

## Thaitheparos Public Company Limited



# ซอสพริกศรีราชา ตรา ศรีราชาพานิช

เป็นอีกหนึ่งผลิตภัณฑ์ที่พมภาคภูมิใจ



อ.เผ่าทอง ทองเจือ



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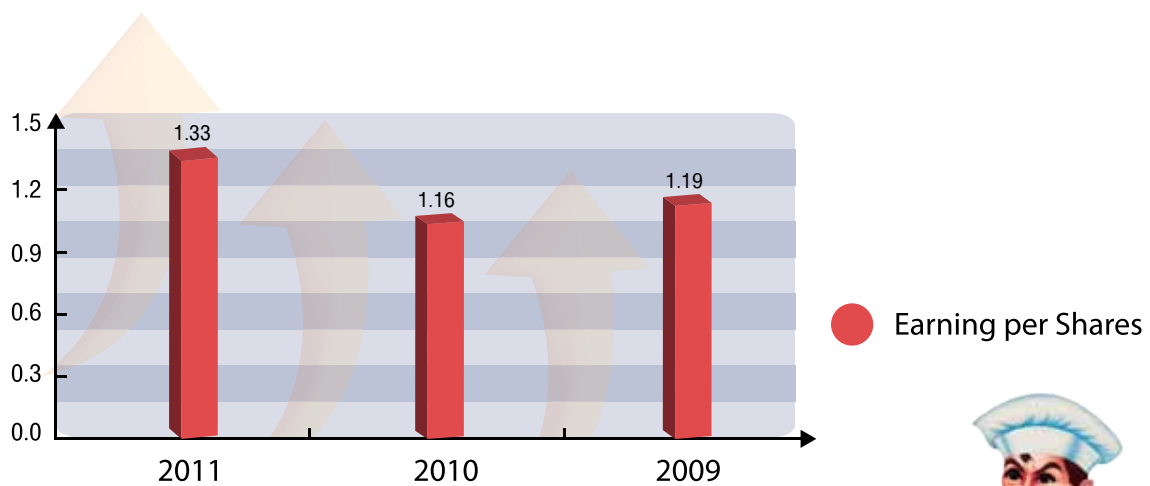
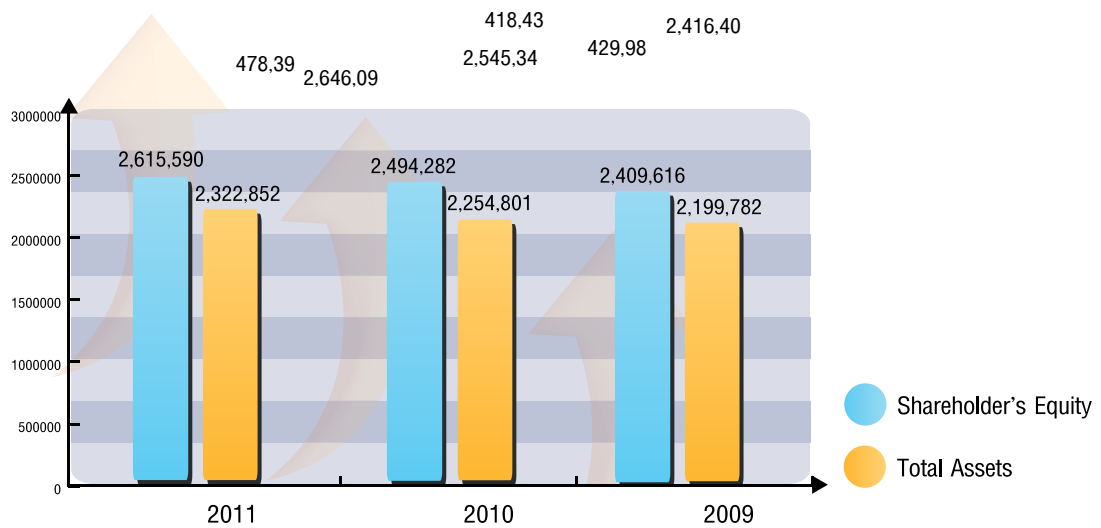
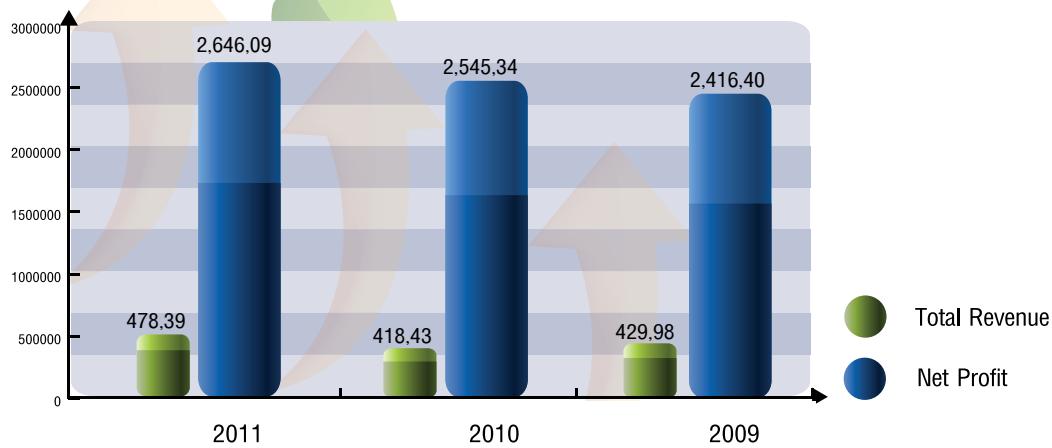




## Summary of The Financial Position and Operation Result

Unit : Thousand Baht	2011	2010	2009
Sales	2,646,090	2,545,345	2,416,401
Cost of Sale	1,548,079	1,526,365	1,431,336
Net Profit	478,393	418,435	429,981
Total Assets	2,615,590	2,494,282	2,409,616
Total Liabilities	292,738	239,481	209,833
Shareholder's Equity	2,322,852	2,254,801	2,199,782
Earning Per Share (Baht)	1.33	11.62	11.94
Dividend Per Share (Baht)	1.22	10.50	10.10
Pay out Ratio %	91.81	90.34	84.59
Cost of Sales/Sales %	58.50	59.97	59.23
Sales Growth %	3.96	5.34	4.80
Net Profit Growth%	14.33	(2.69)	14.58
Net Profit Margin %	17.87	16.34	17.48
Return on Total Assets %	20.90	18.79	20.07
Return on Total Assets %	18.72	17.07	18.52
Book Value Per Share (Baht)	6.45	62.26	61.11

Note the par value change from Baht 10 per share to Baht 1 per share on 2011



## Message from the Chairman



**(Mr. Parinya Winyarat)**

**Chairman of the Board**

Overall business condition has slightly slowed due to domestic and abroad impacts periodically. Japan's earthquake and tsunami in March continuing the great floods which were widespread and inundated many important areas for long time coupled with the political instability and conflicts as well the slowdown in global economy particularly in the euro area remained constraint businesses.

Sauce has still concerned with the continuous rising cost as a result of the great flood which caused the disruptions of manufacturing supply chains, the extended-long-hours modified routes in response to continued favorable customers' demand, the partial halt in some distribution centers and production sectors, the shortage of raw materials especially for agricultural products and packaging. These pushed up production and operation costs in short run. Nevertheless, keeping close monitoring and careful management of these situations, Sauce was able to overcome these hurdles to remain the favorable achievement another year.

During 2011, Sauce has the significant change in company's name from "Thai Theparos Food Products PLC." to "Thaitheparos PLC." easily recognize and remember the company's name with the brand name "Phu Khao Tong". Sauce has reinforced marketing and sales force development by leveraging our market leadership to create in differentiated position in products' quality and market strategy, creating more sales channels, arranging products categories to suit for each channel and the targeted customers and consumers approach. In parallel, Sauce put great effort into production improvement and development to meet with the high standard quality products on the basis of ultimate safety, hygiene, and friendly to environment. In 2011, our good deeds of Environment Management System (EMS) were testified by the certification from Department of Industrial Works as the Second Level of EMS for SMEs. Moreover, Sauce has a role to play continually in society care and responsibility. Sauce has provided our helps, services and loves to share people to live a better life. Sauce assisted the flood victims both in and around Bangkok with many activities as money, medicine and Sauce's products donation and joined hands with Royal Thai Army on the project of "Krua Phu Khao Tong Food Carts" donation to encourage the victims to create their career opportunities.

Over 58 years of the operation, Sauce has adhered strong commitment on integrity and honesty with the high standard quality and safety products to create enhanced value for our customers and shareowners. We continued to create development opportunities for competitive potential, as well as devote the utmost effort, wisdom and ability to strengthen company sustained growth.

In the upcoming 2012, the government's policy on increase of minimum wage, a Baht 300 per day, effective on April 1, 2012 affects an upward trend cost. Both corporate salary structure and starting rate revision and adjustment have to be concerned. This also reinforces the negative impact on the main labor-hiring industries with immediate higher cost of over-time work hours. Thus, all parties need to understand thoroughly the benefits and impacts of the labor cost increase in the industrial sector. Our staff and management have to adjust mindset to enhance operational efficiency; improve quality and productivity; meanwhile, reduce loss, waste and cost. It will be another challenging year. However, the strong cooperation of all relevant parties will take us overcome all obstacles and toward our mutual goals.

Such commitments toward success would be formed only through the support and trust provided by the related parties at all levels. I, therefore, would like to express my sincere gratitude to all shareholders, customers, consumers, business parties, the government entities and private sectors and all allies from all organizations. Furthermore, my special thanks to our management committee and all of employees for their critical devotion in supporting stable and continual development of the company.



# Corporate Information

<b>Name of Company</b>	<b>Thaitheparos Public Company Limited</b> <b>(Formerly Thai Theparos Food Products Public Company Limited)</b>
<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 (600,000,000 shares of Baht 1 par value)
<b>Issued and paid up Capital</b>	360 Million Baht (360,000,000 shares of Baht 1 par value)
<b>Number of Staff</b>	Head office 686 persons
<b>Fiscal Year</b>	1 January - 31 December
<b>Other Reference</b>	A. <i>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, Lakki, Bangkok 10210 Tel 0-2596-9000, 0-2596-9302-11 Fax 0-2832-4994 to 0-2832-4996 B. <i>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 C. <i>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.



Mr. Chai Sae Kow

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

Sauce continues to focus on providing customers and consumers' satisfaction, through the products we delivers and in all aspects of our customers and consumers' relations. Sauce places maximum emphasis on quality and has achieved certifications for recognized international quality systems such as ISO 9001:2008, GMP and HACCP with international standard of Codex Alimentarius Commission, Recommended International Code of Practice, General of Food Hygiene. Sauce's products as Fermented Soy Sauce and Distilled Vinegar have also operated under HAL-Q accreditation (Hygiene, Assurance, Liability Quality System) from The Halal Science Center Chulalongkorn University (HSC-CU), the standard of the right procedure of Halal food production which consists of 4 Ms including Man, Material, Mechanism and Monitoring being accordant with Islamic principle. Sauce continues to achieve higher standards of performance and pursue our policy of Production with Quality and Safety.

### Care for Social and Environmental Wellbeing

In addition, Sauce provides priority to project and activities to create quality improvement of life and a better environment of our employees, local communities and society we live in. As a result, Sauce has achieved EMS for SMEs Level 1st and Level 2nd awards (Environmental Management System) in 2010 and 2011 respectively. Sauce all has a role to play in helping people to live a better life.





## 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, the company produces and sale Japanese Soysauce under Yamasa Brand to associate Yamasa (Thailand) Company Limited.

In 2011, the company produces and sale raw sauce to associate “Exter (Thailand) Company Limited

### Structure of Sales Revenue

In 2011, the Company distributes all our products both domestic and export market. Domestic sales accounts for 90.95% 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 9.05 % of total sales, consists of exporters and distributors.

### Total Sales Revenue

(Unit : Thousand Baht)

Products	2011		2010	
	Amount	%	Amount	%
Domestic Sales	2,406,488	90.95	2,274,179	89.35
Export Sales	239,602	9.05	271,166	10.65
Total Sales	2,646,090	100.00	2,545,345	100.00
Increase (Decrease) of Tot		3.96		5.34



ศิลปะแห่งความอร่อย.. ซอสหอยนางรม ตรา ภูเขาทอง

บริษัท ไทยเทพารอส จำกัด (มหาชน)  
 www.facebook.com/thaitheparos.gmsauce  
 208 หมู่ 6 ต.ท้ายบ้าน อ.ท้ายบ้าน จ.สมุทรปราการ 10280 โทร. 0-2703-4444 โทรสาร 0-2387-1163



## Significant Changes

The registration of the company's name and the par value changed

The AGM 2011 of Thai Theparos Food Products Public Company Limited held on April 26, 2011 passed the following resolutions

1. To change of the Company's name from "Thai Theparos Food Product PLC." To "Thai Theparos PLC." ,but the Company's symbol "SAUCE" remain unchanged .

