

## **REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

### **TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS S&P SYNDICATE PUBLIC COMPANY LIMITED**

We have audited the consolidated statements of financial position of S&P Syndicate Public Company Limited and its subsidiaries and the separate statements of financial position of S&P Syndicate Public Company Limited as at December 31, 2011 and 2010, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of S&P Syndicate Public Company Limited and its subsidiaries and of S&P Syndicate Public Company Limited, as at December 31, 2011 and 2010, and the results of operations and cash flows for the years then ended in accordance with generally accepted accounting principles.

Without qualifying our opinion, we draw your attention on the following notes to financial statements:

- 1) As described Notes 2 and 3 to the financial statements, for the year ended December 31, 2011, the Company and its subsidiaries adopted the Notification of the Department of Business Development dated September 28, 2011 regarding "The Brief Particulars in the financial statements B.E. 2554", and adopted the new and revised Thai Financial Reporting Standards issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards, in preparation and presentation of these financial statements. The consolidated and separate financial statements for the year ended December 31, 2010, presented herein for comparison, are presented in the new format to conform to the consolidated and separate financial statements for the year ended December 31, 2011.

- 2) As described in Notes 3.1.2, 3.2.1 and 3.2.2 to the financial statements, for the year ended December 31, 2011, the Company and its subsidiaries changed their accounting policies for employee benefits, income taxes and customer loyalty program which they first-time adopted Thai Accounting Standard No. 19 “Employee Benefits” and elected to early adopted Thai Accounting Standard No. 12 “Income Taxes” and draft Thai Financial Reporting Interpretation No. 13 “Customer Loyalty Programmes” before the period in which they are initially applied. Therefore, the consolidated and the separate financial statements for the year ended December 31, 2010 presented herein for comparison, have been restated from the effects of the changes in accounting policies. We have audited the adjustments and in our opinion, such adjustments are appropriate and properly applied.

**BANGKOK**  
February 28, 2012

Thanawan Anuratbodee  
Certified Public Accountant (Thailand)  
Registration No. 3440  
**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2011 AND 2010**

**UNIT : BAHT**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2011	2010	2011	2010
			"RESTATED"		"RESTATED"
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6	672,788,572	742,200,666	563,499,281	569,528,357
Temporary investments	7	375,738,267	220,226,474	369,443,164	217,059,311
Trade and other receivables					
Trade accounts receivable - net	8, 15	192,192,965	182,564,750	176,775,235	173,141,656
Other receivables		22,674,197	27,118,739	10,270,019	12,492,132
Advance payments to related parties - net	15	4,944,190	341,174	5,055,475	443,787
Inventories	9	239,509,700	203,253,552	227,837,774	194,092,453
Other current assets		22,140,445	7,332,126	13,058,487	6,565,471
Total Current Assets		<u>1,529,988,336</u>	<u>1,383,037,481</u>	<u>1,365,939,435</u>	<u>1,173,323,167</u>
<b>NON-CURRENT ASSETS</b>					
Deposits used as collateral	10	20,583,660	20,583,660	20,583,660	20,583,660
Investments in associates	11, 15	42,308,582	45,173,405	48,998,000	48,998,000
Investments in subsidiaries	11, 15	-	-	40,999,300	40,999,300
Property, plant and equipment - net	12	1,162,085,209	1,065,213,813	915,015,605	882,226,817
Leasehold right - net	13	98,135,714	95,371,149	79,278,215	92,682,673
Intangible assets - net	14	3,894,976	3,000,436	3,894,976	3,000,436
Long-term deposits		148,997,515	131,937,231	113,792,947	102,967,301
Deferred tax assets - net	16	15,189,023	20,604,859	15,130,673	20,529,056
Other non-current assets		18,025,290	2,044,961	17,795,567	675,062
Total Non-current Assets		<u>1,509,219,969</u>	<u>1,383,929,514</u>	<u>1,255,488,943</u>	<u>1,212,662,305</u>
<b>TOTAL ASSETS</b>		<u><u>3,039,208,305</u></u>	<u><u>2,766,966,995</u></u>	<u><u>2,621,428,378</u></u>	<u><u>2,385,985,472</u></u>

Notes to the financial statements form an integral part of these statements

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

**AS AT DECEMBER 31, 2011 AND 2010**

**UNIT : BAHT**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2011	2010	2011	2010
			"RESTATED"		"RESTATED"
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdraft and short-term borrowings					
from financial institutions	17	1,579,573	3,746,539	-	-
Trade and other payables					
Trade accounts payable	15	382,001,022	351,283,279	351,192,417	323,248,630
Advance received from related parties	15	74,150	351,975	78,969	352,505
Accounts payable - acquisition of assets		41,305,608	36,045,481	41,305,608	34,444,171
Unearned revenues		13,157,938	4,476,272	13,157,938	4,476,272
Accrued expenses		273,861,217	274,972,186	223,462,684	247,042,637
Current portion of long-term borrowings					
from financial institutions	18	29,502,639	19,173,240	-	-
Current portion of financial lease liabilities	19	3,177,992	2,940,558	3,177,992	2,940,558
Current income tax payable		153,780,303	109,247,600	148,156,689	101,840,067
Provision for customer loyalty programmes		1,762,842	3,846,835	1,762,842	3,846,835
Other current liabilities					
Value-added-tax payable		43,907,675	34,090,176	24,421,490	19,967,300
Others		13,585,246	14,408,959	10,872,911	7,310,090
Total Current Liabilities		<u>957,696,205</u>	<u>854,583,100</u>	<u>817,589,540</u>	<u>745,469,065</u>
<b>NON-CURRENT LIABILITIES</b>					
Long-term borrowings from					
financial institutions	18	90,114,641	60,711,380	-	-
Financial lease liabilities	19	2,490,134	3,569,504	2,490,134	3,569,504
Deferred tax liabilities	16	1,711,181	1,342,833	-	-
Employee benefit obligation	20	73,149,848	62,754,645	66,952,095	57,433,897
Other non-current liabilities		3,775,923	2,993,480	-	-
Total Non-current Liabilities		<u>171,241,727</u>	<u>131,371,842</u>	<u>69,442,229</u>	<u>61,003,401</u>
<b>TOTAL LIABILITIES</b>		<u>1,128,937,932</u>	<u>985,954,942</u>	<u>887,031,769</u>	<u>806,472,466</u>

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

**AS AT DECEMBER 31, 2011 AND 2010**

**UNIT : BAHT**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2011	2010	2011	2010
			"RESTATED"		"RESTATED"
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)</b>					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
104,686,273 ordinary shares of Baht 5 each		523,431,365	523,431,365	523,431,365	523,431,365
Issued and paid-up share capital					
104,686,273 ordinary shares of Baht 5 each, fully paid		523,431,365	523,431,365	523,431,365	523,431,365
PREMIUM ON ORDINARY SHARES		689,980,549	689,980,549	689,980,549	689,980,549
RETAINED EARNINGS					
Appropriated					
Legal reserve	21	52,343,137	52,343,137	52,343,137	52,343,137
Treasury shares reserve	22	250,951,475	250,951,475	250,951,475	250,951,475
Unappropriated		612,463,400	477,417,346	468,641,558	313,757,955
OTHER COMPONENTS OF					
SHAREHOLDERS' EQUITY		(37,148,694)	(36,929,054)	-	-
TOTAL ATTRIBUTIONS TO OWNERS					
OF THE PARENT		2,092,021,232	1,957,194,818	1,985,348,084	1,830,464,481
TREASURY SHARES	22	(250,951,475)	(250,951,475)	(250,951,475)	(250,951,475)
NON-CONTROLLING INTERESTS		69,200,616	74,768,710	-	-
TOTAL SHAREHOLDERS' EQUITY		1,910,270,373	1,781,012,053	1,734,396,609	1,579,513,006
<b>TOTAL LIABILITIES AND</b>					
<b>SHAREHOLDERS' EQUITY</b>		<b>3,039,208,305</b>	<b>2,766,966,995</b>	<b>2,621,428,378</b>	<b>2,385,985,472</b>

Notes to the financial statements form an integral part of these statements

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2011	2010	2011	2010
			"RESTATED"		"RESTATED"
Revenues from sales and services		5,878,501,443	5,281,672,068	5,117,263,002	4,573,543,190
Cost of sales and services		(3,246,049,768)	(2,907,837,903)	(3,043,123,017)	(2,722,065,255)
Gross profit		2,632,451,675	2,373,834,165	2,074,139,985	1,851,477,935
Other incomes					
Gain on exchange rate		4,155,793	-	2,118,827	-
Dividend income		-	674,941	2,447,450	3,594,821
Others		58,562,209	52,903,431	41,666,238	37,127,245
Profit before expenses		2,695,169,677	2,427,412,537	2,120,372,500	1,892,200,001
Selling expenses		(183,358,513)	(197,823,333)	(183,358,513)	(197,823,333)
Administrative expenses		(1,759,288,557)	(1,619,659,929)	(1,193,662,950)	(1,103,239,740)
Management benefit expenses		(52,944,382)	(47,320,110)	(38,462,129)	(35,442,423)
Loss on exchange rate		-	(11,733,528)	-	(5,401,285)
Total expenses		(1,995,591,452)	(1,876,536,900)	(1,415,483,592)	(1,341,906,781)
Profit before finance costs and income tax expenses		699,578,225	550,875,637	704,888,908	550,293,220
Finance costs		(3,887,133)	(3,309,969)	(727)	(11,570)
Share of (losses) profits of associates		(417,373)	4,507,050	-	-
Profit before income tax expenses		695,273,719	552,072,718	704,888,181	550,281,650
Income tax expenses	16	(240,939,686)	(167,795,908)	(231,239,141)	(153,004,063)
<b>PROFIT FOR THE YEAR</b>		<b>454,334,033</b>	<b>384,276,810</b>	<b>473,649,040</b>	<b>397,277,587</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
Exchange differences on translation of financial statements		8,180,910	(30,801,770)	-	-
Unrealized gain on revaluation of available-for-sales securities		127,879	28,737	-	-
Income tax relating to components of other comprehensive income (loss)		(27,336)	(7,184)	-	-
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		<b>8,281,453</b>	<b>(30,780,217)</b>	<b>-</b>	<b>-</b>
<b>FOR THE YEAR, NET OF TAX</b>		<b>462,615,486</b>	<b>353,496,593</b>	<b>473,649,040</b>	<b>397,277,587</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>462,615,486</b>	<b>353,496,593</b>	<b>473,649,040</b>	<b>397,277,587</b>

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE		
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
		2011	2010	2011	2010	
			"RESTATED"		"RESTATED"	
<b>PROFIT ATTRIBUTABLE TO:</b>						
Owners of the Parent		453,811,491	383,008,462	473,649,040	397,277,587	
Non-controlling interests		522,542	1,268,348	-	-	
		<u>454,334,033</u>	<u>384,276,810</u>	<u>473,649,040</u>	<u>397,277,587</u>	
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>						
<b>ATTRIBUTABLE TO:</b>						
Owners of the Parent		453,591,851	366,378,903	473,649,040	397,277,587	
Non-controlling interests		9,023,635	(12,882,310)	-	-	
		<u>462,615,486</u>	<u>353,496,593</u>	<u>473,649,040</u>	<u>397,277,587</u>	
<b>BASIC EARNINGS PER SHARE</b>	<b>BAHT</b>	23	4.63	3.80	4.83	3.95
<b>WEIGHTED AVERAGE NUMBER</b>						
<b>OF ORDINARY SHARES</b>	<b>SHARES</b>	23	98,081,673	100,702,115	98,081,673	100,702,115

Notes to the financial statements form an integral part of these statements

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**CONSOLIDATED FINANCIAL STATEMENTS**

UNIT : BAHT

Notes	Equity attributable to owners of the parent									Non-controlling interests	Total shareholders' equity	
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity			Total attributions to owners of the parent	Treasury shares			
			Appropriated		Unappropriated	Other comprehensive income (expense)						
			Legal reserve	Treasury shares reserve		Exchange differences on translation of financial statements	Unrealized gain on revaluation of available-for-sale securities					Income tax relating to components of other comprehensive income (expense)
BEGINNING BALANCE AS AT JANUARY 1, 2010												
AS PREVIOUSLY REPORTED	523,431,365	689,980,549	52,343,137	-	709,879,917	(20,394,032)	126,049	-	1,955,366,985	-	88,650,415	2,044,017,400
Cumulative effects of change in accounting policies	3	-	-	-	(32,544,921)	-	-	(31,512)	(32,576,433)	-	(999,395)	(33,575,828)
<b>BEGINNING BALANCE AS AT JANUARY 1, 2010 - RESTATED</b>	<b>523,431,365</b>	<b>689,980,549</b>	<b>52,343,137</b>	<b>-</b>	<b>677,334,996</b>	<b>(20,394,032)</b>	<b>126,049</b>	<b>(31,512)</b>	<b>1,922,790,552</b>	<b>-</b>	<b>87,651,020</b>	<b>2,010,441,572</b>
Treasury shares reserve	22	-	-	250,951,475	(250,951,475)	-	-	-	-	-	-	-
Treasury shares	22	-	-	-	-	-	-	-	-	(250,951,475)	-	(250,951,475)
Total comprehensive income (loss) for the year ended December 31, 2010		-	-	-	383,008,462	(16,651,112)	28,737	(7,184)	366,378,903	-	-12,882,310	353,496,593
Dividend paid	24	-	-	-	(331,974,637)	-	-	-	(331,974,637)	-	-	(331,974,637)
<b>ENDING BALANCE AS AT DECEMBER 31, 2010</b>	<b>523,431,365</b>	<b>689,980,549</b>	<b>52,343,137</b>	<b>250,951,475</b>	<b>477,417,346</b>	<b>(37,045,144)</b>	<b>154,786</b>	<b>(38,696)</b>	<b>1,957,194,818</b>	<b>(250,951,475)</b>	<b>74,768,710</b>	<b>1,781,012,053</b>

