เลือก**คุณภาพ**
เลือก**ฟาร์มเฮ้าส์**

ฟาร์มเฮ้าส์
หอมกรุ่นจากเตาทุกวัน

รายงานประจำปี 2553 | ANNUAL REPORT 2010

บริษัท เพรซิเดนท์ เบเกอรี่ จำกัด (มหาชน)
PRESIDENT BAKERY PUBLIC COMPANY LIMITED


คุณภาพ
เป็นที่หนึ่ง
บริษัท เพรซิเดนท์ เบเกอรี่ จำกัด (มหาชน)
มุ่งมั่นสร้างสรรค์และผลิตสินค้าที่ดีมีคุณภาพเสมอมา
เริ่มจากการคัดวัตถุดิบที่ปลอดภัย พร้อมทั้งใส่ใจในรสชาติ
ที่เป็นเลิศและดีต่อสุขภาพเพื่อผู้บริโภค จนได้รับรางวัล
อย. QUALITY AWARD ปี 2010

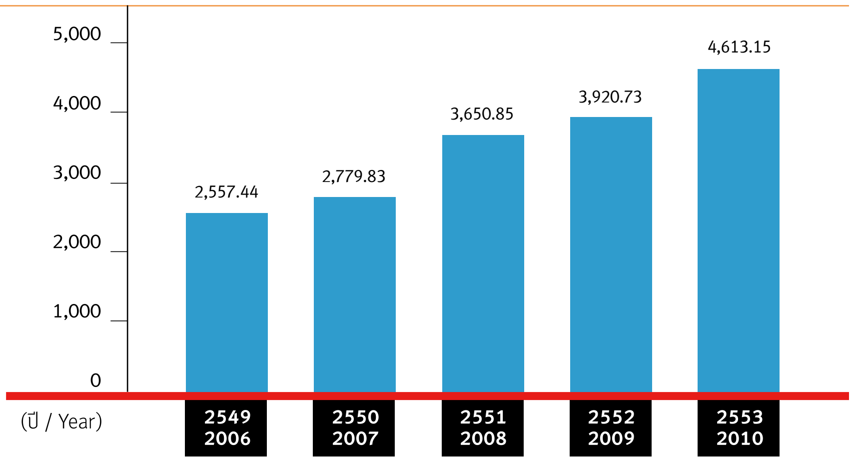
รางวัล อ.ย. Quality Award 2010

สารบัญ CONTENTS

Awards

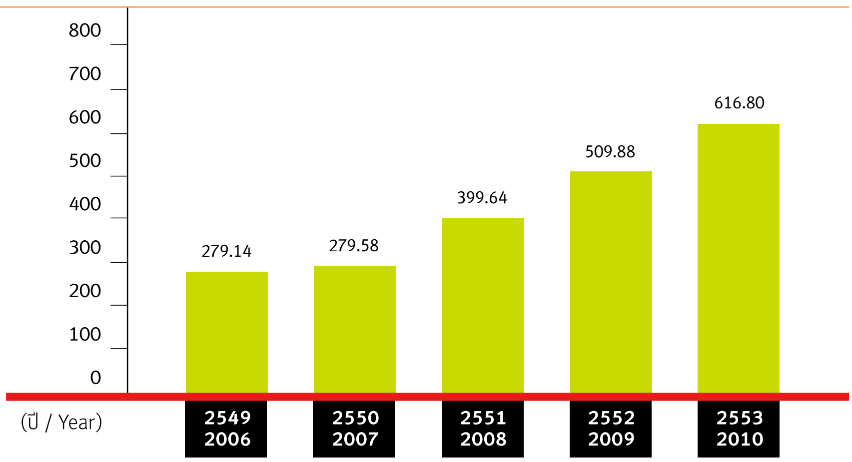
รายได้รวม
TOTAL REVENUES

(ล้านบาท / Million Baht)



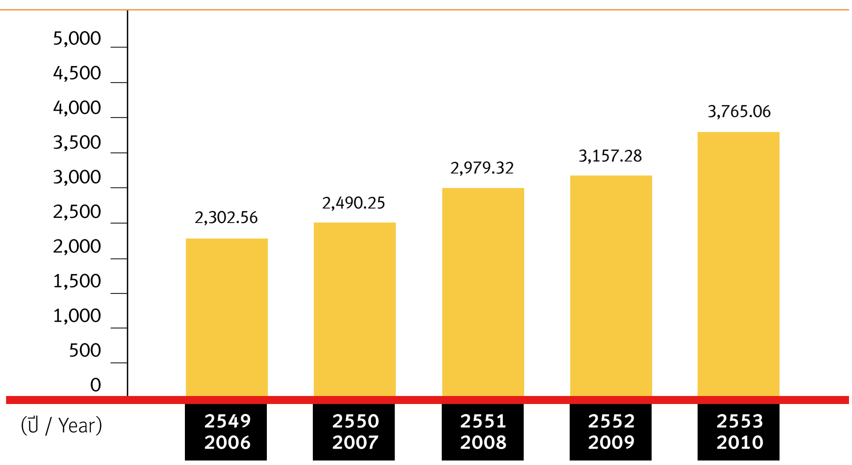
กำไรสุทธิ
NET PROFIT

(ล้านบาท / Million Baht)



สินทรัพย์รวม
TOTAL ASSETS

(ล้านบาท / Million Baht)



จุดเด่นในรอบปี
HIGHLIGHTS OF THE YEAR

งบการเงิน	FINANCIAL STATEMENT	2553 2010	2552 2009	2551 2008
ผลประกอบการ (ล้านบาท)	**Performance (Million Baht)**			
รายได้จากการขาย	Sales Revenues	4,596.39	3,912.74	3,632.24
รายได้รวม	Total Revenues	4,613.15	3,920.73	3,650.85
กำไรสุทธิ	Net Profit	616.80	509.88	399.64
สินทรัพย์รวม	Total Assets	3,765.06	3,157.28	2,979.32
หนี้สินรวม	Total Liabilities	1,052.95	788.82	879.10
ส่วนของผู้ถือหุ้น	Total Shareholders' Equity	2,712.11	2,368.46	2,100.22
ข้อมูลต่อหุ้น (บาท)	**Per Share Data (Baht)**			
กำไรสุทธิต่อหุ้น	Earning per Share	13.71	11.33	8.88
เงินปันผลต่อหุ้น	Dividend per Share	/1***	5.65	4.45
มูลค่าหุ้นตามบัญชี	Book Value per Share	60.27	52.63	46.67
มูลค่าหุ้นที่ตราไว้	Par Value per Share	10.00	10.00	10.00
จำนวนหุ้น (ล้านหุ้น)	Number of Share (million Shares)	45.00	45.00	45.00
อัตราผลตอบแทน (ร้อยละ)	**Rate of Return (%)**			
อัตรากำไรขั้นต้น	Gross Profit Margin	38.99	38.93	36.28
อัตรากำไรสุทธิ	Net Profit Margin	13.37	13.00	10.95
อัตราผลตอบแทนผู้ถือหุ้น	Return on Equity	24.28	22.82	20.17
อัตราส่วนแสดงประสิทธิภาพในการดำเนินงาน	**Efficiency Ratios**			
อัตราการหมุนของสินทรัพย์ (เท่า)	Total Assets Turnover (times)	1.33	1.28	1.33
อัตราผลตอบแทนจากสินทรัพย์ถาวร (%)	Return on Assets (%)	38.66	34.93	34.01

/1 *จ่ายเงินปันผลระหว่างกาล สำหรับผลประกอบการประจำงวด 6 เดือน ตั้งแต่วันที่ 1 มกราคม ถึง 30 มิถุนายน 2553 จากกิจการปกติ ในอัตราหุ้นละ 0.67 บาท และจากกิจการที่ได้รับการส่งเสริมการลงทุน ในอัตราหุ้นละ 2.25 บาท*

/1 *Interim dividend payment for the 6 month performance from January 1st - June 30th 2010 from the operation under non BOI business at 0.67 Bath per share and the BOI Promotion at 2.25 Bath per share.*

ข้อมูลทั่วไปของบริษัท
GENERAL INFORMATION

ชื่อบริษัท : บริษัท เพรซิเดนท์ เบเกอรี่ จำกัด (มหาชน)	**Name :** President Bakery Public Company Limited
ประเภทธุรกิจ : ประกอบธุรกิจผลิตและจำหน่ายขนมปังและเบเกอรี่อื่นๆ	**Nature of Business :** Manufacturer and distributor of bread and bakery Product
เลขทะเบียนบริษัท : บมจ. 0107545000144	**Registration No. :** BorMorJor 0107545000144
ทุนจดทะเบียนชำระแล้ว : หุ้นสามัญ จำนวน 45,000,000 หุ้น มูลค่าที่ตราไว้หุ้นละ 10 บาท	**All shares issued & Subscribed :** 45,000,000 common stocks, par value : 10 baht
ที่ตั้งสำนักงานใหญ่ : 121/84-85 ชั้น 29 อาคารชุด อาร์ เอส ทาวเวอร์ ถนนรัชดาภิเษก แขวงดินแดง เขตดินแดง กรุงเทพมหานคร 10400 โทรศัพท์ 0-2209-3000 โทรสาร 0-2209-3091	**Headquarter :** 121/84-85, 29th floor, RS TOWER, Ratchadapisek Rd., Dindang, Bangkok 10400 Tel : 0-2209-3000 Fax : 0-2209-3091
Home Page : http://www.farmhouse.co.th	**Home Page :** http://www.farmhouse.co.th
นิติบุคคลที่บริษัทถือหุ้น ตั้งแต่ร้อยละ 10 ขึ้นไป : บริษัท เพรซิเดนท์ กรีน เฮ้าส์ ฟู้ดส์ จำกัด บริษัท ถือหุ้น ร้อยละ 39	**Companies in which President Bakery holds more than 10% :** President Green House Food Co., Ltd. The Company holds 39%
ประเภทธุรกิจ : ดำเนินธุรกิจด้านภัตตาคาร ร้านอาหาร ชื่อ "ชินจูกุ ทงคัทซึ ซาโบเตน"	**Nature of Business :** To Operate a restaurant business namely "Shinchuku Thongkhatsu Sabuten"
เลขทะเบียนบริษัท : 0105551034347	**Registration No. :** 0105551034347
ทุนจดทะเบียนชำระแล้ว : หุ้นสามัญ จำนวน 1,500,000 หุ้น มูลค่าที่ตราไว้หุ้นละ 10 บาท	**All shares issued & Subscribed :** 1,500,000 common stocks, Par value : 10 Baht
ที่ตั้งสำนักงานใหญ่ : 121/84-85 ชั้น 29 อาคารชุด อาร์ เอส ทาวเวอร์ ถนนรัชดาภิเษก แขวงดินแดง เขตดินแดง กรุงเทพมหานคร 10400 โทรศัพท์ 0-2209-3000 โทรสาร 0-2209-3091	**Headquarter :** 121/84-85, 29th floor, RS Tower, Ratchadapisek Rd., Dindang, Bangkok, 10400 Tel : 0-2209-3000 Fax : 0-2209-3091