2. To change of the par value of the company's share from Bht.10.00 (ten) to Bht 1.00 (one) per share. which has completely registered with the Department of Business Development, Ministry of Commerce with effective date of April 27, 2011.

The detail will be changed as follows:

Company name : Thaitheparos Public Company Limited

Capital Detail

Par Value : 1.00 Baht

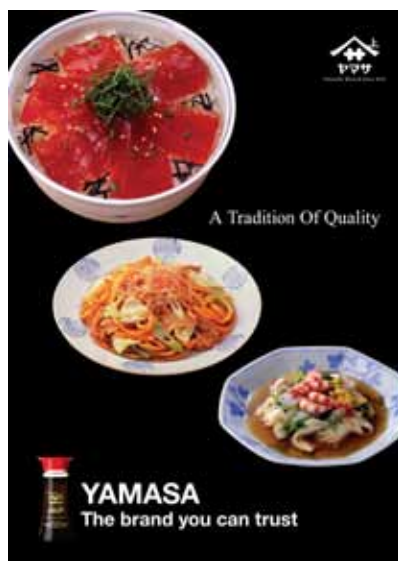
Common Stock

Authorized Capital : 600,000,000 Baht (600,000,000 shares)

Paid-up Capital : 360,000,000 Baht (360,000,000 shares)

### Associate

The company produce " Yamasa "Soy sauce distributing to Yamasa(Thailand)Co., Ltd. Total sales in third year(2011)was16.54 million baht,which has enhanced 13.02 million compares with 3.53 million in 2010.



The company has started producing raw sauce for Exter (Thailand) limited in third quarter of 2011.Total sale in first year was 13.55 million baht



# Industry and Competition

## Market Condition in 2011

At the first quarter of 2011, the market was recovered from late 2010 to accept a political changing and the new government. At the mid-year, the economy had improved continuously, so GDP was predicted to be on target as well as exporting. Yet, unexpected deluge had occurred in the end of 2011, which had affected the economy.

Overall the growth rate in 2011 had increased from 5.62% to 11.17% due to the recovering economy. Yet, the growth rate increased slowly because of flooding disaster. If there was no effect from flooding disaster, the condiment market certainly would have grown more intense. Besides, market strategies were remained the same as 2010, which was special promotions such as discount, free premium and etc.

The competition of condiment market in Modern Trade segment, Carrefour was merged to Big C, which caused all Carrefour branches were turned and renovated under Big C brand. Due to the changing, from 4 significant competitors was automatically reduced to 3 competitors, which were Big C, Tesco Lotus, and Makro. As the consequence, the competition had increased severely and continuously between its competitors. Yet, marketing strategies were remained by offering their house brand products in lower price, and selling leading brand in discount price to attract customers.

Advertising strategy, manufacturers had used more Internet channel to communicate with customer, and social network for customer to follow. Advertising on mass media as Television was always the main channel that leading brand like Golden Mountain, Knor, Dek-Sumboon, or Ajinomoto have been using. For the previous year, TTR emphasized on advertising Seasoning sauce Green Cap, Seasoning sauce Yellow Cap, Sriraja Panish Chili sauce, and Oyster sauce to remind customer to its products.

In 2011, the condiment market had more than 50 brands. Many new products had launched, which were expanded from existing line. Yet, TTR had not launched any new product. TTR's sale promotion strategy emphasized on increasing number of trial customer by offering customer to taste foods that made from TTR's products, including J-Festival at The Mall shopping center, or another Modern Trade channels. The result of the strategy had positive response because it induced customer to buy the products. By collaborating sale promotion and advertising strategy had boosted up the sale continuously.

In late 2011, Thailand encountered with biggest flooding disaster in decades. Manufactures and distributors were under capability to deliver their product to customers because they were affected both direct and indirect way, which caused lack of goods in the market. Even if TTR was not affected directly from the disaster, TTR had not had enough finish goods to deliver to the market. The reason was main suppliers had directly affected so they could not supply raw material as well as packaging on time including PET bottle, and glass bottle. Although, modern trade sale had shrunk because of delivery problem, customer had turned to buy from the wholesale and retail stores instead, which clearly show in last quarter total sale. Manufactures and distributors still had problems in delivery and risen shipping expense, however, in last quarter of 2011, total sale enhanced from previous year.

## The Export Markets

In 2011 seasoning products of Thailand were exported more than 14,403.27 million baht that said more than 11.02% increase compared with 2010. The main products as soy sauce, fish sauce, instance curry paste and seasoning powder and other seasoning products. As for chilli sauce (including sweet chilli sauce), soy sauce, tomato ketchup were more than 2,134.74 million baht which is 14.82% total value and said that increasing 16.65% from 2010. The main importers of soy sauce are USA, Lao, Cambodia, Singapore, Australia, France and United Kingdom which acquired more than 369 million baht or 67.65% of total value 545.40 million baht. For chilli sauce, main importers are UK, Germany, Myanmar, USA, South Korea, The Netherlands and France which acquired more than 802 million baht or 56.96% of total value 1,409.44 million baht. In 2011, SAUCE export seasoning products totaling 239.60 million baht decrease 13.17% or 31.57 million baht compared with 271.17 million baht in 2010.



## Marketing & Social Activities in 2011



### Inheritance culture activities 2011

“Chinese New Year and vegetarian festival”

“SAUCE” supported Chinese community by working with The Mall shopping center and many provinces where Chinese live to educate new generation about Chinese food and culture.

### Corporate social responsibility activities 2011

“Help Thai flood victims” campaign

“SAUCE” had engaged with Royal Thai Army, Navy’s wife organization and the locals to support food for people and animals who had affected by 2011 disaster.



“Giveaway food carts for flood victims” campaign

“SAUCE” knows that many victims lost their homes and career.

“SAUCE” and Royal Thai Army supported the victims by giving 100 food carts to start their lives again.

### Event marketing activities 2011

In 2011 “SAUCE” had launched many media to build brand loyalty and value. This year “SAUCE” does not only focus on our seasoning sauce line but also introduces other products to the market. “SAUCE” launched 5 media advertising using 22.8 million baht budget.

### Seasoning Sauce green cap ...it has to be Golden Mountain brand-“SAUCE”

aware that there are many products in the market trying to duplicate our seasoning sauce green cap, this media answer it all.

### Seasoning Sauce yellow cap.. Today’s menu- By showing the simplest menu,

boiled egg with our savory seasoning sauce, the simplest is the best.

### The art of delicious food..Oyster sauce-To make delicious food, chef and housewife

use their heart and art of cooking to deliver the best meal by using

Golden Mountain oyster sauce.

### Sriraja Panich chili sauce..The original Sriracha chili sauce- The first media

of Sriraja Panich chili sauce, “SAUCE” wants to show the public that we are the original and using only the finest ingredients to produce chili sauce.

### Golden Mountain Brand ...more than 55 years in Thai’s kitchen – The first

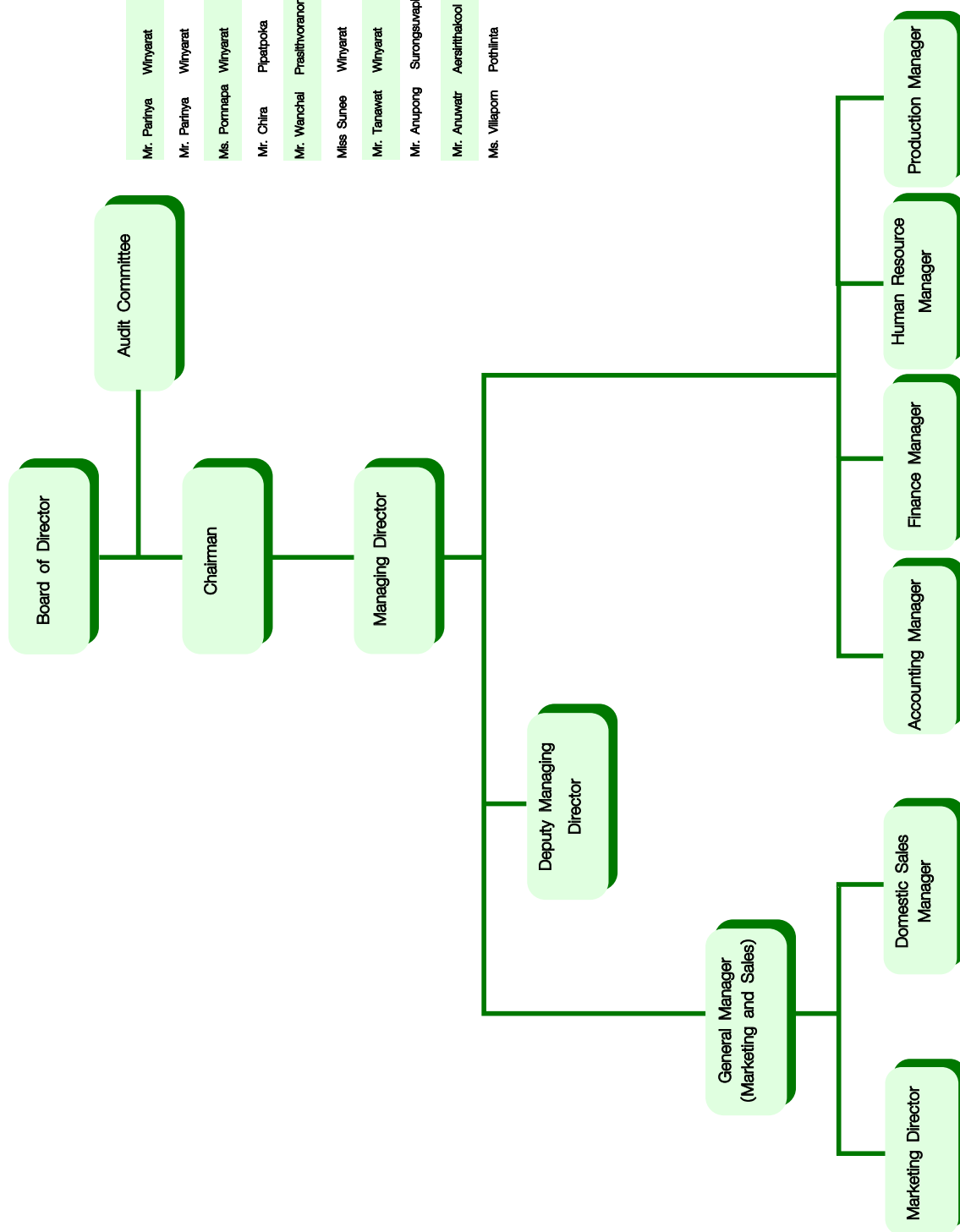
corporate media ad of “SAUCE”. It shows “SAUCE” team is supporting food using Golden



Mountain products for 2011 flood victims and “SAUCE” will always be the best quality products in your kitchen.



# Organization Chart



Mr. Parinya	Winyarat	Chairman
Mr. Parinya	Winyarat	Managing Director
Ms. Pornnapa	Winyarat	Deputy Managing Director
Mr. Chira	Pipatpola	General Manager (Marketing and Sales)
Mr. Wenchai	Prasithvoranont	Accounting Manager
Miss Sunee	Winyarat	Finance Manager
Mr. Tanawat	Winyarat	Marketing Director
Mr. Anupong	Surongsuvaphap	Domestic Sales Manager
Mr. Anuwat	Aersiththakool	Production Manager
Ms. Villapom	Pothlanta	Human Resource Manager

## Board of Directors



### 1. Mr. Parinya Winyarat

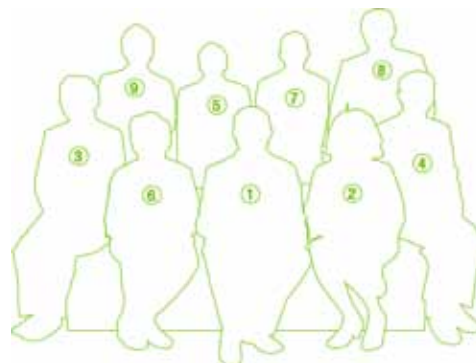
(Director / Chairman of the Board and Managing Director)

Age : 57  
 Education : Bachelor Degree in Chemistry,  
 National Taiwan University  
 Experience  
 2000 - Present : Managing Director,  
 Thaiheparos PLC.  
 1993 - Present : Director / Chairman of the Board  
 and Managing Director  
 Thaiheparos PLC.  
 1987 - 1992 : Managing Director,  
 Thaiheparos PLC.  
 No. of holding shares : 11,915,850 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 2011 : 5  
 Attended Board of Directors Meeting in 2011 : 5

### 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,  
 Thaiheparos PLC.  
 1993 - Present : Director,  
 Thaiheparos PLC.  
 No. of holding shares : 16,958,570 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 2011 : 5  
 Attended Board of Directors Meeting in 2011 : 5



### 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  
 Thaiheparos PLC.  
 1993 - 2010 : Director and Deputy Managing Director  
 (Accounting and Finance)  
 Thaiheparos PLC.  
 1987 - 1993 : Accounting and Finance Manager,  
 Thaiheparos PLC.  
 No. of holding shares : 14,004,520 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 : 500,000 baht  
 No. of Board of Directors Meeting in 2011 : 5  
 Attended Board of Directors Meeting in 2011 : 5

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

Age : 55

Education : Master of Arts , Major Man and  
Environment Management, Chieng Mai Univer  
sity

: 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 Thaiheparos PLC.