Notes to the financial statements form an integral part of these statements



**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**CONSOLIDATED FINANCIAL STATEMENTS**

UNIT : BAHT

Notes	Equity attributable to owners of the parent								Total attributions to owners of the parent	Treasury shares	Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Unappropriated	Other components of shareholders' equity						
			Appropriated			Other comprehensive income (loss)						
			Legal reserve	Treasury shares reserve		Exchange differences on translation of financial statements	Unrealized gain on revaluation of available-for-sale securities	Income tax relating to components of other comprehensive income (loss)				
BEGINNING BALANCE AS AT JANUARY 1, 2011 - AS PREVIOUSLY REPORTED	523,431,365	689,980,549	52,343,137	250,951,475	508,831,935	(37,045,144)	154,786	-	1,988,648,103	-250,951,475	76,093,679	1,813,790,307
Cumulative effects of change in accounting policies	3	-	-	-	(31,414,589)	-	-	(38,696)	-31,453,285	-	(1,324,969)	(32,778,254)
<b>BEGINNING BALANCE AS AT JANUARY 1, 2011</b> <b>- RESTATED</b>	523,431,365	689,980,549	52,343,137	250,951,475	477,417,346	(37,045,144)	154,786	(38,696)	1,957,194,818	-250,951,475	74,768,710	1,781,012,053
Total comprehensive income (loss) for the year ended December 31, 2011	-	-	-	-	453,811,491	(320,183)	127,879	(27,336)	453,591,851	-	9,023,635	462,615,486
Dividend paid	24	-	-	-	(318,765,437)	-	-	-	(318,765,437)	-	(14,591,729)	(333,357,166)
<b>ENDING BALANCE AS AT DECEMBER 31, 2011</b>	523,431,365	689,980,549	52,343,137	250,951,475	612,463,400	(37,365,327)	282,665	(66,032)	2,092,021,232	(250,951,475)	69,200,616	1,910,270,373

Notes to the financial statements form an integral part of these statements

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**SEPARATE FINANCIAL STATEMENTS**

UNIT : BAHT

	Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings			Total Shareholders' equity	
				Appropriated		Unappropriated		Treasury shares
				Legal reserve	Treasury shares reserve			
BEGINNING BALANCE AS AT JANUARY 1, 2010 - AS PREVIOUSLY REPORTED		523,431,365	689,980,549	52,343,137	-	528,063,988	-	1,793,819,039
Cumulative effects of change in accounting policies	3	-	-	-	-	(28,657,508)	-	(28,657,508)
<b>BEGINNING BALANCE AS AT JANUARY 1, 2010 - RESTATED</b>		<u>523,431,365</u>	<u>689,980,549</u>	<u>52,343,137</u>	<u>-</u>	<u>499,406,480</u>	<u>-</u>	<u>1,765,161,531</u>
Treasury shares reserve	22	-	-	-	250,951,475	(250,951,475)	-	-
Treasury shares	22	-	-	-	-	-	(250,951,475)	(250,951,475)
Total comprehensive income for the year ended December 31, 2010		-	-	-	-	397,277,587	-	397,277,587
Dividend paid	24	-	-	-	-	(331,974,637)	-	(331,974,637)
<b>ENDING BALANCE AS AT DECEMBER 31, 2010</b>		<u><u>523,431,365</u></u>	<u><u>689,980,549</u></u>	<u><u>52,343,137</u></u>	<u><u>250,951,475</u></u>	<u><u>313,757,955</u></u>	<u><u>(250,951,475)</u></u>	<u><u>1,579,513,006</u></u>
BEGINNING BALANCE AS AT JANUARY 1, 2011 - AS PREVIOUSLY REPORTED		523,431,365	689,980,549	52,343,137	250,951,475	339,948,431	(250,951,475)	1,605,703,482
Cumulative effects of change in accounting policies	3	-	-	-	-	(26,190,476)	-	(26,190,476)
<b>BEGINNING BALANCE AS AT JANUARY 1, 2011 - RESTATED</b>		<u>523,431,365</u>	<u>689,980,549</u>	<u>52,343,137</u>	<u>250,951,475</u>	<u>313,757,955</u>	<u>(250,951,475)</u>	<u>1,579,513,006</u>
Total comprehensive income for the year ended December 31, 2011		-	-	-	-	473,649,040	-	473,649,040
Dividend paid	24	-	-	-	-	(318,765,437)	-	(318,765,437)
<b>ENDING BALANCE AS AT DECEMBER 31, 2011</b>		<u><u>523,431,365</u></u>	<u><u>689,980,549</u></u>	<u><u>52,343,137</u></u>	<u><u>250,951,475</u></u>	<u><u>468,641,558</u></u>	<u><u>(250,951,475)</u></u>	<u><u>1,734,396,609</u></u>

Notes to the financial statements form an integral part of these statements

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**UNIT : BAHT**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2011	2010 "RESTATED"	2011	2010 "RESTATED"
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before income tax expenses		695,273,719	552,072,718	704,888,181	550,281,650
Adjustments :					
Depreciation and amortization		263,719,237	261,357,237	229,014,936	232,304,672
Unrealized (gain) loss on exchange rate		-227,185	450,718	-227,185	13,899
Unrealized gain on temporary investments		-1,836,948	-1,820,238	-1,836,887	-1,820,238
Doubtful accounts (reversal)		-	-2,129,582	-	-1,434,705
Doubtful account - cash advance to a related company		-	-	3,178,285	605,125
Share of losses (profits) of associates		417,373	-4,507,050	-	-
Loss on writting-off of fixed assets		7,623,874	9,834,542	5,503,315	6,786,730
Loss on writting-off of intangible assets		-	1,968,846	-	-
Gain on sales of temporary investments		-750,257	-245,873	-750,257	-245,873
Gain on sales of fixed assets		-362,726	-1,089,276	-362,726	-1,089,276
Dividend received from temporary investments		-	-674,941	-	-674,941
Dividend received from an associated company		-	-	-2,447,450	-2,919,880
Employee benefit obligation expense		12,761,203	10,771,544	11,884,198	10,000,000
Interest income		-10,984,852	-3,444,810	-10,640,391	-2,689,316
Interest expense		3,887,133	3,309,969	727	11,570
		<u>969,520,571</u>	<u>825,853,804</u>	<u>938,204,746</u>	<u>789,129,417</u>
Increase in trade accounts receivable		-9,628,215	-16,842,460	-3,633,579	-24,048,727
Decrease in other receivables		4,444,542	5,708,544	2,222,113	8,857,871
(Increase) decrease in advance payments to related parties		-4,603,016	-97,128	-7,789,973	555,331
(Increase) decrease in inventories		-36,256,148	3,297,660	-33,745,321	3,820,414
(Increase) decrease in other current assets		-8,389,398	38,833,357	-2,521,545	-2,603,301
Increase in long-term deposit		-17,060,284	-5,622,801	-10,825,646	-8,167,181
(Increase) decrease in other non-current assets		-15,980,329	1,983,495	-17,120,505	3,227,651
Increase (decrease) in trade accounts payable		30,717,743	-11,559,149	27,943,787	-560,388
(Decrease) increase in advance received from related parties		-277,825	238,394	-273,536	209,641
Increase in unearned revenues		8,681,666	272,581	8,681,666	272,581
Increase (decrease) in accrued expenses		2,537,565	84,429,777	-19,931,419	70,194,106
Decrease in provision for customer loyalty programmes		-2,083,993	-339,351	-2,083,993	-339,351
Increase in value-added-tax payable		9,817,499	10,363,622	4,454,190	2,695,178
(Decrease) increase in other current liabilities		-823,712	9,667,498	3,562,822	9,195,353
Increase in other non-current liabilities		782,443	821,360	-	-
Cash received from operations		<u>931,399,109</u>	<u>947,009,203</u>	<u>887,143,807</u>	<u>852,438,595</u>

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**UNIT : BAHT**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2011	2010	2011	2010
		"RESTATED"	"RESTATED"		
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)</b>					
Cash received for interest		7,013,381	3,380,276	6,668,920	2,624,782
Cash paid for employee benefit		-2,366,000	-438,800	-2,366,000	-438,800
Cash paid for interest		-3,887,133	-3,309,969	-727	-11,570
Cash paid for income tax		-190,650,136	-138,652,445	-179,524,135	-124,530,950
Net cash provided by operating activities		<u>741,509,221</u>	<u>807,988,265</u>	<u>711,921,865</u>	<u>730,082,057</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Increase in deposit used as collateral		-	-15,107,400	-	-18,607,400
Cash payments for acquisition of temporary investments		(903,721,500)	(510,500,000)	(900,721,500)	(510,000,000)
Cash received from sales of temporary investments		750,924,791	832,566,635	750,924,791	831,036,934
Dividend received from temporary investments		-	674,941	-	674,941
Dividend received from an associated company		-	-	2,447,450	2,919,880
Cash payment for purchases of fixed assets		(334,808,356)	(318,570,088)	(242,336,791)	(213,650,920)
Proceeds from sales of fixed assets		433,200	1,859,945	433,200	1,859,945
Cash payments for purchases of intangible assets		(2,072,000)	(727,500)	(2,072,000)	(727,500)
Cash payments for purchases of leasehold right		(17,686,977)	-	-	-
Net cash (used in) provided by investing activities		<u>(506,930,842)</u>	<u>(9,803,467)</u>	<u>(391,324,850)</u>	<u>93,505,880</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Cash received from bank overdraft and short-term borrowings from financial institutions		1,579,573	208,488	-	-
Cash repayments for bank overdraft and short-term borrowings from financial institutions		(3,746,539)	-	-	-
Cash repayments for long-term borrowings from financial institutions		(22,360,850)	(2,446,616)	-	-
Cash received from long-term borrowings from financial institutions		62,093,510	71,890,920	-	-
Cash repayments for financial lease liabilities		(4,439,304)	(3,848,480)	(4,439,304)	(3,848,480)
Cash payments for purchase of treasury shares		-	(250,951,475)	-	(250,951,475)
Dividend paid		(322,413,972)	(327,348,655)	(322,413,972)	(327,348,655)
Net cash used in financing activities		<u>(289,287,582)</u>	<u>(512,495,818)</u>	<u>(326,853,276)</u>	<u>(582,148,610)</u>

**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**UNIT : BAHT**

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2011	2010 "RESTATED"	2011	2010 "RESTATED"
Unrealized exchange loss (gain) of cash and cash equivalents		227,185	(315,270)	227,185	(13,899)
Exchange differences on translation of the financial statements		(14,930,076)	(18,285,605)	-	-
Net (decrease) increase in cash and cash equivalents		-69,412,094	267,088,105	-6,029,076	241,425,428
Cash and cash equivalents as at January 1,		742,200,666	475,112,561	569,528,357	328,102,929
<b>CASH AND CASH EQUIVALENTS</b>					
<b>AS AT DECEMBER 31,</b>	6	<u>672,788,572</u>	<u>742,200,666</u>	<u>563,499,281</u>	<u>569,528,357</u>

Notes to the financial statements form an integral part of these statements

**S&P SYNDICATE PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

**1. GENERAL INFORMATION**

On October 14, 1973, S&P Syndicate Public Company Limited (“the Company”) was incorporated under the Civil and Commercial Code of Thailand as a limited company. Subsequently in May 1989, the Stock Exchange of Thailand registered the Company’s common shares as a listed security and the Company was transformed to Public Company Limited on April 20, 1994. The location of its head office is at 457-457/6 Soi Sukhumvit 55 (Soi Thonglor), Sukhumvit Road, Klongtonnua, Vadhana, Bangkok 10110.

S&P Syndicate Public Company Limited is the parent company within the group of companies. The core business is the operation of a nationwide and international chain of restaurants and bakery shops, the production of bakery, frozen foods and other food products and food-service related business such as outside catering.

**2. BASIS FOR PREPARATION AND PRESENTATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**2.1 Basis for preparation and presentation of the financial statements**

The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with accounting standards and practices generally accepted in Thailand.

The consolidated financial statements of S&P Syndicate Public Company Limited and its subsidiaries and the separate financial statements of S&P Syndicate Public Company Limited have been prepared in compliance with the Notification of the Department of Business Development dated September 28, 2011 regarding “The Brief Particulars in the Financial Statements B.E. 2554”, which is effective for financial periods beginning on or after January 1, 2011 onwards and in accordance with the Regulation of the Stock Exchange of Thailand dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544. The consolidated and separate financial statements for the year ended December 31, 2010, presented herein for comparison, have been presented in the new format to conform to the consolidated and separate financial statements for the year ended December 31, 2011.

To facilitate the readers, an English version of financial statements have been translated from the Thai version of financial statements. Such financial statements have been prepared for domestic reporting purpose.

The Federation of Accounting Professions has issued the Notifications regarding the Thai Accounting Standard (TAS) and Thai Accounting Standard Interpretation (TSI) which will become effective for the financial statements for the accounting periods beginning on or after January 1, 2013 onwards as follows:

**TAS**

TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

**TSI**

TSI 10	Government Assistance - No Specific Relation to Operating Activities
TSI 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSI 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management will adopt the above relevant TAS and TSI in the preparation of the Company's financial statements when they become effective, except TAS 20, TSI 10, TSI 21 and TSI 25 which are not applicable to the Company's business activities. However, the Company have elected to early adopt TAS 12 "Income Tax".

