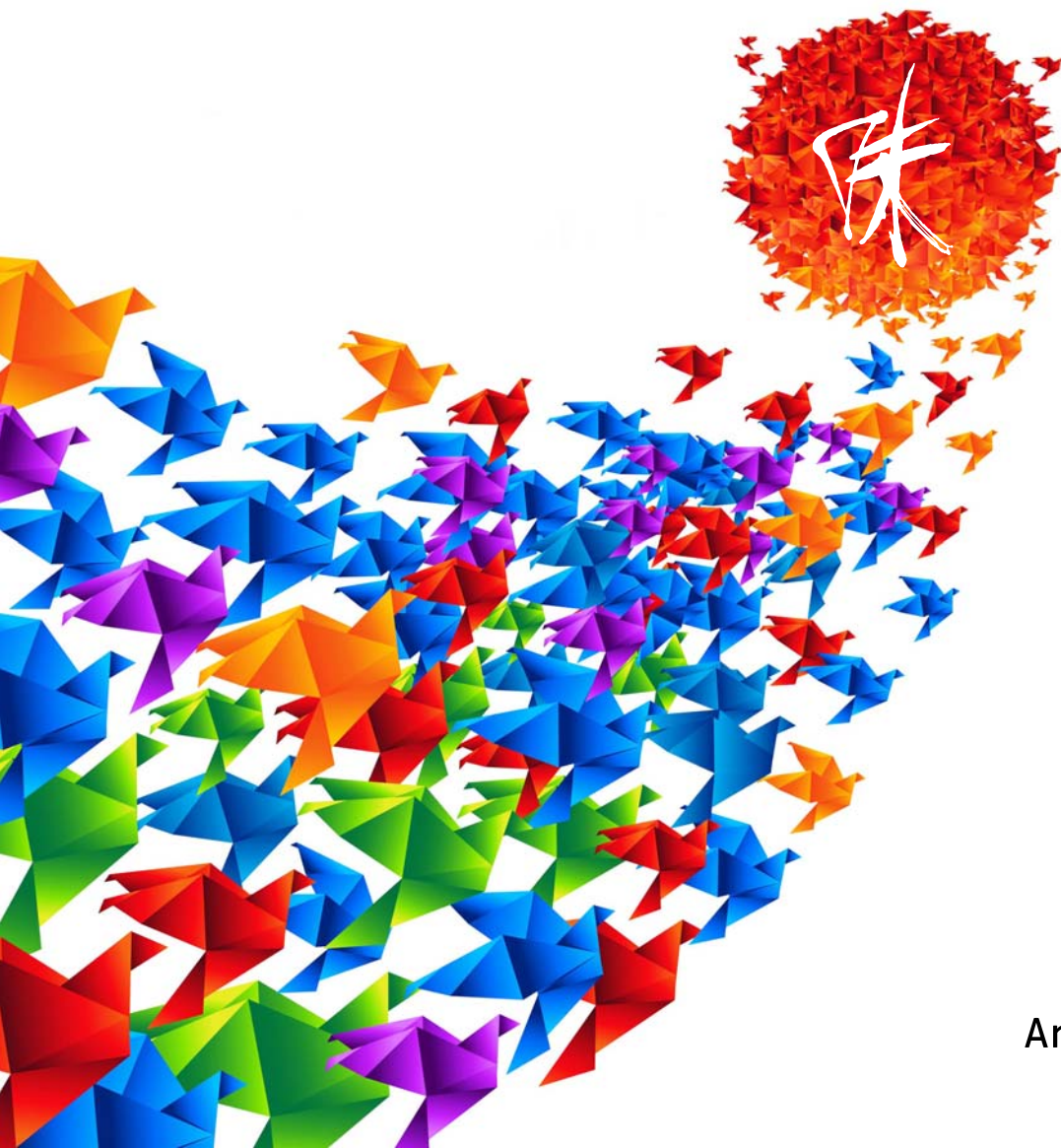




OISHI おいしい
G·R·O·U·P しい
PUBLIC COMPANY LIMITED

M o v i n g F o r w a r d



Annual Report 2012



OISHI おい
G·R·O·U·P しい
PUBLIC COMPANY LIMITED



Annual Report 2012





Contents

	Page
1. Message from the Chairman	1
2. General Information	2
3. Financial Summary	4
4. Executive Summary	5
5. Board of Directors and the Executives	7
6. Business Nature	17
7. Risk Factors	22
8. Business Operations	24
9. Business Assets	30
10. Legal Disputes	34
11. Capital Structure	35
12. Management Structure	36
13. Information on the Board of Directors and the Executives	49
14. Share Ownership of the Board of Directors and the Executives	77
15. Remuneration	78
16. Internal Information Usage	81
17. Human Resources	82
18. Internal Control	85
19. Related Parties Transactions	87
20. Financial Status and the Company's Performance	97
21. Other Related Information	102
22. Corporate Social Responsibility Report	104
23. Report of the Board of Directors' Responsibility for the Financial Statements	109
24. Report of the Audit Committee	110
25. Report of the Risk Management Committee	113
26. Report on the Good Corporate Governance	114
27. Financial Statements	125

1. Message from the Chairman



In 2012, we have fully recovered all the beverage and food production facilities at Navanakorn Industrial Estate, after the great flood of 2011. As part of the risk management program and for capacity expansion purposes, the Board of Director has approved the construction of not only a new beverage plant at a separate site in Amphur Wangmuang, Saraburi Province, which is located on a high land outside of the floodway and is a BOI-promoted project, but also a new central kitchen at Amphur Ban Bueng, Chonburi Province. If including Amatanakorn factory, we will have altogether four factory sites.

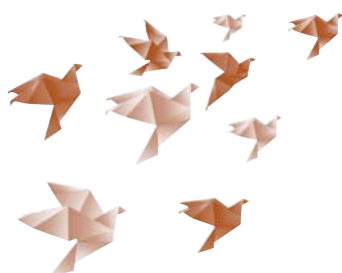
During the year we have changed the design of UHT box by using Japanese anime “One Piece”, launched returnable bottle green tea and Onori seaweed snack, and launched new restaurant brand Kakachi. In conclusion we have opened 44 new stores which make the total stores of 156 stores at yearend. We planned to open an additional 50 stores in 2013.

The total revenues in 2012 were 11,702 million Baht, an increase of 2,025 million Baht (20.9%), and net profits were 654 million Baht, a drop of 154 million Baht (19.1%). The revenue growth was due to both beverage and food businesses, the drop in profitability was due to higher cost of goods sold and advertising and promotion ratio to sales, and in particular the brand investment in the newly-launched seaweed snack “Onori”.

The Company’s credit rating has been maintained at A-/Stable by TRIS. This will ensure that our financial status is unwavering despite the impact of the great flood and the intense competition.

As the Chairman of the Board, I assure the shareholders that the Board of Directors and the management team are determined to grow both the beverage and food businesses exponentially, by exploiting the production and distribution strengths of the subsidiaries of Thai Beverage Plc, which will enable us to launch new product innovation and to enhance the distribution to the untapped channels.

Narong Srisa-an
Chairman



2. General Information

The Company Name	: Oishi Group Public Company Limited (the "Company")
Business Type	: Japanese restaurants and Green Tea under the brands, "Oishi", Sparkling Green Tea under the brand, "Chakulza", and RTD Drink under the brand, "Amino Plus"
Company Registration Number	: 0107547000150
Headquarter Location*	: 19 th -20 th Floor, PARK VENTURES ECOPLEX 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330.
Homepage	: www.oishigroup.com
Telephone Number	: 0-2785-8888
Fax Number*	: 0-2785-8889
Registered Capital	: 375,000,000 Baht
Paid-up Capital	: 375,000,000 Baht
Type of Stock	: Common Stock
Paid-up Common Stock	: 187,500,000 shares
Par value	: 2 baht

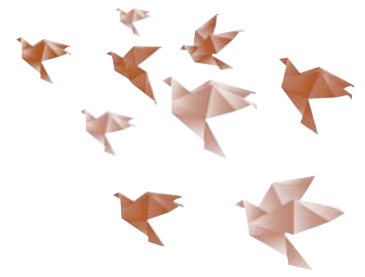
Details of the subsidiary companies :

As of December 31, 2012 :

Company name	Business Types	Type of Stock	Registered Capital	Number of Issue Share	Number of Shares Held	Investment Ratio %
1. Oishi Trading Co., Ltd. (Oishi Trading)* 19 th -20 th Floor, PARK VENTURES ECOPLEX 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330	Production of beverage and foods	Common	Baht 420,000,000	4,200,000	4,199,990	99.99
2. Oishi Ramen Co. Ltd. (Oishi Ramen)* 19 th -20 th Floor, PARK VENTURES ECOPLEX 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330	Japanese Ramen Restaurant	Common	Baht 158,000,000	1,580,000	1,579,994	99.99
3. Oishi International Holdings Limited (Oishi Holdings)** Room 901-2, Silvercord Tower 1 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	To serve future international expansion	Common	HKD 50,000	50,000	50,000	100

Remarks ; * The Company, Oishi Trading and Oishi Ramen have changed the registered office address and fax number since December 18, 2012.

** On 21 May 2012, Oishi International Holdings Limited, a subsidiary, registered as a company limited in Hong Kong.



REFERENCE

Security Deposit Agency : Thailand Securities Depository Company Limited

No. 62 Stock Exchange of Thailand Building, 4th, 6th and 7th floor ,

Rachadabhisek Road, Klongtoey, Bangkok 10110

Tel. (02) 229- 2800

External Auditor : KPMG Phoomchai Audit Company Limited

No. 195 Empire Tower, 50th- 51th floor, South Sathorn road, Yannawan,

Sathorn District, Bangkok 10120

Tel. (02) 677-2000

Legal Consultant : Weerawong, Shinnawat & Piengpanor Company Limited

No. 540 Mercury Tower, 22nd floor, Ploenjit, Lumpini, Pathumwan, Bangkok 10330

Tel. (02) 264-8000

Mr. Mahin Kraivixien

Thai Beverage Public Company Limited

No. 14 Vibhavadi-Rungsit Road, Chompol, Chatuchak, Bangkok 10900

Tel. (02) 785-5251

Investor Relations : Ms. Chitkasem Moo-Ming

No. 57 PARK VENTURES ECOPLEX, 19th floor, Wireless Road, Lumpini,

Pathumwan, Bangkok 10330

Tel (02) 785-8888

E-mail : chitkasem.m@oishigroup.com



Summary of financial status and company's performance at 31 December 2012 :

	Consolidated (Baht'000)		
	2012	2011	2010
Total assets	7,260,025	5,718,797	4,782,890
Total liabilities	4,138,831	2,813,951	2,101,226
Equities	3,121,194	2,904,846	2,681,664
Sales revenue	11,634,397	9,501,115	8,733,047
Total revenue	11,702,290	9,677,435	8,766,418
Net profit	653,833	808,127	974,568

Summary of Financial Ratios

	Consolidated (Baht'000)		
	2012	2011	2010
Net profit/sales revenue (%)	5.62 %	8.51 %	11.16 %
Return on equities	21.70 %	28.93 %	38.86 %
Return on assets	10.08 %	15.39 %	23.61 %
Earnings per share (Baht)	3.49	4.31	5.20
Dividend per share (Baht)	2.20	2.20	3.20

In 2012, the company had sales revenues of 11,634 million baht, 22% increase from the previous year. This separates into sales revenues from beverage business 6,314 million baht and from food business 5,320 million baht, which are 18% and 29% increase respectively. Main reasons were the followings :

1. In 2012, the ready to drink tea market grew significantly, together with the company's successful promotion campaign.
2. The company has opened 44 new outlets, and closed 7 outlets which were not performing. The company had a total of 156 outlets (including franchises) at year end.

2012 net profit was 654 million baht, 19% decrease from the previous year. Main reasons are the followings :

1. Opportunity loss of sales from green tea (UHT format) and Fruito, together with increases of costs and expenses from outsourced manufacturing and double-handling operations of two central kitchens, due to the great flood of 2011.
2. Brand building expenses for seaweed snack 'Onori'.







Mr. Narong Srisa-an

Chairman of Board of Directors and Chairman of Remuneration Committee

Education

- Master of Arts (Economics) Honorary Degree, Thammasat University



Mr. Thapana Sirivadhanabhakdi

Vice Chairman of Board of Directors, Chairman of Executive Committee, Nomination Committee Member and Remuneration Committee Member

Education

- Honorary Degree of Doctor of Philosophy, Department of General Management, Ramkhamhaeng University
- Master of Business Administration (MBA), Banking & Financial, Economic, Boston University, U.S.A.
- Bachelor of Business Administration (Finance), Boston University, U.S.A.



Mr. Vikrom Koopirochana

Independent Director, Chairman of Audit Committee, Chairman of Nomination Committee and Remuneration Committee Member

Education

- Honorary Degree in Humanities, Schiller International University
- Ph.D. (History), Michigan State University, U.S.A.
- M.A. (History), Michigan State University, U.S.A.
- B.A. (History), Chulalongkorn University, Bangkok



Ms. Potjaneer Thanavaranit

Independent Director and Audit Committee Member

Education

- Master of Business Administration (MBA), Syracuse university U.S.A.
- Bachelor Degree in Accounting, Chulalongkorn University



Mr. Chai Jroongtanapibarn

Independent Director, Audit Committee Member
and Chairman of Risk Management Committee

Education

- Master Degree of Science Accounting, Thammasat University
- Bachelor Degree in Accounting, Chulalongkorn University

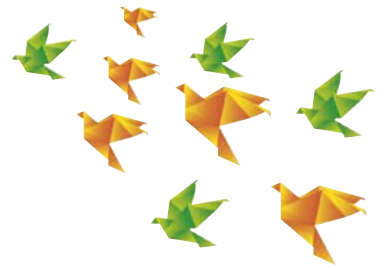


Mr. Prasit Kovilaikool

Independent Director, Nomination Committee Member
and Remuneration Committee Member

Education

- Doctor of Jurisical Science Program in Laws (Honorary Degree)
Eastern Asia University
- Doctor of Jurisical Science Program in Laws (Honorary Degree)
Chulalongkorn University
- Admitted to Thai Bar Association
- LLM, Columbia University, USA
- Bachelor of Laws (Second Class Honour), Chulalongkorn University



Mr. Matthew Kichodhan

Director, President and Executive Committee Member

Education

- Master's Degree in Science Management, Imperial College, University of London, England
- Bachelor Degree in Commerce, University of Toronto, Canada



Mr. Sithichai Chaikriangkrai

Director, Vice Chairman of Executive Committee
and Remuneration Committee Member

Education

- Mini MBA., Kasetsart University
- Bachelor Degree in Accounting (First Honour), Thammasat University



Mr. Ueychai Tantha-Obhas

Director and Vice Chairman of Executive Committee

Education

- Master of Business Administration (MBA), Thammasat University
- B. Sc Accounting, St. Louis University, Missouri, U.S.A.





Mr. Pisanu Vichiensanth

Director, Executive Committee Member
and Risk Management Committee Member

Education

- Ph.D., Engineering Technical University Berlin, West Germany
- Master Degree in Biotechnology (2nd Class Honour), Massey University, New Zealand
- Master Brewer, The Scandinavian School of Brewing, Denmark
- Bachelor of Food Science, Kasetsart University



Mr. Panote Sirivadhanabhakdi

Director

Education

- Master of Science in Analysis, Design and Management of Information System, The London School of Economics and Political Science, England
- Industrial Engineering and Economics, Massachusetts University, U.S.A.
- Bachelor of Science in Manufacturing Engineering, Boston University, U.S.A.

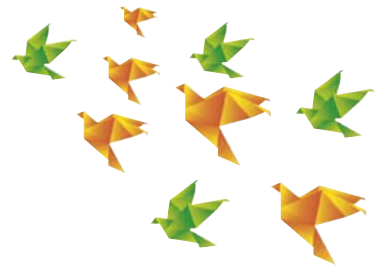


Ms. Sureeporn Pradittasnee

Director, Executive Committee Member
and Risk Management Committee Member

Education

- Mini MBA., Thammasat University
- Bachelor of Accounting, University of the Thai Chamber of Commerce



Mr. Paiboon Kujareevanich

Company Secretary, Executive Vice President, Executive Committee Member and Risk Management Committee Member

Education

- Master of Business Administration (MBA), Thammasat University
- Bachelor Degree in Accounting, Chulalongkorn University



Mr. Paisarn Aowsathaporn

Executive Vice President, Executive Committee Member and Risk Management Committee Member

Education

- Master Degree International Business Administration, Johnson & Wales University, Providence, Road Island, U.S.A.
- Bachelor Degree in Business Administration, Indiana Institute of Technology, Fort Wayne, Indiana, U.S.A.



Mr. Aniruth Mahathorn

Executive Vice President, Executive Committee Member and Risk Management Committee Member

Education

- Master of Business Administration (MBA), Depaul University, Chicago, Illinois, U.S.A.
- BA., Western Michigan University, Kalamazoo, Michigan U.S.A.



Director Level *

1. Mr. Sa-nguan	Pongswan	Internal Audit Director
2. Mr. Somsak	Ussavathirakul	Accounting Director
3. Mr. Thanee	Pornphisutsak	Factory General Manager
4. Mr. Sutee	Thammasitboon	Marketing Director - Beverage Business
5. Ms. Thachanan	Manotnarumon	Sales Business Development Director - Beverage Business
6. Ms. Wannasri	Bunakebuth	Treasury Director
7. Ms. Chitkasem	Moo-Ming	Finance Director
8. Mr. Niruth	Sripawatakul	Marketing Director - Food Business
9. Mr. Hataison	Rudeewong	Sales Director - Beverage Business
10. Mr. Chanavut	Narkveg	Human Resource Director
11. Mr. Kittti	Anutarasate	Information Technology Director
12. Ms. Chanokkant	Jothaprasert	Purchasing Director

Remark

* Please see the details in section 13, Page 49, Information of the Board of Directors and the Executives



OISHI's Beverage

OISHI Green Tea : 500 ml.



OISHI Green Tea : 380 ml. / OISHI Green Tea : 1000 ml.



OISHI Glass Bottle : 400 ml. / OISHI Green Tea Can : 320 ml.





OISHI's Beverage

OISHI UHT



Amino Plus / Fruito



OISHI Chakulza



OISHI Food & Snack



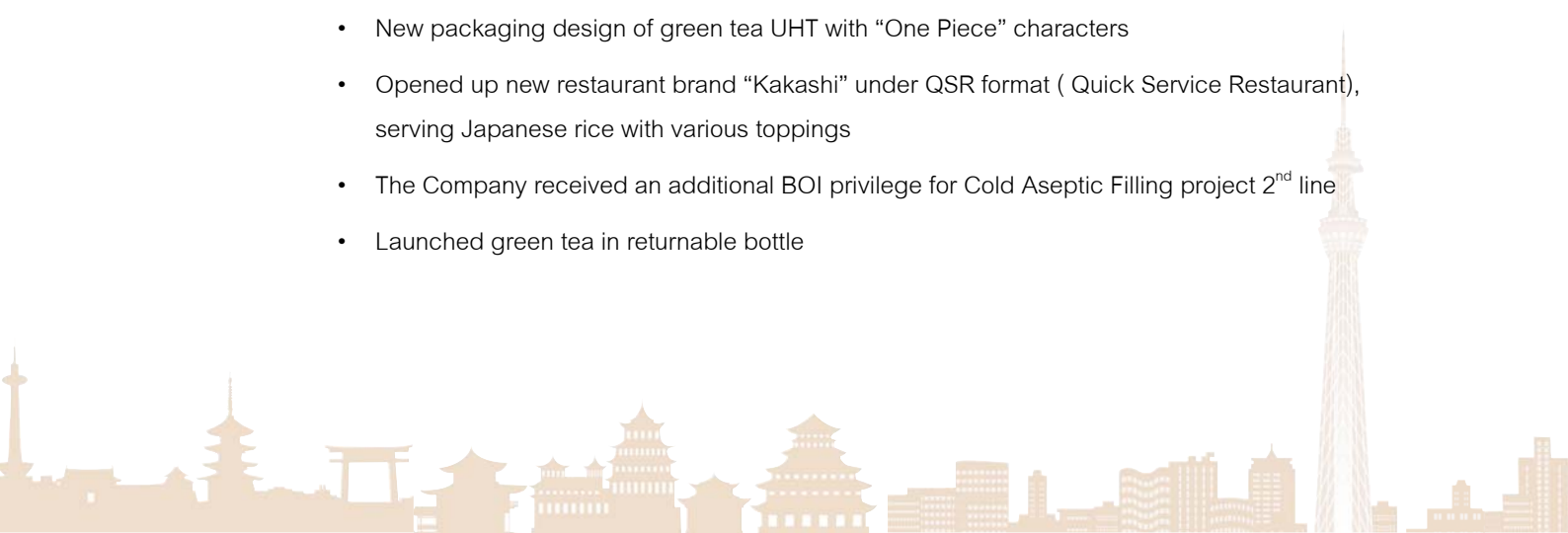
RESTAURANT - KIOSKS



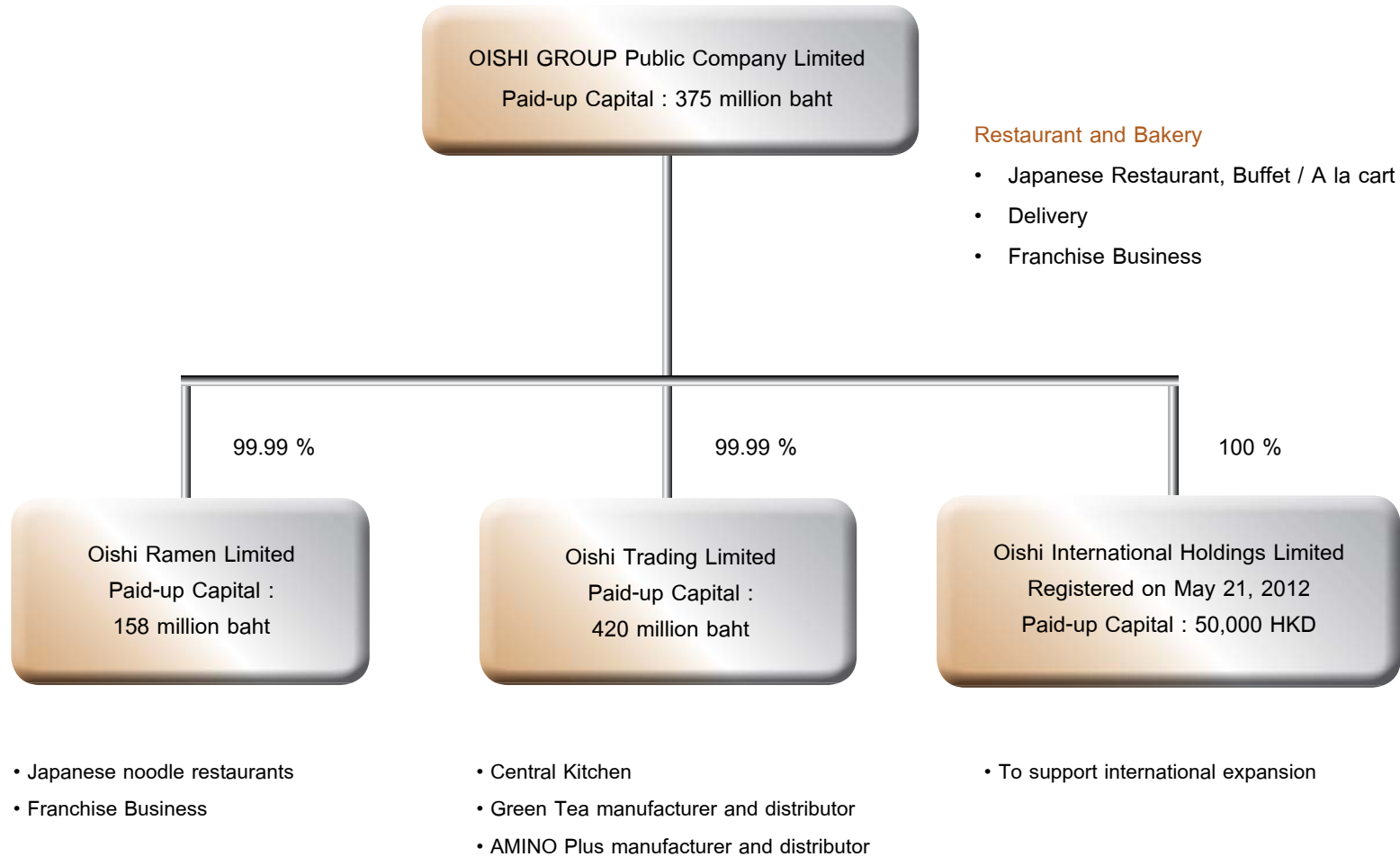
6.1 History and significant development

The history and significant developments are set forth below :

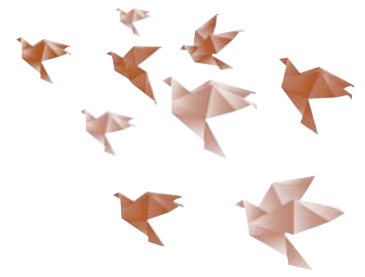
- 1999 • Started Japanese restaurant operation under the brand “Oishi”
- 2001 • Started Japanese noodle restaurant operation Oishi Ramen
- 2002 • Started Japanese buffet shabu/kaiten style under the brand “Shabushi”
- 2003 • Operated new central kitchen at Nawanakorn factory producing food and beverage products to support sales at Oishi restaurants
 - “Oishi Green Tea” was launched
- 2004 • Started trading in SET under the name “OISHI” on August 25, 2004
 - “Oishi Grand” was opened at Siam Discovery
- 2005 • Produced and distributed fruit juice with Amino under the name “Amino OK”
- 2006 • Amata Nakorn plant started its operation in June 2006
- 2007 • Oishi Black Tea was launched
- 2008 • Oishi launched a new RTD product, namely “Coffio”.
 - Thai Beverage PCL became Oishi’s biggest shareholder
- 2009 • Opened Kazokutei, the Udon and Soba franchise restaurant from Osaka
 - Amino OK was rebranded as Amino Plus
- 2010 • New Green Tea flavors were launched, i.e., Goji Berry
 - Additional lands were acquired, now the company owns 61.5 rais
 - The Company received two additional BOI privileges, one for the Cold Aseptic Filling project and another one for the UHT project.
- 2011 • Launched new green tea with juices “Fruito”
 - Launched first ever sparkling green tea in can
 - Opened new restaurant brand “Nikuya”, Japanese-style yakiniku buffet.
- 2012 • Launched crispy fried seaweed “Onori”
 - New packaging design of green tea UHT with “One Piece” characters
 - Opened up new restaurant brand “Kakashi” under QSR format (Quick Service Restaurant), serving Japanese rice with various toppings
 - The Company received an additional BOI privilege for Cold Aseptic Filling project 2nd line
 - Launched green tea in returnable bottle



Oishi Group Structure



Business Nature



6.2 Overall business operations

Business operations consist of two segments

6.2.1 Food Business : 9 Japanese restaurant brands

1) Oishi Grand (1 store)

A distinctive and luxurious buffet atmosphere with a limited time of 3 hours at the price per head of Baht 699.

2) Oishi Buffet (17 stores)

Japanese food buffet style with a limited time of 1 hour and 45 minutes at the price per head of Baht 499.

3) Shabushi (68 stores)

Shabu buffet style with the ingredients served along a conveyor (kaiten) together with assorted sushi. Price per head is Baht 319 with a limited time of 1 hour and 15 minutes.

4) Oishi Ramen (42 stores)

A unique style of ramen and soup localized to suit local taste, offering both Japanese and spicy Thai menus.

5) Oishi Delivery (7 Stores)

Home delivery service (call number 1773) in Bangkok area, subarea and over 12 districts nationwide. The service is provided during 10 am. - 9 pm. with Baht 30 delivery fee per order to serve to the convenient lifestyle.

6) Kazokutei (9 stores)

Specializing in Japanese udon and soba. This is a franchise brand from Osaka, Japan with more than 60 years history and its famous fish soup secret recipe.

7) Nikuya (6 Stores)

Specialized in yakiniku buffet style with high quality products at the price per head of Baht 479.

8) Kakashi (5 Stores)

A quick service restaurant serves Japanese rice with various toppings at an economic price.

9) Snack Shop (1 Store)

A kiosk provides Oishi products including sandwiches, beverages, seaweed snack and frozen foods.

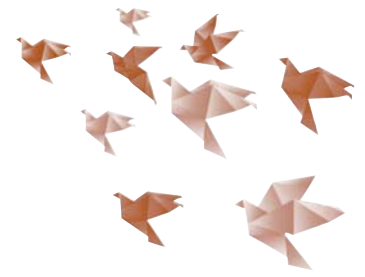
As at 31 December 2012, there were 156 stores nationwide (including 2 franchise stores in Phuket)



6.2.2 Beverage Business :

The Company produces and distributes the following beverage products :

Beverage	Flavor	PET				Returnable Glass Bottle	Box	Can
		1000 ml.	500 ml.	380 ml.	360 ml.			
Green Tea	Honey lemon	X	X	X		X	X	X
	Genmai	X	X				X	X
	Original		X				X	X
	Kikucha	X	X	X			X	X
	Strawberry						X	
	Goji berry						X	
	Peach		X					
	Sugar free		X					
	Black tea lemon	X	X	X			X	
Chakulza	Honey lemon							X
	Original							X
	Black tea lemon							X
Amino Plus	Brightenn				X			
	Burnn				X			
	Chargee				X			
	Smoothh				X			



6.3 Income stream

Income by Business Type	Operated by	Consolidated Financials					
		2012		2011		2010	
		Million Baht	%	Million Baht	%	Million Baht	%
1. Beverage	The Company and Oishi Trading	6,314	54 %	5,527	57 %	5,127	56 %
2. Restaurant	The Company and Oishi Ramen	5,320	46 %	4,150	43 %	4,093	44 %
Grand Total		11,634	100 %	9,677	100 %	9,220	100 %

NOTE : Oishi International Holdings Limited was incorporated on 21 May 2012 in Hong Kong in order to support the Company's international expansion. It has not commercially operated.

6.4 Business objectives

The Company aim to open 50 new stores in particular the high value brand like Shabushi to cover all key trade zone in Bangkok and upcountry.

The Company will also maintain the market leader in RTD green tea and will also expand consumption base for both domestic and abroad. We are launching new product variants so as to sustain the income growth.

The current export markets are Laos, Cambodia, Myanmar, Malaysia, Vietnam, Brunei, Czech Republic, Iran, Russia, Israel, Australia, New Zealand, Switzerland, Denmark, Barbados, Hungary and the Netherlands. We plan to expand our export market via International Beverage Holdings Company, a subsidiary of Thai Beverage PCL and Oishi International Holdings Limited.



7.1 The risks in new product development

Although it is common practice that all new products must pass the various processes of quality tests during production, there is also the process of packaging design, tasting, advertising and promotions, all of which cost substantial amounts of money. Over the past year, some of the products were not able to penetrate the market because they were not popular among the consumers. In addition, there has been intense competition in the beverage market. The Company intensified preparation of new product launching, in terms of quality control and the focus on the consumer's demand, in order to ensure company's success rate.

7.2 Location for outlet expansion and current location retention

Since location is the key factor for a successful restaurant business, competition is also quite intense. This is deemed a limitation for those who aim to increase the new outlet in department stores or a specific community. Normally, short-term location rental contracts last for 3 years and could be renewed for other 3 years. There is a high risk that some of the Company's rental contracts could not be renewed, or the rent might be increased ; however, the Company has planned to maintain location rental by keeping and making good relationship with the owner. We also keep looking for other good new location to ensure that the Company will have the places to support branches expanding continuously.

7.3 Raw materials and products obsolescence

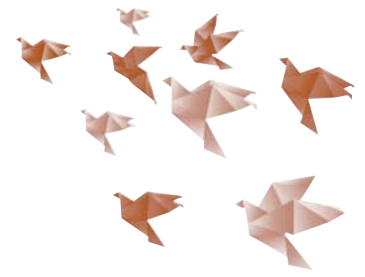
One of the key success factors for food business is good quality and freshness of raw materials and products. For the Company, over 50% of raw materials and products are meat, seafood, vegetable, fruit and bread, which are perishable. For this reason, effective raw material management greatly affects production cost and therefore the Company's competitiveness. To reduce waste of expired raw materials and to preserve quality and freshness, the Company has a policy to make purchases on a daily basis. The materials are stored in temperature-controlled rooms. In addition, First-In-First-Out (FIFO) inventory control scheme is used.

7.4 The limitation of raw material sourcing

The Company's commitment to produce only quality products has restricted us to buy raw materials from only a few qualified suppliers. Some materials are even limited to only one supplier. Such limitation can either cost us scarcity in raw materials or reduce our power in price negotiation. At this moment, the Company's R&D and Purchasing Departments are looking for more quality suppliers.

7.5 Fluctuation in raw material costs

Factors such as the rise in fuel cost, the use of plants as alternative energy, and the drastic demand for raw materials from China, have caused the rise in production cost i.e. fuel, transportation, paper fiber, flour, dairy products, vegetable oil and petroleum packaging. The Company therefore, has secured medium to long term contacts with the suppliers to avoid possible difficulties.



7.6 Competition risks

Competition in the food and beverage businesses is quite intense. There have been high potential entrants who launched green tea and functional drinks. New Japanese restaurant operators also emerge constantly due to the high popularity of this type of food : certain competitors open their stores with the same offering and at nearby locations. However the Company has policy not to cut pricing but enhance the product images by means of advertising and promotion. Nevertheless, we believe the competition is good for this industry since it will grow the market.

7.7 Natural disaster risks

The 2011 great flood in Thailand was the most severe disaster ever, the Company's factory at Navanakorn Industrial Estate has also been flooded for two months, resulting in physical damages to buildings, machineries, inventory, other properties and in particular, a disruption to production capacity and temporary closed of some restaurant stores. The Company realizes the need to divert and mitigate the risks. For example, the construction of a flood wall, the relocation of any new investments which are not located in flood zone and also set out the contingency plans to ensure the continued operations in the event of a natural disaster or emergency.



8.1 Business operation strategies

The Company has four business strategies to successfully operate Japanese food restaurant and green tea businesses, which are ;

8.1.1 Strengthen the brand by offering high quality healthy products.

Ever since its establishment, the Company has one clear principle to align business operations that offer high quality Japanese food under the umbrella brand “Oishi”. It has made the brand well received among consumers. At present, “Oishi” is widely accepted and extremely popular among health conscious consumers.

8.1.2 Customer analysis and continuous marketing activities

The Company main target customers cover modern and health conscious consumers from all age and gender. They reflect the popularity of healthy food and beverages, where Japanese food and green tea respond to their needs. In the past, the Company has continuously conducted intensive marketing activities to reach this group of customers through TV, radio, online, social media, and print media. However, the Company has also focused on the online and other alternative media during the past year, as well as giving the significance to customer relations that allow the Company to continue to improve the quality of its products and services.

8.1.3 Effective cost management

The Company realizes the importance of raw material cost management and bargaining power with distributors. This is to maintain cost and company performance. Effective cost management of the Company arises from the central kitchen, which is the production and distribution center, creating economy of scale and bargaining power with raw material vendors.

8.1.4 Strategy to utilize the benefit of wide coverage distribution channels

The Company has been dealing with experienced distributors and is equipped with strong in-house marketing team ; this ensures high accessibility of the Company’s products to its consumers.

8.2 Marketing and competitive situation

8.2.1 Quality and value for money of products and services

The Company has a policy that focuses on quality of food. The Company has provided buffet style restaurants to satisfy customers at reasonable pricing.

8.2.2 Variety of products and services

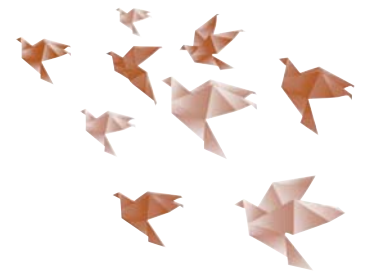
The Company has 3 target groups as follows :

1. Oishi Japanese buffet restaurant and Nikuya focus on middle to upper income groups.
2. Shabushi and Kazokutei focus on middle-income group.
3. Oishi Ramen and Kakashi focus on teenagers and those who require fast service.

During 2012 the Company has discontinued the Tepp Tepunyaki, due to high competition in the Japanese food market and to re-align the business strategy. However the Company has confidence that the remaining brands will response to consumer needs.

8.2.3 Menu strategy

The Company’s menu strategy is to create diverse and artistic food displayed in the restaurants as the food styling and the menu assortment can attract customers as well as encourage them to try different



menus. Not only can this strategy boost customer satisfaction, it can also help save food costs. Oishi's menu will be selectively changed once every three months.

8.2.4 Branch expansion strategy to cover targeted areas

The Company has opened and expanded its restaurant branches to cover the targeted areas throughout Greater Bangkok and key provinces, particularly in leading department stores, so that they will be accessible to the customers.