1993 - 2008 : Deputy Managing Director Thaiheparos PLC.

1993 - 2007 : Branch Manager ( Lampang )  
Thaiheparos PLC.

No. of holding shares : 26,419,520 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 2011 : 5

Attended Board of Directors Meeting in 2011 : 5

#### 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,  
Thaiheparos PLC.

No. of holding shares : None

No. of share changed : -

Relation Among family : -  
with the Company

Director remuneration : 300,000 baht

Audit Committee remuneration : 100,000

No. of Board of Directors Meeting in 2011 : 5

Attended Board of Directors Meeting in 2011 : 5

No. of Board of Directors Meeting in 2011 : 4

Attended Board of Directors Meeting in 2011 : 4



## Annual Report 2011

### 6. 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,  
 Thaiheparos PLC.  
 1993 – Present : Independent Director,  
 Thaiheparos 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 2011 : 5  
 Attended Board of Directors Meeting in 2011 : 5  
 No. of Board of Audit Committee Meeting in 2011 : 4  
 Attended Board of Audit Committee Meeting in 2011 : 4

### 7. 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,  
 Thaiheparos PLC.  
 1994 – Present : Independent Director,  
 Thaiheparos 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 2011 : 5  
 Attended Board of Directors Meeting in 2011 : 5  
 No. of Board of Audit Committee Meeting in 2011 : 4

### 8. Mr. Tanawat Winyarat (Director/Marketing Manager)

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,  
 Thaiheparos 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  
 Thaiheparos PLC.  
 No. of holding shares : 25,709,000 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 2011 : 5  
 Attended Board of Directors Meeting in 2011 : 5

### 9. Mr. Bancha Winyarat (Director)

Age : 26  
 Education : Master of Science in Environmental  
 Engineering, Imperial College London  
 : Bachelor of Engineering in Engineering  
 with Business Finance,  
 University College London (UCL)  
 Experience  
 2010 – Present : Director,  
 Thaiheparos PLC.  
 2010 – Present : Director, Exter (Thailand) Limited  
 No. of holding shares : 15,600,000 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 2011 : 5  
 Attended Board of Directors Meeting in 2011 : 2

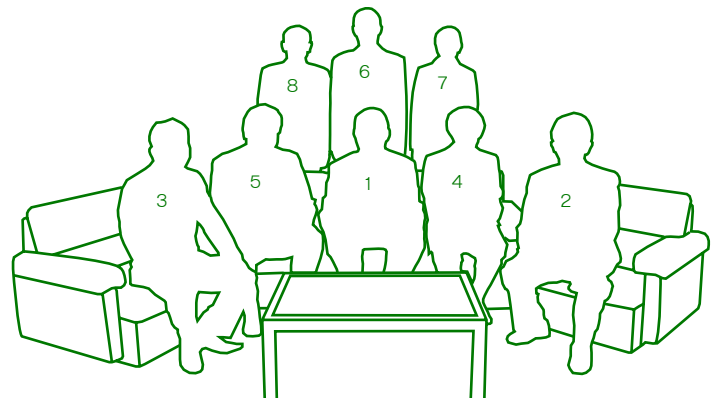




# Management



- |                  |                  |   |
|------------------|------------------|---|
| 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 : 55  
Education : Master of Business Administration (MBA)  
Thammasat University  
: Bachelor of Engineering,  
Chulalongkorn University  
Experience  
1999 - Present : General Manager (Marketing and Sales),  
Thaitheparos PLC.  
1997 - 1999 : Vice Chairman,  
Optic Square Co.Ltd.  
1993 - 1997 : Senior Production Manager,  
Thaitheparos PLC.  
No. of holding shares : No  
No. of shares changed : -

## Mr. Wanchai Prasithvoranunta (Accounting Manager)

Age : 50  
Education : Bachelor Degree in Business  
Administration (Second Class Honor),  
Sukhothai Thammathirat University  
Experience  
1994 - Present : Accounting Manager Thaitheparos PLC.  
No. of holding shares : 5,000,000 shares  
No. of shares changed : -

## Miss Sunee Winyarat (Finance Manager)

Age : 52  
Education : Bachelor Degree in Economics,  
Ramkamhaeng University  
Experience  
1994 - Present : Finance Manager Thaitheparos PLC.  
Seminar : Corporate Secretary Development  
Program, Chulalongkorn University  
No. of holding share : 13,066,530 shares  
No. of shares changed : - shares

## Mrs. Vilaiporn Phothiinthra (Human Resource Manager)

Age : 51  
Education : Bachelor of Public Administration  
Sukhothai Thammathirat University  
Experience  
2004 - Present : Human Resource Manager  
Thaitheparos PLC.  
No. of holding shares : 5,139,000 shares  
No. of shares changed : 41,000 shares

## Mr. Anupong Surongsuvaphap (Domestic Sales Manager)

Age : 50  
Education : Bachelor of Marketing  
Krirk University  
Experience  
2004 - Present : Domestic Sales Manager  
Thaitheparos PLC.  
No. of holding shares : 10,000  
No. of shares changed : -

## Mr. Anuwat Aersitrakool (Production Manager)

Age : 45  
Education : Bachelor of Agriculture Industry,  
King Mongkut Institute of  
Technology Ladkrabang  
: Master of Business Administration  
Ramkamheang University  
Experience  
2005 - Present : Production Manager  
Thaitheparos 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 2011 held on April 26, 2011

	Major Shareholders	Shares	(%) of Total Share
1.	WINYARAT FAMILY	268,599,000	74.61
2.	TANGWICHACHAN FAMILY	14,832,000	4.12
3.	Bangkok Life Insurance Co, Ltd	11,828,000	3.29
4.	Ms. Vilaiporn Potiinta	5,143,000	1.43
5.	Mr. Wanchai Prasithvoranunta	5,000,000	1.39
6.	Bangkok Insurance PLC.	4,896,000	1.36
7.	Ms. Pattama Sethanukul	4,200,000	1.17
8.	Green Sport (Thailand) Co.Ltd.	3,861,000	1.07
9.	Ms.Natechanok Suwanacheep	3,650,000	1.01
10.	Mr. Cherdchoo Soponpanich	3,100,000	0.86
	<b>Total</b>	<b>325,109,000</b>	<b>90.31</b>

The split of par Value of share capital from Baht 10 per share to Baht 1 per share



## Annual Report 2011

# Management Discussion and Analysis

For the year ended December 31, 2011 and December 31, 2010

Operating and Financial Status

Operating review

Profitability

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

	Million Baht	(%) of total revenue
<b>2011</b>	478.39	17.87
<b>2010</b>	418.44	16.34

The factors that the Company earn net profit in 2011 increased by 14.33 percent or Bt. 59.95 million compare to that of 2010 shown here under :-

(Million Baht)	2011	2010	Change	%
1. Domestic Sales	2,376.39	2,270.76	105.63	4.65
Sales to associate	30.10	3.42	26.68	780.12
Export Sales	239.60	224.40	15.20	6.77
Export Sales -make to order	-	46.77	(46.77)	(100.00)
Total revenue from sales of goods	2,646.09	2,545.35	100.74	3.96
2. % of cost of sales /sales	58.5%	59.97%	-1.47%	(2.45)
3. Selling expenses	304.68	313.63	(8.95)	(2.85)
% of total sales	11.51%	12.32%	-0.81%	(6.57)
4. Administrative expenses	135.02	141.03	(6.01)	(4.26)
% of total sales	5.10%	5.54%	-0.44%	(7.94)

Domestic sales increased from Bt. 2,270.76 million in 2010 to Bt. 2,376.39 in 2011, increased by 4.65% or Bt. 105.63 million from that of 2010 mostly from upcountry and modern trade channel.

Export sales increased from Bt. 224.40 million in 2010 to Bt. 239.60 in 2011, increased by 6.77% or Bt. 15.20 million from that of 2010.

Export sales –make to order decreased from Bt. 46.77 million in 2010 to Bt. 0.00 in 2011, decreased by 100.00% or Bt. 46.77 million from that of 2010. It was because the decreasing of the production capacity of our new customer. Due to marketing expansion did not meet with the sales target.

Sales to associate increased from Bt. 3.42 million in 2010 to Bt. 30.10 million in 2011, increased by 780.12% or Bt. 26.68 million from that of 2010 due to the expansion sales of Yanmasa (Thailand) Co., Ltd and Exter (Thailand) Ltd. has started to manufacture its products on August 2011.

From the above reasons, the total sales increased from Bt. 2,545.35 million in 2010 to Bt. 2,646.09 in 2011, increased by 3.96% or Bt. 100.74 million from that of 2010.

Cost of sales decreased from 59.97 % of total sales in 2010 to 58.50 % in 2011 resulting from the price increasing of chilli sauce in Q3/2011 compliance with its cost of manufacture.

The selling expense decreased from Bt. 313.63 million in 2010 to Bt. 304.68 in 2011 decreased by Bht 8.94 million or 2.85 % due to the increasing of advertising expense, the company has launched new advertising movie campaign in Q3/2011 to make advertising and public relation of seasoning sauce under the brand name of Golden Mountain and Sriraja Panich to be well known among the customers. Additionally, the company also decreased the sales promotion expense.

Other income sales increased from Bt. 15.63 million in 2010 to Bt. 31.28 in 2011, increased by 100.18% or Bt. 15.65 million from that of 2010.

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. (2008-2010).

The Company has accordingly, calculated income tax on taxable profit for the year ended 31 December 2011 at the 30% corporate income tax rate (2010: profit not exceeding Baht 300 million at the 25% corporate income tax rate and exceeding Baht 300 million at the 30% corporate income tax rate).

From the above reasons, the net profit for the year ended December 31, 2011 increased from Bt. 418.44 million in 2010 to Bt. 478.39 million in 2011, increased by 14.33% or Bt. 59.95 million from that of 2010.





Sauce has earning before income tax (EBT) for year ended December 31, as follows:-

	Million Baht	(%) of total revenue
2011	686.94	25.66
2010	578.07	22.57

From the above data, the profit before income tax expenses in 2011 increased by 18.83% or Bt. 108.86 million from that of 2010.

#### Dividend Payment

At the annual general meeting of the shareholders of the Company held on 26 April 2011, the shareholders approved the appropriation of dividend for 2010 operation of Baht 1.05 per share, amounting to Baht 378.00 million (payout ratio 90.36 %). The dividend was paid to shareholders on May 19, 2011.

#### Report and Analysis of Financial Position

##### Financial Structure

##### Debt Equity Ratios

In 2011 and 2010, the debt equity ratio were 0.13 and 0.11 respectively. The financial structure is suitable to the size of operations and business.

	December 31		December 31	
	2011		2010	
	Million Bt.	%	Million Bt.	%
Total Liabilities	292.74	11.19	239.48	9.60
Shareholder's Equity	2,322.85	88.81	2,254.80	90.40
<b>Total Assets</b>	<b>2,615.59</b>	<b>100.00</b>	<b>2,494.28</b>	<b>100.00</b>
Accrued income tax	118.20	40.38	88.19	36.83
Trade accounts payable	71.04	24.27	81.66	34.10
Accrued expenses	52.55	17.95	51.34	21.44
Other current liabilities	16.55	5.65	18.29	7.64
	34.40	11.75	-	-
<b>Total Liabilities</b>	<b>292.74</b>	<b>100.00</b>	<b>239.48</b>	<b>100.00</b>
Paid-up Share	360.00	15.49	360.00	15.96
Premium on share capital	615.60	26.50	615.60	27.30
Fair value changes	0.04	0.00	0.10	0.00
Appropriated Retained earning	60.00	2.58	60.00	2.66
Unappropriated Retained earning	1,287.21	55.42	1,219.10	54.07
<b>Total Shareholder's Equity</b>	<b>2,322.85</b>	<b>100.00</b>	<b>2,254.80</b>	<b>100.00</b>

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

##### Liquidity

##### Cash flows

(Million Baht)	2011	2010	Change	%
Cash flows from operating activities	571.08	512.57	58.5	111.42
Net cash uses in investment activities	(227.05)	(159.49)	(67.56)	42.36
Net cash uses in financing activities	(378.00)	(363.60)	(14.40)	3.96
Net increase (decrease) in cash and cash equivalents	(33.97)	(10.52)	(23.45)	222.91

##### Current ratio

Current ratio in 2011 is 5.54 times, decreases from 5.60 times in 2010. This result from the increase of current liabilities by Bt. 18.86 million, most of these are accrued income tax, and the increase of current assets by Bt. 106.37 million, most of these are current investment.