In addition, the Company has elected to early adopt draft TFRI 13 "Customer Loyalty Programmes" before the announcement in the Royal Gazette.

## 2.2 Basis for preparation of consolidated financial statements

The consolidated financial statements for the years ended December 31, 2011 and 2010, include the financial statements of the Company and its subsidiaries in which the Company has controlled or invested over 50% of their voting rights. These subsidiaries are detailed as follows:

	Business type	Country of registration	Percentage of holdings (%)	
			As at December 31, 2011	2010
<b>Subsidiaries</b>				
S&P Global Co., Ltd.	Investment in other companies	Thailand	80.00	80.00
S&P Asset Co., Ltd.	Office rental	Thailand	99.93	99.93
S&P Food Solution Co., Ltd. (formerly S&PizZanotti (Thailand) Limited) (1)	Restaurant (Ceased operation)	Thailand	99.99	99.99

- (1) On February 26, 2010, the Board of Directors' meeting of S&PizZanotti (Thailand) Limited passed a resolution to change its name from "S&PizZanotti (Thailand) Limited" to "S&P Food Solution Co., Ltd.". The Company registered the name change with the Department of Business Development on the same date.

On August 1, 2010, the Company has ceased its operation and transferred its assets to S&P Syndicate Public Company Limited.

Additionally, the consolidated financial statements include the results from the financial statements of overseas subsidiaries, in which S&P Global Co., Ltd., a subsidiary, has a shareholding, as such subsidiary has been given authority to provide technical assistance to, and management of overseas Thai food restaurants owned by the subsidiary under agreements as follows:

	Business type	Country of registration	Percentage of holdings (%)	
			As at December 31, 2011	2010
<b>Shares held directly by S&amp;P Global Co., Ltd.</b>				
S&P Restaurant Limited	Restaurant	England	96.00	96.00
Patara (Geneva) SA	Restaurant	Switzerland	62.00	62.00
Theme Foods Pte. Ltd.	Restaurant	Singapore	50.00	50.00
SK Catering Pte. Ltd.	Restaurant	Singapore	50.00	50.00
Patara Taiwan Company Limited (1)	Restaurant	Taiwan	50.00	50.00
	(Ceased operation)			
Patio International Limited	Restaurant	Taiwan	60.00	60.00
Patara International Restaurant Management (Beijing) Co., Ltd. (2)	Restaurant	The People's Republic of China	91.25	90.79
Thai Development SA	Restaurant	Switzerland	45.00	45.00
Patara Restaurant, Vienna GmbH (4)	Restaurant	Austria	50.00	-
<b>Shares held indirectly by Theme Foods Pte. Ltd.</b>				
Siam Kitchen Sdn. Bhd. (3)	Restaurant	Malaysia	99.99	99.99
	(Ceased operation)			
<b>Shares held indirectly by S&amp;P Restaurant Limited and Thai Development SA</b>				
Patara Restaurant, Vienna GmbH (4)	Restaurant	Austria	43.05	76.20
<b>Shares held indirectly by SK Catering Pte. Ltd.</b>				
Bangkok Jam Co., Ltd. (5)	Restaurant	Taiwan	50.00	-

(1) During the year 2007, Patara Taiwan Company Limited has ceased its operation and its assets had been transferred to Patio International Limited.

(2) March 22, 2010, the Board of Directors' Meeting of S&P Global Co., Ltd. passed a resolution to approve an increase the registered share capital of Patara International Restaurant Management (Beijing) Co., Ltd. from RMB 3.50 million to RMB 3.80 million, by offering 100% of such share capital increase amounting to RMB 0.30 million, to S&P Global Co., Ltd. The Company registered such increase in share capital on April 2, 2010 so the proportion of S&P Global Co., Ltd. has changed from 90% to 90.79%.

On September 17, 2010, the Board of Directors' Meeting of S&P Global Co., Ltd. passed a resolution to approve an increase the registered share capital of Patara International Restaurant Management (Beijing) Co., Ltd. from RMB 3.80 million to RMB 4.30 million, by offering 100% of such share capital increase amounting to RMB 0.50 million.

Then, on February 4, 2011, Patara International Restaurant Management (Beijing) Co., Ltd. called up for paid-up share capital in amounting to RMB 0.20 million which S&P Global Co., Ltd. has paid-up share capital in the same date. Thus, the proportion of S&P Global Co., Ltd. as at December 31, 2011 is 91.25%.

(3) During the year 2005, Siam Kitchen Sdn. Bhd. has ceased its operations in Malaysia and is in process of dissolution.



- (4) On June 29, 2010, the Board of Directors' Meeting of Patara Restaurant, Vienna GmbH passed a resolution to approve an increase the registered share capital of Patara Restaurant, Vienna GmbH from EUR 200,000 to EUR 300,000, by offering such share capital increase amounting to EUR 100,000, to the shareholder on the same former proportion and the Company has already registered the increase in share capital on September 17, 2010.

On March 15, 2011, the Board of Directors' Meeting of the Company passed a resolution to approve an increase the registered share capital of Patara Restaurant, Vienna GmbH from EUR 300,000 to EUR 1,200,000, by offering such share capital increase amounting to EUR 600,000 and EUR 300,000, to S&P Global Co., Ltd., and S&P Restaurants Limited, respectively. Patara Restaurant, Vienna GmbH registered such increase in share capital on June 2, 2011. Therefore, S&P Global Co., Ltd. has direct shares held in Patara Restaurant, Vienna GmbH at 50.00% and indirect shares held at 43.05%.

- (5) On March 8, 2011, the Board of Directors' Meeting of SK Catering Pte. Ltd., passed a resolution the approve an investment in Bangkok Jam., Ltd., which has registered share capital of TWD 4 million. However, Bangkok Jam Co., Ltd. called up for paid-up share capital in amounting to TWD 3.46 million and TWD 0.54 million, respectively which SK Catering Pte. Ltd. holds 100% of registered share capital of Bangkok Jam Co., Ltd. and has already paid such called-up share capital on June 2011.

In July 2011, the Board of Directors' Meeting of SK Catering Pte. Ltd., passed a resolution to approve an increase in the registered share capital of Bangkok Jam Co., Ltd. from TWD 4 million to TWD 5 million, by offering 100% of such increase share capital amounting to TWD 1 million, to SK Catering Pte. Ltd. Bangkok Jam Co. Ltd. called up for all of the paid-up share capital and SK Catering Pte. Ltd. has already paid such called up share capital in July 2011.

Significant intercompany transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.

The consolidated financial statements for the years ended December 31, 2011 and 2010, do not include the financial statements of Siam Kitchen Sdn. Bhd., which is a subsidiary registered in Malaysia which is owned by Theme Foods Pte. Ltd. as the amount is immaterial. As at December 31, 2011 and 2010, the carrying value of such investment is nil.

The consolidated financial statements for the years ended December 31, 2011 and 2010, include the financial statements of Bangkok Jam and Patara Fine Thai Cuisine, which are sole proprietorship entities registered under the laws of Singapore which are under the control of SK Catering Pte. Ltd. and Theme Foods Pte. Ltd., respectively.

Assets and investments recorded by the equity method as at December 31, 2011 and 2010, revenues and the share of profit (loss) from investments recorded by the equity method in associates for the years ended December 31, 2011 and 2010 accounted for by the percentage of total assets, net assets (total assets net of total liabilities), consolidated revenues and total net profit, respectively, in the consolidated financial statements are summarized below:

Company's name	CONSOLIDATED FINANCIAL STATEMENTS							
	Assets of subsidiaries as percentage of total assets As at December 31,		Investments recorded by the equity method as percentage of net assets As at December 31,		Revenues as percentage of total revenues for the years ended December 31,		Share of profit (loss) as percentage of net profit for the years ended December 31,	
	2011	2010	2011	2010	2011	2010	2011	2010
<b>Shares held by S&amp;P Syndicate Public Company Limited</b>								
<b>Subsidiaries:</b>								
S&P Global Co., Ltd. and subsidiaries (Proportion of subsidiaries of S&P Global Co., Ltd. are presented below)	14.85	14.99	-	-	12.75	13.45	-	-
S&P Asset Co., Ltd.	0.42	0.36	-	-	0.14	0.12	-	-
S&P Food Solution Co., Ltd. (formerly S&PizZanotti (Thailand) Limited)	0.01*	0.04*	-	-	-	0.11*	-	-
<b>Associates:</b>								
HD Distributors (Thailand) Co., Ltd.	-	-	2.22*	2.53*	-	-	(0.09)*	0.19*
Foodhouse Catering Service Co., Ltd.	-	-	-	-	-	-	-	(0.25)*
	<u>15.28</u>	<u>15.39</u>	<u>2.22</u>	<u>2.53</u>	<u>12.89</u>	<u>13.68</u>	<u>(0.09)</u>	<u>(0.06)</u>
<b>Shares held directly by S&amp;P Global Co., Ltd.</b>								
S&P Restaurant Limited	6.07	5.54	-	-	4.39	4.84	-	-
Patara (Geneva) SA	0.80*	0.91*	-	-	1.34*	1.37*	-	-
Theme Foods Pte. Ltd.	0.55*	0.64*	-	-	0.83*	0.85*	-	-
SK Catering Pte. Ltd.	1.44*	1.62*	-	-	3.04*	3.29*	-	-
Patara Taiwan Company Limited	0.01*	0.02*	-	-	-	0.02*	-	-
Patara International Limited	0.01*	0.26*	-	-	0.24*	0.70*	-	-
Thai Developments SA	0.94*	1.00*	-	-	1.58*	1.63*	-	-
Patara International Restaurant Management (Beijing) Co., Ltd	0.53*	0.54*	-	-	0.22*	0.16*	-	-
Patara Restaurant, Vienna GmbH	2.54*	-	-	-	0.80*	-	-	-
	<u>12.89</u>	<u>10.53</u>	<u>-</u>	<u>-</u>	<u>12.44</u>	<u>12.86</u>	<u>-</u>	<u>-</u>
<b>Shares held indirectly by S&amp;P Restaurant Limited and Thai Development SA</b>								
Patara Restaurant, Vienna GmbH	-	2.93*	-	-	-	0.58*	-	-
<b>Shares held directly by SK Catering Pte. Ltd.</b>								
Bangkok Jam Co., Ltd.	0.85*	-	-	-	0.31*	-	-	-
	<u>13.74</u>	<u>13.46</u>	<u>-</u>	<u>-</u>	<u>12.75</u>	<u>13.44</u>	<u>-</u>	<u>-</u>

\* Information, which was provided by the management, was not audited or reviewed by an auditor.

### 3. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

During the year ended December 31, 2011, the Company and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards (TFRS) issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2011 onwards, This adoption does not have significant impact on the Company and its subsidiaries' financial statements except for the following Thai Accounting Standards:

#### 3.1 Adopting of new and revised Thai Financial Reporting Standards as at the effective date

##### 3.1.1 TAS No. 1 (Revised 2009) "Presentation of Financial Statements"

Thai Accounting Standard No. 1 (Revised 2009) "Presentation of Financial Statements" changed requirements about the presentation in the financial statements. Therefore, it affected the reclassification in the consolidated and separate financial statements for the year ended December 31, 2010, presented for comparison.

##### 3.1.2 TAS No.19 "Employee Benefits"

During the year ended December 31, 2011, the Company and its subsidiaries have first-time adopted the Thai Accounting Standard No. 19 "Employee Benefits" by calculating the post-employment benefits obligation under the Thai Labor Protection Act based on actuarial assumptions using Projected Unit Credit Method at the end of reporting period. The Company and its subsidiaries elected to recognize past service cost and interest cost by restating the consolidated and separate financial statements for the year ended December 31, 2010, which are presented herein for comparison, as if the Company had recognized provision for employee benefit obligation according to the new accounting policy continuously, which is in compliance with the transitional provision of such standard.

##### 3.1.3 Change in accounting estimates

During the year ended December 31, 2011, the Company has adopted Thai Accounting Standard No. 16 (Revised 2009) "Property Plant and Equipment" by changing the estimated useful life in order to more appropriately reflect the current usage condition and consumption of the economic benefit by changing the estimated useful lives as follows:

	<b>For the years ended December 31,</b>	
	<b>2011</b>	<b>2010</b>
Buildings and building improvements	5 - 30 years	20 years
Factory buildings	5 - 30 years	20 years
Machinery and equipment	5 - 15 years	5 - 8 years
Office furniture and equipment	3 - 5 years	5 years

As a result, such change in accounting estimates has affected to the consolidated and separate financial statements for the year ended December 31, 2011 by increasing in depreciation expense by Baht 5.13 million decreasing in net profit by Baht 3.59 million, and decreasing in basic earnings per share by Baht 0.04.

The Company elected to apply prospectively which is in compliance with the transitional provision of such standard only for assets which still have carrying amount as at January 1, 2011. Cost of assets which were fully depreciated but are still in use as at January 1, 2011 of Baht 1,058.80 million are not applied.

