

**Serm Suk Public Company Limited
and its Subsidiaries**

Annual financial statements
and
Audit report of Certified Public Accountant

For the years ended
31 December 2009 and 2008

Audit Report of Certified Public Accountant

To the Shareholders of Serm Suk Public Company Limited

I have audited the accompanying consolidated and separate balance sheets as at 31 December 2009 and 2008, and the related statements of income, changes in equity and cash flows for the years then ended of Serm Suk Public Company Limited and its subsidiaries, and of Serm Suk Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2009 and 2008 and the results of operations and cash flows for the years then ended of Serm Suk Public Company Limited and its subsidiaries, and of Serm Suk Public Company Limited, respectively, in accordance with generally accepted accounting principles.

(Nittaya Chetchotiros)
Certified Public Accountant
Registration No. 4439

KPMG Phoomchai Audit Ltd.
Bangkok
19 February 2010

Serm Suk Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2009 and 2008

Assets	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2009	2008	2009	2008
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	5	1,503,499,946	1,051,736,800	1,445,701,095	1,022,471,871
Current investments	6	12,932,128	-	2,932,128	-
Trade accounts receivable	4, 7	1,165,573,552	1,052,041,927	1,166,403,855	1,103,695,341
Short-term loans to related parties	4	470,731,786	336,380,879	509,140,162	369,926,416
Inventories	8	2,391,300,851	2,453,922,756	2,349,830,541	2,376,188,784
Prepaid crown tax and lids taxes		196,625,389	173,517,573	196,310,506	171,464,216
Other current assets	9	110,478,197	94,567,638	87,674,460	79,196,483
Total current assets		<u>5,851,141,849</u>	<u>5,162,167,573</u>	<u>5,757,992,747</u>	<u>5,122,943,111</u>
Non-current assets					
Restricted deposits at					
financial institution	33	2,402,828	5,251,360	2,402,828	5,251,360
Investment in a subsidiary	10	-	-	350,000,000	350,000,000
Investment in an associate	11	233,576,470	221,140,963	30,000,000	30,000,000
Other long-term investments	12	96,924,022	81,121,655	96,924,022	81,121,655
Property, plant and equipment	13	3,537,990,383	3,701,246,804	3,332,269,832	3,461,670,118
Intangible assets	14	40,959,213	43,507,484	40,609,950	43,225,268
Other non-current assets	15	2,765,419	9,207,109	2,765,419	9,207,109
Total non-current assets		<u>3,914,618,335</u>	<u>4,061,475,375</u>	<u>3,854,972,051</u>	<u>3,980,475,510</u>
Total assets		<u>9,765,760,184</u>	<u>9,223,642,948</u>	<u>9,612,964,798</u>	<u>9,103,418,621</u>

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

Serm Suk Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2009 and 2008

Liabilities and equity	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2009	2008	2009	2008
		<i>(in Baht)</i>			
Current liabilities					
Trade accounts payable	4, 16	1,147,189,766	1,036,798,436	1,162,486,828	1,054,782,558
Accounts payable to related parties	4	15,840,000	6,887,531	15,840,000	6,887,531
Other payables		539,606,619	413,798,551	533,595,528	410,084,166
Accrued expenses		420,409,077	340,101,587	406,633,077	334,326,707
Income tax payable		55,427,573	20,826,746	55,416,436	20,824,764
Dividends payable	29	74,372,131	74,164,814	74,372,131	74,164,814
Customers' deposits on bottles and cases		880,286,227	897,451,346	880,286,227	897,451,346
Other current liabilities	17, 19	42,502,938	60,864,506	40,292,317	60,588,418
Total current liabilities		3,175,634,331	2,850,893,517	3,168,922,544	2,859,110,304
Non-current liabilities					
Employee benefits	18	186,529,111	139,041,384	186,529,111	139,041,384
Provision	19	15,562,138	6,435,339	15,562,138	6,435,339
Total non-current liabilities		202,091,249	145,476,723	202,091,249	145,476,723
Total liabilities		3,377,725,580	2,996,370,240	3,371,013,793	3,004,587,027

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

Serm Suk Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2009 and 2008

Liabilities and equity	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2009	2008	2009	2008
		<i>(in Baht)</i>			
Equity					
Share capital	20				
Authorized share capital		265,900,484	267,957,660	265,900,484	267,957,660
Issued and paid-up share capital		265,900,484	265,900,484	265,900,484	265,900,484
Additional paid-in capital	21				
Premium on ordinary shares		1,342,448,425	1,342,448,425	1,342,448,425	1,342,448,425
Unrealised surpluses (deficits)					
Fair value changes on investments	12	-15,708,388	-22,145,130	-15,708,388	-22,145,130
Retained earnings					
Appropriated					
Legal reserve	21	26,795,766	26,795,766	26,795,766	26,795,766
General reserve	21	4,282,000,000	4,282,000,000	4,282,000,000	4,282,000,000
Unappropriated		486,598,317	332,273,163	340,514,718	203,832,049
Total equity		6,388,034,604	6,227,272,708	6,241,951,005	6,098,831,594
Total liabilities and equity		9,765,760,184	9,223,642,948	9,612,964,798	9,103,418,621

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

Serm Suk Public Company Limited and its Subsidiaries

Statements of income

For the years ended 31 December 2009 and 2008

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
<i>(in Baht)</i>					
Revenues					
Revenue from sale of goods and rendering of services	4	19,694,422,521	19,257,212,386	19,738,337,449	19,355,628,305
Other income	4, 23	98,077,265	120,214,998	140,439,872	149,114,394
Total revenues		19,792,499,786	19,377,427,384	19,878,777,321	19,504,742,699
Expenses					
Cost of sales of goods and rendering of services	4	14,869,390,334	14,608,144,701	14,946,908,275	14,727,940,865
Selling expenses	4, 24	3,238,895,537	3,321,000,896	3,221,372,547	3,311,511,396
Administrative expenses	25	1,156,481,259	1,161,083,645	1,141,536,584	1,138,625,486
Management benefit expenses	4, 26	115,608,878	117,560,324	112,568,891	114,547,791
Total expenses		19,380,376,008	19,207,789,566	19,422,386,297	19,292,625,538
Share of profit of an associate, net of income tax	11	61,935,507	42,807,523	-	-
Profit before income tax expense		474,059,285	212,445,341	456,391,024	212,117,161
Income tax expense	27	120,392,190	72,871,947	120,366,414	72,861,381
Profit for the year		353,667,095	139,573,394	336,024,610	139,255,780
Earnings per share					
Basic	28	1.33	0.53	1.26	0.52
Diluted			0.53		0.52

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

Serm Suk Public Company Limited and its Subsidiaries
Statements of changes in equity
For the years ended 31 December 2009 and 2008

Consolidated financial statements								
		Additional paid-in capital	Unrealised surpluses (deficits)	Retained earnings				
	Note	Issued and paid-up share capital	Premium on ordinary shares	Fair value changes on investments	Legal reserve <i>(in Baht)</i>	General reserve	Unappropriated	Total equity
Balance at 1 January 2008		265,492,533	1,342,448,425	(17,145,001)	26,795,766	4,207,000,000	506,454,742	6,331,046,465
Unrealised loss								
Available-for-sale investments								
Net change in fair value recognised in equity		-	-	(5,000,129)	-	-	-	(5,000,129)
Net expense recognised directly in equity		-	-	(5,000,129)	-	-	-	(5,000,129)
Profit for the year		-	-	-	-	-	139,573,394	139,573,394
Dividends	29	-	-	-	-	-	(238,754,973)	(238,754,973)
Transfer to general reserve	21	-	-	-	-	75,000,000	(75,000,000)	-
Issue of ordinary shares	20	407,951	-	-	-	-	-	407,951
Balance at 31 December 2008		265,900,484	1,342,448,425	(22,145,130)	26,795,766	4,282,000,000	332,273,163	6,227,272,708
Balance at 1 January 2009		265,900,484	1,342,448,425	(22,145,130)	26,795,766	4,282,000,000	332,273,163	6,227,272,708
Unrealised gain								
Available-for-sale investments								
Net change in fair value recognised in equity		-	-	6,436,742	-	-	-	6,436,742
Net income recognised directly in equity		-	-	6,436,742	-	-	-	6,436,742
Profit for the year		-	-	-	-	-	353,667,095	353,667,095
Dividends	29	-	-	-	-	-	(199,341,941)	(199,341,941)
Balance at 31 December 2009		265,900,484	1,342,448,425	(15,708,388)	26,795,766	4,282,000,000	486,598,317	6,388,034,604

