



THAITHEPAROS PUBLIC COMPANY LIMITED
ANNUAL REPORT 2013



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1954
Seasoning Sauce



1984
Distilled Vinegar



1985
Chili Sauce



1986
Tomato Sauce

1988
Oyster Sauce



1999
Chili and Tomato Sauce



1995
**Naturally Brewed
Light Soy sauce**

1998
**SRIRAJA Panich
Chili Sauce**



1999
Japanese soy sauce
KINZAN SHOYU



2013
SOY SAUCE

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Financial Highlights

(Thousand Baht)	2013	2012	2011
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Statement of financial position

Total Assets	2,761,154	2,749,161	2,647,656
Total Liabilities	250,291	260,652	292,738
Total Equity	2,510,863	2,488,509	2,354,918

Statement comprehensive income

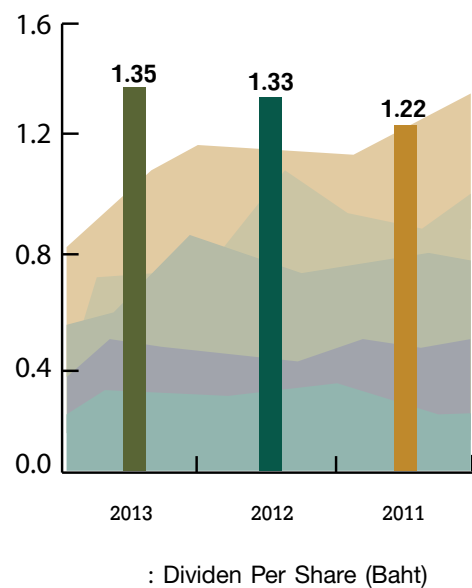
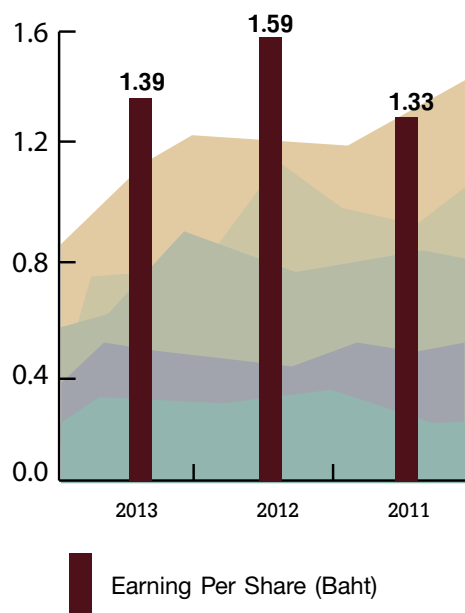
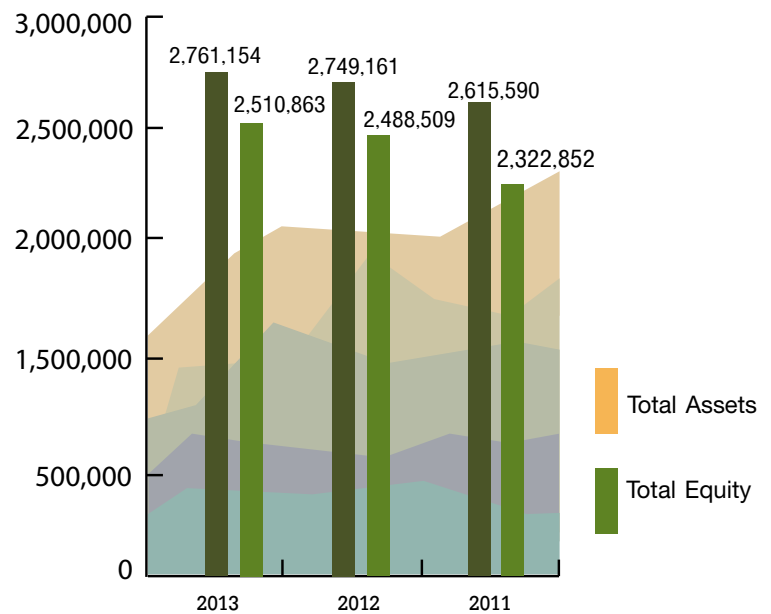
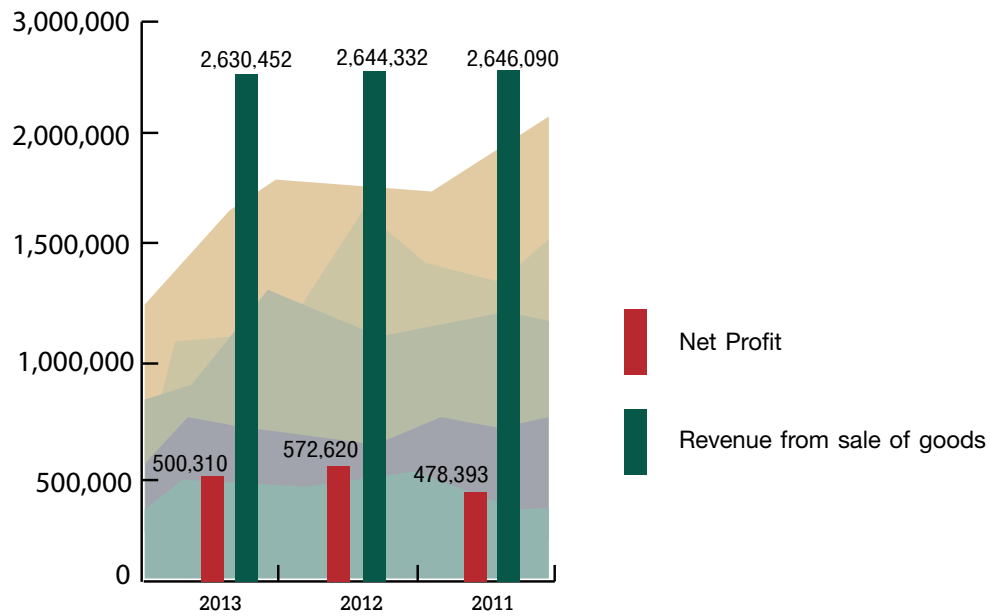
Revenue from sale of goods	2,630,452	2,644,332	2,646,089
Cost of Sales of goods	1,606,142	1,507,500	1,548,079
Net Profit	500,310	572,620	478,393

Shares or Related information of common stock

Earning Per Share	(Baht)	1.39	1.59	1.33
Book Value Per Share	(Baht)	6.97	6.91	6.45
Dividend Per Share	(Baht)	1.35	1.33	1.22
Pay out Ratio	(%)	97.14	83.62	91.81

Financial ratio

Sales Growth	(%)	(0.52)	(0.07)	3.96
Net Profit Growth	(%)	(12.63)	19.70	14.33
Cost of Sales Ratio	(%)	61.06	57.01	58.50
Margin Ratio	(%)	38.94	42.99	41.50
Earning before tax	(%)	23.11	27.87	25.76
Net Profit	(%)	18.46	21.36	17.87
Return on Equity	(%)	20.01	23.65	20.27
Return on Equity	(%)	18.16	21.22	18.61
Current Ratio	(time)	6.63	6.42	6.54
Debt Equity Ratio	(time)	0.10	0.10	0.12



Message from the Chairman

Thailand's overall economy in 2013 represented slowdown in momentum due to various negative factors, in particular, household and firms remained cautious in spending amid of widespread concerns over the steadily increased expenses. In addition the labor shortages as well as the production cost increase in some industries as agricultural and food industries, meanwhile, some businesses decided to postpone investment and employment in amidst of the economic and domestic political uncertainties, these aforementioned effects reflect overall economic continual decline.

SAUCE was affected inevitably. As a result, SAUCE's performance this year recorded unfavorably slightly decreased from our target. Yet, there is the possibility of increasing worldwide fluctuation and difficulties for which every sector must face and prepare. As one of the leader of condiment manufacturers in Thailand, SAUCE has laid out the key issues not only encouraging the research and development of our products and packaging but focusing on well awareness of the efficiency energy use of water, electricity, steam, coal and etc., as well as enhancing the environmental management both inside and outside complying with our production management. These efforts will reinforce our corporate image and value; as well strengthen the confidence amongst our customers, consumers and partners in long term. The related key projects include as follows:-

- Improving product quality constantly, as well as developing variety of products and packaging, also launching them attractively. This enhances the competitive opportunities and potential in both domestic and international markets.
- SAUCE has developed a 200ml glass bottle which is 6% lighter than the previous one. It's convenient to handle and use, also with its lightweight, this reduces the impacts of transportation and logistics, also decreases the resource we use and promotes long term cost saving.
- To improve steam pipes around the factory by surrounding insulation to prolong steam in the pipes. This also maintains constant heat; reduces condensate due to the differential temperature between the inner steam and ambient outside. The steam energy utilization is more efficiently.
- Improvement of heat tanks by surrounding insulation to reduce heat energy loss; moreover, protein (TN) in our product is higher due to more complete boiling process. This contributes not only more efficient steam energy use, also better working environment since the heat and hazardous waste occurred in process decrease a lot.
- Improving wastewater treatment in the aeration section by installing OHR Aerator technology (Original Hydrodynamic Reaction Technology). The treated waste water is better condition and no maintenance for OHR equipment of which most of time can be saved, in addition, OHR technology reduces power consumption by 25%.

Anyway, SAUCE has anticipated that raw material costs in the coming year continues to increase steadily since the expanding unpredictable global climate change started the end of this year could virtually affect agricultural productivity and ignite global food. In addition, the unsteady local political situation pushed huge pressure on many sectors has affected negative impact in public purchasing power. SAUCE has well realized and speeded up policies on some raw materials preparation in advance, particularly, the agricultural crops to alleviate the coming impacts. SAUCE still plays a vital role on society, nearby community and environment responsibility, perceives our customer and consumer requirements and works on products development for high quality and food safety; in addition develops product variety and value added products along with sustainable cost reduction, productivity enhancement and efficiency energy consumption; coupled with upgrades human resource potential underlie them responding to the market competitiveness increase and forward stepping to the ASEAN Economic Community (AEC) in the near future.

On behalf of the Board of Directors of Thaiheparos Public Company Limited, I would like to express our deepest gratitude and appreciation to our shareholders, consumers, customers, suppliers, stakeholders and related parties for their continued support and trust, as well interest in SAUCE. I also like to extend sincere thank to our executive management and all the employees for their hard work and dedication.



PARINYA WINYARAT
Chairman of the Board



Policy and Overall Business

Vision, Objectives, Goals, and Strategies

Vision

“SAUCE”

Moves forward to be the leader of condiment manufacturers in Thailand; and eventually becomes “Your taste and happiness”

“SAUCE aims to run business sustainably with integrity for delivering the high quality products to consistently meet customers and consumers’ satisfaction; and enhances our brand loyalty

Mission

Core Values

- 1.Put the right man on the right job.
- 2.Push an action as soon as you learn; work out immediately
- 3.Create the positive thinking as follows: honesty, discipline, educating, hard-work, hygienic practice and economizing.
- 4.Unity creates happiness and benefits.

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 Public Company Limited 59 years

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.



13 MAY 2010



13 MAY 2001



13 MAY 2001



1 APRIL 2011



13 JULY 2012



ปี 1987

Nature of Business

Thaitheparos Public Company Limited is in the food and beverage industry. We are the manufacturer and distributor of seasoning food products under "Golden Mountain" brand consisting of seasoning sauce, chilli sauce, distilled vinegar, tomato ketchup, chilli & tomato sauce, oyster sauce, fermented soy sauce and powdering sauce, fermented soy sauce powder, oyster sauce under "Tahai" brand as well as Sriraja chilli sauce under "Sriraja Panich" brand and naturally brewed Japanese soy sauce under "Kinzan Shoyu" brand including house brand.

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

In 2011, Company product and sale Raw Sauce to associate "Exter (Thailand) company Limited.

Structure of Sales Revenue

In 2013, the Company distributes all our products both domestic and export market. Domestic sales accounts for 90.37% 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 9.63% of total sales, consists of exporters and distributors.

(Unit : Thousand Baht)

Products	2556		2555		2554	
	Amount	%	Amount	%	Amount	%
Domestic Sales	2,377,096	90.37%	2,412,976	91.25%	2,406,488	90.95%
Export Sales	253,356	9.63%	231,356	8.75%	239,602	9.05%
Total Sales	2,630,452	100%	2,644,332	100%	2,646,090	100%
Increase (Decrease) of Total Sales		(0.52)%		(0.07)%		3.96%

Before



New!! Wrap around



Significant Changes

Before



NEW!

Production and Marketing

1. Change New Transforming of Seasoning Sauce “Green Cap” 200 ml. in the second quarter of 2013

1.1 Change New Transforming of Seasoning Sauce “Green Cap” 200 ml. (1*24) on June 2013 by changing the production system of Glass Bottle from B&B (Blow and Blow) to NNPB (Narrow Neck Press and Blow). It can help reduce the weight of a bottle from 148 grams to 140 grams and contribute less impact to environment. It is more convenient for distribution as well.

1.2 Change new technology as “Wrap Around” packaging which is single step to help reduce amount of paper for packaging and contribute less impact to environment.

2. New Bottling Line for Seasoning Sauce 1,000 ml. in the third Quarter of 2014

New Bottling line with modern technology from Europe for Seasoning Sauce and Light Soy Sauce 1,000 ml. which has production capacity 18,000 bottles per hour or 180,000 cases per month. This project has been started since 2013 and started its production on July 2013 for supporting the sale of Modern Trade. Project Value is approximately Baht 110 million

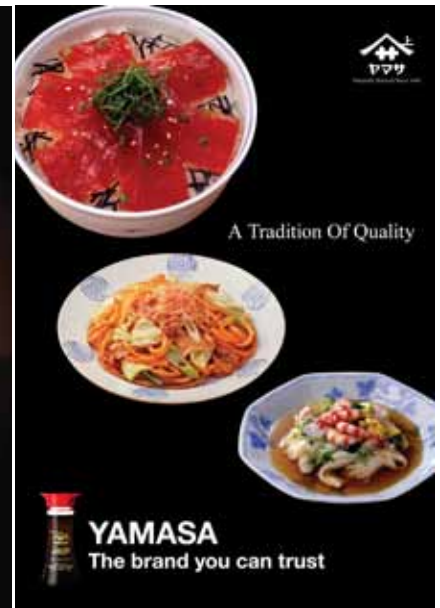


Significant Changes

Associate Company

Yamasa (Thailand) Co.,Ltd

The company produces "Yamasa" Soy Sauce distributing to Yamasa (Thailand) Co.,Ltd., associates company ,with total sales in Fourth year amounting to Baht 25.62 million increased by 10.15 Baht million or increased Baht 65.61% compared to that of 2012 Baht 15.47 Million.



Exter (Thailand) Limited.