## Annual Report 2011

Sauce still enjoys high current ratios with no shortage of cash flow. The collection period was 36 days less than 2010 by 1 day. The inventory turnover period was 60 days which more than 2010 by 6 days. As at December 31, 2011, we have total cash and cash equivalents more than Bt. 307.93 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, 2011 Sauce has Bt. 2,615.59 million of total assets, the growth is 4.86 % compared to Bt. 2,494.28 million as at December 31, 2010.

#### Main Part of Assets

	December 31 2011		December 31 2010	
	Million Bt.	%	Million Bt.	%
Property, plant and equipment	1,037.80	39.68	1,030.09	41.30
Current Investments	567.32	21.69	437.19	17.53
Cash and cash equivalents	307.93	11.77	341.90	13.71
Accounts receivable	262.49	10.04	271.72	10.89
Inventories	259.60	9.93	230.88	9.26
Unused Land	94.95	3.63	94.95	3.81
Other current assets	34.14	1.31	43.43	1.74
Long-term investments	20.40	0.78	20.49	0.82
Investment in associate	7.88	0.30	10.53	0.42
Unused equipment	6.22	0.24	6.72	0.27
Long-term loan to associate	6.00	0.23	-	-
Intangible assets	5.77	0.22	1.23	0.05
Bank deposits under commitments	4.59	0.18	4.59	0.18
Other non current assets	0.50	0.02	0.56	0.02
<b>Total Assets</b>	<b>2,615.59</b>	<b>100.00</b>	<b>2,494.28</b>	<b>100.00</b>

As at December 31, 2011, Sauce has current assets as 54.73%, and non current assets as 45.27% of total assets compare to 53.13% and 46.87% as at December 31, 2010.

Concerning accounts receivable, the Company has set aside an adequate allowance for doubtful accounts. Long-term investment will be due in 2019 for the amount 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.2/2011 which held on March 4, 2011 providing to arrange the Annual General Meeting of Shareholders on April 26, 2011 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 24-26, 2011.

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.2011 which was held on April 26, 2011 comprise of Board of executive director consisting of 3 persons : Chairman of the Board, Deputy Managing Director ( Marketing ) and Deputy Managing Director 1 person and non executive director 3 persons, Audit Committee Chairman and audit committee member 2 . The company, therefore, has a total of 8 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 13.31 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 2011, 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 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





## Annual Report 2011

### 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:

- 3 Executive Directors, equal to 33.33% of the Board member
- 3 Non-Executive Directors, equal to 33.33% of the Board member
- 3 Independent Directors, equal to 33.33% 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 and Marketing Manager
6. Mr. Bancha	Winyarat	Director
7. Mr. Phot	Kongputhi	Independent Director
8. Asst. Prof. Raweewan	Piyayopanakul	Independent Director and Audit Committee Chairman
9. 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 Piyayopanakul	Independent Director and Audit Committee Chairman
2. Mr. Phot Kongputhi	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 3 persons as follows:

- |                  |          |   |
|------------------|----------|---|
| 1. Mr. Parinya   | Winyarat | Chairman of the Board and Managing Director |
| 2. Mrs. Pornnapa | Winyarat | Deputy Managing Director                    |
| 3. Mr. Tanawat   | Winyarat | Director and marketing manager              |

### 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:

2011				
	Person	Remuneration for Directors	*Salary/Bonus & other	Total
Directors	9	4,100,000.00	11,343,560.00	15,443,560.00
Management	6	-	10,044,101.00	10,044,101.00
Directors and Management	15	4,100,000.00	21,387,661.00	25,487,661.00

\*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	2011	2010	2009
Sales revenue of three major discount stores	<u>569,108</u>	<u>529,507</u>	<u>521,601</u>
% of total sales	<u>21.51%</u>	<u>20.80%</u>	<u>21.59%</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 held on April 26, 2011, Winyarat family holding share equal to 74.61% 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 parties 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 entitie	Yamasa (Thailand) Co., Ltd. (. Yamasa Corporation Limited Japan, 49% shareholding )		
Nature of relationship	Associate, 26% shareholding Mr. Tanawat Winyararat as co director		
		2011	2010
		(in thousand Baht)	
Transaction	Sales of goods	16,573	3,581
Pricing policie	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)	
Transaction	Rental income	123	120
Pricing policie	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.		
Name of entitie	Exter (Thailand) Ltd.Thailand 60% shareholding )		
Nature of relationship	Associate, 40% shareholding Mr. Tanawat Winyararat as co director		
		2011	2010
		(in thousand Baht)	
Transaction	Sales of goods	13,552	-
Pricing policie	Market price		
The necessary	The purpose of Foundation Exter (Thailand) Limited is to, export "EXTER" reaction flavour in European countries and South East Asia region and authorized Thai Theparos Public Company Limited to be the sole manufacturer of the main raw material in Thailand.		
		2011	2010
		(in thousand Baht)	
Transactions	Rental income	554	-
	Other income		
	Water utility charge	133	-
	Electricity charge	836	-
	Steam charge	2,558	-



## Annual Report 2011

Pricing policies	Contractually agreed price which compared to the lease of the company nearby.
The necessary	Sauce entered into a building granted -lease agreement for use as an office and factory with Exter Thailand totally 880 square meters which it is benefits for mutual companies on transportation cost saving as well as management and utilities'convenience.

		2011	2010 (in Thousand Baht)
Transactions	Loan to associated company	6,000	-
	Interest	279	-
Pricing Policy	MLR(KBANK)+1.0%		
The necessary	Sauce provided loan to Exter Thailand for our mutual benefits on monetary liquidity of Exter Thailand with the reasonable loan interest.		

Audit Committee give an opinion relating to the related party transaction according to the Audit Committee's report dated February 21,2012 as follows.

"Considering in conflicts of interest transaction for the year 2011, 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 fee

The Company paid for the audit fees as follows:

	2011	2010
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	660,000.-	630,000.-
Total the audit fee	660,000.-	630,000.-

#### 2. Non-audit fee

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.







# Thaitheparos Public Company Limited

(Formerly Thai Theparos Food Products Public Company Limited)

Annual financial statements

and

Audit report of Certified Public Accountant

For the years ended

31 December 2011 and 2010





# 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.

(Mr. Parinya Winyarat)  
Chairman of The Borad

f The Board of Direc

(Mr.Tanawat Winyarat)  
Director

21 February 2012



# Audit Committee's Report

**To : The Shareholders of Thai Theparos Public Company Limited**

The Audit Committee of Thai Theparos Public Company Limited has been assigned by the Board of Director . During the - accounting period for the year ended December 31, 2011 , 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 2011. In our opinion, Thai Theparos 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 - Declration of the Stock Exchange of Thailand including disclose correctly and sufficiently detailed information of financial statment
2. To ensure internal control system and internal audit program. In our opinion, internal control system of Thai Theparos 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 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 2011 , audit committee give an opinion that connected transation of Thai Theparos 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 .

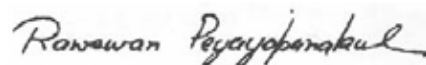
4. To Select Auditor for the year 2012. The Audit Committee select and offer to the Board of Director concerning auditor appointment including auditor's fee which is suitable for the company. In our opinion, the shareholders Meeting is hereby advised to elect Mr. Sakda Vairoj kaothanthong , CPA Registration No. 4628 or Mr. Bunyarit Thanormcharoen, CPA Registration No. 7900 or Mr. Charoen Phosamritlert, CPA Registration No. 4068 or Mrs. Wilai Buranakittisopon CPA Registtion No. 3920 of KPMG Phoomchai Audit (Thailand) Co. Ltd. As the auditor of the company for the year 2012.

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 2011, Audit Committee attended the meeting with Auditor of company without management 1 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



21 February 2012



Annual Report 2011

# Audit report of Certified Public Accountant



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## To the shareholders of Thaitheparos Public Company Limited (Formerly Thai Theparos Food Products Public Company Limited)

I have audited the accompanying statements of financial position in which the equity method is applied and separate statements of financial position of Thaitheparos Public Company Limited as at 31 December 2011 and 2010, and the related statements of comprehensive income, changes in equity and cash flows for the years 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 audits.

I conducted my audits 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 audits provide 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 Thaitheparos Public Company Limited as at 31 December 2011 and 2010 and the results of its operations and its cash flows for the years then ended in accordance with Financial Reporting Standards.

As explained in notes 2 and 3 to the financial statements, with effect from 1 January 2011 the Company has adopted certain new and revised financial reporting standards. The financial statements in which the equity method is applied and separate financial statements for the year ended 31 December 2010 have been restated accordingly.

(Sakda Kaothanthong)  
Certified Public Accountant  
Registration No. 4628

KPMG Phoomchai Audit Ltd.  
Bangkok  
21 February 2012



# Statement of financial position

**Thaitheparos Public Company Limited**

**(Formerly Thai Theparos Food Products Public Company Limited)**

**As at 31 December 2011 and 2010**

Financial statements in which

the equity method is applied

Separate financial statements

Assets	Note	2011	2010 (Restated)	2011	2010 (Restated)
(in Baht)					
<b>Current assets</b>					
Cash and cash equivalents	6	307,932,544	341,899,746	307,932,544	341,899,746
Current investments	7	567,322,634	437,183,736	567,322,634	437,183,736
Trade accounts receivable	8	262,485,877	271,721,085	262,485,877	271,721,085
Inventories	9	259,601,930	230,877,704	259,601,930	230,877,704
Other current assets	10	34,142,320	43,432,682	34,142,320	43,432,682
<b>Total current assets</b>		<b>1,431,485,305</b>	<b>1,325,114,953</b>	<b>1,431,485,305</b>	<b>1,325,114,953</b>
<b>Non-current assets</b>					
Bank deposits under commitment	7	4,593,000	4,593,000	4,593,000	4,593,000
Investments in associates	11	7,880,46	10,532,182	13,199,393	13,199,39
Other long-term investments	7	20,395,036	20,494,152	20,395,036	20,494,152
Loan to associate	5	6,000,000	-	6,000,000	-
Unused land	12	94,952,000	94,952,000	94,952,000	94,952,000
Unused equipment		6,215,039	6,716,439	6,215,039	6,716,439
Property, plant and equipment	13	1,037,794,413	1,030,090,218	1,037,794,413	1,030,090,218
Intangible assets	14	5,773,311	1,224,814	5,773,311	1,224,814
Other non-current assets		501,572	564,372	501,572	564,372
<b>Total non-current assets</b>		<b>1,184,104,838</b>	<b>1,169,167,177</b>	<b>1,189,423,764</b>	<b>1,171,834,388</b>
<b>Total assets</b>		<b>2,615,590,143</b>	<b>2,494,282,130</b>	<b>2,620,909,069</b>	<b>2,496,949,341</b>



Thaitheparos Public Company Limited  
(Formerly Thai Theparos Food Products Public)  
Statements of financial position  
As at 31 December 2011 and 2010

Financial statements in which

the equity method is applied

Separate financial statements

Liabilities and equity	Note	2011	2010 (Restated)	2011	2010 (Restated)
(in Baht)					
<b>Current liabilities</b>					
Trade accounts payable		71,036,234	81,662,897	71,036,234	1,662,897
Income tax payable		118,197,771	88,190,175	118,197,771	88,190,175
Accrued expenses	15	52,553,489	51,343,691	52,553,489	51,343,691
Other current liabilities		16,553,708	18,284,741	16,553,708	18,284,741
<b>Total current liabilities</b>		<u>258,341,202</u>	<u>239,481,504</u>	<u>258,341,202</u>	<u>239,481,504</u>
<b>Non-Current liabilities</b>					
Employee benefit obligations	16	<u>34,396,533</u>	<u>-</u>	<u>34,396,533</u>	<u>-</u>
<b>Non-Total current liabilities</b>		<u>34,396,533</u>	<u>-</u>	<u>34,396,533</u>	<u>-</u>
<b>Total liabilities.</b>		<u>292,737,735</u>	<u>239,481,504</u>	<u>292,737,735</u>	<u>239,481,504</u>
<b>Equity</b>					
Share capital	17				
Authorised share capital		<u>600,000,000</u>	<u>600,000,000</u>	<u>600,000,000</u>	<u>600,000,000</u>
Issued and paid-up share capital		<u>360,000,000</u>	<u>360,000,000</u>	<u>360,000,000</u>	<u>360,000,000</u>
Additional paid in capital	17				
Premium on ordinary shares		615,600,000	615,600,000	615,600,000	615,600,000
Retained earnings					
Appropriated					
Legal reserve	18	60,000,000	60,000,000	60,000,000	60,000,000
Unappropriated		1,287,208,000	1,219,104,978	1,292,526,926	1,221,772,189
Other component of equity					
Fair value changes in available-for-sale investment	18	<u>44,408</u>	<u>95,648</u>	<u>44,408</u>	<u>95,648</u>
<b>Total equity</b>		<u>2,322,852,408</u>	<u>2,254,800,626</u>	<u>2,328,171,334</u>	<u>2,257,467,837</u>
<b>Total liabilities and equity</b>		<u>2,615,590,143</u>	<u>2,494,282,130</u>	<u>2,620,909,069</u>	<u>2,496,949,341</u>