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

Serm Suk Public Company Limited and its Subsidiaries

Statements of changes in equity

For the years ended 31 December 2009 and 2008

		Separate financial statements						
		Additional	Unrealised	Retained earnings				
		paid-in capital	surpluses (deficits)					
		Premium	Fair value changes	Legal	General	Unappropriated	Total	
<i>Note</i>	Issued and paid-up share capital	on ordinary shares	on investments	reserve	reserve	Unappropriated	equity	
		<i>(in Baht)</i>						
	Balance at 1 January 2008	265,492,533	1,342,448,425	(17,145,001)	26,795,766	4,207,000,000	378,331,242	6,202,922,965
	Unrealised loss							
	Available-for-sale investments							
	Net change in fair value recognised in equity	-	-	(5,000,129)	-	-	-	(5,000,129)
	Net expense recognised directly in equity	-	-	(5,000,129)	-	-	-	(5,000,129)
	Profit for the year	-	-	-	-	139,255,780	-	139,255,780
	Dividends	-	-	-	-	(238,754,973)	-	(238,754,973)
	Transfer to general reserve	-	-	-	75,000,000	(75,000,000)	-	-
	Issue of ordinary shares	407,951	-	-	-	-	-	407,951
	Balance at 31 December 2008	265,900,484	1,342,448,425	(22,145,130)	26,795,766	4,282,000,000	203,832,049	6,098,831,594
	Balance at 1 January 2009	265,900,484	1,342,448,425	(22,145,130)	26,795,766	4,282,000,000	203,832,049	6,098,831,594
	Unrealised gain							
	Available-for-sale investments							
	Net change in fair value recognised in equity	-	-	6,436,742	-	-	-	6,436,742
	Net income recognised directly in equity	-	-	6,436,742	-	-	-	6,436,742
	Profit for the year	-	-	-	-	336,024,610	-	336,024,610
	Dividends	-	-	-	-	(199,341,941)	-	(199,341,941)
	Balance at 31 December 2009	265,900,484	1,342,448,425	(15,708,388)	26,795,766	4,282,000,000	340,514,718	6,241,951,005

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

Serm Suk Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2009 and 2008

	Consolidated		Separate	
	financial statements		financial statements	
Note	2009	2008	2009	2008
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit for the year	353,667,095	139,573,394	336,024,610	139,255,780
<i>Adjustments for</i>				
Depreciation and amortization	743,197,329	779,061,050	703,217,348	735,949,805
Interest income	(8,571,594)	(15,539,299)	(8,272,925)	(15,113,075)
Dividend income	(8,025,336)	(7,723,437)	(57,525,336)	(40,063,437)
Unrealized loss on exchange	193,127	44,749	193,127	44,749
(Reversal of) allowance for doubtful accounts	4,903,468	(3,554,609)	4,903,468	(3,554,609)
(Reversal of) allowance for devaluation of inventories	(36,771,341)	48,982,003	(35,379,979)	39,046,211
Reversal of allowance for impairment loss on investment	-	(8,000,000)	-	(8,000,000)
Written off assets and liabilities	(442,548)	595	(564,723)	-
Gain on disposal of sparepart and equipment	(8,968,528)	(12,957,800)	(6,398,482)	(12,957,800)
Employee benefits	47,487,727	70,192,236	47,487,727	70,192,236
Provision	18,758,235	15,574,290	18,758,235	15,574,290
Share of profit of an associate, net of income tax	(61,935,507)	(42,807,523)	-	-
Income tax expense	120,392,190	72,871,947	120,366,414	72,861,381
	1,163,884,317	1,035,717,596	1,122,809,484	993,235,531
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(116,155,111)	(9,768,685)	(65,332,000)	(52,907,107)
Receivables from related parties	(134,535,838)	4,396,531	(139,398,677)	16,042,611
Inventories	93,789,941	(193,929,864)	58,402,522	(144,198,374)
Prepaid crown tax and lid taxes	(23,107,816)	(31,136,678)	(24,846,290)	(29,083,321)
Other current assets	(12,822,264)	8,785,402	(11,748,292)	13,630,266
Trade accounts payable	110,391,330	74,770,794	107,704,270	82,336,893
Accounts payable to related parties	8,952,469	(5,112,469)	8,952,469	(5,112,469)

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

Serm Suk Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2009 and 2008

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
		<i>(in Baht)</i>			
Other payable		129,364,513	(99,493,564)	127,067,807	(98,896,737)
Accrued expenses		80,308,323	(103,095,969)	72,307,203	(104,346,993)
Customers' deposits on bottles and cases		(17,165,119)	(20,145,685)	(17,165,119)	(20,145,685)
Other current liabilities		(26,392,443)	(2,430,753)	(28,248,700)	(2,291,016)
Income tax paid		(92,163,332)	(102,522,638)	(85,774,742)	(102,653,792)
Net cash provided by operating activities		<u>1,164,348,970</u>	<u>556,034,018</u>	<u>1,124,729,935</u>	<u>545,609,807</u>
<i>Cash flows from investing activities</i>					
Interest received		8,816,242	15,949,343	8,425,938	15,536,478
Dividends received		57,525,336	40,063,437	57,525,336	40,063,437
Current investment		(12,932,128)	-	(2,932,128)	-
Restricted deposits at financial institution		2,848,532	(410,714)	2,848,532	(410,714)
Purchase of long-term investment		(9,365,625)	(9,365,625)	(9,365,625)	(9,365,625)
Purchase of property, plant and equipment		(568,359,916)	(653,603,364)	(562,004,331)	(645,045,968)
Sale of sparepart and equipment		13,295,433	14,445,603	8,248,705	14,445,603
Purchase of intangible assets		(11,161,560)	(27,579,000)	(10,995,000)	(27,500,000)
Other non-current assets		5,882,486	752,016	5,882,486	752,016
Net cash used in investing activities		<u>(513,451,200)</u>	<u>(619,748,304)</u>	<u>(502,366,087)</u>	<u>(611,524,773)</u>
<i>Cash flows from financing activities</i>					
Dividend paid to equity holders of the Company		(199,134,624)	(238,740,764)	(199,134,624)	(238,740,764)
Proceeds from issue of ordinary shares		-	407,951	-	407,951
Net cash used in financing activities		<u>(199,134,624)</u>	<u>(238,332,813)</u>	<u>(199,134,624)</u>	<u>(238,332,813)</u>
Net increase (decrease) in cash and cash equivalents					
		451,763,146	(302,047,099)	423,229,224	(304,247,779)
Cash and cash equivalents at beginning of year		<u>1,051,736,800</u>	<u>1,353,783,899</u>	<u>1,022,471,871</u>	<u>1,326,719,650</u>
Cash and cash equivalents at end of year	5	<u>1,503,499,946</u>	<u>1,051,736,800</u>	<u>1,445,701,095</u>	<u>1,022,471,871</u>

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

Serm Suk Public Company Limited and its Subsidiaries

Notes to the financial statements

For the years ended 31 December 2009 and 2008

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Serm Suk Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2009 and 2008

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 19 February 2010.

