accounting Policy with reasonable and generally accepted accounting principals including disclose important data in the Financial Statement Notes adequately which the auditor has provided the opinion of Thai Theparos Food Product PCL.'s Financial Statement in the Audit report of Certified Public Accountant.

On behalf of The Board of Directors

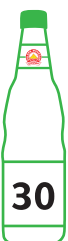


(Mr. Parinya Winyarat)  
Chairman of The Borad



(Mr. Tanawat Winyarat)  
Director

22 February 2011



# Audit Committee's Report

To : The Shareholders of Thai Theparos Food Products Public Company Limited

The Audit Committee of Thai Theparos Food Products Public Company Limited has been assigned by the Board of Director. During the accounting period for the year ended December 31, 2010, there are 4 audit committee meetings and all of them attend meeting.

Audit Committee Responsibilities are as follow :

1. To review the quarterly and the yearly financial statement of the company in 2010. In our opinion, Thai Theparos Food Products Public Company Limited 's financial statement is correct ,complete and credible. Also the company prepared financial statement under Accounting Standard as indicated in The Accounting Act B.E. 2543 ,the Declaration of the Securities and Stock Exchange Committee , the Declaration of the Stock Exchange of Thailand including disclose correctly and sufficiently detailed information of financial statement.

2. To ensure internal control system and internal audit program . In our opinion, internal control system of Thai Theparos Food Products Public Company Limited is adequate , appropriate and efficacious.

3. To ensure Good Corporate Governance, the Audit Committee ensure the company to follow the Good Corporate Governance Practice and give opinion that Thai Theparos Food Products Public Company Limited have follow the declaration of the Securities and Stock Exchange Committee including relevant law and disclose information adequately, correctly, completely as well as emphasizing to do business strictly and accountability.

Considering in conflicts of interest transaction for the year 2010, audit committee give an opinion that connected transaction of Thai Theparos Food Products PCL. is fairly transaction It will not give any benefit to person with a conflict of interests. It is an appropriate transaction and utmost usefulness for the company.

4. To Select Auditor for the year 2011. The Audit Committee select and offer to the Board of Director concerning auditor appointment including auditor's fee which is suitable for the company. In our opinion, the shareholders Meeting is hereby advised to elect Mr. Sakda Vairoj kaothanthong, CPA Registration No. 4628 or Mr. Bunyarit Thanormcharoen, CPA Registration No. 7900 or Mr. Charoen Phosamritlert, CPA Registration No. 4068 or Mrs. Wilai Buranakittisopon CPA Registration No. 3920 of KPMG Phoomchai Audit (Thailand) Co. Ltd. As the auditor of the company for the year 2011.

The above mentioned auditors are independent. They do not have any relevant to the company and do not give any services except audit of accounting.

During the year 2010, Audit Committee attended the meeting with Auditor of company independently in order to ask for their opinions for any matter 2 times.

5. In our opinion, audit committee operating are independent. The Board of Directors have reported the operating results to the audit committee continual. There are not any events which may cause important effects to the company's operating results.

On behalf of the Audit Committee



Asst. Prof. Raweewan Piyayopanakul

Chairman of Audit Committee

22 February 2011

# Audit report of Certified Public Accountant



KPMG Phoomchai Audit Ltd.  
Empire Tower, 50<sup>th</sup> - 51<sup>st</sup> Floors  
195 South Sathorn Road  
Bangkok 10120, Thailand

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด  
ชั้น 50 - 51 เอ็มไพร์ทาวเวอร์  
195 ถนนสาทรใต้  
กรุงเทพฯ 10120

Tel : 66 (2) 677 2000  
Fax : 66 (2) 677 2222  
www.kpmg.co.th

## Audit report of Certified Public Accountant

### To the shareholders of Thai Theparos Food Products Public Company Limited

I have audited the accompanying balance sheet in which the equity method is applied and separate balance sheet of Thai Theparos Food Products Public Company Limited as at 31 December 2010, and the related statements of income, changes in equity and cash flows for the year then ended. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audit. The financial statements in which the equity method is applied and separate financial statements of Thai Theparos Food Products Public Company Limited for the year ended 31 December 2009 were audited by another auditor whose report dated 17 February 2010 expressed an unqualified opinion on those statements.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Theparos Food Products Public Company Limited as at 31 December 2010 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.



(Sakda Kaothanthong)  
Certified Public Accountant  
Registration No. 4628

KPMG Phoomchai Audit Ltd.  
Bangkok  
22 February 2011



# Balance Sheets

Thai Theparos Food Products Public Company Limited

Balance sheets

As at 31 December 2010 and 2009

		Financial statements in which the equity method is applied		Separate financial statements	
Assets	Note	2010	2009	2010	2009
(in Baht)					
<i>Current assets</i>					
Cash and cash equivalents	5	341,899,746	352,420,863	341,899,746	352,420,863
Current investments	6	437,183,736	387,102,686	437,183,736	387,102,686
Trade accounts receivable	4,7	271,721,085	251,582,708	271,721,085	251,582,708
Inventories	8	230,877,704	237,022,440	230,877,704	237,022,440
Other current assets	9	60,142,026	48,668,920	60,142,026	48,668,920
<b>Total current assets</b>		<b>1,341,824,297</b>	<b>1,276,797,617</b>	<b>1,341,824,297</b>	<b>1,276,797,617</b>
<i>Non-current assets</i>					
Bank deposits under commitment	6	4,593,000	4,608,000	4,593,000	4,608,000
Investments in associates	10	10,532,182	1,814,848	13,199,393	2,599,707
Other long-term investments	6	20,494,152	40,329,434	20,494,152	40,329,434
Unused land	11	94,952,000	94,952,000	94,952,000	94,952,000
Unused equipment		6,716,439	7,986,344	6,716,439	7,986,344
Advance payments for purchase of equipment		–	1,825,074	–	1,825,074
Property, plant and equipment	12	1,013,380,874	979,417,903	1,013,380,874	979,417,903
Intangible assets	13	1,224,814	1,322,842	1,224,814	1,322,842
Other non-current assets		564,372	561,622	564,372	561,622
<b>Total non-current assets</b>		<b>1,152,457,833</b>	<b>1,132,818,067</b>	<b>1,155,125,044</b>	<b>1,133,602,926</b>
<b>Total assets</b>		<b>2,494,282,130</b>	<b>2,409,615,684</b>	<b>2,496,949,341</b>	<b>2,410,400,543</b>