8.2.5 Promotion and advertising strategy

The Company has constantly organized promotional activities to boost sales, fulfill the demand of the customers as well as offer good impression to them. The Company has established member card system to give the subscribers special discount. Furthermore, intensive advertising campaign through broadcast media and billboard has been implemented.

8.2.6 Pricing strategy

The Company has different product and service offerings which fulfill every demand of the target customers including teenagers, students, white collars, family and health-conscious individuals.

8.3 Marketing strategies for the beverage business

8.3.1 The quality of products and services

Green tea production process is focused on its production quality from hygienic water via reverse osmosis (RO), tea leaf selection and the use of fructose syrup ; while Amino Plus was launched to be in line with the modern consumers who are health conscious and are in need of a refreshing feeling.

8.3.2 Variety of products

Variety becomes another focus as it encourages consumer demand and consumption consistency. The Company launches different flavors of green tea under different packages with unique style to suit consumers' need. Innovative products will be introduced to serve the consumers.

8.3.3 Pricing strategy to expand the customer base

The Company has two different packaging types of RTD green tea with different pricing. New packaging is underway to expand into the new consumer base.

8.3.4 Distribution channel strategy

The Company has managed product distribution through several channels, 1) through Thai Beverage PCL and Sermsuk PCL, 2) The Company of restaurants to reach Oishi customers and 3) export.

8.3.5 Sales promotion and advertising

The Company has consistently advertised in various media i.e. TV, radio, newspaper, and magazines. The Company also focuses on new media such as online advertising and social media network so that the Company's communications would be more effective. The advertisement has complimented well with the Company's continuous promotional activities throughout the year, as well as the "Pai Tae Tua, Tour Yok Gang" campaign and " Ruay Sum Ruay Son, Dai Tung Lan Dai Tung Rod" campaign, which have been widely received by consumers and company's partners.



8.4 Industry and competitive situation

8.4.1 Market condition of Japanese food

Japanese food market has grown dramatically, several Japanese restaurants have been introduced in Thailand. The Company has also bought a Japanese franchise called Kazokutei. In 2012 the company has launched a new brand called “Kakashi”, a Japanese rice with several meat e.g salmon, beef and pork, a Quick Service Restaurant (QSR)

8.4.2 Market condition of tea beverage

In 2012, the growth of RTD green tea market is high increased from the year 2011 and high competition in the RTD green tea market. Nevertheless we still maintain our top market position for 9 years in a row.

Several competitors concentrated on launching new and improved products, as well as competing with pricing strategy. However, the Company is confident that it will be able to maintain the top market share since the Company has solid branding and effective marketing strategies.

8.5 BOI Investment Promotion Privilege

Oishi Trading Company Limited, a subsidiary, has been granted BOI certificates with details as follows :

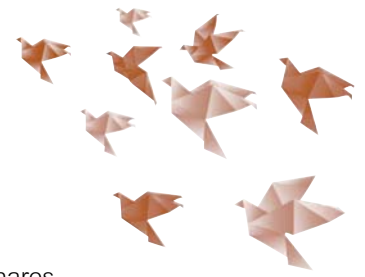
- 8.5.1 On July 30, 2003 Oishi Trading Company Limited was granted BOI Investment Promotion Privilege for manufacturing fruit and vegetable juices in sealed packaging, with details as follows : BOI Investment Promotion Privilege no. 1475(2)/2546 for manufacturing sealed fruit and vegetable juices under the activity code 1.11 : Manufacture or preservation of food or food ingredients, using modern technology.**

Key privileges are summarized as following :

- Highly skilled expatriates are allowed to work in the country with BOI board’s approved period of time. However, they are specified to do the task as BOI board’s agreement.
- Import tariff exemption for machinery according to the BOI board’s agreement.
- Tax exemption for corporate net profit from the operation from BOI privilege must not exceed 100% of total investment excluding land and working capital. This is allowed for 8 years from the first day with income flow from the business. For the case that the Company loses from operation, income tax exemption will be granted by deducting from net profit gained after exemption allowance period, which must not exceed 5 years since the day the allowance period ends. The Company can choose to deduct the net profit of a year or allocate to many years.
- Exemption for dividend tax during eight years
- Allowed to transfer the money in and out of the country in foreign currency.

Important conditions are summarized as follows :

- Expedite training or supporting Thai workers to operate in place of foreign technicians or experts within designated period.
- Machinery that get BOI privilege must be new machinery.
- Has production capacity of sealed bottle of fruit and vegetable juice at 238.2 million litres (16 hrs/ day : 300 days per year).



- A person with Thai nationality must own at least 51% of total registered shares.
- Has to operate to get ISO 9000 within two years.
- The factory must be constructed within Navanakorn industrial estate in Pathumthani

This promotion privilege has been expired since 2011.

8.5.2 On November 23, 2005, Oishi Trading Company Limited was granted BOI investment promotion privileges for fruit and vegetable juice production in sealed bottle for the new factory operated in Amatanakorn industrial estate.

Key privileges are summarized as following :

- Allowed to import foreign technicians to the country according to the approved number and period. However they have to work in specified tasks as the BOI board's agreement.
- Tariff exemption for machinery according the BOI board's agreement.
- Corporate income tax exemption is allowed for 8 years since the first day with income flow from business. The Company is allowed to deduct the losses after the year of allowance. And it is allowed to choose to deduct for only one year or many years after the allowance period ends.
- Exemption for dividend tax during eight years

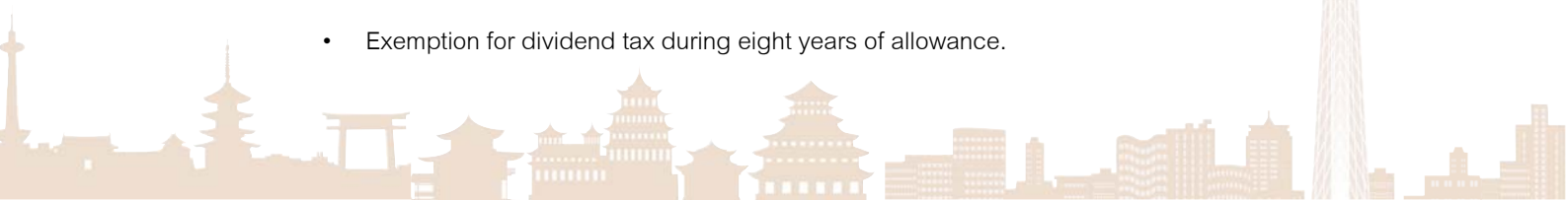
Important conditions are summarized as follows :

- To expedite training or supporting Thais to operate in place of foreign technicians or experts within designated period.
- Machinery getting BOI privilege must be new machinery
- Production capacity of sealed bottle of fruit and vegetable juice at 144 million litres (20 hrs/day : 300 days per year).
- A person with Thai nationality must own at least 51% of total registered shares.
- Has to operate to get ISO 9000 within two years.
- The factory must be constructed within Amartanakorn industrial zone in Chonburi.

8.5.3 On July 15, 2009, Oishi Trading obtained BOI investment promotion privileges for fruit and vegetable juice production in sealed bottle for the new factory operated in Navanakorn industrial zone, Pathumthani province.

Key privileges are summarized as follows :

- Allowed to recruit foreign technician to the country according to the approved number and period. However they have to work in specified tasks as the BOI board's agreement.
- Tariff exemption for machinery according the BOI board's agreement.
- Corporate income tax exemption is allowed for 8 years since the first day with income flow from business. In the case that there is some loss during the exemption period, the Company is allowed to choose to deduct for only one year or many years after the allowance period ends within the limit of five years.
- Exemption for dividend tax during eight years of allowance.



Important conditions are summarized as follows :

- Speed up training or supporting Thais to operate in place of foreign technicians or experts within designated period.
- Machinery getting BOI privilege must be new machinery.
- Has production capacity of sealed bottle of fruit and vegetable juice at 108 million litres (16 hrs/day : 300 days per year).
- A person with Thai nationality must own at least 51% of total registered shares.
- Has to operate to get ISO 9000, or ISO 14000, or equivalent within two years.
- The factory must be constructed within the premises of Navanakorn industrial zone in Pathumthani province.

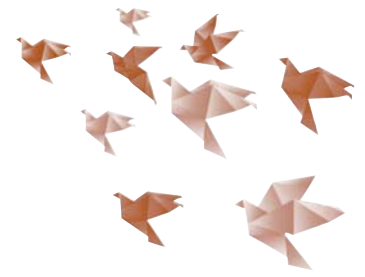
8.5.4 On July 9, 2010, Oishi Trading received BOI investment promotion privileges for fruit and vegetable juice production in sealed bottle for the new factory operated in Navanakorn industrial Zone, Pathumthani province.

Key privileges are summarized as follows :

- Allowed to recruit foreign technicians to the country according to the designated number and period. However they have to work on specified tasks with the BOI board's agreement.
- Tariff exemption for machinery according the BOI board's agreement.
- Corporate income tax exemption is allowed for 8 years since the first day with income flow from business. In the case that there is some loss during the exemption period, the Company is allowed to choose to deduct for only one year or many years after the allowance period ends within the limit of five years.
- Exemption for dividend tax during eight years of allowance.

Important conditions are summarized as follows :

- Speed up training or supporting Thais to operate in place of foreign technicians or experts within designated period.
- Machinery getting BOI privilege must be new machinery.
- Has production capacity of sealed bottle of fruit and vegetable juice at 150 million litres (20 hrs/day : 300 days per year).
- A person with Thai nationality must own at least 51% of total registered shares.
- Has to operate to get ISO 9000, or ISO 14000, or equivalent within two years.
- The factory must be constructed within the premises of Navanakorn industrial zone in Pathumthani province.



8.5.5 On August 1, 2012, Oishi Trading obtained BOI investment promotion privileges for fruit and vegetable juice production in sealed bottle for the new factory operated in Saraburi province.

Key privileges are summarized as follows :

- Allowed to recruit foreign technicians to the country according to the designated number and period. However they have to work on specified tasks with the BOI board's agreement.
- Tariff exemption for machinery according the BOI board's agreement.
- Corporate income tax exemption is allowed for 8 years since the first day with income flow from business. In the case that there is some loss during the exemption period, the Company is allowed to choose to deduct for only one year or many years after the allowance period ends within the limit of five years.
- Exemption for dividend tax during eight years of allowance.

Important conditions are summarized as follows :

- Speed up training or supporting Thais to operate in place of foreign technicians or experts within designated period.
- Machinery getting BOI privilege must be new machinery.
- Has production capacity of sealed bottle of fruit and vegetable juice at 150 million litres (20 hrs/day : 300 days per year).
- A person with Thai nationality must own at least 51% of total registered shares.
- Has to operate to get ISO 9000, or ISO 14000, or equivalent within two years.
- The factory must be constructed in Saraburi province.

8.6 Product and service procurement

Oishi Trading Company Limited, a subsidiary, is considered as the center for the Company in sourcing and distributing raw materials. It is also responsible for storing raw materials, as well as processing the materials, of which quality and standard must be preserved, and delivered to various outlets. Also, the central kitchen produces the Company's bakeries and sushi, as well as all the beverages, in order to deliver to all the restaurants in the group.

8.7 Business limitation

-None-



Business operation assets include property, plant and equipment and intangible assets of the Company and its subsidiaries, with details as follows :

9.1 Land and land improvements

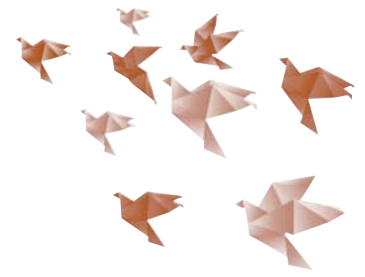
The Company has land and land improvements for business operation at book value as of December 31, 2012 as the following :

Land and Land improvements	Type of possession	Net book value (million baht)	Collateral for Loans
Land with 61-2-14.60 rais with improvements at Navanakorn Industrial Zone 2, Klong Nueng, Pathumthani	Owner	361.96	None
Total		361.96	

9.2 Building and building improvements

Buildings are used for business operation with book value as of December 31, 2012 as the following :

Buildings and Building improvements	Type of possession	Net book value (million baht)	Collateral for Loans
Green tea plant and central kitchen at Navanakorn Industrial Zone 2, Klong Luang, Pathumthani	Owner	735.80	None
Green tea plant at Amata Nakorn Industrial Estate, Bankao, Panthong, Chonburi	Leased	124.62	None
Total		860.42	



9.3 Rental Agreement

As of December 31, 2012, the Company has 148 rental contracts with retailers for Japanese food restaurant business. Most are short term with a period of three years, and another three years for optional renewal. Many contracts will expire in 2013 - 2015.

9.4 Leasehold Rights

Majority of location for Oishi businesses are under the contract of 3 years with another 3 years for optional renewal. This is to lower risk of engagement and fluctuation from economic change. Only some outlets have long term agreements for locations in department stores. Net book value as of December 31, 2012 is as following :

Area / Location	Rental period / Expiration	Net book value (million baht)	Collateral for Loans
1 st floor, Seacon Square, No. 1053-1054 in 292.58 sq.m. area	21 years and 10 months 25 Days /Expire 2024	12.61	None
The Mall Ngamwongwan. GFC1A in 220 sq.m.area and GFC1B in 101sq.m. area	17 years and 9 months 10 days / Expire 2019	5.79	None
The Mall Bangkapi GF-F5A in 300 sq.m.area and GF-5B in 52 sq.m area	20 years and 5 months 15 Days/Expire 2022	18.76	None
Central Plaza, Pinklaow, G45 in 160.15 sq.m area	13 years and 1 months 30 Days/Expire 2022	2.79	None
MBK, 1A 08-09 in 97.64 sq.m area	7 years /Expire 2013	0.4	None
Future Park ,Rangsit, B56 in 134 sq.m area	15 years and 6 months/ Expire 2021	7.07	None
Esplanade,Ratchada, B41 in 288 sq.m area	24 years and 4 Days/ Expire 2031	22.83	None
Total		70.25	



9.5 Tools and Machinery for Manufacturing

As of December 31, 2012, tools and machinery for manufacturing are as following :

Type of machinery	Net book value (million baht)	Collateral for Loans
Machinery-Beverage	2,019.37	None
Machinery-Food	35.13	None
Total	2,054.50	

9.6 Decoration and internal systems

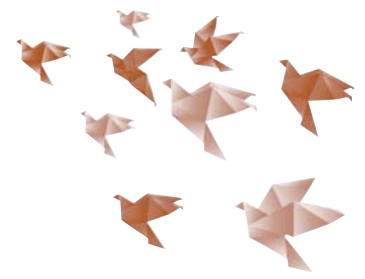
As of December 31, 2012, decoration and internal systems for business operation are as following :

Type	Net book value (million)	Collateral for Loans
Decoration	302.77	None
Internal System	312.62	None
Total	615.39	

9.7 Construction in progress and installation

Construction in progress and installation as of December 31, 2012, are as following :

Type	Net book value (million)	Collateral for Loans
New Plant	630.60	None
New Central Kitchen	49.63	None
Branches in Progress	15.6	None
Total	695.83	



9.8 Other assets

Other assets include office equipment, furniture and fixtures, restaurant utensils and vehicles. Net book value as of December 31, 2012 is 153.60 million baht.

9.9 Intellectual Property

The Company has submitted applications for registration of many trademarks and service marks domestically and abroad for many brands and logos covering a variety of products and services.

“Oishi” is key trademark and service mark of the Company. The Company also has submitted other trademarks and service marks together with logos, either together with or separate from “Oishi” mark such as “Shabushi”, “Nikuya”, “Chakulza”, “Ramen”, “Onori”, “Kakashi”, “Fruito”, and “Amino OK”.

9.10 Investments in subsidiaries and affiliates

As of December 31, 2012, the Company has invested in the following subsidiaries :

Company name	Business Types	Registered Capital	Number of Issue Share	Number of Shares Held	Investment Ratio %
Oishi Trading Company Limited	Production of beverage and foods	Baht 420,000,000	4,200,000	4,199,990	99.99
Oishi Ramen Company Limited	Japanese Noodles Restaurant	Baht 158,000,000	1,580,000	1,579,994	99.99
Oishi International Holdings Limited	To serve future international expansion	HKD 50,000	50,000	50,000	100



As at 31 December 2012, the Company does not have any legal cases, relating to the followings :

- (1) Legal cases that could negatively effect the shareholders' equities more than 5%
- (2) Legal cases that have material effect which is not quantifiable
- (3) Legal cases which are not related to normal course of business

11.1 The Company's Securities

As of December 31, 2012, the Company has 375 million baht of registered and paid-up capital. It can be categorized into 187.5 million common stocks, with the par value of 2 baht per share. All shares are registered in Stock Exchange of Thailand.

11.2 Shareholders

11.2.1 Major shareholders and stock holding proportion based on paid-up capital are as follows :

As of December 28, 2012

Ref	Shareholders' name	Shares	%
1.	Thai Beverage Public Company Limited	167,360,199	89.259
2.	UOB KAY HIAN PRIVATE LIMITED	6,754,900	3.603
3.	Taweerat Prungpattanasakul	1,947,000	1.038
4.	Thai NVDR Limited	1,548,392	0.826
5.	THE BANK OF NEW YORK MELLON-CGT TAXABLE	1,160,100	0.619
6.	CITIBANK NOMINEES SINGAPORE PTE LTD-UBS AG LONDON BRANCH-NRBS IPB CLIENT SEG	1,000,000	0.533
7.	Thaweechat Jurangkool	641,000	0.342
8.	Hatairatn Jurangkool	400,000	0.213
9.	Surapong Phusanakhom	173,000	0.092
10.	STATE STREET BANK EUROPE LIMITED	153,000	0.082
11.	Minor shareholders	6,362,409	3.393
	Total	187,500,000	100

11.2.2 Details of the major shareholders who held shares via their holding companies and have a significant influence towards management policies of the Company and its subsidiaries are :

- 1) Thai Beverage Public Company Limited which operates via its subsidiaries regarding to production and distribution of alcohol and non-alcohol beverages and Japanese restaurants.
- 2) As at October 4, 2012 the companies that are related to Mr. Charoen Sirivadhakdi and Khunying Wanna Sirivadhakdi held shares in Thai Beverage Public Company Limited totally 65.89% of the paid-up capital.

11.3 Dividend Payment Policy

The Company and its subsidiaries have policy to pay dividend of not less than 40% of net profit after deduction of tax and legal reserves. The dividend payment does not have an adverse effect on corporate operations significantly. Factors that are considered include the Company's operation results, the Company's cash flows, liquidity, and business expansion plans. The dividend payment must be approved by the shareholders.

12.1 Management Structure

As of December 31, 2012, the Company's management consists of the Board of Directors and 5 sub-committees namely the (1) Executive Committee, (2) Audit Committee, (3) Nomination Committee (4) Remuneration Committee and (5) Risk Management Committee. Details are as follows :

12.1.1 Board of Directors

The Board of Directors comprises of 12 members

1.	Mr. Narong	Srisa-an	Chairman
2.	Mr. Thapana	Sirivadhanabhakdi	Vice Chairman
3.	Mr. Vikrom	Koompirochana	Independent Director
4.	Ms. Potjane	Thanavaranit	Independent Director
5.	Mr. Chai	Jroongtanapibarn	Independent Director
6.	Mr. Prasit	Kovilaikool	Independent Director
7.	Mr. Matthew	Kichodhan	Director and President
8.	Mr. Sithichai	Chaikriangkrai	Director
9.	Mr. Ueychai	Tantha-Obhas	Director
10.	Mr. Pisanu	Vichiensanth	Director
11.	Mr. Panote	Sirivadhanabhakdi	Director
12.	Ms. Sureeporn	Pradittasnee	Director

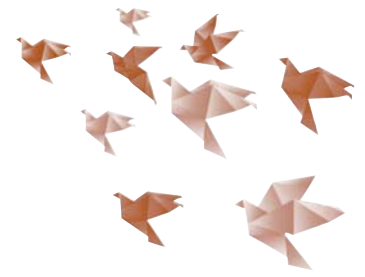
Authorized Directors are as follows :

"Two Directors to co-sign and affix the Company Seal, except Mr. Vikrom Koompirochana, Ms. Potjane Thanavaranit, Mr. Chai Jroongtanapibarn and Mr. Prasit Kovilaikool"

Roles, Authorities and Responsibilities of the Board of Directors

The Board of Directors has authorities and responsibilities to perform all duties using their knowledge, abilities and experience for the best benefit of the Company, and also to monitor and supervise the administration of the Management to ensure full in compliance with laws, objectives and articles of association of the Company as well as the resolutions of the shareholders meetings.

Moreover, the Board of Directors is responsible for setting up a standardized and reliable financial reporting, an efficient internal control system, as well as appropriate risk management within the framework of the law, rules, and related regulations and also, responsible for manage, monitor, and supervise the Company in line with the laws on integrity and apply caution to protect the interests of the Company, as well as to perform their duties with care and fairly treatment, for the best interest of the Company and all stakeholders.



However, the Board of Directors is prohibited from participating in any other business which is in competition the Company and subsidiaries, regardless of whether directly or indirectly benefiting from that business.

For the transactions that might lead to any conflicts of interests, the director or any person who may have conflicts of interest or any other benefits (as stipulated by the Office of the Securities and Exchange Commission or SEC) must not vote on that transaction.

The Board of Directors may appoint or delegate any power to one or more directors as the Executive Committee in order conduct the Company's business within the scopes as specified by the Board of Directors.

The following issues for which the Board of Directors must seek prior approval from the shareholders before implementation :

- 1) Issues stipulated by law that shareholders' resolutions must be sought ;
- 2) Any transaction which requires approval from the Company's Shareholders pursuant to the SET regulation the Board of Directors must obtain prior approval from the Shareholders' Meeting.

Moreover, the following matters require approval by a shareholders' meeting with the votes not less than three-fourth (3/4) of the total number of votes cast by the eligible shareholders present :

- 1) Sale or transfer of the entire or essential part of the Company's business to other parties.
- 2) Purchase or acquisition of business of other companies or other public companies.
- 3) Drafting, amending, or terminating contracts for the entire or essential part of the leasing contracts of the Company's business.
- 4) Assigning other parties to manage the Company's business
- 5) Merger or amalgamation of the Company's business with other parties for profit/loss sharing.
- 6) Amendment of the Company's Memorandum of Association or Articles of Association.
- 7) Increase or decrease of the registered capital and issuance of debenture.
- 8) Merger or dissolution of the Company
- 9) Any transaction which requires approval from the Company's Shareholders pursuant to the Public Company Limited Act B.E. 2535 (1992) and the SET regulations, the Board of Directors must obtain prior approval from the Shareholders' Meeting e.g. buying and selling authorized capital or any interrelated business.

Orientation

The Board of Directors requires an orientation for every new director, so that the director will acknowledge the Company's expectation regarding the role, and responsibility of the director, the policy and regulation in company's management that shall be abided by the director ; as well as create knowledge and understanding in the business and the operation of the Company. Also, the new director is required to visit all the Company's operating divisions for the readiness of the director.



Director Development and Training

The Company encourages and facilitates training courses, organized by the Thai Institute of Directors (IOD) and other institutes, for all directors enable them to continuously improve their performance.

In 2012, Mr. Ueychai Tantha-Obhas attended the Role of the Chairman Program (RCP) conducted by IOD and Mr. Vikrom Koombirochana attended the Top Executive program organized by the Capital Market Academy.

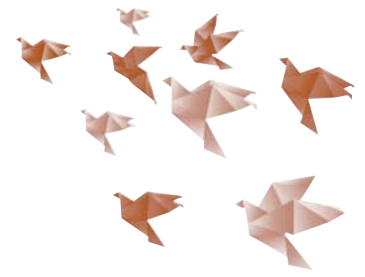
12.1.2 The Executive Committee

The 9 members of the Executive Committees are ;

- | | |
|----------------------------------|---------------------|
| 1. Mr. Thapana Sirivadhanabhakdi | Chairman |
| 2. Mr. Ueychai Tantha-Obhas | Vice Chairman |
| 3. Mr. Sithichai Chaikriangkrai | Vice Chairman |
| 4. Dr. Pisanu Vichiensanth | Executive Committee |
| 5. Ms. Sureeporn Pradittasnee | Executive Committee |
| 6. Mr. Matthew Kichodhan | Executive Committee |
| 7. Mr. Paiboon Kujareevanich | Executive Committee |
| 8. Mr. Paisarn Aowsathaporn | Executive Committee |
| 9. Mr. Aniruth Mahathorn | Executive Committee |

Roles, Authorities and Responsibilities of the Executive Committee

1. Follow the Company's policy, which obliges to law and regulation, except for those issues subjected to obtain prior approval from the Shareholders' Meeting.
2. Hold the authority to propose instruct and set business policy and strategy to the Board of Directors.
3. Set business plan, management authority, annual business budge and annual expense budget to be proposed to the Board of Directors.
4. Effectively handle business administration of the Company and its subsidiaries according to the Company's business policy, goals, operational plan, budget and management authority as approved by the Board of Directors.
5. Handle the Company's general administration that include recruiting, training, making employment, and termination of employment. The authority however, does not include the termination of vice president onwards.
6. Approve the Company and its subsidiaries' business transaction as follows :
 - 6.1 Approval of credit offered by a financial institution or loan requested to a financial institution, giving collateral or making any payment for business administration e.g. branch expansion investment or any regular business expense.



6.2 Approval the annual budget of the subsidiaries

The authority heretofore mentioned as follows :

- 1) To approve purchases or entering into agreements to purchase major raw materials with the limit of not exceeding Baht 1,000 million per purchase.
 - 2) To approve other payment of not exceed 100 million baht or equivalent or as approved by the Board of Directors. The exemption is in the case of asset write - off, where the Executive Committee is authorized to approve an amount fewer than 10 million baht or the payment of entertainment expense, charity and promotional products, where the Executive Committee can authorize an amount fewer than 3 million baht. However, the limitation can be changed if the board of directors find appropriate
7. Hold the authority to approve the opening of deposit account with domestic and international financial institutes, including the authority in payment making through the Company' s deposit accounts.
 8. Hold the authority to approve the budget for annual increase of salary and bonus of the employees of the Company and its subsidiaries, except the post of vice president onwards.
 9. Hold the authority to approve any payment as assigned by the Board of Directors.
 10. Hold the authority to making employment, termination of employment, employment promotion, disciplinary employment, reshuffling, adjustment of salary, bonus, welfare and other benefits of employees, whose positions are not higher than vice president. The Executive Committee also holds the authority to make consideration regarding other meritorious efforts of employees, except those in position higher than vice president. Also, the signature authority for employment contract is designated to the President or or the person assigned by the Executive Committee.
 11. Hold the authority to appoint the Company's representative directors and/or the administrative subcommittee in the subsidiaries, who will be successfully carrying through the management plans as assigned by the Company.
 12. Supervise and make decision on the Company's operation and may appoint proxies to delegate for the Executive Committee as appropriate. For example, the Executive Committee can appoint an ad hoc subcommittee to consider the increase of salary and bonus for the employees in the level of the head of departments to the vice presidents ; the Executive Committee can also appoint ad hoc committee, who are experienced in some specific areas, to filter the works before they being presented to the Executive Committee. The board also has the power to revoke, make amend the scope of the appointed authority.
 13. The Executive Committee is bound to conduct any duty assigned by the Board of Directors.

In addition, an approval of the above authorities must not bring to the conflict of interest for or among the Board of Directors (as of set by SEC) and sub-companies. Since those who involve in any conflict of interest will not have a right to vote.



12.1.3 The Audit Committee

The three audit committees are ;

- | | | |
|-----|---------------------------|----------------------------------|
| (1) | Mr. Vikrom Koopairochana | Chairman of the Audit Committees |
| (2) | Ms. Potjaneer Thanavarant | Audit Committee |
| (3) | Mr. Chai Jroongtanapibarn | Audit Committee |

Remark

Ms. Potjaneer Thanavarant and Mr. Chai Jroongtanapibarn are qualified with knowledge and experience to review the credibility of the Company's financial statements.

Term for Office

The Audit Committee shall hold office for a term of three years and, upon expiration of their term, may be re-appointed.

To resign from office, an Audit Committee shall submit his/her resignation letter to the Chairman and such resignation shall become effective when receive the approval from the Board of Directors.

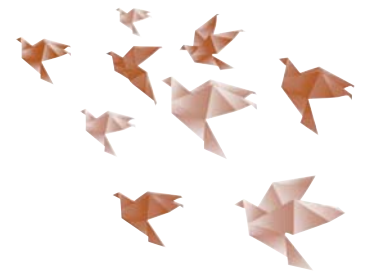
In case of any vacant in the Audit Committee, the Board shall select a qualified candidate who possesses no prohibited characteristics to serve as members of the Audit Committee. Such substitute member of the Audit Committee shall hold office only for the remaining term of office of such member whom he/she replaces.

When the term office of a committee member expires or there is any circumstance causing any committee members to be unable to hold office until expiration of the term of office, thus reducing the number of the committee members to less than the requirement of the SEC, the Board of Directors' meeting should appoint new committee members to fill the vacancy within three months from the date of vacancy in the Committee.

If all members of the Audit Committee members are unable to hold office until expiration of the terms in any other circumstance, the retired members shall remain in office to perform his/her duties until new members have been appointed.

Roles, Authorities and Responsibilities of the Audit Committee

1. Review the Company's financial reporting processes to ensure that they are accurate and adequate ;
2. Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient; as well as concurrence of the appointment, transference and dismissal of the head of internal audit ;
3. Review the Company's operation to comply with the Securities and Exchange Act, the Stock Exchange of Thailand's regulation and the law relating to the Company's Business ;
4. Consider, select and nominate independent persons to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year ;



5. Consider and review Connected Transactions, or the transactions that may lead to conflict of interest, to ensure that they are in compliance with the laws and the Stock Exchange's regulations, and are reasonable and for the highest benefit of the Company ;
6. Prepare the audit committee report, signed by the Chairman of the Audit Committee, and disclose in the Company's Annual Report ;
7. Perform other tasks as assigned by the Board of Directors, with concurrence from the Audit Committee.

12.1.4 The Risk Management Committee

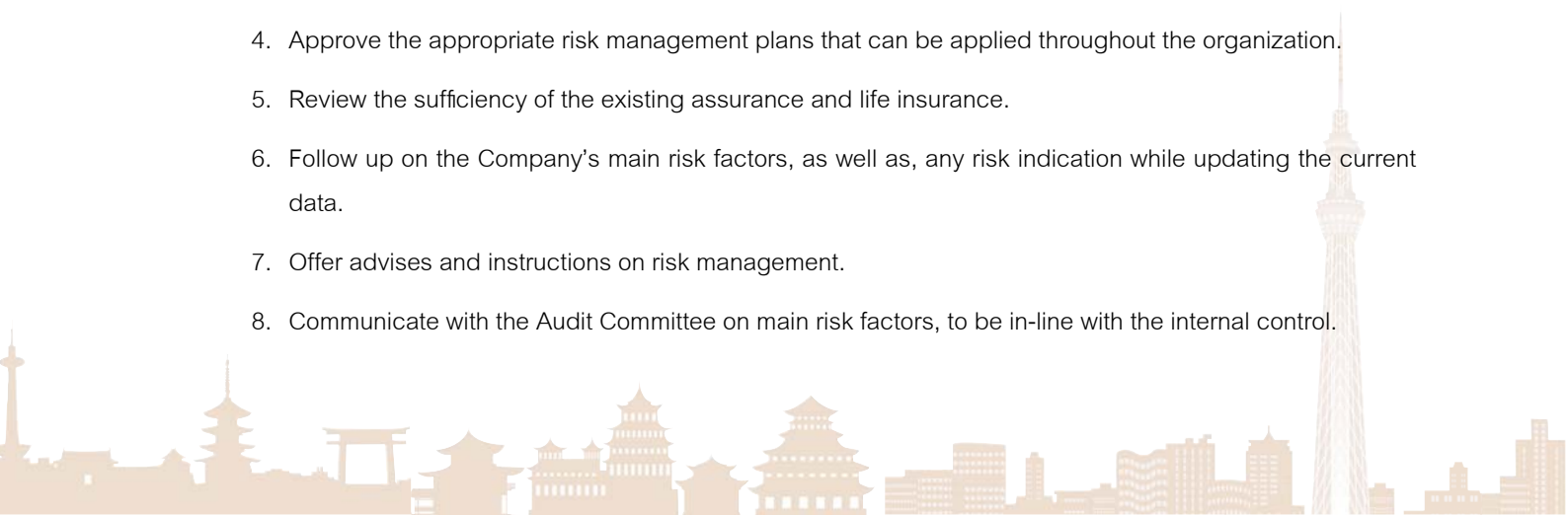
The nine Risk Management Committees are ;

- | | | |
|-----|----------------------------|---|
| (1) | Mr. Chai Jroongtanapibarn | Chairman of the Risk Management Committee |
| (2) | Dr. Pisanu Vichiensanth | Risk Management Committee |
| (3) | Ms. Sureeporn Pradittasnee | Risk Management Committee |
| (4) | Mr. Paiboon Kujareevanich | Risk Management Committee |
| (5) | Mr. Paisarn Aowsathaporn | Risk Management Committee |
| (6) | Mr. Aniruth Mahathorn | Risk Management Committee |
| (7) | Mr. Thanee Pornphisutsak | Risk Management Committee |
| (8) | Mr. Kittti Anutarasate | Risk Management Committee |
| (9) | Ms. Chitkasem Moo-Ming | Risk Management Committee |

Roles, Authorities and Responsibilities of the Risk Management Committee

The roles and authorities of Risk Management Committee are ;

1. Set policy and integrated risk management framework, that thoroughly cover main business risks i.e. business and operational risks.
2. Propose to the President qualified candidates to work in each risk management team. The team will directly report to the committee.
3. Organize operational trainings and seminars on risk management. The trainings shall be consisted of the Company's mission, operational process, risk evaluation criteria, risk factor ranking, and risk prevention and control strategies.
4. Approve the appropriate risk management plans that can be applied throughout the organization.
5. Review the sufficiency of the existing assurance and life insurance.
6. Follow up on the Company's main risk factors, as well as, any risk indication while updating the current data.
7. Offer advises and instructions on risk management.
8. Communicate with the Audit Committee on main risk factors, to be in-line with the internal control.



9. Report to the Company's Board of Directors regarding the risk factors and risk management.

12.1.5 The Nomination Committee

The three Nomination Committees are ;

- | | | |
|-----|-------------------------------|--------------------------------------|
| (1) | Mr. Vikrom Koopairochana | Chairman of the Nomination Committee |
| (2) | Mr. Prasit Kovilaikool | Nomination Committee |
| (3) | Mr. Thapana Sirivadhanabhakdi | Nomination Committee |

Roles, Authorities and Responsibilities of the Nomination Committee

The roles and authorities of the Nomination Committee are ;

1. Nominate the qualified persons to be company director, to be approve by the Board of Directors or Shareholders' meeting where appropriate
2. Nominate the qualified persons to be company executives from the level of Vice President, to be approve by the Board of Directors or Shareholders' meeting where appropriate
3. Determine qualifications of executives from the level of Vice President
4. Carry out any other recruitment jobs as assigned by the Board of Directors and Shareholders' meeting

12.1.6 The Remuneration Committee

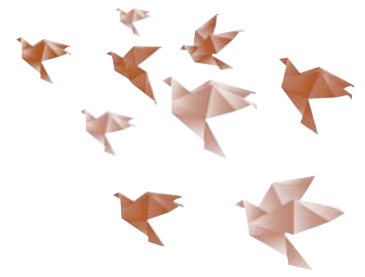
The five Remuneration Committees are ;

- | | | |
|-----|-------------------------------|--|
| (1) | Mr. Narong Srisa-an | Chairman of the Remuneration Committee |
| (2) | Mr. Vikrom Koopairochana | Remuneration Committee |
| (3) | Mr. Prasit Kovilaikool | Remuneration Committee |
| (4) | Mr. Thapana Sirivadhanabhakdi | Remuneration Committee |
| (5) | Mr. Sithichai Chaikriangkrai | Remuneration Committee |

Roles, Authorities and Responsibilities of the Remuneration Committee

The roles of Remuneration Committee are ;

1. Set up remuneration rate and other benefits of the managerial committees. The rate will be passed on the Company's boards before submitting to the shareholders' meeting for approval.
2. Set up remuneration rate and other benefits of the Company's high ranking executives from the Vice Presidents, in order to submit to the Executive Committee or the Board of Directors for approval.
3. In charge of any operation regarding the set up remuneration rate, assigned by the Board of Directors or the shareholders' meeting.



The Remuneration Policies are as follows :

1. Considering the remuneration based on the comparative rate with others in the same industry.
2. Considering based on the Company's business expansion, the performance of the Company and its subsidiary
3. Considering based on the responsibility of each party.