### 3.2 Adopting of new and draft Thai Financial Reporting Standards before the effective date

#### 3.2.1 TAS No. 12 “Income Taxes”

During the year ended December 31, 2011, the Company and its subsidiaries have elected to early adopt Thai accounting Standard No. 12 “Income Taxes” before the period in which it is initially applied. The consolidated and separate financial statements for the year ended December 31, 2010, presented herein for comparison, have been restated consequent to the adoption of the financial reporting standard, as if the Company had recognized deferred tax according to the new accounting policy continuously.

#### 3.2.2 Draft TFRI No. 13 “Customer Loyalty Programmes”

During the year ended December 31, 2011, the Company has adopted draft TFRI No. 13 “Customer Loyalty Programmes” before the announcement in the Royal Gazette. The consolidated and separate financial statements for the year ended December 31, 2010, presented herein for comparison, have been restated consequent to the adoption of the financial reporting standard, as if the Company had recognized customer loyalty programmes according to the new accounting policy continuously.

Therefore, the comparative information to the statement of comprehensive income for the year ended December 31, 2010 and the statement of financial position as at December 31, 2010 have been restated to conform to the new accounting policy.

**For the year ended December 31, 2010**

**Consolidated Financial Statement**

**Unit : Thousand Baht**

**Statements of comprehensive income**

	<b>Previously reported</b>	<b>As Restated</b>	<b>Increase/ (decrease)</b>
Selling expenses	198,163	197,823	(340)
Administrative expenses	1,619,368	1,619,660	292
Income tax expense	169,204	167,796	(1,408)
Profit for the year	382,821	384,277	1,456
Profit attributable to owners of the parent	381,878	383,008	1,130
Profit attributable to non-controlling interests	943	1,268	325
Total comprehensive income attributable to owners of the parent	365,256	366,379	1,123
Total comprehensive income (loss) attributable to non-controlling interests	(12,556)	(12,882)	326
Basic earnings per share	3.79	3.80	(0.01)

**Separate Financial Statement**

**Unit : Thousand Baht**

**Statements of comprehensive income**

	<b>Previously reported</b>	<b>As Restated</b>	<b>Increase/ (decrease)</b>
Selling expenses	198,163	197,823	(340)
Administrative expenses	1,103,240	1,103,240	-
Income tax expenses	155,132	153,004	(2,128)
Profit for the year	394,811	397,278	2,467
Profit attributable to owners of the parent	394,811	397,278	2,467
Basic earnings per share	3.92	3.95	0.03

**As at December 31, 2010**

**Consolidated Financial Statement**

**Unit : Thousand Baht**

**Statements of financial position**

	<b>Previously reported</b>	<b>As Restated</b>	<b>Increase/ (decrease)</b>
Unappropriated retained earnings brought forward as of January 1, 2010	709,880	677,335	(32,545)
Other comprehensive income - deferred tax as of January 1, 2010	-	32	32
Non-controlling interest brought forward as of January 1, 2010	88,650	87,651	(999)
Deferred tax assets	-	20,605	20,605
Employee benefit obligation	-	62,755	62,755
Deferred tax liabilities	-	1,343	1,343
Provision for customer loyalty programme	-	3,847	3,847
Other components of equity	(36,890)	(36,929)	39
Non-controlling interests	76,093	74,769	(1,324)
Unappropriated retained earnings carried forward as of December 31, 2010	508,832	477,418	(31,414)

**Separated Financial Statement**

<b>Statements of financial position</b>	<b>Unit : Thousand Baht</b>		
	<b>Previously reported</b>	<b>As Restated</b>	<b>Increase/ (decrease)</b>
Unappropriated retained earnings brought forward as of January 1, 2010	528,064	499,407	(28,657)
Deferred tax assets	-	20,529	20,529
Employee benefit obligation	-	57,434	57,434
Provision for customer loyalty programme	-	3,847	3,847
Unappropriated retained earnings carried forward as of December 31, 2010	339,948	313,758	(26,190)

**4. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared under the measurement basis of historical cost except as disclosed in the accounting policies as follows:

**4.1 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand, deposits at bank and all types of deposits at financial institutions with maturity term not over 3 months; which excluding deposit at bank used as collateral.

**4.2 Temporary investments**

Temporary investments consist of investment in trading securities, available-for-sale securities, time deposits with maturity term over 3 months up to 12 months and held-to-maturity debt security due within 12 months and without obligation.

Investment in trading securities are carried at fair value. Realized gains and losses from the sales of trading securities and unrealized gain and loss on the changes in fair values are recognized in statements of comprehensive income.

Investments in available-for-sales securities are carried at fair value, differences between book value and fair value of available-for-sales securities are recorded as unrealized gain (loss) on revaluation of investments under shareholders' equity.

**4.3 Allowance for doubtful accounts**

Allowance for doubtful accounts is provided at the estimated collection losses on receivables. Such estimate based on the Company's collection experiences of each receivable.

#### 4.4 Inventories

Inventories of the Company and its subsidiaries are carried at the lower of cost or net realizable value. The cost of inventories of the Company and its three subsidiaries are calculated by using the weighted average cost method and of the other three subsidiaries are calculated by using the first-in, first-out method.

#### 4.5 Investments in associates and subsidiaries

Investments in associates and subsidiaries are presented by the cost method in the separate financial statements.

Investments in associates are presented by the equity method in the consolidated financial statements.

In the case where impairment of investment is occurred, the impairment loss of investment will be charged to the statement of comprehensive income.

#### 4.6 Property, plant and equipment

Land of the Company is stated at cost less provision for impairment, if any.

Plant and equipment of the Company and its domestic and overseas subsidiaries are stated at cost, less accumulated depreciation and provision for impairment, if any.

Depreciation of plant and equipment of the Company and its domestic subsidiaries is calculated by the straight-line method over the estimated useful lives of the assets as follows:

Buildings and building improvements	5 - 30 years
Factory buildings	5 - 30 years
Machinery and equipment	5 - 15 years
Office furniture and equipment	3 -5 years
Vehicles	5 years

During the year ended December 31, 2011, the Company has changed the estimated useful lives of some assets type (see Note 3.1.3).

Depreciation of equipment of overseas subsidiaries is calculated by the straight-line and the diminishing balance methods over the estimated useful lives of the assets of 4 - 5 years.

In the case where impairment of property, plant and equipment is occurred, the loss on impairment will be charged to the statement of comprehensive income.

#### 4.7 Intangible assets

Intangible assets consist of trademarks and software development costs.

Intangible assets are stated at costs less accumulated amortization. Amortization is calculated by the straight-line method, based on lease period or useful lives of the assets as follows:

Trademarks	10 years
Software development costs	5 years

#### 4.8 Leasehold right

Leasehold right of the Company and its subsidiaries is stated at cost, less accumulated amortization.

Leasehold right amortization of the Company and its subsidiaries is being amortized by using the straight-line method over the lease periods as follows:

Leasehold right of the Company	3 - 30 years
Leasehold right of subsidiaries	15 - 20 years

#### 4.9 Employee benefit obligation

The Company and its subsidiaries have accounted for post-employment benefits obligation under the Thai Labor Protection Act based on actuarial assumptions using Projected Unit Credit Method at the end of reporting period, such as discount rates, inflation rates, expected rates of salary increase and turnover rates.

#### 4.10 Lease

##### Operating lease

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.



#### Finance lease

Lease in which substantially all the risks and rewards of ownership other than legal title are transferred to the Company is accounted for as a finance lease. The Company capitalizes the equipment at the lower of fair value of the equipment at the contractual date or estimated present value of the underlying lease payments. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest or financial charge is recognized by effective interest rate method over the term of contracts. Interest or financial charge and depreciation are recognized as expenses in the statement of comprehensive income.

#### 4.11 Provident fund

The contribution paid by the Company and its domestic subsidiaries to the provident funds of employees is recognized as an expense when the transactions occurred.

#### 4.12 Foreign currency transactions

Transactions in foreign currencies occurred during the year are converted into Baht at the rates of exchange prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies outstanding at the end of the year are converted into Baht at the exchange rates prevailing on that date as determined by the Bank of Thailand. Gains or losses on conversion are included in the statement of comprehensive income.

The translation of foreign financial statements into Baht for the purpose of preparing the consolidated financial statements is determined by using the following rates:

- a. Assets and liabilities are converted at the closing rate at the statements of financial position date.
- b. Shareholders' equity is converted at the rates prevailing on the transaction dates.
- c. Revenues and expenses are converted at the average rate during the period.

Gain (loss) on translation of foreign financial statements is shown under shareholders' equity.

#### 4.13 Recognition of revenues and expenses

Revenues from the sales of goods are recognized as revenue when the significant risks and rewards of ownership are transferred to the buyer. For domestic sales, title is considered to have passed when goods are dispatched to customers. For export sales, title is passed to the buyer when the Company delivers the goods to the common carrier who acts as an agent for the buyer.

Revenues from services are recognized as revenue when the services are rendered.

Revenues from dividend from investments are recognized as income when the dividend is declared.

Other income are recognized on an accrual basis.

#### 4.14 Income tax

Income tax - income (expense) represent the sum of the tax currently payable and deferred tax.

##### 4.14.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it includes items of expenses that are tax deductible and if further excludes items of income or expense that are not taxable or non - deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the statements of financial position date.

##### 4.14.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each statements of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available for utilizing all or part of the deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates those are expected to apply in the period in which the asset is realized or the liability settled, based on tax rates that have been enacted or substantively enacted by the statements of financial position date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis or to realized the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Income tax - income (expense) related to profit or loss from normal activities are presented in the statement of comprehensive income except for current and deferred taxes of related items that recognized directly in the shareholders' equity in the same or different period.

#### 4.15 Basic earnings per share

Basic earnings per share are computed by dividing profit attributable to the owners of the parent for the year by the weighted average number of ordinary shares outstanding during the year.

#### 4.16 Use of accounting estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

## 5. SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION

### 5.1 Non-cash transactions are as follows:

#### 5.1.1 Liabilities incurred from acquisition of assets

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Liabilities incurred from acquisition of assets as at January 1,	36,045	21,172	34,444	21,172
<u>Add</u> Purchases of fixed assets	343,667	336,504	252,797	229,983
Purchases of intangible assets	2,072	728	2,072	728
Purchases of leasehold right	17,687	-	-	-
<u>Less</u> Cash payments - fixed assets	(334,808)	(318,571)	(242,337)	(213,651)
- intangible assets	(2,072)	(728)	(2,072)	(728)
- leasehold right	(17,687)	-	-	-
Purchase of fixed assets under finance lease	(3,597)	(3,060)	(3,597)	(3,060)
Liabilities incurred from acquisition of assets as at December 31,	<u>41,307</u>	<u>36,045</u>	<u>41,307</u>	<u>34,444</u>

#### 5.1.2 Accrued dividends

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2011	2010	2011	2010
	Baht	Baht	Baht	Baht
Accrued dividends as at January 1,	4,626	-	4,626	-
<u>Add</u> Dividend declaration during the year	318,765	331,975	318,765	331,975
<u>Less</u> Dividend paid	(322,414)	(327,349)	(322,414)	(327,349)
Accrued dividends as at December 31,	<u>977</u>	<u>4,626</u>	<u>977</u>	<u>4,626</u>

### 5.2 Amounts of total unused credit facilities as at December 31, are as follows:

	2011	2010	2011	2010	2011	2010	2011	2010
	Million Baht	Million Baht	Million Pound Sterling	Million Pound Sterling	Million US Dollars	Million US Dollars	Million Euro	Million Euro
Short-term loans	345.00	345.00	-	-	-	-	-	-
Bank overdrafts	91.00	91.00	0.17	0.40	-	-	0.10	-
Letters of guarantee	276.13	277.69	-	-	-	-	-	-
FOREX Credit limited	95.00	95.00	-	-	1.00	1.00	-	-
Total	<u>807.13</u>	<u>808.69</u>	<u>0.17</u>	<u>0.40</u>	<u>1.00</u>	<u>1.00</u>	<u>0.10</u>	<u>-</u>

## 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2011	2010	2011	2010
Cash	7,914	9,497	6,550	7,395
Bank deposits in savings and current accounts	492,376	466,427	388,252	335,567
Time deposits with maturity 3 months	102,499	116,277	98,697	76,566
Bill of exchange with maturity 1 month	70,000	150,000	70,000	150,000
	<u>672,789</u>	<u>742,201</u>	<u>563,499</u>	<u>569,528</u>

## 7. TEMPORARY INVESTMENTS

Temporary investments as at December 31, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2011	2010	2011	2010
Time deposits with maturity 1 year	12	12	-	-
Bill of exchange with maturity 4-5 months	80,000	-	80,000	-
Trading securities				
- Fixed income open-ended funds	89,779	217,059	89,779	217,059
- Private funds	199,664	-	199,664	-
Available-for-sales securities				
- Fixed income open-ended funds	6,283	3,155	-	-
Total temporary investments	<u>375,738</u>	<u>220,226</u>	<u>369,443</u>	<u>217,059</u>

Additional details of temporary investments in the consolidated financial statements are as follows:

As at December 31, 2011

	Cost Value	Unit : Thousand Baht	
		As at	Fair Value
	December 31,	Unrealized	As at
	2011	gain (loss) on	December 31,
		revaluation	2011
		of temporary	
		investment	
Trading securities			
- Fixed income open-ended funds	87,606	2,173	89,779
- Private funds	200,000	(336)	199,664
Available-for-sales securities			
- Fixed income open-ended funds	6,000	283	6,283

**As at December 31, 2010**

	<b>Cost Value As at December 31, 2010</b>	<b>Unit : Thousand Baht Unrealized gain on revaluation of temporary investment</b>	<b>Fair Value As at December 31, 2010</b>
Trading securities			
- Fixed income open-ended funds	215,239	1,820	217,059
Available-for-sales securities			
- Fixed income open-ended funds	3,000	155	3,155