The accompanying notes are an integral part of these financial statements

## Thai Theparos Food Products Public Company Limited

## Balance sheets

As at 31 December 2010 and 2009

		Financial statements in which the equity method is applied		Separate financial statements	
Liabilities and equity	Note	2010	2009	2010	2009
(in Baht)					
<i>Current liabilities</i>					
Trade accounts payable		81,662,897	59,116,810	81,662,897	59,116,810
Accrued income tax		88,190,175	75,471,881	88,190,175	75,471,881
Accrued expenses	14	51,343,691	56,448,249	51,343,691	56,448,249
Other current liabilities		18,284,741	18,796,469	18,284,741	18,796,469
<b>Total current liabilities</b>		<b>239,481,504</b>	<b>209,833,409</b>	<b>239,481,504</b>	<b>209,833,409</b>
<b>Total liabilities</b>		<b>239,481,504</b>	<b>209,833,409</b>	<b>239,481,504</b>	<b>209,833,409</b>
<i>Equity</i>					
Share capital	15				
Authorised share capital		600,000,000	600,000,000	600,000,000	600,000,000
Issued and paid-up share capital		360,000,000	360,000,000	360,000,000	360,000,000
Additional paid-in capital	16				
Premium on ordinary shares		615,600,000	615,600,000	615,600,000	615,600,000
Unrealised surpluses (deficits)	16				
Fair value changes on investments		95,648	(87,449)	95,648	(87,449)
Retained earnings					
Appropriated					
Legal reserve	16	60,000,000	60,000,000	60,000,000	60,000,000
Unappropriated		1,219,104,978	1,164,269,724	1,221,772,189	1,165,054,583
<b>Total equity</b>		<b>2,254,800,626</b>	<b>2,199,782,275</b>	<b>2,257,467,837</b>	<b>2,200,567,134</b>
<b>Total liabilities and equity</b>		<b>2,494,282,130</b>	<b>2,409,615,684</b>	<b>2,496,949,341</b>	<b>2,410,400,543</b>

The accompanying notes are an integral part of these financial statements

# Statements of income

Thai Theparos Food Products Public Company Limited

Statements of income

For the years ended 31 December 2010 and 2009

		Financial statements in which the equity method is applied		Separate financial statements	
	Note	2010	2009	2010	2009
		(in Baht)			
<i>Income</i>					
Revenue from sale of goods		2,545,345,050	2,416,401,324	2,545,345,050	2,416,401,324
Other income	18	15,628,164	42,953,712	15,628,164	42,953,712
<b>Total income</b>		<b>2,560,973,214</b>	<b>2,459,355,036</b>	<b>2,560,973,214</b>	<b>2,459,355,036</b>
<i>Expenses</i>					
	19				
Cost of sale of goods	20	1,526,365,056	1,431,335,798	1,526,365,056	1,431,335,798
Selling expenses	20	313,625,816	301,198,251	313,625,816	301,198,251
Administrative expenses	20	117,536,738	116,691,149	117,536,738	116,691,149
Management benefit expenses		23,492,630	25,361,805	23,492,630	25,361,805
<b>Total expenses</b>		<b>1,981,020,240</b>	<b>1,874,587,003</b>	<b>1,981,020,240</b>	<b>1,874,587,003</b>
Share of loss on investment in associates		(1,882,352)	(697,400)	–	–
<b>Profit before income tax expense</b>		<b>578,070,622</b>	<b>584,070,633</b>	<b>579,952,974</b>	<b>584,768,033</b>
Income tax expense	21	(159,635,368)	(154,089,194)	(159,635,368)	(154,089,194)
<b>Profit for the year</b>		<b>418,435,254</b>	<b>429,981,439</b>	<b>420,317,606</b>	<b>430,678,839</b>
Basic earnings per share	22	11.62	11.94	11.68	11.96

The accompanying notes are an integral part of these financial statements

# Statements of changes in equity

Thai Theparos Food Products Public Company Limited

Statements of changes in equity

For the year ended 31 December 2010 and 2009

		Financial statements in which the equity method is applied					
		Issued and paid-up	Additional paid-in capital	Unrealised surpluses(deficits)	Retained earnings		
	Note	share capital	Share premium	Fair value changes	Legal reserve	Unappropriated	
				(in Baht)		Total equity	
Balance at 1 January 2009		360,000,000	615,600,000	13,995	60,000,000	1,049,288,285	2,084,902,280
Unrealised gains (losses)							
Available for sale investments							
Net change in fair value recognised in equity		-	-	(101,444)	-	-	(101,444)
Profit for the year		-	-	-	-	429,981,439	429,981,439
Total recognised income and expense		360,000,000	615,600,000	(87,449)	60,000,000	1,479,269,724	2,514,782,275
Dividends	23	-	-	-	-	(315,000,000)	(315,000,000)
Balance at 31 December 2009		360,000,000	615,600,000	(87,449)	60,000,000	1,164,269,724	2,199,782,275
Balance at 1 January 2010		360,000,000	615,600,000	(87,449)	60,000,000	1,164,269,724	2,199,782,275
Unrealised gains (losses)							
Available for sale investments							
Net change in fair value recognised in equity		-	-	183,097	-	-	183,097
Profit for the year		-	-	-	-	418,435,254	418,435,254
Total recognised income and expense		360,000,000	615,600,000	95,648	60,000,000	1,582,704,978	2,618,400,626
Dividend	23	-	-	-	-	(363,600,000)	(363,600,000)
Balance at 31 December 2010		360,000,000	615,600,000	95,648	60,000,000	1,219,104,978	2,254,800,626

The accompanying notes are an integral part of these financial statements





Thai Theparos Food Products Public Company Limited

Statements of changes in equity

For the year ended 31 December 2010 and 2009

Separate financial statements						
	Additional paid-in capital		Unrealised surpluses(deficits)	Retained earnings		
	Issued and paid-up share capital	Share premium	Fair value changes (in Baht)	Legal reserve	Unappropriated	Total equity
<b>Balance at 1 January 2009</b>	<b>360,000,000</b>	<b>615,600,000</b>	<b>13,995</b>	<b>60,000,000</b>	<b>1,049,375,744</b>	<b>2,084,989,739</b>
Unrealised gains (losses)						
Available for sale investments						
Net change in fair value recognised in equity	-	-	(101,444)	-	-	(101,444)
Profit for the year	-	-	-	-	430,678,839	430,678,839
Total recognised income and expense	360,000,000	615,600,000	(87,449)	60,000,000	1,480,054,583	2,515,567,134
Dividend 23	-	-	-	-	(315,000,000)	(315,000,000)
<b>Balance at 31 December 2009</b>	<b>360,000,000</b>	<b>615,600,000</b>	<b>(87,449)</b>	<b>60,000,000</b>	<b>1,165,054,583</b>	<b>2,200,567,134</b>
<b>Balance at 1 January 2010</b>	<b>360,000,000</b>	<b>615,600,000</b>	<b>(87,449)</b>	<b>60,000,000</b>	<b>1,165,054,583</b>	<b>2,200,567,134</b>
Unrealised gains (losses)						
Available for sale investments						
Net change in fair value recognised in equity	-	-	183,097	-	-	183,097
Profit for the year	-	-	-	-	420,317,606	420,317,606
Total recognised income and expense	360,000,000	615,600,000	95,648	60,000,000	1,585,372,189	2,621,067,837
Dividend 23	-	-	-	-	(363,600,000)	(363,600,000)
<b>Balance at 31 December 2010</b>	<b>360,000,000</b>	<b>615,600,000</b>	<b>95,648</b>	<b>60,000,000</b>	<b>1,221,772,189</b>	<b>2,257,467,837</b>