ประวัติบริษัท
COMPANY PROFILE

บริษัท เพรซิเดนท์ เบเกอรี่ จำกัด (มหาชน) เป็นบริษัทในกลุ่มผลิตภัณฑ์สายอาหารในเครือบริษัท สหพัฒนพิบูล จำกัด (มหาชน) ที่ได้ก่อตั้งโดย ดร.เทียม โชควัฒนา โดยกลุ่มผลิตภัณฑ์สายอาหารของเครือสหพัฒน์ที่ผลิตโดย บริษัทไทยเพรซิเดนท์ฟู้ด จำกัด (มหาชน) เป็นอีกหนึ่งกลุ่มผลิตภัณฑ์ที่ได้รับความยอมรับและประสบความสำเร็จอย่างสูง อาทิ บะหมี่กึ่งสำเร็จรูปมาม่าและบิสกิตบิสชิน ซึ่งทั้งสองผลิตภัณฑ์มีแป้งสาลีเป็นวัตถุดิบหลักในการผลิต ทำให้มีแนวคิดที่จะขยายธุรกิจเข้าไปในสายขนมปังและเบเกอรี่ซึ่งใช้แป้งสาลีเป็นวัตถุดิบหลักเช่นกันในสมัยนั้นผู้ประกอบการเบเกอรี่ส่วนใหญ่เป็นรายเล็กและดำเนินธุรกิจแบบครอบครัว ผลิตภัณฑ์ที่มีในตลาดก็ไม่มีคุณภาพมาตรฐานสม่ำเสมอ ขาดพัฒนาการทั้งในแง่ของตัวผลิตภัณฑ์ ระบบการจัดจำหน่ายและการจัดการที่ดี ความเข้าใจของผู้บริโภคต่อผลิตภัณฑ์เบเกอรี่ที่มีคุณภาพมาตรฐานยังมีน้อย ขนาดของตลาดและความนิยมในการบริโภคเบเกอรี่ยังมีไม่มากนัก

อย่างไรก็ดี ช่วงเวลานั้น เป็นช่วงที่รัฐบาลได้ให้การสนับสนุนอุตสาหกรรมการผลิตเพื่อทดแทนการนำเข้า โดยเฉพาะอย่างยิ่งอุตสาหกรรมที่มีพื้นฐานมาจากด้านการเกษตร ประกอบกับวิถีการดำรงชีวิตของคนไทยได้เปลี่ยนแปลงไป ประชากรจากชนบทเคลื่อนย้ายเข้าสู่สังคมเมืองมากขึ้น ครอบครัวมีขนาดเล็กลง แม่บ้านทำงานนอกบ้านมากขึ้น ทำให้มีเวลาจัดเตรียมอาหารสำหรับสมาชิกในครอบครัวลดลง รวมไปถึงการค้าระหว่างประเทศเริ่มมีบทบาททำให้มีชาวต่างชาติเคลื่อนย้ายเข้ามาในประเทศมากขึ้น ด้วยปัจจัยต่างๆ เหล่านี้ล้วนสร้างโอกาสให้ผลิตภัณฑ์เบเกอรี่สามารถตอบสนองวิถีชีวิตคนไทยได้ดียิ่งๆ ขึ้น

พัฒนาการที่สำคัญในช่วง 3 ปีที่ผ่านมา

ปี 2551

ด้านการลงทุน

โรงงานลาดกระบัง

บริษัทฯ ได้สั่งซื้อเครื่องจักรใหม่ในการผลิต เค้กโรล เพื่อเพิ่มกำลังการผลิต ยกระดับคุณภาพเนื้อเค้กให้เนียนนุ่มน่ารับประทาน และเพิ่มเครื่องจักรในการผลิตโดรายากิ เพื่อตอบสนองความต้องการของผู้บริโภค และผลิตสินค้าใหม่คือ บัตเตอร์โรลออกสู่ตลาด ซึ่งได้รับการตอบรับจากผู้บริโภคอย่างดียิ่ง

โรงงานบางชัน

เพื่อรองรับการจัดตั้งโรงงานแห่งใหม่ ณ โรงงานบางชัน ในเดือนกุมภาพันธ์ ถึงเดือนมีนาคม 2551 บริษัทฯ ได้ตัดสินใจสั่งซื้อเครื่องจักรใหม่ เพื่อทำการผลิตขนมปังชนิดแผ่น และขนมปัง

President Bakery Plc. Is a subsidiary for food business of Sahapatanapibool Plc., established by Dr.Thiam Chokwatana. Another subsidiary of Saha Group, Thai President Food., is highly successful and well accepted in the market. Their products include Mama instant noodles and Bissin biscuits, which both product use wheat flour as their main ingredient. This create the desire to expand the business into the bakery by using wheat flour as the main raw material. At that at time, most bakeries were small-sized family business. The product quality was inconsistent. Moreover, they lacked the developments in many aspects such as products, distribution system, and proper management. The consumer's understanding towards quality bakery was little. Yet, the size of market as well as the bakery consumption was still unpopular.

Nevertheless, the government, then, aimed to encourage the manufacturing sector to substitute import, particularly in the agricultural industry. In addition, the lifestyle of the Thais has changed. People from the rural areas flocked into the city and the family size was smaller. More women joined the workforce resulting in less time for preparing family meals. Plus, international trade began to play a major role, thus more foreigners moved into the country. These factors created an opportunity for bakery product to better serve the needs of the Thai lifestyle.

IMPORTANT CHANGES AND DEVELOPMENTS OVER THE PAST 3 YEARS

Year 2008

Investment

Lad Krabang Factory

The company had purchase the new machinery for producing the cake rolls in order to increase its productivity and improve the quality of a cake to be soft, smooth and look delicious. In addition, increase the number of machinery in making Dorayoki to respond to the customers' demand. Moreover, to launch the new products, namely Butter roll in the market and it was welcomed by the customer.

Bang Chan Factory

To support the establishment of new factory at Bang Chan Industry, during February to March 2008, the company decided to purchase new machinery to produce sliced bread and bread with filling in order to serve the

สอดไส้ รองรับความต้องการของผู้บริโภค ซึ่งเครื่องจักรได้จัดส่งถึงเมืองไทยในปลายปี 2551 ระหว่างเดือนพฤศจิกายน ถึงเดือนธันวาคม 2551 โดยจะเริ่มทำการติดตั้งเครื่องจักรใหม่ในเดือนมกราคม 2552 และคาดว่าการติดตั้งจะแล้วเสร็จในปลายเดือนมีนาคม 2552

กิจการร่วมลงทุน

ในเดือนมีนาคม 2551 บริษัทฯ ได้ตกลงทำสัญญาร่วมทุนกับบริษัท กรีน เฮ้าส์ จำกัด ประเทศญี่ปุ่น และได้จัดตั้งบริษัทใหม่ภายใต้ชื่อ "บริษัท เพรซิเดนท์ กรีน เฮ้าส์ ฟู้ดส์ จำกัด" ดำเนินธุรกิจด้านภัตตาคาร ร้านอาหาร ชื่อ "ชินจูกุ ทงคัทสึ ซาโบเตน" โดยได้เปิดภัตตาคารแห่งแรก ณ ห้างสรรพสินค้า ISETAN

ด้านการขาย

เพิ่มจุดกระจายสินค้าแห่งใหม่ คือ สาขา ตาก ซึ่งถือเป็นจุดกระจายสินค้าแห่งที่ 33 เพื่อเพิ่มขีดความสามารถในการกระจายสินค้า สนองตอบความต้องการของผู้บริโภคอย่างทั่วถึง และทันเวลา

ด้านเทคโนโลยีสารสนเทศ

ได้ทำการติดตั้งระบบ GPS กับรถขนส่งของบริษัทฯ เพื่อตรวจเช็คระยะทางการวิ่ง การขับรถอย่างปลอดภัย และประสิทธิภาพการใช้น้ำมัน เพื่อประโยชน์สูงสุดในการใช้พลังงาน