Additional details of temporary investments in the separate financial statements are as follows:

**As at December 31, 2011**

	<b>Cost Value As at December 31, 2011</b>	<b>Unit : Thousand Baht Unrealized gain (loss) on revaluation of temporary investment</b>	<b>Fair Value As at December 31, 2011</b>
Trading securities			
- Fixed income open-ended funds	87,606	2,173	89,779
- Private funds	200,000	(336)	199,664

**As at December 31, 2010**

	<b>Cost Value As at December 31, 2010</b>	<b>Unit : Thousand Baht Unrealized gain on revaluation of temporary investment</b>	<b>Fair Value As at December 31, 2010</b>
Trading securities			
- Fixed income open-ended funds	215,239	1,820	217,059

## 8. TRADE ACCOUNTS RECEIVABLE - NET

Trade accounts receivable - net as at December 31, are classified by aging as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2011	2010	2011	2010
<b>Trade accounts receivable</b>				
<b>Other companies</b>				
Current	107,052	91,612	91,580	82,132
Overdue				
3 months or less	70,596	75,296	70,596	75,296
Over 3 months up to 6 months	1,044	461	1,044	461
Over 6 months up to 12 months	81	192	81	192
Over 12 months	2,244	2,189	2,244	2,189
Total	<u>181,017</u>	<u>169,750</u>	<u>165,545</u>	<u>160,270</u>
<b>Related parties</b>				
Current	4,854	5,212	4,908	5,264
Overdue				
3 months or less	3,477	5,696	3,477	5,696
Over 3 months up to 6 months	176	1,374	176	1,527
Over 6 months up to 12 months	2,158	2,677	2,158	3,147
Over 12 months	2,664	9	4,459	1,186
Total	<u>13,329</u>	<u>14,968</u>	<u>15,178</u>	<u>16,820</u>
Total trade accounts receivable	194,346	184,718	180,723	177,090
<u>Less</u> Allowance for doubtful accounts	<u>(2,153)</u>	<u>(2,153)</u>	<u>(3,948)</u>	<u>(3,948)</u>
Trade Accounts Receivable - net	<u>192,193</u>	<u>182,565</u>	<u>176,775</u>	<u>173,142</u>

## 9. INVENTORIES

Inventories as at December 31, consist of:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2011	2010	2011	2010
Finished goods	56,776	67,378	56,776	67,378
Work in process	176	115	176	115
Raw materials	116,438	87,257	104,766	78,095
Packaging materials	56,406	38,947	56,406	38,947
Spare parts and supplies	9,049	8,829	9,049	8,829
Goods in transit	665	728	665	728
Total Inventories	<u>239,510</u>	<u>203,254</u>	<u>227,838</u>	<u>194,092</u>

For the years ended December 31, 2011 and 2010, the costs of inventories recorded as expenses in the consolidated financial statements are Baht 3,246,049,768 and Baht 2,907,837,903, respectively and in the separate financial statements are Baht 3,043,123,017 and Baht 2,722,065,255, respectively.

## 10. DEPOSITS USED AS COLLATERAL

- 10.1 As at December 31, 2011 and 2010, cash at banks of the Company of Baht 0.58 million was used as collateral against letter of guarantee from a bank for electricity usage (see Note 30.3).
- 10.2 As at December 31, 2011 and 2010, 12-month fixed deposit of the Company at a local commercial bank of Baht 20 million was pledged as collateral for loan of Patara Restaurant, Vienna GmbH, an indirect subsidiary, in the amount of EUR 1.8 million (see Note 18.2).

## 11. INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES

Investments recorded by the equity method in the consolidated financial statements as at December 31, consist of:

	Type of business	Relationship	Paid-up capital		Holding % Share		At cost method		At equity method		Dividend income	
			2011	2010	2011	2010	2011	2010	2011	2010	For the years ended	
											December 31,	
<b>Unit : Thousand Baht</b>												
<b>Shares held by S&amp;P Global Co., Ltd.</b>												
<b>Subsidiary :</b>												
	Siam Kitchen Sdn. Bhd.	Ceased operation	Co-shareholders and co-management team	2,845	50.00	50.00	1,423	1,423	-	-	-	-
	Total						<u>1,423</u>	<u>1,423</u>	<u>-</u>	<u>-</u>		
<b>Shares held by S&amp;P Syndicate Public Company Limited</b>												
<b>Associates :</b>												
	HD Distributors (Thailand) Co., Ltd.	Agency for food distribution	Co-shareholders and co-management team	100,000	47.99	47.99	48,998	48,998	42,309	45,173	2,447	2,920
	Foodhouse Catering Services Co., Ltd.	Catering	Co-shareholders and co-management team	10,000	49.97	49.97	4,997	4,997	-	-	-	-
	<u>Less</u> Allowance for impairment of investment						<u>(4,997)</u>	<u>(4,997)</u>	<u>-</u>	<u>-</u>		
	Total						<u>48,998</u>	<u>48,998</u>	<u>42,309</u>	<u>45,173</u>		
							<u>50,421</u>	<u>50,421</u>	<u>42,309</u>	<u>45,173</u>		



Investments recorded by the cost method in the separate financial statements as at December 31, consist of:

	Type of business	Relationship	Paid-up capital		Holding % Share		Unit : Thousand Baht			
			At cost method		Dividend income					
			2011	2010	2011	2010	2011	2010	2011	2010
<b>Shares held by S&amp;P Syndicate Public Company Limited</b>										
<b>Subsidiaries :</b>										
S&P Global Co., Ltd.	Invest in other companies	Co-shareholders and co-management team	50,000	50,000	80.00	80.00	40,000	40,000	-	-
S&P Asset Co., Ltd.	Office rental	Co-shareholders and co-management team	1,000	1,000	99.93	99.93	999	999	-	-
S&P Food Solution Co., Ltd. (formerly S&PizZanotti (Thailand) Limited)	Restaurant (Ceased operation)	Co-shareholders and co-management team	20,000	20,000	99.99	99.99	10,034	10,034	-	-
<u>Less</u> Allowance for impairment of investment							(10,034)	(10,034)		
Total							<u>40,999</u>	<u>40,999</u>		
<b>Associates :</b>										
HD Distributors (Thailand) Co., Ltd.	Agency for food distribution	Co-shareholders and co-management team	100,000	100,000	47.99	47.99	48,998	48,998	2,447	2,920
Foodhouse Catering Services Co., Ltd.	Catering	Co-shareholders and co-management team	10,000	10,000	49.97	49.97	4,997	4,997	-	-
<u>Less</u> Allowance for impairment of investment							(4,997)	(4,997)		
Total							<u>48,998</u>	<u>48,998</u>		

## 12. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment - net as at December 31, consist of:

### Consolidated Financial Statements

As at December 31, 2011

	Balance as at January 1, 2011	Additions	Decreases	Transfer in (out)	Differences on translation of Financial Statements	Unit : Thousand Baht Balance as at December 31, 2011
<b>Cost</b>						
Land	261,053	-	-	-	-	261,053
Buildings and building improvements	133,296	33,095	-	15,246	2,826	184,463
Factory buildings	188,795	-	-	-	-	188,795
Machinery and equipment	831,781	94,348	(19,049)	29,451	4,807	941,338
Office furniture and equipment	1,320,050	76,716	(46,756)	74,756	7,913	1,432,679
Vehicles	47,158	5,577	(2,185)	2,646	107	53,303
Construction in progress	54,411	133,931	-	(122,099)	13	66,256
Total cost	<u>2,836,544</u>	<u>343,667</u>	<u>(67,990)</u>	<u>-</u>	<u>15,666</u>	<u>3,127,887</u>
<b>Accumulated depreciation</b>						
Buildings and building improvements	71,382	4,513	-	-	303	76,198
Factory buildings	88,808	14,598	-	-	-	103,406
Machinery and equipment	644,754	76,550	(16,490)	-	3,374	708,188
Office furniture and equipment	930,519	147,110	(41,814)	-	3,461	1,039,276
Vehicles	35,867	4,760	(1,991)	-	98	38,734
Total accumulated depreciation	<u>1,771,330</u>	<u>247,531</u>	<u>(60,295)</u>	<u>-</u>	<u>7,236</u>	<u>1,965,802</u>
<b>Property, plant and equipment - net</b>	<u>1,065,214</u>					<u>1,162,085</u>

### Consolidated Financial Statements

As at December 31, 2010

	Balance as at January 1, 2010	Additions	Decreases	Transfer in (out)/ Adjustments	Differences on translation of Financial Statements	Unit : Thousand Baht Balance as at December 31, 2010
<b>Cost</b>						
Land	261,053	-	-	-	-	261,053
Buildings and building improvements	151,552	9,947	-	(19,832)	(8,371)	133,296
Factory buildings	188,795	-	-	-	-	188,795
Machinery and equipment	787,347	46,724	(38,738)	38,488	(2,040)	831,781
Office furniture and equipment	1,160,934	140,213	(40,526)	68,452	(9,023)	1,320,050
Vehicles	46,298	3,544	(2,474)	-	(210)	47,158
Construction in progress	7,626	136,076	-	(89,169)	(122)	54,411
Total cost	<u>2,603,605</u>	<u>336,504</u>	<u>(81,738)</u>	<u>(2,061)</u>	<u>(19,766)</u>	<u>2,836,544</u>
<b>Accumulated depreciation</b>						
Buildings and building improvements	88,800	3,054	-	(19,570)	(902)	71,382
Factory buildings	80,597	8,211	-	-	-	88,808
Machinery and equipment	609,925	73,219	(35,996)	(10)	(2,384)	644,754
Office furniture and equipment	793,720	154,649	(32,984)	19,561	(4,427)	930,519
Vehicles	33,345	4,881	(2,158)	-	(201)	35,867
Total accumulated depreciation	<u>1,606,387</u>	<u>244,014</u>	<u>(71,138)</u>	<u>(19)</u>	<u>(7,914)</u>	<u>1,771,330</u>
<b>Property, plant and equipment - net</b>	<u>997,218</u>					<u>1,065,214</u>

### Depreciation for the years ended December 31,

2011

247,531

2010

244,014

### Cost of fully depreciated fixed assets still in use as at December 31,

2011

1,386,998

2010

1,088,229

**Separate Financial Statements**

**As at December 31, 2011**

	Unit : Thousand Baht				
	Balance as at January 1, 2011	Additions	Decreases	Transfers in (out)	Balance as at December 31, 2011
<b>Cost</b>					
Land	261,053	-	-	-	261,053
Buildings and building improvements	35,506	1,721	-	-	37,227
Factory buildings	188,795	-	-	-	188,795
Machinery and equipment	744,703	61,653	(11,880)	29,450	823,926
Office furniture and equipment	1,150,303	62,657	(42,088)	74,757	1,245,629
Vehicles	45,324	5,317	(2,164)	2,646	51,123
Construction in progress	51,660	121,449	-	(106,853)	66,256
Total cost	<u>2,477,344</u>	<u>252,797</u>	<u>(56,132)</u>	<u>-</u>	<u>2,674,009</u>
<b>Accumulated depreciation</b>					
Buildings and building improvements	34,536	1,272	-	-	35,808
Factory buildings	88,808	14,598	-	-	103,406
Machinery and equipment	583,772	63,469	(11,212)	-	636,029
Office furniture and equipment	853,814	130,409	(37,375)	-	946,848
Vehicles	34,187	4,685	(1,970)	-	36,902
Total accumulated depreciation	<u>1,595,117</u>	<u>214,433</u>	<u>(50,557)</u>	<u>-</u>	<u>1,758,993</u>
<b>Property, plant and equipment - net</b>	<u>882,227</u>				<u>915,016</u>

**Separate Financial Statements**

**As at December 31, 2010**

	Unit : Thousand Baht				
	Balance as at January 1, 2010	Additions	Decreases	Transfers in (out)	Balance as at December 31, 2010
<b>Cost</b>					
Land	261,053	-	-	-	261,053
Buildings and building improvements	48,316	-	-	(12,810)	35,506
Factory buildings	188,795	-	-	-	188,795
Machinery and equipment	673,095	39,082	(6,077)	38,603	744,703
Office furniture and equipment	1,073,177	54,324	(38,731)	61,533	1,150,303
Vehicles	43,543	3,374	(1,593)	-	45,324
Construction in progress	7,626	133,203	-	(89,169)	51,660
Total cost	<u>2,295,605</u>	<u>229,983</u>	<u>(46,401)</u>	<u>(1,843)</u>	<u>2,477,344</u>
<b>Accumulated depreciation</b>					
Buildings and building improvements	45,961	1,275	-	(12,700)	34,536
Factory buildings	80,597	8,211	-	-	88,808
Machinery and equipment	526,660	62,751	(5,639)	-	583,772
Office furniture and equipment	733,527	139,515	(31,928)	12,700	853,814
Vehicles	30,876	4,589	(1,278)	-	34,187
Total accumulated depreciation	<u>1,417,621</u>	<u>216,341</u>	<u>(38,845)</u>	<u>-</u>	<u>1,595,117</u>
<b>Property, plant and equipment - net</b>	<u>877,984</u>				<u>882,227</u>
<b>Depreciation for the years ended December 31,</b>					
2011					<u>214,433</u>
2010					<u>216,341</u>
<b>Cost of fully depreciated fixed assets still in use as at December 31,</b>					
2011					<u>1,357,566</u>
2010					<u>1,058,797</u>