# Statements of cash flows

Thai Theparos Food Products Public Company Limited

Statements of cash flows

For the years ended 31 December 2010 and 2009

	Financial statements in which the equity method is applied		Separate financial statements	
	2010	2009	2010	2009
	(in Baht)			
<b><i>Cash flows from operating activities</i></b>				
Profit for the year	418,435,254	429,981,439	420,317,606	430,678,839
<i>Adjustments for</i>				
Depreciation and amortisation	93,910,433	91,853,554	93,910,433	91,853,554
Interest income	(7,297,492)	(8,894,362)	(7,297,492)	(8,894,362)
Bad and doubtful debts expense	333,005	387,867	333,005	387,867
Unrealised gain on exchange	(63,493)	(21,400)	(63,493)	(21,400)
Loss on write-off of inventories	186,891	112,447	186,891	112,447
Gain on disposal of equipment and unused equipment	(2,074,809)	(915,748)	(2,074,809)	(915,748)
Reverse of allowance for impairment of unused land	–	(23,752,000)	–	(23,752,000)
Reverse of allowance for impairment of equipment	(1,351,680)	(19,791)	(1,351,680)	(19,791)
Share of loss on investment in associates	1,882,352	697,400	–	–
Income tax expense	159,635,368	154,089,194	159,635,368	154,089,194
	<u>663,595,829</u>	<u>643,518,600</u>	<u>663,595,829</u>	<u>643,518,600</u>
<b><i>Change in operating assets and liabilities</i></b>				
Trade accounts receivable	(20,407,889)	(15,474,519)	(20,407,889)	(15,474,519)
Inventories	5,957,845	(7,614,009)	5,957,845	(7,614,009)
Other current assets	(10,798,381)	27,636,074	(10,798,381)	27,636,074
Other non-current assets	(2,000)	19,178	(2,000)	19,178
Trade accounts payable	22,546,087	12,264,393	22,546,087	12,264,393
Accrued expenses	(5,104,558)	18,582,688	(5,104,558)	18,582,688
Other current liabilities	79,671	(1,286,113)	79,671	(1,286,113)
Income tax paid	(146,917,074)	(127,546,688)	(146,917,074)	(127,546,688)
<b>Net cash provided by operations activities</b>	<u><b>508,949,530</b></u>	<u><b>550,099,604</b></u>	<u><b>508,949,530</b></u>	<u><b>550,099,604</b></u>
<b><i>Cash flows from investing activities</i></b>				
Interest received	7,136,770	11,969,426	7,136,770	11,969,426
Purchase of equipment	(125,194,740)	(148,401,521)	(125,194,740)	(148,401,521)
Sale of equipment	3,586,230	3,885,307	3,586,230	3,885,307
Purchase of intangible assets	(751,550)	(86,181)	(751,550)	(86,181)
Decrease in bank deposits under commitments	15,000	41,000	15,000	41,000
Increase in current investments	(50,062,671)	(70,148,448)	(50,062,671)	(70,148,448)
Purchase of long-term investments	–	(20,000,000)	–	(20,000,000)
Sales of long-term investments	20,000,000	–	20,000,000	–
Net cash outflow on acquisition of associate	(10,599,686)	–	(10,599,686)	–
<b>Net cash used in investing activities</b>	<u><b>(155,870,647)</b></u>	<u><b>(222,740,417)</b></u>	<u><b>(155,870,647)</b></u>	<u><b>(222,740,417)</b></u>

The accompanying notes are an integral part of these financial statements

Thai Theparos Food Products Public Company Limited

Statements of cash flows

For the years ended 31 December 2010 and 2009

		Financial statements in which the equity method is applied		Separate financial statements	
	Note	2010	2009	2010	2009
		(in Baht)			
<i>Cash flows from financing activities</i>					
Dividends paid		(363,600,000)	(315,000,000)	(363,600,000)	(315,000,000)
Cash used in financing activities		<u>(363,600,000)</u>	<u>(315,000,000)</u>	<u>(363,600,000)</u>	<u>(315,000,000)</u>
Net increase (decrease) in cash and cash equivalents		(10,521,117)	12,359,187	(10,521,117)	12,359,187
Cash and cash equivalents at beginning of year	5	352,420,863	340,061,676	352,420,863	340,061,676
Cash and cash equivalents at end of year	5	<u><u>341,899,746</u></u>	<u><u>352,420,863</u></u>	<u><u>341,899,746</u></u>	<u><u>352,420,863</u></u>
<i>Supplemental disclosures of cash flows information:</i>					
<i>Plant and equipment purchased during the years are detailed as follows:</i>					
Total addition of plant and equipment during the periods		126,428,415	167,590,229	126,428,415	167,590,229
Add Settlement of payables for plant and equipment previously purchased		8,317,451	3,950,728	8,317,451	3,950,728
Less Payables on purchase of plant and equipment		(7,726,052)	(8,317,451)	(7,726,052)	(8,317,451)
Add Advance payments for purchase of equipment		–	1,825,074	–	1,825,074
Less Advance payments for purchase of equipment previously paid		<u>(1,825,074)</u>	<u>(16,647,059)</u>	<u>(1,825,074)</u>	<u>(16,647,059)</u>
		<u><u>125,194,740</u></u>	<u><u>148,401,521</u></u>	<u><u>125,194,740</u></u>	<u><u>148,401,521</u></u>

The accompanying notes are an integral part of these financial statements

# Notes to financial statements

Thai Theparos Food Products Public Company Limited

Notes to the financial statements

For the years ended 31 December 2010 and 2009

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related party transactions and balances
5	Cash and cash equivalents
6	Other investments
7	Trade accounts receivable
8	Inventories
9	Other current assets
10	Investment in associates
11	Unused land
12	Property, plant and equipment
13	Intangible assets
14	Accrued expenses
15	Share capital
16	Additional paid-in capital and reserves
17	Segment information
18	Other income
19	Employee benefit expenses
20	Expenses by nature
21	Income tax expense
22	Basic earnings per share
23	Dividends
24	Financial instruments
25	Commitments with non-related parties
26	Thai Financial Reporting Standards (TFRS) not yet adopted
27	Reclassification of accounts







Thai Theparos Food Products Public Company Limited  
Notes to the financial statements  
For the years ended 31 December 2010 and 2009

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 22 February 2011.