ปี 2552

ด้านการลงทุน

การก่อสร้างโรงงานแห่งใหม่ ณ นิคมอุตสาหกรรมบางชันเสร็จสมบูรณ์ โดยใช้งบประมาณการก่อสร้างประมาณ 1,200 ล้านบาท และทำการติดตั้งเครื่องจักร 2 สายการผลิตคือ สายการผลิตขนมปังแซนด์วิช และขนมปังสอดไส้ โดยเริ่มติดตั้งเครื่องจักรในเดือนมีนาคม 2552 ทดสอบการผลิตในเดือน มิถุนายน 2552 และจัดพิธีเปิดโรงงานอย่างเป็นทางการเมื่อวันที่ 14 ธันวาคม 2552

นอกจากนี้ในส่วนของสายการผลิตเดิม ณ โรงงานลาดกระบัง ได้มีการพัฒนาปรับปรุงและติดตั้งเครื่องจักรเพิ่ม เพื่อยกระดับคุณภาพสินค้าและผลิตสินค้าใหม่ อาทิ Daily Sandwich, Soft Cake

ด้านการขาย

บริษัทฯ ได้ตัดสินใจซื้อที่ดิน และปลูกสร้างอาคาร เพื่อเป็นที่ทำการแห่งใหม่ของสาขาหาดใหญ่ ณ ตำบลหนองแห จังหวัดสงขลา และปรับปรุงยกระดับคุณภาพศูนย์กระจายสินค้าศูนย์วิจัย

นอกจากนี้ได้ขยายสาขาเพื่อเป็นศูนย์กระจายสินค้าเพิ่ม 2 สาขา คือ สาขาหัวหินและสาขาสุรินทร์ (ปัจจุบันบริษัทฯ มีศูนย์กระจายสินค้ารวม 35 แห่งทั่วประเทศ) เพื่อให้กระจายสินค้าไปสู่ผู้บริโภคอย่างทั่วถึงและทันต่อความต้องการสมกับสโลแกนที่ว่า **"ฟาร์มเฮ้าส์ หอมกรุ่นจากเตาทุกวัน"**

customers' demand. Such machinery was delivered to Thailand at the end of 2008, during November to December 2008. The company began to install the new machines in January 2009 and expected that the installment would be completed by the end of March 2009.

Joint Venture

In March 2008, the company had enter a Joint Venture Agreement with Green House Co., Ltd. Japan to establish the company under the name of "President Green House Food Co., Ltd. to operate a restaurant business namely "Shinchuku Thongkhatsu Saboten". The first restaurant was opened at Isetan Department Store.

Sales

To expand the new distribution point namely Tak Branch which is 33rd distribution point. This is to increase the capability in product distribution to respond to customer demand thoroughly and on time.

Information Technology

The company has installed the GPS system to all corporate transport vehicles in order to examine and measure the running distance, safety driving, and fuel efficiency for maximum energy consumption

Year 2009

Investment

Construction of a new factory at Bang Chan Industrial Estate was completed with construction cost of 1,200 million Baht approximately, followed by installation of machines for 2 production lines:- production of sandwich bread and production of filled bread. The machine installation started from March 2008 and the production was tested in June 2008. The official opening ceremony took place on December 14th, 2008.

Regarding production at our former factory at Lad Krabang, we have improved and increased the number of machines to enhance the products' quality and to launch new products, e.g. Daily Sandwich, Soft Cake

Sales

The Company finalized the decision to buy a plot of land to build a new Hat Yai branch office at Nong Hae Sub-District, Song Khla Province and also to improve the quality of our distribution center and our research center.

Apart from this, we have 2 more branches of our distribution centers at Hua Hin branch and Surin Branch (now, we have 35 distribution centers nationwide) to thoroughly distribute our products to consumers in line with our slogan **"Farmhouse Made Fresh Daily"**

ด้านเทคโนโลยีสารสนเทศ

นอกจากจะได้นำระบบ GPS มาใช้ในระบบขนส่งแล้ว บริษัทฯได้พัฒนาระบบ Preventive& Maintenance เพื่อการจัดเก็บ และประมวลผลข้อมูลเกี่ยวกับยานพาหนะเพื่อการบริหารจัดการอย่างมีประสิทธิภาพ พร้อมกับการพัฒนาระบบการจัดเก็บข้อมูลเพื่อยกระดับมาตรฐานการจัดเก็บข้อมูลให้มีความเสถียร โดยการติดตั้ง Double Backup site ณ โรงงานทั้ง 2 แห่ง

ปี 2553

ด้านการลงทุน

บริษัท มีแผนในการพัฒนายกระดับคุณภาพของสาขาด้านการขาย จึงตัดสินใจลงทุนซื้อที่ดินเพื่อใช้เป็นศูนย์กระจายสินค้าที่สาขารังสิต (ปัจจุบันบริษัทฯ มีศูนย์กระจายสินค้ารวม 38 สาขา) ควบคู่ไปกับการพัฒนาคุณภาพระบบขนส่งสินค้า บริษัทจึงได้ลงทุนซื้อรถขนส่งขนาดใหญ่สำหรับใช้ในการขนส่งและได้เปลี่ยนการใช้เชื้อเพลิงในการขนส่งจากน้ำมันดีเซลเป็นการใช้ก๊าซธรรมชาติ (NGV) แทน เพื่อลดมลภาวะและเป็นมิตรกับสิ่งแวดล้อม นอกจากนี้บริษัทยังได้ซื้อรถตู้ขนาด 6 ล้อ และ 4 ล้อ เพื่อเพิ่มประสิทธิภาพในการขนส่งและสามารถกระจายสินค้าไปสู่ผู้บริโภคด้วยความสดใหม่ทุกวัน

ด้านเครื่องจักร

ในเดือนตุลาคม 2553 ได้ติดตั้งเครื่องจักรในการผลิต Daily Sandwich เพิ่มขึ้นอีก 1 Line เพื่อขยายกำลังการผลิตรองรับความต้องการของผู้บริโภคที่เพิ่มขึ้นอย่างต่อเนื่อง พร้อมกันนี้ได้มีการสั่งซื้อแม่พิมพ์ขนมปัง และอุปกรณ์ด้านการผลิตใหม่ๆ ในสายการผลิตเดิม เพื่อยกระดับมาตรฐานคุณภาพสินค้า

ด้านเทคโนโลยีสารสนเทศ

- ได้มีการลงทุนติดตั้ง Server และ Storage ใหม่ เพื่อปรับปรุง และยกระดับระบบการจัดเก็บข้อมูลทั้งในส่วนสำนักงานและโรงงานให้มีประสิทธิภาพ และมีความเสถียรยิ่งขึ้น
- ลงทุนสั่งซื้อเครื่อง Computer Hand Held ชุดใหม่มาใช้ในงานด้านการขาย เพื่อพัฒนาประสิทธิภาพในการปฏิบัติงานของหน่วยขาย

Information Technology

Apart from implementation of GPS for our logistic system, we developed our preventive system & maintenance for storing and processing data concerning our vehicles for effective management system. We also developed our data storing system to upgrade our data storing standard with more stability by installation of Double Backup Sites at our 2 factories.

Year 2010

Investment

The Company planned to develop and upgrade branch quality for the sales; then decided to purchase a plot of land for use as a distributing center at the Rung-sit branch. (At present the Company has 38 distributing centers altogether.) For developing the quality of transporting system, the Company purchased large-sized trucks for transporting, and changed the usage of fuel for transportation from diesel to natural gas in order to reduce pollution and friendly to the environment. In addition, the Company also bought six-wheeled and four-wheeled vans in order to increase the efficiency of transportation and ability to distribute products to consumers with daily freshness.

Machinery

In October, 2010 the Company installed one more machine for the production line of daily sandwich in order to add the capacity to support demands of consumers that increase continuously. In addition, we have ordered moulds and equipment for new productions of the existing production lines in order to increase the standard level of quality products.

Information Technology

- To install servers and new storage in order to adjust and improve the efficiency and the stability of data storage system for both the office and plants.
- To purchase a new set of hand-held computers for the selling division in order to develop the efficiency of selling units.