The company produces "Raw Sauce" distributing to Exter (Thailand) Limited, associated company, since the third quarter of 2011 with total sales in the Third year amounting to Baht 14.92 MB decreased by 7.72 Baht million or decreased 34.12% compared to that of 2012 Baht 22.04 Million



Industry and Competition

Industry and Competition

Thailand's overall economy in 2013 featured a downturn mainly affected from a slowdown in foreign market and baht currency appreciation which directly cause major disadvantages on Thailand export. The government policy in stimulating economic growth also accelerated household debt which lowered consumers' purchasing power. Consumption and private investment has decelerated after a flood disaster in late 2011. On the other hand, the government Mega Project remains unclear. The Dissolution of Parliament influenced the investors' confidence. And the government budget disbursement was delayed. These factors directly affected consumers' consumption which escalated cost of living. Consumers carefully restricted their spending.

As a result of the Thai economics in 2013 decreased the overall growth from 3.83 per cent in 2012 to 3.23 per cent. A slowdown in consumers' purchasing power and higher cost of living affected from a new mark-up price in consumer products due to a new minimum wage adjustment led to a lowering consumption in condiment products. Consumers were aware of their spending and higher-price products. Therefore, a situation in a condiment market was not competitive. Most manufactures penetrated the market through various promotion tools such as price-off deal, free sample and premium and sweepstake campaign. However these marketing tools didn't gain much success because of those mentioned factors and a continually higher price of raw material. Most marketing promotions emphasized on a point-of-purchase advertising in department stores and modern trade by occupying shelf head boards. A shelf decoration is applied to draw customers' attention. New products with extended size were launched to attract low income customers.

In 2013, Thaitheparos Plc. has adopted a proactive marketing strategy to outstretch our customers. We have promoted our distribution channels such as a special price promotion in modern trade as well as point-of-purchase advertising to encourage customers purchasing in upcountry department stores.

SAUCE kicked-off the commercial campaign "Jaroern Jaroern" capturing our products with well-known country song musicians. This campaign was outlined to be a TV commercial broadcasted nationwide, magazines, billboards and banners aiming to help strengthen brand awareness and brand loyalty with "Golden Mountain" among broad consumers.

Moreover, the company has embraced innovative means of production to help develop our products. We have modified a new design of 200ml Seasoning Green Cap Sauce bottle which result in a lighter and more convenient bottle.



The Export Market

In 2013, seasoning products of Thailand were exported more than 16,796 million baht that said more than 7.25% increase compare with 2012. The main products as soy sauce, fish sauce, instant curry paste and seasoning powder and other seasoning products. As for chili sauce (including sweet chili sauce), soy sauce, tomato ketchup were more than 2,541 million baht which is 15.13% of total value and said that increasing 14.51% from 2012.

The main importers of soy sauce are USA, Laos, Cambodia, Malaysia and Singapore which acquired more than 372.94 million baht or 53.65% of total value 695.17 million baht. For chili sauce, main importers are UK, Germany, South Korea, USA and The Netherlands which acquired more than 822.89 million baht or 48.90% of total value 1,682.58 million baht.

In 2013, SAUCE export seasoning products totaling 253.35 million baht increase 9.5% or 21.98 million baht compared with 231.36

Marketing & Social Activities

Thaitheparos Public Company Limited has realized the importance of implementing marketing activities in order to increase and promote our sales system more efficiently. The appropriate marketing activities can help draw and reach out to our prospect customers which help extend the company's new target group and boost the continuous consumption in long run. They also strengthen our brand image and create consumers' positive attitude towards our products.



Television

- A TV commercial under a campaign partnering with GMM Grammy "Jaroern Jaroern" captures our products with popular country song musicians and "Nueng-Narongwit, a well-known songwriter.
- "Kitchen Bank", a cooking TV program on-aired every Saturday at 12.00-12.05 on Modernine TV and FAN TV, featured easy cooking meals introduced by Mr.Bancha Winyarat.
- A main sponsor of "The Iron Chef Thailand", broadcasted on Channel 7 every Wednesday at 11.00 PM – 01.00 AM and "The Iron Chef Special" on-aired on national holidays at 9.00 - 10.00

Social media

- We have communicated with our consumers through our Facebook's Fanpage account, "Golden Mountain by Thaitheparos"
- An activity "Yoe Su Fud", the winner would get 2 airplane tickets to Hongkong
- A contest held to gain shared photos of fanpage members with our products
- An online cooking tutorial by a famous blogger

Customer Relation Management

- A product demonstration in department stores, stores across the country and festivals
- A product trade show called "Nationwide Delicious with Thaitheparos" in upcountry
- A free product distribution as a favor to our customers
- A cooking class demonstration
- A shop decoration; tablecloth and apron give away to restaurants and chefs
- A product trade show in "THAIFEX World of Food Asia 2013" and "Makro HoReCa"
- A special price promotion in A Blue Flag event at City Hall, Samutprakarn

PR Activities

- A press conference of "60th Anniversary of Thaitheparos"
- A press conference of "The Kitchen Opening, Serving Great Menu for New Year Festival"
- Welcoming students from Faculty of Agro-Industry, Kasetsart university for a study visit
- Supporting 4th Year Anniversary celebration of Samutprakarn Press association



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	2013	2012	2011
Sales revenue of three major discount stores	522,673	492,640	569,128
% of total sales	19.87	18.63	21.51

Besides the discount stores, we employs all distribution channel covering wholesalers (yi pua), restaurants, food stores as well as industry and more than 6,000 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 49 years establishing a significant advantage over competitors.

Production Risk

- Lack of Raw Materials

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 2011, 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 2013, Winyarat family holding share equal to 78.12% 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.

General Information and Other significant Information

Name of Company	Thaitheparos public company limited (former name Thai Theparos Food Products Public Company Limited)
Head office	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
Registration No.	0107536001265
Branch 1	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
Established	1954
First Trade Date	20 January 1995
Symbol	SAUCE
Industry / Sector	Agro and Food Industry / Food and Beverage
Registered Share Capital	600 Million Baht (600,000,000 shares of Baht 1 par value)
Issued and paid up Capital	360 Million Baht (360,000,000 shares of Baht 1 par value)
Number of Staff	Head office 688 persons
Fiscal Year	1 January - 31 December
Other Reference	A. Register Thailand Securities Depository Co., Ltd 62 Ratchadaphisek Road Klongtoey Bangkok 10110 Thailand. Tel : 0-2229-2800 Fax : 0-2359-1259 TSD call center : 0-2221-2888 B. Auditors 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 Buranakittisopon CPA Registration Number 3920 KPMG Phoomchai Audit Limited. 48 nd Floor Empire Tower 195 South Sathorn Road, Yannawa, Sathorn Bangkok 10120 Tel : 0-2677-2000 Fax : 0-2677-2222
Associate (1)	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
Core Business	Distributor Japanese soy sauce under " Yamasa " brand in South East Asia.
Registered Share Capital	30 Million Baht (300,000 shares of Baht 100.00 par value)
Issued and paid up Capital	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)
Associate (2)	EXTER (THAILAND) LTD. 208 Moo 6 Taiban Road, Taiban Sub-District, Muang District, Samutprakarn, Thailand 10280 Tel : +66-2755-2888 Fax : +66-2755-2887
Core Business	Manufacturer and distributor of seasoning food products under " Exter " brand export to Europe and South East Asia.
Registered Share Capital	20 Million Baht (2,000,000 shares of Baht 10.00 par value)
Issued and paid up Capital	20 Million Baht (2,000,000 shares of Baht 10.00 par value)
Proportion holds shares	40%
Nature of Business	

Thaitheparos 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.

Security information and Shareholders

1.Share capital

Registered Share Capital 600 Million Baht (600,000,000 shares of Baht 1 par value)

Issued and paid up Capital 360 Million Baht (360,000,000 shares of Baht 1 par value)

2. Share holders

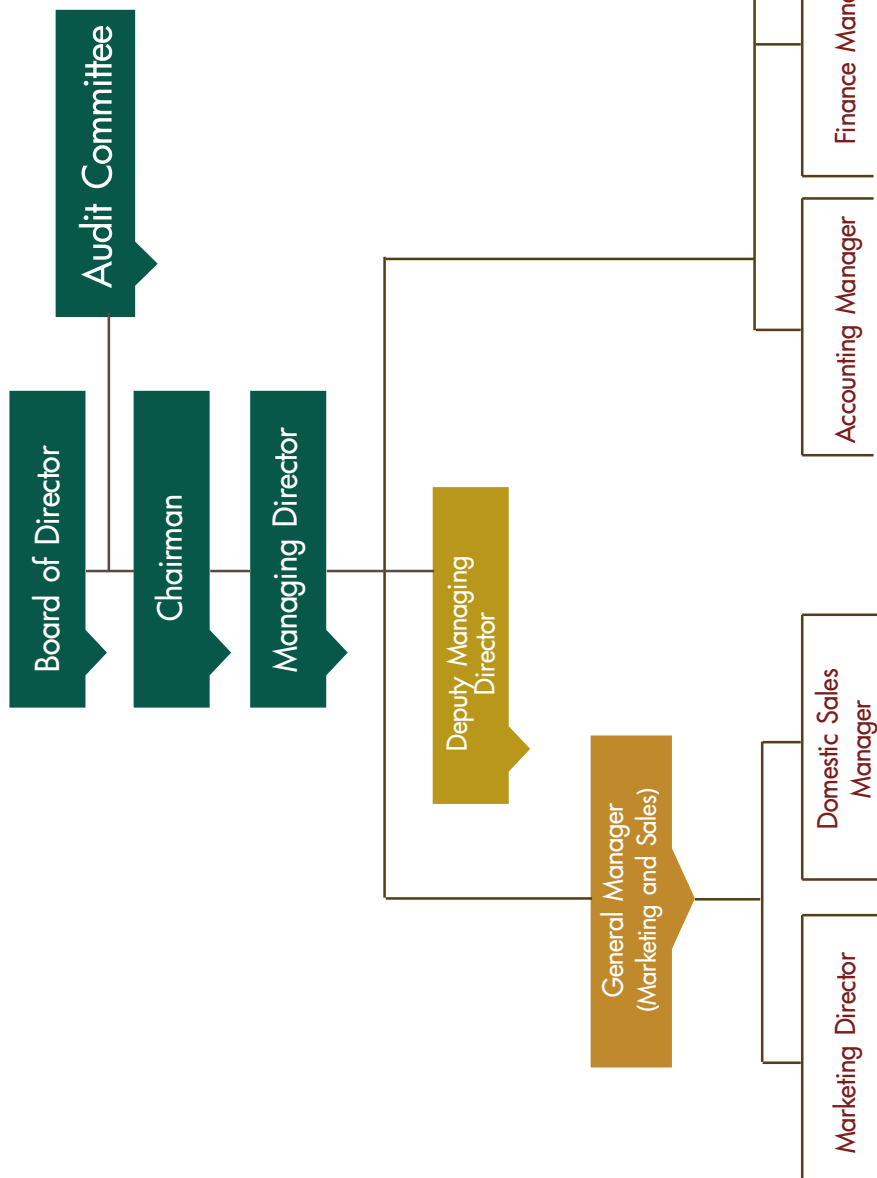
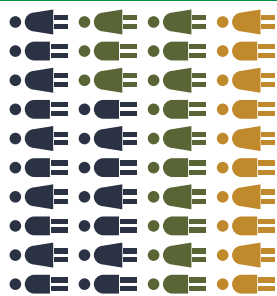
Major Shareholders as of the Annual General Meeting of Shareholders No. 2013 hold on April 24, 2013.

Major Shareholders		Shares	(%) of Total Share
1.	WINYARAT FAMILY	281,238,500	78.12
2.	Bangkok Life Insurance PLC.	11,687,200	3.25
3.	Ms. Vilaiporn Pothiinta	5,139,000	1.43
4.	Mr. Wanchai Prasithvoranunta	5,000,000	1.39
5.	Ms. Pattama Sethanukul	4,200,000	1.17
6.	Green Spot (Thailand) Co.Ltd.	3,861,100	1.07
7.	Miss Natechanok Suwanacheep	3,650,000	1.01
8.	Bangkok Insurance PLC	3,320,900	0.92
9.	Mr. Cherdchoo Soponpanich	3,065,000	0.85
10.	CS Capital Co,Ltd	2,700,000	0.75
Total		323,861,600	89.96

Remark WINYARAT FAMILY consist of :

Major Shareholders		Shares	(%) of Total Share
1. Mr.Parinya	Winyarat and related persons	180,424,860	50.12
2. Miss.Malee	Winyarat and related persons	53,498,070	14.86
3. MsPornnapa	Winyarat and related persons	47,267,570	13.13
4. Mr.Wasan	Winyarat and related persons	48,000	0.01
		<u>281,238,500</u>	<u>78.12</u>

Management Structure



Mr. Parinya Winyarat	Chairman
Mr. Parinya Winyarat	Managing Director
Ms. Pornnapa Winyarat	Deputy Managing Director
Miss Malee Winyarat	Director
Mr. Wanchai Prasithvoranont	Accounting Manager
Miss Sunee Winyarat	Marketing Director
Mr. Anupong Surongsuvaphap	Domestic Sales Manager
Mr. Anuwatr Aersirithakool	Production Manager
Ms. Vilaporn Pothiinta	Human Resource Manager

Organization Chart



Board of Directors

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

Date of Birth	: May 26, 1954
Age	: 59
Education	: Honorary Doctor of Home Economics (Food and Nutrition) Faculty of Home Economics Technology Rajamangala University of Technology, Thailand Bachelor Degree in Chemistry, National Taiwan University
Experience	
2000 - Present	: Managing Director, Thai Theparos Public Company Limited
1993 - Present	: Director / Chairman of the Board and Managing Director Thai Theparos Public Company Limited
1987 - 1992	: Managing Director, Thai Theparos Public Company Limited
No. of holding shares	: 119,158,580 shares,
No. of share changed	: -
Position in Other Listed Companies	: None
Position in None listed companies	
Position in Rival Companies/ Connected Business that May Cause Conflict of Interest	: None
Relation Among family with the Company	: Mr. Bancha Winyarat's Father and Mr. Tanawat Winyarat's uncle.
Director remuneration	: 1,100,000 Baht
Attended Board of Director's Meeting in 2013	: Attended 5 out of 5 Board of Director's Meeting

1	2	3	4	5
	6	7	8	9

2. Ms. Pornnapa Winyarat (Director)

Date of Birth	: July 26, 1949
Age	: 64
Education	: -
Director Training Program	: Director Accreditation Program (DAP) Class 37/2005 Thai Institute of Directors Association
Experience	
1996 - Present	: Deputy Managing Director, Thai Theparos Public Company Limited
1993 - Present	: Director, Thai Theparos Public Company Limited
No. of holding shares	: 16,958,570 shares
No. of share changed	: -
Position in Other Listed Companies	: None
Position in None listed companies	
Position in Rival Companies/ Connected Business that May Cause Conflict of Interest	: None
Relation Among family with the Company	: Mr. Tanawat Winyarat's Mother and Mr. Parinya Winyarat's Elder
Director remuneration	: 500,000 Baht
Attended Board of Director's Meeting in 2013	: Attended 5 out of 5 Board of Director's Meeting