**1 General information**

Thai Theparos Food Products Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 208 Moo 6, Taibarn Road, Tambol Taibarn, Amphur Muang, Samutparkan, Thailand. Its branch is in Lampang.

The Company was listed on the Stock Exchange of Thailand in 20 January 1995.

The Company’s major shareholder during the financial period was the Winyarat Family which holds a 73.06% shareholding.

The principal businesses of the Company are the manufacture and distribution of sauces and condiments.

**2 Basis of preparation of the financial statements**

The financial statements issued for Thai reporting purposes are prepared and presented in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand, unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”); applicable rules and regulations of the Thai Securities and Exchange Commission; and with generally accepted accounting principles in Thailand.

During 2010, the FAP announced the re-numbering of the following TFRS.

Former No.	Revised No.	Topic
TAS 11	TAS 101	Doubtful Account and Bad Debts
TAS 40	TAS 105	Accounting for Investment in Debt and Equity Securities
TAS 48	TAS 107	Financial Instruments: Disclosure and Presentation

The Company has adopted the revised Framework for the Preparation and Presentation of Financial Statements (revised 2009), which was issued by the FAP during 2010 and effective on 26 May 2010. The adoption of the revised framework does not have any material impact on the Company’s financial statements.

The FAP has issued during 2010 a number of new and revised TFRS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised standards and interpretations are disclosed in note 26.

# Thai Theparos Food Products Public Company Limited

## Notes to the financial statements

For the years ended 31 December 2010 and 2009

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 11	Unused land
Note 24	Measurement of financial instruments

### 3 Significant accounting policies

#### (a) *Foreign currencies*

##### *Foreign currency transactions*

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

#### (b) *Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments.

#### (c) *Trade and other accounts receivable*

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.



Thai Theparos Food Products Public Company Limited

Notes to the financial statements

For the years ended 31 December 2010 and 2009

**(d) Inventories**

*Inventories are stated at the lower of cost and net realisable value.*

Cost of work in process is calculated using the average cost formula while cost of other inventories is calculated using the first in, first out method. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

**(e) Investment**

*Investment in associate*

Investment in associate in the separate financial statements of the Company is accounted for using the cost method. Investment in associate in the financial statements in which the equity method is applied are accounted for using the equity method.

*Investments in other debt and equity securities*

Debt securities that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses, are recognised directly in equity. Impairment losses is recognised in the statement of income. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the statement of income.

Equity securities which are not marketable are stated at cost less any impairment losses.

**(f) Unused land**

Unused land is stated at cost less impairment loss.

**(g) Property, plant and equipment**

*Owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

# Thai Theparos Food Products Public Company Limited

## Notes to the financial statements

For the years ended 31 December 2010 and 2009

### *Depreciation*

Depreciation is charged to the statement of income on a declining balance method basis over the estimated useful lives of each part of an item of property, plant and equipment. The percentage apply for a declining balance method are as follows:

	Percentage
Building and improvements	5
Machinery and equipment	20
Furniture, fixtures and office equipment	20 – 33
Vehicles	10 – 20

No depreciation is provided on freehold land or assets under construction.

### *(h) Intangible assets*

Intangible assets that are acquired by the Company, which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses. Intangible assets are amortised in the statement of income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

Trademarks	10 years
Software	5 years

### *(i) Impairment*

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in the statement of income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the statement of income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of income.

### *Calculation of recoverable amount*

The recoverable amount of held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.





Thai Theparos Food Products Public Company Limited

Notes to the financial statements

For the years ended 31 December 2010 and 2009

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in the statement of income. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(j) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**(k) Revenue**

Revenue excludes value added taxes is arrived at after deduction of trade discounts.

*Sale of goods*

Revenue is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

*Interest and dividend income*

Interest income is recognised in the statement of income as it accrues. Dividend income is recognised in the statement of income on the date the Company's right to receive payments is established.

**(l) Expenses**

*Lease payments*

Payments made under operating leases are recognised in the statement of income on a straight line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of income for the accounting period in which they are incurred.



**Thai Theparos Food Products Public Company Limited**
**Notes to the financial statements**
**For the years ended 31 December 2010 and 2009**
*Finance costs*

Interest expenses and similar costs are charged to the statement of income in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

**(m) Income tax**

Income tax on the profit or loss for the year comprises current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

**4 Related party transactions and balances**

Related parties are those parties linked to the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Company were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Yamasa (Thailand) Co., Ltd.	Thailand	Associate, 26% shareholding
Exter (Thailand) Co., Ltd.	Thailand	Associate, 40% shareholding

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sales of goods	Market price
Rental income	Contractually agreed price

Significant transactions for the years ended 31 December 2010 and 2009 with related parties were as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
<b>Associates – Yamasa (Thailand) Co., Ltd.</b>				
Sales of goods	3,581	1,307	3,581	1,307
Rental income	120	110	120	110



Thai Theparos Food Products Public Company Limited

Notes to the financial statements

For the years ended 31 December 2010 and 2009

Balances as at 31 December 2010 and 2009 with related party were as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
<b>Associate – Yamasa (Thailand) Co., Ltd.</b>				
Trade accounts receivable	964	543	964	543
Other current liabilities – deposit	20	20	20	20

On 1 February 2009, the Company entered into a building granted-lease agreement for use as a office with Yamasa (Thailand) Co., Ltd. covering 2 years starting from 1 February 2009 to 31 January 2011. The Company receives monthly rental of Baht 10,000.

5 Cash and cash equivalents

	Financial statements in which the equity method is applied/ separate financial statements	
	2010	2009
	<i>(in thousand Baht)</i>	
Cash on hand	1,140	1,457
Cash at banks – current accounts	12,862	11,409
Cash at banks – savings accounts	258,989	218,484
Fixed deposits with maturity less than 3 months	68,909	121,071
<b>Total</b>	<b><u>341,900</u></b>	<b><u>352,421</u></b>

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Financial statements in which the equity method is applied/ separate financial statements	
	2010	2009
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	341,368	351,832
United States Dollars (USD)	532	589
<b>Total</b>	<b><u>341,900</u></b>	<b><u>352,421</u></b>

Thai Theparos Food Products Public Company Limited  
Notes to the financial statements  
For the years ended 31 December 2010 and 2009

6 Other investments

Financial statements in which the equity method is applied/  
separate financial statements  
2010 2009  
(in thousand Baht)

**Current investments**

Fixed deposits with maturity more than 3 months	9,678	9,631
Bill of exchange with maturity more than 3 months	430,000	380,000
Investment in marketable security – mutual fund	2,099	2,080
	<u>441,777</u>	<u>391,711</u>

Less Fixed deposits with maturity more than 3 months  
under commitment

(4,593) (4,608)

**Net**

**437,184** **387,103**

**Long-term investments**

Debentures	20,000	40,000
Investment in marketable equity security	494	329
<b>Total</b>	<u><b>20,494</b></u>	<u><b>40,329</b></u>

The debenture was issued by Kasikornbank Public Company Limited amounted of Baht 20 million and was classified as a held to maturity debt instrument with a term of 10 years and bears interest of 3.75% for the first five years and 4.25% for the last five years. The debenture matures on 16 October 2013. The other debenture was issued by Krung Thai Bank Public Company Limited amounted of Baht 20 million and was classified as a held to maturity debt instrument with a term of 10 years and bears interest of 5.00% for the first five years and 6.50% for the last five years. The debenture matures on 20 February 2019. On the 16 July 2010, Kasikornbank Public Company Limited redeemed its debenture before the date of maturity. The redemption was approved in written by the Bank of Thailand.