12.1.7 Company Secretary

As of May 8, 2008, the board of directors appointed Mr. Paiboon Kujareevanich to be the Company Secretary

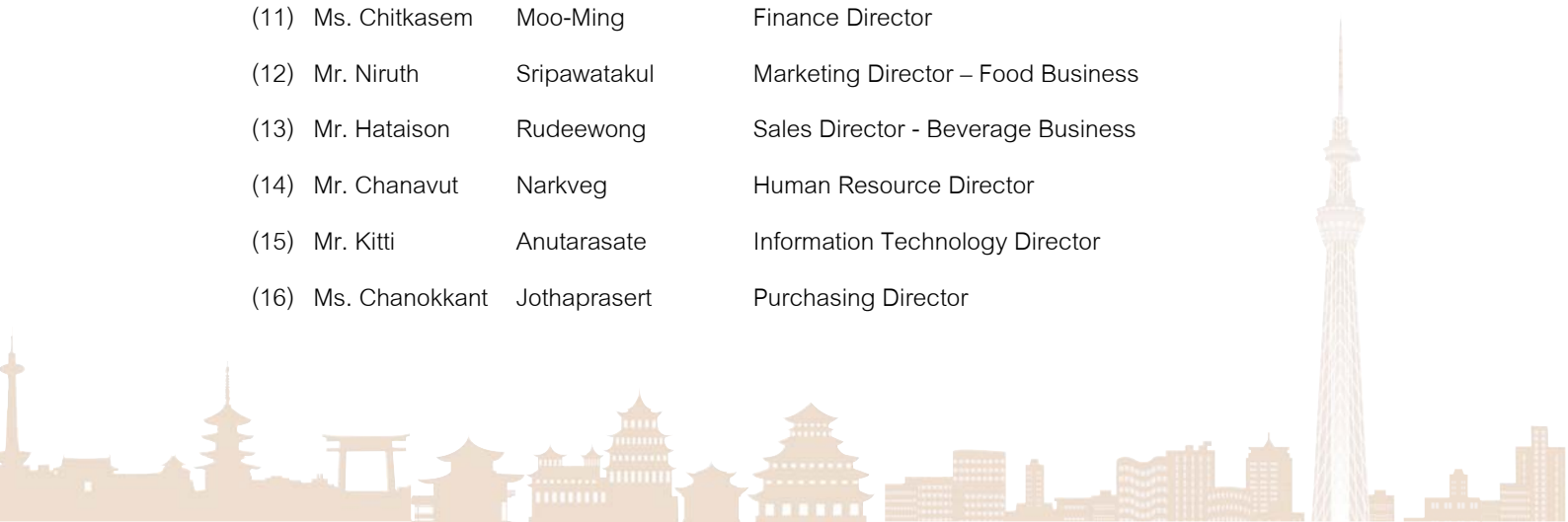
Roles and Responsibilities of the Company Secretary

1. Company Secretary is authorized to be the contact person and sign in documents related to the Stock Exchange of Thailand.
2. Company Secretary has duty and responsibility as stated in the Securities and Exchange Act B.E. 2008, and as regulated by the Capital Market Committee.

12.1.8 The Executives / Managements

The Company has 16 managements, which are ;

(1)	Mr. Matthew	Kichodhan	President
(2)	Mr. Paiboon	Kujareevanich	Executive Vice President
(3)	Mr. Paisarn	Aowsathaporn	Executive Vice President, Food Business
(4)	Mr. Aniruth	Mahathorn	Executive Vice President, Beverage Business
(5)	Mr. Sa-nguan	Pongswan	Internal Audit Director
(6)	Mr. Somsak	Ussavathirakul	Accounting Director
(7)	Mr. Thanee	Pornphisutsak	Factory General Manager
(8)	Mr. Sutee	Thammasitboon	Marketing Director - Beverage Business
(9)	Ms.Thachanan	Manotnarumon	Sales Business Development Director- Beverage Business
(10)	Ms. Wannasri	Bunakebuth	Treasury Director
(11)	Ms. Chitkasem	Moo-Ming	Finance Director
(12)	Mr. Niruth	Sripawatakul	Marketing Director – Food Business
(13)	Mr. Hataison	Rudeewong	Sales Director - Beverage Business
(14)	Mr. Chanavut	Narkveg	Human Resource Director
(15)	Mr. Kittti	Anutarasate	Information Technology Director
(16)	Ms. Chanokkant	Jothaprasert	Purchasing Director



Roles, Authorities and Responsibilities of the President

The following authorities are allowed for the President

1. Determine the business strategies and target, supervise, manage, control the Company in accordance with the Board of Directors or Executive Committee assignment and guidance.
2. Coordination with the head of internal audit department and the Risk Management Committee for operating business and risks management of the Company in line with the Objectives and Articles of Association of the Company and the resolution of The Shareholders' Meeting and Board of Directors' Meeting as well as policies and Coporate Governance Guideline.
3. Supervise and support the Human Resource Depoartment to ensure that such department has an effective human resource management including the authorites and repositibilities as follows :
 - 3.1 Propose to the Executive Committee for approval of the amendment of human resource management plan, manpower structure, remuneration structure, benefits and welfare for the Company's employee and Subsidiaries except the employee who post in the higher level than Director or General Factory Manager. Moreover, such plan and structure should be in line with the Company's strategies and goals.
 - 3.2 Approve the annual evaluation, transference improvement and succession plan of the employee.
 - 3.3 Approve the hiring, promotion, adjust salary, punishment, retirement, hiring contract renewal of the employee of the Company and susidiaries except the employee who post in the higher level than Director or General Factory Manager.
 - 3.4 Approve the annual evaluation, improvement, succession plan and transference of the employee both internal or between company and susidiaries except the employee who post in the higher level than Director or General Factory Manager.
 - 3.5 Approve the employee training plan.

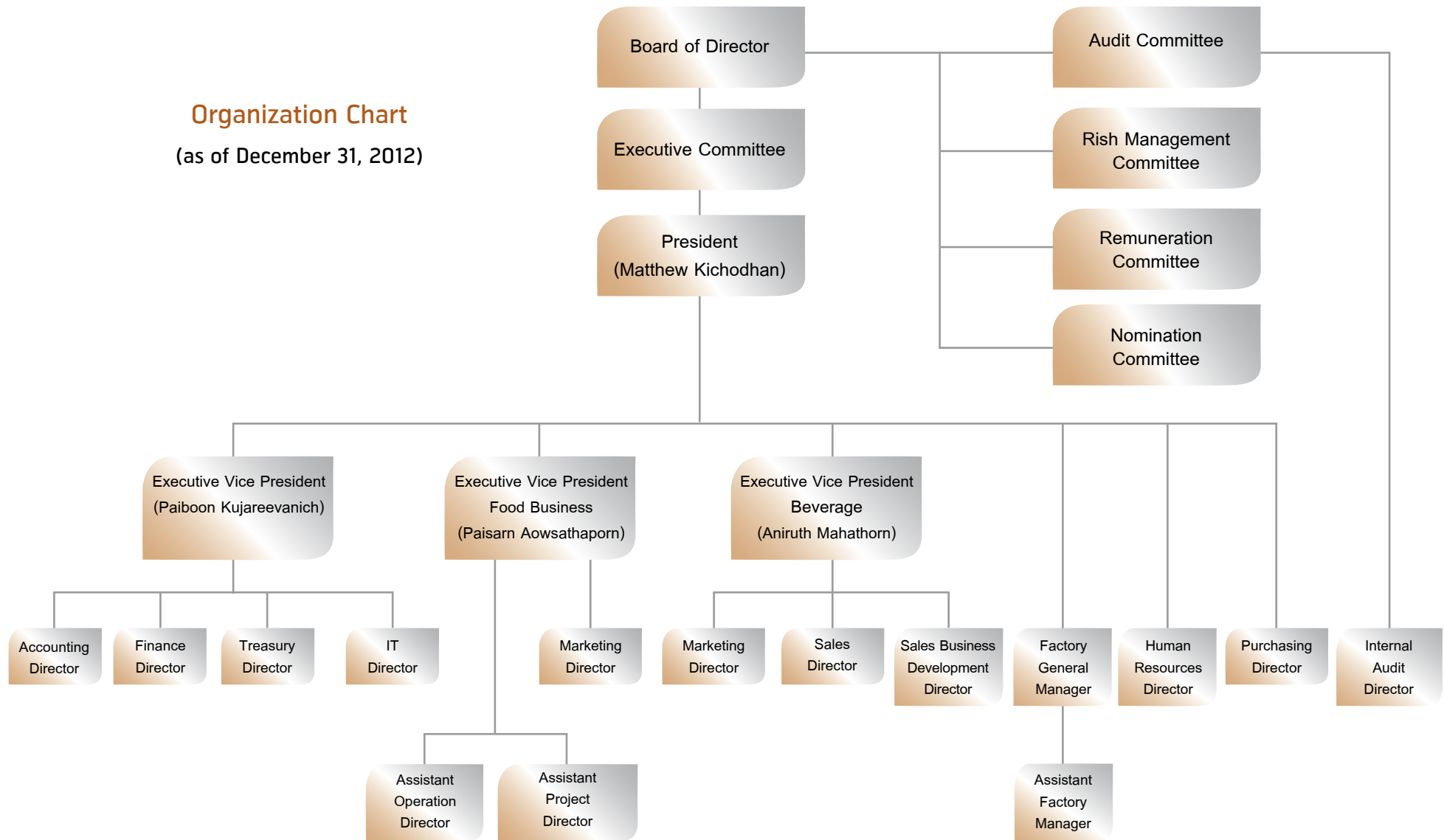
The hiring, transference termination evaluation or promotion of the head of Internal Audit Department has to obtain the concurrence from the Audit Committee.

4. Approve operating expense, sale expense, administration expense, and investment budget as of the budget approved by the Company board or the Board of Directors.
5. The President may assign one or more person to act on its behalf within the authorities that assigned by the Board of Directors and/or the Executive Committee.
6. Carry out any other tasks as assigned by the Board of Directors and/or the Executive Committee.

The President does not have any authority to operation or involve in any interrelated business that might bring to the conflict of interest or involve in selling and purchasing the Company's asset or any conflicting issues with subsidiary. Since these issues must be brought to the Company board's meeting or the Shareholders' Meeting.

The Board of Directors has set the operational goal for the Company's President and the management team. In addition, performance evaluation of the President and the management team will be done annually. The President will evaluate the performance of the management team from the director position downwards. The evaluation criteria is based on the Company's annual strategies and plan, so that the remuneration will be appropriately set, upon the approval of the Board of Directors and the Executive Committee.

Organization Chart
(as of December 31, 2012)



12.2 The recruitment for Board of Directors, Independent Directors, Audit Committee and Executives

12.2.1 In the case that the Board of Directors, Independent Directors, Audit Committee and Executives reach the end of their term, or their positions become vacant,

their positions will be appointed by the Board of Directors or the Shareholders' Meeting, with opinion of the Nomination Committee. Moreover, the Nomination Committee has selected those who are qualified for their competent educational/personal background with high experience. They must also have the qualifications required by the Public Company Limited Act B.E. 1992, Section 68 and the Notification of the Securities and Exchange Commission (SEC). After passing these selection criteria, the person will be proposed in the Shareholders' Meeting according to the following procedures ;

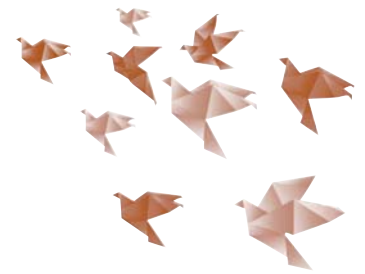
- (1) One shareholder has one right to vote.
- (2) A shareholder must use the right to vote a person or many persons for chairman but cannot separate the vote to a particular person.
- (3) The one who has the highest votes will be appointed a chairman and so on. The number of chairmen must be equaled to the number allowed each time. In the case that there are more than one person gaining equal votes and the number is exceeded the quota ; the conference head will have a right to make a decision.

Upon the selection of the candidates for the Executives, the Nomination Committee will follow up on the recruitment, especially the President and the high-ranking executive positions, in order to be certain that the executives will have knowledge and qualification that will be valuable to the Company, and will be able to succeed important positions in the future.

12.2.2 Criteria for the selection of Independent Directors and the Audit Committee

The Company's independent director and audit committee must possess qualifications as follows :

1. Holding shares not more than 1% of the paid-up capital with the voting right of the Company, parent company, subsidiary company, associated company or any legal entity that may have the conflict of interest including the connected persons as stipulated in section 258 of the Securities and Exchange Act B.E. 1992.
2. Never or used to be a director that takes part in the management, employees, advisors who receive regular salary from the Company parent company, subsidiary company, associate company and controlling person of the Company, or any entity that may have a conflict of interest during the period of two years before the appointment.
3. Never or used to be a major shareholder, director, management, partner, controlling person of any entity that have or used to have business relationship with the Company, parent company, subsidiary company, subsidiary of the same level and associated company, major shareholder and controlling person of the Company, or any entity that may have a conflict of interest which may interfere his/ her independent discretion except for being exempt from the above characteristics at least two years before the appointment including the following relationship :



- (1) Normal trade transactions for business operation, any lease taking or lease out of property, any transaction related to asset or service or grant or receive financial support from 3% of the Company's net tangible asset or from 20 million baht, considering the lowest.
- (2) Being professional service provider (except auditor) including legal or financial advisor who receives service fee exceeding Baht 2,000,000 per year.

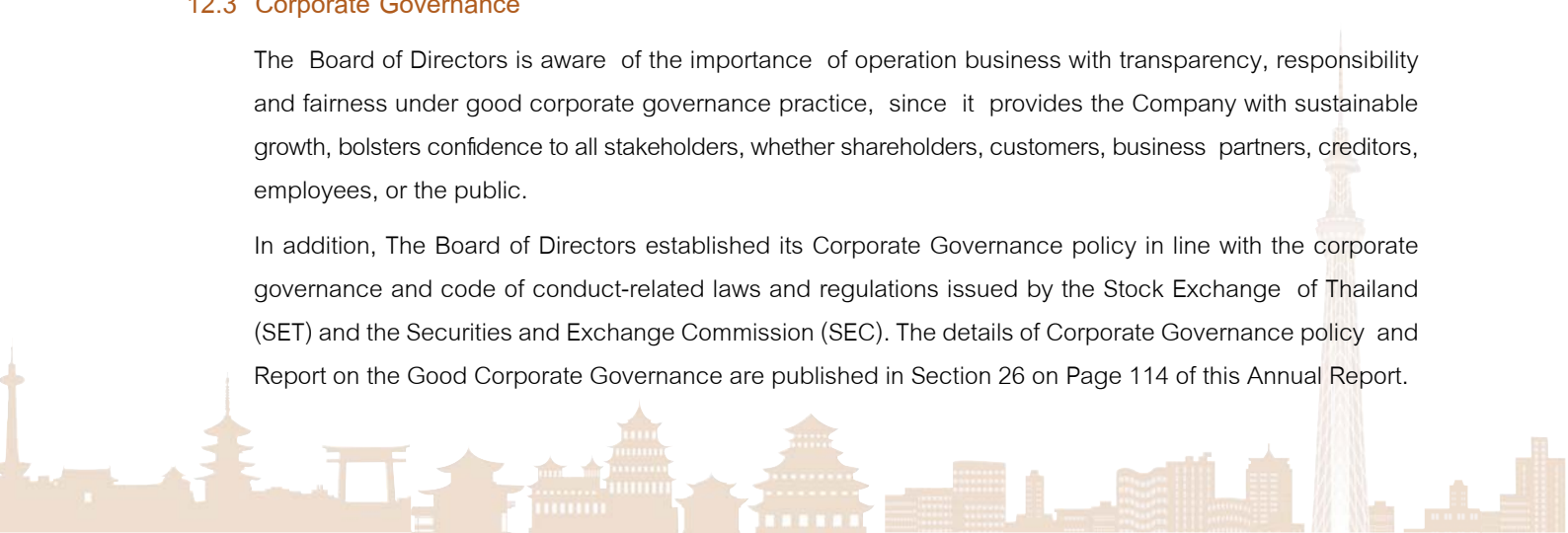
Such business relationship and being service provider mentioned above shall be granted unanimous approval from the Board of Directors as necessary, appropriate and must not occur regularly. The independent director must also reveal the transaction in an annual information disclosure (Form 56-1) and an annual report (Form 56-2) / Invitation Letter on the case by case basis.

4. Never or used to be an auditor of the Company, parent company, subsidiary company, subsidiary of the same level, associated company and controlling person or any legal entity that may have the conflict of interest including be or used to be a major shareholder, executive and partner of the audit firm, except for being exempt from the above characteristic for at least 2 years before the appointment.
5. Not being a person having blood relationship or relationship through legal registration as a father, mother, spouse, sibling, and child, including as a spouse of a child, of any management person, major shareholder, or of any controlling person, or of the person being nominated to be a management person of or a controlling person of the Company or the Company's subsidiary company.
6. Not being a director appointed as a representative of a major shareholder, or the shareholder who is a related person of a major shareholder of the Company.
7. Not having any other characteristics that prevent the exertion of independent opinion with regard to the Company's business.
8. After the appointment of independent director may be assigned by the Board of Directors to decide on the operation of the Company, parent company, subsidiary company, subsidiary of the same level, associated company or any legal entity that may have the conflict of interest of the Company in Collective Decision. Such Independent Director is prohibited from being an Audit Committee.
9. After the appointment of independent director may be appointed as an independent director of parent company, subsidiary company, subsidiary of the same level and associated company of the Company. The independent director shall be revealed such appointment and remuneration in an annual information disclosure (Form 56-1) and an annual report (Form 56-2).

12.3 Corporate Governance

The Board of Directors is aware of the importance of operation business with transparency, responsibility and fairness under good corporate governance practice, since it provides the Company with sustainable growth, bolsters confidence to all stakeholders, whether shareholders, customers, business partners, creditors, employees, or the public.

In addition, The Board of Directors established its Corporate Governance policy in line with the corporate governance and code of conduct-related laws and regulations issued by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The details of Corporate Governance policy and Report on the Good Corporate Governance are published in Section 26 on Page 114 of this Annual Report.





1. Narong Srisa-an

Age 85 years

Chairman and Chairman of the Remuneration Committee

Education

- Master of Arts (Economics) Honorary Degree, Thammasat University
- Thai Institute of Directors (IOD) Training
 - Director Accreditation Program (DAP) 2004

Relative between Director

- None

Working Experience

- | | |
|------------------|---|
| 2006 - Present | • Chairman and Chairman of the Remuneration Committee
Oishi Group Public Company Limited |
| Present | • Chairman and Executive Director
Double A (1991) Public Company Limited
(Former Name: Advance Agro Public Company Limited) |
| 2003 - Present | • Vice Chairman and 2 nd Vice Executive Chairman
Thai Beverage Public Company Limited |
| 2004 - Present | • Vice Chairman and Executive Chairman
Beer Thai (1991) Public Company Limited |
| 2006 - Present | • Vice Chairman
Cosmos Brewery (Thailand) Company Limited |
| 2004 - Present | • Chairman, Sura Bangyikhan Company Limited |
| Present | • Vice Chairman, International Beverage Holdings Limited |
| Present | • Director, International Beverage Holdings (UK) Limited |
| Present | • Vice Chairman, Thai Beverage Can Company Limited |
| Present | • Chairman, Thanakorn Vegetable Oil Products Company Limited |
| 2004 - Jan. 2013 | • Chairman, Wrangyer Beverage (2008) Company Limited |
| 1998 - Apr. 2011 | • Independent Director, True Corporation Public Company Limited |

2. Thapana Sirivadhanabhakdi

Age 38 years

Vice Chairman, Chairman of Executive Committee

Nomination Committee and Remuneration Committee

Education

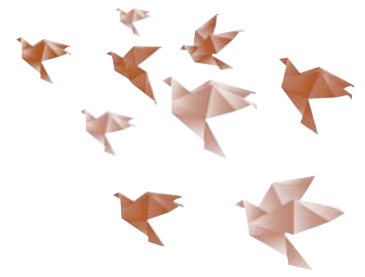
- Bachelor of Business Administration (Finance), Boston University, U.S.A.
- Master Degree in MBA, Banking & Financial, Economic, Boston University, U.S.A.
- Honorary Degree of Doctor of Philosophy in Department of General Management from Ramkhamhaeng University
- Thai Institute of Directors (IOD) Training
 - Director Accreditation Program (DAP) 2004

Relative between Director

- None

Working Experience

- | | |
|----------------|--|
| 2006 - Present | • Vice Chairman, Chairman of Executive Committee Nomination Committee and Remuneration Committee, Oishi Group Public Company Limited |
| 2006 - Present | • Chairman, Oishi Ramen Company Limited |
| 2006 - Present | • Chairman, Oishi Trading Company Limited |
| 2007 - Present | • Director and Executive Chairman, Univentures Public Company Limited |
| 2007 - Present | • Vice Chairman, Siam Food Products Public Company Limited |
| 2008 - Present | • Managing Director, Thai Beverage Public Company Limited |
| 2003 - 2008 | • Executive Vice President, Thai Beverage Public Company Limited |
| 2004 - Present | • Director and Executive Vice Chairman, Beer Thai (1991) Public Company Limited |
| Present | • Vice Chairman, Cosmos Brewery (Thailand) Company Limited |
| 2004 - Present | • Vice Chairman, Dhospaak Company Limited |
| 2004 - Present | • Vice Chairman, Red Bull Distillery (1988) Company Limited |
| Present | • Director, Beer Chang Company Limited |
| Present | • Director, Thai Beverage Brand Company Limited |
| Present | • Chairman, Charun Business 52 Company Limited |
| Present | • Chairman, Thai Cooperage Company Limited |
| Present | • Chairman, Thai Beverage Marketing Company Limited |
| Present | • Chairman, Thai Molasses Company Limited |
| Present | • Chairman, Thai Beverage Recycle Company Limited |



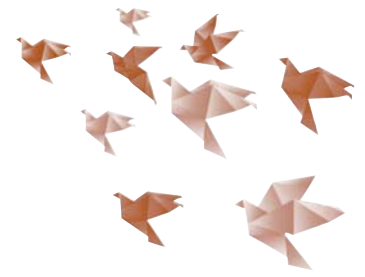
Working Experience

- Present • Chairman, Thai Beverage Energy Company Limited
- Present • Chairman, Thai Drink Company Limited
- Present • Chairman, Pan International (Thailand) Company Limited
- Present • Vice Chairman, Wrangyer Beverage (2008) Company Limited
- Present • Vice Chairman and Executive Chairman, Thai Beverage Logistic Company Limited
- Present • Chairman, Feed Addition Company Limited
- Present • Chairman, Thai Beverage Training Company Limited
- 2012 - Present • Chairman, Modern Trade Management Company Limited (Former Name: Pom Thip Company Limited)
- Present • Director and Managing Director, International Beverage Holdings Company Limited
- Present • Director, Best Spirits Company Limited
- Present • Director, Blairmhor Distillers Limited
- Present • Director, Blairmhor Limited
- Present • Director, InterBev (Singapore) Limited
- Present • Director, InterBev Malaysia Sdn. Bhd.
- Present • Vice Chairman, International Beverage Holdings (China) Limited
- Present • Director, International Beverage Holdings (UK) Limited
- Present • Director, Inver House Distillers Limited
- Present • Director, Super Brands Company, Pte. Ltd.
- Present • Director, Beer Chang International Limited
- Present • Director, InterBev Investment Limited
- Present • 4th Vice Chairman, 1st Executive Vice Chairman, Chairman of Nomination and Corporate Governance Committee, Compensation Committee and Risk Management Committee, Serm Suk Public Company Limited
- Present • Director, Serm Suk Holdings Company Limited
- Present • Director, Serm Suk Beverage Company Limited
- Present • Director, Great Brands Limited
- Present • Director, T.C.C. Technology Company Limited
- Present • Director, Chula United Company Limited



Working Experience

- | | |
|----------------|---|
| Present | • Director, Adelfos Company Limited |
| Present | • Director, Pathombnakdi Company Limited |
| Present | • Director, Sport and Recreation Management Company Limited |
| 2008 - Present | • Vice Chairman, The Southeast Insurance Company Limited |
| 2008 - Present | • Vice Chairman, The Southeast Life Insurance Company Limited |
| 2008 - Present | • Vice Chairman, Southeast Capital Company Limited |
| 2001 - Present | • Director, Berli Jucker Public Company Limited |



3. Vikrom Koopirochana

Age 67 Years

Independent Director, Chairman of Audit Committee,
Chairman of Nomination Committee and
Remuneration Committee

Education

- B.A. (History), Chulalongkorn University
- M.A. (History), Michigan State University, U.S.A.
- Ph.D. (History), Michigan State University, U.S.A.
- Honorary Degree in Humanities, Schiller International University, London, UK.
- Thai Institute of Directors (IOD) Training
 - Director Accreditation Program Class 63/2007
- Certificate of Top Executive Program, Class 14/2012

Relative between Director

- None

Working Experience

- | | |
|-------------------|---|
| 2007 - Present | • Independent Director, Chairman of Audit Committee, Chairman of Nomination Committee and Remuneration Committee, Oishi Group Public Company Limited |
| 2007 - Present | • Honorary Advisor, British Chamber of Commerce Thailand |
| Present | • President, Country Group Development Public Company Limited (Former Name : Dragon one Public Company Limited) |
| Present | • President, Sport and Recreation Management Company Limited |
| 2005, 2007 - 2008 | • Director, Thai Airways International Public Limited |
| 2003 - 2006 | • Ambassador of Thailand to the United Kingdom of Great Britain and Northern Ireland and Ambassador of Thailand to Ireland, Ministry of Foreign Affairs |



4. Potjaneer Thanavaranit

Age 67 Years

Independent Director and Audit Committee

Education

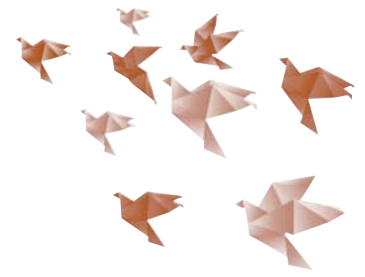
- Bachelor Degree in Accounting, Chulalongkorn University
- Master of Business Administration (M.B.A.), Syracuse university U.S.A (U.S.A.ID Scholarship)
- Advanced Course in General Insurance, Swiss Insurance Training Center Switzerland (Swiss Re Scholarship)
- Advanced Management Program, Australian Management College Australia (COLOMBO Scholarship)
- Executive Development Program, Office of the Civil Service Commission
- National Defense College, Class 42
- Thai Institute of Directors (IOD) Training
 - Directors Certification Program, Class 17/2002
 - The Role of The Chairman Program, Class 13/2006
 - The Role of Compensation Committee Program, Class 4/2007
 - Audit Committee Program (ACP), Class 32/2010
 - Financial Institutions Governance Program 2011
- Capital Market Academy Certificate of Top Executive Program, Class 8
- Certificate of Top Executive Program in Commerce and Trade, Class 3

Relative between Director

- None

Working Experience

- | | |
|---------|---|
| Present | • Independent Director and Audit Committee, Oishi Group Public Company Limited |
| Present | • Independent Director, Berli Jucker Public Company Limited |
| Present | • Director, B.J.C. International Company Limited |
| Present | • Chairman Independent Director, Audit Committee, Chairman of the Remuneration and Nomination Committee, Univentures Public Company Limited |
| Present | • Chairman of Audit Committee and Independent Director Bank of Ayudhya Public Company Limited |
| Present | • Council of State (Group 3 – Monetary Laws) Office of the Council of State |



Working Experience

- | | |
|-------------|--|
| Present | <ul style="list-style-type: none">• Chairperson of the Public Sector Audit and Evaluation Committee
Ministry of Commerce |
| Present | <ul style="list-style-type: none">• Director and Treasurer, Bhumiratchanakarin Kidney Institute Foundation |
| Present | <ul style="list-style-type: none">• Qualified Committee, The Federation Thai Insurance Organization |
| Present | <ul style="list-style-type: none">• Independent Director, Thai Reinsurance Public Company Limited |
| Present | <ul style="list-style-type: none">• Independent Director and Audit Committee,
Bangkok Insurance Public Company Limited |
| 2006 - 2008 | <ul style="list-style-type: none">• Minister of Commerce's Advisor (non-political position), Ministry of Commerce |
| 2006 - 2008 | <ul style="list-style-type: none">• Second Vice – President, National Legislative Assembly |
| 2006 - 2009 | <ul style="list-style-type: none">• Advisor, Council of National Security |
| 2001 - 2008 | <ul style="list-style-type: none">• Member of the Monetary Policy Board, Bank of Thailand |
| 2002 - 2007 | <ul style="list-style-type: none">• Chairman, Thailand Insurance Institute |
| 2001 - 2006 | <ul style="list-style-type: none">• Director-General, Department of Insurance, Ministry of Commerce |



5. Chai Jroongtanapibarn

Age 58 Years

Independent Director, Audit Committee
and Chairman of Risk Management Committee

Education

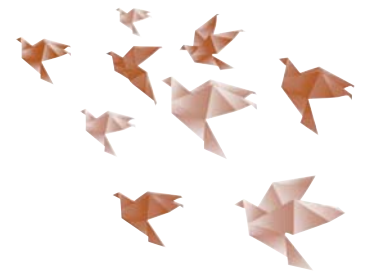
- Bachelor Degree in Accounting, Chulalongkorn University
- Master Degree in Accounting, Thammasat University
- Thai Institute of Directors (IOD) Training
 - Directors Certification Program, Class 29/2003
 - Audit Committee Program 24/2005

Relative between Director

- None

Working Experience

- | | |
|----------------|---|
| 2007 - Present | <ul style="list-style-type: none"> • Independent Director, Audit Committee and Chairman of Risk Management Committee, Oishi Group Public Company Limited |
| 2007 - Present | <ul style="list-style-type: none"> • Independent Director and Audit Committee Siam Food Products Public Company Limited |
| 2004 - Present | <ul style="list-style-type: none"> • Independent Director and Chairman of Audit Committee, Thai Metal Trade Public Company Limited |
| 2003 - Present | <ul style="list-style-type: none"> • Independent Director, Siam Future Development Public Company Limited |
| 2002 - Present | <ul style="list-style-type: none"> • Independent Director and Chairman of the Audit Committee Major Cineplex Group Public Company Limited |
| 2000 - Present | <ul style="list-style-type: none"> • Independent Director and Chairman of the Audit Committee, Team Precision Public Company Limited |



6. Prasit Kovilaikool

Age 69 Years

Independent Director, Remuneration Committee and
Nomination Committee

Education

- Bachelor of Laws (Second Class Honour), Chulalongkorn University
- LLM, Columbia University, USA
- Admitted to Thai Bar Association
- Doctor of Jurisprudential Science Program in Laws (Honorary Degree), Chulalongkorn University
- Doctor of Jurisprudential Science Program in Laws (Honorary Degree), Eastern Asia University

Relative between Director

- None

Working Experience

- 2010 - Present
 - Independent Director, Remuneration Committee and Nomination Committee Oishi Group Public Company Limited
- 2010 - Present
 - Independent Director, Chairman of the Audit Committee and Chairman of the Remuneration and Nomination Committee, Siam Food Products Public Company Limited
- 2012 - Present
 - Independent Director, Chairman of the Audit Committee, Chairman of the Nomination Committee and Chairman of the Remuneration Committee Thai Beverage Public Company Limited
- Present
 - Independent Director and Chairman of the Audit Committee Berli Jucker Public Company Limited
- 2009 - Present
 - Chulalongkorn University Council Member, Chulalongkorn University
- 2007 - Present
 - Qualified Committee : Law Field, The office of Agricultural Futures Trading Commission, Ministry of Commerce
- 2001 - Present
 - Exclusive Lecturer (B.A), Faculty of Law, Chulalongkorn University
- 1992 - Present
 - Lecturer, Legal Education Institute of Thai Bar Association, The Thai Bar Association
- 1989 - Present
 - Council of State (Group 7), Office of the Council of State



7. Matthew Kichodhan

Age 47 Years

President, Director and Executive Committee

Education

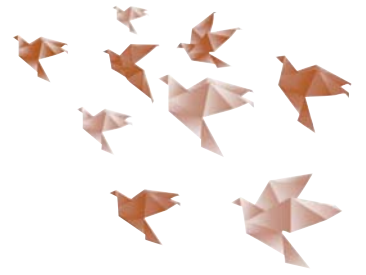
- Bachelor's Degree in Commerce, University of Toronto, Canada
- Master's Degree in Science Management, Imperial College University of London, England
- Thai Institute of Directors (IOD) Training
 - Director Accreditation Program (DAP) 2006
 - Director Certification Program (DCP) 2007

Relative between Director

- None

Working Experience

- | | |
|----------------|--|
| 2010 - Present | • President, Director, and Executive Committee
Oishi Group Public Company Limited |
| 2010 - Present | • Director and President, Oishi Ramen Limited |
| 2010 - Present | • Director and President, Oishi Trading Limited |
| Present | • Director, Oishi International Holdings Limited |
| 2009 - Present | • Senior Vice President, Thai Beverage Public Company Limited |
| Present | • Director, International Beverage Holdings Limited |
| Present | • Director, Best Spirits Company Limited |
| Present | • Director, Blairmhor Limited |
| Present | • Director, InterBev (Cambodia) Company Limited |
| Present | • Director, InterBev (Singapore) Limited |
| Present | • Director, InterBev Malaysia Sdn. Bhd. |
| Present | • Director, International Beverage Holdings (UK) Limited |
| Present | • Director, Inver House Distillers Limited |
| Present | • Director, International Beverage Holdings (China) Limited |
| Present | • Director, InteBev Tradings (China) Limited |
| Present | • Director, International Beverage Trading Limited |
| Present | • Director, Wave Entertainment Public Company Limited |
| Present | • Director, BEC World Public Company Limited |



Working Experience

- | | |
|-------------|--|
| Present | • Independent Director, Ocean Glass Public Company Limited |
| 2006 - 2009 | • Director and COO, Minor Corporation Public Company Limited |
| 2004 - 2006 | • Vice President, Business Management
Gillette Asia Pacific Group Singapore |



8. Sithichai Chaikriangkrai

Age 59 Years

Director, Executive Vice Chairman and Remuneration Committee

Education

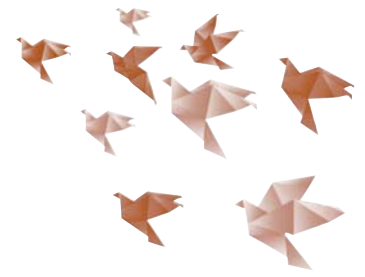
- Bachelor Degree in Accounting (First Honour), Thammasat University
- Diploma in Computer Management, Chulalongkorn University
- Mini MBA, Kasetsart University
- Thai Institute of Directors (IOD) Training
 - Director Accreditation Program (DAP) 2003
 - DCP Refresher Course 2/2005

Relative between Director

- None

Working Experience

- | | |
|----------------|--|
| 2006 - Present | • Director, Executive Vice Chairman and Remuneration Committee, Oishi Group Public Company Limited |
| 2006 - Present | • Vice Chairman, Oishi Ramen Company Limited |
| 2006 - Present | • Vice Chairman, Oishi Trading Company Limited |
| Present | • Director, Oishi International Holdings Limited |
| 2007 - Present | • Director and Executive Committee, Siam Food Products Public Company Limited |
| 2007 - Present | • Director and Executive Committee, Univentures Public Company Limited |
| 2007 - Present | • Director, Eastern Seaboard Industrial Real Estate (Rayong) Company Limited |
| 2010 - Present | • Executive Vice President and Director, Thai Beverage Public Company Limited |
| 2003 - 2010 | • Senior Vice President and Director, Thai Beverage Public Company Limited |
| 2004 - Present | • Executive Vice President and Vice Chairman, Beer Thip Brewery (1991) Company Limited |
| Present | • Vice Chairman, Sura Bangyikhan Company Limited |
| Present | • Executive Vice Chairman and Director, Thai Beverage Logistic Company Limited |
| Present | • Director, Thai Beverage Energy Company Limited |
| Present | • Director, Charun Business 52 Company Limited |
| Present | • Director, Thai Cooperage Company Limited |
| Present | • Director, Thai Molasses Company Limited |
| Present | • Director, Pan International (Thailand) Limited |



Working Experience

- | | |
|----------------|--|
| Present | • Director, Feed Addition Company Limited |
| Present | • Director, Thai Beverage Recycle Company Limited |
| Present | • Director, Archa Beer Company Limited |
| Present | • Director, Wrangyer Beverage (2008) Company Limited |
| 2008 - Present | • 2 nd Vice Chairman, Thai Drink Limited |
| Present | • Director, Thai Beverage Training Limited |
| Present | • Director, International Beverage Holdings Limited |
| Present | • Director, Blairmhor Distillers Limited |
| Present | • Director, Blairmhor Limited |
| Present | • Vice Chairman, International Beverage Holdings (China) Limited |
| Present | • Director, International Beverage Holdings (UK) Limited |
| Present | • Director, Inver House Distillers Limited |
| Present | • Director, Beer Chang International Limited |
| Present | • Director and 2 nd Vice Chairman Risk Management Committee
Sermsuk Public Company Limited |
| Present | • Director, Sermsuk Holding Limited |
| Present | • Director, Sermsuk Beverage Limited |
| Present | • Director, Great Brands Limited |
| 2011- Present | • Director and Executive Committee, Berli Jucker Public Company Limited |
| Present | • Director, Golden Land Property Development Public Company Limited |
| Present | • Director, Thai Beverage Can Company Limited |
| Present | • Director, Adelfos Company Limited |