1 General information

Serm Suk Public Company Limited, “the Company”, is incorporated in Thailand and has its head office registered office at Muang Thai-Phatra Complex, Tower 1, 27-28th Floor, 252/35-36 Rachadapisek Road, Huay Kwang, Bangkok 10310. The Company also has 5 factories for producing and distributing as follows:

- 1) Patumtani : 63 Nontaburi-Patumtani Road, Thumbon Bang Kayang, Amphur Muang, Patumtani
- 2) Nakornratchasrima : 211 Moo 4 , Nakornratchasrima-Kabinburi Road, Amphur Muang, Nakornratchasrima
- 3) Nakornsawan : 72 Paholyothin Road, Thumbon Nakornsawan Ook, Amphur Muang, Nakornsawan
- 4) Surattani : 11 Moo 5, Asia Road 41, Thumbon Ta Rongchang, Amphur Punpin, Surattani
- 5) Chonburi : 700/369 Moo 6, Thumbon Nhongmaidang, Amphur Muang, Chonburi

The Company’s warehouses are located in the important regions in Thailand.

The Company was listed on the Stock Exchange of Thailand in 1975.

The Company’s major shareholders during the financial year were Pepsi-Cola (Thai) Trading Co., Ltd. (25% shareholding) and Seven-up Nederland, B.V. (17% shareholding), who were incorporated in Thailand and the Netherlands, respectively.

The principal businesses of the Company are to produce and distribute soft drinks, drinking water, mixers and other beverages, including as distributor of energy drinks. Details of the Company’s subsidiaries as at 31 December 2009 and 2008 were as follows:

Name of the entity	Type of business	Country of Incorporation	Ownership interest (%)	
			2009	2008
<i>Direct subsidiary</i>				
Serm Suk Holdings Co., Ltd.	Investment and holding shares in other companies	Thailand	99.99	99.99
<i>Indirect subsidiary</i>				
Serm Suk Beverage Co., Ltd.	Produce and distribute tea, fruit juice and sports drinks	Thailand	99.99	99.99

Serm Suk Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2009 and 2008

2 Basis of preparation of the financial statements

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

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

On 15 May 2009, the FAP announced (Announcement No. 12/2009) the re-numbering of TAS to the same numbers as the International Accounting Standards (“IAS”) on which the TAS/TFRS are based.

The Group/Company has adopted the following revised TAS and accounting guidance which were issued by the FAP during 2008 and 2009 and effective for annual accounting periods beginning on or after 1 January 2009:

TAS 36 (revised 2007) Impairment of Assets (*formerly TAS 36*)

Framework for the Preparation and Presentation of Financial Statements (revised 2007) (effective on 26 June 2009)

Accounting Guidance about Leasehold Right (effective on 26 June 2009)

The adoption of these revised TAS and accounting guidance does not have any material impact on the consolidated or separate financial statements.

The FAP has issued during 2009 a number of new and revised TAS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised TAS are disclosed in note 34.

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

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

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

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

Note 18	Employee benefits
Note 19	Provision

Serm Suk Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2009 and 2008

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Associate

An associate is an entity in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. The consolidated financial statements include the Group’s share of the income, expenses and equity movements of an associate, from the date that significant influence commences until the date that significant influence ceases. When the Group’s share of losses exceeds its interest in an associate, the Group’s carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with an associate are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

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

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

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

(c) Derivative financial instruments

Forward exchange contracts are treated as off-balance sheet items.

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(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(e) Trade and other accounts receivable

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

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

(f) Inventories

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

Cost of finished goods, work in progress, other supplies and bottles and cases is calculated using the weighted average cost principle and cost of raw materials, supplies, and spare part is calculated using the moving-average cost principle. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity and is calculated using standard cost adjusted to approximate average cost.

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

The Group/Company records an allowance for decline in value of inventories for all deteriorated and obsolete inventories.

(g) Investments

Investments in subsidiaries and an associate

Investments in subsidiaries and an associate in the separate financial statements of the Company are accounted for using the cost method. Investment in an associate in the consolidated financial statements is accounted for using the equity method.

Investments in other equity securities

Marketable equity securities are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in the statement of income. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the statement of income.

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

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

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Disposal of investments

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

If the Group/Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation, allowance for loss of marketing promotion equipment and impairment losses.

Depreciation

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Building, warehouses and improvement	20 years
Machinery and equipment	5-10 years
High voltage equipment	10 years
Vehicles	5 years
Furniture and office equipment	3-5 years
Plastic pallets	5 years
Marketing promotion equipments	5 years

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

(i) Negative goodwill

Negative goodwill in a business combination represents the excess of the fair value of the Group's share of the identifiable net assets acquired over the cost of acquisition. The Group has changed its accounting policy for goodwill with effect from 1 January 2008 as follows:

Acquisitions prior to 1 January 2008

Goodwill and negative goodwill were stated at cost from the date of initial recognition and amortised over its estimated useful life. Negative goodwill carried in the financial statements as at 31 December 2007 was derecognised by crediting unappropriated retained earnings on 1 January 2008.

Acquisitions on or after 1 January 2008

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 3 (k). Negative goodwill is recognised immediately in the statement of income.

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(j) Intangible assets

Intangible assets acquired by the Group/Company which have finite useful lives are stated at cost less accumulated amortization and impairment losses.

Amortization

Amortization is recognised in the statement of income on a straight-line basis over the estimated useful lives from the date that intangible assets are available for use. The estimated useful lives are as follows:

Rights for distribution of goods	2-15 years
Software licences	10 years

(k) Impairment

The carrying amounts of the Group's/Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of income.

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

Calculation of recoverable amount

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

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

Reversals of impairment

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

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

(l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(m) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of income as incurred.

Employee retirement plan

The Company has established an unfunded retirement plan to provide benefits for its employees who work until the retirement age. The Company is committed to pay the employee benefits according to the law upon retirement including provident fund and other benefits in total not less than one month of the last salary multiplied by years of service. The employee retirement benefit is recognised as a liability in the balance sheets based on the said factors and management's estimate.

(n) Provisions

A provision is recognised when the Group/Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for long-term executive incentive plan

Provision for long-term executive incentive plan is an estimation of the Company's liabilities under a incentive program for executives. This program is for a period of 5 years and gives incentive in the form of non-transferable incentive units. Such incentive units are calculated as fixed percentage of salary divided by the conversion price which equals 3 years average EPS multiplied by 10 times the price:earnings ratio. The incentive payment will be made 3 years after the grant date of the incentive units.

(o) Revenue

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

Sale of goods and services rendered

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

Interest income, dividend income and other income

Interest income is recognised in the statement of income as it accrues.

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Dividend income is recognised in the statement of income on the date the Group's/Company's right to receive payments is established.

Other income is recognised in the statement of income as it accrues.

(p) Expenses

Operating leases

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

Finance costs

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred.

Other expenses are recognised as they accrue.

(q) Income tax

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

4 Related party transactions and balances

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

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

Name of entities	Country of incorporation/ nationality	Nature of relationships
Serm Suk Beverage Co., Ltd.	Thailand	Indirect subsidiary and common director
Serm Suk Holdings Co., Ltd.	Thailand	Direct subsidiary and common director
Pepsi-Cola (Thai) Trading Co., Ltd.	Thailand	Major shareholder and common director
Petform (Thailand) Company Limited	Thailand	Associate and common director
Bangkok Glass Company Limited	Thailand	Common director
Pepsi-Cola International	USA	Shareholder of the major shareholder
The Pet Company Limited	Thailand	Common equity holder and director
Crown Seal Public Company Limited	Thailand	Common equity holder and director
Petpack Company Limited	Thailand	Common equity holder

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

Transactions	Pricing policies
Sales of goods and rendering of services	Cost plus gross profit margin
Interest income	10% per annum
Purchase of finished goods and raw materials	Cost of finished goods and raw materials plus gross profit margin
Subsidy for marketing expenses	Actual price stated in invoice
Directors' remuneration expenses representing salary, director bonus and meeting allowance	Approval by the Company's directors and shareholders

Significant transactions for the years ended 31 December 2009 and 2008 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Subsidiary				
Sale of goods and rendering of services	-	-	223,755	265,218
Purchase of finished goods	-	-	370,491	270,613
Associate				
Purchase of raw materials	702,231	683,858	702,231	683,858
Dividend income	49,500	32,340	49,500	32,340
Other related parties				
Sale of goods and rendering of services	179,403	166,699	-	-
Purchase of finished goods and raw materials and subsidy for marketing expense	4,637,060	4,234,952	4,628,469	4,225,443
Interest income	486	500	486	500
Dividend income	5,022	4,658	5,022	4,658
Other income	8,072	4,245	7,610	4,241
Directors' remunerations	19,990	11,462	19,990	11,462
Retirement fund and other benefits	21,436	24,016	21,436	24,016