As at 31 December 2010, fixed deposits at bank of Baht 4.59 million (2009: Baht 4.61 million) was pledged to secure the use of electricity.

7 Trade accounts receivable

Financial statements in which the equity method is applied/  
separate financial statements  
2010 2009  
(in thousand Baht)

	Note	2010	2009
Related party	4	964	543
Other parties		274,449	258,910
Less allowance for doubtful accounts		(3,692)	(7,870)
<b>Net</b>		<u><b>271,721</b></u>	<u><b>251,583</b></u>
Bad and doubtful debts expenses for the year		<u><b>333</b></u>	<u><b>223</b></u>



## Thai Theparos Food Products Public Company Limited

## Notes to the financial statements

For the years ended 31 December 2010 and 2009

Aging analyses for trade accounts receivable were as follows:

	Financial statements in which the equity method is applied/ separate financial statements	
	2010	2009
	(in thousand Baht)	
<b>Related party</b>		
Within credit term	<u>964</u>	<u>543</u>
<b>Other parties</b>		
Within credit terms	251,631	236,024
Overdue :		
Less than 3 months	18,115	15,016
3-6 months	1,011	-
6-12 months	219	250
Over 12 months	<u>3,473</u>	<u>7,620</u>
	274,449	258,910
Less Allowance for doubtful accounts	<u>(3,692)</u>	<u>(7,870)</u>
	<u>270,757</u>	<u>251,040</u>
<b>Net</b>	<u>271,721</u>	<u>251,583</u>

The normal credit term granted by the Company ranges from 30 days to 60 days.

The currency denomination of trade accounts receivable as at 31 December was as follows:

	Financial statements in which the equity method is applied/ separate financial statements	
	2010	2009
	(in thousand Baht)	
Thai Baht (THB)	255,613	239,696
United States Dollars (USD)	14,224	10,378
Australia Dollars (AUD)	1,529	1,509
Euro (EUR)	355	-
<b>Total</b>	<u>271,721</u>	<u>251,583</u>

## 8 Inventories

	Financial statements in which the equity method is applied/ separate financial statements	
	2010	2009
	(in thousand Baht)	
Finished goods	55,208	51,591
Work in progress	101,222	113,172
Raw materials	73,966	72,020
Supplies	482	239
<b>Total</b>	<u>230,878</u>	<u>237,022</u>





## Thai Theparos Food Products Public Company Limited

## Notes to the financial statements

For the years ended 31 December 2010 and 2009

The cost of inventories which is recognised as an expense and included in 'cost of sale of goods' for the year ended 31 December 2010 amounted to Baht 1,526 million (2009: Baht 1,431 million).

## 9 Other current assets

Financial statements in which the equity method is applied/  
separate financial statements

	2010	2009
	(in thousand Baht)	
Advance payment for raw materials	33,241	22,409
Supplies	20,514	16,999
Prepaid expenses	2,364	2,405
Premium goods	1,556	3,915
Accrued interest income	1,444	1,284
Others	1,023	1,657
<b>Total</b>	<b>60,142</b>	<b>48,669</b>

During the year 2010, the Company had no doubtful debts expense (2009: doubtful debts expense of Baht 0.11 million)

## 10 Investments in associates

Financial statements in  
which the equity  
method is appliedSeparate financial  
statements

	2010	2009	2010	2009
	(in thousand Baht)			
At 1 January	1,815	2,513	2,600	2,600
Share of net losses of investment equity method	(1,882)	(698)	-	-
Acquisitions	10,599	-	10,599	-
<b>At 31 December</b>	<b>10,532</b>	<b>1,815</b>	<b>13,199</b>	<b>2,600</b>

## Financial statements in which the equity method is applied/Separate financial statements

	Ownership Interest		Paid-up capital		Cost method		Equity method	
	2010	2009	2010	2009	2010	2009	2010	2009
	%		(in thousand Baht)					
<b>Associates</b>								
Yamasa (Thailand) Co., Ltd.	26	26	20,001	10,001	5,199	2,600	3,597	1,815
Exter (Thailand) Co., Ltd.	40	–	<u>20,000</u>	<u>–</u>	<u>8,000</u>	<u>–</u>	<u>6,935</u>	<u>–</u>
			<u>40,001</u>	<u>10,001</u>	<u>13,199</u>	<u>2,600</u>	<u>10,532</u>	<u>1,815</u>



# Thai Theparos Food Products Public Company Limited

## Notes to the financial statements

For the years ended 31 December 2010 and 2009

In May 2010, the Company initially invested in ordinary shares of Exter (Thailand) Co., Ltd. at 40% of authorised share capital.

The Company accounted for its investment in associates using the equity method which their financial statements for the year ended 31 December 2010 were audited by other auditors. As at 31 December 2010, the carrying value of the investment in associates in the financial statements in which the equity method is applied amounted to Baht 10.53 million, which constituted 0.42 percent of total assets in the balance sheet in which the equity method is applied (31 December 2009: Baht 1.81 million, which constituted 0.08 percent). The Company's share of loss on investment in associates for the year ended 31 December 2010 amounted to Baht 1.88 million, which constituted 0.45 percent of the profit for the year of the statement of income in which the equity method is applied (2009: Baht 0.70 million, which constituted 0.16 percent).

### 11 Unused land

#### Financial statements in which the equity method is applied/

##### Separate financial statements

	2010	2009
	(in thousand Baht)	
Unused land at cost	204,073	204,073
Less allowance for impairment losses	(109,121)	(109,121)
<b>Net</b>	<b>94,952</b>	<b>94,952</b>

Based on the appraisal report of independent appraisal dated 2 July 2009, using the Market Comparison Approach by the fair market value, the revalued land was estimated at Baht 94.95 million. Therefore, the Company recorded the reversal of allowance for impairment losses amounted to Baht 23.75 million as revenue in the statement of income for the year ended 31 December 2009.