9. Ueychai Tantha-Obhas

Age 64 Years

Director and Executive Vice Chairman

Education

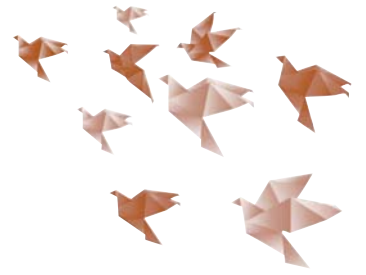
- B. Sc. Accounting, St. Louis University, Missouri, U.S.A.
- Master Degree in MBA, Thammasat University
- Advance Management Programmer (AMP)
The European Institute of Business Administration (INSEAD)
- Thai Institute of Directors (IOD) Training
 - Director Accreditation Program (DAP) 2004
 - Director Certification Program (DCP) 2007
 - Role of Chairman Program Class of 29/2012

Relative between Director

- None

Working Experience

- | | |
|----------------|--|
| Present | • Director and Executive Vice Chairman, Oishi Group Public Company Limited |
| Present | • Vice Chairman, Oishi Ramen Company Limited |
| Present | • Vice Chairman, Oishi Trading Company Limited |
| 2010 - Present | • Executive Vice President and Director, Thai Beverage Public Company Limited |
| 2005 - 2010 | • Senior Vice President, and Director, Thai Beverage Public Company Limited |
| Present | • Director, Num Yuk Company Limited |
| Present | • Director, Num Muang Company Limited |
| Present | • Director, Num Thip Company Limited |
| Present | • Director, Num Nakorn Company Limited |
| Present | • 1 st Vice Chairman, Thai Beverage Marketing Company Limited |
| Present | • Director, Thai Beverage Logistic Company Limited |
| Present | • 1 st Vice Chairman, Thai Drink Company Limited |
| Present | • Director, Thai Beverage Training Company Limited |
| Present | • Vice Chairman, SPM Foods and Beverages Company Limited |
| 2012 - Present | • Vice Chairman, Modern Trade Management Company Limited
(Former Name : Pom Thip Company Limited) |



Working Experience

- | | |
|-------------|---|
| Present | • Director, Blairmhor Distillers Limited |
| Present | • Director, Blairmhor Limited |
| Present | • Director, InterBev (Singapore) Limited |
| 1995 - 2002 | • Chief Executive Officer, Rich Monde (Bangkok) Company Limited |
| 1994 - 1995 | • Managing Director, Sarin Property Company Limited |
| 1988 - 1994 | • Senior Vice President, Rich Monde (Bangkok) Company Limited |
| 1979 - 1983 | • Product Manager, Colgate Palmolive (Thailand) Company Limited |



10. Pisanu Vichiensanth

Age 57 Years

Director, Executive Committee and Risk Management Committee

Education

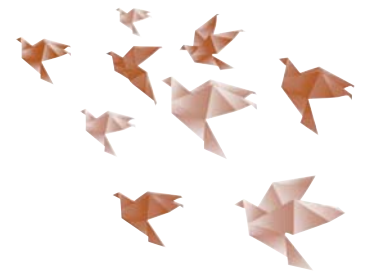
- Bachelor in Food Science, Kasetsart University
- Master Degree in Biotechnology (2nd Class Honour)
Massey University, New Zealand
- Master Brewer, The Scandinavian School of Brewing, Denmark
- Ph.D. Engineering Technical University Berlin, West Germany
- Thai Institute of Directors (IOD) Training
 - Director Accreditation Program (DAP) 2004

Relative between Director

- None

Working Experience

- | | |
|----------------|--|
| 2006 - Present | • Director, Executive Committee and Risk Management Committee,
Oishi Group Public Company Limited |
| 2006 - Present | • Director, Oishi Ramen Company Limited |
| 2006 - Present | • Director, Oishi Trading Company Limited |
| 2004 - Present | • Director and Senior Vice President, Thai Beverage Public Company Limited |
| 2004 - Present | • Director and Managing Director, Beer Thai (1991) Public Company Limited |
| Present | • Director and Managing Director, Cosmos Brewery (Thailand) Company Limited |
| Present | • Director, Beer Chang International Limited |
| Present | • Director, Charun Business 52 Company Limited |
| Present | • Director, Pan International (Thailand) Company Limited |
| Present | • Director, Feed Addition Company Limited |
| Present | • Director, Thai Beverage Recycle Company Limited |
| Present | • Director, Beer Chang Company Limited |
| Present | • Director, Archa Beer Company Limited |
| Present | • Director, Vidhayathan Company Limited |
| Present | • Director, Thai Beverage Training Company Limited |
| Present | • Director, Great Brands Limited |



11. Panote Sirivadhanabhakdi

Age 36 Years

Director

Education

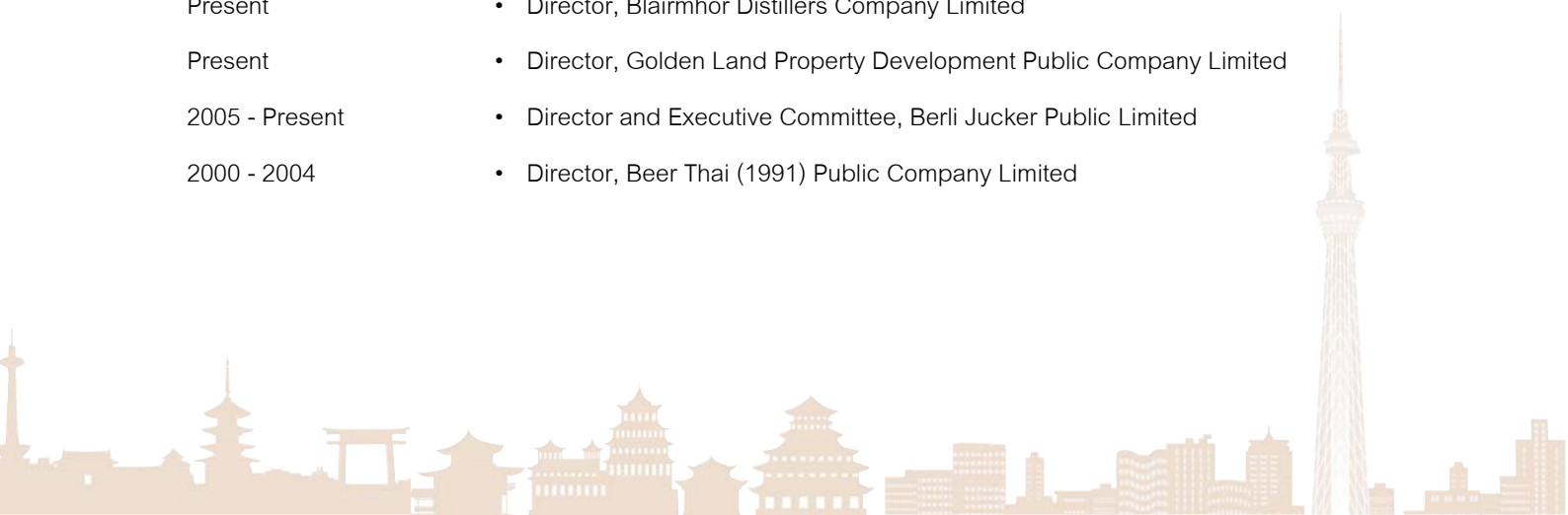
- Bachelor of Science in Manufacturing Engineering, Boston University, U.S.A.
- Master of Science in Analysis, Design and Management of Information System, the London School of Economics and Political Science, England
- Industrial Engineering and Economics, Massachusetts University, U.S.A.
- Thai Institute of Directors (IOD) Training
 - Director Accreditation Program (DAP) 2004
 - Director Certification Program (DCP) 2004
 - Finance for Non- Finance Director (FN) 2004

Relative between Director

- None

Working Experience

- 2011 - Present • Director, Oishi Group Public Company Limited
- 2009 - Present • Director, Siam Food Products Public Company Limited
- 2007 - Present • Director, Univentures Public Company Limited
- 2007 - Present • Director, Thai Beverage Public Company Limited
- 2004 - Present • Director, Beer Thip Brewery (1991) Company Limited
- 2002 - Present • Vice Chairman, Sura Bangyikhan Company Limited
- Present • Director, International Beverage Holdings Limited
- Present • Director, InterBev (Singapore) Limited
- Present • Director, International Beverage Holdings (UK) Limited
- Present • Director, International Beverage Holdings (China) Limited
- Present • Director, Blairmhor Limited
- Present • Director, Blairmhor Distillers Company Limited
- Present • Director, Golden Land Property Development Public Company Limited
- 2005 - Present • Director and Executive Committee, Berli Jucker Public Limited
- 2000 - 2004 • Director, Beer Thai (1991) Public Company Limited



12. Sureeporn Pradittasnee

Age 70 Years

Director, Executive Committee and Risk Management Committee

Education

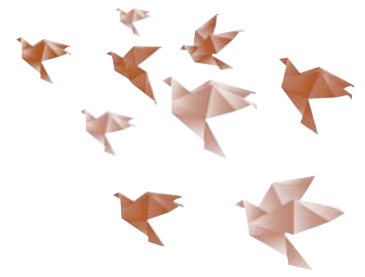
- Bachelor of Accounting - University of the Thai Chamber of Commerce
- Mini MBA, Thammasat University
- Certificate of Data Processing –ITI
(International Tabulating Institute), Washington DC, U.S.A.
- Thai Institute of Directors (IOD) Training
 - Director Accreditation Program (DAP) 2006

Relative between Director

- None

Working Experience

- | | |
|---------|---|
| Present | • Director, Executive Committee and Risk Management Committee
Oishi Group Public Company Limited |
| Present | • Director, Oishi Ramen Limited |
| Present | • Director, Oishi Trading Limited |
| Present | • 4 th Vice Chairman, Pan International (Thailand) Limited |



13. Paiboon Kujareevanich

Age 56 Years

Company Secretary, Executive Committee, Risk Management Committee and Executive Vice President

Education

- Bachelor Degree in Accounting, Chulalongkorn University
- Master Degree in MBA, Thammasat University

Relative between Director

- None

Working Experience

- | | |
|-------------|--|
| Present | • Company Secretary, Executive Committee, Risk Management Committee and Executive Vice President
Oishi Group Public Company Limited |
| Present | • Director, Oishi International Holdings Limited |
| 2005 | • Managing Director, Best Spirits Company Limited |
| 2003 - 2004 | • Executive Vice President, Thai Beverage Marketing Company Limited |
| 2002 - 2003 | • Vice Chairman- Marketing, Rich Monde (Bangkok) Company Limited |
| 1991 - 2002 | • Vice Chairman- Finance, Rich Monde (Bangkok) Company Limited |



14. Paisarn Aowsathaporn

Age 48 Years

Executive Committee, Risk Management Committee and Executive Vice President

Education

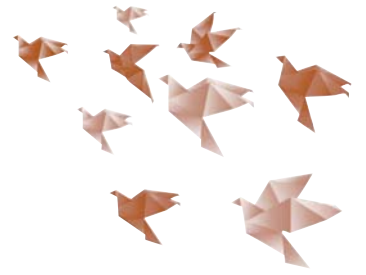
- Bachelor Degree in Business Administration, Indiana Institute of Technology Fort Wayne, Indiana, U.S.A.
- Master Degree International Business Administration, Johnson & Wales University Providence, Road Island, U.S.A.

Relative between Director

- None

Working Experience

- | | |
|-------------|---|
| Present | • Executive Committee, Risk Management Committee and Executive Vice President, Oishi Group Public Company Limited |
| 2007 - 2010 | • Vice President, Oishi Group Public Company Limited |
| 2004 - 2007 | • Director of Operations, OISHI Group Public Company Limited |
| 2002 - 2004 | • Operations and Training Director, Global Kitchen Company Limited |
| 1999 - 2002 | • Area Manager, Yum Brands |



15. Aniruth Mahathorn

Age 44 Years

Executive Committee, Risk Management Committee and Executive Vice President

Education

- Bachelor Degree, Western Michigan University, Kalamazoo, Michigan U.S.A.
- Master Degree Depaul University, Chicago, Illinois, U.S.A.

Relative between Director • None

Working Experience

- | | |
|-------------|---|
| Present | • Executive Committee, Risk Management Committee and Executive Vice President
Oishi Group Public Company Limited |
| Present | • Director, Oishi International Holdings Limited |
| 2010 - 2011 | • Vice President, Oishi Group Public Company Limited |
| 2007 - 2009 | • Marketing Director, The Minor Food Group Public Company Limited |
| 1996 - 2006 | • Marketing Director, PepsiCo Inc. |
| 1993 - 1995 | • Brand Manager, Lever Brothers (Thailand) Company Limited |



16. Somsak Ussavathirakul

Age 53 Years

Accounting Director

Education

- Bachelor Degree in Accounting, Thammasat University
- Executive MBA, Thammasat University
- Mini MBA, Kasetsart University

Relative between Director

- None

Working Experience

Present

- Accounting Director, Oishi Group Public Company Limited

2003 - 2010

- Assistant Accounting Director (acting Accounting Director), Sura Sang Som Group

17. Thanee Pornphisutsak

Age 44 Years

Factory General Manager and Risk Management Committee

Education

- Bachelor in Food Science, Kasetsart University

Relative between Director

- None

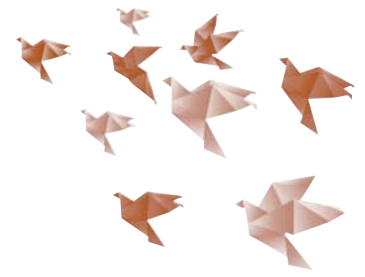
Working Experience

Present

- Factory General Manager and Risk Management Committee, Oishi Group Public Company Limited

1998 - 2010

- Production Manager, Cosmos Brewery (Thailand) Company Limited



18. Sa-nguan Pongswan

Age 58 Years

Internal Audit Director

Education

- Executive MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor Degree in Accounting, Thammasat University
- Bachelor Degree in Law, Thammasat University
- Certified Professional Internal Auditor of Thailand (CPIAT-The Institute of Internal Auditors of Thailand)
- Certified Public Accountant (CPA-Federation of Accounting Professions under The Royal Patronage of His Majesty The King)
- Certified Public Tax Auditor (CPTA-Revenue Department)
- Certification Programs of the Thai Institute of Directors (IOD)
 - Director Certification Program (DCP-149),
Advanced Audit Committee Programs (AACP-8 & ACP-37)
 - Role of Nomination and Governance Committee (RNG-1)
 - Role of Compensation Committee (RCC-13)
- Chief Financial Officer Certification Program of FAP
 - CFO-16 (Senior executive program)

Relative between Director

- None

Working Experience

- | | |
|-------------|---|
| Present | • Internal Audit Director, Oishi Group Public Company Limited |
| 1999 - 2009 | • Audit Partner & Executive Director, KPMG (Thailand) Company Limited |
| 1990 - 1998 | • Audit Senior Manager & Director, KPMG (Thailand) Company Limited |
| 1989 - 1990 | • Audit Manager, KPMG in The United Kingdom |



19. Sutee Thammasitboon

Age 39 Years

Marketing Director - Beverage Business

Education

- Bachelor Degree in Marketing, Prince of Songkla University
- MBA, Bangkok University

Relative between Director

- None

Working Experience

- | | |
|-------------|--|
| Present | • Marketing Director - Beverage Business, Oishi Group Public Company Limited |
| 1999 - 2006 | • Buyer (Department Manager), Tesco Lotus |

20. Thachanan Manotnarumon

Age 46 Years

Sales Business Development Director - Beverage Business

Education

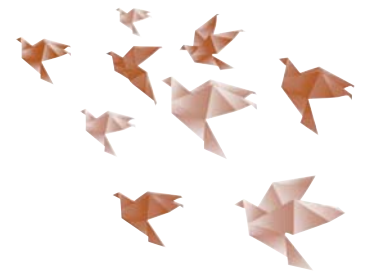
- Bachelor Degree in Marketing, Chulalongkorn University
- Master of Arts in Industrial and Organizational Psychology, Thammasat University

Relative between Director

- None

Working Experience

- | | |
|-------------|---|
| Present | • Sales Business Development Director - Beverage Business
Oishi Group Public Company Limited |
| 1995 - 2011 | • Director, Kao Commercial (Thailand) Company Limited |



21. Wannasri Bunakebuth

Age 52 Years

Treasury Director

Education

- Bachelor Degree in Business Administration, Sukhothai Thammathirat Open University

Relative between Director

- None

Working Experience

Present

- Treasury Director, Oishi Group Public Company Limited

1984 - 2000

- Accountant, Nakornthon Bank PCL.

22. Chitkasem Moo-Ming

Age 38 Years

Finance Director and Risk Management Committee

Education

- Bachelor of Business Administration in Banking and Finance Faculty of Commerce and Accountancy, Chulalongkorn University
- MBA in Finance, University of North Carolina at Chapel Hill, U.S.A.

Relative between Director

- None

Working Experience

Present

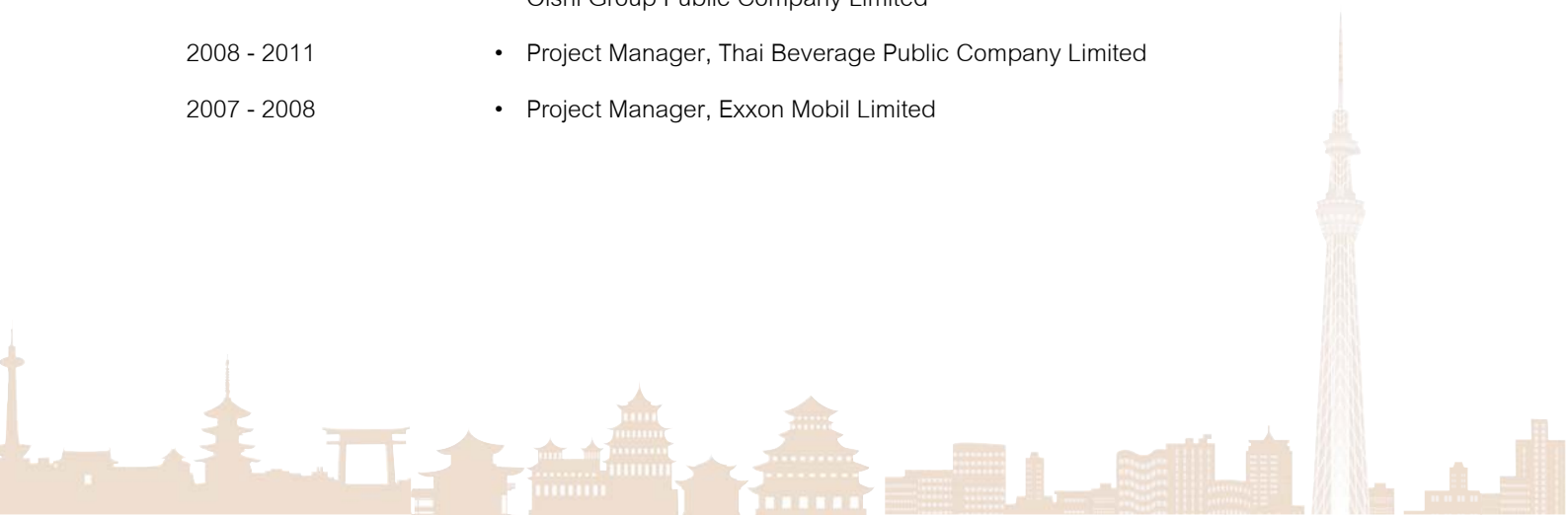
- Finance Director and Risk Management Committee, Oishi Group Public Company Limited

2008 - 2011

- Project Manager, Thai Beverage Public Company Limited

2007 - 2008

- Project Manager, Exxon Mobil Limited



23. Niruth Sripawatakul

Age 40 Years

Marketing Director – Food Business

Education

- Bachelor of Business Administration, Assumption University
- MBA, Assumption University

Relative between Director

- None

Working Experience

- | | |
|-------------|--|
| Present | • Marketing Director – Food Business, Oishi Group Public Company Limited |
| 2011 | • Assistant Director, Oishi Group Public Company Limited |
| 2003 - 2011 | • Thai Airways International Public Company Limited |

24. Hataison Rudeewong

Age 41 Years

Sales Director - Beverage Business

Education

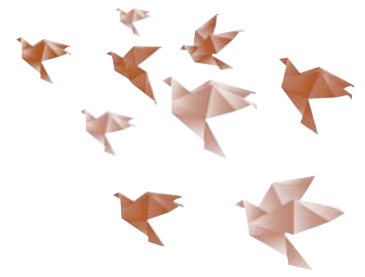
- Bachelor of Business Administration in Marketing, Assumption University
- MBA, Assumption University

Relative between Director

- None

Working Experience

- | | |
|-------------|---|
| Present | • Sales Director - Beverage Business, Oishi Group Public Company Limited |
| 2010 - 2011 | • Modern Trade Director, Dairy Plus Company Limited |
| 2009 - 2010 | • National Customer Business Development Manager, Vet Recommended Company Limited |



25. Chanavut Narkveg

Age 52 Years

Human Resources Director

Education

- Bachelor Degree in Political Science Chulalongkorn University
- Master of Business Administration (International Program) Bangkok University
- Master of Public Administration, Major in Marketing Chulalongkorn University

Relative between Director

- None

Working Experience

Present

- Human Resources Director, Oishi Group Public Company Limited

2008 - 2011

- Human Resources Director, National Starch & Chemical (Thailand) Limited

2005 - 2008

- Human Resources Director, Unilever Thai Holdings Limited

26. Kitti Anutarasate

Age 57 Years

Information Technology Director and Risk Management Committee

Education

- Bachelor of Economic, Thammasat University
- MBA, Thammasat University

Relative between Director

- None

Working Experience

Present

- Information Technology Director and Risk Management Committee, Oishi Group Public Company Limited

2004 - 2011

- Information Technology Assistant Director, Thai Beverage Public Company Limited



27. Chanokkant Jothaprasert

Age 41 Years

Purchasing Director

Education

- Bachelor Degree in Engineering KMITL
- Master of Science, Operations Management The University of Nottingham

Relative between Director

- None

Working Experience

- | | |
|-------------|---|
| Present | • Purchasing Director, Oishi Group Public Company Limited |
| 2003 - 2007 | • Purchasing Manager, Mars Thailand Inc. |

Note : Report of Director of Board and Management Executive as of February 28, 2013

14. Shareownership of the Board of Directors and the Executives



Name	Position	Ordinary Stocks (Shares)		
		28 Feb. 2013	31 Dec. 2011	Increase (Decrease)
1. Mr. Narong Srisa-an	Chairman	-	-	-
2. Mr. Thapana Sirivadhanabhakdi	Vice Chairman	-	-	-
3. Mr. Vikrom Koopirochana	Independent Director/Chairman of the Audit Committee	-	-	-
4. Ms. Potjaneer Thanavarant	Independent Director/Audit Committee	-	-	-
5. Mr. Chai Jroongtanapibarn	Independent Director/Audit Committee	-	-	-
6. Mr. Prasit Kovilaikool	Independent Director	-	-	-
7. Mr. Matthew Kichodhan	Director and Managing Director	-	-	-
8. Mr. Sithichai Chaikriangkrai	Director	-	-	-
9. Mr. Ueychai Tantha-Obhas	Director	-	-	-
10. Dr. Pisanu Vichiensanth	Director	-	-	-
11. Mr. Panote Sirivadhanabhakdi	Director	-	-	-
12. Ms. Sureeporn Pradittasnee	Director	-	-	-
13. Mr. Paiboon Kujareevanich	Executive Vice President	-	-	-
14. Mr. Paisarn Aowsathaporn	Executive Vice President	-	-	-
15. Mr. Aniruth Mahathorn*	Executive Vice President	-	-	-
16. Mr. Sa-nguan Pongswan	Internal Audit Director	-	-	-
17. Mr. Somsak Ussavathirakul	Accounting Director	-	-	-
18. Mr. Thanee Pornphisutsak	Factory General Manager	-	-	-
19. Mr. Sutee Thammaitboon	Marketing Director - Beverage Business	-	-	-
20. Ms. Thachanan Manotnarumon	Sales Business Development Director Beverage Business	-	-	-
21. Ms. Wannasri Bunakebuth	Treasury Director	-	-	-
22. Ms. Chitkasem Moo-Ming	Finance Director	1,600	-	1,600
23. Mr. Niruth Sripawatakul	Marketing Director – Food Business	-	-	-
24. Mr. Hataison Rudeewong	Sales Director - Beverage Business	-	-	-
25. Mr. Chanavut Narkveg	Human Resources Director	-	-	-
26. Mr. Kittu Anutarasate	Information Technology Director	-	-	-
27. Ms. Chanakkant Jothaprasert	Purchasing Director	-	-	-

Remark

* As of December 28, 2012, Ms. Arpasamorn Mahathorn, who is Mr. Aniruth Mahathorn's spouse, holds 3,100 shares in the Company.

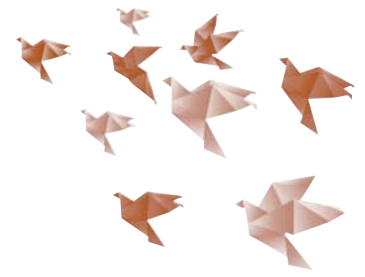
15.1 Remuneration Paid as Money

15.1.1 The total remuneration of the Board of Directors amount Baht 43,887,000 with details as follows ;

Name / Position	2012		
	Monthly fee (Baht)	Bonus (Baht)	Total amount (Baht)
1. Mr. Narong Srisa-an Chairman, Chairman of the Remuneration Committee	720,000	4,189,000	4,909,000
2. Mr. Thapana Sirivadhanabhakdi Vice Chairman, Chairman of the Executive Committee Remuneration Committee, Nomination Committee	540,000	5,889,000	6,429,000
3. Mr. Vikrom Koopirochana Independent Director, Chairman of the Audit Committee Chairman of the Nomination Committee, Remuneration Committee	600,000	3,145,000	3,745,000
4. Ms. Potjaneer Thanavaranit Independent Director, Audit Committee	480,000	2,097,000	2,577,000
5. Mr. Chai Jroongtanapibarn Independent Director, Audit Committee Chairman of the Risk Management Committee	600,000	3,145,000	3,745,000
6. Mr. Prasit Kovilaikool Independent Director, Nomination Committee Remuneration Committee	480,000	2,097,000	2,577,000
7. Mr. Sithichai Chaikriangkrai Director, Vice Chairman of Executive Committee, Remuneration Committee	480,000	4,154,000	4,634,000
8. Mr. Ueychai Tantha-Obhas Director, Vice Chairman of Executive Committee	360,000	4,154,000	4,514,000
9. Mr. Pisanu Vichiensanth Director/ Executive Committee / Risk Management Committee	480,000	3,468,000	3,948,000
10. Mr. Panote Sirivadhanabhakdi Director	360,000	1,922,000	2,282,000
11. Ms. Sureeporn Pradittasnee Director/ Executive Committee, Risk Management Committee	360,000	-	360,000
12. Mr. Matthew Kichodhan Director/ President/ Executive Committee	-	3,468,000	3,468,000
13. Mr. Yeuh-Chin Chiu ⁽¹⁾ Director	-	699,000	699,000
Total	5,460,000	38,427,000	43,887,000

Remark :

- (1) Mr. Yeuh-Chin Chiu has resigned from the Company 's director since February 24, 2011 but he still has the right to receive bonus for the year 2012



15.1.2 Remuneration of the Executives*

Unit : Baht	2012	2011
Salary	31,993	20,638
Employee Benefits	1,101	775
Provident Fund	843	613
Other	7,084	4,681
Total	41,021	26,707

Remark :

* The remuneration of executives are include the administrative fee under the Business Administrative Service Agreement between the Company and Thai Beverage Public Company Limited.



15.2 Training course organized by Thailand Institute of Directors (IOD) and other institutes attended by each directors

Name	Directors Certification Program (DCP)	Directors Accreditation Program (DAP)	Audit Committee Program (ACP)	Role of the Chairman Program (RCP)	Others
1. Mr. Narong Srisa-an	-	Class of TCC/2004	-	-	-
2. Mr.Thapana Sirivadhanabhakdi	-	Class of TCC/2004	-	-	-
3. Mr. Vikrom Koopairochana	-	Class of 63/2007	-	-	CMA Class of 14/2012
4. Ms. Potjaneer Thanavarant	Class of 17/2002	-	Class of 32/2010	Class of 13/2006	RCC Class of 4 / 2007 CMA Class 8 TEPCoT Class of 3/2010 FGP Class of 2/2011
5. Mr. Chai Jroongtanapibarn	Class of 29/2002	-	Class of 4/2005	-	-
6. Mr. Prasit Kovilaikool	-	DAP/2005	-	-	Quality of Financial Reporting/2004 FN Class of 2004
7. Mr. Sithichai Chaikriangkrai	Class of 26/2003	-	-	-	-
8. Mr. Ueychai Tantha-Obhas	DCP/2007	Class of TCC/2004	-	Class of 29/2012	-
9. Mr. Pisanu Vichiensanth	-	Class of TCC/2004	-	-	-
10. Mr. Matthew Kichodhan	DCP/2007	DAP/2006	-	-	-
11. Mr. Panote Sirivadhanabhakdi	DCP/2004	DAP/2004	-	-	FN Class of 2004
12. Ms. Sureeporn Pradittasnee	-	DAP/2004	-	-	-

15.3 Other Benefits

-None-

16. Internal Information Usage



16.1 The Company prohibit the directors, management and those who get access to the financial data, to use the unpublicized information for personal interest including trading of shares. Those person shall refrain from trading shares one month before the operating results are disclosed to the public.

16.2 The Board of Directors and management have been informed about the shareholding regulations either of oneself or of family required by Section 59 and Section 275 of the Securities and Exchange Act B.E. 1992 regarding the punishment regulation.

The Company's punishment for those who misuse the internal information ranging from verbal warning up to terminating employment.



17.1 Human resources

As of December 31, 2012, the Company and subsidiaries have a total of 7,100 employees (excluding the Board of Directors and Management team as per 12.), categorized into ;

Line of Command	Number of Employees
Office	337
Restaurant	6,010
Factory	753
Total	7,100

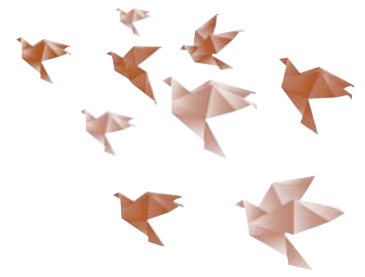
In 2012, the total basic salary was 902 million baht.

17.2 Employee development policy

Oishi Group of Companies see significance in the development of knowledge and capability of the employees. The Company believes that every employee is a part of the Company's success ; therefore, personnel development is considered a long-term investment that must be done continuously. If the human resources are considered the most important element of an organization, the necessity of human resources development, in order to create applied ability and knowledge to their the employees' works, is also considered a success factor that can make the Company achieve its sustainable growth.

In 2012, the Company still maintained the human resources development plan as in the previous year. The employees were divided into three groups i.e. restaurant employees, manufacturing employees and supporting employees. The detail is elaborated as follows :

1. **Restaurant employees** : The Company sets many restaurant operation training system courses to employees including special training for each different level. The training is separated into two main categories ;
 - 1.1 Crew Member Training Excellence : It is the training course for the front line staff such as cleaning staff, cashier, receptionist, and for the back office staff such as food preparing staff, chef and supervisors, etc. This course emphasizes the service, maintenance and food quality.
 - 1.2 Management Training Excellence : It is the course for chief staff, intern manager, manager assistant, manager, area manager. The course emphasizes the product, inventory, human resource, cash management, leadership, planning, cost and expense management, and sale and profit achievement.
2. **Manufacturing employees** : The trainings emphasize on production, product quality, cost reduction, increase of productivity, and operational processes, in order to be in-line with the ISO 9001 : 2000, GMP system and HACCP system, and the ISO 22000 : 2005 system. Moreover, the Company also arranges technical training and other skill improvement, and soft skill courses to the employees.



3. **Supporting employees** : The development of the supporting employees is considered another important factor that will help the Company to operate smoothly. The Company expects to make the supporting employees feel as if they are the business partners by encouraging hands-on experience through in-house training and the advice of the experienced personnel in each field, including attending public trainings.

The Company also set up four training structures to improve skill and knowledge of employees of the above three groups, which are ;

1. Orientation Program. It is the course set up for the Company's new employees. It introduces the newcomers about the Company, how to adjust themselves to the new environment, and basic information they need to know about work.
2. Corporate Training Program. It is the course designed to help employees to apply what they learn in real working environment. The Company offers either in-house training or public training to develop staffs to work efficiently and effectively.
3. Functional Training Program. It is the course designed to develop specialized skills and techniques knowledge on production process, etc.
4. Leadership Development Program. The course is specially designed for high potential staffs and management team to develop leadership skills.

In 2012 , the Company invested approximately 4 million baht in human resources development.

17.3 Welfare policy

The Company believes that its successful management is the result of competent, skillful and motivated employees. In addition, the employees' stability and good welfare provided by the Company are the factors that help the employees reach their highest potential, as well as having good quality of life. The Company therefore, has the following welfare policy ;

1. Every employee will be treated fairly and respectfully as a part of the Company.
2. The Company will improve the environment within the Company to be in tidiness and employee-friendly at all time.
3. The Company will organize the sanitary cafeteria system, clean toilets, safe shuttle services, and efficient nursing room as stated by law (at factories).
4. The Company has set the employees' remuneration and welfare appropriately and fairly.
5. The Company encourages all employees to constantly receive news and information.
6. The Company provides high quality office supply, phone and fax systems, so that employees can work effectively.



17.4 Safety of occupational health and workplace environment policy

Employees are considered highly valuable resources of the Company; therefore, it has set up the safety of occupational health and workplace environment policy, which can be elaborated as follows :

1. Work safety is the duty of every employee.
2. The Company encourages the improvement on the work condition, for the safety of every employee.
3. The Company encourages activities that enhance the work safety.
4. Every level of supervisors must act as role models by abiding by the safety rules and regulations in the workplace.
5. Every employee must regard the safety of his own and others, as well as the properties of the Company at all time.
6. Every employee must cooperate with the Company's measures on safety of occupational health and workplace environment.

17.5 Human resources policy

The Company is certain that the Company's administration has succeeded because of the ability, skill and good motivation of the employees. Therefore, the Company has encouraged good ethics, disciplines, unity and understanding among the employees as the Company's goal in human resources management. The policy is to ensure the effectiveness of the employees' skills and ability. In addition, the Company has set policies on human resources management as follows :

- 1) All employees will be treated fairly and with integrity as a part of the Company.
- 2) The recruitment of any employees or the transfer of his /her responsibility will be done fairly based on merit and qualification of the employees.
- 3) The Company will constantly support and develop the efficiency of the employees.
- 4) The Company will set the incentives for the employees fairly and appropriately, depending on the job description, the Company performance, and the spending ability of the Company.
- 5) The Company encourages the employees to constantly receive relevant news and information as appropriate.

17.6 Administration policy

The Company determines to create comfortable working environment for employee, so that they have pleasurable working conditions. The Company is certain that the good environment, both inside and outside will motivate the employees to eagerly and happily go to work every day. Therefore, the Company has set the administration policies to improve the working environment, both inside the office and outside, as follows :

- 1) Improves the internal working environment to be in order as appropriate.
- 2) Provides cafeteria service, security system, standard employees' lockers, clean toilets, shuttle buses and first-aid room as required by law (at factories).
- 3) Organize the system of office supplies, telephones, faxes to best benefit the employees and the Company.
- 4) Create good relationship with external organizations and visitors as well as the government affairs as stated by law.
- 5) The Company encourages the employees to constantly receive relevant news and information as appropriate.