Balances as at 31 December 2009 and 2008 with related parties were as follows:

Trade accounts receivable from related parties	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Subsidiary				
Serm Suk Beverage Co., Ltd.	-	-	19,272	72,174
Other related party				
Pepsi-Cola (Thai) Trading Co., Ltd.	18,441	20,520	-	-
Total	18,441	20,520	19,272	72,174

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<i>Short-term loans to related parties</i>	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Comprising:				
Other receivable from related parties	465,732	331,381	504,140	364,926
Short-term loan to a related party	5,000	5,000	5,000	5,000
Total	470,732	336,381	509,140	369,926
 <i>Other receivable from related parties</i>				
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Subsidiary				
Serm Suk Beverage Co., Ltd.	-	-	44,727	44,727
Other related parties				
Pepsi-Cola (Thai) Trading Co., Ltd.	465,549	331,013	459,230	319,831
The Pet Company Limited	183	368	183	368
Total	465,732	331,381	504,140	364,926
 <i>Short-term loan to a related party</i>				
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Other related party				
The Pet Company Limited	5,000	5,000	5,000	5,000
Total	5,000	5,000	5,000	5,000
 <i>Trade accounts payable to related parties</i>				
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Subsidiary				
Serm Suk Beverage Co., Ltd.	-	-	35,640	39,417
Associate				
Petform (Thailand) Company Limited	135,681	127,717	135,681	127,717
Other related parties				
Pepsi-Cola (Thai) Trading Co., Ltd.	119,150	87,949	119,150	87,949
Bangkok Glass Company Limited	62,976	45,531	62,976	45,531
The Pet Company Limited	48,877	29,609	48,877	29,609
Crown Seal Public Company Limited	49,999	38,482	49,174	38,482
Petpack Company Limited	59,214	55,524	59,214	55,524
Total	475,897	384,812	510,712	424,229
 <i>Accounts payable to related parties</i>				
	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Other related parties				
Directors' remuneration	15,000	6,000	15,000	6,000
Pepsi-Cola (Thai) Trading Co., Ltd.	840	887	840	887
Total	15,840	6,887	15,840	6,887

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<i>Employee benefits</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<i>Management</i>	103,617	91,320	103,617	91,320

Significant agreements with related parties

Loan agreement

On 31 January 1998 and 21 May 1998, the Company entered into a subordinated loan agreement with a related company, “Borrower”, total amount of Baht 5 million with one year maturity and bearing interest at 10% p.a. The subordinated loan agreement shall continue to be in effect if there is no change at the maturity date. Such subordinated loan of Baht 3 million can be converted to common stock upon the resolution of the shareholders’ meeting of the borrower. In addition, the borrower agrees to repay the principal to the Company after the borrower repays all debts to other creditors or upon the special resolution of shareholders’ meeting to increase its share capital.

Exclusive bottling appointment agreement

The Company entered into an agreement with the major shareholder of the Company to be appointed to bottle, sell and distribute carbonated drinks solely in the whole Kingdom of Thailand. The Company has to comply with certain conditions contained in the agreement for which the duration is not specified.

A subsidiary entered into a “Co-packing agreement” with the major shareholder of the Company to produce bottled tea drinks. The subsidiary has to comply with certain conditions contained in the agreement for a period of 3 years including a renewal option.

A subsidiary entered into a “Co-packing agreement” with the major shareholder of the Company to produce bottled fruit juices. The subsidiary has to comply with certain conditions contained in the agreement for a period of 3 years including a renewal option.

Distributorship agreement

The Company entered into an agreement with the major shareholder of the Company to be appointed to distribute bottled fruit juices solely in the whole Kingdom of Thailand. The Company has to comply with certain conditions contained in the agreement for a period of 3 years including a renewal option.

Cooperative advertising and marketing agreement

The Company entered into an agreement with the major shareholder of the Company for both parties to participate in a Cooperative Advertising and Marketing Program in the territory. Both parties agree to spend for advertising and marketing of the products for the term and the amount as specified in the agreement. Each agreement is effective for a period of 1 year.

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5 Cash and cash equivalents

	Consolidated		Separate	
	financial statements		Financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Cash on hand	70,126	68,458	70,111	68,438
Call deposits	492,678	559,741	434,894	541,996
Three - month fixed deposits	12,139	12,038	12,139	12,038
Bills of exchange	928,557	411,500	928,557	400,000
Total	<u>1,503,500</u>	<u>1,051,737</u>	<u>1,445,701</u>	<u>1,022,472</u>

Cash and cash equivalents of the Group and the Company as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

6 Current investments

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Six - month fixed deposits	2,932	-	2,932	-
Bill of exchange	10,000	-	-	-
Total	<u>12,932</u>	<u>-</u>	<u>2,932</u>	<u>-</u>

Current investments of the Group and the Company as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

7 Trade accounts receivable

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
Related parties	4	18,441	20,520	19,272	72,174
Other parties		1,196,557	1,078,323	1,196,557	1,078,323
		<u>1,214,998</u>	<u>1,098,843</u>	<u>1,215,829</u>	<u>1,150,497</u>
<i>Less</i> allowance for doubtful accounts		(49,425)	(46,801)	(49,425)	(46,801)
Total		<u>1,165,573</u>	<u>1,052,042</u>	<u>1,166,404</u>	<u>1,103,696</u>
Bad and doubtful debts expenses (reversal) for the year		<u>2,623</u>	<u>(4,097)</u>	<u>2,623</u>	<u>(4,097)</u>

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Aging analyses for trade accounts receivable were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	18,272	12,160	19,272	32,838
Overdue:				
Not over 1 month	141	750	-	18,813
More than 1 month to 3 months	-	7,610	-	20,523
Over 3 months	28	-	-	-
Total	18,441	20,520	19,272	72,174
Other parties				
Within credit terms	958,344	846,171	958,344	846,171
Overdue:				
Not over 1 month	188,966	182,363	188,966	182,363
More than 1 month to 3 months	31,905	31,230	31,905	31,230
Over 3 months	17,342	18,559	17,342	18,559
	1,196,557	1,078,323	1,196,557	1,078,323
<i>Less</i> allowance for doubtful accounts	(49,425)	(46,801)	(49,425)	(46,801)
Net	1,147,132	1,031,522	1,147,132	1,031,522
Total	1,165,573	1,052,042	1,166,404	1,103,696

The normal credit term granted by the Group/Company ranges from 10 days to 60 days.

Trade accounts receivable of the Group and the Company as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

8 Inventories

	Consolidated		Separate	
	financial statements		Financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Finished goods	415,678	457,268	406,005	431,317
Work in progress	18,672	13,519	18,672	13,519
Raw materials and supplies	216,880	185,204	201,790	144,454
Spare parts	103,042	104,216	98,380	98,011
Other supplies	5,416	5,128	3,897	4,087
Bottles and cases	1,730,955	1,825,161	1,718,557	1,818,110
	2,490,643	2,590,496	2,447,301	2,509,498
<i>Less</i> allowance for decline in value	(99,342)	(136,573)	(97,470)	(133,309)
Net	2,391,301	2,453,923	2,349,831	2,376,189

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	Consolidated		Separate	
	financial statements	financial statements	Financial statements	Financial statements
	2009	2008	2009	2008
	<i>(in million Baht)</i>			
The cost of inventories which was recognised as an expense for the year ended 31 December				
Cost of sales	14,612.79	14,340.79	14,855.75	14,617.61
Changes in inventories of finished goods and work in progress	3,354.81	3,119.53	2,930.24	2,796.91
Raw materials and consumables used	11,038.10	10,860.07	10,790.34	10,675.38