### 12 Property, plant and equipment

#### Financial statements in which the equity method is applied / Separate financial statements

	Land and land improvements	Building and improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Construction in progress	Total
	(in thousand Baht)						
<b>Cost</b>							
At 1 January 2009	111,491	399,385	1,202,762	50,604	117,257	152,248	2,033,747
Additions	993	203	8,498	1,346	63	156,487	167,590
Transfers	–	21,661	78,214	3,286	4,775	(107,936)	–
Disposals	–	–	(15,564)	(3,489)	(1,401)	(136)	(20,590)
Reclassification	–	–	–	–	–	(7,986)	(7,986)
<b>At 31 December 2009 and 1 January 2010</b>	<b>112,484</b>	<b>421,249</b>	<b>1,273,910</b>	<b>51,747</b>	<b>120,694</b>	<b>192,677</b>	<b>2,172,761</b>
Additions	32	–	4,138	2,389	1,478	118,391	126,428
Transfers	–	8,366	28,442	1,096	974	(38,878)	–
Transfer from unused equipment	90	–	536	–	–	83	709
Disposals	–	–	(10,839)	–	(3,159)	–	(13,998)
<b>At 31 December 2010</b>	<b>112,606</b>	<b>429,615</b>	<b>1,296,187</b>	<b>55,232</b>	<b>119,987</b>	<b>272,273</b>	<b>2,285,900</b>



Thai Theparos Food Products Public Company Limited  
Notes to the financial statements  
For the years ended 31 December 2010 and 2009

Financial statements in which the equity method is applied / Separate financial statements

	Land and land improvements	Building and improvements	Machinery and equipment (in thousand Baht)	Furniture, fixtures and office equipment	Vehicles	Construction in progress	Total
<b>Depreciation and impairment losses</b>							
At 1 January 2009	844	138,688	860,991	38,959	80,899	-	1,120,381
Depreciation charge for the year	17	12,677	69,818	2,775	5,316	-	90,603
Disposals	-	-	(13,295)	(3,058)	(1,288)	-	(17,641)
<b>At 31 December 2009 and</b>							
1 January 2010	861	151,365	917,514	38,676	84,927	-	1,193,343
Depreciation charge for the year	20	12,926	72,179	3,002	4,935	-	93,062
Reversal of impairment losses	-	-	(1,352)	-	-	-	(1,352)
Disposals	-	-	(9,632)	-	(2,902)	-	(12,534)
<b>At 31 December 2010</b>	<b>881</b>	<b>164,291</b>	<b>978,709</b>	<b>41,678</b>	<b>86,960</b>	<b>-</b>	<b>1,272,519</b>
<b>Net book value</b>							
At 1 January 2009	110,647	260,697	341,771	11,645	36,358	152,248	913,366
<b>At 31 December 2009 and</b>							
1 January 2010	111,623	269,884	356,396	13,071	35,767	192,677	979,418
<b>At 31 December 2010</b>	<b>111,725</b>	<b>265,324</b>	<b>317,478</b>	<b>13,554</b>	<b>33,027</b>	<b>272,273</b>	<b>1,013,381</b>

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2010 amounted to Baht 481.0 million (2009: Baht 369.19 million). During the year 2010, the Company disposed certain machinery and equipment from total of Baht 7.28 million which were fully provided impairment loss, and then reversed allowance for impairment loss amounted to Baht 1.35 million from such disposed machinery and equipment.

*Security*

At 31 December 2010, a portion of the Company's land with book value of Baht 79.66 million (2009: Baht 79.66 million) was used as collateral for a credit line from a bank.



## Thai Theparos Food Products Public Company Limited

## Notes to the financial statements

For the years ended 31 December 2010 and 2009

## 13 Intangible assets

Financial statements in which the equity method is applied/

Separate financial statements

	Software	Trademark license (in thousand Baht)	Software under installation	Total
<b>Cost</b>				
At 1 January 2009	11,009	23,002	–	34,011
Additions	86	–	–	86
<b>At 31 December 2009 and 1 January 2010</b>	<b>11,095</b>	<b>23,002</b>	<b>–</b>	<b>34,097</b>
Additions	82	–	669	751
<b>At 31 December 2010</b>	<b>11,177</b>	<b>23,002</b>	<b>669</b>	<b>34,848</b>
<b>Amortisation</b>				
At 1 January 2009	9,100	22,423	–	31,523
Amortisation charge for the year	923	328	–	1,251
<b>At 31 December 2009 and 1 January 2010</b>	<b>10,023</b>	<b>22,751</b>	<b>–</b>	<b>32,774</b>
Amortisation charge for the year	623	226	–	849
<b>At 31 December 2010</b>	<b>10,646</b>	<b>22,977</b>	<b>–</b>	<b>33,623</b>
<b>Net book value</b>				
At 1 January 2009	1,909	579	–	2,488
<b>At 31 December 2009 and 1 January 2010</b>	<b>1,072</b>	<b>251</b>	<b>–</b>	<b>1,323</b>
<b>At 31 December 2010</b>	<b>531</b>	<b>25</b>	<b>669</b>	<b>1,225</b>

## 14 Accrued expenses

Financial statements in which the equity method is applied/

separate financial statements

	2010	2009
	(in thousand Baht)	
Accrued bonus	17,049	10,456
Accrued export expenses	8,148	8,551
Accrued promotion expenses	5,698	4,424
Accrued repair expenses	4,955	3,548
Accrued advertising expenses	2,855	17,647
Others	12,639	11,822
<b>Total</b>	<b>51,344</b>	<b>56,448</b>



Thai Theparos Food Products Public Company Limited  
Notes to the financial statements  
For the years ended 31 December 2010 and 2009

15 Share capital

Financial statements in which the equity method is applied/ Separate financial statements					
	Par value per share (in Baht)	2010		2009	
		Number	Amount	Number	Amount
		(thousand shares / thousand Baht)			
<b>Authorised</b>					
At 1 January					
- ordinary shares	10	<u>60,000</u>	<u>600,000</u>	<u>60,000</u>	<u>600,000</u>
<b>At 31 December</b>					
- ordinary shares	10	<u><b>60,000</b></u>	<u><b>600,000</b></u>	<u><b>60,000</b></u>	<u><b>600,000</b></u>
Issued and paid-up					
At 1 January					
- ordinary shares	10	<u>36,000</u>	<u>360,000</u>	<u>36,000</u>	<u>360,000</u>
<b>At 31 December</b>					
- ordinary shares	10	<u><b>36,000</b></u>	<u><b>360,000</b></u>	<u><b>36,000</b></u>	<u><b>360,000</b></u>

16 Additional paid-in capital and reserves

**Share premium**

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

**Fair value changes**

The fair value changes account within equity comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

17 Segment information

Segment information is presented in respect of the Company's business segments. The primary format, business segments is based on the Company's management and internal reporting structure.

