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Enrich your life with the best

by ... **OISHI**

茶心



OISHI GROUP PUBLIC COMPANY LIMITED

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1. MESSAGE FROM THE CHAIRMAN

In 2013, despite the sluggish economy domestically and internationally, Oishi Group Public Company Limited still maintained satisfactory performance. Total sales revenue was 12,208 million Baht, an increase of 574 million Baht or 4.9% from last year. Net profit was 456 million Baht or 3.7% of total sales revenue. The net profit incorporated an extraordinary item, which was the adjustment of insurance claim receivable and acknowledgement of loss from flood in Profit and Loss Statement of 99 million Baht.

In order to compete effectively in the competitive environment in both food and beverage businesses, the Company enhanced competitiveness by focusing more on human resource development, efficient cost management, R&D, new product development as well as state of the art manufacturing technology. To support business expansion and cost management initiatives, the Company has opened new Cold Aseptic production line 2 at Amphur Wangmuang, Saraburi province in March 2013, started the operation of the new world-class central kitchen in Amphur Ban Bueng, Choburi province in the fourth quarter 2013, and approved to invest in Cold Aseptic production line 3 at Navanakorn Industrial Estate which is expected to begin production in December 2014.

In 2013, the Company has conducted research and developed new products in both food and beverage sectors to better serve consumers' needs and satisfactions. There were various new beverage products launched including Oishi Lychee flavored green tea, Oishi Fuito three new flavors and Oishi Matcha latte green tea. For food business, there were new favors of Oishi sandwich and Oishi Gyoza to excite the market. Also, the restaurant outlet expansion strategy in the prime areas was successfully implemented with 43 new outlets, bringing the total restaurant outlets to be 193 at the end of 2013. In 2014, the Company plans to open 45 new restaurant outlets.

The Company's corporate credit rating has been maintained at A-/Stable by TRIS and our debenture's rating receives the same rating as corporate's, representing stability of the Company's financial position.

As the Chairman of the Board, I assure the shareholders that the Board of Directors and the management team are determined to grow the businesses and maintain the market leading position in both food and beverage businesses via Thai Beverage Group's production and distribution strengths, which will enable us to continuously expand the businesses domestically and internationally.



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", "Fruito", Sparkling Green Tea under the brand, "Chakulza", and RTD Drink under the brand, "Fruitza"
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	:	(02) 785-8888
Fax Number	:	(02) 785-8889
Registered Capital	:	Baht 375,000,000
Paid-up Capital	:	Baht 375,000,000
Type of Stock	:	Common Stock
Paid-up Common Stock	:	187,500,000 shares
Par value	:	Baht 2

Trading Symbol on the Stock Exchange of Thailand	:	OISHI for ordinary shares
Trading Symbol on the Thai Bond Market Association (TBMA)	:	OISHI168A for Debentures No. 1/2013 due 2016

REFERENCE

Share Registrar :

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

Debenture Registrar :

Debentures of Oishi Group Public Company Limited
No.1/2013 due 2016
Siam Commercial Bank Public Company Limited
No. 9, Rachadabhisek Road, Chatuchak,
Chatuchak, Bangkok 10900
Tel. (02) 544-2923

External Auditor :

KPMG Phoomchai Audit Company Limited
No. 195 Empire Tower, 50th- 51th floor,
South Sathorn Road, Yannawan,
Sathorn, 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. Karnjaporn Kittiampanont
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19th floor, Wireless Road, Lumpini,
Pathumwan, Bangkok 10330
Tel. (02) 785-8888
E-mail : karnjaporn.k@oishigroup.com



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FINANCIAL SUMMARY

3. FINANCIAL SUMMARY

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

	Consolidated (Baht'000)		
	2013	2012	2011
Total assets	7,907,771	7,260,025	5,718,797
Total liabilities	4,499,343	4,138,831	2,813,951
Equities	3,408,428	3,121,194	2,904,846
Sales revenue	12,208,112	11,634,397	9,501,115
Total revenue	12,269,238	11,702,290	9,677,435
Net profit	455,572	653,833	808,127

Summary of Financial Ratios

	Consolidated (Baht'000)		
	2013	2012	2011
Net profit / sales revenue (%)	3.73 %	5.62 %	8.51 %
Return on equities (%)	13.95 %	21.70 %	28.93 %
Return on assets (%)	6.01 %	10.08 %	15.39 %
Earnings per share (Baht)	2.43	3.49	4.31
Dividend per share (Baht)	1.30	2.20	2.20



4. EXECUTIVE SUMMARY

In 2013, the Company had sales revenue of 12,208 million baht, 5% increase from the previous year. This separates into sales revenue from beverage business 6,232 million baht or 1% decrease from the previous year and from food business 5,976 million baht or 12% increase from the previous year. Main reasons were the followings :

1. Intense competitions in RTD tea market.
2. Opening 43 new restaurant outlets and closing 5 non-performing outlets. Total outlets was 193 at yearend (including franchise).

2013 net profit was 456 million baht, 30% decrease from the previous year. The net profit incorporated an extraordinary item, which was the adjustment of insurance claim receivable and acknowledgement of loss from flood in Profit and Loss Statement of 99 million Baht.