การประกอบธุรกิจของแต่ละสายผลิตภัณฑ์
PRODUCT LINES

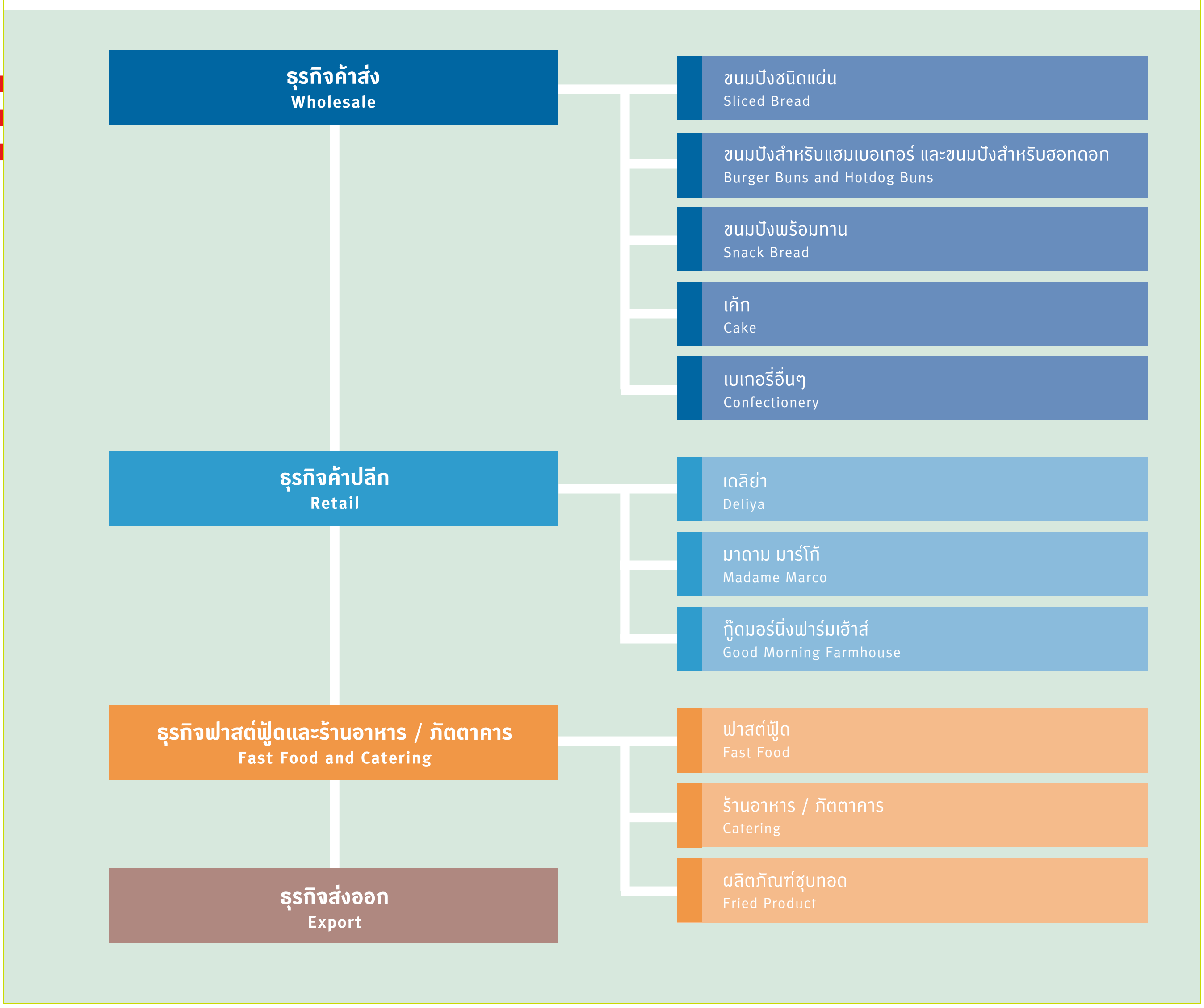
บริษัทประกอบธุรกิจหลักในการผลิตและจำหน่ายขนมปังและเบเกอรี่อื่นๆ โดยมีสายธุรกิจแบ่งได้ดังนี้

1. ธุรกิจเบเกอรี่ค้าส่ง (Wholesale) มีสัดส่วนการขายเป็น 90.79% ของยอดรายได้รวมของบริษัท
2. ธุรกิจค้าปลีก (Retail) มีสัดส่วนการขายเป็น 3.05% ของยอดรายได้รวมของบริษัท
3. ธุรกิจฟาสต์ฟู้ด และร้านอาหาร / ภัตตาคาร (Fast food & Catering) มีสัดส่วนการขายเป็น 5.77% ของยอดรายได้รวมของบริษัท
4. ธุรกิจส่งออก (Export) มีสัดส่วนการขายเป็น 0.03% ของยอดรายได้รวมของบริษัท

The company mainly produces and distributes bakery products with the following lines of business :

1. Wholesale bakery business sales proportion was 90.79% of the total incomes
2. Retail business sales proportion was 3.05% of the total incomes
3. Fast Food and Catering business sales proportion was 5.77% of the total incomes
4. The Export business sales proportion was 0.03% of the total incomes

สายธุรกิจและผลิตภัณฑ์

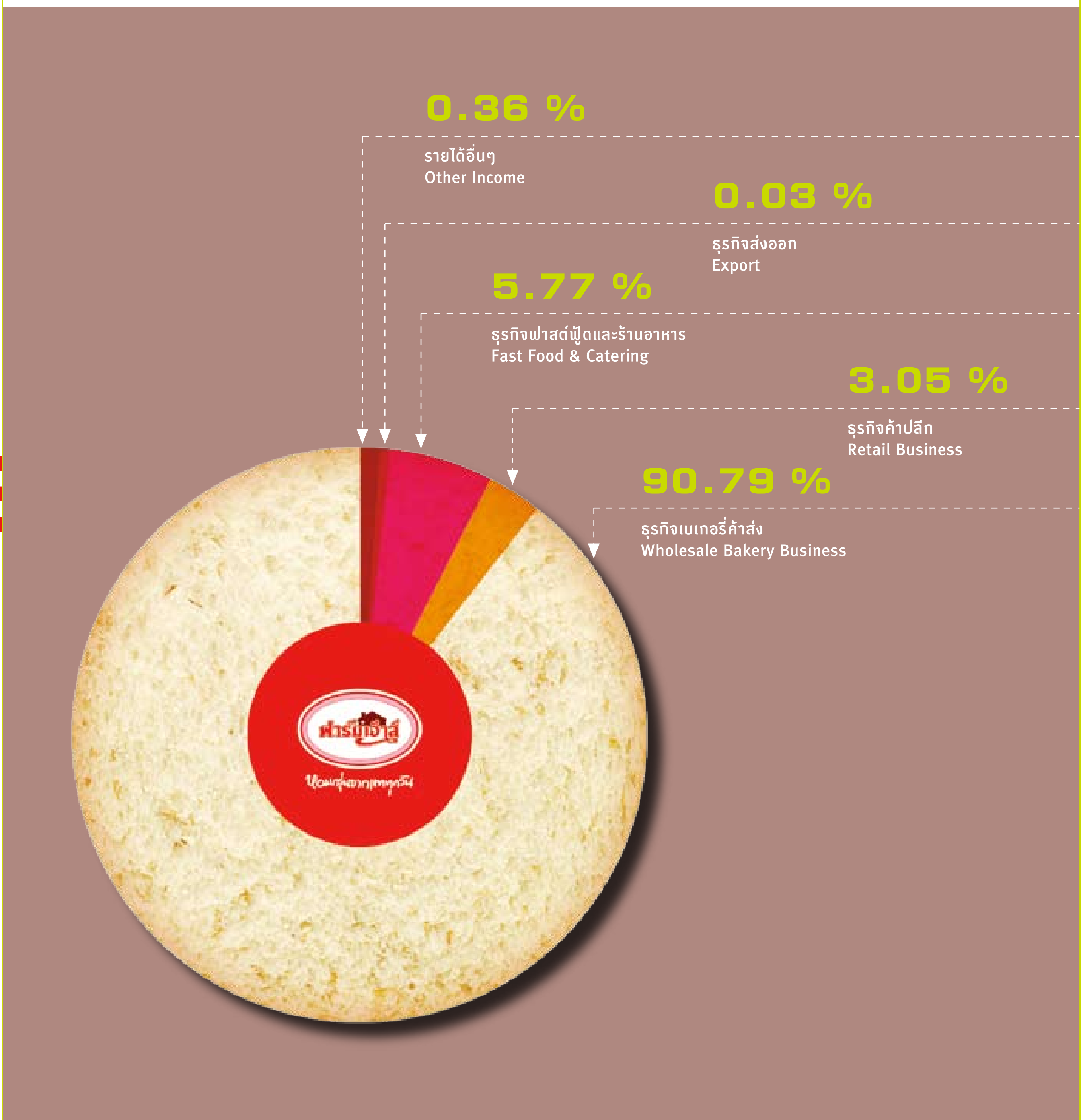


โครงสร้างรายได้
INCOME STRUCTURE

โครงสร้างรายได้ของบริษัทในช่วงปี 2551 - 2553 มีรายละเอียดดังนี้
The Company's income structure The details in 2008-2010 are as follows :

ผลิตภัณฑ์ / บริการ PRODUCT / SERVICE	2553 2010 พันบาท Thousand Baht	2553 2010 ร้อยละ %	2552 2009 พันบาท Thousand Baht	2552 2009 ร้อยละ %	2551 2008 พันบาท Thousand Baht	2551 2008 ร้อยละ %
1. ธุรกิจเบเกอรี่ค้าส่ง Wholesaling Business	4,188,488.43	90.79	3,527,142.62	89.96	3,260,809.92	89.32
1.1 ขนมปังชนิดแผ่น Sliced Bread	2,099,005.99	45.50	1,765,780.77	45.04	1,636,231.86	44.82
1.2 แฮมเบอเกอร์บัน และฮอทดอกบัน Burger / Hotdog Buns	144,101.45	3.12	167,303.68	4.27	174,125.75	4.77
1.3 ขนมปังพร้อมทาน Snack Bread	1,260,670.52	27.33	1,045,012.79	26.65	1,000,485.82	27.40
1.4 เค้ก Cake	560,256.36	12.14	439,252.64	11.20	360,571.40	9.88
1.5 เบเกอรี่หวาน และอื่นๆ Confectionery	124,454.11	2.70	109,792.74	2.80	89,395.09	2.45
2. ธุรกิจเบเกอรี่ค้าปลีก Retail Business	140,579.16	3.05	137,880.53	3.52	126,280.97	3.46
2.1 เดลิย่า+ฟาร์มเฮ้าส์ช็อปส์ Deliya + Farmhouse Shops	80,846.91	1.75	79,266.75	2.02	55,888.03	1.53
2.2 มาดามมาร์โก้ Madame Marco	37,781.43	0.82	36,232.82	0.92	37,906.29	1.04
2.3 กู๊ดมอร์นิ่งฟาร์มเฮ้าส์ Good Morning Farmhouse	21,950.82	0.48	22,380.96	0.57	32,486.65	0.89
3. ฟาสต์ฟู้ด & ร้านอาหาร Fast Food & Catering	266,044.61	5.77	247,369.06	6.31	234,420.78	6.42
3.1 ฟาสต์ฟู้ด & ร้านอาหาร Fast Food & Catering	216,827.72	4.70	200,023.51	5.10	189,289.17	5.18
3.2 ผลิตภัณฑ์ชุบทอด Fried Products	49,216.89	1.07	47,345.55	1.21	45,131.61	1.24
4. ธุรกิจส่งออก Export	1,274.34	0.03	345.61	0.01	10,723.53	0.29
รวมรายได้ธุรกิจหลัก Total Income	4,596,386.54	99.64	3,912,737.82	99.80	3,632,235.20	99.49
5. รายได้อื่นๆ Other Income	16,761.13	0.36	7,991.90	0.20	18,617.19	0.51
รายได้รวมทั้งสิ้น Total	4,613,147.67	100.00	3,920,729.72	100.00	3,650,852.39	100.00