9 Other current assets

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Other receivables	46,228	47,897	42,993	47,312
Less allowance for doubtful accounts	<u>(20,273)</u>	<u>(17,993)</u>	<u>(20,273)</u>	<u>(17,993)</u>
Net	25,955	29,904	22,720	29,319
Advance payment	14,150	8,357	14,150	7,917
Prepaid expenses	44,846	24,860	42,155	24,092
Withholding tax	16,705	10,334	-	-
Others	8,822	21,113	8,649	17,868
Total	<u>110,478</u>	<u>94,568</u>	<u>87,674</u>	<u>79,196</u>
Bad and doubtful debts expenses for the year	<u>2,280</u>	<u>543</u>	<u>2,280</u>	<u>543</u>

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10 Investments in a subsidiary

Investment in a subsidiary as at 31 December 2009 and 2008, and dividend income from this investment for the years then ended were as follows:

	Ownership interest		Separate financial statements				Dividend income	
	2009	2008	Paid-up share capital		Cost method		2009	2008
	(%)		2009	2008	2009	2008		
			<i>(in thousand Baht)</i>					
Serm Suk Holdings Co., Ltd.	100	100	350,000	350,000	350,000	350,000	-	-
Total			350,000	350,000	350,000	350,000	-	-

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11 Investment in an associate

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
At 1 January	221,141	210,673	30,000	30,000
Share of net profit of investment				
- equity method	61,935	42,808	-	-
Dividend income	(49,500)	(32,340)	-	-
At 31 December	233,576	221,141	30,000	30,000

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Investment in an associate as at 31 December 2009 and 2008, and dividend income from this investment for the years then ended were as follows:

	Consolidated financial statements									
	Ownership Interest		Paid-up share capital		Cost method		Equity method		Dividend income	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	(%)		<i>(in thousand Baht)</i>							
Petform (Thailand) Company Limited	40	40	<u>75,000</u>	<u>75,000</u>	<u>30,000</u>	<u>30,000</u>	<u>233,576</u>	<u>221,141</u>	<u>49,500</u>	<u>32,340</u>
Total			<u>75,000</u>	<u>75,000</u>	<u>30,000</u>	<u>30,000</u>	<u>233,576</u>	<u>221,141</u>	<u>49,500</u>	<u>32,340</u>

	Separate financial statements							
	Ownership Interest		Paid-up share capital		Cost method		Dividend income	
	2009	2008	2009	2008	2009	2008	2009	2008
	(%)		<i>(in thousand Baht)</i>					
Petform (Thailand) Company Limited	40	40	<u>75,000</u>	<u>75,000</u>	<u>30,000</u>	<u>30,000</u>	<u>49,500</u>	<u>32,340</u>
Total			<u>75,000</u>	<u>75,000</u>	<u>30,000</u>	<u>30,000</u>	<u>49,500</u>	<u>32,340</u>

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The following summarised financial information on an associated company which has been accounted for using the equity method is not adjusted for the percentage of ownership held by the Group:

	Owner- ship (%)	Total assets	Total liabilities	Total revenues	Net Profit
		<i>(in million Baht)</i>			
2009					
Petform (Thailand) Company Limited	40	<u>1,162.52</u>	<u>578.06</u>	<u>1,033.82</u>	<u>155.00</u>
2008					
Petform (Thailand) Company Limited	40	<u>924.95</u>	<u>371.74</u>	<u>1,057.19</u>	<u>106.73</u>

12 Other long-term investments

	Consolidated financial statements and Separate financial statements			
	Cost method		Dividend income	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Equity securities available for sale				
Crown Seal Public Company Limited	31,732	31,732	814	709
Future Park Property Fund	<u>30,000</u>	<u>30,000</u>	3,003	3,066
	61,732	61,732		
<i>Less</i> valuation adjustment	<u>(15,708)</u>	<u>(22,145)</u>		
	<u>46,024</u>	<u>39,587</u>		
Non marketable equity securities				
The Pet Company Limited	7,000	7,000	1,750	700
Bangkok Glass Company Limited	35,900	26,535	458	1,249
Petpack Company Limited	<u>8,000</u>	<u>8,000</u>	2,000	2,000
	<u>50,900</u>	<u>41,535</u>		
Total	<u>96,924</u>	<u>81,122</u>	<u>8,025</u>	<u>7,724</u>

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Movements during the years ended 31 December 2009 and 2008 of equity securities were as follows:

	Consolidated financial statements and Separate financial statements	
	2009	2008
	<i>(in thousand Baht)</i>	
<i>Equity securities available for sale</i>		
At 1 January	39,587	44,587
Valuation adjustment	6,437	(5,000)
At 31 December	<u>46,024</u>	<u>39,587</u>
<i>Non marketable equity securities</i>		
At 1 January	41,535	24,169
Purchases during the year	9,365	9,366
Reversal of allowance for impairment loss	-	8,000
At 31 December	<u>50,900</u>	<u>41,535</u>

Other long-term investments of the Group and the Company as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

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13 Property, plant and equipment

	Consolidated financial statements									
	Land	Buildings, warehouses and improvement	Machinery and equipment	High voltage equipment	Vehicles <i>(in thousand Baht)</i>	Furniture and office equipment	Plastic pallets	Marketing promotion equipments	Assets under construction and installation	Total
<i>Cost</i>										
At 1 January 2008	478,412	1,642,036	4,088,735	23,142	1,620,523	235,802	301,458	3,213,443	158,659	11,762,210
Additions	-	5,904	84,136	1,112	29,473	18,712	26,032	168,829	319,406	653,604
Transfers	-	72,442	109,604	5,550	137,945	713	-	-	(326,254)	-
Disposals	-	-	(12,415)	(520)	(43,073)	(19,014)	(4,257)	(23,667)	-	(102,946)
At 31 December 2008 and 1 January 2009	478,412	1,720,382	4,270,060	29,284	1,744,868	236,213	323,233	3,358,605	151,811	12,312,868
Additions	-	2,221	66,600	2,201	12,604	9,442	5,786	119,570	349,935	568,359
Transfers	-	84,503	111,181	-	8,501	11	-	54,532	(258,728)	-
Disposals	-	(1,909)	(24,516)	-	(24,470)	(11,795)	-	(21,240)	(95)	(84,025)
At 31 December 2009	478,412	1,805,197	4,423,325	31,485	1,741,503	233,871	329,019	3,511,467	242,923	12,797,202
<i>Accumulated depreciation</i>										
At 1 January 2008	-	847,997	2,749,043	19,837	1,216,268	202,760	235,800	2,667,970	-	7,939,675
Depreciation charge for the year	-	75,140	249,461	953	177,253	16,158	24,954	224,154	-	768,073
Disposals	-	-	(11,946)	(520)	(42,207)	(18,952)	(4,255)	(23,577)	-	(101,457)
At 31 December 2008 and 1 January 2009	-	923,137	2,986,558	20,270	1,351,314	199,966	256,499	2,868,547	-	8,606,291
Depreciation charge for the year	-	76,455	250,639	1,253	156,028	16,950	26,337	201,774	-	729,436
Disposals	-	(801)	(23,956)	-	(24,192)	(11,795)	-	(21,101)	-	(81,845)
At 31 December 2009	-	998,791	3,213,241	21,523	1,483,150	205,121	282,836	3,049,220	-	9,253,882

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	Consolidated financial statements									
	Land	Buildings, warehouses and improvement	Machinery and equipment	High voltage equipment	Vehicles <i>(in thousand Baht)</i>	Furniture and office equipment	Plastic pallets	Marketing promotion equipments	Assets under construction and installation	Total
<i>Allowance for loss of marketing promotion equipment</i>										
At 1 January 2008	-	-	-	-	-	-	-	5,330	-	5,330
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 December 2008 and 1 January 2009	-	-	-	-	-	-	-	5,330	-	5,330
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 December 2009	-	-	-	-	-	-	-	5,330	-	5,330
<i>Net book value</i>										
At 31 December 2008	478,412	797,245	1,283,502	9,014	393,554	36,247	66,734	484,728	151,811	3,701,247
At 31 December 2009	478,412	806,406	1,210,084	9,962	258,353	28,750	46,183	456,917	242,923	3,537,990

