

Serm Suk Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2008 and 2007

Assets	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2008	2007	2008	2007
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	5	1,074,587,955	1,376,905,437	1,045,323,026	1,349,841,187
Current investments	6, 34	5,251,360	4,840,646	5,251,360	4,840,646
Trade accounts receivable	4, 7	1,052,041,927	1,038,176,132	1,103,695,341	1,046,691,124
Short-term loans to related parties	4	336,380,879	340,776,909	369,926,416	385,968,526
Inventories	8	2,453,922,756	2,308,974,895	2,376,188,784	2,271,036,621
Prepaid crown tax and lids taxes		173,517,573	142,380,895	171,464,216	142,380,895
Other current assets	9, 36	94,567,638	104,446,419	79,196,483	93,793,154
Total current assets		5,190,270,088	5,316,501,333	5,151,045,626	5,294,552,153
Non-current assets					
Investments in subsidiaries and associate	10	221,140,963	210,673,440	380,000,000	380,000,000
Other long-term investments	11	81,121,655	68,756,159	81,121,655	68,756,159
Receivables from and loans to employees		103,100	145,076	103,100	145,076
Property, plant and equipment	12	3,216,801,256	3,277,331,964	2,976,942,354	3,002,998,213
Marketing promotion equipments	13	484,727,850	540,142,570	484,727,850	540,142,570
Negative goodwill	14, 30	-	-14,596,741	-	-
Intangible assets	15, 36	43,225,182	26,593,607	43,225,182	26,593,607
Other non-current assets	16, 36	9,104,009	9,866,685	9,104,009	9,866,685
Total non-current assets		4,056,224,015	4,118,912,760	3,975,224,150	4,028,502,310
Total assets		9,246,494,103	9,435,414,093	9,126,269,776	9,323,054,463

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 2008 and 2007

Liabilities and equity	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2008	2007	2008	2007
		<i>(in Baht)</i>			
Current liabilities					
Trade accounts payable	4, 17	1,036,798,436	962,027,642	1,054,782,558	972,445,665
Amounts due to related parties	4	6,887,531	12,000,000	6,887,531	12,000,000
Customers' deposits on bottles and cases		897,451,346	917,597,031	897,451,346	917,597,031
Other payables		413,798,551	513,247,366	410,084,166	508,936,154
Accrued expenses	36	340,101,587	443,197,556	334,326,707	438,673,700
Income tax payable		20,826,746	50,617,175	20,824,764	50,617,175
Unpaid dividends	29	74,164,814	74,150,605	74,164,814	74,150,605
Other current liabilities	18, 20	83,715,661	77,277,846	83,439,573	76,862,020
Total current liabilities		2,873,744,672	3,050,115,221	2,881,961,459	3,051,282,350
Non-current liabilities					
Employee benefits	19, 36	139,041,384	68,849,148	139,041,384	68,849,148
Provision	20	6,435,339	-	6,435,339	-
Total non-current liabilities		145,476,723	68,849,148	145,476,723	68,849,148
Total liabilities		3,019,221,395	3,118,964,369	3,027,438,182	3,120,131,498

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Serm Suk Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2008 and 2007

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<i>(in Baht)</i>					
Equity					
Share capital	21				
Authorized share capital		<u>267,957,660</u>	<u>267,957,660</u>	<u>267,957,660</u>	<u>267,957,660</u>
Issued and paid-up share capital		265,900,484	265,492,533	265,900,484	265,492,533
Reserves	22				
Share premium		1,342,448,425	1,342,448,425	1,342,448,425	1,342,448,425
Fair value and revaluation surplus of securities available-for-sales	11	-22,145,130	-17,145,001	-22,145,130	-17,145,001
Retained earnings					
Appropriated					
Legal reserve	22	26,795,766	26,795,766	26,795,766	26,795,766
General reserve	22	4,282,000,000	4,207,000,000	4,282,000,000	4,207,000,000
Unappropriated		<u>332,273,163</u>	<u>491,858,001</u>	<u>203,832,049</u>	<u>378,331,242</u>
Total equity		<u>6,227,272,708</u>	<u>6,316,449,724</u>	<u>6,098,831,594</u>	<u>6,202,922,965</u>
Total liabilities and equity		<u>9,246,494,103</u>	<u>9,435,414,093</u>	<u>9,126,269,776</u>	<u>9,323,054,463</u>