Management considers that the Company operates in a single line of business, namely sauce segment, and has, therefore, only one major business segment.





Thai Theparos Food Products Public Company Limited  
Notes to the financial statements  
For the years ended 31 December 2010 and 2009

18 Other income

Financial statements in which the equity method is applied/

	Note	Separate financial statements	
		2010	2009
		(in thousand Baht)	
Interest income		7,297	8,894
Miscellaneous income		5,452	9,774
Gain on disposal of equipment		2,111	140
Gain on reverse of allowance for impairment of unused land	11	–	23,752
Others		768	394
<b>Total</b>		<b>15,628</b>	<b>42,954</b>

19 Employee benefit expenses

Financial statements in which the equity method is applied/

	Separate financial statements	
	2010	2009
	(in thousand Baht)	
<b>Management</b>		
Wages and salaries	17,592	18,414
Contribution to defined benefit plans	664	708
Others	6,293	7,263
	<b>24,549</b>	<b>26,385</b>
<b>Other employees</b>		
Wages and salaries	140,285	135,488
Contribution to defined benefit plans	4,344	4,517
Others	33,720	33,614
	<b>178,349</b>	<b>173,619</b>
<b>Total</b>	<b>202,898</b>	<b>200,004</b>

Management benefit expenses are included in the statement of income as follows:

Financial statements in which the equity method is applied/

	Separate financial statements	
	2010	2009
	(in thousand Baht)	
Cost of sale of goods	1,056	1,023
Management benefit expenses	23,493	25,362
<b>Total</b>	<b>24,549</b>	<b>26,385</b>

The defined contribution plans comprise provident fund established by the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at the rate of 5% of their basic salaries and by the Company at the rate of 5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entities and is managed by a licensed Fund Manager.



## Thai Theparos Food Products Public Company Limited

## Notes to the financial statements

For the years ended 31 December 2010 and 2009

## 20 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

## Financial statements in which the equity method is applied/

## Separate financial statements

2010 2009

(in thousand Baht)

## Included in cost of sales of goods:

Changes of inventories in finished goods and work in progress	8,333	(21,266)
Finished goods transferred to sale promotion expense	(77,701)	(79,493)
Raw materials and consumables used	1,345,289	1,289,928
Employee benefit expenses	75,967	74,960
Depreciation and amortisation	79,053	76,831
Others	95,424	90,376
<b>Total</b>	<b>1,526,365</b>	<b>1,431,336</b>

## Included in selling expenses:

Sale promotion expense from finished goods transferred	77,701	79,493
Marketing expenses	77,415	77,487
Distribution expenses	118,203	107,876
Employee benefit expenses	19,098	19,399
Others	21,209	16,943
<b>Total</b>	<b>313,626</b>	<b>301,198</b>

## Included in administrative expenses:

Employee benefit expenses	84,340	80,283
Depreciation and amortisation	13,037	12,639
Others	20,160	23,769
<b>Total</b>	<b>117,537</b>	<b>116,691</b>

## 21 Income tax

## Income tax reduction

Royal Decree No. 475 B.E. 2551 dated 6 August 2008 grants companies listed on the Stock Exchange of Thailand a reduction in the corporate income tax rate from 30% to 25% for taxable profit not exceeding Baht 300 million for the three consecutive accounting periods beginning on or after 1 January 2008. The Company has, accordingly, calculated income tax on the portion of its taxable profit for the years ended 31 December 2010 and 2009 not exceeding Baht 300 million at the 25% corporate income tax rate.

The current tax expense in the statement of income is more/or less than the amount determined by applying the Thai corporation tax rate to the accounting profit for the year principally because of the different treatment for accounting and taxation purposes of certain items of income and expense, in particular, income or expense which are not subject to tax income or expense recognised in the statement of income.



Thai Theparos Food Products Public Company Limited

Notes to the financial statements

For the years ended 31 December 2010 and 2009

22 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2010 and 2009 were based on the profit for the years attributable to equity holders of the Company and the number of ordinary shares outstanding during the years as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
	2010	2009	2010	2009
	(thousand Baht / thousand shares)			
Profit attributable to equity holders of the Company (basic)	<u>418,435</u>	<u>429,981</u>	<u>420,318</u>	<u>430,679</u>
Number of ordinary shares outstanding	<u>36,000</u>	<u>36,000</u>	<u>36,000</u>	<u>36,000</u>
Earnings per share (basic) (in Baht)	<u>11.62</u>	<u>11.94</u>	<u>11.68</u>	<u>11.96</u>

23 Dividends

At the annual general meeting of the shareholders of the Company held on 23 April 2010, the shareholders approved the appropriation of dividend of Baht 10.10 per share, amounting to Baht 363.60 million. The dividend was paid to shareholders during 2010.

At the annual general meeting of the shareholders of the Company held on 23 April 2009, the shareholders approved the appropriation of dividend of Baht 8.75 per share, amounting to Baht 315.00 million. The dividend was paid to shareholders during 2009.

24 Financial instruments

*Financial risk management policies*

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

*Capital management*

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors and return on capital, which the Company defines as result from operating activities divided by total shareholders' equity, and also monitors the level of dividends to ordinary shareholders.



## Thai Theparos Food Products Public Company Limited

## Notes to the financial statements

For the years ended 31 December 2010 and 2009

*Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows.

As at 31 December 2010 and 2009, the financial assets, which may be affected by interest rate risk, as classified by maturity consisted of:

## Financial statements in which the equity method is applied/

## Separate financial statements

	Average Interest Rate (%per annum)	Maturity			Total
		Within	3 Months–	More than	
		3 Months	1 Year	1 Year	
		(in thousand Baht)			
2010					
Current					
Cash at banks – at call	0.25	258,989	–	–	258,989
Fixed deposits at banks	0.50 – 0.95	68,909	9,678	–	78,587
Bill of exchange	1.40 – 1.85	–	430,000	–	430,000
Non-current					
Debentures	5	–	–	20,000	20,000

## Financial statements in which the equity method is applied/

## Separate financial statements

	Average	Within	Maturity		
	Interest Rate	3 Months	3 Months–	More than	Total
	(%per annum)		1 Year	1 Year	
			(in thousand Baht)		
2009					
Current					
Cash at banks – at call	0.25	218,484	–	–	218,484
Fixed deposits at banks	0.70	121,071	9,631	–	130,702
Bill of exchange	1.20	–	380,000	–	380,000
Non-current					
Debenture	4.28	–	–	40,000	40,000

*Foreign currency risk*

The Company is exposed to foreign currency risk relating to trade receivables and trade payables in foreign currencies but there is no policy on foreign currencies risk hedging as the Company's financial assets and financial liabilities in foreign currencies are not significant amounts.