# Statements of comprehensive income

Thaitheparos Public Company Limited  
(Formerly Thai Theparos Food Products Public)

Statements of income

For the years ended 31 December 2010 and 2009

		Financial statements in which the equity method is applied				Separate financial statements	
<i>Income</i>	Note	2011	2010 (Restated)	2011	2010 (Restated)		
		(in Baht)					
<i>Income</i>							
Revenue from sale of goods		2,646,089,487	2,545,345,050	2,646,089,487	2,545,345,050		
Other income	20	31,284,491	15,628,164	31,284,491	15,628,164		
<b>Total income</b>		<b>2,677,373,978</b>	<b>2,560,973,214</b>	<b>2,677,373,978</b>	<b>2,560,973,214</b>		
<i>Expenses</i>	21, 22						
Cost of sale of goods		1,548,078,877	1,526,365,056	1,548,078,877	1,526,365,056		
Selling expenses		304,684,206	313,625,816	304,684,206	313,625,816		
Administrative expenses		135,023,454	141,029,368	135,023,454	141,029,368		
<b>Total expenses</b>		<b>1,987,786,537</b>	<b>1,981,020,240</b>	<b>1,987,786,537</b>	<b>1,981,020,240</b>		
Share of loss on investment in associates		(2,651,715)	(1,882,352)	-	-		
<b>Profit before income tax expense</b>		<b>686,935,726</b>	<b>578,070,622</b>	<b>689,587,44</b>	<b>579,952,974</b>		
Income tax expense	23	(208,542,385)	(159,635,368)	(208,542,385)	(159,635,368)		
<b>Profit for the year</b>		<b>478,393,341</b>	<b>418,435,254</b>	<b>481,045,056</b>	<b>420,317,606</b>		
<b>Other comprehensive income.</b>							
Net changes in the fair value of available-for-sale investments		(51,240)	183,097	(51,240)	183,097		
<b>Other comprehensive income for the year</b>		<b>(51,240)</b>	<b>183,097</b>	<b>(51,240)</b>	<b>183,097</b>		
<b>Total comprehensive income for the year</b>		<b>478,342,101</b>	<b>418,618,351</b>	<b>480,993,816</b>	<b>420,500,703</b>		
<b>Basic earnings per share</b>	24	<b>1.33</b>	<b>1.16</b>	<b>1.34</b>	<b>1.17</b>		

# Statements of changes in equity

Thaitheparos Public Company Limited

(Formerly Thai Theparos Food Products Public Company Limited)

Statements of changes in equity

For the year ended 31 December 2011 and 2010

		Financial statements in which the equity method is applied					
		Additional	Retained earning		Other component		
		paid-in capital			of equity		
		Issued	Premium on	Legal reserv	Unappropriated	Fair value	Total equity
		and paid-up	ordinary shares			changes in available-for-sale	
		share capital				investments	
Note							
(in Baht)							
	Balance at 1 January 2010	360,000,000	615,600,000	60,000,000	1,164,269,724	-87,449	2,199,782,275
	<b>Transactions with owners, recorded directly in equity</b>						
	Distributions to owners of the Company						
	Dividends to owners of the Company 25	-	-	-	(363,000,000)	-	(363,000,000)
	<b>Total distributions to owners of the Company</b>	-	-	-	(363,000,000)	-	(363,000,000)
	<b>Comprehensive income for the year</b>						
	Profit	-	-	-	418,435,254	-	418,435,254
	Other Comprehensive income	-	-	-	-	183,097	183,097
	Total Comprehensive income for the year	-	-	-	418,435,254	183,097	418,618,351
	<b>Balance at 31 December 2010 (restate)</b>	<b>360,000,000</b>	<b>615,600,000</b>	<b>60,000,000</b>	<b>1,219,104,978</b>	<b>95,648</b>	<b>2,254,800,626</b>

**Thaitheparos Public Company Limited**  
**(Formerly Thai Theparos Food Products Public Company Limited)**  
**Statements of changes in equity**  
**For the years ended 31 December 2011 and 2010**

**Financial statements in which the equity method is applied**

	Note	Financial statements in which the equity method is applied				Other component of equity	Total equity
		Additional paid in capital	Retained earnings			Fair value changes in available-for-sale investments	
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated		
				(Baht)			
<b>Balance at 1 January 2011 - as reported</b>		<b>360,000,000</b>	<b>615,600,000</b>	<b>60,000,000</b>	<b>1,219,104,978</b>	<b>95,648</b>	<b>2,254,800,626</b>
Impact of changes in accounting policy	3(d)	-	-	-	(32,290,319)	-	(32,290,319)
<b>Balance at 1 January 2011 - restated</b>		<b>360,000,000</b>	<b>615,600,000</b>	<b>60,000,000</b>	<b>1,186,814,659</b>	<b>95,648</b>	<b>2,222,510,307</b>
<b>Transactions with owners, recorded directly in equity</b>							
Distributions to owners of the Company							
Dividends to owners of the Company	25	-	-	-	(378,000,000)	-	(378,000,000)
<b>Total distributions to owners of the Company</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(378,000,000)</b>	<b>-</b>	<b>(378,000,000)</b>
<b>Comprehensive income for the year</b>							
Profit		-	-	-	478,393,341	-	478,393,341
Other comprehensive income		-	-	-	-	(51,240)	(51,240)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>478,393,341</b>	<b>(51,240)</b>	<b>478,342,101</b>
<b>Balance at 31 December 2011</b>		<b>360,000,000</b>	<b>615,600,000</b>	<b>60,000,000</b>	<b>1,287,208,000</b>	<b>44,408</b>	<b>2,322,852,408</b>



## Annual Report 2011

Thaitheparos Public Company Limited  
(Formerly Thai Theparos Food Products Public)  
Statement of changes in equity

As at 31 December 2011 and 2010

		Separate financial statements					
		Additional paid in capital	Retained earning		Other component of equity		
					Fair value changes in available-for-sale investments		
Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve (Baht)	Unappropriated		Total equity	
	360,000,000	615,600,000	60,000,000	1,165,054,583	(87,449)	2,200,567,134	
<b>Balance at 1 January 2010</b>							
<b>Transactions with owners, recorded directly in equity</b>							
	Distributions to owners of the Company						
	Dividends to owners of the Company	25	-	-	(363,600,000)	-	(363,600,000)
	<b>Total distributions to owners of the Company</b>		-	-	<b>(363,600,000)</b>	-	<b>(363,600,000)</b>
<b>Comprehensive income for the year</b>							
	Profit	-	-	-	420,317,606	-	420,317,606
	Other comprehensive income	-	-	-	-	183,097	183,097
	<b>Total comprehensive income for the year</b>	-	-	-	<b>420,317,606</b>	<b>183,097</b>	<b>420,500,703</b>
	<b>Balance at 31 December 2010 (restated)</b>	<b>360,000,000</b>	<b>615,600,000</b>	<b>60,000,000</b>	<b>1,221,772,189</b>	<b>95,648</b>	<b>2,257,467,837</b>





Thaitheparos Public Company Limited  
(Formerly Thai Theparos Food Products Public)  
Statement of changes in equity  
As at 31 December 2011 and 2010

## Separate financial statements

	Note	Additional paid in capital		Retained earnings		Other component of equity	Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve (Baht)	Unappropriated	Fair value changes in available-for-sale investments	
<b>Balance at 1 January 2011 - as reported</b>		<b>360,000,000</b>	<b>615,600,000</b>	<b>60,000,000</b>	<b>1,221,772,189</b>	<b>95,648</b>	<b>2,257,467,837</b>
Impact of changes in accounting policy	3(d)	-	-	-	(32,290,319)	-	(32,290,319)
<b>Balance at 1 January 2011 - restated</b>		<b>360,000,000</b>	<b>615,600,000</b>	<b>60,000,000</b>	<b>1,189,481,870</b>	<b>95,648</b>	<b>2,225,177,518</b>
<b>Transactions with owners, recorded directly in equity</b>							
<i>Distributions to owners of the Company</i>							
Dividends to owners of the Company	25	-	-	-	(378,000,000)	-	(378,000,000)
<b>Total distributions to owners of the Company</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(378,000,000)</b>	<b>-</b>	<b>(378,000,000)</b>
<b>Comprehensive income for the year</b>							
Profit		-	-	-	481,045,056	-	481,045,056
Other comprehensive income		-	-	-	-	(51,240)	(51,240)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>478,393,341</b>	<b>(51,240)</b>	<b>480,993,816</b>
<b>Balance at 31 December 2011</b>		<b>360,000,000</b>	<b>615,600,000</b>	<b>60,000,000</b>	<b>1,292,526,926</b>	<b>44,408</b>	<b>2,328,171,334</b>

The accompanying note are an integral part of these financial statements





## Annual Report 2011

Thaitheparos Public Company Limited  
(Formerly Thai Theparos Food Products Public)  
Statement of cash flows  
As at 31 December 2011 and 2010

	Financial statements in which the equity method is applied		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
	(in Baht)			
<b><i>Cash flows from operating activities</i></b>				
Profit for the year	478,393,341	418,435,254	481,045,056	420,317,606
<b><i>Adjustments for</i></b>				
Depreciation and amortisation	85,794,628	93,910,433	85,794,628	93,910,433
Interest income	(15,026,285)	(7,297,492)	(15,026,285)	(7,297,492)
Bad and doubtful debts expense	148,860	333,005	148,860	333,005
Unrealised gain on exchange	(372,507)	(63,493)	(372,507)	(63,493)
Provision for loss on obsolete and slow-moving inventories	3,355,807	-	3,355,807	-
Loss on write-off of inventories	118,866	186,891	118,866	186,891
Gain on disposal of equipment and unused equipment	(738,570)	(2,074,809)	(738,570)	(2,074,809)
Loss on write-off intangible asset	4	-	4	-
Reverse of allowance for impairment of equipment	(238,462)	(1,351,680)	(238,462)	(1,351,680)
Employees' benefits	2,106,214	-	2,106,214	-
Share of loss on investment in associates	2,651,715	1,882,352	-	-
Income tax expense	208,542,385	159,635,368	208,542,385	159,635,368
	<u>764,735,996</u>	<u>663,595,829</u>	<u>764,735,996</u>	<u>663,595,829</u>
<b><i>Change in operating assets and liabilities</i></b>				
Trade accounts receivable	9,474,770	(20,407,889)	9,474,770	(20,407,889)
Inventories	(32,198,899)	5,957,845	(32,198,899)	5,957,845
Other current assets	12,845,448	(7,177,148)	12,845,448	(7,177,148)
Other non-current assets	62,800	(2,000)	62,800	(2,000)
Trade accounts payable	(10,656,118)	22,546,087	(10,656,118)	22,546,087
Accrued expenses	1,209,798	(5,104,558)	1,209,798	(5,104,558)
Other current liabilities	4,139,308	79,671	4,139,308	79,671
Income tax paid	(178,534,789)	(146,917,074)	(178,534,789)	(146,917,074)
<b>Net cash from operating activities</b>	<u><b>571,078,314</b></u>	<u><b>512,570,763</b></u>	<u><b>571,078,314</b></u>	<u><b>512,570,763</b></u>



Thaitheparos Public Company Limited  
(Formerly Thai Theparos Food Products Public)