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	Separate financial statements									
	Land	Buildings, warehouses and improvement	Machinery and equipment	High voltage equipment	Vehicles <i>(in thousand Baht)</i>	Furniture and office equipment	Plastic pallets	Marketing promotion equipments	Assets under construction and installation	Total
Cost										
At 1 January 2008	408,719	1,480,401	3,781,184	23,142	1,614,212	230,736	277,598	3,213,443	113,365	11,142,800
Additions	-	4,968	77,412	1,112	29,458	18,370	26,032	168,829	318,866	645,047
Transfers	-	72,442	85,735	5,550	137,945	713	-	-	(302,385)	-
Disposals	-	-	(12,415)	(520)	(43,073)	(19,014)	(4,257)	(23,667)	-	(102,946)
At 31 December 2008 and 1 January 2009	408,719	1,557,811	3,931,916	29,284	1,738,542	230,805	299,373	3,358,605	129,846	11,684,901
Additions	-	1,935	64,067	2,200	11,948	9,308	5,786	119,570	347,190	562,004
Transfers	-	82,393	91,226	-	8,501	12	-	54,532	(236,664)	-
Disposals	-	(1,909)	(10,302)	-	(24,083)	(11,796)	-	(21,240)	-	(69,330)
At 31 December 2009	408,719	1,640,230	4,076,907	31,484	1,734,908	228,329	305,159	3,511,467	240,372	12,177,575
Accumulated depreciation										
At 1 January 2008	-	776,506	2,502,851	19,837	1,211,376	198,778	217,011	2,667,970	-	7,594,329
Depreciation charge for the year	-	67,031	216,803	953	176,796	15,831	23,461	224,154	-	725,029
Disposals	-	-	(11,946)	(520)	(42,207)	(18,952)	(4,255)	(23,577)	-	(101,457)
At 31 December 2008 and 1 January 2009	-	843,537	2,707,708	20,270	1,345,965	195,657	236,217	2,868,547	-	8,217,901
Depreciation charge for the year	-	68,135	221,453	1,253	155,476	16,573	24,890	201,774	-	689,554
Disposals	-	(801)	(9,978)	-	(23,805)	(11,795)	-	(21,101)	-	(67,480)
At 31 December 2009	-	910,871	2,919,183	21,523	1,477,636	200,435	261,107	3,049,220	-	8,839,975

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	Separate financial statements								Assets under construction and installation	Total
	Land	Buildings, warehouses and improvement	Machinery and equipment	High voltage equipment	Vehicles <i>(in thousand Baht)</i>	Furniture and office equipment	Plastic pallets	Marketing promotion equipments		
<i>Allowance for loss of marketing promotion equipment</i>										
At 1 January 2008	-	-	-	-	-	-	-	5,330	-	5,330
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 December 2008 and 1 January 2009	-	-	-	-	-	-	-	5,330	-	5,330
Additions	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 December 2009	-	-	-	-	-	-	-	5,330	-	5,330
<i>Net book value</i>										
At 31 December 2008	408,719	714,274	1,224,208	9,014	392,577	35,148	63,156	484,728	129,846	3,461,670
At 31 December 2009	408,719	729,359	1,157,724	9,961	257,272	27,894	44,052	456,917	240,372	3,332,270

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The gross amount of the Group's/Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2009 and 2008 is summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Buildings and equipment	<u>6,429,961</u>	<u>5,492,074</u>	<u>6,132,238</u>	<u>5,461,136</u>

14 Intangible assets

	Consolidated financial statements		
	Software licenses	Right for distribution of goods	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 January 2008	19,730	60,000	79,730
Additions	79	27,500	27,579
At 31 December 2008 and 1 January 2009	<u>19,809</u>	<u>87,500</u>	<u>107,309</u>
Additions	11,162	-	11,162
At 31 December 2009	<u>30,971</u>	<u>87,500</u>	<u>118,471</u>
Accumulated amortization			
At 1 January 2008	19,460	33,406	52,866
Amortization charge for the year	67	10,869	10,936
At 31 December 2008 and 1 January 2009	<u>19,527</u>	<u>44,275</u>	<u>63,802</u>
Amortization charge for the year	100	13,610	13,710
At 31 December 2009	<u>19,627</u>	<u>57,885</u>	<u>77,512</u>
Net book value			
At 31 December 2008	282	43,225	43,507
At 31 December 2009	11,344	29,615	40,959
	Separate financial statements		
	Software licenses	Right for distribution of goods	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 January 2008	18,958	60,000	78,958
Additions	-	27,500	27,500
At 31 December 2008 and 1 January 2009	<u>18,958</u>	<u>87,500</u>	<u>106,458</u>
Additions	10,995	-	10,995
At 31 December 2009	<u>29,953</u>	<u>87,500</u>	<u>117,453</u>
Accumulated amortization			
At 1 January 2008	18,958	33,406	52,364
Amortization charge for the year	-	10,869	10,869
At 31 December 2008 and 1 January 2009	<u>18,958</u>	<u>44,275</u>	<u>63,233</u>
Amortization charge for the year	-	13,610	13,610
At 31 December 2009	<u>18,958</u>	<u>57,885</u>	<u>76,843</u>

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	Separate financial statements		
	Software licenses	Right for distribution of goods <i>(in thousand Baht)</i>	Total
<i>Net book value</i>			
At 31 December 2008	-	43,225	43,225
At 31 December 2009	10,995	29,615	40,610

15 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Deferred moulds and packaging cylinders	3,525	3,525	-	-
<i>Less</i> Accumulated amortization	(2,453)	(2,453)	-	-
Allowance for impairment loss	(1,072)	(1,072)	-	-
Net	-	-	-	-
Rental payment in advance - net	596	649	596	649
Loans to employees	91	103	91	103
Deposits	2,078	8,455	2,078	8,455
Total	2,765	9,207	2,765	9,207

The rental payments in advance as at 31 December 2009 and 2008 were shown net of accumulated amortization of Baht 0.58 million and Baht 0.53 million, respectively. The amortization is charged to the statement of income over the period of the contract.

16 Trade accounts payable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
Related parties	4	475,897	384,812	510,712	424,229
Other parties		671,293	651,986	651,775	630,554
Total		1,147,190	1,036,798	1,162,487	1,054,783

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

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	1,147,190	1,034,667	1,162,487	1,052,652
Euro	-	2,131	-	2,131
Total	1,147,190	1,036,798	1,162,487	1,054,783

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17 Other current liabilities

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
Accrued value added tax		28,645	42,922	27,055	42,922
Provision - current	19	9,631	9,139	9,631	9,139
Others		4,227	8,804	3,606	8,528
Total		42,503	60,865	40,292	60,589

18 Employee benefits

	Consolidated financial statements and Separate financial statements		
	Employee retirement plan	Other benefits	Total
	<i>(in thousand Baht)</i>		
At 1 January 2008	67,304	1,545	68,849
Increase during the year	74,499	65	74,564
Decrease during the year	(4,372)	-	(4,372)
At 31 December 2008 and 1 January 2009	137,431	1,610	139,041
Increase during the year	47,421	67	47,488
At 31 December 2009	184,852	1,677	186,529

19 Provision

	Consolidated financial statements and Separate financial statements
	<i>(in thousand Baht)</i>
<i>Provision for executive incentive plan</i>	
At 1 January 2008	-
Provisions made	15,574
At 31 December 2008 and 1 January 2009	15,574
Provisions made	18,758
Provisions used	(9,139)
At 31 December 2009	25,193
At 31 December 2008	
Current	9,139
Non-current	6,435
Total	15,574
At 31 December 2009	
Current	9,631
Non-current	15,562
Total	25,193

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20 Share capital

	Par value per share (in Baht)	2009 Number Baht (thousand shares / thousand Baht)	2008 Number Baht
Authorised			
At 1 January			
ordinary shares	1	267,958	267,958
Reduction of shares	1	(2,058)	-
At 31 December			
ordinary shares	1	265,900	267,958
Issued and paid-up			
At 1 January			
ordinary shares	1	265,900	265,493
Issue of new shares	1	-	407
At 31 December			
ordinary shares	1	265,900	265,900

The executive stock incentive plan

There were 3,500,000 ordinary shares which were reserved for offer at par value to employees at the executive level under the Executive Stock Incentive Plan. Shares were provisionally reserved for eligible employees annually during 2001 to 2005 inclusive. The number of shares which eligible employees are entitled to purchase depends on the Company's performance over the 3 years prior to the determination date. The Board of Directors approve the names of eligible employees and the number of shares which they are entitled to purchase within the month of April each year starting from 2004 to 2008.