สัดส่วนรายได้ตามสายธุรกิจ ปี 2553
SALE MIX BY PRODUCT TYPES 2010



งบการเงิน

FINANCIAL STATEMENTS

REPORT OF INDEPENDENT AUDITOR & FINANCIAL STATEMENT

Report of Independent Auditor

To the Shareholders of President Bakery Public Company Limited

I have audited the accompanying balance sheet, in which the equity method is applied, of President Bakery Public Company Limited as at 31 December 2010, and the related statements of income, changes in shareholders' equity and cash flows for the year then ended and the separate financial statements of President Bakery Public Company Limited for the same period. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. The financial statements, in which the equity method is applied, and the separate financial statements of President Bakery Public Company Limited for the year ended 31 December 2009, as presented herein for comparative purposes, were audited by another auditor of our firm who expressed an unqualified opinion on those financial statements, under her report dated 17 February 2010.

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

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

WICHART LOKATEKRAWEE

Certified Public Accountant (Thailand) No. 4451

Ernst & Young Office Limited

Bangkok: 23 February 2011

BALANCE SHEETS

President Bakery Public Company Limited
As at 31 December 2010 and 2009

(Unit : Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2010	2009	2010	2009
Assets					
Current assets					
Cash and cash equivalents	6	385,066,986	85,947,113	385,066,986	85,947,113
Trade accounts receivable					
Related party	7, 9	120,973	66,313	120,973	66,313
Unrelated parties - net	7	529,960,712	452,864,675	529,960,712	452,864,675
Total trade accounts receivable - net		530,081,685	452,930,988	530,081,685	452,930,988
Inventories	8	140,930,621	116,929,748	140,930,621	116,929,748
Other current assets		14,109,410	10,100,648	14,109,410	10,100,648
Total current assets		1,070,188,702	665,908,497	1,070,188,702	665,908,497
Non-current assets					
Investment in joint venture	10	8,442,283	7,753,495	5,850,000	5,850,000
Other long-term investment - net	11	-	-	-	-
Property, plant and equipment - net	12	2,660,925,587	2,473,725,139	2,660,925,587	2,473,725,139
Advance payments for purchase of assets		15,347,413	-	15,347,413	-
Intangible assets - net	13	1,294,434	1,440,643	1,294,434	1,440,643
Leasehold rights - net	14	2,323,734	2,651,113	2,323,734	2,651,113
Other non-current assets		6,541,253	5,805,162	6,541,253	5,805,162
Total non-current assets		2,694,874,704	2,491,375,552	2,692,282,421	2,489,472,057
Total assets		3,765,063,406	3,157,284,049	3,762,471,123	3,155,380,554

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

BALANCE SHEETS (CONTINUED)

President Bakery Public Company Limited
As at 31 December 2010 and 2009

(Unit : Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2010	2009	2010	2009
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts	15	-	486,841	-	486,841
Trade accounts payable					
Related parties	9	159,114,135	135,484,402	159,114,135	135,484,402
Unrelated parties		257,281,087	204,357,825	257,281,087	204,357,825
Total trade accounts payable		416,395,222	339,842,227	416,395,222	339,842,227
Other accounts payable					
Related party	9	66,000	66,000	66,000	66,000
Unrelated parties		131,324,645	28,782,568	131,324,645	28,782,568
Current portion of liabilities under finance lease agreements					
Related party	9, 16	26,707,771	12,137,455	26,707,771	12,137,455
Unrelated parties	16	25,472,715	33,366,189	25,472,715	33,366,189
Other current liabilities					
Corporate income tax payable		68,351,203	58,975,814	68,351,203	58,975,814
Accrued expenses		125,345,711	108,335,371	125,345,711	108,335,371
Others		60,707,849	46,988,493	60,707,849	46,988,493
Total other current liabilities		254,404,763	214,299,678	254,404,763	214,299,678
Total current liabilities		854,371,116	628,980,958	854,371,116	628,980,958
Non-current liabilities					
Liabilities under finance lease agreements - net of current portion					
Related party	9, 16	44,932,307	29,201,100	44,932,307	29,201,100
Unrelated parties	16	32,478,209	17,989,718	32,478,209	17,989,718
Long-term loans from directors	9, 17	72,795,970	60,157,539	72,795,970	60,157,539
Long-term loans from employees	17	47,836,707	51,891,719	47,836,707	51,891,719
Other non-current liabilities		535,907	605,151	535,907	605,151
Total non-current liabilities		198,579,100	159,845,227	198,579,100	159,845,227
Total liabilities		1,052,950,216	788,826,185	1,052,950,216	788,826,185

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

BALANCE SHEETS (CONTINUED)

President Bakery Public Company Limited
As at 31 December 2010 and 2009

(Unit : Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2010	2009	2010	2009
Shareholders' equity					
Share capital					
Registered, issued and fully paid-up					
45,000,000 ordinary shares of Baht 10 each		450,000,000	450,000,000	450,000,000	450,000,000
Share premium		674,379,513	674,379,513	674,379,513	674,379,513
Retained earnings					
Appropriated - statutory reserve	18	45,000,000	45,000,000	45,000,000	45,000,000
Unappropriated		1,542,733,677	1,199,078,351	1,540,141,394	1,197,174,856
Total shareholders' equity		2,712,113,190	2,368,457,864	2,709,520,907	2,366,554,369
Total liabilities and shareholders' equity		3,765,063,406	3,157,284,049	3,762,471,123	3,155,380,554

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

INCOME STATEMENTS

President Bakery Public Company Limited
For the years ended 31 December 2010 and 2009

(Unit : Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2010	2009	2010	2009
Revenues					
Sales		4,596,386,529	3,912,737,836	4,596,386,529	3,912,737,836
Interest income		4,071,842	1,058,717	4,071,842	1,058,717
Other income		12,689,288	6,933,179	13,274,288	6,933,179
Total revenues		4,613,147,659	3,920,729,732	4,613,732,659	3,920,729,732
Expenses					
Cost of sales		2,804,137,759	2,389,519,215	2,804,137,759	2,389,519,215
Selling expenses		618,251,504	532,405,195	618,251,504	532,405,195
Administrative expenses		392,918,696	333,999,983	392,918,696	333,999,983
Management's remuneration		48,973,570	44,929,685	48,973,570	44,929,685
Total expenses		3,864,281,529	3,300,854,078	3,864,281,529	3,300,854,078
Income before share of income from investment in joint venture, finance cost and corporate income tax		748,866,130	619,875,654	749,451,130	619,875,654
Share of income from investment in joint venture	10	1,273,788	2,155,784	-	-
Income before finance cost and corporate income tax		750,139,918	622,031,438	749,451,130	619,875,654
Finance cost		(10,599,473)	(9,836,413)	(10,599,473)	(9,836,413)
Income before corporate income tax		739,540,445	612,195,025	738,851,657	610,039,241
Corporate income tax		(122,735,119)	(102,311,389)	(122,735,119)	(102,311,389)
Net income for the year		616,805,326	509,883,636	616,116,538	507,727,852
Basic earnings per share	20				
Net income		13.71	11.33	13.69	11.28
Weighted average number of ordinary shares (shares)		45,000,000	45,000,000	45,000,000	45,000,000

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

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

President Bakery Public Company Limited
For the years ended 31 December 2010 and 2009

(Unit : Baht)

		Financial statements in which the equity method is applied				
				Retained earnings		
	Note	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Total
Balance as at 31 December 2008		450,000,000	674,379,513	45,000,000	930,844,715	2,100,224,228
Net income for the year		-	-	-	509,883,636	509,883,636
Dividend payments	21	-	-	-	(241,650,000)	(241,650,000)
Balance as at 31 December 2009		450,000,000	674,379,513	45,000,000	1,199,078,351	2,368,457,864
Balance as at 31 December 2009		450,000,000	674,379,513	45,000,000	1,199,078,351	2,368,457,864
Net income for the year		-	-	-	616,805,326	616,805,326
Dividend payments	21	-	-	-	(273,150,000)	(273,150,000)
Balance as at 31 December 2010		450,000,000	674,379,513	45,000,000	1,542,733,677	2,712,113,190

		Separate financial statements				
				Retained earnings		
	Note	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Total
Balance as at 31 December 2008		450,000,000	674,379,513	45,000,000	931,097,004	2,100,476,517
Net income for the year		-	-	-	507,727,852	507,727,852
Dividend payments	21	-	-	-	(241,650,000)	(241,650,000)
Balance as at 31 December 2009		450,000,000	674,379,513	45,000,000	1,197,174,856	2,366,554,369
Balance as at 31 December 2009		450,000,000	674,379,513	45,000,000	1,197,174,856	2,366,554,369
Net income for the year		-	-	-	616,116,538	616,116,538
Dividend payments	21	-	-	-	(273,150,000)	(273,150,000)
Balance as at 31 December 2010		450,000,000	674,379,513	45,000,000	1,540,141,394	2,709,520,907