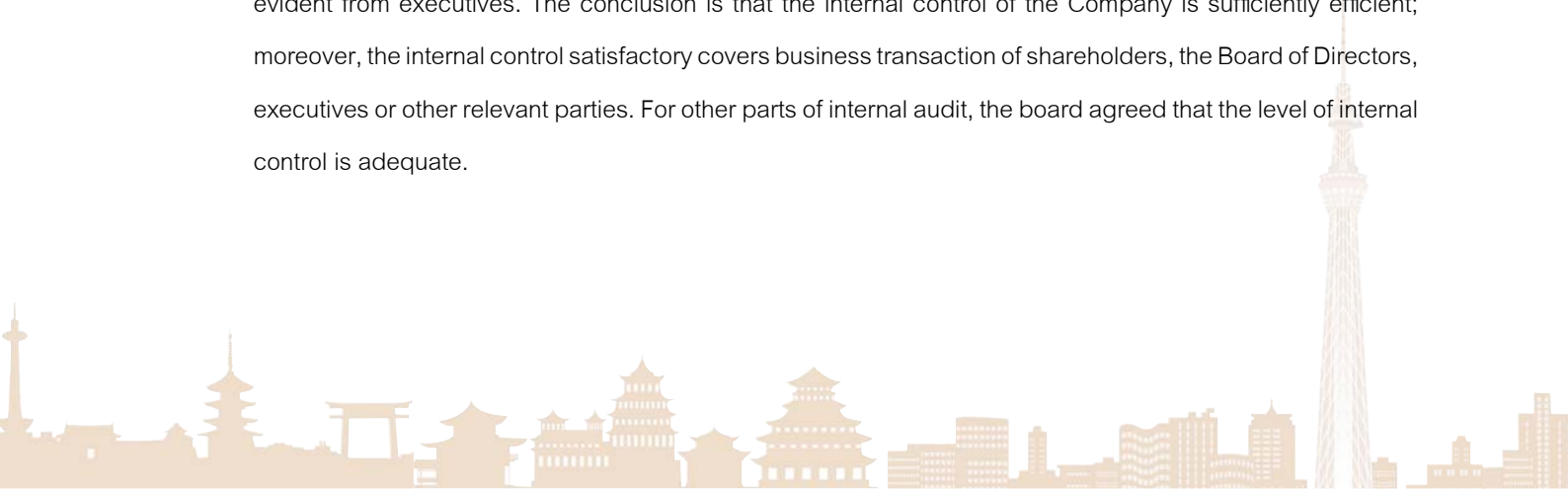
The Company recognizes the importance of the internal control that creates efficiency, both in executive and operational levels. The Company has therefore, set up the internal control that covers all aspects, including the accounting and finance, the operation that abides by the law and other related rules and regulations ; as well as having efficient checks and balances system that can protect the investment and capital of the shareholders and the Company's assets.

In addition, the Company has set up Internal Audit department to inspect the operations of every department and division of the Company and its supporting organizations, including providing advices regarding the internal control system that concerns crucial risks of the Company ; as well as evaluate the efficiency and sufficiency of the internal control, and closely monitor the internal control for the executives. Moreover, the Company encourages the department to follow the universal standards based on International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors (IIA). The Board of Directors will support and supervise the Internal Audit Department so that it can perform its duty freely through the checks and balances system, and constantly report directly to the Audit Committee, to ensure that the internal control system continues to be a significant mechanism that pushes the Company to its sustainable growth, so that the Company can achieve its Vision and Mission.

The internal control's framework for the Board of Directors, including the Audit Committee and the Internal Audit Department, is based on the Internal Control Integrated Framework of the Committee of Sponsoring Organizations of the Tread way Commission (COSO) that covers in five aspects.

1. Control environment
2. Risk assessment
3. Control activities
4. Information & communication
5. Monitoring & evaluation

The consideration is based on Internal Audit department, collecting information by interviewing and gathering evident from executives. The conclusion is that the internal control of the Company is sufficiently efficient; moreover, the internal control satisfactory covers business transaction of shareholders, the Board of Directors, executives or other relevant parties. For other parts of internal audit, the board agreed that the level of internal control is adequate.



For the internal control of the Company's subsidiaries, the Company determined of their systems to be consistent with the Company's internal control framework. Besides, the Company has regularly sent authorities to inspect their performance; therefore, these three subsidiaries arranged their internal control sufficiently.

In order to carry the Good Corporate Governance, the Board of Directors fully supports executives to continue improving the quality of internal control system.

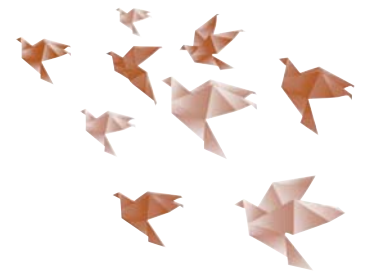
19. Related Parties Transactions

19.1 Relationships with related parties

The Company and its subsidiaries have entered into related parties transactions in 2012 as set forth below :

Name of entities	Country of incorporation / nationality	Nature of relationships
Thai Beverage PCL.	Thailand	Parent and directorship
Oishi Trading Company Limited	Thailand	Subsidiary and directorship
Oishi Ramen Company Limited	Thailand	Subsidiary and directorship
Oishi International Holding Limited	Hongkong	Subsidiary and directorship
T.C.C. PD 11 Company Limited	Thailand	Some common shareholder
Pan International (Thailand) Company Limited	Thailand	Directorship
Berli Jucker PCL.	Thailand	Directorship
Berli Jucker Foods Company Limited	Thailand	Directorship
Krittayabun Company Limited	Thailand	Directorship
Modern Trade management Company Limited (formerly : Pomthip Company Limited)	Thailand	Directorship
Pomburapa Company Limited	Thailand	Directorship
Pomklung Company Limited	Thailand	Directorship
Pomchok Company Limited	Thailand	Directorship
Pomkit Company Limited	Thailand	Directorship
Pomcharoen Company Limited	Thailand	Directorship
Pompalang Company Limited	Thailand	Directorship
Pomnakorn Company Limited	Thailand	Directorship
Thai Beverage Logistics Company Limited	Thailand	Directorship
Thai Beverage Marketing Company Limited	Thailand	Directorship
Thai Drink Company Limited	Thailand	Directorship
Sangsom Company Limited	Thailand	Directorship
Beer Thai (1991) PCL.	Thailand	Directorship
Beer Thip Brewery (1991) Company Limited	Thailand	Directorship
Surathip Company Limited	Thailand	Directorship
Surasate Company Limited	Thailand	Directorship
Cosmos Brewery (Thailand) Company Limited	Thailand	Directorship
The Southeast Insurance PCL.	Thailand	Directorship
The Southeast Life Insurance PCL.	Thailand	Directorship
Indara Insurance PCL.	Thailand	Some common shareholder

Name of entities	Country of incorporation / nationality	Nature of relationships
Southeast Capital Company Limited	Thailand	Some common shareholder
Thippatana Arcade Company Limited	Thailand	Some common shareholder
Dhospaak Company Limited	Thailand	Directorship
Sea Food Beer Garden Company Limited	Thailand	Directorship
T.C.C. Technology Company Limited	Thailand	Directorship
N.C.C. Exhibition Organizer Company Limited	Thailand	Directorship
N.C.C. Image Company Limited	Thailand	Directorship
N.C.C. Management and Development Company Limited	Thailand	Directorship
F&B International Company Limited	Thailand	Directorship
Theparunothai Company Limited	Thailand	Directorship
Luckchai Liquor Trading Company Limited	Thailand	Directorship
S P M Foods & Beverages Company Limited	Thailand	Directorship
Fuengfuanant Company Limited	Thailand	Directorship
Feed Addition Company Limited	Thailand	Directorship
Sermsuk PCL.	Thailand	Directorship
Serm Suk Beverage Company Limited	Thailand	Directorship
Sura Bangyikhan Company Limited	Thailand	Directorship
North Park Golf And Sports Club Company Limited	Thailand	Directorship
Rubia Industries Company Limited	Thailand	Directorship
TCC Hotel Collection Company Limited	Thailand	Directorship
Thai Recycle Company Limited	Thailand	Directorship
Thai Beverage Training Company Limited	Thailand	Directorship
Riverside Masterplan Company Limited	Thailand	Directorship
Sura Piset Phatra Lanna Company Limited	Thailand	Directorship
The Chonburi Sugar Corp. Limited	Thailand	Directorship
Siam Food Products Public Company Limited	Thailand	Directorship
Num Yuk Company Limited	Thailand	Directorship
Num Turakij Company Limited	Thailand	Directorship
Num Kitjakarn Company Limited	Thailand	Directorship
Lertrattakarn Company Limited	Thailand	Directorship
Wattanapat Trading Company Limited	Thailand	Directorship
Business Process Outsourcing Company Limited	Thailand	Directorship
TCC Luxury Hotels & Resorts Company Limited	Thailand	Directorship
International Beverage Holdings Limited	HongKong	Direct subsidiary of Parent



Name of entities	Country of incorporation / nationality	Nature of relationships
InterBev Malaysia Sdn. Bhd.	Malaysia	Indirect subsidiary of Parent
InterBev (Singapore) Limited	Singapore	Indirect subsidiary of Parent
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Group

19.2 Pricing policies

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

Transactions	Pricing policies
Purchase and sale of goods	Cost plus margin / contractually agreed price
Purchase and sale of property, plant and equipment	Net book value / mutually agreed price
Rental income and expenses	Contractually agreed price
Consultancy income	Contractually agreed price
Management fee	Contractually agreed price
Interest income and expenses	Interest rate close to interest of financial institution
Other income and expenses	Mutually agreed price



Significant transactions for the years ended 31 December 2012 with related parties were as follows :

Sales to parent company

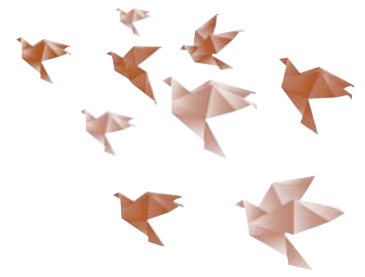
Ref	Name	Relationship	Amount	Balance due
1	Thai Beverage PCL	Directorship	1,278,534	78,025
	Total		1,278,534	78,025

Sales to related companies

Ref	Name	Relationship	Amount	Balance due
1	Num Yuk Company Limited	Directorship	19,996	-
2	Num Turakij Company Limited	Directorship	60,677	-
3	Num Kitjakarn Company Limited	Directorship	91,705	-
4	Beer Thip Brewery (1991) Company Limited	Directorship	92,257,991	-
5	Krittayabun Company Limited	Directorship	5,073,090,132	351,161,320
6	Modern Trade management Company Limited (formerly:Pomthip Company Limited)	Directorship	(302,031)	-
7	Pomburapha Company Limited	Directorship	(21,064)	-
8	Dhosbhak Company Limited	Directorship	25,363	-
9	Thai Beverage Logistic Company Limited	Directorship	344,574	363,278
10	Thai Beverage Marketing Company Limited	Directorship	245,173	-
11	InterBev Malaysia Sdn Bhd.	Directorship	36,342,350	5,630,489
12	Thai Drink Company Limited	Directorship	400	428
13	Berli Jucker PCL.	Directorship	118,220,410	50,232,721
14	Sermasuk PCL.	Directorship	766,111,210	88,131,404
15	Serm Suk Beverage Company Limited	Directorship	50,625,000	12,037,500
	Total		6,137,111,886	507,557,140

Management fee to parent company

Ref	Name	Relationship	Amount	Balance due
1	Thai Beverage PCL	Directorship	9,360,000	834,600
	Total		9,360,000	834,600



Other incomes from related companies

Ref	Name	Relationship	Amount	Balance due
1	Thai Beverage Logistics Company Limited	Directorship	334,123	-
2	Sermsuk PCL.	Directorship	11,061,907	55,125
3	The Southeast Insurance PCL.	Directorship	-	902,306,686
4	Thai Drink Company Limited	Directorship	1,000	-
5	Feed Addition Company Limited	Directorship	105,060	-
	Total		11,502,090	902,361,811

Purchases from related parties

Ref	Name	Type	Amount	Balance due
1	Beer Thai (1991) PCL.	Transport	414,234	-
2	Beer Thip Brewery (1991) Company Limited	Raw materials	1,370,539,883	43,200,657
3	Modern Trade management Company Limited (formerly : Pomthip Company Limited)	Raw materials	1,977,979	429,219
4	Pomkit Company Limited	Raw materials	111,484	26,488
5	Pomklang Company Limited	Raw materials	338,944	96,278
6	Pomchoke Company Limited	Raw materials	98,686	16,551
7	Pomcharoen Company Limited	Raw materials	87,954	18,676
8	Pomburapha Company Limited	Raw materials	493,338	143,544
9	Pomphalang Company Limited	Raw materials	461,211	95,192
10	Pan International Company Limited	Supplies	27,452,039	-
11	Thai Drink Company Limited	Raw materials	561,393	-
12	Berli Jucker PCL.	Raw materials	15,494,922	1,677,616
13	Berli Jucker Foods Company Limited	Finish Goods	101,522,447	12,873,965
14	Sermsuk PCL.	Raw materials	29,791,494	6,034,720
	Total		1,549,346,008	64,612,906

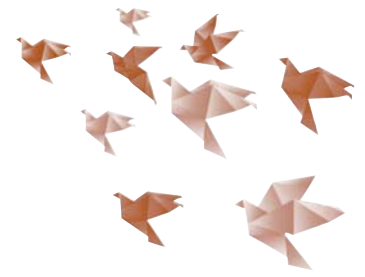


Purchase of assets from related parties

Ref	Name	Type	Amount	Balance due
1	T.C.C. Technology Company Limited	Computer	383,531	-
2	Berli Jucker PCL.	Forklift	1,521,140	-
3	Feed Addition Company Limited	Machine	45,000,000	-
4	TCC PD 11 Company Limited	Restaurant Equipemtns	20,000	-
5	Lertrattakarn Company Limited	Office Equipments	24,000	-
	Total		46,948,671	-

Rental paid to related parties

Ref	Name	Relationship	Amount	Balance due
1	Sura Piset Phatra Lanna Company Limited	Saraburi	17,500,000	-
2	Thippatana Arcade Company Limited	Pantip Ngamwongwan, Chiangmai, Ekkamai, Siam	5,444,751	625,518
3	The Chonburi Sugar Corp. Limited	Chonburi	1,550,000	-
4	Surasate Company Limited	Buffet Bangpo	980,960	-
5	Sea Food Beer Garden Company Limited	Siam	361,000	-
6	Riverside Masterplan Company Limited	Asiatique	1,383,510	197,613
7	Lertrattakarn Company Limited	Park venture	2,375,964	2,585,402
	Total		29,596,185	3,408,533



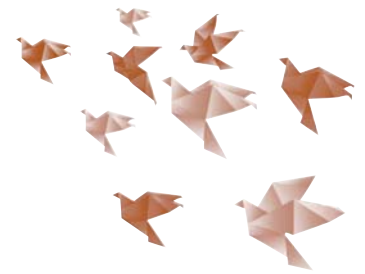
Promotion expenses paid in advance by related parties

Ref	Name	Relationship	Amount	Balance due
1	Modern Trade management Company Limited (formerly : Pomthip Company Limited)	Sell Exps	35,439,948	210,750,824
2	Pomkit Company Limited	Sell Exps	-	7,540,616
3	Pomklang Company Limited	Sell Exps	-	3,893,258
4	Pomchoke Company Limited	Sell Exps	-	5,196,646
5	Pomcharoen Company Limited	Sell Exps	-	6,657,492
6	Pomburapha Company Limited	Sell Exps	-	6,369,011
7	Pomphalang Company Limited	Sell Exps	-	9,638,641
8	Pomnakorn Company Limited	Sell Exps	-	3,856,997
9	Thai Drink Company Limited	Sell Exps	-	9,494,623
10	Sermsuk PCL.	Sell Exps	-	18,801,515
	Total		35,439,948	282,199,623



Other expenses paid to related parties

Ref	Name	Relationship	Amount	Balance due
1	Sangsom Company Limited	Transport	42,521	-
2	Modern Trade management Company Limited (formerly : Pomthip Company Limited)	Listing fee	(1,040,510)	-
3	Beer Thai (1991) PCL.	Transport	-	428,835
4	Cosmos Brewery Company Limited	Service fee	121,671	23,786
5	Dhospaak Company Limited	Bounty	1,020,000	-
6	Thai Beverage Training Company Limited	Training	479,800	32,956
7	Thai Beverage Logistic Company Limited	Transport	8,694,652	2,004,680
8	Thai Beverage Marketing Company Limited	Material	7,000	-
9	Thai Drink Company Limited	Advertising	561,392	37,900
10	Wattanapat Trading Company Limited	Parking	37,500	6,688
11	Southeast Capital Company Limited	Car lease	2,417,616	121,295
12	T.C.C. Technology Company Limited	Equipment	4,810,560	2,281,411
13	Berli Jucker PCL	Promotion	126,899	32,082,276
14	The Southeast Insurance PCL.	Insurance premiums	11,058,261	1,847,959
15	The Southeast Life Insurance PCL.	Insurance premiums	734,735	-
16	Suraset Company Limited	Utilities	3,330,946	277,637
17	TCC Hotel Collection Company Limited	Room rent	13,832	-
18	TCC Luxury Hotels & Resorts Company Limited	Banquet	103,908	-
19	F&B International Company Limited	Service fee	500,000	-
20	Thippatana Arcade Company Limited	Utilities	4,170,694	347,994
21	T.C.C. PD 11 Company Limited	Service fee	105,000	-
22	Sea Food Beer Garden Company Limited	Utilities	782,494	-
23	Riverside Masterplan Company Limited	Utilities	1,691,001	198,315
24	Business Process Outsourcing Company Limited	Service fee	68,400	-
25	Lertrattakarn Company Limited	Utilities	348,595	298,133
	Total		40,186,967	39,989,865



19.3 Necessity of related parties transactions

19.3.1 Rental

The company rents space and/or land, which may belong to related-company, to build offices, restaurants, factories and/or warehouses. We consider that the space and/or land are convenient for transportation and distribution. Moreover, the rental and service fee are based on market price and/or cost appraisal of independent appraiser.

19.3.2 Sales to related parties

Terms of trades is at arm length and at market price.

19.3.3 Purchases and expenses paid to related parties

Same with above

19.4 Approval process for related parties transactions

If there is potential conflict of interest, the Audit Committee will be invited to consider and give opinion in terms of suitability of such transactions. In case the Audit Committee is unable to give comments, an independent advisor or external auditor will be brought in to do so, so that the Board of Directors or Shareholder can make their decision properly.

19.5 Policy or tendency of related parties transactions in the future

The Company expects that the related parties transactions are part of the normal course of business which gives the maximum benefits to the Company. The Board of Director shall comply with the SET and SEC regulations and such transactions shall be properly disclosed according to the accounting standard.

The Company will take into account the best interests of the shareholders, especially minority shareholders. Furthermore, any director or shareholder who has any interest in connection with such related parties transaction or acquisition or disposition of assets of the Company shall not be allowed to approval of such transaction.





20.1 Financial Statements

Summary of the auditor's report

The auditor's report in 2011 was audited by Mr. Nirand Lilamethwat from KPMG Phoomchai Audit Company Limited who gave an opinion that the Company's financial statement is fairly stated, in all material respects and in conformity with generally accepted accounting principles.

20.2 The auditor's fee

20.2.1 Audit fee

The company and subsidiaries pay audit fee 4,160,000 baht in 2012.

20.2.2 Other fees

-None-



Summary of Financial Statements

Items	Consolidated ('000 Baht)		
	2012	2011	2010
Cash and cash equivalents	93,650	56,018	309,403
Trade accounts receivable – net	709,316	502,415	606,482
Inventories	309,605	225,165	495,780
Other current assets	1,062,972	1,467,483	86,957
Current assets	2,175,543	2,251,081	1,498,622
Other long-term investments	10,160	12,160	12,160
Property, plant and equipment-net	4,741,703	3,130,070	2,966,079
Intangible Assets	33,140	35,809	46,708
Leasehold rights	72,626	82,318	91,995
Other non current assets	226,853	207,359	167,326
Total assets	7,260,025	5,718,797	4,782,890
Short term loans	1,836,000	581,000	-
Current portion of long term loan	-	600,000	-
Trade accounts payable	932,942	643,497	795,541
Other payables	927,923	649,913	-
Accounts payable-assets acquisition	323,113	191,995	288,084
Other current liabilities	60,950	81,296	390,285
Current liabilities	4,080,928	2,747,701	1,473,910
Deferred Income	263	516	785
Accrued employee benefit	40,892	26,699	-
Long term loan	-	-	600,000
Other non-current liabilities	16,748	39,035	26,531
Total liabilities	4,138,831	2,813,951	2,101,226
Registered capital	375,000	375,000	375,000
Paid up capital	375,000	375,000	375,000
Premium on share capital	609,402	609,402	609,402
Appropriated- Legal reserve	37,500	37,500	37,500
Unappropriated Retained earnings	2,099,292	1,882,944	1,659,762
Total equity	3,121,194	2,904,846	2,681,664
Total liabilities and equity	7,260,025	5,718,797	4,782,890



Summary of the Company's Financial Statements

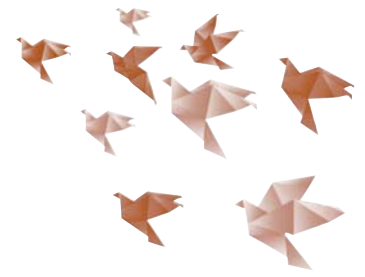
Items	Consolidated ('000 Baht)		
	2012	2011	2010
Revenue from sale of goods	11,634,397	9,501,115	8,733,048
Other income	67,893	176,320	33,370
Total income	11,702,290	9,677,435	8,766,418
Cost of sale of goods	8,030,593	6,558,018	5,900,201
Selling and administrative expenses	2,998,010	2,245,214	1,809,180
Profit before finance costs and income tax	673,687	874,203	1,057,037
Finance costs	45,647	15,683	-
Income tax	(25,793)	50,393	82,469
Net profit	653,833	808,127	974,568
Number of shares ('000 shares)	187,500	187,500	187,500
Basic earnings per share (par value 2 baht)	3.49	4.31	5.20

Items	Consolidated ('000 Baht)		
	2012	2011	2010
Net cash from operating activities	1,615,591	1,310,700	1,201,310
Net cash used in investing activities	(1,756,052)	(1,529,950)	(1,382,797)
Net cash provided by financing activities	178,097	(34,135)	(67,500)
Net increase (decrease) in cash and cash equivalents	37,636	(253,385)	(248,987)



Financial Ratio

Items	Consolidated		
	2012	2011	2010
Liquidity ratios			
Liquidity ratio (times)	0.53	0.82	1.02
Quick ratio (times)	0.20	0.20	0.62
Cash ratio (times)	0.47	0.63	0.92
Account receivable turnover (times)	10.42	9.68	8.51
Average collection period (days)	35.02	37.72	42.87
Inventory turnover (times)	30.03	18.19	16.84
Days sale outstanding (days)	12.15	20.06	21.67
Account payable turnover (times)	10.19	9.11	8.28
Average payment period (days)	35.83	40.05	44.06
Cash cycle (days)	11.35	17.74	20.49
Profitability ratios			
Gross margin	30.98 %	30.98%	32.44 %
Operating profit margin	5.21 %	7.35%	11.72 %
Cash to profit ratio	247.10 %	163.33 %	123.27 %
Net profit	5.62 %	8.51 %	11.16 %
Return on equities	21.70 %	28.93 %	38.86 %
Efficiency ratios			
Return on assets	10.08 %	15.39 %	23.61 %
Return on fixed assets	16.61 %	26.51 %	42.36 %
Asset turnover	1.79 %	1.81	2.12
Financial policy ratios			
Total liabilities to equities ratio (times)	1.33	0.97	0.78
Debt to equities ratio (times)	0.59	0.41	0.22
Dividend payout	63.09 %	51.04 %	59.44 %



Management's Discussion and Analysts on Operating Results

Sales

For year 2012, the company has sales revenue totally 11,634 million baht, which is 22.5% increased from 2011 that had sales revenue totally 9,501 million baht. It can be classified as 5,320 million baht from sales revenue of food business or equivalent to 45.7% of total sales revenue, and 6,314 million baht from sales revenue of beverage business or 54.3% of total sales revenue. The higher sales revenue comparing to 2011 comes from 28.6% increase in total sales revenue from food business and 17.7% increase in sales revenue from beverage business.

Cost of sales

Total cost of sales of the company for year 2012 is 8,031 million baht or equivalent to 69.0% of total sales which is similar to total cost of sales for year 2011, 6,558 million baht or 69.0% of total sales.

Selling expenses

The company has selling expenses in 2012 and 2011 equals to 1,376 million baht and 1,024 million baht, respectively. In terms of percentage, selling expenses in 2012 is accounted for 11.8% of total sales which is increase from 10.8% of total sales in 2011 mainly due to more activities of promotion campaign to respond to intense competition.

Administrative expenses

For year 2012 and 2011, the company has administrative expenses 1,579 million baht and 1,105 million baht, respectively. The additional of 474 million baht is due to an increase in number of restaurant outlets.

Net profit (Loss)

The Company's net profit for year 2012 and 2011 are equal to 654 million baht or equivalent to 5.6% of total sales and 808 million baht or equivalent to 8.5% of total sales, respectively. Profitability is decreased 19.1%.

20.3 Key drivers which could affect future operations and financial status

20.3.1 New Cold Aseptic Filling Line 2 of PET bottling production project at Wang-Muang district, Saraburi province. The project will increase PET capacity by 30% and at the same time reduce production costs.

20.3.2 New central kitchen at Banbung district, Chonburi province. The project will support the branch expansion which is planned 50 new stores in 2013.



21. Other Related Information

-None-



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PUBLIC COMPANY LIMITED



Corporate Social Responsibility Policy

“Giving” or “Hai” in Thai embedded into our Thais’ DNA. It has become a culture where people continue to pay it forward endlessly in the Thai society. Oishi Group Public Company Limited as a good corporate citizen is committed to support the community where we operate and live in. Our long-standing commitment to community involvement is a credit to the spirit of giving, generosity and voluntarism of our employees. We are highly engaged in supporting our communities – both financially and through volunteering under our umbrella campaign called “Hai”. Number of CSR initiatives have been carried out this year focusing on the areas of environment, education, youth development and social development and betterment for the human condition.



Environmental Responsibility

- Her Royal Highness Princess Maha Chakri Sirindhorn deputized for His Majesty the King in granting an audience to management of Oishi Group PCL who presented a total monetary donations of 6,700,677.00 Baht raised through its charitable activities “Hai: Bring Back Happiness to Thais” to Chaipattana Foundation for use in His Majesty’s water management related projects.

- Oishi Chuan Tam Dee Year 2 Program has been organized to enhance the real meaning of “Hai” at Ban Klong Khone Mangrove Forest Conservation Centre in Samutsongkram Province through various activities such as propelling a plank on mud bank to plant saplings and eco-tourism sightseeing. There were more than 100 volunteers including well-known girl group singer, Girly Berry and Bank, singer from Black Vanilla together with Oishi Management.
- Support given to volunteer spirit under the project “Pluk Pak Raksa Chalermprakiat” which was undertaken at Marine & Coastal Resources Conservation Centre Area 2 at Khokkham Sub-District, Samutsakhon Province.

Educational Responsibility

- Oishi Group in corporation with University of the Thai Chamber of Commerce and Sirivadhanabhakdi Foundation provided an intensive internship program to a total of 39 students from Beta Young Entrepreneur Program, University of the Thai Chamber of Commerce to well-equip them with real business experience and entrepreneurship. The one month Summer Internship Program provided students with in-depth knowledge of the Oishi cross-functional work from Food Division, Beverage Division to Corporate & support functions.





Youth Development Responsibility



• Oishi Group joined forces with Thai Health Promotion Organization in organizing series of bicycle trip and reading sessions called “Pan Pan Panya : Pid Term Sangsan Chuan An Sangsuk” for children and youth between 7-14 years of age to utilize their school break throughout the month of October with fun and creative activities.

- Beverage Product Sponsorship for Children’s Day 2012 to various governmental organizations such as Bangna Youth Centre, Government House and schools under the Bangkok Metropolitan Administration (BMA).
- Support on food and beverage products given to “Asasamak Royyim Bangpan Namjai” Volunteer Spirit Group in organizing “Movie for Kids #1 & #2” charitable events and lunch host for underprivileged children & youth from local community as well as 4 charitable shelter houses located in greater Bangkok area.

• We have organized an annual company charity event under “Hai Pan Nam Jai Hai Nong” Program where management and employees of more than 200 persons participated the event at Thammik Wittaya School for the blind under the Royal Patronage in Petchaburi Province. Fun-filled activities have also been organized for the blinds. There were also a total of 145,243 Baht raised from employees and management donation for their future education and skill development.



Social Development and Betterment for the Human Condition Responsibility

- Oishi Group joined hands with volunteer spirit network and local community in Pakchan Sub-district, one of severely flood affected areas in Nakornluang District, Ayudhaya Province in building public restrooms and planting 50 trees for the sake of the community.
- Support on food and beverage products given to the Office of Narcotics Control Board for use in anti-drug event in accordance with International Day Against Drug Abuse and Illicit Trafficking on 26th June 2012. The historic event involved more than 26,000 Thai people in a joint effort to build the largest Thai Flag at the Royal Plaza or formally Dusit Palace Plaza.





- We also supported a group of more than 30 overseas Thai students who wished to get together and make a difference during their annual summer vacation through their community services project called “Innovation Camp 2012”. Monetary fund and beverage products had been given to the students for use in voluntary camp activities including landscape and teaching materials improvement, music room set-up, mini-farm building, water purification system installation, fun-filled and student skill development activities and lunch host. This year the camp took place at Ban Pupe in Mae Sod District, Tak Province.



- A group of management and voluntarism employees of Oishi Group jointly donated Oishi Green Tea products of 4,800 cans and 1,200 pieces of sandwiches to the National Blood Centre, Thai Red Cross Society for use in all activities of blood program including serving to blood donors during 4th – 5th December 2012. More than 50 employee volunteers from Oishi Head Quarter also turned up to donate blood in tribute to His Majesty the King's 85th Birthday Anniversary.

Environmental Policy

- At Oishi, we strive to improve our business efficiency featuring most advanced technology for high effective business process development along with environmental sustainability and corporate social responsibility. For example, our ongoing awareness campaign, “Eat less, Save more” have been implemented at more than 100 branches of buffet serving restaurants nationwide ; Oishi Grand, Oishi Buffet, Shabushi and Nikuya in order to promote environmental friendly eating habits among customers as well as to create awareness on resources shortage and current World Food Crisis. Besides, all raw materials used at all Oishi Group's restaurants can be traced back to the origins to ensure highest food safety standard.

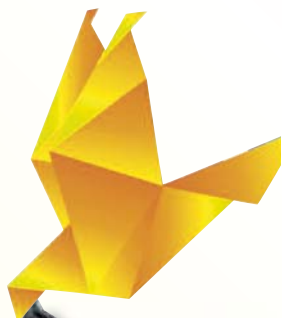




One of Oishi's significant directions is to improve all business processes to move toward a high-performance organization, while taking into account an environmental sustainability strategy that translated into actions. Our proven track records are :

- In keeping with the company's commitment to eco-friendliness, the state-of-the-art plant located at Navanakorn Industrial Estate have also been designed to be a world-class 'Green Factory', featuring econo-pilot cooling system and lightweight walls that reduce energy consumption by up to 50%. Moreover, the factories have been designed to make the best use of sunlight which translates to even better energy efficiency.
- Oishi is Thailand's first green tea beverages production plants to feature the world-class 'Cold Aseptic Filling' technology from Japan. The new technology ensures authentic 'real brew' Japanese Green Tea taste from natural green tea leaves and the 'goodness' of Green Tea nutrients are retained in every bottle.
- In addition, the plants are also the first in Thailand to be equipped with the Double Clean Room and Dry Filling Process which yields optimum world-class hygienic standards equaling those of hospital operating rooms.
- The lightweight beverage PET bottles produced from these factories also help reduce 30% consumption of plastic compared to "Hot Filling" technology and mean lighter loads and less energy consumption in delivery.





Report of the Board
of Directors' Responsibility
for the
Financial Statements



23. Report of the Board of Directors' Responsibility for the Financial Statements



The Company's Board of Director is responsible for financial statements of the Company and its subsidiaries, and the financial information in the Annual Report. The said financial statements have been prepared in conformity with generally accepted international financial reporting standard and on a consistent basis. Where judgment and estimates were required, these were made with careful and reasonable consideration. The practice ensures sufficient information disclosure for the benefit of all shareholders and investors.

The Board of Directors has established and maintained appropriate and effective risk management and internal control systems to become reasonably confident of accurate, complete, and adequate of financial information are in place, with the ability to retain the Company assets and prevent frauds or other significant irregularities in the operations of the Company.

The Board of Directors has appointed an Audit Committee which comprises three independent directors who are responsible for reviewing the financial reports and for maintaining the adequacy of the internal control and internal audit systems of the Company. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee in this Annual Report.

The financial statements of the Company and subsidiaries were audited by KPMG Phoomchai Audit Company Limited. Along the auditing process, the Company gave a full support to provide required documents. The auditor's report on auditing matter is presented in this Annual Report.

The Board of Directors agrees that the internal control is in satisfactory level and is able to guarantee that the financial statements of the Company and its subsidiaries as of December 31, 2012 are reliable under generally accepted accounting standards, and also acceptable to relevant laws and regulations.

- Signature -

(Narong Srisa-an)
Chairman

The Audit Committee of Oishi Group Public Company Limited (“the Company”) is composed of three independent members, namely, Mr. Vikrom Koopirochana, Chairman of the Audit Committee, Ms. Potjaneer Thanavarant and Mr. Chai Jroongtanapibarn, Audit Committee members. The Audit Committee members are considered by the Company to be qualified, knowledgeable and experienced persons. Their qualifications are in accordance with the requirements of the Company’s Charter of Audit Committee. They are truly independent persons who neither are involved in the management of nor hold any positions in the Company, its subsidiaries and other affiliates.

During 2012, the Audit Committee had performed its duties within the scope of responsibilities in accordance with the Code of Best Practice of the Stock Exchange of Thailand and the regulations set out in the Charter of Audit Committee approved by the Board of Directors. The Audit Committee made the review of the good corporate governance, the financial statements and the appropriateness of disclosures of information regarding transactions between the Company, its subsidiaries and other affiliates, and transactions with tendency to cause conflict of interests, and the appropriateness of internal control systems. The Committee also played a role in the progressive development of internal control systems, strict monitoring of the Company’s internal audit, the selection and the proposed appointment of the Company’s statutory auditors to the Board of Directors as well as the evaluation of their compliance with professional requirements and their performances, quality of services and the appropriateness of their remuneration.

To ensure that the Company’s operations are undertaken efficiently and transparently and can be audited at all steps in accordance with the policies of the Board of Directors, the Audit Committee has carried out its duty with responsibility to make sure that the Company continues to develop good corporate governance.

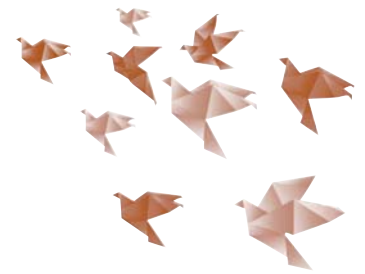
In 2012, 8 meetings were held by the Audit Committee and all 3 members of the Committee attended the meetings without any absence. Relevant executives were invited to the meetings to make clarifications on certain issues appeared in the course of internal audit. Corrections and improvements can accordingly be made and discrepancies can thus be prevented from recurrence.

The followings are principal performances carried out by the Audit Committee in 2012 :

1.) Review the accuracy of the Company’s financial reports, and the adequacy of information disclosure.

The Audit Committee reviewed the Company’s Annual Financial Report and its Quarterly Reports before proposing them to the Board of Directors for approval. In so doing, the Committee ensured that facts and figures, and details contained in the financial reports, as well as significant information on transactions between the Company, its subsidiaries and other affiliates, or transactions with tendency to cause conflict of interests were accurately prepared and reliably disclosed.

In this connection, the statutory auditors were invited to the meeting of the Audit Committee to discuss and clarify on some significant issues relating to the financial statements prepared by the Company’s Management in compliance with Thai Accounting Standards and Thai Financial Reporting Standards including related interpretations and guidelines promulgated by the Federation of Accounting Professions. The Audit Committee could then verify whether sufficient significant information were disclosed as required by the aforementioned standards, interpretations, guidelines and principles.



Furthermore, a joint meeting was held between the Audit Committee and the statutory auditors in compliance with the Practice Guidance issued by the Stock Exchange of Thailand, allowing both parties to discuss any issue of interests to the two sides without participation of the Management.

2.) Evaluation of the services of the statutory auditors

The Audit Committee carried out the evaluation of the quality of services of KPMG Phoomchai Audit Limited, the statutory auditors, and the worthiness of their remuneration, taking into consideration the following factors – professionalism, efficiency, and independence. The Audit Committee was of the view that KPMG Phoomchai Audit Limited, the statutory auditors, had given satisfactory services accordingly, providing the Company with useful advices and recommendations, which were helpful for the Company's Annual Financial Report and internal control improvements.

3.) Monitor of the Company's operations

The Audit Committee played its part in monitoring the Company's operations through the internal audit performance to ensure that the Good Corporate Governance and the Code of Best Practice of the Stock Exchange of Thailand are carried out appropriately and consistently. The Committee has continuously followed the guidelines for the strengthening of good corporate governance of the Company.

4.) Approval of the scope of work and the annual audit plan of the Company's internal audit.

The Audit Committee approved the scope of work and the annual audit plan of the Company's internal audit for the year 2012. Additionally, the performances of the internal audit were regularly monitored, with the Company's risk management and internal controls being taken into consideration. Advices were consistently given to the Company's internal audit on various matters for the improvement of internal audit systems and the efficiency of their performances.

The Audit Committee has fully encouraged and supported the internal audit to attend annual trainings from the Institute of Internal Auditors of Thailand to enhance technical knowledge and the newly developed standards. The new experiences are beneficial for the improvements of their performances and the in-house trainings for audit staff.