Lease assets included above, where the Company is a lessee under financial leases, comprise vehicles and office equipment as follows:

	<b>Consolidated Financial Statements</b>		<b>Unit : Thousand Baht Separate Financial Statements</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Cost - capitalized finance leases	14,676	14,362	14,676	14,362
<u>Less</u> Accumulated depreciation	<u>5,117</u>	<u>4,332</u>	<u>5,117</u>	<u>4,332</u>
Net book value	<u>9,559</u>	<u>10,030</u>	<u>9,559</u>	<u>10,030</u>

### 13. LEASEHOLD RIGHT - NET

Leasehold right - net as at December 31, consists of:

<b>Consolidated Financial Statements</b>	<b>Unit : Thousand Baht</b>	
	<b>2011</b>	<b>2010</b>
<b>Cost</b>		
Beginning balances as at January 1,	361,386	352,617
Additions	17,687	15,208
Decreases	-	(2,734)
Exchange differences on translation of financial statements	1,195	(3,705)
Ending balances as at December 31,	<u>380,268</u>	<u>361,386</u>
<b>Accumulated amortization</b>		
Beginning balances as at January 1,	266,015	255,368
Additions	15,011	16,615
Decreases	-	(2,734)
Exchange differences on translation of financial statements	1,106	(3,234)
Ending balances as at December 31,	<u>282,132</u>	<u>266,015</u>
<b>Net book value</b>		
As at December 31, 2011		<u>98,136</u>
As at December 31, 2010		<u>95,371</u>

<b>Separate Financial Statements</b>	<b>Unit : Thousand Baht</b>	
	<b>2011</b>	<b>2010</b>
<b>Cost</b>		
Beginning balances as at January 1,	333,574	321,100
Additions	-	15,208
Decreases	-	(2,734)
Ending balances as at December 31,	<u>333,574</u>	<u>333,574</u>
<b>Accumulated amortization</b>		
Ending balances as at January 1,	240,891	228,339
Additions	13,405	15,286
Decreases	-	(2,734)
Ending balances as at December 31,	<u>254,296</u>	<u>240,891</u>
<b>Net book value</b>		
As at December 31, 2011		<u>79,278</u>
As at December 31, 2010		<u>92,683</u>

The Company paid deposit for leasehold right of Baht 15,208,547 to a company in 2009 but lease agreement with such company was effective in 2010. Therefore, the Company recorded such deposit for leasehold right as non-current assets in 2009 and transferred to leasehold right when the lease agreement is effective in 2010.

#### 14. INTANGIBLE ASSETS - NET

Intangible assets - net as at December 31, consist of:

##### Consolidated Financial Statements

As at December 31, 2011

	Balance as at January 1, 2011	Additions	Decreases	Transfer in (out)	Unit : Thousand Baht Balance as at December 31, 2011
<b>Cost</b>					
Software development costs	6,696	2,072	-	-	8,768
Total cost	<u>6,696</u>	<u>2,072</u>	<u>-</u>	<u>-</u>	<u>8,768</u>
<b>Accumulated Amortization</b>					
Software development costs	3,696	1,177	-	-	4,873
Total Accumulated Amortization	<u>3,696</u>	<u>1,177</u>	<u>-</u>	<u>-</u>	<u>4,873</u>
<b>Intangible assets - net</b>	<u><u>3,000</u></u>				<u><u>3,895</u></u>

##### Consolidated Financial Statements

As at December 31, 2010

	Balance as at January 1, 2010	Additions	Decreases	Transfer in (out)	Unit : Thousand Baht Balance as at December 31, 2010
<b>Cost</b>					
Trademarks	2,991	-	(2,991)	-	-
Software development costs	4,125	728	-	1,843	6,696
Goodwill	126,904	-	(126,904)	-	-
Less Negative goodwill	<u>(2,063)</u>	<u>-</u>	<u>2,063</u>	<u>-</u>	<u>-</u>
Total Goodwill	<u>124,841</u>	<u>-</u>	<u>(124,841)</u>	<u>-</u>	<u>-</u>
Total cost	<u>131,957</u>	<u>728</u>	<u>(127,832)</u>	<u>1,843</u>	<u>6,696</u>
<b>Accumulated Amortization</b>					
Trademarks	972	50	(1,022)	-	-
Software development costs	3,018	678	-	-	3,696
Goodwill	126,904	-	(126,904)	-	-
Less Negative goodwill	<u>(2,063)</u>	<u>-</u>	<u>2,063</u>	<u>-</u>	<u>-</u>
Total Goodwill	<u>124,841</u>	<u>-</u>	<u>(124,841)</u>	<u>-</u>	<u>-</u>
Total Accumulated Amortization	<u>128,831</u>	<u>728</u>	<u>(125,863)</u>	<u>-</u>	<u>3,696</u>
<b>Intangible assets - net</b>	<u><u>3,126</u></u>				<u><u>3,000</u></u>

Amortization for the years ended December 31,

2011

1,177

2010

728

**Separate Financial Statements**

**As at December 31, 2011**

	Unit : Thousand Baht				
	Balance as at January 1, 2011	Additions	Decreases	Transfer in (out)	Balance as at December 31, 2011
<b>Cost</b>					
Software development costs	6,696	2,072	-	-	8,768
Total cost	<u>6,696</u>	<u>2,072</u>	<u>-</u>	<u>-</u>	<u>8,768</u>
<b>Accumulated Amortization</b>					
Software development costs	3,696	1,177	-	-	4,873
Total Accumulated Amortization	<u>3,696</u>	<u>1,177</u>	<u>-</u>	<u>-</u>	<u>4,873</u>
<b>Intangible asset - net</b>	<u><u>3,000</u></u>				<u><u>3,895</u></u>

**Separate Financial Statements**

**As at December 31, 2010**

	Unit : Thousand Baht				
	Balance as at January 1, 2010	Additions	Decreases	Transfer in (out)	Balance as at December 31, 2010
<b>Cost</b>					
Software development costs	4,125	728	-	1,843	6,696
Total cost	<u>4,125</u>	<u>728</u>	<u>-</u>	<u>1,843</u>	<u>6,696</u>
<b>Accumulated Amortization</b>					
Software development costs	3,018	678	-	-	3,696
Total Accumulated Amortization	<u>3,018</u>	<u>678</u>	<u>-</u>	<u>-</u>	<u>3,696</u>
<b>Intangible asset - net</b>	<u><u>1,107</u></u>				<u><u>3,000</u></u>

**Amortization for the years ended December 31,**

2011	<u><u>1,177</u></u>
2010	<u><u>678</u></u>

## 15. TRANSACTIONS WITH RELATED PARTIES

The Company has transactions with its subsidiaries, associates and other related parties. Certain portions of the Company's assets, liabilities, sales, other incomes, costs of sales, selling expenses and administrative expenses represent transactions occurred with its subsidiaries, associates and other related parties. These parties are related through common shareholders and/or directorships. Those significant transactions with subsidiaries, associates and other related parties as included in the financial statements are determined at the market price in general or the price as stipulated in the agreement if no market price exists. The significant balances of assets, liabilities, and transactions occurred with the related parties are as follows:

Significant balance with related parties are as follows:

Account name/ Company's name	Relationship	Unit : Thousand Baht			
		As at December 31,			
		Consolidated Financial Statements		Separate Financial Statements	
		2011	2010	2011	2010
<b>Trade accounts receivable</b>					
(included in trade accounts receivable)					
S&P Global Co., Ltd.	Subsidiary	-	-	54	57
S&P Food Solution Co., Ltd. (formerly S&PizZanotti (Thailand) Limited)	Subsidiary	-	-	1,795	1,795
<u>Less</u> Allowance for doubtful account		-	-	(1,795)	(1,795)
		-	-	-	-
HD Distributors (Thailand) Co., Ltd.	Associate	320	121	320	121
Foodhouse Catering Services Co., Ltd. (1)	Associate	6,781	6,060	6,781	6,060
The Minor Food Group Public Co., Ltd.	Related company	2,344	5,730	2,344	5,730
Other related companies	Related company	3,883	3,057	3,883	3,057
		<u>13,328</u>	<u>14,968</u>	<u>13,382</u>	<u>15,025</u>
<b>Advance payments to related parties - net</b>					
(Interest rate per annum)					
S&P Global Co., Ltd. (No interest)	Subsidiary	-	-	82	73
S&P Food Solution Co., Ltd. (No interest) (formerly S&PizZanotti (Thailand) Limited)	Subsidiary	-	-	2,535	2,535
<u>Less</u> Allowance for doubtful account		-	-	(2,505)	(2,505)
		-	-	30	30
		-	-	-	-
Patio International Limited (3.5%) (2)	Subsidiary	-	-	3,178	-
<u>Less</u> Allowance for doubtful account		-	-	(3,178)	-
		-	-	-	-
HD Distributors (Thailand) Co., Ltd. (No interest)	Associate	262	341	262	341
Foodhouse Catering Services Co., Ltd. (1)	Associate	4,682	-	4,682	-
		<u>4,944</u>	<u>341</u>	<u>5,056</u>	<u>444</u>

- (1) On January 5, 2012, the Company entered into the settled debts memorandum with Foodhouse Catering Services Co., Ltd. by convert trade accounts receivable and cash advance as at December 31, 2011 of Baht 6.78 million and Baht 4.68 million, respectively to be promissory note of Baht 7.5 million, carrying fixed interest at the rate of 5 percent per annum and received by cash for the remaining debts.
- (2) On July 8, 2011, the Company has lent of TWD 3 million or approximately Baht 3.18 million to Patio International Limited. Such company issues promissory note, carries interest at the rate of 3.5 percent per annum, which was matured on December 31, 2011. However, the Company foresees that it will not be recovered. As a result, the Company has fully recognized allowance for doubtful account (see Note 17).

Account name/ Company's name	Relationship	Unit : Thousand Baht			
		As at December 31,			
		Consolidated Financial Statements		Separate Financial Statements	
		2011	2010	2011	2010
<b>Investments in associates</b>					
HD Distributors (Thailand) Co., Ltd.	Associate	42,309	45,173	48,998	48,998
		<u>42,309</u>	<u>45,173</u>	<u>48,998</u>	<u>48,998</u>
<b>Investments in subsidiaries</b>					
S&P Global Co., Ltd.	Subsidiary	-	-	40,000	40,000
S&P Asset Co., Ltd.	Subsidiary	-	-	999	999
		<u>-</u>	<u>-</u>	<u>40,999</u>	<u>40,999</u>
<b>Trade accounts payable</b> (included in trade accounts payable)					
S&P Asset Co., Ltd.	Subsidiary	-	-	171	123
HD Distributors (Thailand) Co., Ltd.	Associate	4,031	2,068	4,031	2,068
		<u>4,031</u>	<u>2,068</u>	<u>4,202</u>	<u>2,191</u>
<b>Advance received from related parties</b> (No interest)					
S&P Global Co., Ltd.	Subsidiary	-	-	5	1
HD Distributors (Thailand) Co., Ltd.	Associate	74	352	74	352
		<u>74</u>	<u>352</u>	<u>79</u>	<u>353</u>

Significant transactions with related companies are as follows:

Account name/ Company's name	Relationship	Unit : Thousand Baht			
		For the years December 31,			
		Consolidated Financial Statements		The Separate Financial Statements	
		2011	2010	2011	2010
<b>Revenues from sales</b>					
S&P Global Co., Ltd.	Subsidiary	-	-	578	570
S&P Food Solution Co., Ltd. (formerly S&PizZanotti (Thailand) Limited)	Subsidiary	-	-	-	222
HD Distributors (Thailand) Co., Ltd.	Associate	950	496	950	496
Foodhouse Catering Services Co., Ltd.	Associate	6,238	5,682	6,238	5,682
The Minor Food Group Public Co., Ltd.	Related company	32,188	28,379	32,188	28,379
Other related companies	Related company	26,679	15,915	26,679	15,915
		<u>66,055</u>	<u>50,472</u>	<u>66,633</u>	<u>51,264</u>



Account name/ Company's name	Relationship	Unit : Thousand Baht			
		For the years December 31,			
		Consolidated Financial Statements		The Separate Financial Statements	
		2011	2010	2011	2010
<b>Rental income from buildings and equipment</b>					
S&P Global Co., Ltd.	Subsidiary	-	-	408	360
S&P Food Solution Co., Ltd. (formerly S&PizZanotti (Thailand) Limited)	Subsidiary	-	-	-	493
HD Distributors (Thailand) Co., Ltd.	Associate	1,017	1,103	1,017	1,103
		<u>1,017</u>	<u>1,103</u>	<u>1,425</u>	<u>1,956</u>
<b>Other income</b>					
Foodhouse Catering Services Co., Ltd.	Associate	4,773	-	4,773	-
S&P Food Solution Co., Ltd. (formerly S&PizZanotti (Thailand) Limited)	Subsidiary	-	-	-	286
S&P Asset Co., Ltd.	Subsidiary	-	-	96	96
HD Distributors (Thailand) Co., Ltd.	Associate	302	442	302	442
		<u>5,075</u>	<u>442</u>	<u>5,171</u>	<u>824</u>
<b>Dividend income</b>					
HD Distributors (Thailand) Co., Ltd.	Associate	-	-	2,447	2,920
		<u>-</u>	<u>-</u>	<u>2,447</u>	<u>2,920</u>
<b>Share of (loss) profits of associates</b>					
HD Distributors (Thailand) Co., Ltd.	Associate	(417)	745	-	-
Foodhouse Catering Services Co., Ltd.	Associate	-	3,762	-	-
		<u>(417)</u>	<u>4,507</u>	<u>-</u>	<u>-</u>
<b>Purchases of goods/services</b>					
S&P Global Co., Ltd.	Subsidiary	-	-	41	58
S&P Asset Co., Ltd.	Subsidiary	-	-	4,466	3,639
S&P Food Solution Co., Ltd. (formerly S&PizZanotti (Thailand) Limited)	Subsidiary	-	-	-	2,075
HD Distributors (Thailand) Co., Ltd.	Associate	12,664	12,158	12,664	12,158
Directors	Directors	3,845	2,712	3,845	2,712
		<u>16,509</u>	<u>14,870</u>	<u>21,016</u>	<u>20,642</u>
<b>Management benefit expenses</b>					
- Short-term benefits	Management	52,944	47,320	38,462	35,442
- Long-term benefits	Management	1,554	1,563	1,121	980
		<u>54,498</u>	<u>48,883</u>	<u>39,583</u>	<u>36,422</u>