**3. Miss Malee Winyarat
(Director)**

Date of Birth : February 14, 1954
Age : 59
Education : Bachelor Degree in Business Administration
(Money and Banking) Ramkhamhaeng
University
Director Training Program : Director Accreditation Program (DAP)
Class 37/2005
Thai Institute of Directors Association
Experience
1993 - Present : Director
Thaiheparos Public Company Limited
1993 - 2010 : Director and Deputy Managing Director
(Accounting and Finance)
Thaiheparos Public Company Limited
1987 - 1993 : Accounting and Finance Manager,
Thaiheparos Public Company Limited
No. of holding shares : 14,004,520 shares
No. of share changed : - shares
Relation Among family with the Company : Mr.Parinya Winyarat's niece
and Mr. Bandit Winyarat's sister Director
remuneration : 500,000 Baht

Attended Board of Director's Meeting in 2013 : Attended 5 out of 5 Board
of Director's Meeting

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

Date of Birth : October 2, 1956
Age : 57
Education : Master of Arts , Major : Man and
Environment Management, Chiang Mai
University
: Bachelor Degree in
Engineering,
Adamson University, Philippines
Director Training Program : Director Accreditation Program (DAP)
Class 37/2005
Thai Institute of Directors Association
Experience
1993 - Present : Director
Thaiheparos Public Company Limited
1993 - 2008 : Deputy Managing Director
Thaiheparos Public Company Limited
1993 - 2007 : Branch Manager (Lampang)
Thaiheparos Public Company Limited
No. of holding shares : 26,419,520 shares
Position in Other Listed Companies : None
Position in None Listed Companies : None
**Position in Rival Companies/
Connected Business
that May Cause Conflict of Interest** : None
Relation Among family with the Company : Mr.Parinya Winyarat's niece
and Mr. Bandit Winyarat's
Director remuneration : 500,000 Baht
**Attended Board of Director's
Meeting in 2013** : Attended 5 out of 5 Board of
Director's Meeting

**5. Mr. Phot Kongputhi
(Independent Director / Audit Committee)**

Date of Birth : October 10, 1938
Age : 75
Education : Accounting,
A.B.I., Institute of Book - Keeper,London
Director Training Program : -
Experience
2011 - Present : Audit Committee
Thaiheparos Public Company Limited
2010 - Present : Independent Director
Thaiheparos Public Company Limited
2002 - Present : Director
Thaiheparos Public Company Limited
No. of holding shares : None
No. of share changed : -
Position in Other Listed Companies : None
Position in None Listed Companies : 1 position
2008 - Present : Director and Managing Director
Promma Mining Co.,Ltd.
**Position in Rival Companies/
Connected Business
that May Cause Conflict of Interest** : None
Relation Among family with the Company : -
Director remuneration : 350,000 Baht
Audit Committee Remuneration : 132,000 Baht
**Attended Board of Director's
Meeting in 2013** : Attended 5 out of 5 Board
of Director's Meeting
Attended Audit Committee's Meeting : Attended 4 out of 4 Audit
Committee's Meeting

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

Date of Birth	: May 8, 1947
Age	: 66
Education	: MBA, Michigan State University : Bachelor Degree in Accounting, Thammasat University
Director Training Program	: Director Accreditation Program (DAP) Audit Committee Program (ACP) Thai Institute of Directors Association
Experience	
1999 - Present	: Audit Committee Chairman, Thaitheparos Public Company Limited
1993 - Present	: Independent Director, Thaitheparos Public Company Limited
No. of holding shares	: None
No. of share changed	: None
Position in None Listed Companies	: 3 position
2008 - Present	Audit Committee Chairman, Sabina Public Company Limited
2002 - Present	Audit Committee Tata Steel Public Company Limited
2008 - Present	Audit Committee Thai Cane Paper Public Company Limited
Position in None Listed Companies	: None
Position in Rival Companies/Connected Business that May Cause Conflict of Interest	: None
Relation Among family with the Company	: -
Director Remuneration	: 400,000 Baht
Audit Committee Remuneration	: 198,000 Baht
Attended Board of Director's Meeting in 2013	: Attended 5 out of 5 Board of Director's Meeting
Attended Board of Audit Committee Meeting in 2013	: Attended 4 out of 4 Audit Committee's Meeting

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

Date of Birth	: January 7, 1932
Age	: 81
Education	: United States Naval War College , USA Royal Thai Navy College
Director Training Program	: Director Certification Program (DCP) 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, Thaitheparos Public Company Limited
1994 - Present	: Independent Director, Thaitheparos Public Company Limited
No. of holding shares	: None
No. of share changed	: -
Position in None Listed Companies	: 1 position
1993 - Present	Managing Director & Port Director Sriracha Harbour Public Company Limited
Position in None Listed Companies	: None
Position in Rival Companies/Connected Business- that May Cause Conflict of Interest	: None
Relation Among family with the Company	: -
Director remuneration	: 350,000 Baht
Audit Committee remuneration	: 132,000 Baht
Attended Board of Director's Meeting in 2013	: Attended 5 out of 5 Board of Director's Meeting
Attended Board of Audit Committee Meeting in 2013	: Attended 4 out of 4 Audit Committee's Meeting

**8. Mr. Tanawat Winyarat
(Director)**

Date of Birth : November 13, 1974
Age : 41
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 Public Company Limited.
2004 - 2012 : Director
 Thaiheparos Public Company Limited.

No. of holding shares : 25,709,000 shares
No. of share changed : -
Position in Other Listed Companies : None
Position in none Listed Companies : 3 Positions:-
2010 - Present : Director,
 Exter (Thailand) Limited
2008 - Present : Director,
 Yamasa Corporation (Thailand) Co.,Ltd
2005 - Present : Director,
 Ratchatayothin Co.,Ltd

**Position in Rival Companies/
 Connected Business**
that May Cause Conflict of Interest : None
Relation Among family : Mrs. Pornapa Winyarat's son
with the Company : Mr. Parinya Winyarat 's nephew
Director remuneration : 300,000 Baht
Attended Board of Director's : Attended 5 out of 5 Board of
Meeting in 2013 : Director's Meeting

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

Date of Birth : 27-Apr-1985
Age : 28
Education : MSc & DIC in Environmental
 Engineering, Imperial College London, U.K.
 : Bachelor of Engineering in Engineering
 with Business Finance with First Class
 Honours , University College London ,U.K

Director Training Program : -
Experience
2010 - Present : Director,
 Thaiheparos Public Company Limited.

No. of holding shares : 24,632,000 shares
No. of share changed : 9,032,000 shares
Position in Other Listed Companies : None
Position in None Listed Companies : 1 position :-
2010 - Present : Director, Exter (Thailand) Limited
Position in None listed companies
**Position in Rival Companies/
 Connected Business**
that May Cause Conflict of Interest : None
Relation Among family : Mr. Parinya Winyarat 's son
with the Company
Director remuneration : 300,000 Baht
Attended Board of Director's : Attended 5 out of 5 Board of
Meeting in 2013 : Director's Meeting

Director	No.of share changed			
	Historical Forward January 1, 2013	Buy	Sale	Carry Forward December 31,2013
1.Mr. Parinya Winyarat	119,158,580	-	-	119,158,580
2.Ms. Pornapa Winyarat	16,958,570	-	-	16,958,570
3.Miss Malee Winyarat	14,004,520	-	-	14,004,520
4.Mr. Bandit Winyarat	26,419,520	7,500	-	26,419,520
5.Mr. Phot Kongputhi	-	-	-	-
6.Asst. Prof. Raweevan Piyayopanakul	-	-	-	-
7. Vice Admiral Tanong Sirirangsri	-	-	-	-
8.Mr. Tanawat Winyarat	25,709,000	-	-	25,709,000
9.Mr. Bancha Winyarat	24,632,000	-	-	24,632,000
Total	226,882,190	7,500	-	226,889,690



Management Team

1. Mr. Parinya Winyarat

Chairman of the Board and Managing Director

2. Mr. Wanchai Prasithvoranunta

Accounting Manager

3. Miss Sunee Winyarat

Finance Manager

4. Mr. Tanawat Winyarat

Marketing Manager

5. Mr. Anupong Surongsuvaphap

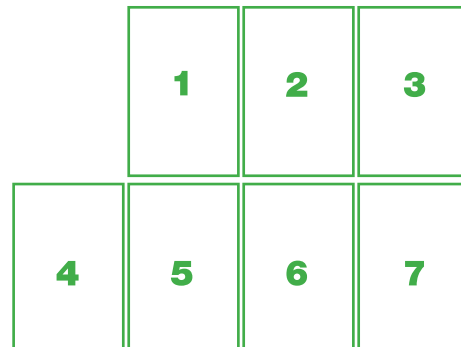
Domestic Sales Manager

6. Ms. Vilaiporn Pothiinta

Human Resource Manager

7. Mr. Anuwatr Aersitrakool

Production Manager



Management Team

2.Mr. Wanchai Prasithvoranunta (Accounting Manager)

Age : 52
 Education : Bachelor Degree in Business Administration (Second Class Honors), Sukhothai Thammathirat University
 Experience
 1994 - Present : Accounting Manager
 Thaiheparos Public Company Limited
 No. of holding shares : 5,000,000 shares
 No. of shares changed : -

3.Miss Sunee Winyarat (Finance Manager) Corporate secretary

Age : 54
 Education : Bachelor Degree in Economics, Ramkamhaeng University
 Experience
 2008 - Present : Corporate Secretary
 1994 - Present : Finance Manager
 Thaiheparos Public Company Limited
 Seminar : Corporate Secretary Development Program, Chulalongkorn University
 No. of holding share : 13,066,530 shares
 No. of shares changed : -

5.Mr. Anupong Surongsuvaphap (Domestic Sales Manager)

Age : 52
 Education : Bachelor of Marketing Krirk University
 Experience
 2004 - Present : Domestic Sales Manager
 Thaiheparos Public Company Limited
 No. of holding shares : 10,000 shares
 No. of shares changed : -

6.Mrs. Vilaiporn Phothiinha (Human Resource Manager)

Age : 53
 Education : Bachelor of Public Administration
 Sukhothai Thammathirat University
 Experience
 2004 - Present : Human Resource Manager
 Thaiheparos Public Company Limited
 No. of holding shares : 5,600,000 shares
 No. of shares changed : -

7.Mr.Anuwatr Aersitrakool (Production Manager)

Age : 47
 Education : Master of Business Administration
 Ramkamhaeng University
 : Bachelor of Agriculture Industry,
 King Mongkut Institute of
 Technology Ladkrabang
 Experience
 2005 - Present : Production Manager
 Thaiheparos Public Company Limited
 2001 - 2005 : Plant Manager
 Wang Palm Oils Company Limited
 (Wangkanai Group)
 No. of holding shares : -
 No. of shares changed : -

Management Team	No.of share changed			
	Historical Forward January 1, 2013	Buy	Sale	Carry Forward December 31,2013
2.Mr. Wanchai Prasithvoranunta	5,000,000	-	-	5,000,000
3.Miss Sunee Winyarat	13,066,530	-	-	13,066,530
5.Mr. Anupong Surongsuvaphap	10,000	-	-	10,000
6.Mrs. Vilaiporn Phothiinha	5,600,000	-	-	5,600,000
7.Mr.Anuwatr Aersitrakool	-	-	-	-
Total	23,676,530	-	-	23,676,530

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.

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 2013 as follow:

	Person	Remuneration for Director	*Salary/Bonus & other	Total
Directors	9	4,300,000.00	11,515,917.00	15,815,917.00
Management	5	-	7,887,165.00	7,867,165.00
Directors and Management	14	4,300,000.00	19,383,082.00	23,683,082.00

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

	(million) Person	2556	2555	Change	%
Remuneration for Director	9	4.30	4.30	-	-
Salary/Bonus & other - Directors	9	11.51	11.44	0.07	0.61
Total Directors	9	15.81	15.74	0.07	0.44
Salary/Bonus & other - Management	5	7.87	7.87	-	-
Total Directors and Management	14	23.68	23.61	0.07	0.30

Personnel

As December 31, 2013 Sauce has 688 employees increased 30 persons from 2012 or increased by 4.56% .

Headquarter totally 688 persons in each operation as follows:

Management	2 persons
Production Department	382 persons
Quality Assurance & Research Development Department	23 persons
Engineering Division	14 persons
Sales Department, Marketing Department and Logistic Division	195 persons
Accounting Department, Financial Department and Computer Division	40 persons
Human Resource Department	22 persons
Purchasing Division.	6 persons
Quality management Division and Secretaries	5 persons

Remuneration is a key success factor to attract and retain a better performance in SAUCE of which include salary, wages, overtime payment, cost of living, the incentive fee, commission, allowances, bonuses, severance pay and provident fund of which for the year 2013 totally Bht 221.67 million; compared with Bht 202.66 million in 2012; an increase of Bht 19.01 million or 9.38% (this amount included Directors and Advisors Remuneration). Besides, SAUCE provides other welfares to our employees.

SAUCE recognizes the importance of our employees, so the key role of our policy is Human Resource Development by training and empowering staff skills both in-house and outside. We have an annual training plan including ON THE JOB TRAINING for new staff and the rotated staff.

The Company has no significant labor disputes in the past 3 years.

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 2012, 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.2/2013 which held on March 12, 2013 providing to arrange the Annual General Meeting of Shareholders on April 24, 2013 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 "Investor Relation" 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 27-29, 2013

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 2013 which was held on April 24, 2013 comprise of Board of executive director consisting of 3 persons : Chairman of the Board, and Deputy Managing Director 1 person and director/marketing manager 1 person and non executive director 3 persons, Audit Committee Chairman 1 person and audit committee member 2 person . The company, therefore, has a total of 9 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 of 2013 for the company was 15.57 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 shareholders 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 Marketing 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

In 2013, the company has disclosed sufficiently significant financial information in the financial statements in accordance with the Stock Exchange of Thailand and Office of Securities and Stock Exchange Commission and accounting standards by the information disclosure system of the Stock Exchange of Thailand. The financial statements has been audited and given and opinions without any condition by Certified Public Accountant, Audit Committee Meeting and Board of Director before disclosing to shareholders. Board of Directors have disclosed the responsibilities of Board of Directors to the financial report in the annual report as well.

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

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

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

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

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

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

5. Responsibilities of the Board

5.1 Structure of the Board of Directors

The company's Board of Directors is comprised of qualified persons who possess 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 9 members comprised 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

(Two 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, Mr. Tanawat Winyarat, Mr. Bancha 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 two years previously.

3. An Independent Director must have no director 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 31,2013 Board of Directors of Thai Theparos Food Products Public Company Limited consists of 9 qualified 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
4. Miss Malee	Winyarat	Director
5. Mr. Bandit	Winyarat	Director
6. Mr. Bancha	Winyarat	Director
7. Mr. Phot	Kongputhi	Independent Director and Audit Committee Member
8. Asst. Prof.Raweeewan	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.

Independent Directors have adequate expertise and experience to creditability of the financial report at least 1 person.