5.) Review the adequacy and suitability of the internal control systems and activities.

The Audit Committee regularly reviewed the adequacy and suitability of the Company's internal control systems and activities. In this regard, reports presented by the internal audit were carefully considered and followed up to ensure that correct internal control systems were undertaken and improvements on controls and preventive measures were properly and timely carried out by the Company's Management as advised by the Audit Committee.



6.) Roles of the Audit Committee

The Audit Committee performed its duties independently from the Board of Executive Directors and the Management with strong emphasis on internal controls to ensure that good governance and adequate internal controls were appropriately applied. Significant issues based on the issues reported by the internal audit were regularly presented to the Board of Directors for policy guidelines on the improvements or corrections in some sectors.

To ensure that the Committee's roles are carried out efficiently and at the same time the Company's good corporate governance is being properly practiced, self assessment on the Audit Committee's performances are undertaken by the Committee's individual member taking the guidelines issued by the Stock Exchange of Thailand as the basis. The assessment results are highly satisfactory.

In the view of the Audit Committee, the Company's overall internal control systems are currently adequate. Discrepancies in the control systems or transactions that might cause conflict of interests and may significantly affect the Company's operations have not been noted. In addition, the Audit Committee strongly advised the Management to give careful attention to the continuous improvement of internal control systems with a view to bringing about greater efficiency and continued success of the Company's business operations and making them increasingly in compliance with relevant international standards.

- Signature -

(Mr. Vikrom Koombirochana)

Chairman of the Audit Committee

25. Report of the Risk Management Committee



The Risk Management Committee consists of 9 members, who are also board members and the executives from various departments. The committee was appointed by the Board of Directors to oversee the efficiency of the Company's risk management. Roles and responsibility of the Risk Management Committee are as follows :

1. Set policy and integrated risk management framework, that thoroughly cover main business risks i.e. business and operational risks.
2. Approve the appropriate risk management plans that can be applied throughout the organization.
3. Follow up on the Company's main risk factors, as well as, any risk indication while updating the current data.
4. Offer advices and instructions on risk management.
5. Communicate with the Audit Committee on main risk factors, to be in line with the internal control.
6. Report to the Company's Board of Directors regarding the risk factors and risk management.

In 2012, the committee held a total of 6 meetings, in order to perform their duty and the responsibility assigned by the Board of Directors. The Risk Management Committee has constantly reported the result of the significant risk management, including advices to the Board of Directors. The essence of the Risk Management Committee's performance is as follows :

1. Set up policies, strategies, and goals of risk management for the entire organization, as the guideline for efficient risk management for the executives.
2. Review the risk management policy and prepare risk management plan by evaluating from the risk factors that might affect the operation of the Company. Develop risk management system that covers all aspect of the organization. Prepare risk management plan for all levels by brainstorming with the executives, as well as the employees from various departments.
3. Set up risk management system to reduce the long-term effect that the risk might cause to the Company.
4. Develop efficient risk management system and supervise the appropriate risk management for the Company.
5. Encourage the executives and the employees to realize the significance of the risk management, and minimize those risks that might obstruct the personnel to reach their goals. Support and push forward the plan of risk management for all levels of the organization, include it in the policy, and make it the organizational culture.
6. Follow up on the progress of risk management in related divisions, and constantly arrange the risk evaluation.

The Risk Management Committee has performed its assigned duty thoroughly and gives out opinions to the executives freely for the highest benefits of the shareholders and all stakeholders.

The Risk Management Committee

- Signature -

(Mr. Chai Jroongtanapibarn)

Chairman of the Risk Management Committee

Oishi Group Public Company Limited (the “Company”) has given the significance to the Good Corporate Governance ; it has determined to continuously improve the Company’s Good Corporate Governance . The Company has strictly abided by the Codes of Best Practices for listed companies. The Company is certain that Good Corporate Governance would benefit the Company’s business operation as well as adding value and rewarding the shareholders in the long run. Since the Company has fiduciary duty to the shareholders, investors and other stakeholders, the Board of Directors has been following the Stock Exchange of Thailand’s Codes of Best Practices for listed companies, in which Company’s policies shall be set to be in line with the criteria of the Stock Exchange of Thailand. The policy is to ensure that the Company will reach its ultimate goal in business operation and sustainable growth.

Policy on Corporate Governance

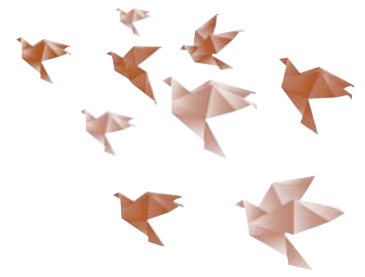
The Board of Directors believes that the policy will play an important role in successful business operation. Therefore, the Company’s good governance policy has been set to cover in many areas :

- Certain system is set to build up confidence to the shareholders and the concerned party that fair and equal treatment will be offered to every party.
- Supervising the Executives to efficiently abide by the policy set by the Board of Directors, for the best interest of the shareholders within the boundary of the law and business etiquettes.
- Assist executives’ performance to be transparency, auditable and information disclosure.
- Provide appropriate internal audit, internal control and risk management systems.
- Determine code of conduct to operate business for directors, executives and employees to be followed.

The Company is well aware of the significance of the Good Corporate Governance that it is the foundation of efficient organization. The Company, therefore, strictly operate its institution according to conduct guided by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), based on the international code of conducts set by the Organization for Economic CO-operation and Development (OECD). The conduct comprises 5 principles on Good Corporate Governance, which are as follows :

Shareholders’ Rights

The Board of Directors is aware that shareholders are the full owners of the Company, administer through the appointment the Board of Directors as their delegates, and have a right to make decision on any significant changes. The Company supports shareholders to exercise their rights such stock selling or purchasing, transaction, profit allocation, information notification, voting in shareholders’ meeting to discharge the committee, appoint account



auditors and other effected issues to the Company such as dividend allocation, regulations determination/adjustment and the Memorandum of Association, capital increase or decrease and particular issues' approvals.

The Board of Directors has the policy to treat all shareholders equally, fairly, as well as facilitating and encouraging all shareholders including the institutional investors in the meeting participation, receiving information and the rights to vote in the Shareholders' Meeting. In each meeting, the Board of Directors gives the opportunity to every shareholder equally to ask questions, give opinions, and advices to the Company. Also, the Company will assist the shareholders in the meeting to encourage the rights to vote. The Company will send Proxy Forms, along with the Meeting Invitation in case the shareholders are unable to attend the meeting. The shareholders can appoint someone else or the independent directors as proxy to attend the meeting, and shall have the rights to vote as stated by the shareholders.

The Company convenes the Annual General Meeting once a year within 4 months after the end of the financial year at a time stipulated by the Board of Directors. In the case that there are any urgent issues arise especially the issues that require the immediate attention matters that may affect the shareholders' benefits, the company will call the Extra Ordinary General Meeting of Shareholders on the case by case basis.

The Company will send meeting invitations to the shareholders, containing complete and clear agenda details at least 7 days ahead of the meeting so that the shareholders may have enough time to study the details before voting on each agenda item and also discloses such documents on the Company's website.

Moreover, to ensure that our shareholders' rights are equally treated in accordance with Good Corporate Governance practices, the Company give an opportunity to the shareholders to propose any matter, which they deem significant and appropriate to be included as an agenda of the annual general meeting of shareholders and to nominate qualified candidate(s) for director position in advance.

The shareholders shall acknowledge the regulations and procedures on the participation of the meeting, as well as receiving sufficient information to consider every agenda before the meeting. During the shareholders' meeting, the Company will give equal freedom to every shareholder in expressing opinion and make inquiries regarding the topics and motions of the meeting without time limitation. The meeting's chairman, the Board of Directors, the Audit Committee and the Management will participate in answering the enquiry, as well as, acknowledge every opinion of the shareholders. Every topic shall be noted in the minute of the meeting for future examination. Futhermore, the resolution of the Board of Directors must be stated in each meeting agenda, and meeting minute must be taken for the shareholders' later inspection.

Meanwhile the election of the directors would be one by one in order to be in accordance with the principles of the Good Corporate Governance .



In the 2012 AGM, the Company provide the Company uses a programme of the Thailand Securities Depository Co., Ltd. (“TSD”) in the registration and vote count, increasing efficiency and transparency and all members of the Board of Directors and the managements attended in the Meeting.

In addition, the Board of Director has set up policies to supervise and protect the rights of the shareholders; as well as encourage every shareholder to claim their rights freely and equally. The Shareholders’ policy must be complied with the Company’s Good Corporate Governance that is in-line with the rules and regulation of the SET and SEC, including other related laws. The Board of Directors also realizes and sees the importance of the shareholders’ rights, and will not carry any action that might deprive the rights.

Shareholders’ Equal Treatments

The Company has valued the equal treatment toward the shareholders, and has set policies to supervise and protect the shareholders’ rights, as well as encouraging every party to strictly comply with the policies. All shareholders, executives, or non-executives, major, or minority shareholders, can be ensured to receive equal and fair treatment from the Company.

Moreover, the Board of Directors has set up policies to supervise and protect the rights of the shareholders; as well as encourage every shareholder to claim their rights freely and equally. The shareholders’ policy must be complied with the Company’s Good Corporate Governance that is in line with the rules and regulation of the SET, SEC and other related regulations. The Board of Directors has determined to strictly abide by the rules and regulations of the SET and SEC.

The Board of Directors determines that all director and executive discloses any information regarding their stake to the Company or other relevant parties to prevent any conflict of interests and capability to make a decision for the overall Company. In this case, the Company identified any committee and any interest earner cannot be part of related-interest transaction.

The Board of Directors has set preventive measures on any member or group of Board of Directors or executive’s exploit fraud such as insider trading or disclose improperly inside information to anyone related to the Board of Directors or executives, which might cause damages to the shareholders.

In terms of the use of internal information, the Company stated the policy in written document to prohibit all staffs from making any sale transaction upon receiving the crucial information that will affect the Company’s stock price, until the information is disclosed and the details of this matter are specified in Section 16 Internal Information Usage on Page 81 of this Annual Report.



The Role of the Stakeholders

The Board of Directors is well aware that every stakeholder must be treated with care following by their rights stated in relevant laws and regulations. The Board of Directors has considered creating cooperation between the Company and the stakeholders for Company's financial stability and cooperating benefits. There are various groups of stakeholders in the Good Corporate Governance, essentially such as customers, employees, suppliers, shareholders or investors, creditors and communities, society or government agencies. Other stakeholders include competitors.

The Board of Directors determined policies to treat each stakeholder must be according to their rights stated in laws and regulations or Company's conditions. No violation of their mentioned rights is allowed.

The Board of Directors has meant to develop a device to drive stakeholders' participation, leading to better performance and permanent satiability of the Company. The Board should reveal relevant and important information to stakeholders adequately for efficiency participation.

The Board of Directors is well aware that the effective outcome of the Company can be achieved by the contribution and support of every stakeholder. Therefore, a policy has been set to create cooperation between the Company and the stakeholders that will lead to mutual benefits. The policy will as well ensure that every stakeholder will be protected and treated with care. The policy can be elaborated as follows :

- | | | |
|--------------|---|---|
| Shareholders | : | <ul style="list-style-type: none">• The Company shall be operated with transparency, under the determination to grow and giving good benefits to the shareholders in the long run. |
| Employees | : | <ul style="list-style-type: none">• Every employee will be treated fairly and will be given appropriate reward.• Employees are considered highly valuable resources of the Company and must be treated fairly, in terms of opportunity, remuneration, potential development, as well as the stability in quality of life and safety in the workplace. |
| Customers | : | <ul style="list-style-type: none">• The Company determines to continuously develop the product quality and services of the Company, to ensure the highest customer satisfactory.• Taking good care and paying attention to the customers with all will, along with maintaining the quality and services of the products.• Providing a division, or personnel to receive complaints from the customers, to ensure prompt solutions to the customers' concerns. |



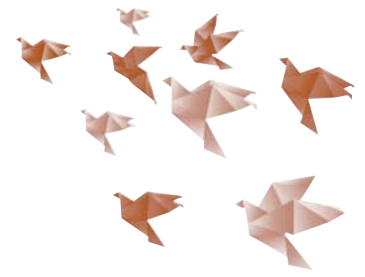
- Suppliers : • The Company shall strictly abide by the trade agreement and contracts made with the suppliers. The Company determines to treat the suppliers equally and fairly, to ensure mutual benefits.
- Creditors : • The Company determines to treat the creditors equally and fairly. The Company will also strictly abide by conditions stated in the contract.
- Competitors : • The Company will perform under the universal competition rules. The Company will also treat the competitors fairly and honestly. The Company will not destroy the reputation of competitors.
- Community : • The Company shall carry the sense of responsibility to the environment and the community.
- The Company has no policy to support and involve in bribery and corruption transaction.
 - The Company shall build good conscience to everyone in the organization to take care and develop the society, environment, along with the Company's sustainable growth.

In order to operate business for the best interest of others, the Board of Directors has set a policy, where every party is equally important, while achieving the goals of the organization. To succeed the policy, the directors and executives, as well as, employees must acknowledge the standard procedure stated in the business ethic guideline, where the fair treatments toward the shareholders, customers, suppliers, competitors, the society and the employees are drawn. In addition, the Board of Directors is setting up mechanisms to ensure that the business ethic will be abided by. In addition, the Company shall abide by the rules and regulations stated in the law, to ensure that the stakeholders will be treated with care.

Disclosure of Information and Transparency

The Board of Directors determined the Company to disclose information related to the firm including financial and non-financial information accurately, currently, completely, transparently and reliably to every stakeholder equally.

The Board of Directors is certain that all information in financial report must contain accuracy according to the standards of the Federation of Accounting Professions of Thailand and were approved by independent accounting auditors. The Board of Directors is aware that quality of financial report is what shareholders and outsiders have placed greatly importance.



The Company sees the importance of the disclosure of information related to the firm including financial and non-financial information accurately, sufficiently and transparently to the investors and other related parties at the punctual time; the information i.e. the Annual Report, Financial Report, other significant information stated by the SET, and information that might affect the Company's stock price, shall be published through the SET's website, or an appointment of the Company's executives for the enquiries of such information must be allowed. Moreover, the Board of Directors determined to set a transparency compensation payment process and asked for shareholders' approval.

Report by the Board of Directors

The Board of Directors is well aware how importance the credibility of financial report and the financial budget are. They show the public the Company's financial status, as well as its real performance. Therefore, the Board of Directors has always given full cooperation to the Company's account auditors.

The Board of Directors is responsible for the arrangement of the Company's financial report, including the financial information shown in the annual report. It supervises the management team in preparing financial budget by providing accurate and true financial data, certified by the accountants and the standards of the Federation of Accounting Professions of Thailand. The Board of Directors will carefully apply appropriate policies while using thorough consideration and the logics of the arrangement.

The Board of Directors also acknowledges the significance of the internal auditory efficiency, as it is one of the key to successful operation, as well as, preventing any misconduct. Therefore, Audit Committee is appointed to review and supervise the internal auditory system. The Committee will also directing transparent and accurate arrangement of the Company's financial record. The Audit Committees are consisted of three independent committees. The end process of financial data arrangement is when the audit committee stated their approval on the financial report in the annual report, as of December 31, 2012 that the report is credible and accurate.

Remuneration of the Board of Directors and Executives

The Company has considered the remuneration of the Board of Directors based on the comparative rate with others in the same industry, listed in the SET. The remuneration is set to motivate the directors to continuously contribute good work at the Company. The Company will also consider the remuneration appropriately, based on the responsibility of the Board of Directors. The financial incentive of the Company's Board of Directors is in the forms of monthly salary, and bonus.

The Company appointed a sub-committee to consider about remuneration for the Board of Directors and executives, followed by the resolution in shareholders' meeting. The annual report will show the sum of meeting expense and compensation in Section 15 on Page 78.



Control of the use of Internal Information

The Company has set clear policy regarding the disclosure of internal information, the financial report, and the Company's operation. The financial information, and other related business information shall be disclosed to the shareholders, investors, analysts, and the public. The Board of Directors has the responsibility to strictly and transparently abide by the policy.

The Company recognizes its duty to treat all shareholders equally and fairly. In addition, the disclosure of any information that has not yet been public for any personal use, including the trading of the executives and employees' stock trading are prohibited. Also the Company's strict policy to inform Directors, executives, their spouses and minor children of their responsibility to accurately report on the activities of their Company's stock trading activities as in accordance with Section 59 of the Securities and Exchange Act B.E. 2535. Moreover, the trading of the Company's shares during the one-month period prior to the release of the Company's financial statement must be avoided.

The Company prohibit the directors, management and those who get access to the financial data, to use the unpublicized information for personal interest including trading of shares. Those person shall refrain from dealing in the shares of the Company for one month prior to the operating results are disclosed to the public.

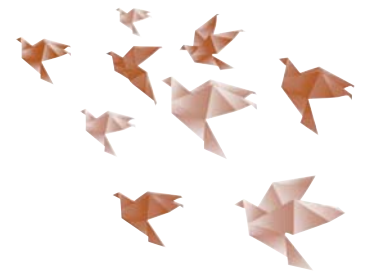
The Company set the punishment for those who misuse the internal information ranging from warning to terminating employment.

The Responsibility of the Board of Directors

The Board of Directors has responsibility to the shareholders, regarding the management of the Company. They must supervise the management to reach the goal, and direction that benefit the shareholders as much as possible. At the same time, the Board of Directors must regard the benefits of all stakeholders.

Every member in the Board of Directors has leadership, great vision and no commitment in making any decision for Company's benefits and entire shareholders. The Board of Directors has set a system to separate duties between the Board of Directors and management section distinctively and ascertained every organizational activity progress legally and with ethics. Every board member understands its duty and nature of its business, thus being ready to express its own opinions independently and self-improvement to an up-to-date situation. They are well aware of their honest performance with caution and carefulness for ultimate mutual benefits and fair to every shareholder, receiving accurate and sufficient information.

The Board of Directors consists of qualified members in various skills, experiences and talents for Company's sakes, including devoting their time and attempts to achieve their duties forcefully.



To perform their responsibilities efficiently and successfully, the Board of Directors has set many sub-committees to assist and scrutinize works as necessary; especially when neutrality is needed to judge and set policies and organization chart such report to the Board of Directors.

Leadership and Vision

The Board of Directors will approve the direction of the Company's vision, mission, goals, business plans and budgets. The Board of Directors' meeting will be held at least once every year quarter to follow up on the operation of the Company, acknowledge the management's proceedings, as well as, set up mechanisms to evaluate the achievement of the management team, both in the short term and the long term.

All board members are qualified personnel, who possess various skills, experiences and talents for Company benefits. The candidate for the director position must come from transparent selection process by the Company's Board of Directors. The nomination of the successful candidate must be approved by the Board of Directors, and must be proposed as a Shareholders' meeting agenda. The Company shall reveal the profile, qualification, work experience and the share ownership of the Company's directors in the Annual Report.

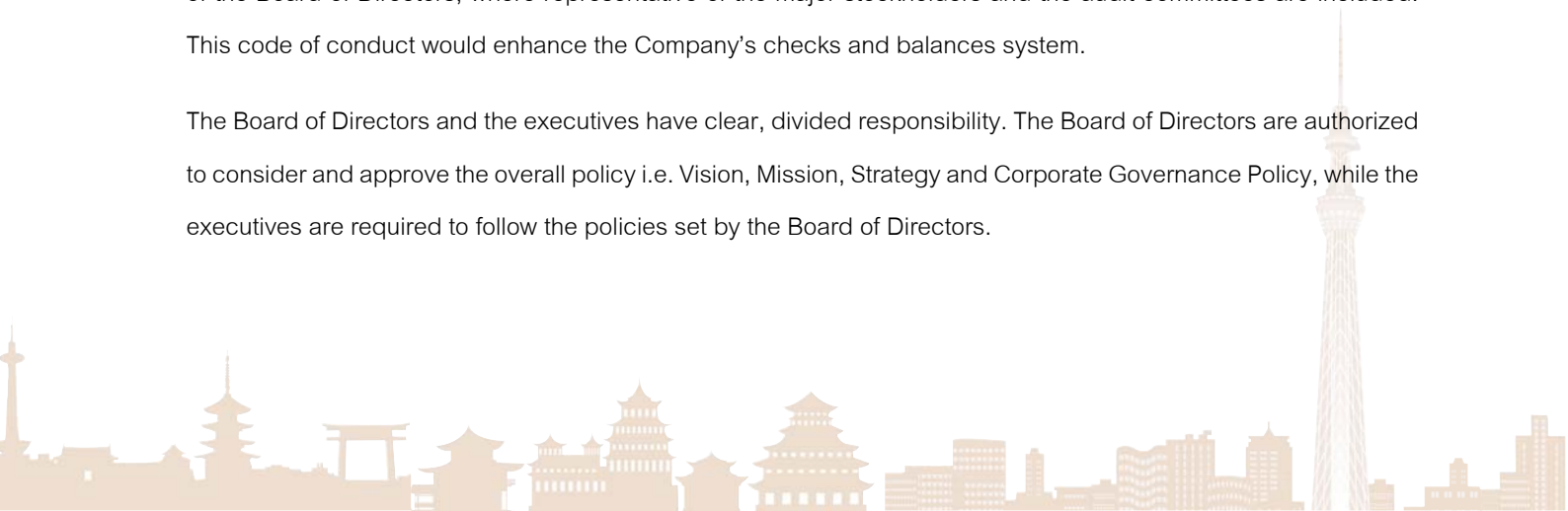
Balance of the non-Executive Directors

The Company has set up a set of committee by selecting from the criteria guided by the Stock Exchange of Thailand (SET), and must pass the approval of the Company's shareholders' meeting. Currently, there are 12 members of the directors' board, which consist of six executive directors, and six non-executive directors. Four of the non-executive directors will also be the Company's Independent Directors. The Audit Committee comprises of three Independent Directors. The directors must possess qualifications stated by the SET, and shall be independent regarding the Company's auditing.

Aggregation or Segregation of Positions

The Chairman of the Board of Directors and the managing director must be two separate persons, so that their duty in supervision will be clearly divided. The head of management team will operate the Company under the approval of the Board of Directors, where representative of the major stockholders and the audit committees are included. This code of conduct would enhance the Company's checks and balances system.

The Board of Directors and the executives have clear, divided responsibility. The Board of Directors are authorized to consider and approve the overall policy i.e. Vision, Mission, Strategy and Corporate Governance Policy, while the executives are required to follow the policies set by the Board of Directors.



Sub-Committee

The Board of Directors appointed five sets of sub-committee to assist the Company's operation. The five committees are Executive Committee, Audit Committee, Risk Management Committee, Nomination Committee and Remuneration Committee. Please see the details in Section 12 Management Structure on Page 36 of this Annual Report.

The Board of Directors and Sub-Committee Meetings

The Board of Directors is set to attend the meeting once in every year quarter, while special meeting can also be held if necessary. The motions of the meeting must be clearly stated. Prior to every meeting, the Company's secretary must send the meeting invitation and its attachments to the board members at least seven days before the meeting. The arrangement will give time for the board to thoroughly study the given information before the meeting. In every meeting, each board member has the power to debate, and freely expressing his/her opinion. At the same time, the Company Secretary will note the meeting minutes in written document for further examination, as soon as the document is approved by the board.

The sub-committee meeting has set in advance and minutes of the meeting are recorded in writing.

In 2012, the number of Board of Directors and Sub-Committee meetings and the participation of each board member can be summarized as follows :

Name of Directors		Board of Directors	Audit Committee	Excom	Nomination Committee	Remuneration Committee	Risk Management Committee
		No. of Meeting Attendance / No. of Meeting in 2012					
Mr. Narong	Srisa-an	7/7	-	-	-	4/4	-
Mr. Vikrom	Koompirochana	7/7	8/8	-	1/1	4/4	-
Mr. Chai	Jroongtanapibarn	6/7	8/8	-	-	-	6/6
Ms. Potjanee	Thanavaranit	7/7	8/8	-	-	-	-
Mr. Prasit	Kovilaikool	7/7	-	-	1/1	4/4	-
Mr. Thapana	Sirivadhanabhakdi	4/7	-	12/12	1/1	4/4	-
Mr. Matthew	Kichodhan	7/7	-	11/12	-	-	-
Mr. Panote	Sirivadhanabhakdi	6/7	-	-	-	-	-
Mr. Sithichai	Chaikriangkrai	7/7	-	11/12	-	4/4	-
Mr. Ueychai	Tantha-Obhas	7/7	-	12/12	-	-	-
Mr. Pisanu	Vichiensanth	7/7	-	12/12	-	-	6/6
Ms. Sureeporn	Pradittasnee	7/7	-	11/12	-	-	6/6

Remark : In case the directors are unable to attend the meeting as shown above because there is solid reason, the director must notify the Company in advance.

Conflict of Interest

The Boards of Directors and executives are cautious of any possible conflict of interest that might occur. Therefore, the Board of Directors supervise the use of inside information to prevent conflict of interest. In particular, The Board of Directors appointed audit committee to consider the necessary and appropriate of any transaction occurred to any conflict of interest, stakeholders or future conflict of interest. In case the audit committee does not have expertise in certain area, independent specialists or accountants will be hired to give advices in the area. Hence, the Board of Directors will be able to use the advice as guideline in the decision making process. This solution will helps preventing any possible conflict of interest. In addition, policies have been set up to prevent such conflicts by suggesting the committee, along with the employees to avoid any personal use of inside information. The policy stated that all committees and employees avoid any transaction involving to the conflict of interest.

Moreover, the Company has clearly set policies to specially scrutinize any activity that might be conflict of interest. If a director is holding stakes in any case, the director's rights to vote will be forfeited. Also, the Company has set policies that prevent the director to exploit the internal information for personal use.

Control System and Internal Control

The Boards of Directors has set up the internal control that covers all aspects, so that it abides by the law and other related rules and regulations; as well as having efficient checks and balances system that can protect the investment and capital of the shareholders and the Company's assets. The Company also sets the rank of approvals, the responsibility of the executives and the employees. The Company's rules and regulations are stated in written document, and there must be Internal Audit department to ensure the operation of each department is accurate, thorough and disciplined. In addition, the Audit Committee will supervise the Company's operation and management to ensure the effectiveness of the Company's internal control system, the credibility of the Financial Report. The Internal Audit department must report directly to the Audit Committee, who supervise and review the Company's internal control system

The Company determines to encourage the Internal Audit department to fully perform the checks and balances, by reporting directly to the Audit Committee, to ensure that the internal control system continues to be a significant mechanism that pushes the Company to its sustainable growth. In each of the Audit Committee's meeting, the head of the Internal Audit department will report the inspection result to the Audit Committee. In addition, the committee will submit the opinion report and advice, if there is any area that should be improved, to the board in each Board of Directors' meeting.

The Company has set policy on Good Corporate Governance as a guideline for business operation for the directors, the executives, the management and the employees. The Board of Directors will review and improve the policy on Good Corporate Governance annually, to be suitable for the change in the business operation, the environment, as well as the altered rules and regulations.

In 2012, the Company and its directors, officers and employees comply with all laws, regulations and policies on Good Corporate Governance.



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PUBLIC COMPANY LIMITED



To the Shareholders of Oishi Group Public Company Limited



I have audited the accompanying consolidated and separate financial statements of Oishi Group Public Company Limited and its subsidiaries, and of Oishi Group Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2012, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated and Separate Financial Statements

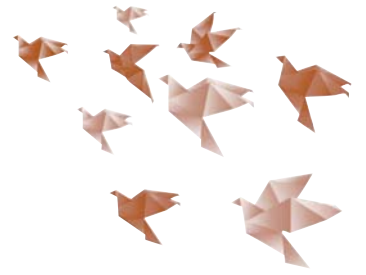
Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate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

Auditor's Responsibility

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

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

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



Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2012 and the financial performance and cash flows for the year then ended of Oishi Group Public Company Limited and its subsidiaries, and of Oishi Group Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

(Nirand Lilamethwat)

Certified Public Accountant

Registration No. 2316

KPMG Phoomchai Audit Limited

Bangkok

26 February 2013



Oishi Group Public Company Limited and its Subsidiaries

Statement of financial position

(Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2012	2011	2012	2011
Assets					
<i>Current assets</i>					
Cash and cash equivalents	6	93,649,659	56,017,956	49,659,512	44,651,935
Current investment	7	2,000,000	-	-	-
Trade accounts receivable	5, 8	709,315,929	502,415,055	204,455,643	113,408,916
Other receivables	5, 9	1,010,258,017	1,424,523,584	18,858,908	19,020,684
Short-term loan to a subsidiary	5	-	-	118,000,000	74,000,000
Inventories	10	309,605,241	225,164,699	41,178,404	38,907,914
Dividends receivable from a subsidiary	5	-	-	167,999,600	335,999,200
Income tax refundable		13,433,960	-	6,280,536	-
Other current assets		37,280,503	42,959,972	24,205,298	23,380,247
Total Current assets		2,175,543,309	2,251,081,266	630,637,901	649,368,896
<i>Non-current assets</i>					
Investments in subsidiaries	11	-	-	578,203,025	578,000,000
Other long-term investment	7	10,160,000	12,160,000	-	-
Property, plant and equipment	12	4,741,702,936	3,130,070,381	974,179,983	660,523,003
Intangible assets	13	33,139,828	35,809,222	21,426,222	22,661,231
Leasehold rights	14	72,626,251	82,317,616	37,809,851	40,287,858
Deferred tax assets	15	53,773,684	18,707,842	16,190,089	3,882,876
Other non-current assets	5, 16	173,078,954	188,650,711	151,272,762	124,425,157
Total non-current assets		5,084,481,653	3,467,715,772	1,779,081,932	1,429,780,125
Total assets		7,260,024,962	5,718,797,038	2,409,719,833	2,079,149,021

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



Oishi Group Public Company Limited and its Subsidiaries

Statement of financial position

(Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2012	2011	2012	2011
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	17	1,836,000,000	581,000,000	-	-
Trade accounts payable	5, 18	932,942,350	643,497,048	404,454,174	300,501,009
Other payables	5, 19	927,922,632	649,912,871	491,694,146	230,207,194
Short-term loan from a subsidiary	5	-	-	159,000,000	145,000,000
Current portion of long-term loan from a financial institution	17	-	600,000,000	-	-
Accounts payable-assets acquisition		323,112,686	191,994,935	134,186,070	69,068,661
Income tax payable		3,700,003	40,883,589	-	1,848,759
Other current liabilities		57,250,096	40,412,770	21,924,172	18,119,617
Total current liabilities		4,080,927,767	2,747,701,213	1,211,258,562	764,745,240
Non-current liabilities					
Deferred income		263,223	515,754	177,663	364,570
Employee benefit obligations	20	40,892,444	26,698,632	28,267,992	19,414,379
Other non-current liabilities	21	16,747,433	39,035,083	300,000	300,000
Total non-current liabilities		57,903,100	66,249,469	28,745,655	20,078,949
Total liabilities		4,138,830,867	2,813,950,682	1,240,004,217	784,824,189

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

Oishi Group Public Company Limited and its Subsidiaries

Statement of financial position

(Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2012	2011	2012	2011
Equity					
Share capital :	22				
Authorised share capital		375,000,000	375,000,000	375,000,000	375,000,000
Issued and paid-up share capital		375,000,000	375,000,000	375,000,000	375,000,000
Premium on ordinary shares	23	609,402,184	609,402,184	609,402,184	609,402,184
Retained earnings					
Appropriated to legal reserve	23	37,500,000	37,500,000	37,500,000	37,500,000
Unappropriated		2,062,437,093	1,846,084,757	147,813,432	272,422,648
Other components of equity					
Currency translation differences		(4,597)	-	-	-
Revaluation surplus on land		36,859,415	36,859,415	-	-
Total equity		3,121,194,095	2,904,846,356	1,169,715,616	1,294,324,832
Total liabilities and equity		7,260,024,962	5,718,797,038	2,409,719,833	2,079,149,021

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



Oishi Group Public Company Limited and its Subsidiaries

Statement of comprehensive income

(Baht)

	Note	Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
		2012	2011	2012	2011
Income					
Revenue from sale of goods	5, 24, 32	11,634,396,731	9,501,115,480	6,152,699,067	4,315,979,445
Dividend income	5, 11	-	-	352,431,138	12,797,951
Net gain on foreign exchange		-	26,108,487	-	-
Net gain on disposal of property		-	114,126,992	-	-
Other income	5, 25	67,893,662	36,084,062	33,760,888	21,675,857
Total income		11,702,290,393	9,677,435,021	6,538,891,093	4,350,453,253
Expenses					
Cost of sale of goods	5, 10	8,030,592,613	6,558,018,196	4,072,736,233	2,763,633,918
Selling expenses	5, 26	1,376,448,603	1,023,971,545	829,666,491	538,041,665
Administrative expenses	5, 27	1,579,227,434	1,105,258,408	1,333,730,413	979,315,214
Net loss on foreign exchange		36,589,713	-	-	-
Net loss arising from the flooding	3	5,744,505	115,983,984	-	12,898,733
Finance costs	5, 30	45,647,370	15,683,317	4,525,792	3,257,356
Total expenses		11,074,250,238	8,818,915,450	6,240,658,929	4,297,146,886
Profit before income tax expense		628,040,155	858,519,571	298,232,164	53,306,367
Income tax revenue (expense)	31	25,792,965	(50,392,649)	11,527,495	(16,504,008)
Profit for the year		653,833,120	808,126,922	309,759,659	36,802,359
Other comprehensive income					
Foreign currency translation differences for foreign operations		(4,597)	-	-	-
Revaluation of land	12	-	46,074,269	-	-
Defined benefit plan actuarial losses	20	(7,788,479)	(9,492,398)	(3,898,594)	(4,877,601)
Income tax on other comprehensive income	31	1,557,695	(7,316,374)	779,719	975,520
Other comprehensive income for the year, net of income tax		(6,235,381)	29,265,497	(3,118,875)	(3,902,081)
Total comprehensive income for the year		647,597,739	837,392,419	306,640,784	32,900,278
Basic earnings per share	33	3.49	4.31	1.65	0.20

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

Oishi Group Public Company Limited and its Subsidiaries

Statement of changes in equity

Baht

		Consolidated financial statements						
		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity		Total equity
				Appropriated to legal reserve	Unappropriated	Currency translation differences	Revaluation surplus on land	
Note								
Year ended 31 December 2011								
Balance at 1 January 2011		375,000,000	609,402,184	37,500,000	1,645,551,753	-	-	2,667,453,937
Transaction with owners, recorded directly in equity								
Dividends to owners of the Company		-	-	-	(600,000,000)	-	-	(600,000,000)
Total transaction with owners, recorded directly in equity		-	-	-	(600,000,000)	-	-	(600,000,000)
Comprehensive income for the year								
Profit		-	-	-	808,126,922	-	-	808,126,922
Other comprehensive income		-	-	-	(7,593,918)	-	36,859,415	29,265,497
Total comprehensive income for the year		-	-	-	800,533,004	-	36,859,415	837,392,419
Balance at 31 December 2011		375,000,000	609,402,184	37,500,000	1,846,084,757	-	36,859,415	2,904,846,356

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

Oishi Group Public Company Limited and its Subsidiaries

Statement of changes in equity

Baht

		Consolidated financial statements						
		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity		Total equity
				Appropriated to legal reserve	Unappropriated	Currency translation differences	Revaluation surplus on land	
<i>Note</i>								
Year ended 31 December 2012								
Balance at 1 January 2012		375,000,000	609,402,184	37,500,000	1,846,084,757	-	36,859,415	2,904,846,356
Transaction with owners, recorded directly in equity								
Dividends to owners of the Company		34	-	-	(431,250,000)	-	-	(431,250,000)
Total transaction with owners, recorded directly in equity		-	-	-	(431,250,000)	-	-	(431,250,000)
Comprehensive income for the year								
Profit		-	-	-	653,833,120	-	-	653,833,120
Other comprehensive income		-	-	-	(6,230,784)	(4,597)	-	(6,235,381)
Total comprehensive income for the year ended 31 December 2011		-	-	-	647,602,336	(4,597)	-	647,597,739
Balance at 31 December 2012		375,000,000	609,402,184	37,500,000	2,062,437,093	(4,597)	36,859,415	3,121,194,095

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

Oishi Group Public Company Limited and its Subsidiaries

Statement of changes in equity

Baht

	Note	Separate financial statements				Total equity
		Issued and paid-up share capital	Share premium	Retained earnings		
				Appropriated to legal reserve	Unappropriated	
Year ended 31 December 2011						
Balance at 1 January 2011		375,000,000	609,402,184	37,500,000	839,522,370	1,861,424,554
Transaction with owners, recorded directly in equity						
Dividends to owners of the Company	34	-	-	-	(600,000,000)	(600,000,000)
Total transaction with owners, recorded directly in equity		-	-	-	(600,000,000)	(600,000,000)
Comprehensive income for the year						
Profit		-	-	-	36,802,359	36,802,359
Other comprehensive income		-	-	-	(3,902,081)	(3,902,081)
Total comprehensive income for the year		-	-	-	32,900,278	32,900,278
Balance at 31 December 2011		375,000,000	609,402,184	37,500,000	272,422,648	1,294,324,832