## 16. DEFERRED INCOME TAX AND INCOME TAX EXPENSES

The movements of deferred tax assets and liabilities during the year are as follows:

### Consolidated Financial Statements

As at December 31, 2011

	Unit : Thousand Baht				
	Balance As at December 31, 2010	Addition	Utilized	Effects of tax rate reduction	Balance As at December 31 2011
<b>Deferred tax assets</b>					
Allowance for doubtful accounts	722	-	(7)	(226)	489
The difference of depreciation expense	-	1,728	(189)	(513)	1,026
Provision for impairment of investments	1,499	-	-	(500)	999
Provision for customer loyalty programmes	1,154	237	(862)	(123)	406
Employee benefit obligation	17,230	3,565	(710)	(6,694)	13,391
<b>Total</b>	<u>20,605</u>	<u>5,530</u>	<u>(1,768)</u>	<u>(8,056)</u>	<u>16,311</u>
<b>Deferred tax liability</b>					
Unearned revenues	-	(1,682)	-	560	(1,122)
<b>Total</b>	<u>-</u>	<u>(1,682)</u>	<u>-</u>	<u>560</u>	<u>(1,122)</u>
<b>Deferred tax assets - net</b>	<u>20,605</u>	<u>3,848</u>	<u>(1,768)</u>	<u>(7,496)</u>	<u>15,189</u>
<b>Deferred tax liabilities</b>					
Available-for-sales securities (recognized in shareholders' equity)	(39)	(34)	-	7	(66)
The difference of depreciation expense	(1,304)	(341)	-	-	(1,645)
<b>Total deferred tax liabilities</b>	<u>(1,343)</u>	<u>(375)</u>	<u>-</u>	<u>7</u>	<u>(1,711)</u>

### Consolidated Financial Statements

As at December 31, 2010

	Unit : Thousand Baht			
	Balance As at December 31, 2009	Addition	Utilized	Balance As at December 31 2010
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	1,395	-	(673)	722
The difference of depreciation expense	412	-	(412)	-
Provision for impairment of investments	1,499	-	-	1,499
Provision for customer loyalty programmers	1,256	63	(165)	1,154
Employee benefit obligation	14,362	3,000	(132)	17,230
<b>Total deferred tax assets</b>	<u>18,924</u>	<u>3,063</u>	<u>(1,382)</u>	<u>20,605</u>
<b>Deferred tax liabilities</b>				
Available-for-sales securities (recognized in shareholders' equity)	(32)	(7)	-	(39)
The difference of depreciation expense	(860)	(444)	-	(1,304)
<b>Total deferred tax liabilities</b>	<u>(892)</u>	<u>(451)</u>	<u>-</u>	<u>(1,343)</u>

**Separated Financial Statements**

**As at December 31, 2011**

	Unit : Thousand Baht				
	Balance As at December 31, 2010	Addition	Utilized	Effects of tax rate reduction	Balance As at December 31 2011
<b>Deferred tax assets</b>					
Allowance for doubtful accounts	646	-	-	(215)	431
The difference of depreciation expense	-	1,728	(189)	(513)	1,026
Provision for impairment of investments	1,499	-	-	(500)	999
Provision for customer loyalty programmes	1,154	237	(862)	(123)	406
Employee benefit obligation	17,230	3,565	(710)	(6,694)	13,391
<b>Total</b>	<u>20,529</u>	<u>5,530</u>	<u>(1,761)</u>	<u>(8,045)</u>	<u>16,253</u>
<b>Deferred tax liability</b>					
Unearned revenues	-	(1,682)	-	560	(1,122)
<b>Total</b>	<u>-</u>	<u>(1,682)</u>	<u>-</u>	<u>560</u>	<u>(1,122)</u>
<b>Deferred tax assets - net</b>	<u>20,529</u>	<u>3,848</u>	<u>(1,761)</u>	<u>(7,485)</u>	<u>15,131</u>

**Separated Financial Statements**

**As at December 31, 2010**

	Unit : Thousand Baht			
	Balance As at December 31, 2009	Addition	Utilized	Balance As at December 31, 2010
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	1,285	-	(639)	646
Provision for impairment of investments	1,499	-	-	1,499
Provision for customer loyalty programmes	1,256	63	(165)	1,154
Employee benefit obligation	14,362	3,000	(132)	17,230
<b>Total deferred tax assets</b>	<u>18,402</u>	<u>3,063</u>	<u>(936)</u>	<u>20,529</u>

Income tax for the years ended December 31, consist of the following:

	Consolidated		Separate	
	Financial Statements 2011	2010	Financial Statements 2011	2010
Current income tax	228,197	169,033	218,855	155,131
Adjustment prior year income tax expenses	6,986	-	6,986	-
Deferred tax expenses relating to the origination and reversal of temporary differences	(1,739)	(1,237)	(2,087)	(2,127)
Deferred income taxes related to reduction corporate income tax rate	7,496	-	7,485	-
Income tax per the statements of comprehensive income	<u>240,940</u>	<u>167,796</u>	<u>231,239</u>	<u>153,004</u>

The reconciliation between income tax - income (expense) and accounting income for the years ended December 31, are follows:

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>Financial Statements</b>		<b>Separate</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Accounting profit before income tax	695,273	552,073	704,888	550,281
Applicable tax rate	15% - 30%	15% - 30%	30%	25% - 30%
Current income tax	<u>220,069</u>	<u>161,473</u>	<u>211,466</u>	<u>150,084</u>
Adjustment prior year income tax expenses	6,986	-	6,986	-
Deferred tax expenses reflect				
corporate tax reduction	7,496	-	7,485	-
Tax effect of non-deductible expenses (benefits)	6,389	6,323	5,302	2,920
Income tax per the statements of comprehensive income	<u><u>240,940</u></u>	<u><u>167,796</u></u>	<u><u>231,239</u></u>	<u><u>153,004</u></u>

Corporate income tax for the Company is calculated on net profit for the period adjusted by adding back certain expenses and deducting exempted income in compliance with the Revenue Code for net taxable profit at the tax rate of 30 percent. For net taxable profit for the years from 2008 to 2010 under Baht 300 million, the tax rate is calculated at the rate of 25 percent and over Baht 300 million at the rate of 30 percent.

Corporate income tax for a domestic subsidiary is calculated on net profit for the period adjusted by adding back certain expenses and deducting exempted income in compliance with the Revenue Code at the rate of 30 percent of net taxable profit.

Corporate income tax for another domestic subsidiary is calculated on net profit for the period adjusted by adding back certain expenses and deducting exempted in compliance with the Revenue Code at the rates for Small and Medium Enterprises as follows:

<b>Profit before income tax expenses (Baht)</b>	<b>Rate</b>
1 - 150,000	Exempted
150,001 - 1,000,000	15 %
1,000,001 - 3,000,000	25 %
Over 3,000,000	30 %

The Company and its domestic subsidiaries used tax rates as mention above for the corporate income tax calculation for the year ended December 31, 2011 and 2010.

According to the Royal Decree No. 530 dated December 21, 2011, the income tax rate has been reduced for 3 accounting periods from 30% to 23% for the accounting period beginning on or after January 1, 2012 and 20% the accounting periods beginning on or after January 1, 2013 and 2014.

The Company and its subsidiary used a tax rate of 30% and 25%, respectively for calculation of deferred tax for the year ended December 31, 2010 and both 20% and 23% for calculation of deferred tax for the year ended December 31, 2011.

Overseas subsidiaries used tax rates of each country for the corporate income tax calculation and for calculation of deferred tax for the years ended December 31, 2011 and 2010.

**17. BANK OVERDRAFT AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS**

As at December 31, 2011, S&P Restaurant Limited has bank overdraft with financial institution to GBP 32,330 or approximately to Baht 1.58 million, carrying interest at the rate of 0.5% per annum above the bank's lending base rate.

As at December 31, 2010, Patio International Limited has a short-term loan from a commercial bank of TWD 3 million or approximately Baht 3.75 million, carrying interest at the rates of 2.80 % per annum. The short-term loan is guaranteed by a letter of credit which is secured by S&P Syndicate Public Company Limited (see Note 30.4).

On July 8, 2011, Patio International Limited has issued promissory note to the Company of TWD 3 million or approximately Baht 3.18 million for repayment short-term loan from the financial institution (see Note 15).

**18. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS**

Long-term borrowings from financial institutions as at December 31, are as follows:

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>Financial Statements</b>	<b>Financial Statements</b>	<b>Separate</b>	<b>Separate</b>
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Loans from financial institutions	119,618	79,884	-	-
<u>Less</u> Current portion of long-term borrowings from financial institutions	(29,503)	(19,173)	-	-
Long-term borrowings from financial institutions	<u>90,115</u>	<u>60,711</u>	<u>-</u>	<u>-</u>

Long-term borrowings from financial institutions of the subsidiaries are as follows:

18.1 Thai Development SA has a long-term loan facility of CHF 400,000 with a commercial bank. Outstanding balances as at December 31, 2011 and 2010 are CHF 125,000 or approximately Baht 4.21 million and CHF 250,000 or approximately Baht 7.99 million, respectively. The loan carried interest at the rate of 4.25% per annum. Principal is repayable on a quarterly basis on March 31, June 30, September 30, and December 31, respectively of which the 1<sup>st</sup> - 16<sup>th</sup> installments are CHF 25,000 per installment. The first installment was commenced on June 30, 2009 and the loan shall be due for full repayment on March 31, 2013.

18.2 Patara Restaurant, Vienna GmbH has a long-term loan facility of EUR 1,800,000 with a commercial bank. The subsidiary had withdrawn money to full credit limit. The loan carried interest at the rate of 3.85% per annum. Outstanding balances as at December 31, 2011 and 2010 are EUR 1,400,000 or approximately Baht 57.44 million and EUR 1,800,000 or approximately Baht 71.89 million, respectively. Principal is repayable on semi-annual installments of EUR 200,000 per installment. The first installment was commenced on March 26, 2011 and the loan shall be due for full repayment on March 26, 2015. The subsidiary used fixed deposit at bank of S&P Syndicate Public Company Limited as collateral (see Note 10.2).

18.3 S&P Restaurant Limited has long-term loan facilities as follows:

18.3.1 S&P Restaurant Limited has a long-term loan facility of GBP 450,000 with a commercial bank. Outstanding balance as at December 31, 2011 is GBP 390,000 or approximately Baht 19.05 million. The loan carried interest at the rate of 0.50% per annum above the bank's lending base rate. principal is repayable on a monthly which the 1<sup>st</sup> - 60<sup>th</sup> installments are GBP 7,500 per installment. The first installment was commenced on May 2011 and the loan shall be due for full repayment on April 2016.

18.3.2 S&P Restaurant Limited has a long-term loan facility of GBP 600,000 with a commercial bank. Outstanding balance as at December 31, 2011 is GBP 600,000 or approximately Baht 29.31 million. The loan carried interest at the rate of 0.50% per annum above the bank's lending base rate. Principal is repayable on a quarterly basis which the 1<sup>st</sup> - 16<sup>th</sup> installments are GBP 37,500 per installment. The first installment will be commenced on October 2012 and the loan shall be due for full repayment on June 2016.

S&P Restaurant Limited has secured freehold property with the cost value of GBP 1.30 million or approximately Baht 63.76 million as collateral for such long-term loans with a commercial bank which the Company has to maintain debt coverage ratio in accordance with the condition on the above facility agreements.

18.4 Bangkok Jam Co., Ltd has a long-term loan facility of TWD 10,000,000 with a commercial bank. The subsidiary had withdrawn money to full credit limit. The loan carried interest at the rate of 2.75% per annum above the bank's lending base rate. Outstanding balance as at December 31, 2011 is TWD 9,166,000 or approximately Baht 9.60 million. Principal is repayable on quarterly the installments of TWD 834,000 per installment. The first installment will be commenced on December 16, 2011 and the loan shall be due for full repayment on September 16, 2014.

## 19. FINANCE LEASE LIABILITIES

The Company and its subsidiaries have entered into finance lease agreements for vehicles and office equipment under financial leases as at December 31, as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2011	2010	2011	2010
Within 1 year	3,178	2,941	3,178	2,941
Over 1 year to 5 years	2,490	3,569	2,490	3,569
Finance lease liabilities	<u>5,668</u>	<u>6,510</u>	<u>5,668</u>	<u>6,510</u>

## 20. EMPLOYEE BENEFIT OBLIGATION

The Company and its subsidiaries operate post - employment benefit plans under the Thai Labour Protection Act, which are considered as unfunded defined benefit plans.