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 2008 and 2007

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<i>(in Baht)</i>					
Revenues					
Revenue from sale of goods and rendering of services	4	19,257,212,386	18,724,865,069	19,355,628,305	18,716,995,312
Other income	4, 24	120,214,998	163,074,173	149,114,394	188,835,417
Share of profits from investments accounted for using the equity method	10	42,807,523	43,768,468	-	-
Total revenues		19,420,234,907	18,931,707,710	19,504,742,699	18,905,830,729
Expenses					
Cost of sales of goods and rendering of services	4	14,608,144,701	13,836,510,521	14,727,940,865	13,832,183,772
Selling and administrative expense	4, 25	4,599,644,865	4,601,367,517	4,564,684,673	4,572,496,955
Total expenses		19,207,789,566	18,437,878,038	19,292,625,538	18,404,680,727
Profit before income tax expenses		212,445,341	493,829,672	212,117,161	501,150,002
Income tax expense	27	72,871,947	163,179,106	72,861,381	163,179,106
Profit for the year		139,573,394	330,650,566	139,255,780	337,970,896
Earnings per share					
Basic	28	0.53	1.25	0.52	1.27
Diluted		0.53	1.25	0.52	1.27

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 2008 and 2007

Consolidated financial statements								
		<u>Reserves</u>		<u>Retained earnings</u>				
	<i>Note</i>	Issued and paid-up share capital	Share premium	Fair value changes and revaluation surpluses of securities available-for-sales	Appropriated to legal reserve <i>(in Baht)</i>	Appropriated to general reserve	Unappropriated	Total equity
Balance at 1 January 2007		265,174,317	1,342,448,425	(22,885,550)	26,795,766	4,077,000,000	556,381,752	6,244,914,710
Changes in equity for 2007								
Net changes in fair value		-	-	5,740,549	-	-	-	5,740,549
Net income (expense) recognised directly in equity		-	-	5,740,549	-	-	-	5,740,549
Profit for the year		-	-	-	-	-	330,650,566	330,650,566
Total recognised income and expense		-	-	5,740,549	-	-	330,650,566	336,391,115
Dividends	29	-	-	-	-	-	(265,174,317)	(265,174,317)
General reserve	22	-	-	-	-	130,000,000	(130,000,000)	-
Issue of share capital	21							
Ordinary shares		318,216	-	-	-	-	-	318,216
Balance at 31 December 2007		265,492,533	1,342,448,425	(17,145,001)	26,795,766	4,207,000,000	491,858,001	6,316,449,724

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 2008 and 2007

Consolidated financial statements								
		<u>Reserves</u>			<u>Retained earnings</u>			
			Fair value changes and revaluation surpluses of securities available-for-sales	Appropriated to legal reserve	Appropriated to general reserve	Unappropriated	Total equity	
	<i>Note</i>	Issued and paid-up share capital	Share premium		(in Baht)			
Balance at 1 January 2008		265,492,533	1,342,448,425	-17,145,001	26,795,766	4,207,000,000	491,858,001	6,316,449,724
Change in accounting policy	30	-	-	-	-	-	14,596,741	14,596,741
Restated Balance		265,492,533	1,342,448,425	-17,145,001	26,795,766	4,207,000,000	506,454,742	6,331,046,465
Changes in equity for 2008								
Net changes in fair value		-	-	(5,000,129)	-	-	-	(5,000,129)
Net income (expense) recognised directly in equity		-	-	(5,000,129)	-	-	-	(5,000,129)
Profit for the year		-	-	-	-	-	139,573,394	139,573,394
Total recognised income and expense		-	-	(5,000,129)	-	-	139,573,394	134,573,265
Dividends	29	-	-	-	-	-	(238,754,973)	(238,754,973)
General reserve	22	-	-	-	-	75,000,000	(75,000,000)	-
Issue of share capital	21							
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	332,273,163	6,227,272,708