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



Oishi Group Public Company Limited and its Subsidiaries

Statement of changes in equity

Baht

	Note	Separate financial statements				Total equity
		Issued and paid-up share capital	Share premium	Retained earnings		
				Appropriated to legal reserve	Unappropriated	
Year ended 31 December 2012						
Balance at 1 January 2012		375,000,000	609,402,184	37,500,000	272,422,648	1,294,324,832
Transaction with owners, recorded directly in equity						
Dividends to owners of the Company	34	-	-	-	(431,250,000)	(431,250,000)
Total transaction with owners, recorded directly in equity		-	-	-	(431,250,000)	(431,250,000)
Comprehensive income for the year						
Profit		-	-	-	309,759,659	309,759,659
Other comprehensive income		-	-	-	(3,118,875)	(3,118,875)
Total comprehensive income for the year		-	-	-	306,640,784	306,640,784
Balance at 31 December 2012		375,000,000	609,402,184	37,500,000	147,813,432	1,169,715,616

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

Oishi Group Public Company Limited and its Subsidiaries
Statement of cash flows

(Baht)

	Note	Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
		2012	2011	2012	2011
<i>Cash flows from operating activities</i>					
Profit for the year		653,833,120	808,126,922	309,759,659	36,802,359
<i>Adjustments for</i>					
Depreciation and amortisation	12, 13, 14	512,137,433	476,966,530	256,912,780	188,545,847
(Reversal of) Impairment losses on plant and equipment	12	(224,648,362)	588,799,971	3,420,762	-
(Reversal of) allowance for obsolete and deteriorated inventory		14,344,761	(7,223,356)	4,246,470	(2,569,719)
Write off of obsolete and deteriorated inventories		34,581,410	24,545,927	3,707,274	16,635,163
Write off of other current asset		1,265,615	570,056	1,015,666	-
Insurance reimbursement from flooding	3	(170,000,000)	(1,200,000,000)	-	-
Interest income		(2,416,997)	(2,457,139)	(3,801,364)	(3,088,005)
Finance costs	30	45,647,370	15,683,317	4,525,792	3,257,356
Dividends income from subsidiaries	11	-	-	(352,431,138)	(12,797,951)
Unrealised loss on exchange		30,153,259	10,415,832	-	-
Loss on disposal and write off of property, plant and equipment		48,338,425	252,186,072	22,026,232	34,482,800
Loss on write off of intangible assets		14,865	5,062,340	13,602	5,062,340
Employee benefit expenses	20	6,405,332	5,328,408	4,955,019	4,136,773
Deferred income		(252,531)	(268,978)	(186,907)	(203,353)
Income tax (revenue) expense	31	(25,792,965)	50,392,649	(11,527,494)	16,504,008
		923,610,735	1,028,128,551	242,636,353	286,767,618
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(206,721,385)	104,060,034	(91,046,727)	(50,681,666)
Other receivables		116,572,253	(166,030,715)	161,776	(4,739,710)
Inventories		(133,366,713)	253,292,213	(10,224,234)	(6,937,048)
Other current assets		4,445,752	(12,259,802)	(1,859,895)	(10,150,029)
Other non-current assets		(30,010,815)	(23,758,625)	(26,847,605)	(24,412,425)
Trade accounts payable		289,453,296	(152,048,442)	103,953,165	35,209,570
Other payables		247,692,610	327,777,413	261,486,952	75,371,493
Other current liabilities		16,843,000	15,690,685	3,804,555	2,625,674
Other-non current liabilities		(22,287,650)	12,504,296	-	-
Cash generated from operating activities		1,206,231,083	1,387,355,608	482,064,340	303,053,477
Proceeds from insurance reimbursement		467,693,314	-	-	-
Employee benefits paid		-	(8,421,575)	-	(4,587,979)
Income tax paid		(58,332,727)	(68,234,086)	(8,129,295)	(50,064,334)
Net cash from operating activities		1,615,591,670	1,310,699,947	473,935,045	248,401,164

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



Oishi Group Public Company Limited and its Subsidiaries

Statement of cash flows

(Baht)

	Note	Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
		2012	2011	2012	2011
<i>Cash flows from investing activities</i>					
Interest received		2,385,099	2,421,323	3,820,542	3,033,265
Dividends received		-	-	520,430,738	495,796,801
Short-term loans to a subsidiary		-	-	(44,000,000)	(74,000,000)
Investment in subsidiary		-	-	(203,025)	-
Purchase of property, plant and equipment		(1,765,751,813)	(1,712,382,968)	(535,220,983)	(240,850,277)
Sale of property, plant and equipment		10,530,219	180,660,389	10,300,253	3,047,619
Purchase of intangible assets		(3,215,831)	(3,181,197)	(2,279,201)	(2,188,054)
Sale of intangible assets		-	2,532,411	-	-
Net cash from (used in) investing activities		(1,756,052,326)	(1,529,950,042)	(47,151,676)	184,839,354
<i>Cash flows from financing activities</i>					
Interest paid		(45,653,044)	(15,135,287)	(4,525,792)	(3,257,356)
Dividends paid to owners of the Company		(431,250,000)	(600,000,000)	(431,250,000)	(600,000,000)
Proceeds from short-term loans from financial institutions		1,255,000,000	581,000,000	-	-
Proceeds from short-term loans from a subsidiary		-	-	14,000,000	145,000,000
Repayment of current portion of long-term loan from a financial institution		(600,000,000)	-	-	-
Net cash from (used in) financing activities		178,096,956	(34,135,287)	(421,775,792)	(458,257,356)
Net increase (decrease) in cash and cash equivalents		37,636,300	(253,385,382)	5,007,577	(25,016,838)
Cash and cash equivalents at 1 January		56,017,956	309,403,338	44,651,935	69,668,773
Effect of exchange rate changes on balances held in foreign currencies		(4,597)	-	-	-
Cash and cash equivalents at 31 December	6	93,649,659	56,017,956	49,659,512	44,651,935

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

Oishi Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Impact of severe flooding in Thailand
4	Significant accounting policies
5	Related parties
6	Cash and cash equivalents
7	Other investment
8	Trade accounts receivable
9	Other receivables
10	Inventories
11	Investments in subsidiaries
12	Property, plant and equipment
13	Intangible assets
14	Leasehold rights
15	Deferred tax
16	Other non-current assets
17	Interest-bearing liabilities
18	Trade accounts payable
19	Other payables
20	Employee benefit obligations
21	Other non-current liabilities
22	Share capital
23	Reserves
24	Segment reporting
25	Other income
26	Selling expenses
27	Administrative expenses
28	Employee benefit expenses
29	Expenses by nature
30	Finance costs
31	Income tax expense



Oishi Group Public Company Limited and its Subsidiaries

Notes to the financial statements

Note	Contents
32	Promotional privileges
33	Earnings per share
34	Dividends
35	Financial instruments
36	Commitments with non-related parties
37	Other
38	Events after the reporting period
39	Thai Financial Reporting Standards (TFRS) not yet adopted
40	Reclassification of accounts



Oishi Group Public Company Limited and its Subsidiaries

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 26 February 2013.

1 General information

Oishi Group Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 19-20th Floor, Park Ventures Ecoplex 57, Wireless Road, Lumpini, Patumwan, Bangkok (Formerly 20th Floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang, Bangkok).

The Company was listed on the Stock Exchange of Thailand in August 2004.

The parent company during the financial year was Thai Beverage Public Company Limited which was incorporated in Thailand.

The principal activities of the Company are engaged in the Japanese restaurant and distribution of beverage and snack. The principal activities of the Group are production and distribution of food and beverage, Japanese restaurant. Details of the Company’s subsidiaries as at 31 December 2012 and 2011 were as explained in note 11.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

As at 31 December 2012, the FAP had issued a number of new and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 39.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position :

- derivative financial instruments are measured at fair value ;
- financial instruments at fair value through profit or loss are measured at fair value.

(c) Presentation currency

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements,



estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

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

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

- Note 3 Impact of severe flooding in Thailand
- Note 4(s) Current and deferred taxation
- Note 12 Valuation of land
- Note 15 Utilisation of tax losses
- Note 20 Measurement of defined benefit obligations

3 Impact of severe flooding in Thailand

The Group's operations in Pathumthani have been affected by the unusually severe flooding affecting parts of Thailand. Production at the Pathumthani plant stopped on 19 October 2011 and only recommenced in October 2012. The Group has insurance covering Industrial All Risks (IAR) and also has Business Interruption (BI), but has thus far not finalized their assessment of the actual damage suffered. Management believes that any losses arising as a consequence of the flooding will be recovered from insurance. Insurance reimbursements are recognised when, and only when, it is virtually certain that the reimbursement will be received. The Group has recognised the following expenses and insurance reimbursements resulting from the flood damage.

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in million Baht)			
Insurance reimbursement				
- received prior to 31 December	468	-	-	-
- received after 31 December	160	55	-	-
- not yet received	742	1,145	-	-
Government compensation before 31 December	4	-	-	-
Accumulated insurance reimbursement recognised	1,374	1,200	-	-
Insurance reimbursement recognised				
in previous periods	(1,200)	-	-	-
Total insurance reimbursement recognised	174	1,200	-	-
Write off of inventories	-	(229)	-	(13)
Write off and impairment of plant and equipment	(36)	(908)	-	-
Other flood related expenses	(144)	(179)	-	-
Total flood related expenses	(180)	(1,316)	-	(13)
Net losses arising from the flooding	(6)	(116)	-	(13)

The flood related expenses are attributable to the following functions presented in the statement of comprehensive income :

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	(in million Baht)			
Cost of sales of goods	20	7	-	-
Administrative expenses	160	1,309	-	13
Total flood related expenses	180	1,316	-	13

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group").

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.

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.

(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 profit or loss.

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.



Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates that fair value was determined.

Foreign entities

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(c) *Derivative financial instruments*

Derivative financial instruments are used to manage exposure to foreign exchange arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value ; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

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).

(d) *Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. 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 measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and 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.

(g) Investments

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

Investments in government bonds

Investments in government bonds that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

(h) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for land which is stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.



Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. Upon disposal of a revalued asset, any related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Reclassification to investment property

The Group has sublet a portion of the factory building area but has decided not to treat this property as an investment property because it is not the Group's intention to hold it for long-term capital appreciation or rental. Accordingly, the property is still treated as a lease of property, plant and equipment.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

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

Land improvements	10	Years
Buildings and building improvements	5-33	Years
Decoration, office equipment, furniture and fixtures	5	Years
Internal systems	5-20	Years
Tools and machinery for manufacturing	5-14	Years
Restaurant utensils	5	Years
Vehicles	5	Years

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

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) *Intangible assets*

Intangible assets that are acquired by the Group and have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows :

Software licences	10 Years
Operation rights	10 Years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) *Leasehold rights*

Leasehold rights of building area are stated at cost less accumulated amortisation and impairment losses. Leasehold rights are amortised and recognised in profit or loss on a straight-line basis over the period of the agreements.

(k) *Impairment*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

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



Reversals of impairment

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

(l) *Interest-bearing liabilities*

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(m) *Trade and other accounts payable*

Trade and other accounts payable are stated at cost.

(n) *Deferred income*

Deferred income from franchise agreements is recognised in profit or loss on a straight-line basis over the terms of the agreements.

(o) *Employee benefits*

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods ; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(p) Revenue

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

Sale of goods

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

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

Franchise income

Franchise income is recognised in profit or loss on a straight-line basis over the term of the agreements.

Subsidized income

Subsidized income is recognised in the statement of income on the accrual basis according to the agreed content stated in the contract or over the term of the agreements.



Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest and other income

Interest and other income is recognised in profit or loss as it accrues.

(q) Finance costs

Finance costs comprise interest expense on borrowings is recognised in profit or loss as it accrues.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent rentals are charged to the statement of income for the accounting period in which they are incurred.

(s) Income tax

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

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

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

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

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities ; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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

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

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries are described in notes 11. Relationship with key management and other related parties were as follows :

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company.
Thai Beverage PCL.	Thailand	Parent and directorship
TCC PD 11 Company Limited	Thailand	Directorship
Pan International (Thailand) Company Limited	Thailand	Directorship
Berli Jucker PCL.	Thailand	Directorship
Berli Jucker Foods Company Limited	Thailand	Directorship
Krittayabun Company Limited	Thailand	Directorship
Modern Trade Management Company Limited (formerly : Pomthip Company Limited)	Thailand	Directorship
Pomburapa Company Limited	Thailand	Directorship
Pomklung Company Limited	Thailand	Directorship
Pomchok Company Limited	Thailand	Directorship
Pomkit Company Limited	Thailand	Directorship
Pomcharoen Company Limited	Thailand	Directorship
Pompalang Company Limited	Thailand	Directorship
Pomnakorn Company Limited	Thailand	Directorship
Thai Beverage Logistics Company Limited	Thailand	Directorship



Name of entities	Country of incorporation/ nationality	Nature of relationships
Thai Beverage Marketing Company Limited	Thailand	Directorship
Thai Drink Company Limited	Thailand	Directorship
Sangsom Company Limited	Thailand	Directorship
Beer Thai (1991) PCL.	Thailand	Directorship
Beer Thip Brewery (1991) Company Limited	Thailand	Directorship
Surathip Company Limited	Thailand	Directorship
Surasate Company Limited	Thailand	Directorship
Cosmos Brewery (Thailand) Company Limited	Thailand	Directorship
The Southeast Insurance PCL.	Thailand	Directorship
The Southeast Life Insurance PCL.	Thailand	Directorship
Indara Insurance PCL.	Thailand	Directorship
Southeast Capital Company Limited	Thailand	Directorship
Thippatana Arcade Company Limited	Thailand	Directorship
Dhospaak Company Limited	Thailand	Directorship
Sea Food Beer Garden Company Limited	Thailand	Directorship
T.C.C. Technology Company Limited	Thailand	Directorship
N.C.C. Exhibition Organizer Company Limited	Thailand	Directorship
N.C.C. Image Company Limited	Thailand	Directorship
N.C.C. Management and Development Company Limited	Thailand	Directorship
F&B International Company Limited	Thailand	Directorship
Theparunothai Company Limited	Thailand	Directorship
Luckchai Liquor Trading Company Limited	Thailand	Directorship
S P M Foods & Beverages Company Limited	Thailand	Directorship
Fuengfuanant Company Limited	Thailand	Directorship
Feed Addition Company Limited	Thailand	Directorship
Sermsuk PCL.**	Thailand	Directorship
Serm Suk Beverage Company Limited**	Thailand	Directorship
Sura Bangyikhan Company Limited	Thailand	Directorship
North Park Golf And Sports Club Company Limited	Thailand	Directorship
Rubia Industries Company Limited	Thailand	Directorship
TCC Hotel Collection Company Limited	Thailand	Directorship
Thai Beverage Recycle Company Limited	Thailand	Directorship
Thai Beverage Training Company Limited	Thailand	Directorship
Riverside Masterplan Company Limited	Thailand	Directorship
Sura Piset Phatra Lanna Company Limited	Thailand	Directorship
The Chonburi Sugar Corp. Limited	Thailand	Directorship
Siam Food Products Public Company Limited	Thailand	Directorship

Name of entities	Country of incorporation/ nationality	Nature of relationships
Num Yuk Company Limited	Thailand	Directorship
Num Turakij Company Limited	Thailand	Directorship
Num Kitjakarn Company Limited	Thailand	Directorship
Lertrattakarn Company Limited	Thailand	Directorship
Wattanapat Trading Company Limited	Thailand	Directorship
Business Process Outsourcing Company Limited	Thailand	Directorship
TCC Luxury Hotels & Resorts Company Limited	Thailand	Directorship
International Beverage Holdings Limited	Hong Kong	Direct subsidiary of Parent
InterBev Malaysia Sdn. Bhd.	Malaysia	Indirect subsidiary of Parent
InterBev (Singapore) Limited	Singapore	Indirect subsidiary of Parent

** Transactions with the said related parties were presented as related party transactions and balances since September 2011.

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

Transactions	Pricing policies
Purchase and sale of goods	Cost plus margin / contractually agreed price
Purchase and sale of property	Net book value / mutually agreed price
Rental income and expense	Contractually agreed price
Consultancy income	Contractually agreed price
Management fee	Contractually agreed price
Interest income and expense	Interest rate close to interest of financial institution
Other income and expenses	Mutually agreed price



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

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Parent				
Sales of goods	1,279	10,769	1,279	10,769
Management fees	9,360	-	9,360	-
Subsidiaries				
Sales of goods	-	-	7,272	10,425
Sales of property	-	-	7,446	418
Interest income	-	-	2,758	2,167
Consultancy income	-	-	720	720
Other income	-	-	3,548	1,358
Purchase of goods	-	-	204,633	233,751
Purchase of property	-	-	12,896	6,048
Rental expense	-	-	4,810	2,989
Interest expense	-	-	4,526	3,257
Other expense	-	-	22,120	2,834
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	56,397	67,195	56,397	67,195
Termination benefits	587	584	587	584
Total key management personnel compensation	56,984	67,779	56,984	67,779
Other related parties				
Sales of goods	6,137,112	4,506,902	1,391,854	656,903
Other income	11,502	4,641	10,744	3,891
Purchase of goods	1,549,346	354,013	1,095,834	289,876
Purchase of property	46,949	1,890	428	-
Rental expense	29,596	20,029	8,751	18,756
Promotion expenses	35,440	75,962	8,860	25,398
Other expense	40,187	24,806	19,119	14,839

Directors' remuneration

At the annual general meeting of the shareholders of the Company held on 25 April 2012, the shareholders approved the directors' remuneration and bonus for the year 2012 in the amount not exceeding Baht 10 million and Baht 40 million, respectively.

At the annual general meeting of the shareholders of the Company held on 28 April 2011, the shareholders approved the directors' remuneration and bonus for the year 2011 in the amount not exceeding Baht 10 million and Baht 50 million, respectively.

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
<i>Trade accounts receivable from related parties</i>				
Parent				
Thai Beverage PCL.	78	11,048	78	11,048
Subsidiaries				
Oishi Trading Company Limited	-	-	5	-
Oishi Ramen Company Limited	-	-	131	59
Other related parties				
Krittayabun Company Limited	351,161	374,915	105,119	91,698
Serm Suk PCL.	88,131	35,457	8,999	-
Berli Jucker PCL.	50,233	-	50,233	-
Serm Suk Beverage Company Limited	12,038	-	12,038	-
Beer Thip Brewery (1991) Company Limited	-	4,397	-	-
Other	5,994	897	-	5
Total	507,635	426,714	176,603	102,810



	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
<i>Other receivables from related parties</i>				
Subsidiaries				
Oishi Trading Company Limited	-	-	6,205	297
Oishi Ramen Company Limited	-	-	1,606	184
Other related parties				
The Southeast Insurance PCL.	902,307	1,200,000	-	-
Sermsuk PCL.	55	2,628	-	2,565
TCC PD 11 Company Limited	-	3,024	-	3,024
Other	1,958	1,050	1,828	399
Total	904,320	1,206,702	9,639	6,469

	Interest rate		Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011	2012	2011
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
<i>Short-term loan to a subsidiary</i>						
Oishi Trading Company Limited	2.75	3.00	-	-	118,000	74,000
Total			-	-	118,000	74,000

Movements during the years ended 31 December of short-term loans to a subsidiary was as follows :

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
At 1 January	-	-	74,000	-
Increase	-	-	2,254,761	1,616,000
Decrease	-	-	(2,210,761)	(1,542,000)
At 31 December	-	-	118,000	74,000

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
<i>Dividend receivable from subsidiaries</i>				
Oishi Trading Company Limited	-	-	167,999	335,999
Total	-	-	167,999	335,999

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
<i>Other non-current assets</i>				
<i>Other related parties</i>				
Sura Piset Phatra Lanna Company Limited	2,500	-	-	-
Lertrattakarn Company Limited	2,381	-	1,923	-
Thippatana Arcade Company Limited	1,591	2,454	1,145	2,009
Others	1,180	1,422	561	1,422
Total	7,652	3,876	3,629	3,431

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
<i>Trade accounts payable to related parties</i>				
<i>Subsidiaries</i>				
Oishi Trading Company Limited	-	-	34,550	3,306
Oishi Ramen Company Limited	-	-	54	36
<i>Other related parties</i>				
Beer Thip Brewery (1991) Company Limited	43,201	45,329	37,098	45,275
Berli Jucker Foods Company Limited	12,874	-	12,874	-
Sermsuk PCL.	6,035	4,164	5,744	3,845
Berli Jucker PCL.	1,677	408	-	-
Pan International (Thailand) Company Limited	-	7,752	-	-
Others	826	1,248	762	951
Total	64,613	58,901	91,082	53,413



	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
Other payables to related parties				
Parent				
Thai Beverage PCL.	835	-	835	-
Subsidiary				
Oishi Trading Company Limited	-	-	16,324	5,234
Oishi Ramen Company Limited	-	-	335	57
Other related parties				
Modern Trade Management Company Limited (formerly : Pomthip Company Limited)	210,751	250,860	95,331	40,174
Berli Jucker PCL.	32,082	-	32,082	-
Sermsuk PCL.	18,801	9,754	5,886	-
Pompalang Company Limited	9,639	14,137	4,911	2,225
Thai Drink Company Limited	9,532	2,146	2,545	-
Pomkit Company Limited	7,541	967	4,287	219
Pomcharoen Company Limited	6,657	941	2,981	263
Pomburapa Company Limited	6,369	634	2,538	168
Pomchok Company Limited	5,197	690	3,014	115
Lertrattakarn Company Limited	2,884	-	2,404	-
Others	16,145	6,447	8,250	3,254
Total	326,433	286,576	181,723	51,709

	Interest rate		Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011	2012	2011
		<i>(% per annum)</i>		<i>(in thousand Baht)</i>		
Short-term loans from a subsidiary						
Oishi Ramen Company Limited	2.75	3.00	-	-	159,000	145,000
Total			-	-	159,000	145,000

Movements during the year ended 31 December of short-term loans from a subsidiary was as follows :

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
At 1 January	-	-	145,000	-
Increase	-	-	55,000	426,000
Decrease	-	-	(41,000)	(281,000)
At 31 December	-	-	159,000	145,000

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>Commitments with related parties</i>	<i>(in thousand Baht)</i>			
<i>Non-cancellable operating lease commitments</i>				
Within one year	8,574	4,528	4,096	6,386
After one year but within five years	11,725	2,241	13,265	13,267
After five years	-	-	10,674	13,554
Total	20,299	6,769	28,035	33,207

Significant agreements under non-cancellable operating lease commitments

Property leases agreement

On 1 October 2012, the Company and its subsidiaries entered into building area agreements with a related company with monthly rental fees of totalling Baht 1,198,458. The agreements are for 3 years from 1 October 2012 to 30 September 2015 with renewal additional terms of 3 year each if not less than 7 months' prior written notice is given by any one party to the other as stipulated in the agreement.

On 1 August 2012, Oishi Trading Company Limited, the Company's subsidiary entered into a lease land agreement at Chonburi province agreement with a related company with monthly rental fee totalling Baht 100,000. The agreement is for 2 years from 1 August 2012 to 31 July 2014 with renewal if not less than 60 days' prior written notice is given by any one party to the other as stipulated in the agreement.

On 9 July 2012, Oishi Trading Company Limited, the Company's subsidiary entered into a land and buildings agreement at Saraburi province with a related company with monthly rental fee totalling Baht 180,000. The agreement is for 2 years from 1 June 2012 to 31 May 2014 with renewal additional terms of 2 year each if not less than 60 days' prior written notice is given by any one party to the other as stipulated in the agreement.

On 1 May 2012, the Company entered into a building area agreement with a related company. The agreement is for 3 years from 1 May 2012 to 30 April 2015 with monthly rental fee based on percentage of sale and conditions as stipulated in the agreement. This agreement shall be automatically renewed 2 times for additional



terms of 3 years each, unless there is a written notice not to renew this agreement at least 3 months prior to the expiration of the initial term or any renewal term.

On 21 December 2009, the Company entered into two lease building agreements at Bangrak district with a related company. The agreements are for 3 years from 1 January 2010 to 31 December 2012 with monthly rental fee of Baht 66,500 and Baht 90,250 respectively, the lease building agreements were canceled on 30 September 2011 and on 29 February 2012, respectively.

On 1 September 2009, the Company entered into a lease building agreement at Bangsue district with a related company. The agreement is for 3 years from 1 September 2009 to 31 August 2012 with monthly rental fee of Baht 59,490 and ceased operation on 1 August 2012.

On 1 August 2009, the Company entered into a lease building agreement at Pathumwan district with a related company. The agreement is for 3 years from 1 August 2009 to 31 July 2012 with monthly rental fee of Baht 112,870 and ceased operation on 1 August 2012.

On 16 January 2009, the Company entered into a lease building agreement at Chiang Mai province with a related company. The agreement is for 3 years from 16 January 2009 to 15 January 2012 with monthly rental fee of Baht 45,060. Subsequently on 16 January 2012, the agreement was renewed for 3 years from 16 January 2012 to 15 January 2015 with monthly rental fee of Baht 49,565.

The Company and Oishi Trading Company Limited, the Company's subsidiary, entered into car lease agreements with a related company. The agreements are for between 1 year to 5 years, due within January 2012 to June 2017 with monthly rental fees totaling Baht 215,325.20.

On 1 August 2006, Oishi Ramen Company Limited, the Company's subsidiary, entered into an area lease agreement of a building at Nonthaburi province with a related company. The agreement is for 3 years from 1 August 2006 to 31 July 2009. Subsequently on 1 August 2009, the agreement was renewed for 3 years from 1 August 2009 to 31 July 2012 with monthly rental fee of Baht 56,830. Subsequently on 1 August 2012, the agreement was renewed for 3 years from 1 August 2012 to 31 July 2015 with monthly rental fee of Baht 55,732.

Area building sublease memorandums

The Company entered into an area building sublease memorandum with Oishi Ramen Company Limited, the Company's subsidiary, to sublease area of two department stores for which the subsidiary owns leasehold rights, with monthly lease fee of totaling Baht 240,000.

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
<i>Other commitments</i>				
Service agreements	50,372	4,695	1,821	2,411
Purchase orders for goods and supplies	35,542	2,809	34,158	-
Total	85,914	7,504	35,979	2,411

Other agreements

Production and distributing goods agreements

Oishi Trading Company Limited, the Company's a subsidiary entered into appointment agreements with related companies that have authority and responsibility to act as a manufacturer and distributor for green tea returnable bottle at the price and conditions as specified in the agreement. The agreement is for 5 years which ends 31 July 2017.

Beverage trading agreements

On 20 March 2012, the Company entered into a trading goods agreement with a related company, according to the minimum monthly quantity required at the price specified in the agreement. The agreement is for 1 year from 21 March 2012 to 20 March 2013 with renewal if not less than 60 days' prior written notice is given by any one party to the other as stipulated in the agreement. The Company is obligated to purchase any remaining goods and materials supplied by the supplier within 30 days from the termination.

Distributing goods agreements

On 15 March 2012, the Company entered into appointment agreements with a related company that has authority and responsibility to act as a distributor for goods to the Company at the price as specified in the agreement. The Company agreed to pay distribution fee at rate as specified in the agreement. The agreement is for a 3-year from 15 May 2012 to 14 May 2015. This agreement shall be automatically renewed for additional terms of 3 years each, unless there is a written notice not to renew this agreement at least 6 months prior to the expiration of the initial term or any renewal term.

Management services agreement

On 29 May 2012, the Company entered into a management services agreement with a related company for the provision of managing services to the Company's operations, with monthly services fee as specified in the agreement. The agreement is for 1 year from 1 January 2012 to 31 December 2012. This agreement shall be automatically renewed for additional terms of one year each, unless there is a written notice not to renew this agreement at least 3 months prior to the expiration of the initial term or any renewal term.

Beverage trading agreements

On 19 May 2011, the Company entered into a green tea soda beverage canned trading agreement with a related company according to the quantity required from the Company at the price specified in the agreement. The agreement is for 5 years from 19 May 2011 to 19 May 2016.

Distributing goods agreements

On 30 December 2010, the Company and Oishi Trading Company Limited, the Company's subsidiary, entered into appointment agreements with related companies that have authority and responsibility to act as a distributor for ready-to-drink products to the Company and the said subsidiary from 1 January 2011.

On 4 November 2008, Oishi Trading Company Limited, the Company's subsidiary, entered into an appointment agreement with a related company to act as a distributor for green tea products to the said subsidiary. The agreement is for 3 years from 4 November 2008 to 3 November 2011. Subsequently, the agreement was extended for 3 years from 4 November 2011 to 3 November 2014.



6. Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Cash on hand	17,511	15,624	16,408	14,249
Cash at banks - current accounts	3,985	628	519	375
Cash at banks - savings accounts	72,154	39,766	32,733	30,028
Total	93,650	56,018	49,660	44,652

Cash and cash equivalents of the Group as at 31 December 2012 was denominated in Thai Baht and other functional currencies of foreign subsidiaries entirely in Thai Baht. (2011: was denominated entirely in Thai Baht). Cash and cash equivalents of the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

7 Other investment

Other investment as at 31 December 2012 and 2011 was investment in government bonds.

	Interest rate		Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011	2012	2011
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
<i>Current investment</i>						
Redemption within one year	4.25	-	2,000	-	-	-
Other long-term investments						
Redemption within 2013	-	4.25	-	2,000	-	-
Redemption within 2014	5.90	5.90	6,500	6,500	-	-
Redemption within 2016	4.125	4.125	3,660	3,660	-	-
Total			10,160	12,160	-	-

Oishi Trading Company Limited, the Company's subsidiary, has pledged the bonds as collateral for electricity and natural gas consumption in whole amount.

Other investment of the Group as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

8 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<i>(in thousand Baht)</i>					
Related parties	5	507,635	426,714	176,603	102,810
Other parties		201,681	75,701	27,853	10,599
Total		709,316	502,415	204,456	113,409

Aging analyses for trade accounts receivable were as follows :

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
Related parties				
Within credit terms	507,312	425,767	176,603	102,810
Overdue :				
Less than 3 months	323	947	-	-
Total	507,635	426,714	176,603	102,810
Other parties				
Within credit terms	129,880	58,030	26,947	10,511
Overdue :				
Less than 3 months	70,259	16,892	334	88
3 - 6 months	732	223	572	-
6 - 12 months	810	556	-	-
Total	201,681	75,701	27,853	10,599
Grand Total	709,316	502,415	204,456	113,409

The normal credit term granted by the Group ranges from 30 days to 60 days.

Trade accounts receivable of the Group as at 31 December 2012 was denominated in US Dollars and Singapore Dollars amounting Baht 4.67 million and 0.96 million, respectively and remaining amount was denominated entirely in Thai Baht, (2011: was denominated in Singapore Dollars amounting to Baht 0.88 million and remaining amount was denominated entirely in Thai Baht). Trade accounts receivable of the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.



9. Other receivables

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<i>(in thousand Baht)</i>					
Related parties	5	904,320	1,206,702	9,639	6,469
Other parties					
Prepaid expenses		45,054	14,871	5,473	4,631
Refundable import duty		29,796	841	-	-
Subsidize and rebate receivables		27,763	4,943	2,577	4,943
Receivable on sale of property		-	192,600	-	-
Others		3,325	4,567	1,170	2,978
Total		1,010,258	1,424,524	18,859	19,021

10. Inventories

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
Finished goods	67,281	67,436	9,866	2,351
Raw materials	223,693	133,617	31,576	32,049
Production supplies	32,976	24,112	3,983	4,508
	323,950	225,165	45,425	38,908
Less allowance for decline in value	(14,345)	-	(4,247)	-
Net	309,605	225,165	41,178	38,908
Inventories recognised as an expense in 'cost of sales of goods' :				
- Cost	7,981,667	6,544,987	4,064,782	2,762,467
- Write-down to net realisable value	48,926	33,014	7,954	9,454
- Reversal of write-down	-	(19,983)	-	(8,287)
Net	8,030,593	6,558,018	4,072,736	2,763,634

11. Investments in subsidiaries

	Separate financial statements	
	2012	2011
	<i>(in thousand Baht)</i>	
At 1 January	578,000	578,000
Acquisitions	203	-
Disposals	-	-
At 31 December	578,203	578,000

Investments in subsidiaries as at 31 December 2012 and 2011, and dividend income from those investments for the years then ended were as follows :

Subsidiaries	Type of business	Separate financial statements							
		Ownership interest		Paid-up capital		Cost method		Dividend income	
		2012	2011	2012	2011	2012	2011	2012	2011
		(%)				(in thousand Baht)			
Oishi Trading Company Limited	Manufacture and distribution of food and beverage	99.99	99.99	420,000	420,000	420,000	420,000	335,999	-
Oishi Ramen Company Limited	Japanese ramen restaurant	99.99	99.99	158,000	158,000	158,000	158,000	16,432	12,798
Oishi International Holdings Limited	Distribution beverage in international	100.00	-	203	-	203	-	-	-
Total						578,203	578,000	352,431	12,798

On 21 May 2012, Oishi International Holdings Limited, the Company's subsidiary, was incorporated in Hong Kong with a registered capital stock of Hong Kong Dollars 50,000 and not yet commenced operations.

All subsidiaries were incorporated in Thailand, except Oishi International Holdings Limited which was incorporated in Hong Kong.

12. Property, plant and equipment

	Consolidated financial statements										
	Land	Land improvements	Buildings and Building improvements	Decoration	Internal systems	Tools and machinery for manufacturing	Office equipment, Furniture and fixtures	Restaurant utensils	Vehicles	Assets under construction and installation	Total
	<i>(in thousand Baht)</i>										
Cost/ revaluation											
At 1 January 2011	310,926	6,888	526,285	345,447	437,446	1,358,659	215,737	109,493	3,849	1,258,936	4,573,666
Additions	-	-	774	44,369	47,714	77,780	38,485	11,630	-	1,379,615	1,600,367
Surplus on revaluation	46,074	-	-	-	-	-	-	-	-	-	46,074
Transfers	-	3,000	582,333	46,618	229,662	1,640,417	12,197	1,733	-	(2,515,960)	-
Disposals	-	-	(14,949)	(61,540)	(35,812)	(684,033)	(35,155)	(18,867)	(441)	-	(850,797)
At 31 December 2011 and 1 January 2012	357,000	9,888	1,094,443	374,894	679,010	2,392,823	231,264	103,989	3,408	122,591	5,369,310
Additions	-	-	388	158,849	93,130	147,007	65,967	20,047	-	1,456,207	1,941,595
Transfers	-	-	-	45,159	69,538	735,581	30,231	2,455	-	(882,964)	-
Disposals	-	-	-	(58,839)	(30,394)	(398,005)	(34,691)	(20,652)	-	-	(542,581)
At 31 December 2012	357,000	9,888	1,094,831	520,063	811,284	2,877,406	292,771	105,839	3,408	695,834	6,768,324

Consolidated financial statements											
	Land	Land improvements	Buildings and Building improvements	Decoration	Internal systems	Tools and machinery for manufacturing	Office equipment, Furniture and fixtures	Restaurant utensils	Vehicles	Assets under construction and installation	Total
<i>(in thousand Baht)</i>											
Depreciation and impairment losses											
At 1 January 2011	-	3,547	151,538	183,630	142,173	916,833	126,483	80,434	2,949	-	1,607,587
Depreciation charge for the year	-	688	41,557	53,987	75,114	249,229	30,319	9,531	378	-	460,803
Impairment losses	-	-	65,000	-	-	523,800	-	-	-	-	588,800
Disposals	-	-	(5,636)	(46,925)	(19,111)	(299,264)	(30,318)	(16,320)	(377)	-	(417,951)
At 31 December 2011 and 1 January 2012	-	4,235	252,459	190,692	198,176	1,390,598	126,484	73,645	2,950	-	2,239,239
Depreciation charge for the year	-	689	46,954	72,858	102,502	221,351	39,403	11,758	226	-	495,742
Impairment losses	-	-	-	-	-	10,112	3,421	-	-	-	13,533
Reversal of impairment losses	-	-	(65,000)	-	-	(511,548)	-	-	-	-	(576,548)
Disposals	-	-	-	(46,259)	(18,669)	(31,050)	(29,904)	(19,463)	-	-	(145,345)
At 31 December 2012	-	4,924	234,413	217,291	282,009	1,079,463	139,404	65,940	3,176	-	2,026,621
Net book value											
At 1 January 2011	310,926	3,341	374,747	161,817	295,273	441,826	89,254	29,059	900	1,258,936	2,966,079
At 31 December 2011 and 1 January 2012	357,000	5,653	841,984	184,202	480,834	1,002,225	104,780	30,344	458	122,591	3,130,071
At 31 December 2012	357,000	4,964	860,418	302,772	529,275	1,797,943	153,367	39,899	232	695,834	4,741,703

Assets under construction and installation

As at 31 December 2012 assets under construction and installation of the Group comprised Cold-Aseptic-Filling beverage and PET bottle production project, New central kitchen project and UHT packaging machine project (as described in note 36) totaling Baht 657.96 million (2011: Baht 85.21 million).