Sauce has two independent directors namely ; Assistant Professor Raweeewan Piyayopanakul and Mr.Phot Kongputhi. They also have adequate expertise and experience to creditability of the financial report

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. Vice Admiral Tanong Sirirangsri | Independent Director and Audit Committee Member |
| 3. Mr. Phot Kongpuhi | Independent Director and Audit Committee Member |

The Audit Committee number 1 and 3 who have adequate expertise and experience to review creditability of the financial reports.

Audit committee Duties and Responsibilities

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

Board of Executive Director consist of 2 persons as follows:

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

Board of Executive Director's Duties and Responsibilities

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

5.3 Board of Director's Duties and Responsibilities

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

The Board has roles and responsibilities as follow:

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

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

Policy on Corporate Governance

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

Equally and fairly treat to shareholders and all stakeholders.

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

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

Inside Information Rules and Practices

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

Internal Control

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

5.4 Board of Directors' Meetings

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

The secretary issues invitation with agenda and information 7 days in advance. A regular meeting consumes 2.5-3 hours. In 2013, 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 2013 as follow:

	Person	Remuneration for Directors	*Salary/Bonus & other	Total
Directors	9	4,300,000.00	11,515,917.00	15,815,917.00
Management	5	-	7,887,165.00	7,867,165.00
Directors and Management	14	4,300,000.00	19,383,082.00	23,683,082.00

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

Corporate Governance of associate

SAUCE has submitted our Directors to be Directors in the associate's Board of Directors as follows:

- | | | |
|---------------------------------|---------------|-------------------------|
| 1. Yamasa (Thailand) Co., Ltd.: | 1 Director : | 1. Mr. Tanawat Winyarat |
| 2. Exter (Thailand) Ltd.: | 2 Directors : | 1. Mr. Tanawat Winyarat |
| | | 2. Mr. Bancha Winyarat |

Auditor's remuneration

1. Audit fees

The Company paid for the audit fees as follows:

	2013	2012
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	720,000.-	690,000.-
Total the audit fees	720,000.-	690,000.-

2. Non-audit fees

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

Corporate Social Responsibility : CSR

Corporate Social Responsibilities: CSR)

SAUCE strongly recognizes the interests of all stakeholders including, investors, employees, the community and the environment. These are translated into the company's Corporate Social Responsibility policy, principles and directions and laid influential grounds of employees and executives' practices.

This policy is a guideline for shared practice comprised of 7 categories.

1. Ethical Business Operation

We are committed to ensure that our business is fairly conducted according to ethical, professional and legal standard. The company embraces the guidelines of the good corporate governance by following on Corporate Governance of the Stock Exchange of Thailand (SET).

2. Anti-Corruption

Our company is operated with transparency and has no involvement with any kinds of corruption. We have a commitment to full legal compliance. Moreover, there are reliable external and internal inspection agencies to monitor our business.

Members of Board of Director, executives and all employees are strictly obliged to company rules, regulations and business integrity to impede business bribery. Violators are subject to the highest punishment.

3. Respect on Human Right

We emphasize on booting a standard human right, human right and freedom. Our employees are equally treated with respect and no subjection on gender and diversity. Furthermore, we are against child labor employment.

4. Labor justic and Employee Responsibility

We promote a quality of life of our employees to meet labor standards by enforcing a fair treatment and an equality of opportunity in employment, a standard social welfare and a safe working environment.

Occupational Health and Safety Policy

"Working safely and attentively for no accidents"

In addition, we have continually engaged in a project named "Employees' Children Tuition Fee Fund" which was first established in 2002 by Mrs.Kim-Siew Sae-Tung (a wife of Mr.Chai Sae-Kow, a founder of a company). This fund is conducted aiming to support a tuition fee of our employees' children who have a good record on studying and pleasant behaviors.

5. Consumer Responsibility

- The company has set up a Hotline Number service to gather comments and complaints about our products and sale service from customers for further improvement.

- We continuously develop alternative methods and means that can effectively help extend our production and manufacturing quality to certify international standard; Good Manufacturing Practices (GMP), Hazard Analysis and Critical Control Points (HACCP) and ISO 9001:2008.

Quality Policy

"Produce high-quality and safe products according to food regulations to serve our customers' needs and satisfaction."

HAL-Q Policy

"Produce quality and health-concern condiment, without any restricted contaminants as Islamic provision."

- We have invested and utterly utilized our resources in Research and Development (R&D) to bring high quality products to consumers.

6. Environmental Conservation

- We are aware of environmental issues that can affect human life and well-being. Therefore, the company has implemented green technology and environmental friendly production process. We carefully use and reduce the consumption of energy resources. We have initiated waste and water recycling project.

Environmental Management System (EMS)

1. Continually manage and develop an Environmental Management System

2. Operate under relevant environmental rules and regulations

3. Carefully manage the use of energy resources and lessen pollution from its source Energy Conservation Worthily consume resources and energy; continuously develop under a related conservation energy law

- We have adopted a new "Green Carton" packaging which is a packaging innovation for environment reduce the use of natural resources. It's also lighter and stronger.

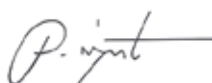
- Our employees are implanted the concept of the energy and environmental conservation. They have played a part in reducing energy consumptions.

7. Community or Society Development

We actively establish an engagement among our local community, society, country and Thai citizens. The company has valued the importance of supporting and creating our stakeholders' advantages. We attempt to engage ourselves to our community and society, where we belong to and largely share cultivation. Therefore our CSR's vision reflects through diverse projects and activities.

SAUCE is continuing with our full determination and capacity to drive and sustain our CSR strategies and projects. We are looking forward to delivering the great prospect to and our community, society and Thai citizens.

This Corporate Social Responsibility policy will become effective on December 4th, 2013.



(Parinya Winyarat)
Chairman of the Board

CSR ACTIVITIES - SAUCE has organized projects and CSR activities as follows :



Children's Day

On January 12th, 2013, we concerted "Amazing Children's Day 2013" which openly welcomed our employees' children to participate in. This brought an opportunity for children to have fun and happiness. Children enjoyed with games, activities and a mini concert from Takkatan Chonlada, a famous singer. Besides, we donated our products to school, private and public sectors nationwide for supporting their Children's Day events.

We commenced "Children's Day" in 2013 which is the first year and gain an immense positive feedback. Therefore, we have determined to widespread our project to children in nearby community to participate in. We also intend to annually continue our project.



Employees' Children Scholarship Foundation

In 2013 Employees' Children Scholarship Foundation held its ceremony on May 18th, 2013. The foundation had considered to grant 49 scholarships, which was worth 125,000 baht. For 21 years, the fund has been efficiently operated and granted 1,991,000 baht to our employees' children.



Cultural and religious endorsement

The company has partnered with local community and government sector to organize cultural and religious activities and events such as Chinese Vegetarian Festival. We accommodated both funding and our products as well as participated in a ritual parade.



Elderly people support

Partnering with Samutprakarn Provincial Administrative Organization, we organized a recreation activity for elderly people aiming to revitalizing their joyful moments.

Products donation

For all year long, SAUCE has carried out many donation projects by contributing our products to support food-related activities of public and private organizations, foundations and schools. In addition, we donated our assist and products to flood sufferers in Krabinburi, Kanchanaburi in order to bolster their livelihood back from disaster.

Internal Control and Risk Management

Internal control and Risk management

Internal control

Auditor Committee's Opinion

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.

The board of directors of Thaiheparos Public Company Limited at a meeting No. 1/2014 held on February 20, 2014. The board of directors assigned the Audit Committee to evaluate the internal control system of the company in 2013. The Audit Committee has the question to the management related 5 parts of the internal control program as follows :

1. Organization and environment
2. Risk management
3. Management operation control,
4. Information technology & communication program and
5. Monitoring program.

To ensure internal control system and internal audit program. In an Audit Committee's opinion, "internal control system of Thaiheparos Public Company Limited is adequate , appropriate and efficacious"

Audit Committee's Report

To : The Shareholders of Thai Theparos Food Products 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, 2013, 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 2013. 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 Declaration of the Stock Exchange of Thailand including disclose correctly and sufficiently detailed information of financial statement.

2. To ensure internal control system and internal audit program. In our opinion, internal control system of Thai Theparos 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 2013, audit committee give an opinion that connected transaction of Thai Theparos Public Company Limited. 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 2014. The Audit Committee select and offer to the Board of Director concerning auditor appointment including auditor's fee which is suitable for the company. In our opinion, the shareholders Meeting is hereby advised to elect Mr. Sakda Vairoj kaothanthong, CPA Registration No. 4628 or Mr. Bunyarit Thanormcharoen, CPA Registration No. 7900 or Mr. Charoen Phosamritlert, CPA Registration No. 4068 or Mrs. Wilai Buranakittisopon CPA Registration No. 3920 of KPMG Phoomchai Audit (Thailand) Co. Ltd. As the auditor of the company for the year 2014.

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 2013, Audit Committee attended the meeting with Auditor of company independently in order to ask for their opinions for any matter 4 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

As 
Chairman of Audit Committee

20 February 2014

Related party transactions

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

Name of entities	Yamasa (Thailand) Co., Ltd. (. Yamasa Corporation Limited Japan, 49% shareholding)
Nature of relationships	Associate, 26% shareholding Mr. Tanawat Winyarat is co director

2013 2012

(in thousand Baht)

Transactions	Sales of goods	25,620	15,483
Pricing policies	Market price		
The necessary	The purpose of Foundation Yamasa (Thailand) Limited is to, distribute Japanese Soy Sauce in the South East Asia region and authorized Thai Theparos Public Company Limited to be the sole manufacturer in Thailand		

2013 2012

(in thousand Baht)

Transactions	Rental income	138	138
Pricing policies	Contractually agreed price which compared to the lease of the company nearby.		
The necessary	The Company entered into a building granted - lease agreement for use as a office with Yamasa (Thailand) Limited which total area of 43 square metres. In order to save the transportation costs and it is convenient for management because they are in the same area.		

Name of entire	Exter (Thailand) Ltd.(Exter BV Netherland 60% shareholding)
Nature of relationship	Associate, 40% shareholding Mr. Tanawat Winyarat and Mr. Bancha Winyarat are co director

2013 2012

(in thousand Baht)

Transactions	Sales of goods	15,051	22,637
Pricing policies	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.		

2013 2012

(in thousand Baht)

Transactions	Rental income	1,489	950
	Other income	-	-
	Water utility charge	134	172
	Electricity charge	1,129	1,540
	steam charge	2,020	3,803

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.		
		2013	2012
Transactions	Loan to associated company	4,800	6,000
	interest	404	450
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 20, 2013 as follows.

"Considering in conflicts of interest transaction for the year 2013, audit committee give an opinion that connected transaction of Thai Theparos Public Company Limited. 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."

Management Discussion and Analysis

Management Discussion and Analysis

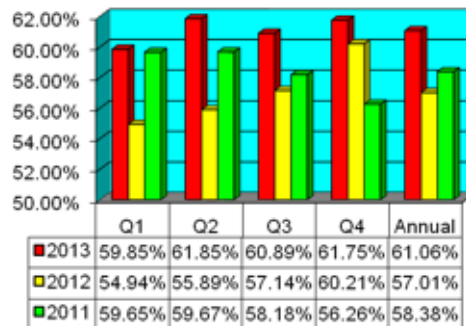
For the year ended December 31, 2013 and December 31, 2012

Operating and Financial Status

Overview

Operating Result in 2013 was lower as target compared to last year. Revenue from sales of goods had no growth while cost of sales of goods and selling expense have continuous increased.

Cost of sales of goods (% of sales) by Quarterly



1) Cost of sales of goods increased from 57.01% in 2012 to 61.06 in 2013 or increased 4.05% or Bt. 98.64 million. Cost of sales increased from 57.01 % of total sales in 2012 to 61.06 % in 2013 or increased 4.05% or Bt. 98.64 million. It was because the major raw material price; defatted soy bean, corn gluten, soy bean, chili and garlic increased as well as direct labor and manufacturing overhead increased.

2) The selling expense of sales increased from 11.10% in 2012 to 12.97% in 2013 or increased by 1.87 % of total sales or Bt. 47.57 million due to the increasing of advertising expense , customers .Additionally, the company also increased the sales promotion expense.

3) Revenue of sale of goods does not grow , slightly decreased from the previous year 0.52% or decreased by Bt. 13.88 million due to the product price is the same as last year while Sale quantity decreased , it was because of sluggish Thai economy

Operating review

Profitability

Thaiheparos Plc earn net profit for the year ended December 31, 2013, as follow:-

		2013	2012	Change	%
Net profit	(Million Baht)	500.31	572.62	(72.31)	(12.63)
Gross Profit Margin	%	38.94	42.99	(4.05)	
Net Profit Margin	%	18.46	21.36	(2.90)	
Return on Equity	%	20.01	23.65	(3.64)	
Return on Total Assets	%	18.16	21.22	(3.06)	

The factors that the Company earn net profit in 2013 decreased by 12.63 % or Bt. 72.31 million compared to that of 2012 shown here under :-

(Million Baht)	2013	2012	Change	%
1. Domestic Sales	2,336.56	2,374.86	(38.30)	(1.61)
Sales to associate	40.54	38.11	2.43	6.38
Export Sales	253.35	231.36	21.99	9.50
Total revenue from sales of goods	2,630.45	2,644.33	(13.88)	(0.52)
2. Cost of sales of goods	1,606.14	1,507.50	98.64	6.54
% of total sales of goods	61.06%	57.01%	4.05%	7.10
3. Selling expenses	341.22	293.65	47.57	16.20
% of total sales of goods	12.97%	11.10%	1.87%	16.81
4. Administrative expenses	136.67	131.30	5.37	4.09
% of total sales of goods	5.20%	4.97%	0.23%	4.63
5. Other income	32.43	36.96	(4.53)	(12.26)
Reversal of allowance for impairment losses	47.48	-	47.48	100.00
Other income	79.91	36.96	42.95	116.21
6. Income tax expense	126.19	174.65	(48.46)	(27.75)
Income tax rate	20.00%	23.00%	(3.00%)	

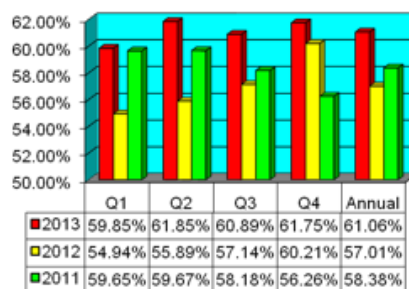
Domestic sales decreased by 1.61% or Bt. 38.30 million from that of 2012 mostly from decreased 4.63% in credit traditional trade channel, decreased 7.14% in cash van channel but increased 4.04% in industrial channel and increased 7.19% in modern trade channel.

Export sales decreased increased by 9.50% or Bt. 21.99 million from that of 2012. Due to the increasing order from the direct export channel

Sales to associate increased by 6.38% or Bt. 2.43 million from that of 2012 due to the expansion sales of Yamasa (Thailand) Ltd . and Exter (Thailand) Ltd. has decreased its production capacity.