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

Serm Suk Public Company Limited and its Subsidiary

Statements of changes in equity

For the years ended 31 December 2008 and 2007

		Separate financial statements							
		Reserves			Retained earnings				
			Fair value changes						
		Issued and	Share	and revaluation	Appropriated to	Appropriated to		Total	
Note	share capital	premium	surpluses of securities	available-for-sales	legal	general	Unappropriated	equity	
						reserve	reserve		
						(in Baht)			
	Balance at 1 January 2007	265,174,317	1,342,448,425	(22,885,550)	26,795,766	4,077,000,000	435,534,663	6,124,067,621	
	Changes in equity for 2007								
	Net changes in fair value	-	-	5,740,549	-	-	-	5,740,549	
	Net income (expense) recognised directly in equity	-	-	5,740,549	-	-	-	5,740,549	
	Profit for the year	-	-	-	-	-	337,970,896	337,970,896	
	Total recognised income and expense	-	-	5,740,549	-	-	337,970,896	343,711,445	
	Dividends	-	-	-	-	-	(265,174,317)	(265,174,317)	
	General reserve	-	-	-	-	130,000,000	(130,000,000)	-	
	Issue of share capital								
	Ordinary shares	318,216	-	-	-	-	-	318,216	
	Balance at 31 December 2007	265,492,533	1,342,448,425	(17,145,001)	26,795,766	4,207,000,000	378,331,242	6,202,922,965	

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

Serm Suk Public Company Limited and its Subsidiary

Statements of changes in equity

For the years ended 31 December 2008 and 2007

		Separate financial statements						
		Reserves			Retained earnings			
			Fair value changes					
		Issued and	Share	and revaluation	Appropriated to	Appropriated to		Total
		paid-up	premium	surpluses of securities	legal	general	Unappropriated	equity
Note	share capital	available-for-sales	reserve	reserve	reserve	reserve		
					(in Baht)			
	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
	Changes in equity for 2008							
	Net changes in fair value	-	-	(5,000,129)	-	-	-	(5,000,129)
	Net income (expense) recognised directly in equity	-	-	(5,000,129)	-	-	-	(5,000,129)
	Profit for the year	-	-	-	-	-	139,255,780	139,255,780
	Total recognised income and expense	-	-	(5,000,129)	-	-	139,255,780	134,255,651
	Dividends	-	-	-	-	-	(238,754,973)	(238,754,973)
	General reserve	-	-	-	-	75,000,000	(75,000,000)	-
	Issue of share capital							
	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

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

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Serm Suk Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2008 and 2007