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

STATEMENTS OF CASH FLOWS

President Bakery Public Company Limited
For the years ended 31 December 2010 and 2009

(Unit : Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	2010	2009	2010	2009
Cash flows from operating activities				
Net income before tax	739,540,445	612,195,025	738,851,657	610,039,241
Adjustments to reconcile net income before tax to net				
cash provided by (paid from) operating activities:				
Depreciation and amortisation	375,694,250	311,320,609	375,694,250	311,320,609
Gain from disposals of property,				
plant and equipment	(1,714,952)	(421,415)	(1,714,952)	(421,415)
Share of income from investment in joint venture	(1,273,788)	(2,155,784)	-	-
Reversal of allowance for doubtful accounts	-	(14,043)	-	(14,043)
Unrealised loss on exchange	241,898	82,231	241,898	82,231
Interest income	(4,071,842)	(1,058,717)	(4,071,842)	(1,058,717)
Dividend income	-	-	(585,000)	-
Interest expenses	9,162,712	8,611,486	9,162,712	8,611,486
Income from operating activities before changes in				
operating assets and liabilities	1,117,578,723	928,559,392	1,117,578,723	928,559,392
Decrease (increase) in operating assets				
Trade accounts receivable	(77,144,590)	(25,405,311)	(77,144,590)	(25,405,311)
Inventories	(24,000,873)	4,801,806	(24,000,873)	4,801,806
Other current assets	(4,008,762)	1,006,618	(4,008,762)	1,006,618
Other non-current assets	(736,091)	(2,070,415)	(736,091)	(2,070,415)
Increase (decrease) in operating liabilities				
Trade accounts payable	76,501,640	(53,786,599)	76,501,640	(53,786,599)
Other accounts payable	20,277,376	(2,874,304)	20,277,376	(2,874,304)
Other current liabilities	29,965,827	34,395,546	29,965,827	34,395,546
Other non-current liabilities	(69,244)	319,938	(69,244)	319,938
Cash from operating activities	1,138,364,006	884,946,671	1,138,364,006	884,946,671
Cash paid for interest expenses	(9,162,712)	(8,611,486)	(9,162,712)	(8,611,486)
Cash paid for corporate income tax	(113,359,730)	(89,736,064)	(113,359,730)	(89,736,064)
Net cash from operating activities	1,015,841,564	786,599,121	1,015,841,564	786,599,121

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

STATEMENTS OF CASH FLOWS (CONTINUED)

President Bakery Public Company Limited
For the years ended 31 December 2010 and 2009

(Unit : Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	2010	**2009**	**2010**	**2009**
Cash flows from investing activities				
Acquisition of property, plant and equipment	(399,154,065)	(644,302,333)	(399,154,065)	(644,302,333)
Proceeds from disposals of property, plant and equipment	3,950,011	1,346,328	3,950,011	1,346,328
(Increase) decrease in advance payments for purchase of assets	(15,347,413)	23,122,391	(15,347,413)	23,122,391
Increase in intangible assets	(270,000)	-	(270,000)	-
Interest income	4,071,842	1,058,717	4,071,842	1,058,717
Dividend income	585,000	-	585,000	-
Net cash used in investing activities	(406,164,625)	(618,774,897)	(406,164,625)	(618,774,897)
Cash from financing activities				
(Decrease) increase in bank overdrafts	(486,841)	107,835	(486,841)	107,835
Decrease in liabilities under finance lease agreements	(45,503,644)	(39,877,393)	(45,503,644)	(39,877,393)
Increase in long-term loans from directors	12,638,431	22,494,588	12,638,431	22,494,588
(Decrease) increase in long-term loans from employees	(4,055,012)	24,595,112	(4,055,012)	24,595,112
Dividend payments	(273,150,000)	(241,650,000)	(273,150,000)	(241,650,000)
Net cash used in financing activities	(310,557,066)	(234,329,858)	(310,557,066)	(234,329,858)
Net increase (decrease) in cash and cash equivalents	299,119,873	(66,505,634)	299,119,873	(66,505,634)
Cash and cash equivalents at beginning of year	85,947,113	152,452,747	85,947,113	152,452,747
Cash and cash equivalents at end of year	385,066,986	85,947,113	385,066,986	85,947,113
Supplementary disclosures of cash flows information				
Non-cash related transactions				
Purchase of equipment under financial lease agreements	82,400,184	49,700,741	82,400,184	49,700,741
Purchase of plant and equipment which have not been paid	82,853,627	10,500	82,853,627	10,500

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

NOTES TO FINANCIAL STATEMENTS

President Bakery Public Company Limited
For the years ended 31 December 2010 and 2009

1. GENERAL INFORMATION

President Bakery Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The major shareholder of the Company is President Rice Products Public Company Limited, which is a public company incorporated in Thailand. The Company is principally engaged in the manufacture and sales of bakery products and its registered address is at 121/84-85, 29th Floor, RS Tower, Ratchadapisek Road, Dindaeng, Bangkok.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. ADOPTION OF NEW ACCOUNTING STANDARDS

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

a) Accounting standards that are effective for fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements (revised 2009)

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures

TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate

b) Accounting standards that are effective for fiscal years beginning on or after 1 January 2013:

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

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards which management expects the impact on the financial statements in the year when they are adopted.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. Currently, the Company accounts for such employee benefits when they are incurred.

Based on the management's assessment, the effect of the adoption of this TAS in 2011 will be to decrease retained earnings as at 31 December 2010 by approximately Baht 29.5 million.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyers. Sales are the invoiced value, excluding value added tax, after deducting goods returned, discounts and allowances.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash and deposits at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Inventories are valued at the lower of cost (weighted average basis) and net realisable value. Cost of finished goods and work in process comprises all production costs and attributable factory overhead.

Raw and packing materials, spare parts and factory supplies are charged to production costs whenever consumed.

4.5 Investment

a) Investment in other company, which is non-marketable equity securities, is stated at cost. An allowance for impairment loss will be made when the net recoverable amount is lower than the cost of investment.

b) Investment in joint venture is accounted for in the financial statements in which the equity method is applied using the equity method.

c) Investment in joint venture is accounted for in the separate financial statements using the cost method.

4.6 Property, plant and equipment and depreciation

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation. Depreciation of plant and equipment is calculated by reference to their costs on a straight-line basis over the estimated useful lives of assets, except for computer equipment acquired since 1 January 2002 calculated by double declining balance basis, as follows:

Buildings	-	10 - 20 years
Machinery and equipment	-	5 - 20 years
Computer equipment	-	3 - 5 years
Furniture and office equipment	-	5 years
Motor vehicles	-	5 years

No depreciation is provided on land, construction in progress and assets under installation.

Depreciation is included in determining income.

4.7 Intangible assets

Intangible assets are measured at cost on the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life, except for computer software acquired since 1 January 2002 calculated by double declining balance basis, and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

A summary of the intangible assets with finite useful lives is as follows:

	Useful lives
Computer software	5 years

4.8 Leasehold rights

Land leasehold rights are stated at cost less accumulated amortisation. Amortisation is calculated by reference to cost on a straight-line basis over the lease period between 10 and 15 years.

The amortisation is included in determining income.

4.9 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.10 Long-term leases

Finance leases

Leases of assets which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the income statements over the lease period. The assets acquired under finance leases are depreciated over the useful life of the assets.

Operating leases

Leases, which a significant portion of the risks and rewards of ownership are not transferred 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 income statements on a straight-line basis over the lease period. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

4.11 Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the balance sheet date, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

At each reporting date, the Company performs impairment reviews in respect of the property, plant and equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

4.13 Employee benefits

Salaries, wages, bonuses and contributions to the social security fund and provident fund are recognised as expenses when incurred.

4.14 Income tax

Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

4.15 Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the balance sheet date. Gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortized on a straight-line basis over the contract periods.

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Property plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company's plant and equipment and to review estimated useful lives and salvage values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

6. CASH AND CASH EQUIVALENTS

(Unit : Baht)

	2010	2009
Cash	1,817,524	2,215,520
Bank deposits	24,249,462	19,731,593
Bank of Thailand bond	359,000,000	64,000,000
Total	385,066,986	85,947,113

As at 31 December 2010, bank deposits in saving accounts, fixed deposits and bond carried interests between 0.25 and 1.92 percent per annum (2009: between 0.13 and 1.07 percent per annum).

7. TRADE ACCOUNTS RECEIVABLE

The balances of trade accounts receivable as at 31 December 2010 and 2009, aged on the basis of due dates are summarised below.

(Unit : Baht)

	2010	2009
Age of receivables		
Related party		
Not yet due	120,973	66,313
Trade accounts receivable - related party	120,973	66,313
Unrelated parties		
Not yet due	312,135,903	273,209,720
Past due		
Up to 3 months	217,670,173	179,666,563
3 - 6 months	154,626	-
6 - 12 months	11,618	-
Total trade accounts receivable - unrelated parties	529,972,320	452,876,283
Less : Allowance for doubtful accounts	(11,608)	(11,608)
Trade accounts receivable - unrelated parties - net	529,960,712	452,864,675
Trade accounts receivable - net	530,081,685	452,930,988

8. INVENTORIES

(Unit : Baht)

	2010	2009
Finished goods	1,751,273	2,088,021
Work in process	3,382,346	3,700,422
Raw materials	57,109,332	48,277,068
Packaging materials	38,788,865	33,782,012
Spare parts and factory supplies	39,898,805	29,082,225
Total	140,930,621	116,929,748

9. RELATED PARTY TRANSACTIONS

During the years, the Company had significant business transactions with its related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on the commercial terms and bases agreed upon between the Company and those related persons or parties.