From the above reasons, the total sales decreased by 0.52% or Bt. 13.88 million from that of 2012 resulting from sales volumm decreased while sales price remains unchanged

Cost of sales of goods (% of sales) by Quarterly



Cost of sales increased from 57.01 % of total sales in 2012 to 61.06 % in 2013 or increased 4.05% or Bt. 98.64 million . It was because the price of defatted soy bean and corn gluten were more expensive and had been adjusted higher 13.15 % and 4.49% respectively. Besides the price of chili and garlic also were more expensive and had been adjusted higher 24.97 % and 14.22% respectively.

The selling expense of sales increased from 11.10% in 2012 to 12.97% in 2013 or increased by 1.87 % of total sales or Bt. 47.56 million due to the increasing of advertising expense , the company has launched new advertising movie campaign in Q2/2013 to make advertising and public relation of green cap seasoning sauce under the brand name of "Golden Mountain" to be well known among the customers .Additionally, the company also increased the sales promotion expense.

Other income sales increased from Bt. 36.96 million in 2012 to Bt. 79.91 in 2013, increased by 116.23.13% or Bt. 42.95 million from that of 2012. Due to the Company recorded the reversal of allowance for impairment losses amounted to Bt. 47.48 million as other income in the 2013 statement of comprehensive income.

The Company has accordingly, calculated income tax on taxable profit for the year ended December 31, 2013 at the 20% corporate income tax rate (2012: at the 23% corporate income tax rate). From the above reasons, cost of sales increased 4.05% from 2012, the net profit for the year ended December 30, 2013 decreased from Bt. 572.62 million in 2012 to Bt. 500.31 million in 2013, decreased by 12.63% or Bt. 72.31 million from that of 2012.

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

	2013	2012	Change	%
Earning before income tax expense (million Baht)	626.50	747.27	(120.77)	(16.16)
EBT Margin	% 23.11	27.87	(4.76)	

Dividend Policy

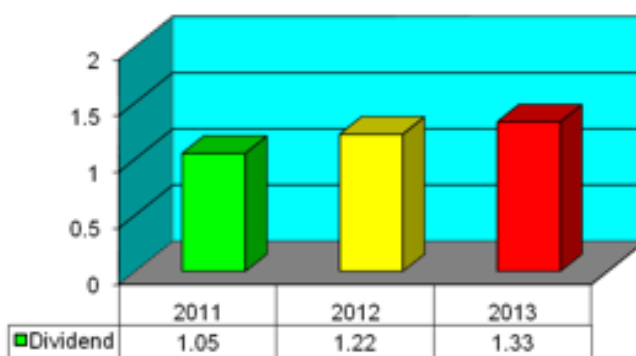
Minimum of 50% of net profit annually and will be paid in next year.

Dividend Payment

At the annual general meeting of the shareholders of the Company held on 24 April 2013, the shareholders approved the appropriation of dividend for 2012 operation of Baht 1.33 per share, amounting to Baht 478.80 million (payout ratio 83.62 %). The dividend was paid to shareholders on May 21, 2013.

	2013	2012	Change	%
Net profit (Last year) (Million Baht)	572.62	478.39	94.23	19.70
Dividend paid (Million Baht)	478.80	439.20	39.60	9.02
Dividend per share (Baht)	1.33	1.22	0.11	9.02
Dividend pay out ratio (%)	83.62%	91.81%	(8.19%)	

Dividend payment by Annually (Baht)



Report and Analysis of Financial Position

Financial Structure

Debt Equity Ratios

In 2013 and 2012, the debt equity ratio were 0.10 and 0.10. The financial structure was suitable to the size of operations and business, equal to 2012

	December 31, 2013		December 31, 2012	
	Millon Baht	%	Millon Baht	%
Total liabilities	250.29	9.06	260.65	9.48
Total equity	2,510.86	90.94	2,488.51	90.52
Total assets	2,761.15	100.00	2,749.16	100.00
Trade accounts payable	70.10	28.01	66.69	25.59
Income tax payable	55.89	22.33	78.56	30.14
Accrued expenses	66.12	26.41	64.81	24.86
Other current liabilities	17.89	7.15	12.16	4.67
Non current liabilities	40.29	16.10	38.43	14.74
Total liabilities	250.29	100.00	260.65	100.00
Issued and paid-up share capital	360.00	14.34	360.00	14.46
Premium on ordinary shares	615.60	24.52	615.60	24.74
Fair value change in investment	1.05	0.04	0.21	0.01
Legal reserve retained earning	60.00	2.39	60.00	2.41
Unappropriated retained earning	1,474.21	58.71	1,452.70	58.38
Total equity	2,510.86	100.00	2,488.51	100.00

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)	2013	2012	Change	%
Cash flows from operating activities	474.26	589.23	(114.97)	(19.51)
Net cash uses in investment activities	136.85	(46.41)	183.26	(394.87)
Net cash uses in financing activities	(478.80)	(439.20)	(39.60)	9.02
Net increase (decrease) in cash and cash equivalents	132.31	103.62	28.69	27.69

(Million Baht)	2013	2012	Change	%
Current assets	1,393.29	1,425.89	(32.60)	(2.29)
Current liabilities	210.00	222.22	(12.22)	(5.50)
Current ratio (Time)	6.63	6.42	0.22	3.27
Collection Period (days)	37	36	1	2.78
Inventories Turnover Period (days)	67	64	3	4.69
Cash Cycle Period (days)	88	83	5	6.02

Current ratio

Current ratio in 2013 is 6.63 times, increased from 6.42 times in 2012. This result from the decrease of current liabilities by Bt.12.22 million, most of these are income tax payable, and the decrease of current assets by Bt. 32.60 million, most of these are current investment.

Sauce still enjoys high current ratios with no shortage of cash flow. The collection period was 37 days which more than 2012 by 1 day. The inventories turnover period was 67 days which more than 2012 by 3 days. Cash cycle period was 88 days which more than 2013 by 5 days.

As at December 31, 2013, we have total cash and cash equivalents more than Bt. 543.86 million, in addition, have clear credit limit with the major banks more than Bt. 35.50 million, to support the Company for emergency. The company had unutilized credit facilities totaling Baht 247.5 million.

The Ability to pay debt and practice according to the loan

The company has no debt resulting from loan of any kind. Most of liabilities are current liabilities from trade account payable and accrued expenses. The company has performed its duty as a good debtor and paid debt in accordance with customer's trade agreement.

Quality of Assets

Change in Assets

As at December 31, 2013 Sauce has Bt. 2,761.15 million of total assets, the growth increased 0.44% compare to Bt. 2,749.16 million as at December 31, 2012.

(Million Baht)	2013	2012	Change	%
Current assets	1,393.29	1,425.89	(32.60)	(2.29)
Non current assets	1,367.86	1,323.27	44.59	3.37
Total assets	2,761.15	2,749.16	11.99	0.44
Current assets / Total assets	%	50.46%	51.87%	(1.41%)
Non current assets / Total assets	%	49.54%	48.13%	1.41%
Total assets	%	100.00%	100.00%	

As at December 31, 2013, Sauce has current assets as 50.46%, and non current assets as 49.54% of total assets compare to 51.87% and 48.13% as at December 31, 2012.

Main Part of Assets

	December 31, 2013		December 31, 2012	
	Millon Baht	%	Millon Baht	%
Property, plant and equipment	1,131.71	40.99	1,133.41	41.23
Cash and cash equivalent	543.86	19.70	411.56	14.97
Current investments	218.90	7.93	432.71	15.74
Trade accounts	278.17	10.07	259.62	9.44
Inventories	322.09	11.67	272.34	9.91
Unused land	142.43	5.16	94.95	3.45
Other long-term investment	50.51	1.83	40.45	1.47
Deferred tax assets	23.89	0.86	33.54	1.22
Other current assets	15.13	0.55	15.28	0.56
Advance payment for raw materials	13.94	0.50	33.19	1.21
Investments in associates	6.48	0.23	6.31	0.23
Bank deposits under commitment	4.59	0.17	4.59	0.17
Loan ot associate	3.60	0.13	4.80	0.17
Intangible assets	2.77	0.10	4.72	0.17
Other non-current assets	1.88	0.07	0.49	0.02
Current portion of loan to associate	1.20	0.04	1.20	0.04
Total assets	2,761.15	100.00	2,749.16	100.00

Concerning accounts receivable, the Company has set aside an adequate allowance for doubtful accounts. As at December 31, 2013, we have total allowance for doubtful accounts amounting to Bt. 1.63 million and Bt. 1.68 respectively.

(Millon Baht)	2013	2012	Change	%
Related parties	22.11	20.44	1.67	8.17
Other parties	257.69	240.86	16.83	6.99
Total	279.80	261.30	18.50	7.08
Less allowance for doubtful accounts	(1.63)	(1.68)	0.05	(2.98)
Net trade accounts receivable	278.17	259.62	18.55	7.15

Inventories no the obsolescence and deterioration.

(Millon Baht)	2013	2012	Change	%
Finished goods	65.00	56.79	8.21	14.46
Work in progress	140.31	125.37	14.94	11.92
Raw materials	116.5	89.76	26.74	29.79
Suplies	0.28	0.42	(0.14)	(33.33)
Total inventories	322.09	272.34	49.75	18.27

Long-term investment

Long - term investment will be due in 2019 for the amount of Bt. 20 million and in 2013 for the amount of Bt. 20 million

(Millon Baht)	2013	2012	Change	%
Fixed deposit with maturity more than 1 year	10.00	-	10.00	
Debentures	40.00	40.00	0.00	0.00
Investment in marketable equity security	0.51	0.45	0.06	13.33
Total long-term investment	50.51	40.45	10.06	24.87

Allowance for impairment losses

Unused land

(Million Baht)	2013	2012	Change	%
Unused land at cost	204.07	204.07	0.00	0.00
Less allowance for impairment losses	(61.65)	(109.12)	47.47	(43.50)
Net	142.42	94.95	47.47	49.99

The carrying value of the unused land as at 31 December 2012 is based on an Independent professional appraisal carried out in dated 2 July 2009.

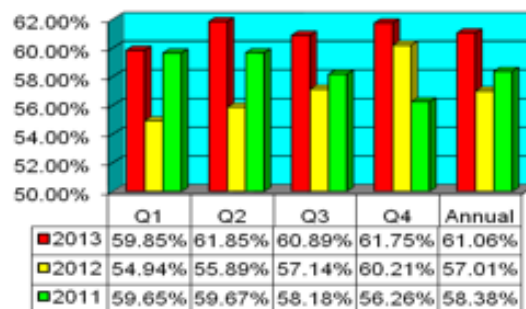
Based on the appraisal report from independent professional appraisers dated December 11, 2013, using the Market Comparison Approach by the fair market value, the revalued unused land was estimated at Baht 142.4 million. Therefore, the Company recorded the reversal of allowance for impairment losses amounted to Baht 47.5 million as other income in the 2013 statement of comprehensive income

Factor affected to the Performance Results in the future

In 2014, Cost of sales tendency will increase from 61.06 % in 2013 to 62.00% -62.50% in 2014 , however, in 2014 it will be higher than from 61.75% in Q4/2013 due to the price of defatted soy bean and corn gluten increase 14.29 % and 20.19 respectively to its cost on December 2013 but sales price is the same as last year.

The company's performance results in 2014, it was expected that its net profit will decrease by 3-5 % from the previous year resulting from the cost of sales/sales increase 0.94%-1.44% of 2013.

Cost of sales of goods (% of sales) by Quarterly





THAITHEPAROS PUBLIC COMPANY LIMITED

Financial Statements



Report of The Board of Directors' Responsibilities For Financial Report

Financial Statements of Thaitheparos PCL. are prepared in accordance with generally accepted accounting principles 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 Thaitheparos 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 Thaitheparos PCL.'s Financial Statement in the Audit report of Certified Public Accountant.

On behalf of The Board of Directors



C



20 February 2014

Audit report of Certified Public Accountant



KPMG Phoomchai Audit Ltd.
Empire Tower, 50 - 51 Floors
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Bangkok 10120, Thailand

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To the Shareholders of Thaiheparos Public Company Limited

I have audited the accompanying financial statements in which the equity method is applied and separate financial statements of Thaiheparos Public Company Limited (the "Company"), which comprise the statement of financial position in which the equity method is applied and separate statement of financial position as at 31 December 2013, the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements in which the Equity Method is Applied and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in which the equity method is applied and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements in which the equity method is applied and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements in which the equity method is applied and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements in which the equity method is applied and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements in which the equity method is applied and separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to notes 2 and 3 to the financial statements describing the effect of the Company's adoption from 1 January 2013 of certain new accounting policies. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2012 after making the adjustments described in note 3.



(Sakda Kaothanthong)
Certified Public Accountant
Registration No. 4628

KPMG Phoomchai Audit Ltd.
Bangkok

20 February 2014

Financial Statement

Thaitheparos Public Company Limited

Statements of financial position

Financial statements in which
the equity method is applied

Separate financial statements

		31 December	31 December	1 January	31 December	31 December	1 January
Assets	Note	2013	2012	2012	2013	2012	2012
			(Restated)	(Restated)		(Restated)	(Restated)
Current assets				(in Baht)			
Cash and cash equivalents	6	543,864,808	411,557,553	307,932,544	543,864,808	411,557,553	307,932,544
Current investments	7	218,899,503	432,705,903	567,322,634	218,899,503	432,705,903	567,322,634
Trade accounts receivable	8	278,169,888	259,621,088	262,485,877	278,169,888	259,621,088	262,485,877
Current portion of loan to associate	5	1,200,000	1,200,000	-	1,200,000	1,200,000	-
Inventories	9	322,094,073	272,336,460	259,601,930	322,094,073	272,336,460	259,601,930
Advance payment for raw materials purchased		13,938,665	33,188,728	21,736,621	13,938,665	33,188,728	21,736,621
Other current assets	5	15,126,072	15,279,478	12,405,699	15,126,072	15,279,478	12,405,699
Total current assets		1,393,293,009	1,425,889,210	1,431,485,305	1,393,293,009	1,425,889,210	1,431,485,305
Non-current assets							
Bank deposits under commitment	7	4,593,000	4,593,000	4,593,000	4,593,000	4,593,000	4,593,000
Investments in associates	10	6,478,289	6,309,039	7,880,467	13,199,393	13,199,393	13,199,393
Other long-term investments	7	50,511,604	40,453,320	20,395,036	50,511,604	40,453,320	20,395,036
Loan to associate	5	3,600,000	4,800,000	6,000,000	3,600,000	4,800,000	6,000,000
Unused land	11	142,428,000	94,952,000	94,952,000	142,428,000	94,952,000	94,952,000
Unused equipment		-	-	6,215,039	-	-	6,215,039
Property, plant and equipment	12	1,131,709,933	1,133,411,007	1,037,794,413	1,131,709,933	1,133,411,007	1,037,794,413
Intangible assets	13	2,775,953	4,722,861	5,773,311	2,775,953	4,722,861	5,773,311
Deferred tax assets	14	23,886,110	33,541,708	32,065,775	22,541,889	32,163,637	31,001,989
Other non-current assets	5	1,878,030	488,620	501,572	1,878,030	488,620	501,572
Total non-current assets		1,367,860,919	1,323,271,555	1,216,170,613	1,373,237,802	1,328,783,838	1,220,425,753
Total assets		2,761,153,928	2,749,160,765	2,647,655,918	2,766,530,811	2,754,673,048	2,651,911,058