Statement of cash flows

As at 31 December 2011 and 2010

Financial statements in which

		the equity method is applied	Separate financial statements	
	หน่วยบาท	2011	2010	2011
			(Restated)	(Restated)
				(Baht)
<b>Cash flows from investing activities</b>				
Interest received		11,484,739	7,136,770	11,484,739
Purchase of plant and equipment		(99,363,899)	(128,815,973)	(99,363,899)
Sale of equipment		2,453,222	3,586,230	2,453,222
Loan to associate		(6,000,000)	-	(6,000,000)
Purchase of intangible assets		(5,528,556)	(751,550)	(5,528,556)
Decrease in bank deposits under commitments		-	15,000	-
Increase in current investments		(130,091,022)	(50,062,671)	(130,091,022)
Sales of long-term investments		-	20,000,000	-
Net cash outflow on acquisition of associate		-	(10,599,686)	-
<b>Net cash used in investing activities</b>		<b>(227,045,516)</b>	<b>(159,491,880)</b>	<b>(227,045,516)</b>
<b>Cash flows from financing activity</b>				
Dividends paid to owners of the Company		(378,000,000)	(363,600,000)	(378,000,000)
<b>Cash used in financing activity</b>		<b>(378,000,000)</b>	<b>(363,600,000)</b>	<b>(378,000,000)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(33,967,202)</b>	<b>(10,521,117)</b>	<b>(33,967,202)</b>
‘Cash and cash equivalents at 1 January	6	341,899,746	352,420,863	341,899,746
‘Cash and cash equivalents at 31 December	6	307,932,544	341,899,746	307,932,544

**Supplemental disclosures of cash flows information:**

Plant and equipment purchased during the years are detailed as follows:

Total addition of plant and equipment during the years	93,493,558	130,049,648	93,493,558	130,049,648
Add Settlement of payables for plant and equipment previously purchased	7,726,052	8,317,451	7,726,052	8,317,451
Less Payables on purchase of plant and equipment	(1,855,711)	(7,726,052)	(1,855,711)	(7,726,052)
Less Advance payments for purchase of equipment previously paid	-	(1,825,074)	-	(1,825,074)
	<b>99,363,899</b>	<b>128,815,973</b>	<b>99,363,899</b>	<b>128,815,973</b>



# Notes to financial statements

Thaitheparos Public Company Limited  
(Formerly Thai Theparos Food Products Public)

## Notes to the financial statements

For the years ended 31 December 2011 and 2010

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**Thaitheparos Public Company Limited**  
**(Formerly Thai Theparos Food Products Public)**

**Statement of cash flows**

**As at 31 December 2011 and 2010**

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 21 February 2012.

**1 General information**

Thaitheparos Public Company Limited (Formerly 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 year was the Winyarat Family which holds a 74.61% shareholding.

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

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

**(a) Statement of compliance**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS) and guidelines promulgated by the Federation of Accounting Professions (“FAP”), applicable rules and regulations of the Thai Securities and Exchange Commission.

During 2010 and 2011, the FAP issued the following new and revised TFRS relevant to the Company’s operations and effective for accounting periods beginning on or after 1 January 2011:

TFRS	Topic
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits

TFRS	Topic
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 28 (revised 2009)	Investments in Associates
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets







# Annual Report 2011

## **Thaitheparos Public Company Limited (Formerly Thai Theparos Food Products Public Company Limited)**

### **Note to the financial statements**

#### **For the years ended 31 December 2011 and 2010**

TAS 40 (revised 2009) Investment Property

TFRS 2 Share-based Payment

TFRS 5 (revised 2009) Non-current Assets Held for Sale and Discontinued Operations

FAP's Announcement no. 17/2554 Transitional Procedures for Other Long-term Employee Benefits

The adoption of these new and revised TFRS has resulted in changes in the Company's accounting policies. The effects of these changes are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP has issued during 2010 a number of other new and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 29.

#### **(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except available-for-sale investments are measured at fair value.

#### **(c) Presentation currency**

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.

#### **(d) Use of estimates and judgements**

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 12 Unused land

Note 16 Measurement of defined benefit obligations

Note 26 Measurement of financial instruments



**Thaitheparos Public Company Limited**  
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**Note to the financial statements**

**For the years ended 31 December 2011 and 2010**

**3 Changes in accounting policies**

**(a) Overview**

From 1 January 2011, consequent to the adoption of new and revised TFRS as set out in note 2, the Company has changed its accounting policies in the following areas:

- Presentation of financial statements
- Accounting for property, plant and equipment
- Accounting for employee benefits

Details of the new accounting policies adopted by the Company and the impact of the changes on the financial statements are included in notes 3(c) and 3(d) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Company.

**(b) Presentation of financial statements**

From 1 January 2011, the Company has adopted TAS 1 Presentation of Financial Statements (Revised 2009). Under the revised standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows; and
- Notes to the financial statements.

As a result, the Company presents all owner changes in equity in the statement of changes in equity and all non-owner changes in equity in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in equity.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

**(c) Accounting for property, plant and equipment**

From 1 January 2011, the Company has adopted TAS 16 (revised 2009) Property, Plant and Equipment in determining and accounting for the cost and depreciable amount of 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.



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### Note to the financial statements

#### For the years ended 31 December 2011 and 2010

The changes have been applied prospectively in accordance with the transitional provisions of the revised standard, except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively. The changes have had no material impact on the profit and earnings per share for the years ended 31 December 2011 and 2010.

#### (d) Accounting for employee benefits

From 1 January 2011, the Company has adopted TAS 19 Employee Benefits. Under the new policy, the Company's liability for post-employment benefits and other long-term employee benefits obligation is recognised in the financial statements based on calculations performed annually by a qualified actuary using the projected unit credit method. Previously, this liability was recognised as and when payments were made.

The Company's liability for post-employment benefit and other long-term employee benefit obligations as at 1 January 2011 has been determined to be Baht 32.29 million. The Company has opted to record this liability as an adjustment to retained earnings as at 1 January 2011, in accordance with the transitional provisions of TAS 19. The impact on the 2011 financial statements was as follows:

	Financial statements in which the equity method is applied 2011	Separate financial statements 2011
	(in thousand Baht)	
Statement of financial position		
Retained earnings at 31 December 2010 - as reported	1,279,105	1,281,772
Increase in employee benefit obligations	<u>(32,290)</u>	<u>(32,290)</u>
Retained earnings at 1 January 2011	<u>1,246,815</u>	<u>1,249,482</u>
	Financial statements in which the equity method is applied 2011	Separate financial statements 2011
	(in thousand Baht)	

#### Statement of comprehensive income for the year ended 31 December 2011

Increase in employee expenses resulting in:		
Increase in cost of sale of goods	(1,288)	(1,288)
Increase in selling expenses	(620)	(620)
Increase in administrative expenses	<u>(3,576)</u>	<u>(3,576)</u>
<b>Decrease in profit</b>	<u>(5,484)</u>	<u>(5,484)</u>
<b>Decrease in basic earnings per share (in Baht)</b>	<u><u>(0.015)</u></u>	<u><u>(0.015)</u></u>

#### 4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses changes in accounting policies.

#### (a) Foreign currency transactions

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



**Thaitheparos Public Company Limited**  
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**Note to the financial statements**  
**For the years ended 31 December 2011 and 2010**

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 profit or loss.

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.

**(d) Inventories**

Inventories are measured 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.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

**(e) Investment**

Investments in associates

Investments in associates in the separate financial statements of the Company are accounted for using the cost method. Investments in associates 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.



# Annual Report 2011

## Thaitheparos Public Company Limited

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### Note to the financial statements

#### For the years ended 31 December 2011 and 2010

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 profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

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

Recognition and measurement

Owned assets

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

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





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**Note to the financial statements**

**For the years ended 31 December 2011 and 2010**

	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, spare parts or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(h) Intangible assets**

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over their estimated useful lives from the date that they are available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Trademarks	3-10 years
Software	5 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(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 profit or loss 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 profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

**Calculation of recoverable amount**

The recoverable amount of held-to-maturity securities 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.





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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 in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

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) Employee benefits**

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds in Thailand that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Company. An economic benefit is available to the Company if it is realisable during the life of the plan, or on settlement of the plan liabilities.



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When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Company recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

*Other long-term employee benefits*

The Company's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds in Thailand that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

*Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

**(l) Provisions**

A Provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**(m) Revenue**

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

Sale of goods

Revenue is recognised in profit or loss 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 profit or loss as it accrues. Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established.

**(n) Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.





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## **(o) 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.

In determining the amount of current tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

## **(p) Basic earnings per share**

The Company presents basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for the split of par value of ordinary shares.

## **5 Related parties**

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
Yamasa (Thailand) Co., Ltd.	Thailand	Associate, 26% shareholding
Exter (Thailand) Limited.	Thailand	Associate, 40% shareholding
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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

<b>Transactions</b>	<b>Pricing policies</b>
Sales of goods	Market price
Rental income	Contractually agreed price
Interest income	Contractually agreed rate
Other income	Agreed price

Significant transactions for the years ended 31 December 2011 and 2010 with related parties were as follows:



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	Financial statements in which the equity method is applied		Separate financial statements	
Year ended 31 December	2011	2010	2011	2010
	(in thousand Baht)			
Associates - Yamasa (Thailand) Co., Ltd.				
Sales of goods	16,553	3,581	16,553	3,581
Rental income	123	120	123	120
Commission income	20	-	20	-
Associates - Exter (Thailand) Limited.				
Sales of goods	13,552	-	13,552	-
Rental income	554	-	554	-
Interest income	279	-	279	-
Other	3,406	-	3,406	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	24,666	24,549	24,666	24,549
Post-employment benefits	793	-	793	-
Other long-term benefits	29	-	29	-
Total key management personnel compensation	25,488	24,549	25,488	24,549

Balances as at 31 December 2011 and 2010 with related party were as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
	2011	2010	2011	2010
	(in thousand Baht)			
<b>Associate - Yamasa (Thailand) Co., Ltd.</b>				
Trade accounts receivable	5,852	964	5,852	964
Other current liabilities - deposit	20	20	20	20
<b>Associate - Exter (Thailand) Limited.</b>				
Trade accounts receivable	10,440	-	10,440	-
Other current assets - interest receivable	15	-	15	-
Long term loans to related party	6,000	-	6,000	-
Other current liabilities - deposit	200	-	200	-

**Significant agreements with related parties****Lease agreements**

On 1 June 2011, the Company entered into a building granted-lease agreement for use as office and factory with an associated company, Exter (Thailand) Limited. covering 10 years starting from 1 June 2011 to 31 May 2021. The Company will receive monthly rental of Baht 79,200 for the 1st year to the 3rd year, receives monthly rental of Baht 105,600 for the 4th year to the 5th year, and receives monthly of Baht 158,400 for the 6th year to the 10th year. In this regard, the associated company paid the rental deposit of Baht 200,000.



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#### For the years ended 31 December 2011 and 2010

On 1 October 2010, the Company entered into a building granted-lease agreement for use as an office with another associated company, Yamasa (Thailand) Co., Ltd. covering 5 years starting from 1 October 2010 to 30 September 2015. The Company will receive monthly rental of Baht 10,000 for the first thirteen months and Baht 11,520 for the remaining months.

#### Loan agreement

As at 31 December 2011, the Company ("Lender") had loan agreement with Exter (Thailand) Limited. ("Borrower"), amounting to Baht 6.0 million, which will be repayable by 5 years equal installments commencing on 20 May 2013 up to 20 May 2017. This loan bears interest at the rate of 7.5% p.a. for the 1st year to the 3rd year, and at the rate of MLR of certain local financial institution plus 1.0% p.a. for the remaining years.

#### 6 Cash and cash equivalents

	Financial statements in which the equity method is applied/ separate financial statements	
	2011	2010
	(in thousand Baht)	
Cash on hand	1,294	1,140
Cash at banks - current accounts	10,547	12,862
Cash at banks - savings accounts	288,309	258,989
Fixed deposits with maturity less than 3 months	7,783	68,909
Total	<u>307,933</u>	<u>341,900</u>

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	
	2011	2010
	(in thousand Baht)	
Thai Baht (THB)	307,375	341,368
United States Dollars (USD)	558	532
Total	<u>307,933</u>	<u>341,900</u>

#### 7 Other investments

	Financial statements in which the equity method is applied/ separate financial statements	
	2011	2010
	(in thousand Baht)	
Current investments		
Fixed deposits with maturity more than 3 months	9,769	9,678
Bill of exchange with maturity more than 3 months	560,000	430,000
Investment in marketable security - mutual fund	2,147	2,099
	<u>571,916</u>	<u>441,777</u>
Less Fixed deposits with maturity more than 3 months under commitment	<u>(4,593)</u>	<u>(4,593)</u>
Total	<u>567,323</u>	<u>437,184</u>





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	<b>Financial statements in which the equity method is applied/ separate financial statements</b>	
	2011	2010
	<i>(in thousand Baht)</i>	
<b>Long-term investments</b>		
Debentures	20,000	20,000
Investment in marketable equity security	<u>395</u>	<u>494</u>
<b>Total</b>	<u><u>20,395</u></u>	<u><u>20,494</u></u>

The debenture was issued by Krung Thai Public Company Limited for Baht 20 million and is classified as a held to maturity debt instrument. The debenture has a term of 10 years maturing on 20 February 2019 and bears interest of 5.00% for the first five years and 6.50% for the last five years.