The number of shares that have been approved for allocation to eligible employees is as follows:

Date of shareholders' approval	Year	Number of employees At the executive level (persons)	No. of ordinary shares (of Baht 1 per share) (shares)
12 July 2001	2001	10	724,020
25 April 2002	2002	9	309,000
24 April 2003	2003	9	403,230
22 April 2004	2004	10	341,197
28 April 2005	2005	10	458,888
			<u>2,236,335</u>

Employees who are covered by the plan were granted rights which entitled them to purchase ordinary shares upon vesting 3 years after the grant date.

During the year ended 31 December 2008, executive employees exercised their rights under the Executive Stock Incentive Plan to purchase 407,951 ordinary shares at par value of Baht 1 per share in the Company. The total number of shares in the Company issued following the exercise of right under the Executive Stock Incentive Plan as at 31 December 2008 was 2,018,344 ordinary shares at par value of Baht 1 per share. As at 31 December 2008, there were 217,991 ordinary shares in the Company remaining in reserve under the Executive Stock Incentive Plan, which expired with no additional shares having been issued.

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At the annual general meeting of the shareholders of the Company held on 21 April 2009, the shareholders approved the reduction of authorised share capital from 267,957,660 shares with a par value of Baht 1 per share to 265,900,484 shares with a par value of Baht 1 per share. The Company registered the reduction in its authorized share capital with the Ministry of Commerce on 28 April 2009.

21 Additional paid-in capital and reserves

Share premium

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

Fair value changes and revaluation surpluses

Fair value changes and revaluation surpluses recognised in equity relate to cumulative net changes in the fair value of available-for-sale investments until the sale of the investments.

Legal reserve

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

General reserve

The general reserve comprises amounts appropriated from profit for expansion of the Company’s operations.

At the annual general meeting of the shareholders of the Company held on 29 April 2008, the shareholders passed a resolution to appropriate Baht 75 million from profit for 2007 to general reserve.

22 Segment information

Management considers that the Group/Company operates in a single line of business, namely the production and distribution of beverages, and in a single geographic area, namely in Thailand, and has, therefore, only one major business segment and only one geographic segment.

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23 Other income

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Sale of scrap	53,145	60,529	51,883	58,733
Interest income	8,571	15,540	8,273	15,114
Net gain on foreign exchange	17	-	7	-
Gain on disposal of building and equipment	9,065	13,445	6,399	13,445
Dividend income	8,025	7,723	57,525	40,063
Others	19,254	22,978	16,353	21,759
Total	<u>98,077</u>	<u>120,215</u>	<u>140,440</u>	<u>149,114</u>

24 Selling expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Personnel expenses	1,058,224	1,081,880	1,056,311	1,080,358
Marketing expenses	1,057,653	982,263	1,058,825	982,262
Depreciation and amortization	351,775	393,258	351,774	393,258
Distribution	215,435	226,503	199,110	211,989
Fuel	214,998	306,519	214,998	306,515
Others	340,811	330,578	340,355	337,129
Total	<u>3,238,896</u>	<u>3,321,001</u>	<u>3,221,373</u>	<u>3,311,511</u>

25 Administrative expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Personnel expenses	634,027	556,213	630,003	552,387
Depreciation and amortization	77,911	79,590	71,920	74,928
Fuel	124,585	209,997	124,228	209,579
Others	319,958	315,284	315,386	301,731
Total	<u>1,156,481</u>	<u>1,161,084</u>	<u>1,141,537</u>	<u>1,138,625</u>

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26 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Management				
Salaries, wages and other benefits	92,095	102,365	89,140	99,436
Contribution to defined contribution plans	3,452	3,635	3,374	3,560
Contribution to social fund	72	99	65	90
	<u>95,619</u>	<u>106,099</u>	<u>92,579</u>	<u>103,086</u>
Other employees				
Salaries, wages and other benefits	1,913,799	1,829,222	1,883,816	1,805,219
Contribution to defined contribution plans	82,787	82,244	81,817	81,498
Contribution to social fund	49,710	63,497	49,005	62,857
	<u>2,046,296</u>	<u>1,974,963</u>	<u>2,014,638</u>	<u>1,949,574</u>
Total	<u>2,141,915</u>	<u>2,081,062</u>	<u>2,107,217</u>	<u>2,052,660</u>

Provident fund

The Group/Company has a provident fund for those employees who indicate their willingness to join. Contributions are made monthly by the employees at 3% of their basic salaries and by the Group/Company at from 5% to 12% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

The employees who do not join the provident fund managed by the financial institution may still subscribe to the initial provident fund which is managed by the Company. The Company's contribution is treated as an expense in the year when the service is provided.

27 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	120,392	72,859	120,366	72,848
Under provided in period year	-	13	-	13
	<u>120,392</u>	<u>72,872</u>	<u>120,366</u>	<u>72,861</u>

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Reconciliation of effective tax rate

	Consolidated financial statements			
	2009		2008	
	<i>Rate</i>	<i>(in thousand</i>	<i>Rate</i>	<i>(in thousand</i>
	<i>(%)</i>	<i>Baht)</i>	<i>(%)</i>	<i>Baht)</i>
Profit before income tax expense		474,059		212,445
Income tax using the Thai corporation tax rate	30.00	142,218	30.00	63,734
Income not subject to tax		(20,988)		(15,159)
Expenses not deductible for tax purposes		16,730		38,521
Current year losses of subsidiaries for which no deferred tax asset was recognised		92		1,065
Income tax reduction		(15,809)		(15,302)
Utilisation of previously unrecognised tax losses		(1,851)		-
Total	25.40	120,392	34.30	72,859

Reconciliation of effective tax rate

	Separate financial statements			
	2009		2008	
	<i>Rate</i>	<i>(in thousand</i>	<i>Rate</i>	<i>(in thousand</i>
	<i>(%)</i>	<i>Baht)</i>	<i>(%)</i>	<i>Baht)</i>
Profit before income tax expense		456,391		212,117
Income tax using the Thai corporation tax rate	30.00	136,917	30.00	63,635
Income not subject to tax		(17,258)		(12,019)
Expenses not deductible for tax purposes		16,516		36,491
Income tax reduction		(15,809)		(15,259)
Total	26.37	120,366	34.34	72,848

Income tax reduction

Royal Decree No. 475 B.E. 2551 grants companies listed on the Stock Exchange of Thailand a reduction in the corporate income tax rate from 30% to 25% for taxable profit not exceeding Baht 300 million for the three consecutive accounting periods beginning on or after 1 January 2008.

28 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2009 and 2008 were based on the profit for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2009	2008	2009	2008
	<i>(in thousand Baht/thousand shares)</i>			
Profit attributable to equity holders of the Company (basic)	353,667	139,573	336,025	139,256
Number of ordinary shares outstanding at 1 January	265,900	265,493	265,900	265,493
Effect of shares issued during the years	-	136	-	136
Weighted average number of ordinary shares outstanding (basic)	265,900	265,629	265,900	265,629
Earnings per share (basic) (in Baht)	1.33	0.53	1.26	0.52

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Diluted earnings per share

There were no dilutive potential ordinary shares for the year ended 31 December 2009 as the Company's executive stock incentive plan were expired during December 2008.