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

Thaitheparos Public Company Limited
Statement of financial position

		Financial statements in which the equity method is applied			Separate financial statements		
	Note	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
Liabilities and equity							
Current liabilities							
(in Bath)							
Trade accounts payable		70,099,694	66,686,428	71,036,234	70,099,694	66,686,428	71,036,234
Income tax payable		55,896,290	78,557,023	118,197,771	55,896,290	78,557,023	118,197,771
Accrued expenses	15	66,120,167	64,810,730	52,553,489	66,120,167	64,810,730	52,553,489
Other current liabilities	5	17,887,324	12,163,168	16,553,708	17,887,324	12,163,168	16,553,708
Total current liabilities		210,003,475	222,217,349	258,341,202	210,003,475	222,217,349	258,341,202
Non-current liability							
Employee benefit obligations	16	40,287,775	38,434,293	34,396,533	40,287,775	38,434,293	34,396,533
Total non-current liability		40,287,775	38,434,293	34,396,533	40,287,775	38,434,293	34,396,533
Total liabilities		250,291,250	260,651,642	292,737,735	250,291,250	260,651,642	292,737,735
Equity							
Share capital	17						
Authorised share capital		600,000,000	600,000,000	600,000,000	600,000,000	600,000,000	600,000,000
Issued and paid-up share capital		360,000,000	360,000,000	360,000,000	360,000,000	360,000,000	360,000,000
Additional paid in capital							
Premium on ordinary shares	17	615,600,000	615,600,000	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	60,000,000	60,000,000
Unappropriated		1,474,213,074	1,452,702,674	1,319,282,657	1,479,589,957	1,458,214,957	1,323,537,797
Other component of equity							
Fair value changes in available-for-sale							
investments		1,049,604	206,449	35,526	1,049,604	206,449	35,526
Total equity		2,510,862,678	2,488,509,123	2,354,918,183	2,516,239,561	2,494,021,406	2,359,173,323
Total liabilities and equity		2,761,153,928	2,749,160,765	2,647,655,918	2,766,530,811	2,754,673,048	2,651,911,058

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

Statement of income

Thaitheparos Public Company Limited

Statement of comprehensive income

		Financial statements in which the equity method is applied For the year ended 31 December		Separate financial statements 31 December	
	Note	2013	2012 (Restated)	2013	2012 (Restated)
		(in Baht)			
Income					
Revenue from sale of goods		2,630,452,297	2,644,332,124	2,630,452,297	2,644,332,124
Other income	20	<u>79,907,376</u>	<u>36,955,573</u>	<u>79,907,376</u>	<u>36,955,573</u>
Total income		<u>2,710,359,673</u>	<u>2,681,287,697</u>	<u>2,710,359,673</u>	<u>2,681,287,697</u>
Expenses					
	21, 22				
Cost of sales of goods		1,606,142,586	1,507,500,241	1,606,142,586	1,507,500,241
Selling expenses		341,217,488	293,645,862	341,217,488	293,645,862
Administrative expenses		<u>136,671,057</u>	<u>131,299,806</u>	<u>136,671,057</u>	<u>131,299,806</u>
Total expenses		<u>2,084,031,131</u>	<u>1,932,445,909</u>	<u>2,084,031,131</u>	<u>1,932,445,909</u>
Share of profit (loss) on investment in associates		<u>169,250</u>	<u>(1,571,428)</u>	<u>-</u>	<u>-</u>
Profit before income tax expense		<u>626,497,792</u>	<u>747,270,360</u>	<u>626,328,542</u>	<u>748,841,788</u>
Income tax expense	23	<u>(126,187,392)</u>	<u>(174,650,343)</u>	<u>(126,153,542)</u>	<u>(174,964,628)</u>
Profit for the year		<u>500,310,400</u>	<u>572,620,017</u>	<u>500,175,000</u>	<u>573,877,160</u>
Other comprehensive income					
Net change in fair value of available-for-sale investments		1,053,944	213,653	1,053,944	213,653
Income tax on other comprehensive income		<u>(210,789)</u>	<u>(42,730)</u>	<u>(210,789)</u>	<u>(42,730)</u>
Other comprehensive income for the year, net of income tax		<u>843,155</u>	<u>170,923</u>	<u>843,155</u>	<u>170,923</u>
Total comprehensive income for the year		<u>501,153,555</u>	<u>572,790,940</u>	<u>501,018,155</u>	<u>574,048,083</u>
Basic earnings per share					
	24	<u>1.39</u>	<u>1.59</u>	<u>1.39</u>	<u>1.59</u>

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

Statement of changes in equity

Thaitheparos Public Company Limited

Statement of changes in equity

Financial statements in which the equity method is applied

		Issued and paid-up share capital	Additional paid in capital	Premium on ordinary shares	Legal reserve	Retained earnings	Unappropriated	Other component of equity Fair value changes in available-for-sale investments	Total equity
(in Baht)									
Year ended 31 December 2012									
Balance at 1 January 2012 - as reported		360,000,000		615,600,000	60,000,000	1,287,208,000		44,408	2,322,852,408
Impact of changes in accounting policies	3	-		-	-	32,074,657		(8,882)	32,065,775
Balance at 1 January 2012 - restated		<u>360,000,000</u>		<u>615,600,000</u>	<u>60,000,000</u>	<u>1,319,282,657</u>		<u>35,526</u>	<u>2,354,918,183</u>
Transaction with owners, recorded directly in equity									
Distributions to owners of the Company									
Dividends to owners of the Company	25	-		-	-	(439,200,000)		-	(439,200,000)
Total transaction with owners, recorded directly in equity -		<u>-</u>		<u>-</u>	<u>-</u>	<u>(439,200,000)</u>		<u>-</u>	<u>(439,200,000)</u>
Comprehensive income for the year									
Profit		-		-	-	572,620,017		-	572,620,017
Other comprehensive income		-		-	-	-		170,923	170,923
Total comprehensive income for the year		<u>-</u>		<u>-</u>	<u>-</u>	<u>572,620,017</u>		<u>170,923</u>	<u>572,790,940</u>
Balance at 31 December 2012		<u>360,000,000</u>		<u>615,600,000</u>	<u>60,000,000</u>	<u>1,452,702,674</u>		<u>206,449</u>	<u>2,488,509,123</u>

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

Thaitheparos Public Company Limited
Statement of changes in equity

Financial statements in which the equity method is applied

		Additional paid in capital		Retained earnings	Other component of equity	
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated	Fair value changes in available-for-sale investments
	Note					
(in Baht)						
Year ended 31 December 2013						
Balance at 31 December 2012 - as reported		360,000,000	615,600,000	60,000,000	1,419,109,354	258,061
Impact of changes in accounting policies	3	-	-	-	33,593,320	(51,612)
Balance at 31 December 2012 and 1 January 2013 - as restated		360,000,000	615,600,000	60,000,000	1,452,702,674	206,449
Transaction with owners, recorded directly in equity						
<i>Distributions to owners of the Company</i>						
Dividends to owners of the Company	25	-	-	-	(478,800,000)	-
Total transaction with owners, recorded directly in equity		-	-	-	(478,800,000)	-
Comprehensive income for the year						
Profit		-	-	-	500,310,400	-
Other comprehensive income		-	-	-	-	843,155
Total comprehensive income for the year		-	-	-	500,310,400	843,155
Balance at 31 December 2013		360,000,000	615,600,000	60,000,000	1,474,213,074	1,049,604

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

Thaitheparos Public Company Limited
Statement of changes in equity

		Separate financial statements					
		Additional paid in capital		Retained earnings		Other component of equity	
		Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated	Fair value changes in available-for-sale investments	Total equity
Year ended 31 December 2012	Note			(in Baht)			
Balance at 1 January 2012 - as reported		360,000,000	615,600,000	60,000,000	1,292,526,926	44,408	2,328,171,334
Impact of changes in accounting policies	3	-	-	-	31,010,871	(8,882)	31,001,989
Balance at 1 January 2012 - restated		360,000,000	615,600,000	60,000,000	1,323,537,797	35,526	2,359,173,323
Transaction with owners, recorded directly in equity							
Distributions to owners of the Company							
Dividends to owners of the Company	25	-	-	-	(439,200,000)	-	(439,200,000)
Total transaction with owners, recorded directly in equity		-	-	-	(439,200,000)	-	(439,200,000)
Comprehensive income for the year							
Profit		-	-	-	573,877,160	-	573,877,160
Other comprehensive income		-	-	-	-	170,923	170,923
Total comprehensive income for the year		-	-	-	573,877,160	170,923	574,048,083
Balance at 31 December 2012		360,000,000	615,600,000	60,000,000	1,458,214,957	206,449	2,494,021,406

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

Thaitheparos Public Company Limited

Statement of changes in equity

Separate financial statements						
		Additional paid in capital	Retained earnings	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	Unappropriated	Total equity
(in Baht)						
Year ended 31 December 2013						
Balance at 31 December 2012 - as reported		360,000,000	615,600,000	60,000,000	1,425,999,708	2,461,857,769
Impact of changes in accounting policies	3	-	-	-	32,215,249	32,163,637
Balance at 31 December 2012 and 1 January 2013 - as restated		360,000,000	615,600,000	60,000,000	1,458,214,957	2,494,021,406
Transaction with owners, recorded directly in equity						
Distributions to owners of the Company						
Dividends to owners of the Company	25	-	-	-	(478,800,000)	(478,800,000)
Total transaction with owners, recorded directly in equity		-	-	-	(478,800,000)	(478,800,000)
Comprehensive income for the year						
Profit		-	-	-	500,175,000	500,175,000
Other comprehensive income		-	-	-	843,155	843,155
Total comprehensive income for the year		-	-	-	500,175,000	501,018,155
Balance at 31 December 2013		360,000,000	615,600,000	60,000,000	1,479,589,957	2,516,239,561

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

Statement of cash flows

Thaitheparos Public Company Limited

Statement of cash flows

	Financial statements in which the equity method is applied For the year ended 31 December		Separate financial statements For the year ended 31 December	
	2013	2012 (Restated)	2013	2012 (Restated)
	(in Baht)			
Cash flows from operating activities				
Profit for the year	500,310,400	572,620,017	500,175,000	573,877,160
<i>Adjustments for</i>				
Depreciation and amortisation	87,258,301	88,480,019	87,258,301	88,480,019
Interest income	(16,587,494)	(22,101,956)	(16,587,494)	(22,101,956)
Reversal of bad and doubtful debts expense	(41,000)	(42,137)	(41,000)	(42,137)
Unrealised (gain) loss on exchange	(232,174)	58,675	(232,174)	58,675
Loss on write-off of inventories	291,552	731,482	291,552	731,482
Loss on disposal of plant and equipment	3,472,064	2,675,473	3,472,064	2,675,473
Reversal of allowance for impairment of equipment	-	(13,611)	-	(13,611)
Reversal of allowance for impairment of unused land	(47,476,000)	-	(47,476,000)	-
Impairment loss on unused equipment	-	6,168,539	-	6,168,539
Employees' benefits	1,853,482	4,037,760	1,853,482	4,037,760
Share of (profit) loss on investment in associates	(169,250)	1,571,428	-	-
Income tax expense	126,187,392	174,650,343	126,153,542	174,964,628
	<u>654,867,273</u>	<u>828,836,032</u>	<u>654,867,273</u>	<u>828,836,032</u>
<i>Change in operating assets and liabilities</i>				
Trade accounts receivable	(18,276,245)	2,848,251	(18,276,245)	2,848,251
Inventories	(50,049,165)	(13,466,012)	(50,049,165)	(13,466,012)
Advance payment for raw materials purchased	19,250,063	(11,452,107)	19,250,063	(11,452,107)
Other current assets	(213,142)	(5,942,509)	(213,142)	(5,942,509)
Other non-current assets	(1,389,410)	12,952	(1,389,410)	12,952
Trade accounts payable	3,413,266	(4,349,806)	3,413,266	(4,349,806)
Accrued expenses	1,309,437	12,257,241	1,309,437	12,257,241
Other current liabilities	4,749,425	(3,701,703)	4,749,425	(3,701,703)
Cash generated from operating activities	<u>613,661,502</u>	<u>805,042,339</u>	<u>613,661,502</u>	<u>805,042,339</u>
Income tax paid	<u>139,403,316</u>	<u>(215,809,754)</u>	<u>(139,403,316)</u>	<u>(215,809,754)</u>
Net cash from operations activities	<u>474,258,186</u>	<u>589,232,585</u>	<u>474,258,186</u>	<u>589,232,585</u>

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

Thaitheparos Public Company Limited

Statement of cash flows

		Financial statements in which the equity method is applied For the year ended 31 December		Separate financial statements For the year ended 31 December	
	Note	2013	2012 (Restated)	2013	2012 (Restated)
(in Baht)					
Cash flows from investing activities					
Interest received		16,954,042	25,170,686	16,954,042	25,170,686
Purchase of property, plant and equipment		(86,446,911)	(186,225,102)	(86,446,911)	(186,225,102)
Sale of plant and equipment		517,188	1,040,234	517,188	1,040,234
Proceeds from loans to related party		1,200,000	-	1,200,000	-
Purchase of intangible assets		(177,310)	(1,165,494)	(177,310)	(1,165,494)
Decrease in current investments		214,802,060	134,772,100	214,802,060	134,772,100
Purchase of long term investment		(10,000,000)	(20,000,000)	(10,000,000)	(20,000,000)
Net cash from (used in) investing activities		136,849,069	(46,407,576)	136,849,069	(46,407,576)
Cash flows from financing activity					
Dividends paid to owners of the Company	25	(478,800,000)	(439,200,000)	(478,800,000)	(439,200,000)
Cash used in financing activity		(478,800,000)	(439,200,000)	(478,800,000)	(439,200,000)
Net increase in cash and cash equivalents		132,307,255	103,625,009	132,307,255	103,625,009
Cash and cash equivalents at 1 January	6	411,557,553	307,932,544	411,557,553	307,932,544
Cash and cash equivalents at 31 December	6	543,864,808	411,557,553	543,864,808	411,557,553
Supplemental disclosures of cash flows information:					
Property, plant and equipment purchased during the years are detailed as follows:					
Total addition of property, plant and equipment during the years		87,422,261	185,536,265	87,422,261	185,536,265
Add Settlement of payables for plant and equipment previously purchased		1,166,874	1,855,711	1,166,874	1,855,711
Less Payables on purchase of plant and equipment		(2,142,224)	(1,166,874)	(2,142,224)	(1,166,874)
		86,446,911	186,225,102	86,446,911	186,225,102

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

Thaitheparos Public Company Limited

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Financial statements

Thaitheparos Public Company Limited

Notes to the financial statements

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 20 February 2014.

1. General information

Thaitheparos 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 78.59% shareholding.

The principal activities 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); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Company’s operations and effective for accounting periods beginning on or after 1 January 2013:

TFRS	Topic
TAS 12	Income Taxes
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

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 a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Company’s operations are disclosed in note 28.