# Thai Theparos Food Products Public Company Limited

## Notes to the financial statements

For the years ended 31 December 2010 and 2009

At 31 December, the Company was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

Financial statements in which the equity method is applied/			
		Separate financial statements	
	Note	2010	2009
		(in thousand Baht)	
<i>United States Dollars</i>			
Cash and cash equivalents	5	532	589
Trade accounts receivable	7	14,224	10,378
<i>Euro</i>			
Trade accounts receivable	7	355	–
<i>Australia Dollars</i>			
Trade accounts receivable	7	1,529	1,509
Gross balance sheet exposure		16,640	12,476

### Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Company's customer base, Management does not anticipate material losses from its debt collection.

### Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

### Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments in equity and debt securities, which are held for trading, held to maturity and available for sales, is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.





## Thai Theparos Food Products Public Company Limited

## Notes to the financial statements

For the years ended 31 December 2010 and 2009

The management of the Company believes that the fair value of those financial assets and financial liabilities does not materially differ from the carrying amounts.

Fair values of financial assets and liabilities, together with the carrying values shown in the balance sheets at 31 December were as follows:

## Financial statements in which the equity method is applied/

## Separate financial statements

Fair value                      Carrying value  
(in thousand Baht)

## 2010

## Current

Equity securities available for sale	2,099	2,099
--------------------------------------	-------	-------

## Non-current

Equity securities available for sale	494	494
--------------------------------------	-----	-----

Debt securities held to maturity	21,010	20,000
----------------------------------	--------	--------

<b>Total</b>	<b>23,603</b>	<b>22,593</b>
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## 2009

## Current

Equity securities available for sale	2,080	2,080
--------------------------------------	-------	-------

## Non-current

Equity securities available for sale	330	330
--------------------------------------	-----	-----

Debt securities held to maturity	41,302	40,000
----------------------------------	--------	--------

<b>Total</b>	<b>43,712</b>	<b>42,410</b>
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## 25 Commitments with non-related parties

## Financial statements in which the equity method is applied/

## Separate financial statements

2010                                      2009  
(in thousand Baht)

*Capital commitments*

Contracted but not provided for:

Buildings and other constructions	51	-
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Machinery and equipment	6,000	15,019
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Software computer	372	745
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<b>Total</b>	<b>6,423</b>	<b>15,764</b>
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*Other commitments*

Bank guarantees	4,593	4,608
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<b>Total</b>	<b>4,593</b>	<b>4,608</b>
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*Bank guarantees*

The Company has a commitment with a bank in respect of a letter of guarantee issued by the bank in connection with the Company's use of electricity. This liability has been collateralised by pledge of fixed deposits (Note 6).





Thai Theparos Food Products Public Company Limited

Notes to the financial statements

For the years ended 31 December 2010 and 2009

26 Thai Financial Reporting Standards (TFRS) not yet adopted

The Company has not adopted the following new and revised TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TFRS are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

TAS	Topic	Year effective
TAS 1 (revised 2009)	Presentation of Financial Statements	2011
TAS 2 (revised 2009)	Inventories	2011
TAS 7 (revised 2009)	Statement of Cash Flows	2011
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors	2011
TAS 10 (revised 2009)	Events after Reporting Period	2011
TAS 12	Income Tax	2013
TAS 16 (revised 2009)	Property, Plant, and Equipment	2011
TAS 17 (revised 2009)	Leases	2011
TAS 18 (revised 2009)	Revenue	2011
TAS 19	Employee Benefits	2011
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013
TAS 23 (revised 2009)	Borrowing Costs	2011
TAS 24 (revised 2009)	Related Party Disclosures	2011
TAS 28 (revised 2009)	Investments in Associates	2011
TAS 33 (revised 2009)	Earning per Share	2011
TAS 34 (revised 2009)	Interim Financial Reporting	2011
TAS 36 (revised 2009)	Impairment of Assets	2011
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets	2011
TAS 38 (revised 2009)	Intangible Assets	2011
TAS 40 (revised 2009)	Investment Property	2011
TFRS 2	Share-based Payment	2011
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations	2011

Management expects to adopt and apply these new TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the Company's financial statements of those new standards assessed to have the greatest potential impact on the financial statements in the period of initial application. These standards are as follows:

***TAS 16 (revised 2009) ' Property, plant and equipment***

The principal changes introduced by the revised TAS 16 and affecting the Company are that (i) costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation; (ii) the depreciation charge has to be determined separately for each significant part of an asset; and (iii) in determining the depreciable amount, the residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.



# Thai Theparos Food Products Public Company Limited

## Notes to the financial statements

For the years ended 31 December 2010 and 2009

The revised TAS 16 (revised 2009) permits as a transitional provision that these changes may be introduced prospectively from the year of introduction. Management intends to adopt this transitional provision and accordingly the introduction of the revised TAS 16 (revised 2009) from 1 January 2011 has no impact on the financial statements of 2010 or prior years. Management is currently reviewing the impact on the financial statements of introducing the revised TAS 16 (revised 2009) from 1 January 2011.

### **TAS 19 ' Employee benefits**

There is currently no Thai accounting standard covering employee benefits and the Company does not presently account for the costs of post-employment benefits under defined benefit plans; other long-term employee benefits; and termination benefits until such costs are incurred. The new TAS 19 includes the requirements to recognise and account for such costs in the period in which the service is performed. The requirements are complex and require actuarial assumptions to measure the obligation and expense. Moreover, the obligations are measured on a discounted basis because they may be settled many years after the employees render the related service. The transitional provisions of TAS 19 permit the transitional liability to be recognised and accounted for in one of four different ways: (i) retrospectively; (ii) immediately in equity (retained earnings) at the transition date; (iii) immediately in profit or loss at the transition date; (iv) as an expense on a straight-line basis over up to five years from the transition date. Management is presently determining the transitional liability and the adoption to recognise and account for this liability as at 1 January 2011 for post-employment benefits.

## **27 Reclassification of accounts**

Certain accounts in the 2009 financial statements have been reclassified to conform to the presentation in the 2010 financial statements as follows:

	Financial statements in which the equity method is applied/ Separate financial statements		
	2009 Before reclass.	2009 Reclass.	2009 After reclass.
	(in thousand Baht)		
<b>Balance sheet</b>			
Unused equipment	–	7,986	7,986
Property, plant and Equipment	987,404	(7,986)	979,418
		<u>–</u>	

This reclassification have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.



ซอสพริกผสมมะเขือเทศ    ซอสพริกเผ็ดน้อย    ซอสมะเขือเทศ

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**Thai Theparos Food Products Public Company Limited**

208 Moo 6 Taiban Road, Tambol Taiban, Amphur Muang

Samutprakarn 10280 Thailand

Tel: (662) 703-4444 Fax: (662) 703-4444 Ext: 3000

[www.gmsauce.com](http://www.gmsauce.com)