(Unit : Million Baht)

	2010	2009	Transfer pricing and lending policy
Transactions with related companies			
Sales of goods	0.6	0.7	Agreed price which approximates the market price
Purchases of goods	534.3	500.5	Agreed price which approximates the market price by reference to purchase volume
Rental expenses	0.8	0.8	At the rate stipulated in the agreement which approximates the market rate
Interest expenses under finance lease agreements	3.1	0.7	At the agreed rate in the agreement which approximates the market rate
Transactions with related persons			
Interest expenses	2.0	1.8	Interest at the rate of 3.00% per annum (2009: 3.25 – 4.50% per annum)

The balances of accounts as at 31 December 2010 and 2009 between the Company and those related persons or parties are as follows:

(Unit : Baht)

	Relationship	2010	2009
Trade accounts receivable - related party			
Joint venture			
President Green House Foods Co., Ltd.	The Company holds 39% interest and has common directors	120,973	66,313
Total trade accounts receivable - related party		120,973	66,313
Trade accounts payable - related parties			
Related companies			
Kerry Flour Mills Ltd.	Common shareholders and common directors	138,116,400	124,287,358
Dai-Ichi Packaging Co., Ltd.	Common shareholders and common directors	9,027,113	1,541,273
Thai President Foods Public Co., Ltd.	Hold a 9 % interest in the Company and has common shareholders and common directors	525,798	350,532
Connected companies			
Thanachem (Bangkok) Co., Ltd.	Connected directors	9,883,592	9,021,489
Kewpie (Thailand) Co., Ltd.	Connected directors	1,374,169	182,810
T.J.S. Marketing Co., Ltd.	Connected directors	187,063	100,940
Total trade accounts payable - related parties		159,114,135	135,383,462
Other accounts payable - related party			
Related company			
Thai President Foods Public Co., Ltd.	Hold a 9 % interest in the Company and has common shareholders and common directors	66,000	66,000
Total other accounts payable - related party		66,000	66,000
Liabilities under finance lease agreements - related party			
Related company			
President Holding Co., Ltd.	Hold a 19 % interest in the Company and has common shareholders and common directors		
Liabilities under finance lease agreements		76,393,262	44,677,068
Less : Deferred interest expenses		(4,753,184)	(3,338,513)
Net		71,640,078	41,338,555
Less: Portion due within one year		(26,707,771)	(12,137,455)
Liabilities under finance lease agreements - related party - net		44,932,307	29,201,100
Long-term loans from directors	Directors	72,795,970	60,157,539

During the year, movements of long-term loans from directors (including interest payable) are as follows:

(Unit : Baht)

	Balance as at 1 January 2010	During the year		Balance as at 31 December 2010
		Increase	Decrease	
Long-term loans from directors	60,157,539	33,839,200	21,200,769	72,795,970

Directors' and management's remuneration

In 2010, the Company had salaries, bonus, meeting allowances and other remuneration of its directors and management recognised as expenses totaling Baht 49.0 million (2009 : Baht 44.9 million).

10. INVESTMENT IN JOINT VENTURE

10.1 Details of investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by the Company and other companies. Details of the investment are as follows:

Jointly controlled entity	Nature of business	Paid-up capital	Shareholding percentage		Financial statements in which the equity method is applied		Separate financial statements in which cost method is applied	
		Million	2010	2009	2010	2009	2010	2009
		Baht	Percent	Percent	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
President Green House Foods Co., Ltd.	Operating the Japanese restaurant	15	39	39	8,442,283	7,753,495	5,850,000	5,850,000
Total investment in joint venture					8,442,283	7,753,495	5,850,000	5,850,000

In May 2008, the Company, together with a foreign company and a local company, jointly established President Green House Foods Company Limited to operate a Japanese restaurant. The Company had invested in 585,000 ordinary shares of this company at par value Baht 10 per share, amounting to Baht 5.85 million, or equivalent to 39% interest, and has treated this investment as investment in joint venture.

10.2 Share of income and dividend received

During the year, the Company recognised its share of net income from investments in the joint venture in the financial statements in which the equity method is applied and dividend income in the separate financial statements in which cost method is applied as follows:

(Unit : Baht)

Jointly controlled entities	Financial statements in which the equity method is applied — Share of income from investments in joint ventures during the year		Separate financial statements in which the equity method is applied — Dividend received during the year	
	2010	2009	2010	2009
President Green House Foods Company Limited	1,273,788	2,155,784	585,000	-
Total	1,273,788	2,155,784	585,000	-

10.3 Summarised financial information of jointly controlled entity

The Company's proportionate share of the assets, liabilities, revenue and expenses of President Green House Foods Company Limited, according to proportion under joint venture agreement, is as follows:

(Unit : Million Baht)

	As at 31 December	
	2010	2009
Current assets	4.0	7.4
Non-current assets	8.3	4.1
Total assets	12.3	11.5
Current liabilities	(3.8)	(3.8)
Net assets	8.5	7.7

(Unit : Million Baht)

	For the year ended 31 December	
	2010	2009
Revenue	12.6	16.1
Cost of sales	(9.0)	(12.1)
Selling and administrative expenses	(1.7)	(1.0)
Income before income tax	1.9	3.0
Corporate income tax	(0.6)	(0.8)
Net income	1.3	2.2

11. OTHER LONG-TERM INVESTMENT

Company's name	Nature of business	Paid up capital	Shareholding percentage 2010	Shareholding percentage 2009	Investment value (cost) 2010	Investment value (cost) 2009
		Million Baht	Percent	Percent	Baht	Baht
Treasure Hill Co., Ltd.	Golf course service	200	1	1	2,000,000	2,000,000
Less : Allowance for impairment of investment					(2,000,000)	(2,000,000)
Other long-term investment - net					-	-

According to the financial statements for the year ended 31 December 2010 prepared by the management of Treasure Hill Co., Ltd., the net worth attributable to the Company's investment was approximately Baht 0.1 million (2009: Baht 0.2 million). However, the Company expects that this investment will not be recoverable and has set full allowance for impairment loss of such investment.

12. PROPERTY, PLANT AND EQUIPMENT

(Unit : Baht)

	Land	Building	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and assets under installation	Total
Cost							
31 December 2009	158,205,147	1,027,915,918	2,067,173,343	601,718,021	472,990,350	33,930,935	4,361,933,714
Additions	9,032,950	-	-	61,442,713	18,027,662	475,882,844	564,386,169
Transfers in (out)	121,303	2,581,744	58,287,548	19,490,831	89,223,492	(170,254,918)	(550,000)
Disposals	-	-	(35,839,581)	(910,902)	(11,369,056)	-	(48,119,539)
31 December 2010	167,359,400	1,030,497,662	2,089,621,310	681,740,663	568,872,448	339,558,861	4,877,650,344
Accumulated depreciation							
31 December 2009	-	155,048,494	962,076,537	423,117,847	347,965,697	-	1,888,208,575
Depreciation for the year	-	51,417,285	183,691,920	78,179,565	61,111,892	-	374,400,662
Depreciation - disposals	-	-	(33,605,041)	(910,396)	(11,369,043)	-	(45,884,480)
31 December 2010	-	206,465,779	1,112,163,416	500,387,016	397,708,546	-	2,216,724,757
Net book value							
31 December 2009	158,205,147	872,867,424	1,105,096,806	178,600,174	125,024,653	33,930,935	2,473,725,139
31 December 2010	167,359,400	824,031,883	977,457,894	181,353,647	171,163,902	339,558,861	2,660,925,587

Depreciation for the year	
2009 (Baht 230 million included in manufacturing cost, and the balance included in selling and administrative expenses)	310,023,954
2010 (Baht 281 million included in manufacturing cost, and the balance included in selling and administrative expenses)	374,400,662

As at 31 December 2010, the Company has equipment acquired under finance lease agreements, with net book value amounting to Baht 162 million (2009: Baht 124 million).

As at 31 December 2010, certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 975 million (2009: Baht 625 million).

13. INTANGIBLE ASSETS

Details of intangible assets, which are computer software, are as follows:

(Unit : Baht)

	2010	2009
Cost		
Balance – beginning of year	10,687,178	10,687,178
Additions	270,000	-
Transfer in	550,000	-
Balance – ending of year	11,507,178	10,687,178
Less : Accumulated amortisation	(10,212,744)	(9,246,535)
Net book value	1,294,434	1,440,643
Amortisation expenses included in the income statements for the year	966,209	968,125

14. LEASEHOLD RIGHTS

(Unit : Baht)

	2010	2009
Land leasehold rights	7,486,303	7,486,303
Less: Accumulated amortisation	(5,162,569)	(4,835,190)
Net book value	2,323,734	2,651,113
Amortisation expenses included in the income statements for the year	327,379	328,530

15. BANK OVERDRAFTS

The Company has overdraft facilities of Baht 44 million, which bear interest at a rate of MOR percent per annum.

16. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

(Unit : Baht)

	2010	2009
Liabilities under finance lease agreements - related party		
Liabilities under finance lease agreements	76,393,262	44,677,068
Less : Deferred interest expenses	(4,753,184)	(3,338,513)
Net	71,640,078	41,338,555
Less: Portion due within one year	(26,707,771)	(12,137,455)
Liabilities under finance lease agreements - related party - net of current portion	44,932,307	29,201,100
Liabilities under finance lease agreements - unrelated parties		
Liabilities under finance lease agreements	61,941,554	54,149,209
Less : Deferred interest expenses	(3,990,630)	(2,793,302)
Net	57,950,924	51,355,907
Less: Portion due within one year	(25,472,715)	(33,366,189)
Liabilities under finance lease agreements - unrelated parties - net of current portion	32,478,209	17,989,718

The Company has entered into the finance lease agreements with leasing companies for lease of motor vehicles and equipment for use in operations, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years. Finance lease agreements are non-cancelable.