(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) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company’s functional currency. 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.

Thaitheparos Public Company Limited

Notes to the financial statements

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

Note 11	Unused land
Note 14	Current and deferred taxation
Note 16	Measurement of defined benefit obligations
Note 26	Valuation of financial instruments

3. Changes in accounting policies

(a) Overview

From 1 January 2013, 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:

- Accounting for income tax
- Accounting for the effects of changes in foreign exchange rates
- Presentation of information on operating segments

Details of the new accounting policies adopted by the Company are included in notes 3(b) to 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) Accounting for income tax

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. The accounting policy for deferred tax is described in note 4(o).

Thaitheparos Public Company Limited

Notes to the financial statements

The Company adopted TAS 12 with effect from 1 January 2013. The effects of the change are recognised retrospectively in the financial statements. The impact of the change on the financial statements is as follows:

Statement of financial position as at	Financial statements in which the equity method is applied			Separate financial statements		
	31 December 2013	31 December 2012	1 January 2012 (in thousand Baht)	31 December 2013	31 December 2012	1 January 2012
Increase in deferred tax assets	24,427	33,594	32,075	23,083	32,216	31,011
Increase in deferred tax liabilities	(541)	(52)	(9)	(541)	(52)	(9)
Increase in retained earnings	24,149	33,594	32,075	22,805	32,216	31,011
Decrease in other component of equity	(263)	(52)	(9)	(263)	(52)	(9)
Increase in equity	23,886	33,542	32,066	22,542	32,164	31,002

Statement of comprehensive income for the year ended 31 December	Financial statements in which the equity method is applied		Separate financial statements	
	31 December 2013	1 January 2012 (in thousand Baht)	31 December 2013	1 January 2012
Increase (Decrease) in income tax expense	9,445	(1,519)	9,411	(1,205)
(Decrease) Increase in profit for the year	(9,445)	1,519	(9,411)	1,205
Decrease in basic earnings per share (Baht)	(0.03)	-	(0.03)	-

(c) Accounting for the effects of changes in foreign exchange rates

From 1 January 2013, the Company has adopted TAS 21 (revised 2009) Accounting for the effects of changes in foreign exchange rates.

The principal change introduced by TAS 21 (revised 2009) 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 (revised 2009) 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 (revised 2009). Foreign currencies are defined by TAS 21 (revised 2009) as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21 (revised 2009) from 1 January 2013 has not had a significant impact on the Company's reported assets, liabilities or retained earnings.

(d) Presentation of information on operating segments

From 1 January 2013, the Company has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, together with information on the previous policy, is given below. The change in policy only impacts presentational aspects and has no impact on the Company's reported assets, liabilities, results or earnings per share.

TFRS 8 introduces the "management approach" to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Company's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to those segments. Previously the Company presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in the Company's financial statements.

Thaitheparos Public Company Limited

Notes to the financial statements

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 the functional currency at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency 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 the functional currency 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) Investments

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.

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Notes to the financial statements

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 are 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.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the first in first out method applied to the carrying value of the total holding of the investment.

(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.

Thaitheparos Public Company Limited

Notes to the financial statements

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 acquired before 1 January 2012. The percentage apply for a declining balance method are as follows:

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

Depreciation is charged to profit or loss on straight-line method basis over the estimated useful lives of each component of an item of property, plant and equipment acquired on or after 1 January 2012. The estimated useful lives are as follows:

Building and improvements	10 - 20	years
Machinery and equipment	5 - 14	years
Furniture, fixtures and office equipment	5 - 10	years
Vehicles	8 - 10	years

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 accumulated impairment losses.

Amortisation

Amortisation is based on 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.

Thaiheparos Public Company Limited

Notes to the financial statements

(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.

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.

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Notes to the financial statements

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.

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.

Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

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.

Thaiheparos Public Company Limited

Notes to the financial statements

(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.

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.

(o) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred 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.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) Basic earnings per share

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.

(q) Segment reporting

Segment results that are reported to the Company's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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.

Thaitheparos Public Company Limited
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Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
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:

Transactions	Pricing policies
Sales of goods	Market price
Rental income	Contractually agreed price
Interest income	Market rate
Other income	Mutually agreed price

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

Year ended 31 December	Financial statements in which the equity method is applied		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Associate - Yamasa (Thailand) Co., Ltd.				
Sales of goods	25,620	15,483	25,620	15,483
Rental income	138	138	138	138
Other income	27	1	27	1
Associate - Exter (Thailand) Limited.				
Sales of goods	15,051	22,637	15,051	22,637
Rental income	1,489	950	1,489	950
Interest income	404	450	404	450
Other income	5,088	6,179	5,088	6,179
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	23,017	22,843	23,017	22,843
Post-employment benefits	650	627	650	627
Other long-term benefits	16	19	16	19
Total key management personnel compensation	<u>23,683</u>	<u>23,489</u>	<u>23,683</u>	<u>23,489</u>

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Notes to the financial statements

Balances as at 31 December with related parties were as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Associate - Yamasa (Thailand) Co., Ltd.				
Trade accounts receivable	6,841	3,962	6,841	3,962
Other current liabilities - deposit	20	20	20	20
Associate - Exter (Thailand) Limited.				
Trade accounts receivable	15,275	16,477	15,275	16,477
Other current assets - other receivables	12	15	12	15
Long term loans to related party	4,800	6,000	4,800	6,000
Other non-current assets	1,391	-	1,391	-
Other current liabilities - deposit	200	200	200	200

Movements during for the years ended 31 December of loan to related party were as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Loan to related party				
<i>Year ended 31 December</i>				
Associate - Exter (Thailand) Limited.				
At 1 January	6,000	6,000	6,000	6,000
Decrease	(1,200)	-	(1,200)	-
At 31 December	<u>4,800</u>	<u>6,000</u>	<u>4,800</u>	<u>6,000</u>

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, receive monthly rental of Baht 105,600 for the 4th year to the 5th year, and receive 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.

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 2013, 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	
	2013	2012
	(in thousand Baht)	
Cash on hand	1,538	1,201
Cash at banks - current accounts	10,682	10,267
Cash at banks - savings accounts	260,216	262,165
Fixed deposits with maturity less than 3 months	271,429	137,925
Total	<u>543,865</u>	<u>411,558</u>

Thaitheparos Public Company Limited
Notes to the financial statements

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	
	2013	2012
	(in thousand Baht)	
Thai Baht (THB)	543,285	411,017
United States Dollars (USD)	580	541
Total	543,865	411,558

7. Other investments

	Financial statements in which the equity method is applied/ Separate financial statements	
	2013	2012
	(in thousand Baht)	
Current investments		
Fixed deposits with maturity more than 3 months	185,195	329,997
Bill of exchange with maturity more than 3 months	-	50,000
Investment in marketable security - mutual fund	38,298	57,302
	<u>223,493</u>	<u>437,299</u>
Less Fixed deposits with maturity more than 3 months under commitment	(4,593)	(4,593)
Total	218,900	432,706
Long-term investments		
Fixed deposit with maturity more than 1 year	10,000	-
Debentures	40,000	40,000
Investment in marketable equity security	512	453
Total	50,512	40,453

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% per annum for the first five years and 6.50% per annum for the last five years. The other debenture of Baht 20 million which was invested during 2012 was issued by Kasikornbank Public Company Limited and is classified as a held to maturity debt instrument with a term of 10 years maturing on 15 February 2022 and bears interest of 4.50% per annum for the whole life of the debenture.

As at 31 December 2013, fixed deposits at bank of Baht 4.59 million (2012: Baht 4.59 million) were pledged to secure the use of electricity.

8. Trade accounts receivable

		Financial statements in which the equity method is applied/ Separate financial statements	
	Note	2013	2012
		(in thousand Baht)	
Related parties	5	22,116	20,439
Other parties		257,688	240,857
Total		279,804	261,296
Less allowance for doubtful accounts		(1,634)	(1,675)
Net		278,170	259,621
Reversal of bad and doubtful debts expenses for the year		(41)	(42)

Thaitheparos Public Company Limited

Notes to the financial statements

Aging analyses for trade accounts receivable were as follows:

	Financial statements in which the equity method is applied/ Separate financial statements	
	2013	2012
	(in thousand Baht)	
Related parties		
Within credit terms	7,656	5,944
Overdue:		
Less than 3 months	4,893	5,462
3-6 months	2,872	4,212
6-12 months	6,695	4,821
	<u>22,116</u>	<u>20,439</u>
Other parties		
Within credit terms	234,072	222,999
Overdue:		
Less than 3 months	21,059	16,036
3-6 months	908	147
6-12 months	15	-
Over 12 months	1,634	1,675
	<u>257,688</u>	<u>240,857</u>
Less allowance for doubtful accounts	(1,634)	(1,675)
	<u>256,054</u>	<u>239,182</u>
Net	<u>278,170</u>	<u>259,621</u>

The normal credit term granted by the Company ranges from 30 days to 90 days.

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

	Financial statements in which the equity method is applied/ Separate financial statements	
	2013	2012
	(in thousand Baht)	
Thai Baht (THB)	264,106	246,834
United States Dollars (USD)	13,234	12,361
Australia Dollars (AUD)	830	426
Total	<u>278,170</u>	<u>259,621</u>

9. Inventories

	Financial statements in which the equity method is applied/ Separate financial statements	
	2013	2012
	(in thousand Baht)	
Finished goods	65,004	56,786
Work in progress	140,312	125,369
Raw materials	116,502	89,762
Supplies	276	419
Total	<u>322,094</u>	<u>272,336</u>
Inventories recognised as an expense in 'cost of sales of goods':		
- Cost	<u>1,606,143</u>	<u>1,507,500</u>

Thaitheparos Public Company Limited
Notes to the financial statements
10. Investments in associates

	Financial statements in which the equity method is applied		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
At 1 January	6,309	7,880	13,199	13,199
Share of net profit (loss) of investments equity method	169	(1,571)	-	-
At 31 December	<u>6,478</u>	<u>6,309</u>	<u>13,199</u>	<u>13,199</u>

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

	Ownership Interest		Paid-up capital		Cost		Equity	
	2013	2012	2013	2012	2013	2012	2013	2012
	%				(in thousand Baht)			
Associates								
Yamasa (Thailand) Co., Ltd.	26	26	20,001	20,001	5,199	5,199	4,256	3,269
Exter (Thailand) Limited.	40	40	<u>20,000</u>	<u>20,000</u>	<u>8,000</u>	<u>8,000</u>	<u>2,222</u>	<u>3,040</u>
Total			<u>40,001</u>	<u>40,001</u>	<u>13,199</u>	<u>13,199</u>	<u>6,478</u>	<u>6,309</u>

11. Unused land

	Financial statements in which the equity method is applied/ Separate financial statements	
	2013	2012
	(in thousand Baht)	
Unused land at cost	204,073	204,073
Less allowance for impairment losses	<u>(61,645)</u>	<u>(109,121)</u>
Net	<u>142,428</u>	<u>94,952</u>

The carrying value of the unused land as at 31 December 2012 is based on an independent professional appraisal carried out in the year 2009.

Based on the appraisal report from independent professional appraisers dated 11 December 2013, using the Market Comparison Approach by the fair market value, the revalued unused land was estimated at Baht 142.4 million. Therefore, the Company recorded the reversal of allowance for impairment losses amounted to Baht 47.5 million as other income in the 2013 statement of comprehensive income.

Thaitheparos Public Company Limited

Notes to the financial statements

12. Property, plant and equipment

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

	Land and land improvements	Building and improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles (in thousand Baht)	Spare part	Construction in progress	Advance payment for machinery purchased	Total
Cost									
At 1 January 2012	112,606	431,159	1,324,671	56,423	123,293	20,824	317,884	-	2,386,860
Additions	925	-	3,240	1,645	2,775	26,695	59,709	90,547	185,536
Transfers	-	101,526	131,878	251	80	(23,117)	(126,360)	(84,258)	-
Transfer from unused equipment	-	-	47	-	-	-	-	-	47
Disposals	(700)	-	(47,265)	(1,786)	(4,935)	-	-	-	(54,686)
At 31 December 2012									
and 1 January 2013	112,831	532,685	1,412,571	56,533	121,213	24,402	251,233	6,289	2,517,757
Additions	-	-	3,638	1,902	3,456	17,812	56,324	4,290	87,422
Transfers	-	14,935	169,119	5,555	13,506	(13,059)	(180,131)	(9,925)	-
Disposals	-	(1,110)	(14,070)	(4,544)	(7,745)	-	-	-	(27,469)
At 31 December 2013	112,831	546,510	1,571,258	59,446	130,430	29,155	127,426	654	2,577,710

Thaitheparos Public Company Limited
Notes to the financial statements

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 (in thousand Baht)	Spare part	Construction in progress	Advance payment for machinery purchased	Total
Depreciation and impairment losses									
At 1 January 2012	897	176,778	1,040,650	44,086	86,655	-	-	-	1,349,066
Depreciation charge for the year	13	19,757	59,707	2,579	4,209	-	-	-	86,265
Reversal of impairment losses	-	-	(14)	-	-	-	-	-	(14)
Disposals	(662)	-	(44,472)	(1,676)	(4,161)	-	-	-	(50,971)
At 31 December 2012									
and 1 January 2013	248	196,535	1,055,871	44,989	86,703	-	-	-	1,384,346
Depreciation charge for the year	10	17,096	61,400	2,356	4,272	-	-	-	85,134
Disposals	-	(47)	(12,587)	(4,284)	(6,562)	-	-	-	(23,480)
At 31 December 2013	258	213,584	1,104,684	43,061	84,413	-	-	-	1,446,000
Net book value									
At 1 January 2012	111,709	254,381	284,021	12,337	36,638	20,824	317,884	-	1,037,794
At 31 December 2012									
and 1 January 2013	112,583	336,150	356,700	11,544	34,510	24,402	251,233	6,289	1,133,411
At 31 December 2013	112,573	332,926	466,574	16,385	46,017	29,155	127,426	654	1,131,710

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2013 amounted to Baht 522 million (2012: Baht 491 million).

Thaitheparos Public Company Limited

Notes to the financial statements

Security

At 31 December 2013, a portion of the Company's land with book value of Baht 80 million (2012: Baht 80 million) was used as collateral for a credit line from a bank.