The calculation of diluted earnings per share for the year ended 31 December 2008 was based on the profit for the year attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the year after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements 2008	Separate financial statements 2008
	<i>(in thousand Baht/thousand shares)</i>	
Profit attributable to equity holders of the Company (diluted)	139,573	139,256
Weighted average number of ordinary shares outstanding (basic)	265,629	265,629
Effect of exercise of shares options	190	190
Weighted average number of ordinary shares outstanding (diluted)	265,819	265,819
Earnings per share (diluted) (in Baht)	0.53	0.52

29 Dividends

At the annual general meeting of the shareholders of the Company held on 21 April 2009, the shareholders approved the appropriation of dividend of Baht 0.75 per share with rights to received dividend 265.79 million shares, amounting to Baht 199.34 million. The dividend was paid to shareholders during the year 2009. The unclaimed portion is presented as unpaid dividends in the balance sheet.

At the annual general meeting of the shareholders of the Company held on 29 April 2008, the shareholders approved the appropriation of dividends of Baht 0.90 per share with rights to received dividend 265.28 million shares, amounting to Baht 238.75 million. The dividend was paid to shareholders during the year 2008. The unclaimed portion is presented as unpaid dividends in the balance sheet.

30 Financial instruments

Financial risk management policies

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

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

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Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's/Company's operations and its cash flows. The Group/Company does not expect that changes in interest rates will materially affect its operations.

Foreign currency risk

The Group/Company is exposed to foreign currency risk relating to purchases inventory and fixed assets which are denominated in foreign currencies. The Group/Company expects that changes in exchange rates for liabilities denominated in foreign currencies in the balance sheet will not materially affect its financial position and results of operations since the Group/Company does not have any foreign currency loans and most of the spending and purchases of raw and packing materials are transacted in local currency, exchange rate risks are limited only to those related to imported spare parts and equipments.

The Group/Company primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases inventory and fixed assets, denominated in foreign currencies, for the subsequent period.

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

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
<i>Euro</i>					
Trade accounts payable	16	-	2,131	-	2,131
Others payable		4,414	386	4,414	386
Gross balance sheet exposure		4,414	2,517	4,414	2,517
Estimated forecast purchases		193,125	-	193,125	-
Gross balance sheet exposure		197,539	2,517	197,539	2,517
Currency forwards		(123,693)	-	(123,693)	-
Net exposure		73,846	2,517	73,846	2,517
		Consolidated financial statements		Separate financial statements	
		2009	2008	2009	2008
		<i>(in thousand Baht)</i>			
<i>United States Dollars</i>					
Others payable		2,860	3,045	2,860	3,045
Gross balance sheet exposure		2,860	3,045	2,860	3,045

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Credit risk

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

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

Liquidity risk

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

Determination of fair values

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

The fair value of cash and cash equivalents, current investment, trade accounts receivable, short-term loan to related parties and current assets is taken to approximate the carrying value.

The fair value of investments in equity securities, which are available for sales, are determined by reference to their quoted bid price at the reporting date.

Other long-term investments, which are non marketable equity securities, have their fair values approximate to their carrying value.

The fair value of trade accounts payable, short-term loans from related parties, other payable, accrued expenses, income tax payable and other current liabilities is taken to approximate the carrying value.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Fair value of forward exchange contracts at 31 December 2009 was as follows:

	Consolidate financial statements and Separate financial statements	
	Euro	Thai Baht
	<i>(in thousand)</i>	
Liabilities	<u>2,496</u>	<u>119,290</u>

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Although the management uses its best judgment in estimating fair values of financial instruments, estimation methodologies and assumptions used to estimate fair values are inherently subjective. Accordingly, the use of different estimation methodologies and or market assumptions may have a significant effect on the estimated fair values.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital and also monitors the level of dividends to ordinary shareholders.

31 Commitments with non-related parties

	Consolidate financial statements 2009 (in thousand Baht)	Separate financial statements 2009 (in thousand Baht)
Capital commitments		
<i>Contracted but not provided for:</i>		
Building, warehouses and improvement	67,716	67,082
Machinery and equipment	193,125	193,125
Furniture and office equipment	1,200	1,200
Intangible assets	24,155	24,155
Total	<u>286,196</u>	<u>285,562</u>

	Consolidated financial statements 2009 2008 (in thousand Baht)		Separate financial statements 2009 2008 (in thousand Baht)	
Commitments on operating lease agreements				
Within one year	18,628	19,681	18,495	19,382
After one year but within five years	22,622	11,645	22,622	11,645
After five years	47,552	13,211	47,552	13,211
Total	<u>88,802</u>	<u>44,537</u>	<u>88,669</u>	<u>44,238</u>

	Consolidated financial statements 2009 2008 (in thousand)		Separate financial statements 2009 2008 (in thousand)	
Other commitments				
Thai Baht				
Unused letters of credits for goods and supplies	980	3,972	980	3,972
Forward and swap contracts	123,693	-	123,693	-
Bank guarantees	32,109	29,594	29,880	28,421
Total	<u>156,782</u>	<u>33,566</u>	<u>154,553</u>	<u>32,393</u>

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	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2009	2008	2009	2008
	<i>(in thousand)</i>			
<i>Euro</i>				
Unused letters of credits for fixed assets	4,013	-	4,013	-

The Company entered into land, building, structure and other asset lease agreements for the Company's operation for periods from one year to thirty years and expiring in various periods up to December 2039.

32 Credit facilities

As at 31 December 2009 the Group and the Company had unutilised credit facilities totalling Baht 2,047 million and Baht 1,867 million, respectively (2008: Baht 792 million and Baht 605 million, respectively)

33 Litigation

The Company had a contingent liability arising from a claim for compensation of Baht 2.88 million in connection with undelivered goods. The court case is pending judgment. However, the Company's fixed deposit of Baht 2.40 million has been pledged with the court.

34 Thai Accounting Standards (TAS) not yet adopted

The Group/Company has not adopted the following new and revised TAS that have been issued as of the reporting date but are not yet effective. The new and revised TAS are anticipated to become effective for annual financial periods beginning on or after 1 January 2011.

TAS 24 (revised 2007) Related Party Disclosures (formerly TAS 47)

TAS 40 Investment Property

Management is presently considering the potential impact of adopting and initial application of these new and revised TAS on the consolidated or separate financial statements.

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35 Reclassification of accounts

Certain accounts in the 2008 financial statements have been reclassified to conform to the presentation in the 2009 financial statements as follows:

	2008					
	Consolidated financial statements			Separate financial statements		
	Before reclassified	Reclassified	After reclassified	Before reclassified	Reclassified	After reclassified
	<i>(in thousand Baht)</i>					
Balance sheet						
Assets						
Cash and cash equivalent	1,074,588	(22,851)	1,051,737	1,045,323	(22,851)	1,022,472
Current investments	5,251	(5,251)	-	5,251	(5,251)	-
Restricted deposits at financial institution	-	5,251	5,251	-	5,251	5,251
Investment in subsidiary and associate	221,141	(221,141)	-	380,000	(380,000)	-
Investment in a subsidiary	-	-	-	-	350,000	350,000
Investment in an associate	-	221,141	221,141	-	30,000	30,000
Receivables from and loans to employees	103	(103)	-	103	(103)	-
Property, plant and equipment	3,216,801	484,446	3,701,247	2,976,942	484,728	3,461,670
Marketing promotion equipment	484,728	(484,728)	-	484,728	(484,728)	-
Intangible assets	43,225	282	43,507	43,225	-	43,225
Other non-current assets	9,104	103	9,207	9,104	103	9,207
Liability						
Other current liabilities	(83,716)	22,851	(60,865)	(83,440)	22,851	(60,589)
		-			-	
Statement of income						
Selling and administrative expenses	4,599,645	(4,599,645)	-	4,564,685	(4,564,685)	-
Selling expenses	-	3,321,001	3,321,001	-	3,311,512	3,311,512
Administrative expenses	-	1,161,084	1,161,084	-	1,138,625	1,138,625
Management benefit expenses	-	117,560	117,560	-	114,548	114,548
		-			-	

The reclassifications have been made to be appropriate to the Company's/Group's business and comply with the classification set out in the Pronouncement of the Department of Business Development Re: Determination of items in the financial statements B.E. 2552 dated 30 January 2009.