As at 31 December 2010, future minimum lease payments required under the finance lease agreements were as follows:

(Unit : Million Baht)

	Less than 1 year	1-5 years	Total
Future minimum lease payments	57.4	80.9	138.3
Deferred interest expenses	(5.2)	(3.5)	(8.7)
Present value of future minimum lease payments	52.2	77.4	129.6

17. LONG-TERM LOANS FROM DIRECTORS AND EMPLOYEES

The Company has received deposits from its directors and employees under its policy to promote staff deposits with the Company, for saving and to derive better returns from deposits and withdrawals than from deposits with banks. Each director and employee has a passbook for such deposits and withdrawals. As at 31 December 2010, deposits bore interest at a rate of 3.0% per annum (2009: 3.25% per annum). The Company presents these deposits as non-current liabilities in the balance sheets.

18. STATUTORY RESERVE

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

19. EXPENSES BY NATURE

Significant expenses by nature are as follows:

(Unit : Baht)

	2010	2009
Raw materials and consumables used	1,975,769,542	1,682,757,216
Changes in inventories of finished goods and work in process	654,824	1,665,295
Salaries and wages and other employee benefits	860,113,065	734,354,974
Depreciation and amortisation	375,694,252	311,320,609
Fuel and vehicle related expenses	211,211,585	169,708,619
Water and electricity expenses	100,920,802	83,647,186

20. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income for the year by the weighted average number of ordinary shares in issue during the year.

21. DIVIDEND PAYMENTS

During the years ended 31 December 2010 and 2009, the Company had dividend payments as follows:

	Approved by	Total dividends	Dividend per share	Paid on
		(Thousand Baht)	(Baht)	
For the year 2010				
Final dividend on 2009 income	Annual General Meeting of the shareholders on 26 April 2010	141,750	3.15	25 May 2010
Interim dividend on income for the six-month period ended 30 June 2010	The meeting of the Company's Board of Directors No. 8/2010 on 25 August 2010	131,400	2.92	24 September 2010
Total dividend payments for 2010		273,150		
For the year 2009				
Final dividend on 2008 income	Annual General Meeting of the shareholders on 24 April 2009	129,150	2.87	22 May 2009
Interim dividend on income for the six-month period ended 30 June 2009	The meeting of the Company's Board of Directors No. 9/2009 on 16 September 2009	112,500	2.50	15 October 2009
Total dividend payments for 2009		241,650		

22. PROMOTIONAL PRIVILEGES

The Company has received the promotional privileges from the Board of Investment under the Investment Promotion Act B.E. 2520 as follows:

Certificate No.	1663(3)/2547	1973(3)/2550	9009(2)/2553
Date	**18 August 2004**	**26 September 2007**	**7 September 2010**
1. Promotional privileges for	Manufacture of ready-made or instant food products made from vegetables and fruits	Manufacture of ready-made food	Manufacture of wheat products
2. Significant privileges			
2.1 Exemption from import duty on approved machinery	Granted	Granted	Granted
2.2 Exemption from corporate income tax on net income from promoted operation (commencing from the date of earning operating income) and exemption from income tax on dividend paid from the income of the operations on which the corporate income tax is exempted throughout the corporate income tax exemption period	8 years (will expire on 2 January 2014)	8 years (will expire on 2 June 2017)	3 years (not over 70 percent of investment for production improvement)
2.3 Allowance to deduct operating loss incurred during the corporate income tax exemption period from net income incurred thereafter (after exemption period in 2.2)	5 years	5 years	5 years
2.4 Exemption from import duty on raw and essential materials imported for export manufacturing commencing as from the first import date	1 year	1 year	Not granted
2.5 Exemption from import duty on goods imported for re-export commencing as from the first import date	1 year	1 year	Not granted
3. Commencing date	3 January 2006	3 June 2009	The Company has not yet commenced its promoted operation

Sales of the Company are derived from export and domestic sales which could be segregated between promoted and non-promoted operations as follows:

(Unit : Million Baht)

	Promoted operations		Non-promoted operations		Total	
	2010	2009	2010	2009	2010	2009
Sales						
Domestic sales	2,312.4	1,746.6	2,282.7	2,165.8	4,595.1	3,912.4
Export sales	1.3	0.3	-	-	1.3	0.3
Total sales	2,313.7	1,746.9	2,282.7	2,165.8	4,596.4	3,912.7

23. PROVIDENT FUND

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 - 5 percent of basic salary. The fund, which is managed by Thanachart Fund Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2010, the Company contributed Baht 14.3 million (2009: Baht 12.9 million) to the fund.

24. FINANCIAL INFORMATION BY SEGMENT

The Company's operations involve a single industry segment in manufacture and sales of bakery products and are carried on in the single geographic area in Thailand. Accordingly, revenues, income and assets as reflected in these financial statements pertain to the industry segment and geographic area as mentioned above. However, the Company sells the products to both domestic and overseas markets. For the year ended 31 December 2010, export sales amounted to approximately Baht 1.3 million, representing 0.03% of total sales (2009: Baht 0.3 million, representing 0.01% of total sales).

25. COMMITMENTS AND CONTINGENT LIABILITIES

25.1 Capital commitments

As at 31 December 2010, the Company had capital commitments of approximately Yen 351.7 million and AUD 0.2 million relating to acquisition of machinery which due in January to February 2011.

25.2 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of land, office building space and related services. The terms of the agreements are generally between 1 and 27 years.

As at 31 December 2010, future minimum lease and related service payments under these non-cancellable operating lease contracts were as follows:

Payable within :	Million Baht
Less than 1 year	12.0
1 to 5 years	7.7
More than 5 years	0.7

25.3 Long-term service commitments

The Company entered into a licensing agreement with an overseas company for a period of 1 year, commencing from 19 July 2001 to 18 July 2002. The agreement is automatically renewed for every 1 year. The Company is committed to pay license fee on the basis and at the rate as stipulated under the agreement. The fees for the year 2010 amounted to approximately Baht 0.3 million (2009 : 0.3 million).

25.4 Long-term purchase commitments

The Company has commitments under natural gas purchase agreement for periods of 5 - 7 years. Under the agreement, the Company is committed to purchase natural gas at a minimum quantity at the price stipulated in the agreement.

No.	Period (Years)	Expired date	Average minimum quantity purchase (Million BTU)
1.	7	30 November 2013	9,200 per annum
2.	5	31 May 2014	175 per day
3.	7	30 November 2017	39,273 per annum

25.5 Guarantees

As at 31 December 2010, there were outstanding bank guarantees of approximately Baht 15.0 million issued by the banks on behalf of the Company in respect of certain performance bonds as required in the normal course of the Company's business. These included letters of guarantee amounting to Baht 4.4 million to guarantee contractual performance under the natural gas purchase agreement, Baht 10.5 million to guarantee electricity use and Baht 0.1 million among others.

26. FINANCIAL INSTRUMENTS

26.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, bank overdrafts and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable in the normal course of business. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the majority of sales are supplied to credit worthy customers. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the balance sheet.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts and long-term borrowings. However, since most of the Company's financial assets and liabilities are short-term and bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 December 2010 classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	Fixed interest rates					
	Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate
			Million Baht			(% p.a.)
Financial assets						
Cash and cash equivalents	359	-	14	12	385	0.25 - 1.92
Trade accounts receivable	-	-	-	530	530	-
	359	-	14	542	915	
Financial liabilities						
Trade accounts payable	-	-	-	416	416	-
Liabilities under finance lease agreements	52	77	-	-	129	4.65 - 9.61
Long-term loans from directors/employees	121	-	-	-	121	3.00
	173	77	-	416	666	

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate.

The balances of financial liabilities denominated in foreign currencies as at 31 December 2010 are summarised below.

Foreign currency	Amount	Average exchange rate as at 31 December 2010
	(Thousand)	(Baht per foreign currency unit)
US Dollar	531	30.2963
Euro	11	40.2464
Japanese Yen	19,344	0.3742

Foreign exchange contracts outstanding at 31 December 2010 are summarised below.

Foreign currency	Bought amount	Maturity date	Contractual exchange rate
	(Million)		
Bought contract			
Japanese Yen	329.25	28 February 2011	0.3583 - 0.3650
Euro	0.05	28 February 2011	40.4973 - 41.4983

26.2 Fair values of financial instruments

Since the majority of the Company's financial assets and liabilities are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

27. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has an appropriate financing structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 31 December 2010, the Company's debt-to-equity ratio was 0.4:1 (2009: 0.3:1).

28. SUBSEQUENT EVENT

On 23 February 2011, the meeting of the Board of Directors of the Company passed a resolution approving the change of par value of the Company's shares, as registered with the Ministry of Commerce, from Baht 10 per share to Baht 1 per share, resulting in the increase of ordinary shares from 45,000,000 shares to 450,000,000 shares.

The change of par value will later be proposed for approval in the Annual General Meeting of the Company's shareholders.

29. RECLASSIFICATIONS

Certain amounts in the financial statements for the year ended 31 December 2009 have been reclassified to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity. The reclassifications are as follows:

(Unit : Baht)

	Balance sheets			
	Financial statements in which the equity method is applied		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Trade accounts payable - related parties	135,484,402	135,383,462	135,484,402	135,383,462
Trade accounts payable - unrelated parties	204,357,825	204,458,765	204,357,825	204,458,765

30. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2011.

บริษัท เพรซิเดนท์ เบเกอรี่ จำกัด (มหาชน)
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จาก สำนักงานคณะกรรมการอาหารและยากระทรวงสาธารณสุข

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