13. Intangible assets

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

	Software	Trademark license (in thousand Baht)	Software under installation	Total
Cost				
At 1 January 2012	11,687	28,017	669	40,373
Additions	231	558	376	1,165
Transfers	1,017	-	(1,017)	-
At 31 December 2012 and 1 January 2013	12,935	28,575	28	41,538
Additions	17	160	-	177
Transfers	28	-	(28)	-
At 31 December 2013	12,980	28,735	-	41,715
Amortisation				
At 1 January 2012	10,969	23,631	-	34,600
Amortisation for the year	482	1,733	-	2,215
At 31 December 2012 and 1 January 2013	11,451	25,364	-	36,815
Amortisation for the year	384	1,740	-	2,124
At 31 December 2013	11,835	27,104	-	38,939
Net book value				
At 1 January 2012	718	4,386	669	5,773
At 31 December 2012 and 1 January 2013	1,484	3,211	28	4,723
At 31 December 2013	1,145	1,631	-	2,776

14. Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

Financial statements in which the equity method is applied
Assets Liabilities

	2013	2012	2013	2012
		(in thousand Baht)		
Total	24,427	33,594	(541)	(52)
Set off of tax	(541)	(52)	541	52
Net deferred tax assets	23,886	33,542	-	-

Separate financial statements
Assets Liabilities

	2013	2012	2013	2012
		(in thousand Baht)		
Total	23,083	32,216	(541)	(52)
Set off of tax	(541)	(52)	541	52
Net deferred tax assets	22,542	32,164	-	-

Thaitheparos Public Company Limited
Notes to the financial statements

Movements in total deferred tax assets and liabilities during the year were as follows:

Financial statements in which the equity method is applied
(Charged) / Credited to:

	At 1 January 2013	Profit or loss	Other comprehensive income (in thousand Baht)	At 31 December 2013
Deferred tax assets				
Unused land	21,824	(9,495)	-	12,329
Employee benefit obligations	7,687	371	-	8,058
Others	4,083	(43)	-	4,040
Total	<u><u>33,594</u></u>	<u><u>(9,167)</u></u>	<u><u>-</u></u>	<u><u>24,427</u></u>
Deferred tax liabilities				
Marketable securities	(52)	-	(211)	(263)
Other	-	(278)	-	(278)
Total	<u><u>(52)</u></u>	<u><u>(278)</u></u>	<u><u>(211)</u></u>	<u><u>(541)</u></u>
Net	<u><u>33,542</u></u>	<u><u>(9,445)</u></u>	<u><u>(211)</u></u>	<u><u>23,886</u></u>

Financial statements in which the equity method is applied
(Charged) / Credited to:

	At 1 January 2012	Profit or loss	Other comprehensive income (in thousand Baht)	At 31 December 2012
Deferred tax assets				
Unused land	21,824	-	-	21,824
Employee benefit obligations	6,930	757	-	7,687
Others	3,321	762	-	4,083
Total	<u><u>32,075</u></u>	<u><u>1,519</u></u>	<u><u>-</u></u>	<u><u>33,594</u></u>
Deferred tax liability				
Marketable securities	(9)	-	(43)	(52)
Total	<u><u>(9)</u></u>	<u><u>-</u></u>	<u><u>(43)</u></u>	<u><u>(52)</u></u>
Net	<u><u>32,066</u></u>	<u><u>1,519</u></u>	<u><u>(43)</u></u>	<u><u>33,542</u></u>

Thaitheparos Public Company Limited

Notes to the financial statements

	At 1 January 2013	Separate financial statements (Charged) / Credited to:		At 31 December 2013
		Profit or loss	Other comprehensive income	
		(in thousand Baht)		
Deferred tax assets				
Unused land	21,824	(9,495)	-	12,329
Employee benefit obligations	7,687	371	-	8,058
Others	2,705	(9)	-	2,696
Total	32,216	(9,133)	-	23,083
Deferred tax liabilities				
Marketable securities	(52)	-	(211)	(263)
Other	-	(278)	-	(278)
Total	(52)	(278)	(211)	(541)
Net	32,164	(9,411)	(211)	22,542
		Separate financial statements (Charged) / Credited to:		
	At 1 January 2012	Profit or loss	Other comprehensive income	At 31 December 2012
		(in thousand Baht)		
Deferred tax assets				
Unused land	21,824	-	-	21,824
Employee benefit obligations	6,930	757	-	7,687
Others	2,257	448	-	2,705
Total	31,011	1,205	-	32,216
Deferred tax liability				
Marketable securities	(9)	-	(43)	(52)
Total	(9)	-	(43)	(52)
Net	31,002	1,205	(43)	32,164

15. Accrued expenses

	Financial statements in which the equity method is applied/ Separate financial statements	
	2013	2012
	(in thousand Baht)	
Accrued bonus	18,389	17,165
Accrued advertising expenses	13,198	11,440
Accrued export expenses	8,952	8,587
Accrued promotion expenses	5,629	6,424
Accrued repair expenses	4,507	6,369
Others	15,445	14,826
Total	66,120	64,811

Thaitheparos Public Company Limited
Notes to the financial statements
16. Employee benefit obligations

	Financial statements in which the equity method is applied/ Separate financial statements	
	2013	2012
	(in thousand Baht)	
Statement of financial position obligations for :		
Post-employment benefits	31,887	30,487
Other long-term employee benefits	8,401	7,947
Total	40,288	38,434
Year ended 31 December	2013	2012
	(in thousand Baht)	
Statement of comprehensive income:		
Recognised in profit or loss:		
Post-employment benefits	4,268	3,921
Other long-term employee benefits	1,905	1,812
Total	6,173	5,733

Post-employment benefit plan

The Company operate defined benefit plan 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.

Other long-term employee benefits

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

Movement in the present value of the defined benefit obligations

	Financial statements in which the equity method is applied/ Separate financial statements			
	Post-employment benefits		Other long-term employee benefits	
	2013	2012	2013	2012
	(in thousand Baht)			
Defined benefit obligations at 1 January	30,487	27,015	7,947	7,382
Benefits paid by the plan	(2,868)	(449)	(1,451)	(1,247)
Current service costs and interest	4,268	3,921	1,905	1,812
Defined benefit obligations at 31 December	31,887	30,487	8,401	7,947

Expense recognised in profit or loss

	Financial statements in which the equity method is applied/ Separate financial statements			
	Post-employment benefits		Other long-term employee benefits	
	2013	2012	2013	2012
	(in thousand Baht)			
Current service costs	3,169	2,948	1,619	1,546
Interest on obligation	1,099	973	286	266
Total	4,268	3,921	1,905	1,812

Thaitheparos Public Company Limited

Notes to the financial statements

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		Financial statements in which the equity method is applied/ Separate financial statements	
	Post-employment benefits		Other long-term employee benefits	
	2013	2012	2013	2012
	(in thousand Baht)			
Cost of sales of goods	1,955	1,773	1,109	1,052
Selling expenses	973	1,052	521	484
Administrative expenses	1,340	1,096	275	276
Total	4,268	3,921	1,905	1,812

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	
	2013	2012
Discount rate (%)	3.6041	3.6041
Salary increase rate (%)	4.30	4.30
Employee turnover rate (%)	0 - 38	0 - 38
Retirement age (Year)	55	55

Assumptions regarding future mortality are based on published statistics and mortality tables 2008 (TMO2008).

17. Share capital

	Par value per share (in Baht)	Financial statements in which the equity method is applied/ Separate financial statements			
		2013		2012	
		Number	Amount (thousand shares / thousand Baht)	Number	Amount
Authorised					
At 1 January					
- ordinary shares	1	600,000	600,000	600,000	600,000
At 31 December					
- ordinary shares	1	600,000	600,000	600,000	600,000
Issued and paid-up					
At 1 January					
- ordinary shares	1	360,000	360,000	360,000	360,000
At 31 December					
- ordinary shares	1	360,000	360,000	360,000	360,000

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.

Thaitheparos Public Company Limited
Notes to the Financial statements
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.

19. Segment information

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

Management considers that the Company operates principally in Thailand, and there are no material revenues derived from foreign countries, therefore, only one geographical segment.

20. Other income

	Financial statements in which the equity method is applied/ Separate financial statements	
	2013	2012
	(in thousand Baht)	
Gain on reversal of allowance for impairment of unused land	47,476	-
Interest income	16,587	22,102
Gain on disposal of equipment	-	140
Others	<u>15,844</u>	<u>14,714</u>
Total	<u>79,907</u>	<u>36,956</u>

Thaitheparos Public Company Limited

Notes to the financial statements

21. Employee benefit expenses

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

	2013	2012
	(in thousand Baht)	
Management		
Wages and salaries	16,377	16,331
Pension costs - defined benefit plans	666	646
Pension costs - defined contribution plans	606	593
Others	6,034	5,919
	<u>23,683</u>	<u>23,489</u>
Other employees		
Wages and salaries	153,696	135,922
Pension costs - defined benefit plans	5,507	5,087
Pension costs - defined contribution plans	4,562	4,204
Others	34,224	33,953
	<u>197,989</u>	<u>179,166</u>
Total	<u>221,672</u>	<u>202,655</u>

Defined benefit plans

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

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:

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

	2013	2012
	(in thousand Baht)	
Included in cost of sales of goods:		
Changes in finished goods and work in progress	(23,161)	(975)
Finished goods transferred to sale promotion expense	(71,560)	(47,879)
Raw materials and consumables used	1,387,306	1,271,914
Employee benefit expenses	114,191	100,833
Depreciation and amortisation	71,723	69,928
Others	127,644	113,679
Total	<u>1,606,143</u>	<u>1,507,500</u>

Thaitheparos Public Company Limited
Notes to the financial statements
**Financial statements in which
the equity method is applied/
Separate financial statements**

2013 2012
(in thousand Baht)

Included in selling expenses:

Marketing expenses	116,130	90,927
Distribution expenses	111,080	109,855
Sale promotion expense from finished goods transferred	71,560	47,879
Employee benefit expenses	17,563	18,714
Others	24,884	26,271
Total	341,217	293,646

Included in administrative expenses:

Employee benefit expenses	89,918	83,108
Depreciation and amortisation	11,323	13,550
Others	35,430	34,642
Total	136,671	131,300

23. Income tax expense
Income tax recognised in profit or loss
**Financial statements
in which the equity
method is applied**
**Separate
financial statements**

Note	2013	2012	2013	2012
		(in thousand Baht)		
Current tax expense				
Current year	116,742	176,169	116,742	176,169
Deferred tax expense	14			
Movements in temporary differences	9,445	(1,921)	9,411	(1,560)
Income tax reduction	-	402	-	355
	9,445	(1,519)	9,411	(1,205)
Total income tax expense	126,187	174,650	126,153	174,964

Income tax recognised in other comprehensive income
**Financial statements in which the equity method is applied/
Separate financial statements**

Separate Financial Statements						
	2013			2012		
	Before tax	Tax (expense) benefit	Net of Tax	Before tax	Tax (expense) benefit	Net of tax
			(in thousand Baht)			
Fair value changes available-for-sale investments	1,054	(211)	843	214	(43)	171

Thaitheparos Public Company Limited

Notes to the financial statements

Reconciliation of effective tax rate

	Rate (%)	Financial statements in which the equity method is applied		Rate (%)	(in thousand Baht)
		2013	2012		
Profit before income tax expense		<u>626,498</u>			<u>747,270</u>
Income tax using the Thai corporation tax rate	20	<u>125,299</u>	23		<u>171,872</u>
Income tax reduction - deferred		-			402
Income not subject to tax		(5)			(3)
Expenses not deductible for tax purposes		<u>893</u>			<u>2,379</u>
Total	20	<u>126,187</u>	23		<u>174,650</u>

	Rate (%)	Separate financial statements		Rate (%)	(in thousand Baht)
		2013	2012		
Profit before income tax expense		<u>626,329</u>			<u>748,842</u>
Income tax using the Thai corporation tax rate	20	<u>125,265</u>	23		<u>172,234</u>
Income tax reduction - deferred		-			355
Income not subject to tax		(5)			(3)
Expenses not deductible for tax purposes		<u>893</u>			<u>2,378</u>
Total	20	<u>126,153</u>	23		<u>174,964</u>

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in 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 dated 11 October 2011 to increase Thailand's tax competitiveness.

24. Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2013 and 2012 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 as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
	2013	2012 (Restated) (in thousand Baht/thousand shares)	2013	2012 (Restated)
Profit attributable to ordinary shareholders of the Company (basic)	<u>500,310</u>	<u>572,620</u>	<u>500,175</u>	<u>573,877</u>
Number of ordinary shares outstanding	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
Earnings per share (basic) (in Baht)	<u>1.39</u>	<u>1.59</u>	<u>1.39</u>	<u>1.59</u>

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Notes to the financial statements

25. Dividends

At the annual general meeting of the shareholders of the Company held on 24 April 2013. The shareholders approved the appropriation of dividends of Baht 1.33 per share, totaling Baht 478.8 million. The dividend was paid to shareholders during 2013.

At the annual general meeting of the shareholders of the Company held on 25 April 2012. The shareholders approved the appropriation of dividends of Baht 1.22 per share, totaling Baht 439.2 million. The dividend was paid to shareholders during 2012.

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, 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

Separate financial statements					
		Maturity			
	Average Interest Rate (% per annum)	Within 3 Months	3 Months- 1 Year (in thousand Baht)	More than 1 Year	Total
2013					
Current					
Cash at banks - at call	0.10 - 2.75	260,216	-	-	260,216
Fixed deposits at banks	1.60 - 3.25	271,429	185,195	10,000	466,624
Non-current					
Debentures	4.5 - 5.0	-	-	40,000	40,000
Loan to associate	7.5	-	1,200	3,600	4,800
2012					
Current					
Cash at banks - at call	0.13 - 0.75	262,165	-	-	262,165
Fixed deposits at banks	1.75 - 3.65	137,925	329,997	-	467,922
Bill of exchange	3.65	-	50,000	-	50,000
Non-current					
Debentures	4.5 - 5.0	-	-	40,000	40,000
Loan to associate	7.5	-	1,200	4,800	6,000

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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:

	Note	Financial statements in which the equity method is applied/ Separate financial statements	
		2013	2012
		(in thousand Baht)	
United States Dollars			
Cash and cash equivalents	6	580	541
Trade accounts receivable	8	13,234	12,361
Other current liabilities		(156)	-
Australia Dollars			
Trade accounts receivable	8	830	426
Gross statement of financial position exposure		14,488	13,328

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.

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.

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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)	
2013		
Current		
Equity securities available for sale	38,298	38,298
Non-current		
Equity securities available for sale	512	512
Debt securities held to maturity	39,719	40,000
Total	<u>78,529</u>	<u>78,810</u>
2012		
Current		
Equity securities available for sale	57,302	57,302
Non-current		
Equity securities available for sale	453	453
Debt securities held to maturity	39,741	40,000
Total	<u>97,496</u>	<u>97,755</u>

27. Commitments with non-related parties

	Financial statements in which the equity method is applied/ Separate financial statements	
	2013	2012
	(in thousand Baht)	
Capital commitments		
Contracted but not provided for:		
Machinery and equipment	10,604	17,507
Other commitments		
Bank guarantees	4,593	4,593

As at 31 December 2013, the Company had unutilized credit facilities totaling Baht 247.5 million (2012: 292.5 million)

Bank guarantees

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

Thaitheparos Public Company Limited

Notes to the financial statements

Agreement with non-related party

On 15 July 2011, the Company entered into a License Agreement for Seasoning Product with a foreign 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 is payable within ten (10) days after the latter has provided the technical information to the Company, and the other installment is payable not later than one (1) year after the date of the first installment. This agreement is for a period of three (3) years.

28. Thai Financial Reporting Standards (TFRS) not yet adopted

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

TFRS	Topic	Year
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investments in Associates	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TFRIC 13	Customer Loyalty Programmes	2014

Management expects to adopt and apply these new and revised 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 these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.



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