As at 31 December 2011, fixed deposits at bank of Baht 4.59 million (2010: Baht 4.59 million) were pledged to secure the use of electricity.

**8 Trade accounts receivable**

		<b>Financial statements in which the equity method is applied/ separate financial statements</b>	
	<i>Note</i>	2011	2010
		<i>(in thousand Baht)</i>	
Related party	5	16,292	964
Other parties		<u>247,926</u>	<u>274,449</u>
		264,218	275,413
Less allowance for doubtful accounts		<u>(1,732)</u>	<u>(3,692)</u>
<b>Net</b>		<u><u>262,486</u></u>	<u><u>271,721</u></u>
Bad and doubtful debts expenses for the year		<u><u>162</u></u>	<u><u>333</u></u>

Aging analyses for trade accounts receivable were as follows:

	<b>Financial statements in which the equity method is applied/ separate financial statements</b>	
	2011	2010
	<i>(in thousand Baht)</i>	
<b>Related party</b>		
Within credit term	13,019	964
Overdue:		
Less than 3 months	<u>3,273</u>	<u>-</u>
	<u>16,292</u>	<u>964</u>



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**For the years ended 31 December 2011 and 2010**

	<b>Financial statements in which the equity method is applied/ separate financial statements</b>	
	<b>2011</b>	<b>2010</b>
	<i>(in thousand Baht)</i>	
<b>Other parties</b>		
Within credit terms	223,535	251,631
Overdue:		
Less than 3 months	22644	18,115
3-6 months	564	1,011
6-12 months	-	219
Over 12 months	1,183	3,473
	247,926	274,449
Less allowance for doubtful accounts	(1,732)	(3,692)
	246,194	270,757
<b>Net</b>	<b>262,486</b>	<b>271,721</b>

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:

	<b>Financial statements in which the equity method is applied/ separate financial statements</b>	
	<b>2011</b>	<b>2010</b>
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	241,999	255,613
United States Dollars (USD)	19,785	14,224
Australia Dollars (AUD)	532	1,529
Euro (EUR)	170	355
<b>Total</b>	<b>262,486</b>	<b>271,721</b>

## 9 Inventories

	<b>Financial statements in which the equity method is applied/ separate financial statements</b>	
	<b>2011</b>	<b>2010</b>
	<i>(in thousand Baht)</i>	
Finished goods	71,317	55,208
Work in progress	109,863	101,222
Raw materials	81,393	73,966
Supplies	385	482
	262,958	230,878
Less allowance for obsolete and slow-moving inventories	(3,356)	-
<b>Net</b>	<b>259,602</b>	<b>230,878</b>



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**For the years ended 31 December 20**

Inventories recognised as an expense in

'cost of sales of goods':

- Cost	1,544,723	1,526,365
- Allowance for obsolete and slow-moving inventories	<u>3,356</u>	<u>-</u>
<b>Total</b>	<b><u>1,548,079</u></b>	<b><u>1,526,365</u></b>

**10 Other current assets**

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

2011 2010

(in thousand Baht)

Advance payment for raw materials	21,737	33,241
Accrued interest income	4,986	1,444
Supplies	3,779	3,805
Prepaid expenses	1,630	2,364
Premium goods	1,099	1,556
Others	<u>911</u>	<u>1,023</u>
<b>Total</b>	<b><u>34,142</u></b>	<b><u>43,433</u></b>

**11 Investments in associates**

Financial statements in  
which the equity  
method is applied

Separate financial  
statements

2011 2010 2011 2010

(in thousand Baht)

At 1 January	10,532	1,815	13,199	2,600
Share of net losses of investment - equity method	(2,652)	(1,882)	-	-
Acquisitions	<u>-</u>	<u>10,599</u>	<u>-</u>	<u>10,599</u>
<b>At 31 December</b>	<b><u>7,880</u></b>	<b><u>10,532</u></b>	<b><u>13,199</u></b>	<b><u>13,199</u></b>



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

	Separate financial statements							
	Ownership Interest		Paid-up capital		Cost method		Equity method	
	2011	2010	2011	2010	2011	2010	2011	2010
	(%)				(in thousand Baht))			
Associates								
Yamasa (Thailand)								
Co., Ltd.	26	26	20,001	20,001	5,199	5,199	2,703	3,597
Exter (Thailand)								
Limited.	40	40	<u>20,000</u>	<u>20,000</u>	<u>8,000</u>	<u>8,000</u>	<u>5,177</u>	<u>6,935</u>
<b>Total</b>			<b><u>40,001</u></b>	<b><u>40,001</u></b>	<b><u>13,199</u></b>	<b><u>13,199</u></b>	<b><u>7,880</u></b>	<b><u>10,532</u></b>

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

The Company accounts for its investment in associates using the equity method based on financial statements for the year ended 31 December 2011 which were audited by other auditors. As at 31 December 2011, the carrying value of the investment in associates in the financial statements in which the equity method is applied amounted to Baht 7.88 million, which constituted 0.30 percent of total assets in the statement of financial position in which the equity method is applied (31 December 2010: Baht 10.53 million, which constituted 0.42 percent). The Company's share of loss on investment in associates for the year ended 31 December 2011 amounted to Baht 2.65 million, which constituted 0.55 percent of the profit for the year of the statement of comprehensive income in which the equity method is applied (2010: Baht 1.88 million, which constituted 0.45 percent).

## 12 Unused land

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

#### Separate financial statements

	2011	2010
	(in thousand Baht)	
Unused land at cost	204,073	204,073
Less allowance for impairment losses	<u>(109,121)</u>	<u>(109,121)</u>
<b>Net</b>	<b><u>94,952</u></b>	<b><u>94,952</u></b>

The fair market value of unused land was estimated at Baht 94.95 million based on the appraisal report of an independent appraiser dated 2 July 2009, using the Market Comparison Approach.

## 13 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	Spare parts	Construction in progress	Total
	(in thousand Baht)							
<b>Cost</b>								
At 1 January 2010	112,484	421,249	1,273,910	51,747	120,694	13,088	192,677	2,185,849
Additions	32	-	4,138	2,389	1,478	35,734	86,278	130,049
Transfers	-	8,366	28,442	1,096	974	(32,113)	(6,765)	-
Transfer from unused equipment	90	-	536	-	-	-	83	709





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## 14 Intangible assets

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

	Software	Trademark license	Software under installation	Total
	<i>(in thousand Baht)</i>			
<b>Cost</b>				
At 1 January 2010	11,095	23,002	-	34,097
Additions	<u>82</u>	<u>-</u>	<u>669</u>	<u>751</u>
<b>At 31 December 2010 and 1 January 2011</b>	<b>11,177</b>	<b>23,002</b>	<b>669</b>	<b>34,848</b>
Additions	514	5,015	-	5,529
Disposals	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>(4)</u>
<b>At 31 December 2011</b>	<b><u>11,687</u></b>	<b><u>28,017</u></b>	<b><u>669</u></b>	<b><u>40,373</u></b>
<b>Amortisation</b>				
At 1 January 2010	10,023	22,751	-	32,774
Amortisation charge for the year	<u>623</u>	<u>226</u>	<u>-</u>	<u>849</u>
<b>At 31 December 2010 and 1 January 2011</b>	<b>10,646</b>	<b>22,977</b>	<b>-</b>	<b>33,623</b>
Amortisation charge for the year	<u>323</u>	<u>654</u>	<u>-</u>	<u>977</u>
<b>At 31 December 2011</b>	<b><u>10,969</u></b>	<b><u>23,631</u></b>	<b><u>-</u></b>	<b><u>34,600</u></b>
<b>Net book value</b>				
At 1 January 2010	1,072	251	-	1,323
<b>At 31 December 2010 and 1 January 2011</b>	<b>531</b>	<b>25</b>	<b>669</b>	<b>1,225</b>
<b>At 31 December 2011</b>	<b>718</b>	<b>4,386</b>	<b>669</b>	<b>5,773</b>

## 15 Accrued expenses

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

	2011	2010
	<i>(in thousand Baht)</i>	
Accrued bonus	16,613	17,049
Accrued advertising expenses	7,769	2,855
Accrued export expenses	7,680	8,148
Accrued repair expenses	4,146	4,955
Accrued promotion expenses	1,164	5,698
Other	<u>15,181</u>	<u>12,639</u>
<b>Total</b>	<b><u>52,553</u></b>	<b><u>51,344</u></b>





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**For the years ended 31 December 2011 and 2010**

**16 Employee benefit obligations**

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

**2011                      2010**  
*(in thousand baht)*

**Statement of financial position**

**Obligations for:**

Post-employment benefits

27,015                      -

Other long-term employee benefits

7,382                      -

**Total**

**34,397**                      **-**

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

*Year ended 31 December*

**2011                      2010**  
*(in thousand Baht)*

**Statement of comprehensive income**

**Recognised in profit or loss:**

Post-employment benefits

3,816                      -

Other long-term employee benefits

1,668                      -

**Total**

**5,484**                      **-**

The Company adopted TAS 19 - Employee Benefits with effect from 1 January 2011; the effect on the financial statements is discussed in note 3 (d). As stated in note 3 (d), the Company has opted to record the entire amount of the transitional obligation as at 1 January 2011, totalling Baht 32.29 million, as an adjustment to retained earnings as at 1 January 2011.

**Post-employment benefits**

The Company operate defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Movement in present value of the defined benefit obligations:

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

**2011                      2010**  
*(in thousand Baht)*

Defined benefit obligations for post-employment benefits  
at 1 January

25,588                      -  
(2,389)

Benefits paid by the plan

3,816                      -

**Defined benefit obligations for post-employment benefits  
at 31 December**

**27,015**                      **-**



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**For the years ended 31 December 2011 and 2010**

Expense recognised in profit or loss:

	<b>Financial statements in which the equity method is applied/ Separate financial statements</b>	
<b>Year ended 31 December</b>	2011	2010
	<i>(in thousand Baht)</i>	
Current service costs	2,894	-
Interest on obligation	922	-
<b>Total</b>	<b>3,816</b>	<b>-</b>

The expense is recognised in the following line items in the statement of comprehensive income:

	<b>Financial statements in which the equity method is applied/ Separate financial statements</b>	
<b>Year ended 31 December</b>	2011	2010
	<i>(in thousand Baht)</i>	
Cost of sale of goods	824	-
Selling expenses	396	-
Administrative expenses	2,596	-
<b>Total</b>	<b>3,816</b>	<b>-</b>

## **Other long-term employee benefits**

Other long-term employee benefits obligation was based on the length of service of employees and actuarial assumptions.

Movement in present value of the defined benefit obligations

	<b>Financial statements in which the equity method is applied/ Separate financial statements</b>	
<b>Year ended 31 December</b>	2011	2010
	<i>(in thousand Baht)</i>	
Defined benefit obligations for other long-term employee benefits at 1 January	6,702	-
Benefits paid by the plan	(988)	-
Current service costs and interest	1,668	-
<b>Defined benefit obligations for other long-term employee benefits at 31 December</b>	<b>7,382</b>	<b>-</b>

Expense recognised in profit or loss

	<b>Financial statements in which the equity method is applied/ Separate financial statements</b>	
<b>Year ended 31 December</b>	2554	2553
	<i>(in thousand Baht)</i>	
Current service costs	1,426	-
Interest on obligation	242	-
<b>Total</b>	<b>1,668</b>	<b>-</b>



**Thaitheparos Public Company Limited****(Formerly Thai Theparos Food Products Public Company Limited)****Note to the financial statements****For the years ended 31 December 2011 and 2010**

The expense is recognised in the following line items in the statement of comprehensive income:

Year ended 31 December	Financial statements in which the equity method is applied/ Separate financial statements	
	2011	2010
	(in thousand Baht)	
Cost of sale of goods	464	-
Selling expenses	224	-
Administrative expenses	<u>980</u>	<u>-</u>
<b>Total</b>	<b><u>1,668</u></b>	<b><u>-</u></b>

Principal actuarial assumptions at the reporting date (expressed as weighted averages) for post-employment benefits and other long-term employee benefits were as follows:

	Financial statements in which the equity method is applied/ Separate financial statements	
	2011	2010
	(in thousand Baht)	
Discount rate (%)	3.6041	-
Future salary increases (%)	4.30	-
Employee turnover (%)	0 - 38	-
Retirement age (year old)	55	-

Assumptions regarding future mortality and disability were based on Thai Mortality Ordinary Table of 2008 (TMO2008).