Note	Consolidated		Separate	
	2008	2007	2008	2007
	(in Baht)			
Cash flows from operating activities				
Profit for the year	139,573,394	330,650,566	139,255,780	337,970,896
<i>Adjustments for</i>				
Reversal of allowance for doubtful accounts	(3,554,609)	(17,748,042)	(3,554,609)	(16,796,632)
Depreciation and amortisation	779,061,050	763,715,793	735,949,805	722,850,098
Allowance for devaluation of inventories	48,992,003	27,946,930	39,046,211	47,263,557
Reversal of impairment loss on investment	(8,000,000)	-	(8,000,000)	-
Interest income	(15,539,299)	(17,863,539)	(15,113,075)	(17,573,066)
Dividend income	(7,723,437)	(8,559,678)	(40,063,437)	(43,209,678)
Employee benefits	70,192,236	39,255,308	70,192,236	39,255,308
Provision	15,574,290	-	15,574,290	-
Gain on sale of investment	-	(31,052,899)	-	(31,052,899)
Gain on disposal of equipment and marketing promotion equipment	(12,957,800)	(6,294,589)	(12,957,800)	(6,278,545)
(Gain) loss on disposal of other assets	595	(67,397)	-	(67,397)
Unrealized loss on exchange rate	44,749	213,701	44,749	203,668
Amortization of negative goodwill	-	(5,838,697)	-	-
Share of profits from investment accounted for using the equity method	(42,807,523)	(43,768,468)	-	-
Income tax expense	72,871,947	163,179,106	72,861,381	163,179,106
	<u>1,035,727,596</u>	<u>1,193,768,095</u>	<u>993,235,531</u>	<u>1,195,744,416</u>
Changes in operating assets and liabilities				
Trade accounts receivable	(9,768,685)	31,132,914	(52,907,107)	36,998,072
Receivables from related parties	4,396,531	(118,605,937)	16,042,611	(119,627,408)
Inventories	(193,929,864)	40,109,313	(144,198,374)	8,306,416
Prepaid crown tax and lid taxes	(31,136,678)	69,448,385	(29,083,321)	69,448,385
Other current assets	8,785,402	30,147,174	13,630,266	26,843,990
Trade accounts payable	74,770,794	160,506,296	82,336,893	161,739,233
Payable to related parties	(5,112,469)	(3,103,909)	(5,112,469)	(3,103,909)
Customers' deposits on bottles and cases	(20,145,685)	(39,742,243)	(20,145,685)	(39,742,243)

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 2008 and 2007

	Note	Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
<i>(in Baht)</i>					
Other payable		(99,493,564)	(9,969,264)	(98,896,737)	(13,467,198)
Accrued expenses		(103,095,969)	45,559,627	(104,346,993)	45,789,934
Other current liabilities		(2,701,136)	11,872,141	(2,561,398)	11,475,525
Income tax paid		(102,522,638)	(117,755,488)	(102,653,792)	(112,561,931)
Net cash provided by operating activities		555,773,635	1,293,367,104	545,339,425	1,267,843,282
<i>Cash flows from investing activities</i>					
Interest received		15,949,343	17,580,183	15,536,478	17,289,710
Dividends received		40,063,437	43,209,678	40,063,437	43,209,678
Current investment		(410,714)	(248,086)	(410,714)	(248,086)
Receivables from and loans to employees		41,976	1,419,136	41,976	1,419,136
Sale of equipment		14,445,603	8,284,995	14,445,603	8,252,953
Purchases of long term investment		(9,365,625)	-	(9,365,625)	-
Proceeds from disposal of other investment		-	40,971,893	-	40,971,893
Purchases of land, building and equipment		(484,854,105)	(501,176,364)	(476,217,709)	(449,081,658)
Purchases of marketing promotion equipment		(168,828,259)	(182,419,552)	(168,828,259)	(182,419,552)
Purchases of intangible assets		(27,500,000)	(10,000,000)	(27,500,000)	(10,000,000)
Other non-current assets		710,040	(338,000)	710,040	(338,000)
Net cash used in investing activities		(619,748,304)	(582,716,117)	(611,524,773)	(530,943,926)
<i>Cash flows from financing activities</i>					
Dividend paid to equity holders of the Company		(238,740,764)	(264,648,281)	(238,740,764)	(264,648,281)
Proceeds from issue of shares		407,951	318,216	407,951	318,216
Net cash used in financing activities		(238,332,813)	(264,330,065)	(238,332,813)	(264,330,065)
Net increase (decrease) in cash and cash equivalents					
		(302,307,482)	446,320,922	(304,518,161)	472,569,291
Cash and cash equivalents at beginning of year		1,376,905,437	930,584,515	1,349,841,187	877,271,896
Cash and cash equivalents at end of year	5	1,074,597,955	1,376,905,437	1,045,323,026	1,349,841,187

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