Amounts recognized in the statement of comprehensive income in respect of the defined benefit plans for the years ended December 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2011	2010	2011	2010
Current service cost	10,164	8,578	9,513	8,000
Interest cost	2,597	2,194	2,371	2,000
Expenses recorded in the statement of comprehensive income	<u>12,761</u>	<u>10,772</u>	<u>11,884</u>	<u>10,000</u>

Movements in the present value of the defined benefit obligation for the years ended December 31, are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2011	2010	2011	2010
Beginning present value of defined benefit obligation	62,755	52,422	57,434	47,873
Current service cost	10,164	8,578	9,513	8,000
Interest cost	2,597	2,194	2,371	2,000
	<u>75,516</u>	<u>63,194</u>	<u>69,318</u>	<u>57,873</u>
<u>Less</u> Benefits paid	<u>(2,366)</u>	<u>(439)</u>	<u>(2,366)</u>	<u>(439)</u>
Ending present value of defined benefit obligation	<u>73,150</u>	<u>62,755</u>	<u>66,952</u>	<u>57,434</u>

The principle actuarial assumptions used to calculate the defined benefit obligation are as follows:

	<b>Consolidated and Separate financial statements</b>
Discount rate	4.25%
Normal retirement age	60 years
Expected rate of salary increase	5.0%
Employee turnover rate	8.0% - 30.0%

## 21. LEGAL RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a legal reserve of at least 5 percent of net earnings after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital and the reserve is not available for distribution as dividends.

## 22. TREASURY SHARES AND TREASURY SHARES RESERVE

At the resolutions of the Board of Directors' Meeting No. 1/2010 held on February 24, 2010, the Company's directors resolved to approve the share repurchase program for financial management purpose in accordance with Section 66/1(2) of the Limited Public Company Act (No. 2) B.E. 2544 in the amount not exceeding Baht 350 million. The number of ordinary shares to be repurchased not exceeding 10.47 million shares (par value of Baht 5 per share); equal to 10% of the total number of paid-up share capital of the Company. The Company shall repurchase its ordinary shares through the main board of the Stock Exchange of Thailand during the period from March 11, 2010 to September 10, 2010. The Board of Directors has considered the share resale procedures by resale its ordinary shares through the main board of the Stock Exchange of Thailand or by public offering depending on the prevailing situation at that time of shares sold. Period for the resale of share is from March 11, 2011 to September 10, 2013 (after 6 months from the completion date of share repurchase and not exceeding 3 years from the completion date of share repurchase).

Details of treasury shares as at December 31, are as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>Financial Statements 2011</b>	<b>2010</b>	<b>Financial Statements 2011</b>	<b>2010</b>
Value of treasury shares (Thousand Baht)	250,951	250,951	250,951	250,951
Number of treasury shares (Thousand shares)	6,605	6,605	6,605	6,605
Average cost per share (Baht)	38.00	38.00	38.00	38.00
The number of treasury shares to the share capital issued by the Company (Percentage)	6.31	6.31	6.31	6.31

As at December 31, 2011 and 2010, the Company appropriated Baht 250.95 million from its retained earnings to a reserve for treasury shares.



### 23. BASIC EARNINGS PER SHARE

Basic earnings per share for the years ended December 31, are calculated as follows:

	Consolidated Financial Statements		Separate Financial Statements	
	2011	2010	2011	2010
Profit attributable to owners of the parent (Thousand Baht)	<u>453,811</u>	<u>383,008</u>	<u>473,649</u>	<u>397,277</u>
Number of ordinary shares as at January 1, (Thousand shares)	98,082	104,686	98,082	104,686
Weighted average number of treasury shares during the periods (Thousand shares)	<u>-</u>	<u>(3,984)</u>	<u>-</u>	<u>(3,984)</u>
Weighted average number of ordinary shares as at December 31, (Thousand shares)	<u>98,082</u>	<u>100,702</u>	<u>98,082</u>	<u>100,702</u>
Basic earnings per share (Baht)	4.63	3.80	4.83	3.95

### 24. APPROPRIATION OF EARNINGS AND DIVIDEND

On August 10, 2011, the Company's Board of Directors' Meeting passed a resolution to pay interim dividend to shareholders of 98,081,673 shares from registered and paid-up share capital, deduct with treasury shares at Baht 1.25 per share, totaling Baht 122.60 million. The Company paid such dividend on September 9, 2011 and the remaining accrued dividends as at December 31, 2011 by Baht 0.98 million.

On April 28, 2011, the annual general shareholders' meeting of the Company passed a resolution to distribute an annual dividend from the operations of the year 2010 for 98,081,673 shares from registered and paid-up share capital, deduct with treasury shares at Baht 3.25 per share, totaling Baht 318.76 million. The dividend consists of interim dividend at Baht 1.25 per share totaling Baht 122.60 million which was paid on September 10, 2010 and the remaining accrued interim dividends as at December 31, 2010 by Baht 4.62 million and additional dividend of 98,081,673 shares at Baht 2.00 per share, totaling Baht 196.16 million, which was paid on May 19, 2011.

On April 26, 2010, the annual general shareholders' meeting of the Company passed a resolution to distribute an annual dividends from the operations of the year 2009 for 104,686,273 shares at Baht 2.50 per share, totaling Baht 261.71 million. The dividends consist of interim dividends at Baht 0.50 per share totaling Baht 52.34 million which was paid on September 10, 2009 and additional dividends of 104,686,273 shares at Baht 2.00 per share, totaling Baht 209.37 million, which was paid on May 17, 2010.

## 25. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2011 and 2010 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	2011	2010	2011	2010
Changes in inventories of finished goods and work in process - decrease	10,541	4,441	10,541	4,441
Raw materials and consumables used	2,028,019	1,750,343	1,829,327	1,569,033
Cost of finished goods purchased	59,612	64,011	59,612	64,011
Depreciation and amortization	263,719	261,357	229,015	232,304
Employee expenses	1,338,372	1,243,908	1,044,049	984,728
Transportation expense	144,588	126,618	144,588	126,618

## 26. PROVIDENT FUND

The Company and domestic subsidiaries established the provident funds in compliance with the Provident Fund Act B.E. 2530. The funds are voluntarily joined by employees. Under the fund's regulations, the members contribute 2% of their monthly salary to the fund and the Company and the subsidiaries contribute 2% of such monthly salary. The funds will be paid to the employees upon termination in accordance with the rules of the provident fund.

For the years ended December 31, 2011 and 2010, the Company's contributions and subsidiaries' contributions to provident funds which were recorded as expenses in the consolidated statements of comprehensive income were Baht 13.39 million and Baht 10.74 million, respectively.

For the years ended December 31, 2011 and 2010, the Company's contributions to the provident fund which were recorded as expenses in the separate statements of comprehensive income were Baht 10.88 million and Baht 10.52 million, respectively.

## 27. CAPITAL MANAGEMENT

The primary objectives of the Company's and its subsidiaries' capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

The Company and its subsidiaries do not apply any particular financial ratio to monitor its capital whilst manage their capital to be sufficient for their working capital by: for instance, issuing new share or adjusting the amount of dividend paid to shareholders, according to the prevailing situations.

## **28. DISCLOSURE OF FINANCIAL INSTRUMENTS**

The Company presents and discloses financial instruments as follows:

### **28.1 Credit Risk**

Credit risk refers to the risk that counterparty will default on its trading terms and conditions resulting in collection loss to the Company and subsidiaries. Concentrations of credit risk are limited since the Company and subsidiaries have adopted the policy of dealing with creditworthy counterparty as a mean of mitigating the risk of financial losses from defaults.

In case of recognized financial assets in the statements of financial position, the carrying amounts of the assets recorded in the statements of financial position represent the maximum exposure to credit risk.

### **28.2 Interest Rate Risk**

Interest rate risk arises from the potential for a change in interest rate to have an adverse effect on the Company and its subsidiaries in the current reporting period and in future years. The Company and its subsidiaries do not expect to incur material incremental effect on their interest expense because loans of the Company and its subsidiaries are insignificant amount.

### **28.3 Foreign Exchange Risk**

Foreign exchange risk arises from the potential for a change in foreign exchange rate to have an adverse effect on the Company and its subsidiaries in the current reporting period and in future years. The Company and its domestic subsidiaries do not expect to incur material incremental effect on their financial assets or liabilities in foreign currencies as the majority of their businesses are engaged in Thai Baht.

However, the change in foreign exchange rate may has material effect on financial assets and liabilities of the overseas subsidiaries. The Company and its subsidiaries do not use any financial instruments to manage such risk.

### **28.4 Estimated Fair Value of Financial Assets and Liabilities**

For the fair value disclosures, considerable judgement is necessarily required in estimation of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company and its subsidiaries in estimating fair value of financial instruments.

Cash and cash equivalents, temporary investments, trade and other receivables, bank overdraft and short-term borrowings from financial institutions, trade and other payables, the carrying values approximate their fair values due to the relatively short period to maturity.

Long-term borrowings from financial institutions bearing floating interest rate, the carrying value is approximate its fair value and long-term loans from financial institutions bearing fixed interest rate, the carrying value is approximate its fair value as such interest rate approximated the current market rate at that time.

## 29. SEGMENT INFORMATION

The Company and its subsidiaries have been engaged in the food and bakery business. All business activities of the Company and its subsidiaries shall be classified by segments, based on revenues and results of operations for the years ended December 31, 2011 and 2010 and total assets as at December 31, 2011 and 2010 for the Company and its subsidiaries as follows:

For the years ended December 31,

Classified by geographical areas	Domestic		Overseas		Unit : Thousand Baht Total	
	2011	2010	2011	2010	2011	2010
	Revenues from sales and services	5,121,485	4,581,631	757,016	700,041	5,878,501
Net profit before non-controlling interests	451,606	368,245	2,728	16,032	454,334	384,277

As at December 31,

Classified by geographical areas	Domestic		Overseas		Unit : Thousand Baht Total	
	2011	2010	2011	2010	2011	2010
	Total assets	2,620,326	2,393,969	418,882	372,999	3,039,208

## 30. COMMITMENTS AND LETTERS OF GUARANTEE

As at December 31, 2011 and 2010, the Company and its subsidiaries had commitments and letters of guarantee as follows:

30.1 Commitments to pay rental under long-term lease contracts are as follows:

### Domestic offices, vehicles and computer equipment rental expenses

	Unit : Million Baht As at December 31,	
	2011	2010
Within 1 year	243.43	202.56
Over 1 year to 5 years	392.18	292.19
Over 5 years	18.17	20.75

**Overseas subsidiaries rental expenses**

	<b>Unit : Million Pound Sterling</b>	
	<b>As at December 31,</b>	
	<b>2011</b>	<b>2010</b>
Within 1 year	0.51	0.43
Over 1 year to 5 years	1.02	1.85
Over 5 years	2.23	2.51

- 30.2 As at December 31, 2011 and 2010, the Company had outstanding capital commitments relating to hire of work and purchase of materials for the construction of new branches and shops of Baht 39.46 million and Baht 36.41 million, respectively.
- 30.3 As at December 31, 2011 and 2010, the Company has letters of guarantee issued by a bank to guarantee for electricity usage for the Company of Baht 33.46 million and Baht 31.90 million, respectively. Such amount included the letters of guarantee of Baht 0.58 million which deposit at bank was used as collateral (see Note 10.1).
- 30.4 As at December 31, 2010, the Company has a letter of credit issued by a local commercial bank to guarantee loan of Patio International Limited, a subsidiary of S&P Global Co., Ltd., in the amount of TWD 3 million (as at December 31, 2011: nil) (see Note 17).

**31. EVENTS AFTER THE REPORTING PERIOD**

On January 3, 2012, the Board of Directors meeting of Bangkok Jam Co., Ltd. a subsidiary located in Taiwan passed a resolution to approve long-term loan facility of TWD 10,000,000 with a commercial bank in Taiwan. The loan carries interest rate at 2.75% plus the bank's prevailing cost of fund which is secured by Catering Pte., Ltd.'s fixed deposit of SGD 150,000 or approximately Baht 3.66 million.

**32. RECLASSIFICATIONS**

Certain reclassifications have been made to the consolidated and separate financial statements as at December 31, 2010, to conform to the classifications used in the consolidated and separate financial statements as at December 31, 2011.

As at December 31, 2010

Items	Previously presented as	Reclassified to	<b>Unit : Thousand Baht</b>	
			<b>Consolidated</b>	<b>Separate</b>
			<b>Financial statements</b>	<b>Financial statements</b>
			<b>Baht</b>	<b>Baht</b>
Other receivables	Other current assets	Trade and other receivables	27,119	12,492
Advance payments to Related parties - net	Short-term loans to related parties - net	Trade and other receivables	341	444
Advance received from related parties	Other current liabilities	Trade and other payables	352	353
Accounts payable - Acquisition of assets	Other current liabilities	Trade and other payables	36,045	34,444
Unearned revenues	Other current liabilities	Trade and other payables	4,476	4,476
Accrued Expenses	Accrued Expenses	Trade and other payables	274,972	247,043
Value-added-tax payable	Value-added-tax payable	Other current liabilities	34,090	19,967
Other non-current liabilities	Other non-current liabilities	Employee benefit obligation	15,541	14,561

**33. APPROVAL OF THE FINANCIAL STATEMENTS**

These financial statements have been approved for issue by the authorized director of the Company on February 28, 2012.