**17 Share capital**

	Par value per share (in Baht)	Financial statements in which the equity method is applied/ Separate financial statements			
		2011		2010	
		Number	Amount	Number	Amount
		(thousand shares/thousand Baht)			
<b>Authorised</b>					
At 1 January					
- ordinary shares	10	60,000	600,000	60,000	600,000
Split of par value of ordinary shares from Baht 10 to Baht 1	1	<u>540,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>At 31 December</b>					
- ordinary shares	10	-	-	60,000	600,000
- ordinary shares	1	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>-</u>
Issued and paid-up					
At 1 January					
- ordinary shares	10	36,000	360,000	36,000	360,000
Split of par value of ordinary shares from Baht 10 to Baht 1	1	<u>324,000</u>	<u>-</u>	<u>-</u>	<u>-</u>



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**Thaitheparos Public Company Limited**

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**Note to the financial statements**

**For the years ended 31 December 2011 and 2010**

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

## **Separate financial statements**

	Par value per share (in Baht)	2011		2010	
		Number	Amount (thousand Baht)	Number	Amount
<b>At 31 December</b>					
- ordinary shares	10	-	-	36,000	360,000
- ordinary shares	1	<u>360,000</u>	<u>360,000</u>	<u>-</u>	<u>-</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

### **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.

### **The change of par value of share capital**

At the annual general meeting of the shareholders of the Company held on 26 April 2011, the shareholders approved the split of par value of share capital from Baht 10 per share to Baht 1 per share. The authorised share capital remains as Baht 600 million but now comprises 600 million shares at Baht 1 per share. The issued and paid up capital remains as Baht 360 million but now comprises 360 million shares at Baht 1 per share. The change of par value of share capital and number of shares was registered with the Ministry of Commerce on 27 April 2011.

## **18 Reserves**

Reserves comprise:

### **Appropriations of profit**

#### **Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public 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.

### **Other components of equity**

### **Fair value changes in available-for-sale investments**

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

### **Movements in reserves**

Movements in reserves are shown in the statements of changes in equity.



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**Note to the financial statements**

**For the years ended 31 December 2011 and 2010**

**19 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.

**20 Other income**

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

	2011	2010
	<i>( in thousand Baht)</i>	
Interest income	15,026	7,297
Miscellaneous income	9,122	5,452
Gain on disposal of equipment	1,222	2,111
Others	5,914	768
<b>Total</b>	<b><u>31,284</u></b>	<b><u>15,628</u></b>

**21 Employee benefit expenses**

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

	2011	2010
	<i>(in thousand Bath)</i>	
<b>Management</b>		
Wages and salaries	17,850	17,592
Pension costs - defined benefit plans	822	-
Pension costs - defined contribution plans	679	664
Others	6,137	6,293
	<b><u>25,488</u></b>	<b><u>24,549</u></b>
<b>Other employees</b>		
Wages and salaries	136,295	140,285
Pension costs - defined benefit plans	4,662	-
Pension costs - defined contribution plans	4,242	4,344
Others	32,418	33,720
	<b><u>177,617</u></b>	<b><u>178,349</u></b>
<b>Total employee benefit expenses</b>	<b><u>203,105</u></b>	<b><u>202,898</u></b>

Defined benefit plans

Details of the defined benefit plans are given in note 16.





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**Note to the financial statements**

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Defined contribution plans

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.

## 22 Expenses by nature

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

	<b>Financial statements in which the equity method is applied/ Separate financial statements</b>	
	2011	2010
	<i>(in thousand Baht)</i>	
<b><i>Included in cost of sales of goods:</i></b>		
Changes in finished goods and work in progress	(24,751)	8,333
Finished goods transferred to sale promotion expense	(62,924)	(77,701)
Raw materials and consumables used	1,371,108	1,345,289
Employee benefit expenses	87,579	75,967
Depreciation and amortisation	70,419	79,053
Others	106,648	95,424
<b>Total</b>	<b>1,548,07</b>	<b>1,526,365</b>
<b><i>Included in selling expenses:</i></b>		
Sale promotion expense from finished goods transferred	62,924	77,701
Marketing expenses	81,206	77,415
Distribution expenses	120,256	118,203
Employee benefit expenses	16,375	19,098
Others	23,923	21,209
<b>Total</b>	<b>304,684</b>	<b>313,626</b>
<b><i>Included in administrative expenses:</i></b>		
Employee benefit expenses	99,151	107,832
Depreciation and amortisation	11,812	13,037
Others	24,060	20,160
<b>Total</b>	<b>135,023</b>	<b>141,029</b>

## 23 Income tax

*Income tax reduction*





**Thaitheparos Public Company Limited****(Formerly Thai Theparos Food Products Public Company Limited)****Note to the financial statements****For the years ended 31 December 2011 and 2010**

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 taxable profit for the year ended 31 December 2011 at the 30% corporate income tax rate (2010: profit not exceeding Baht 300 million at the 25% corporate income tax rate and exceeding Baht 300 million at the 30% corporate income tax rate).

On 11 October 2011, the Cabinet passed a resolution regarding tax measures to increase Thailand's competitiveness and approved the reduction of the corporate income tax rate from 30% to 23% of net taxable profit for the accounting period 2012 which ends on or after 31 December 2012 and to 20% of net taxable profit for the accounting period which begins on or after 1 January 2013 and onwards.

In order to give effect to the above Cabinet resolution, the Government has issued a Royal Decree under the Revenue Code regarding the Reduction and Exemption in Income Taxes (No. 530) B.E. 2554 to reduce the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution.

This change in tax rate has no effect on the Company's financial statements for the year ended 31 December 2011.

**24 Basic earnings per share**

The calculations of basic earnings per share for the years ended 31 December 2011 and 2010 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years, after adjusting the number of ordinary shares to reflect the impact of the split of par value of shares as discussed in note 17 to the financial statements. The prior year's basic earnings per share has been recalculated as if the split of par value of shares had been distributed at the beginning of the earliest year. The calculations are as follows:

	<b>Financial statements in which the equity method is applied</b>		<b>Separate financial statements</b>	
	2011		2010	
	(in thousand Baht/thousand shares)			
<b>Profit attributable to ordinary shareholders of the Company (basic )</b>	<b><u>478,393</u></b>	<b><u>418,435</u></b>	<b><u>481,045</u></b>	<b><u>420,318</u></b>
Number of ordinary shares outstanding at 1 January	36,000	36,000	36,000	36,000
Effect from split of ordinary shares	<u>324,000</u>	<u>324,000</u>	<u>324,000</u>	<u>324,000</u>
<b>Number of ordinary shares outstanding at 31 December (basic)</b>	<b><u>360,000</u></b>	<b><u>360,000</u></b>	<b><u>360,000</u></b>	<b><u>360,000</u></b>
<b>Earnings per share (basic) (in Baht)</b>	<b><u>1.33</u></b>	<b><u>1.16</u></b>	<b><u>1.34</u></b>	<b><u>1.17</u></b>

**25 Dividends**

At the annual general meeting of the shareholders of the Company held on 26 April 2011, the shareholders approved the appropriation of dividend of Baht 1.05 per share, amounting to Baht 378.00 million. The dividend was paid to shareholders during 2011.

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.





# Annual Report 2011

## Thaitheparos Public Company Limited

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### Note to the financial statements

For the years ended 31 December 2011 and 2010

#### 26 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 of Directors' 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 the 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.

##### 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 2011 and 2010, 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

##### Maturity

	Average Interest Rate (%per annum)	Within 3 Months	3 Month 1 Year (in thousand Baht )	More than 1 Year	Total
<b>2011</b>					
<b>Current</b>					
Cash at banks - at call	0.50 - 1.50	288,309	-	-	288,309
Fixed deposits at banks	1.50 - 2.35	7,783	9,769	-	17,552
Bill of exchange	3.47 - 4.50	-	560,000	-	560,000
<b>Non-current</b>					
Debentures	5	-	-	20,000	20,000
Loan to associate	7.5	-	-	6,000	6,000



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**Note to the financial statements**

**For the years ended 31 December 2011 and 2010**

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

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

**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.

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

	<i>Note</i>	<b>Financial statements in which the equity method is applied/ Separate financial statements</b>	
		2011	2010
		(in thousand Baht)	
<b>United States Dollars</b>			
Cash and cash equivalents	6	558	532
Trade accounts receivable	8	19,785	14,224
<b>Euro</b>			
Trade accounts receivable	8	170	355
<b>Australia Dollars</b>			
Trade accounts receivable	8	532	1,529
<b>Gross statement of financial position exposure</b>		<b>21,045</b>	<b>16,640</b>

**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 statement of financial position. However, due to the large number of parties comprising the Company's customer base, Management does not anticipate material losses from its debt collection.



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## Thaitheparos Public Company Limited

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### Note to the financial statements

For the years ended 31 December 2011 and 2010

#### 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.

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 statement of financial position 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)	
<b>2011</b>		
<b>Current</b>		
Equity securities available for sale	2,147	2,147
<b>Non-current</b>		
Equity securities available for sale	395	395
Debt securities held to maturity	21,010	20,000
<b>Total</b>	<b>23,552</b>	<b>22,542</b>
<b>2010</b>		
<b>Current</b>		
Equity securities available for sale	2,099	2,099
<b>Non-current</b>		
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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**Note to the financial statements**

**For the years ended 31 December 2011 and 2010**

**27 Commitments with non-related parties**

	<b>Financial statements in which the equity method is applied/ Separate financial statements</b>	
	<b>2011</b>	<b>2010</b>
	<b>(in thousand Baht)</b>	
<b><i>Capital commitments</i></b>		
<i>Contracted but not provided for:</i>		
Buildings and other constructions	-	51
Machinery and equipment	4,760	6,000
Software computer	372	372
<b>Total</b>	<b>5,132</b>	<b>6,423</b>
<b><i>Other commitments</i></b>		
Bank guarantees	4,593	4,593
Others	3,289	-
<b>Total</b>	<b>7,882</b>	<b>4,593</b>
<b><i>Bank guarantees</i></b>		

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 7).

**Agreement with non-related party**

On 15 July 2011, the Company entered into a License Agreement for Seasoning Product with Yamasa Corporation, a non-related company, whereby the latter shall provide technical information of manufacture to the Company. Under the term of the agreement, the Company agrees to pay royalty fee totaling of Baht 5 million by two (2) equally installments. The first installment shall pay within ten (10) days after the latter has provided the technical information to the Company, and the other installment shall pay not later than one (1) year after the same date of the first installment. This agreement is for a period of three (3) years.

**28 Change of the Company's name**

At the annual general meeting of the shareholders of the Company held on 26 April 2011, the shareholders approved to change the Company's name from "Thai Theparos Food Products Public Company Limited" to "Thaitheparos Public Company Limited". The change of the Company's name was registered with the Ministry of Commerce on 27 April 2011.

**29 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 expected to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

<b>TFRS</b>	<b>Topic</b>	<b>Year effective</b>
TAS 12	Income Tax	2013
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013





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### Note to the financial statements

For the years ended 31 December 2011 and 2010

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 12 – Income taxes**

The principal change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the financial statements. Deferred tax liabilities and assets are the amounts of income taxes payable and recoverable, respectively, in future periods in respect of temporary differences between the carrying amount of the liability or asset in the statement of financial position and the amount attributed to that liability or asset for tax purposes; and the carryforward of unused tax losses. Currently, the Company does not recognise deferred tax in the financial statements.

The Company will adopt TAS 12 with effect from 1 January 2013. The effects of the change will be recognised retrospectively in the financial statements and the statement of financial position as at 31 December 2011 will be adjusted accordingly. Management estimates that the impact on the statement of financial position as at 31 December 2011 will be as follows:

	Financial Statements in which the equity method is applied 2011	Separate financial statements 2010
	(Baht)	
<b>Statement of financial position</b>		
Estimated changes as a result of the adoption retrospectively of TAS 12 – Income taxes:		
Increase in deferred tax assets	32,075	31,011
Increase in deferred tax liabilities	9	9
Increase in retained earnings	32,075	31,011
Decrease in other component of equity	(9)	(9)
Increase in equity	32,066	31,002

The impact on the statements of comprehensive income for 2012 and subsequent periods is not presently determinable.

#### **TAS 21 (revised 2009) – The effects of changes in foreign exchange rates**

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht. Accordingly, the adoption of TAS 21 from 1 January 2013 is not expected to have a significant impact on the Company's reported assets, liabilities or retained earnings.





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**Note to the financial statements**

**For the years ended 31 December 2011 and 2010**

**30 Reclassification of accounts**

Certain accounts in the 2010 financial statements have been reclassified to conform to the presentation in the 2011 financial statements. These reclassifications have principally been made following changes in accounting policies consequent to the adoption of new or revised TFRS as disclosed in note 3. Other significant reclassifications were as follows:

	Financial statements in which the equity method is applied/ Separate financial statements 2010		
	Before reclass.	Reclass.	After reclass.
	(in thousand Baht)		
Statement of financial position			
Other current assets	60,142	(16,709)	43,433
Property, plant and equipment	1,013,381	<u>16,709</u>	1,030,090
		<u>-</u>	





## บริษัท ไทยพารอส จำกัด (มหาชน)

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