There were no capitalised borrowing costs relating to the acquisition of the said projects as at 31 December 2012 (the capitalised borrowing costs relating to the acquisition of the said projects as at 31 December 2011 were Baht 15.37 million with a capitalization rate of 2.05% to 3.70% per annum) (see note 30).

On 27 January 2011, the Group revalued its land by professional appraisal. The basis of appraisal was market value. The Group has adjusted revaluation surplus on land by Baht 46.07 million and adjusted revaluation surplus under equity in the same amount, net of the related Baht 13.82 million deferred tax liability. The effect of the change in the corporate income tax rate (as described in note 31) on the Group's financial statements for the year ended 31 December 2011 is to reduce the related deferred tax liability carried as at 31 December 2012 to Baht 9.22 million.

	Separate financial statements							Total
	Decoration	Internal systems	Tools and machinery for manufacturing	Office equipment, Furniture and fixtures	Restaurant utensils	Vehicles	Assets under construction and installation	
Cost				<i>(in thousand Baht)</i>				
At 1 January 2011	311,030	255,318	285,127	144,260	98,510	1,300	1,294	1,096,839
Additions	41,387	43,177	54,854	26,040	11,321	-	124,745	301,524
Transfers	46,618	39,527	21,430	12,197	1,733	-	(121,505)	-
Disposals	(56,023)	(32,807)	(27,716)	(19,288)	(18,601)	(440)	-	(154,875)
At 31 December 2011 and 1 January 2012	343,012	305,215	333,695	163,209	92,963	860	4,534	1,243,488
Additions	153,928	91,155	99,970	45,712	18,455	-	191,119	600,339
Transfers	45,160	69,538	33,649	29,256	2,455	-	(180,058)	-
Disposals	(55,730)	(26,463)	(17,563)	(30,998)	(18,656)	-	-	(149,410)
At 31 December 2012	486,370	439,445	449,751	207,179	95,217	860	15,595	1,694,417

	Separate financial statements							Total
	Decoration	Internal systems	Tools and machinery for manufacturing	Office equipment, Furniture and fixtures	Restaurant utensils	Vehicles	Assets under construction and installation	
	<i>(in thousand Baht)</i>							
<i>Depreciation and impairment losses</i>								
At 1 January 2011	153,274	80,930	129,692	77,546	71,955	977	-	514,374
Depreciation charge for the year	51,893	49,190	50,140	22,175	8,649	205	-	182,252
Disposals	(41,441)	(16,269)	(22,960)	(16,547)	(16,068)	(376)	-	(113,661)
At 31 December 2011 and 1 January 2012	163,726	113,851	156,872	83,174	64,536	806	-	582,965
Depreciation charge for the year	70,805	69,912	68,861	30,454	10,848	54	-	250,934
Impairment losses	-	-	-	3,421	-	-	-	3,421
Disposals	(43,202)	(14,753)	(15,170)	(26,418)	(17,540)	-	-	(117,083)
At 31 December 2012	191,329	169,010	210,563	90,631	57,844	860	-	720,237
<i>Net book value</i>								
At 1 January 2011	157,756	174,388	155,435	66,714	26,555	323	1,294	582,465
At 31 December 2011 and 1 January 2012	179,286	191,364	176,823	80,035	28,427	54	4,534	660,523
At 31 December 2012	295,041	270,435	239,188	116,548	37,373	-	15,595	974,180



13. Intangible assets

Consolidated financial statements

	Software licences	Operation rights	Total
<i>(in thousand Baht)</i>			
Cost			
At 1 January 2011	46,895	18,168	65,063
Additions	3,181	-	3,181
Disposals	(3,345)	(7,362)	(10,707)
At 31 December 2011 and 1 January 2012	46,731	10,806	57,537
Additions	3,216	-	3,216
Disposals	(30)	-	(30)
At 31 December 2012	49,917	10,806	60,723
Amortisation			
At 1 January 2011	14,946	3,409	18,355
Amortisation charge for the year	4,857	1,628	6,485
Disposals	(785)	(2,327)	(3,112)
At 31 December 2011 and 1 January 2012	19,018	2,710	21,728
Amortisation charge for the year	4,784	1,086	5,870
Disposals	(15)	-	(15)
At 31 December 2012	23,787	3,796	27,583
Net book value			
At 1 January 2011	31,949	14,759	46,708
At 31 December 2011 and 1 January 2012	27,713	8,096	35,809
At 31 December 2012	26,130	7,010	33,140

Separate financial statements

	Software licences	Operation rights	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 January 2011	20,882	18,168	39,050
Additions	2,188	-	2,188
Disposals	(45)	(7,362)	(7,407)
At 31 December 2011 and 1 January 2012	23,025	10,806	33,831
Additions	2,279	-	2,279
Disposals	(28)	-	(28)
At 31 December 2012	25,276	10,806	36,082
Amortisation			
At 1 January 2011	6,276	3,409	9,685
Amortisation charge for the year	2,201	1,628	3,829
Disposals	(17)	(2,327)	(2,344)
At 31 December 2011 and 1 January 2012	8,460	2,710	11,170
Amortisation charge for the year	2,415	1,086	3,501
Disposals	(15)	-	(15)
At 31 December 2012	10,860	3,796	14,656
Net book value			
At 1 January 2011	14,606	14,759	29,365
At 31 December 2011 and 1 January 2012	14,565	8,096	22,661
At 31 December 2012	14,416	7,010	21,426

Operation rights

Operation rights comprise the initial license fee and license fee for operating a chain of Japanese restaurants. Further details are disclosed in note 36.



14. Leasehold rights

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
<i>Cost</i>				
At 1 January	156,473	156,473	56,885	56,885
At 31 December	156,473	156,473	56,885	56,885
<i>Amortisation</i>				
At 1 January	74,155	64,477	16,597	14,133
Amortisation charge for the year	9,692	9,678	2,478	2,464
At 31 December	83,847	74,155	19,075	16,597
<i>Net book value</i>				
At 1 January	82,318	91,996	40,288	42,752
At 31 December	72,626	82,318	37,810	40,288

Leasehold rights

The Company

As at 31 December 2012 and 2011, the Company had leasehold rights in 2 department stores, for the operation of restaurants, which are amortised over the period of agreements for approximately 21-24 years.

Subsidiary

As at 31 December 2012 and 2011, Oishi Ramen Company Limited, the Company's subsidiary, had leasehold rights in 5 department stores, for the operation of restaurants, which are amortised over the period of agreements for approximately 7-20 years.

15. Deferred tax

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

	Consolidated financial statements			
	Assets		Liabilities	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Total	62,989	28,674	(9,215)	(9,966)
Set off of tax	(9,215)	(9,966)	9,215	9,966
Net deferred tax assets	53,774	18,708	-	-

	Separate financial statements			
	Assets		Liabilities	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Deferred tax assets	16,190	3,883	-	-



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

Consolidated financial statements

(Charged) / credited to :

	At 1 January 2012	Profit or loss (Note 31)	Other comprehensive income	At 31 December 2012
<i>(in thousand Baht)</i>				
<i>Deferred tax assets</i>				
Inventories	334	1,284	-	1,618
Derivative	-	6,720	-	6,720
Employee benefit obligations	5,340	1,281	1,558	8,179
Impairment losses on property, plant and equipment	23,000	(22,316)	-	684
Loss from insurance compensation	-	19,742	-	19,742
Loss carry forward	-	26,046	-	26,046
Total	28,674	32,757	1,558	62,989
<i>Deferred tax liabilities</i>				
Revaluation surplus on land	(9,215)	-	-	(9,215)
Compensation claim from insurance	(751)	751	-	-
Total	(9,966)	751	-	(9,215)
Net	18,708	33,508	1,558	53,774

Consolidated financial statements

(Charged) / credited to :

	At 1 January 2011	Profit or loss (Note 31)	Other comprehensive income	At 31 December 2011
<i>(in thousand Baht)</i>				
Deferred tax assets				
Account receivable	553	(553)	-	-
Inventories	2,168	(1,834)	-	334
Derivative	2,590	(2,590)	-	-
Employee benefit obligations	6,089	(2,647)	1,898	5,340
Impairment losses on property, plant and equipment	-	23,000	-	23,000
Total	11,400	15,376	1,898	28,674
Deferred tax liabilities				
Revaluation surplus on land	-	-	(9,215)	(9,215)
Compensation claim from insurance	-	(751)	-	(751)
Total	-	(751)	(9,215)	(9,966)
Net	11,400	14,625	(7,317)	18,708



Separate financial statements

(Charged) / credited to :

	At 1 January 2012	Profit or loss (Note 31)	Other comprehensive income	At 31 December 2012
<i>(in thousand Baht)</i>				
Deferred tax assets				
Inventories	-	849	-	849
Employee benefit obligations	3,883	991	780	5,654
Impairment losses on property, plant and equipment	-	684	-	684
Loss carry forward	-	9,003	-	9,003
Total	3,883	11,527	780	16,190

Separate financial statements

(Charged) / credited to :

	At 1 January 2011	Profit or loss (Note 31)	Other comprehensive income	At 31 December 2011
<i>(in thousand Baht)</i>				
Deferred tax assets				
Inventories	771	(771)	-	-
Employee benefit obligations	4,496	(1,589)	976	3,883
Total	5,267	(2,360)	976	3,883

16. Other non-current assets

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<i>(in thousand Baht)</i>					
Related parties	5	7,652	3,876	3,629	3,431
Other parties					
Deposit - rental		150,245	126,677	140,201	116,056
Deposit - utilities		5,952	3,563	5,868	3,479
Advance payment - assets		4,464	50,046	-	-
Others		4,766	4,489	1,575	1,459
Total		173,079	188,651	151,273	124,425

17. Interest-bearing liabilities

	Interest rate		Consolidated financial statements		
	2012	2011	2012	2011	
		<i>(% per annum)</i>		<i>(in thousand Baht)</i>	
Current					
Short-term loans from financial institutions Unsecured					
- Promissory note	2.92 – 3.04	3.33 – 3.38	1,643,000	581,000	
- Trust Receipt	3.00	-	193,000	-	
Short-term loans from financial institutions			1,836,000	581,000	
Current portion of long-term loan from a financial institution					
Unsecured	-	2.92	-	600,000	
Total current interest-bearing liabilities			1,836,000	1,181,000	



In November 2010, Oishi Trading Company Limited, a subsidiary, enter into a long-term loan agreement with a financial institution in the amount of Baht 600 million which is to be repaid monthly in 6 installments, Baht 100 million each, commencing in May 2012. Interest is payable monthly at rate of 2.92% per annum. The loan agreement contains certain covenants and restrictions, including maintenance of certain financial ratios.

The Group has obtained credit facilities from commercial banks consisting of bank overdrafts, short-term loans, letters of guarantee, letters of credit, forward contracts and other. Under the memorandums of loan agreements made with the certain commercial banks, the Group has pledged that a substantial portion of the Group's property, plant and equipment will not be transferred, mortgaged, pledged, guaranteed or treated to cause any encumbrance or preferential right to those assets as long as the Group has not repaid its loans and/or is still being held responsible to the bank unless a written permission from the bank is obtained. Subsequently in 2011, the negative pledge was cancelled.

As at 31 December 2012 the Group had unutilized credit facilities amounting to Baht 2,533.73 million and USD 70.11 million (2011: Baht 2,443.43 million and USD 60.80 million).

The interest-bearing liabilities of the Group as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

18 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<i>(in thousand Baht)</i>					
Related parties	5	64,613	58,901	91,082	53,413
Other parties		868,329	584,596	313,372	247,088
Total		932,942	643,497	404,454	300,501

Trade accounts payable of the Group as at 31 December 2012 were denominated in United States Dollars equivalent to Baht 2.66 million and the remaining amount was denominated in Thai Baht, (2011: were denominated in United States Dollars amounting to Baht 0.26 million in and the rest is in Thai Baht). Trade accounts payable of the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

19 Other payables

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<i>(in thousand Baht)</i>					
Related parties	5	326,433	286,576	181,723	46,418
Other parties					
Selling expenses		230,631	141,148	48,497	38,403
Personal expenses		107,925	67,762	84,785	56,871
Transfer cheque		50,731	-	50,731	-
Retention		43,580	16,522	43,218	16,158
Utilities expenses		31,947	26,291	17,461	12,959
Revenue from the advance sale of coupons		22,773	17,839	22,773	17,839
Accrued rental		14,545	13,928	7,384	5,189
Fuel expenses		11,874	4,383	2,974	-
Transportation expenses		11,665	2,056	1,516	-
Others		75,819	73,408	30,632	36,370
Total		927,923	649,913	491,694	230,207

The Group's and the Company's other payables as at 31 December 2012 and 2011 were denominated entirely in Thai Baht

20 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
Statement of financial position				
Obligations for :				
Post-employment benefits				
Compensation plan based on Thai Labor law	40,892	26,699	28,268	19,414
Total	40,892	26,699	28,268	19,414



<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
Statement of comprehensive income				
Recognised in profit or loss :				
Post-employment benefits				
Compensation plan based on Thai Labor law	6,405	5,329	4,955	4,137
Total	6,405	5,329	4,955	4,137
Recognised in other comprehensive income :				
Actuarial losses recognised in the year	7,788	9,492	3,899	4,877
Cumulative actuarial losses recognised	17,280	9,492	8,776	4,877

The Group adopted TAS 19 - Employee Benefits with effect from 1 January 2011; the Group adopted to record the entire amount of the transitional obligation as at 1 January 2011, totaling Baht 20.3 million for the Group and Baht 15.0 million for the Company, as an adjustment to retained earnings as at 1 January 2011.

Compensation plan based on Thai Labor law

The Group and the Company operate defined benefit plans based on the requirements of Thai Labor Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The statement of financial position obligation was determined as follows :

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
Present value of unfunded obligations	40,892	26,699	28,268	19,414
Statement of financial position obligation	40,892	26,699	28,268	19,414

Movement in the present value of the defined benefit obligations :

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	26,699	20,299	19,414	14,988
Benefits paid by the plan	-	(8,421)	-	(4,588)
Current service costs and interest	6,405	5,329	4,955	4,137
Actuarial losses in other comprehensive income	7,788	9,492	3,899	4,877
Defined benefit obligations at 31 December	40,892	26,699	28,268	19,414

Expense recognised in profit or loss (note 28)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Current service costs	5,444	4,497	4,211	3,493
Interest on obligation	961	832	744	644
Total	6,405	5,329	4,955	4,137

The expense is recognised in the following line items in the statement of comprehensive income :

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Cost of sales	1,816	1,766	1,050	1,022
Administrative expenses	4,002	2,788	3,318	2,340
Management benefit expenses	587	775	587	775
Total	6,405	5,329	4,955	4,137



Actuarial losses recognised in other comprehensive income

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Included in retained earnings :				
At 1 January	9,492	-	4,877	-
Recognised during the year	7,788	9,492	3,899	4,877
At 31 December	17,280	9,492	8,776	4,877

Principal actuarial assumptions at the reporting date (expressed as weighted averages) :

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(%)</i>			
Discount rate	3.6	3.6	3.6	3.6
Future salary increases	6.0	6.5	6.0	6.5

21 Other non-current liabilities

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Retention	15,731	38,017	-	-
Others	1,016	1,018	300	300
Total	16,747	39,035	300	300

22 Share capital

Par value per share (in Baht)	2012		2011		
	Number	Baht	Number	Baht	
	<i>(thousand shares / thousand Baht)</i>				
Authorised					
<i>At 1 January</i>					
- ordinary shares	2	187,500	375,000	187,500	375,000
<i>At 31 December</i>					
- ordinary shares	2	187,500	375,000	187,500	375,000
Issued and paid-up					
<i>At 1 January</i>					
- ordinary shares	2	187,500	375,000	187,500	375,000
<i>At 31 December</i>					
- ordinary shares	2	187,500	375,000	187,500	375,000

23 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.

Legal reserve

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

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

Valuation surplus

The valuation surplus account within equity comprises the cumulative net change in the valuation of property, plant and equipment included in the financial statements at valuation until such property, plant and equipment is sold or otherwise disposed of.



24 Segment reporting

Segment information is presented in respect of the Group's business segments based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on mutually agreed terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Group comprises the following main business segments :

Food Japanese restaurants business, ramen and snack

Beverage Production and distribution of green tea and fruit juice flavour and distribution of coffee.

Geographic segments

The Group does not present information on geographic segments as the management considers that export sales are insignificant.

Business segments results

	Segment foods		Segment beverage		Total	
	2012	2011	2012	2011	2012	2011
	<i>(in million Baht)</i>					
Revenue and expenses						
Revenue from sale of goods						
- External sales	5,256	4,125	240	858	5,496	4,983
- Inter company sales	64	11	6,074	4,507	6,138	4,518
Other income	29	14	39	162	68	176
Total revenue	5,349	4,150	6,353	5,527	11,702	9,677
Cost of sale of goods	3,273	2,512	4,758	4,046	8,031	6,558
Selling expenses	582	428	794	596	1,376	1,024
Administrative expenses	1,342	959	270	146	1,612	1,105
Net loss on flood damage	-	-	10	116	10	116
Others expenses	-	-	45	16	45	16
Total expenses	5,197	3,899	5,877	4,920	11,074	8,819
Profit before income tax expense	152	251	476	607	628	858
Income tax (expense) income	(35)	(76)	61	26	26	(50)
Profit for the year	117	175	537	633	654	808

Business segments financial position

	Segment foods		Segment beverage		Total	
	2012	2011	2012	2011	2012	2011
	<i>(in million Baht)</i>					
Assets and liabilities						
Inventories	141	98	169	127	310	225
Property, plant and equipment	1,173	883	3,569	2,247	4,742	3,130
Other assets	522	409	1,686	1,955	2,208	2,364
Total Assets	1,836	1,390	5,424	4,329	7,260	5,719
Trade accounts payable	431	276	502	367	933	643
Short-term loans from financial institutions	-	-	1,836	1,181	1,836	1,181
Other liabilities	502	289	868	701	1,370	990
Total Liabilities	933	565	3,206	2,249	4,139	2,814
Capital expenditure	609	352	1,336	1,252	1,945	1,604
Depreciation and amortisation	292	217	219	260	511	477
Gain on disposal of assets	-	-	-	114	-	114

25 Other income

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Reversal of account payables	23,486	-	-	-
Franchise income	6,159	5,257	5,283	4,600
Subsidize income	4,886	4,997	4,886	4,997
Revenue from sale of by-product	4,091	4,354	991	1,027
Interest income	2,417	2,457	3,801	3,088
Rental income	696	1,564	-	-
Others	26,159	17,455	18,800	7,964
Total	67,894	36,084	33,761	21,676



26 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Advertising expenses	969,939	641,175	475,017	233,972
Rental expenses	368,083	304,512	345,558	278,672
Promotion expenses	35,440	75,962	8,860	25,398
Others	2,987	2,323	231	-
Total	1,376,449	1,023,972	829,666	538,042

27 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Personnel expenses	894,069	612,838	747,344	516,548
Depreciation and amortisation	256,478	205,524	188,052	138,405
Office expenses	221,622	174,684	193,179	148,179
Others	207,058	112,212	205,155	176,183
Total	1,579,227	1,105,258	1,333,730	979,315

28 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Management				
Salaries	37,453	25,948	30,331	24,573
Remuneration	38,427	50,000	38,427	50,000
Pension costs - defined benefit plans	1,101	775	963	775
Pension costs - defined contribution plans	843	613	747	613
Others	7,080	4,681	5,928	4,407
	84,904	82,017	76,396	80,368
Other employees				
Wages and salaries	984,826	701,625	702,862	471,719
Pension costs - defined benefit plans	5,304	4,554	3,992	3,362
Pension costs - defined contribution plans	8,643	7,299	5,316	4,221
Others	325,977	185,462	147,742	107,922
	1,324,750	898,940	859,912	587,224
Total employee benefit expense	1,409,654	980,957	936,308	667,592

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2% to 5% of their basic salaries and by the Group at rates ranging from 2% to 5% 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.



29 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows :

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<i>(in thousand Baht)</i>					
Change in inventories of finished goods		155	257,998	(7,515)	17,957
Raw materials and consumables used		6,610,001	5,072,720	3,738,789	2,487,414
Employee benefit expenses	28	1,409,654	980,957	936,308	667,592
Depreciation of property, plant and equipment	12	495,742	460,803	250,934	182,252
Amortisation of intangible assets	13	5,870	6,485	3,501	3,829
Amortisation of leasehold rights	14	9,692	9,678	2,478	2,464
Advertising and promotion expenses		1,005,379	717,137	483,877	259,370
Rental expense		420,004	345,180	359,293	289,408
Net loss on foreign exchange		36,590	-	-	-
Net loss arising from the flooding	3	5,745	115,984	-	12,899
Financial cost		45,647	15,683	4,526	3,257
Others		1,029,771	836,290	468,468	370,705
Total expenses		11,074,250	8,818,915	6,240,659	4,297,147

30 Finance costs

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<i>(in thousand Baht)</i>					
Interest expense					
Subsidiary	5	-	-	4,526	3,257
Bank loans		45,647	31,055	-	-
Total of interest expense		45,647	31,055	4,526	3,257
Less : amount included in the cost of assets under construction	12	-	(15,372)	-	-
Net		45,647	15,683	4,526	3,257

31 Income tax expense

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<i>(in thousand Baht)</i>					
Current tax expense					
Current year		7,715	65,018	-	14,144
Deferred tax expense	15				
Movements in temporary differences		(7,506)	(23,219)	(2,524)	906
Income tax reduction		44	8,594	-	1,454
Benefit of tax losses recognised		(26,046)	-	(9,003)	-
		(33,508)	(14,625)	(11,527)	2,360
Total income tax expense		(25,793)	50,393	(11,527)	16,504



Income tax recognised in other comprehensive income

Consolidated financial statements

	2012			2011		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Revaluation of land	-	-	-	46,074	(9,215)	36,859
Defined benefit plan actuarial losses	(7,788)	1,558	(6,230)	(9,492)	1,898	(7,594)
Total	(7,788)	1,558	(6,230)	36,582	(7,317)	29,265

Separate financial statements

	2012			2011		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Defined benefit plan actuarial losses	(3,899)	780	(3,119)	(4,878)	976	(3,902)
Total	(3,899)	780	(3,119)	(4,878)	976	(3,902)

Reconciliation of effective tax

Consolidated financial statements

	2012		2011	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		628,040		858,520
Income tax using the Thai corporation tax rate	23.00	144,449	30.00	257,556
Current year losses for which no deferred tax asset was recognised		4,015		-
Income tax reduction - deferred		44		8,594
Income not subject to tax		(218,754)		(586,759)
Expenses for tax incentive		(478)		-
Expenses not deductible for tax purposes		44,931		371,002
Total	(4.11)	(25,793)	5.87	50,393

Separate financial statements

	2012		2011	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		298,232		53,306
Income tax using the Thai corporation tax rate	23.00	68,593	30.00	15,992
Current year losses for which no deferred tax asset was recognised		1,351		-
Income tax reduction - deferred		-		1,454
Income not subject to tax		(81,955)		(3,839)
Expenses for tax incentive		(478)		-
Expenses not deductible for tax purposes		962		2,897
Total	(3.87)	(11,527)	30.96	16,504

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014 ; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

32 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, Oishi Trading Company Limited, a subsidiary, has been granted privileges by the Board of Investment. The privileges granted include :

Promotional certificate no.	1475(2)/2546	1223(4)/2549	1214(2)/2553	1954(2)/2553	2569(2)/2555
Date	3 September 2003	2 March 2006	25 February 2010	7 September 2010	1 August 2012

Promotional privileges

(a) exemption from import duties on machinery used for production which has been granted privileges by the Board of Investment	import within 3 March 2006	import within 2 September 2008	import within 25 August 2012	import within 7 March 2013	import within 18 April 2015
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Promotional certificate no.	1475(2)/2546	1223(4)/2549	1214(2)/2553	1954(2)/2553	2569(2)/2555
Date	3 September 2003	2 March 2006	25 February 2010	7 September 2010	1 August 2012

Promotional privileges

(b) exemption from corporate income tax on net profit from the business operations under the said promotional privileges for 8 years from the date that income is first derived from such operations. In case of loss during the tax exemption, it could be deducted from the net profit after the exemption period not exceeding five years from the date of expiration	the first date of derived income 18 October 2003	the first date of derived income 28 September 2006	the first date of derived income 9 March 2011	the first date of derived income 17 August 2011	the first date of derived income not yet operate
(c) exemption from the inclusion of dividend income derived under the promotional privileges for computation of corporate income tax	8 Years	8 Years	8 Years	8 Years	8 Years

As a promoted company, the subsidiary must comply with certain terms and conditions prescribed in the promotional certificate.





Summary of revenue from promoted and non-promoted businesses :

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Promoted business	3,527,347	4,575,504	-	-
Non-promoted business	8,107,050	4,925,611	6,152,699	4,315,979
Total Revenue	11,634,397	9,501,115	6,152,699	4,315,979

33 Earnings per share

The calculations of basic earnings per share for the years ended 31 December 2012 and 2011 were based on the profit for the years attributable to equity holders of the Company and the number of ordinary shares outstanding during the years as follows :

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Profit attributable to equity holders of the Company (basic)	653.83	808.13	309.76	36.80
Number of ordinary shares outstanding	187.50	187.50	187.50	187.50
Basic earnings per share (in Baht)	3.49	4.31	1.65	0.20

34 Dividends

At the Board of Directors of the Company meeting held on 9 August 2012, the directors approved the appropriation of interim dividend of Baht 1.60 per share, totaling Baht 300 million, and was paid to the shareholder in September 2012.

At the annual general meeting of the shareholders of the Company held on 25 April 2012, the shareholders approved the appropriation of dividend of Baht 2.20 per share, totaling Baht 412.50 million. The Company paid an interim dividend Baht 1.50 , totaling Baht 281.25 million in September 2011 therefore the final dividend payment shall be Baht 0.70 per share, totaling Baht 131.25 million, and was paid to shareholders in May 2012.

At the annual general meeting of the shareholders of the Company held on 28 April 2011, the shareholders approved the appropriation of dividend of Baht 3.20 per share, totaling Baht 600 million. The Company paid an interim dividend Baht 1.50, totaling Baht 281.25 million in September 2012 therefore the final dividend payment shall be Baht 1.70 per share, totaling Baht 318.75 million, and was paid to shareholders in May 2011.

35 Financial instruments

Financial risk management policies

The Group 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 does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group 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 risk management process to ensure that an appropriate balance between risk and control is achieved.

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, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (Note 17). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates. The Group does not expect that changes in interest rates will materially affect its operations.

Foreign currency risk

As at 31 December 2012 the Group had foreign currency risk relating to purchase machinery agreements in the amount of Euro 1.81 million and Yen 800.42 million (2011: Euro 3.22 million and Yen 173.17 million). The Group primarily utilized forward exchange contracts to hedge the said agreements (as disclosed in Note 36 to the financial statements). The Group is also exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies and at the reporting date there were no significant concentrations of foreign currencies risk.

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 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 customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

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

Determination of fair values

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

The fair value of trade and other receivables and loans to and amounts due from related parties are taken to approximate the carrying value.

The fair value of other long-term investments is taken to approximate the carrying value, investment in government bonds interest rate are fixed.

The fair value of trade and other payables, loans from and amounts due to related parties and other liabilities are taken to approximate the carrying value.

The fair value of loan is taken to approximate the carrying value, the borrowing interest rate are approximate market interest rate.

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).

36 Commitments with non related parties

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
Capital commitments				
<i>Contracted but not provided for :</i>				
Cold-Aseptic-Filling Line 1 beverage and PET bottling production project				
Building and other constructions	7,602	13,792	-	-
Machinery and equipment*	-	57,764	-	-
	7,602	71,556	-	-
Cold-Aseptic-Filling Line 2 beverage and PET bottling production project				
Building and other constructions	24,922	-	-	-
Machinery and equipment*	625,725	-	-	-
	650,647	-	-	-
New central kitchen project at Chonburi				
<i>Building and other constructions</i>	295,592	-	-	-
Machinery and equipment	182,351	-	-	-
	477,943	-	-	-
UHT packaging machine project-				
Recovery work				
Machinery and equipment*	-	80,395	-	-
Filler Hot-filled No.2 retrofitting project				
Machinery and equipment*	-	30,784	-	-
Other projects				
Building and other constructions	35,470	-	-	-
Machinery and equipment	29,146	84,865	4,067	51,523
	64,616	84,865	4,067	51,523
Total	1,200,808	267,600	4,067	51,523

* Under the commitments, Oishi Trading Limited, a subsidiary, entered into letter of credit contracts and forward contracts with commercial banks amounting to Baht 334.88 million (2011: Baht 108.57 million) and Baht 492.11 million (2011: Baht 105.07 million), respectively. These forward contracts classified by currencies were as follows :



	Amount in contract (Foreign currency)		Fair value (Baht currency)	
	2012	2011	2012	2011
	<i>(in million)</i>		<i>(in thousand Baht)</i>	
Currency :				
Euro	4.49	0.83	182,590	34,158
Yen	783.82	172.43	279,198	70,787
Total			461,788	104,945

Significant agreements under capital commitments

Cold-Aseptic-Filling line 1 beverage and PET bottle production project

In 2009, the shareholders approved the investment for the factory construction and the installation for Cold-Aseptic-Filling beverage and PET bottling production machines in the amount of Baht 1,430 million under a condition that the project is promoted by the Board of Investment (BOI). The said project is operated under Oishi Trading Company Limited, the Company's subsidiary.

Cold-Aseptic-Filling Line 2 beverage and PET bottling production project

In May 2012, the directors approved investment for the factory construction and the installation in Cold-Aseptic-Filling Line 2 beverage and PET bottling production project in the amount of Baht 1,070 million under a condition that the project is promoted by the Board of Investment (BOI). The said project has been operated under Oishi Trading Company Limited, a subsidiary.

New central kitchen project

In October 2011, the directors approved investment in the new central kitchen construction for the production of finished goods and raw materials in amount up to Baht 545 million. The said project has been operated under Oishi Trading Company Limited, a subsidiary.

Recovery work for UHT packaging machine project

In February 2012, the directors approved to purchasing machinery for the new UHT Recovery work project to replace machinery damaged by flooding for Baht 636 million. The said project has been operated under Oishi Trading Company Limited, the Company's subsidiary.

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Non-cancellable operating lease commitments				
Within one year	218,680	155,504	177,928	126,866
After one year but within five years	184,074	164,386	161,255	139,630
After five years	15,795	33,032	8,396	23,232
Total	418,549	352,922	347,579	289,728

Significant agreements under non-cancellable operation lease commitment :

Area lease agreements

The Company entered into area lease agreements with local companies for restaurant business. The agreements are for 1 year to 3 years, due within 2011 to 2014. The Company agreed to pay monthly rental fee based on percentage of sale and conditions as stipulated in the agreements.

Factory building lease agreement

On 15 November 2006, Oishi Trading Company Limited, a subsidiary, entered into a factory building lease agreement with a local company for production of food and beverage. The agreement is for a 14 years and 2 months period (From 1 December 2006 to 31 January 2021) with monthly rental of Baht 200,000.

Forklift agreements

Oishi Trading Company Limited, a subsidiary, entered into lease agreements, forklifts and other equipments, with various companies. The agreements are for 3 years, due within 2012 to 2014, with the monthly rental rate as specified in the agreements.

Store lease agreements

Oishi Trading Company Limited, a subsidiary, entered into store lease agreements with various companies. The agreements are for 6 month to 1 year, due within 2012 to 2015, with the monthly rental rate as specified in the agreements.



	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
<i>Other Commitments</i>				
Purchase orders for goods and supplies	39,563	100,812	30,344	732
Service agreements	394,431	248,262	381,601	225,303
Advertisement contracts	73,081	39,583	1,474	-
Maintenance from flooding	23,192	-	-	-
Bank guarantees	5,380	2,000	-	-
Others	8,328	-	-	-
Total	543,975	390,657	413,419	226,035

Other agreements

Hot-fill PET bottle trading agreement

On 15 November 2005, Oishi Trading Company Limited, a subsidiary, entered into a hot-fill PET bottle trading agreement with a local bottle manufacturing company according to the quantity required at the price specified in the agreement. The agreement is for a 14-year and 2-month period, to start the trading on 1 December 2005.

Material and package trading agreements

On 1 February 2007, the Company and Oishi Ramen Company Limited, a subsidiary, entered into a material and package trading agreement with a local company for distribution of products to the Group's restaurants and for materials and packaging management to the Company and the subsidiary. The Company and its subsidiary agreed to pay the service charge at the rate specified in the agreement. The said agreement has a 3-year period from 1 April 2007 to 31 March 2010 with the renewal option for another 3 years. Subsequently on 30 April 2010, the Company and the said subsidiary entered into new agreements. The terms of these new agreements were 2 years and 8 months from 1 May 2010 to 31 December 2012 with the renewal option for another 3 years.

Transportation agreements

On 1 February 2010, the Company and Oishi Trading Company Limited, a subsidiary, entered into a transportation agreement with a local company to transport products from factory to the destination. Transportation cost is calculated for each trip at the rate stated in the agreement. The term of the agreement was 3 years from 1 January 2010 to 31 December 2012. Subsequently on 1 July 2010, the said subsidiary changed a new transportation agreement due to the term of the new agreement was 2 years from 1 July 2010 to 30 June 2012 and may be extended for successive periods of 1 year each if any party does not comply with the terms and conditions as stipulated in the agreement.

Consultancy fee agreement

The Company paid consultancy fee to a company of Baht 600,000 per month. This fee is included in other expenses.

License agreements

On 29 June 2009, the Company entered into a license agreement for operating another chain of Japanese restaurants in the Kingdom of Thailand as the master license with another foreign company, for the period 10 years from 29 June 2009. This agreement shall be automatically renewed for additional terms of 10 years each, unless there is a written notice not to renew this agreement at least 180 days prior to the expiration of the initial term of any renewal term. Under the agreement the Company committed to pay Initial License Fee and Royalty Fee as stipulated in the agreement.

Purchase natural gas agreement

On 30 September 2009, Oishi Trading Company Limited, a subsidiary, entered into a purchase natural gas agreement with a local company. The subsidiary agreed to pay disbursements and comply with conditions in the agreement. The agreement is for a 7-year period from 21 December 2009 to 30 November 2016 with renewal if not less than 90 days' prior written notice is given by any one party to the other as stipulated in the agreement.

37 Others

At the annual general meeting of the shareholders of the Company held on 25 April 2012, the shareholders approved to issue debentures totaling principal amount up to Baht 3,000 million for carrying on and expansion of the business of the Company with the tenor not exceeding ten years. Upon redemption of the debentures issued within the stated amount, the Company can re-issue on a revolving basis under certain conditions. The Chairman of the board of directors (BOD), the BOD or the person assigned by the BOD and/or the person(s) entrusted by the BOD shall be empowered to determine or amend the terms and conditions relating to the issuance and offering of the debentures including the power to do any acts and things necessary for and in relation to carrying out the issuance and offering of the debentures in compliance with the applicable law, as well as to prepare and submit the application and other documents to the office of the Securities and Exchange Commission, other relevant authorities, and/or other relevant person(s) etc.

38 Events after the reporting period

At the Board of Directors of the Company meeting held on 26 February 2013, the directors agreed the following,

- To propose a dividend payment for the year of Baht 2.2 per share, totaling Baht 412.5 million. In September 2012, the interim dividend paid was Baht 1.6 per share, totaling Baht 300.00 million. The remaining dividend payment is Baht 0.6 per share, totaling Baht 112.5 million, and will be paid to the shareholder in May 2013.
- To purchase of land at Chonburi province from a related company for a new central kitchen project which a subsidiary was operated under a lease land agreement (as stated in note 5 to the financial statements).



39 Thai Financial Reporting Standards (TFRS) not yet adopted

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

TFRS	Topic	Year effective
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013
TFRS 8	Operating Segments	2013

Management expects to adopt and apply these new TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of those new standards assessed to have the greatest potential impact on the financial statements in the period of initial application. These standards are as follows :

TAS 21 (revised 2009) - The effects of changes in foreign exchange rates

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht. Accordingly, the adoption of TAS 21 from 1 January 2013 is not expected to have a significant impact on the Company's reported assets, liabilities or retained earnings.

TFRS 8 – Operating segments

The principal change introduced by TFRS 8 is the introduction of the concept of presenting operating segments based on the information that internally is provided to the Group/Company's chief operating decision maker. Since the change in accounting policy only impacts disclosure aspects, there is no impact on the Groups financial statements.

40 Reclassification of accounts

Certain accounts in the 2011 financial statements have been reclassified to conform to the presentation in the 2012 financial statements as follows :

2011

	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	(in thousand Baht)					
<i>Statement of financial position</i>						
Other receivables from related parties-long-term	3,876	(3,876)	-	3,431	(3,431)	-
Other non-current assets	184,775	3,876	188,651	120,994	3,431	124,425
		-			-	
		-			-	





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