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THE BOARD OF DIRECTORS AND THE EXECUTIVES

5. THE BOARD OF DIRECTORS AND THE EXECUTIVES

5.1 The Board of Directors



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

- Bachelor of Business Administration (Finance), Boston University, U.S.A.
- Master of Science Administration in Finance Economics, Boston University,
U.S.A
- Honorary Degree of Doctor of Philosophy,
Department of General Management, Ramkhamhaeng University



Mr. Vikrom Koopirochana

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

Education

- B.A. (History), Chulalongkorn University (1966)
- M.A. (History), Michigan State University, U.S.A. (1968)
- Ph.D. (History), Michigan State University, U.S.A. (1978)
- Honorary Degree in Humanities,
Schiller International University (2003)



Ms. Potjane Thanavaranit

Independent Director and Audit Committee Member

Education

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



Mr. Chai Jroongtanapibarn

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

Education

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



Mr. Prasit Kovilaikool

Independent Director, Nomination Committee Member and Remuneration Committee Member

Education

- LL.B (Second Class Honours), Chulalongkorn University
- LL.M., Columbia University, New York, U.S.A.
- Doctor of Jurisdical Science Program in Laws (Honorary Degree),
Chulalongkorn University
- Doctor of Jurisdical Science Program in Laws (Honorary Degree),
Eastern Asia University
- Admitted to Thai Bar Association



Mr. Sithichai Chaikriangkrai

Director, Vice Chairman of Executive Committee and
Remuneration Committee Member

Education

- Bachelor Degree in Accounting (First Class Honours),
Thammasat University
- Mini MBA. (Leadership Management), Kasetsart University
- Diploma in Computer Management, Chulalongkorn University



Mr. Ueychai Tantha-Obhas

Director and Vice Chairman of Executive Committee

Education

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



Mr. Marut Buranasetkul

Director, President and
Risks Management Committee Member

Education

- Bachelor Degree in Computer Science
(Applied Statistics in General Business), Chulalongkorn University
- Master Degree in Business Administration
(Marketing & General Management), Cleveland State University U.S.A.
- Certificate of Business and Administration Extension School,
Harvard University U.S.A.



Mr. Matthew Kichodhan

Director

Education

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



Mr. Pisanu Vichiensanth

Director, Executive Committee Member and Risks Management Committee Member

Education

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



Mrs. Sureporn Pradittasnee

Director, Executive Committee Member and Risks Management Committee Member

Education

- Bachelor of Accounting, University of the Thai Chamber of Commerce
- Mini MBA., Thammasat University
- Leadership MBA for Executives, Kasetsart University

5.2 The Executives



Mr. Paisarn Aowsathaporn

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

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, Rhode Island, U.S.A.



Mrs. Chitkasem Moo-Ming

Vice President and Risks Management Committee Member

Education

- BBA - Finance & Banking, Chulalongkorn University
- MBA - Finance & Strategy, University of North Carolina at Chapel Hill,
North Carolina, U.S.A.
- Company Secretary Program (CSP) 2012,
Thai Institute of Directors Association (IOD)



Ms. Jesdakorn Taratip

Vice President and Risks Management Committee Member

Education

- BA Advertising, Thammasat University
- MBA (Marketing), University of Dallas, Irvin, Texas, U.S.A.



Mrs. Paitoon Siribovornkiat

Vice President and
Risks Management Committee Member

Education

- BA Humanities (Psychology), Middlesex University, England
- Post Graduate Certificate in Education, London University, England
- Masters in Marketing (MIM), Thammasat University

5.3 Company Secretary and Head of Internal Audit Department



Mrs. Chitkasem Moo-Ming

Company Secretary

Education

- BBA - Finance & Banking, Chulalongkorn University
- MBA - Finance & Strategy, University of North Carolina at Chapel Hill, North Carolina, U.S.A.
- Company Secretary Program (CSP) 2012, Thai Institute of Directors Association (IOD)



Mr. Sa-nguan Pongswan

Internal Audit Director

Education

- Bachelor Degree in Law, Thammasat University
- Bachelor Degree in Accounting, Thammasat University
- Executive MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn 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)
- Director Certification Program (DCP - 149)
- Certification Programs of the Thai Institute of Directors (IOD)
- Advanced Audit Committee Programs (AACP - 8 & ACP-37)
- Certification Programs of the Thai Institute of Directors (IOD)
- Role of Nomination and Governance Committee (RNG - 1)
- Certification Programs of the Thai Institute of Directors (IOD)
- Role of Compensation Committee (RCC - 13)
- Certification Programs of the Thai Institute of Directors (IOD)
- Chief Financial Officer Certification Program for Senior Executive
- (CFO-16 - Federation of Accounting Profession Under the Royal Patronage of His Majesty the King) (FAP)



BEVERAGE - OISHI

Oishi Green Tea (500 ML.)



Oishi Green Tea (380 ML.)



Oishi Green Tea (1,000 ML.)



Oishi Green Tea UHT (250 ML.)



Oishi Returnable Bottle (400 ML.)



Oishi Chakulza (320 ML.)



Oishi Fruito (350 ML.)



Amino OK Plus (360 ML.)



Oishi Matcha Latte (270 ML.)



OISHI CHILLED, FROZEN FOOD AND SNACK

Gyoza



Kani



Sandwich



Onori Seaweed Snack



JAPANESE RESTAURANTS/KIOSKS



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BUSINESS NATURE

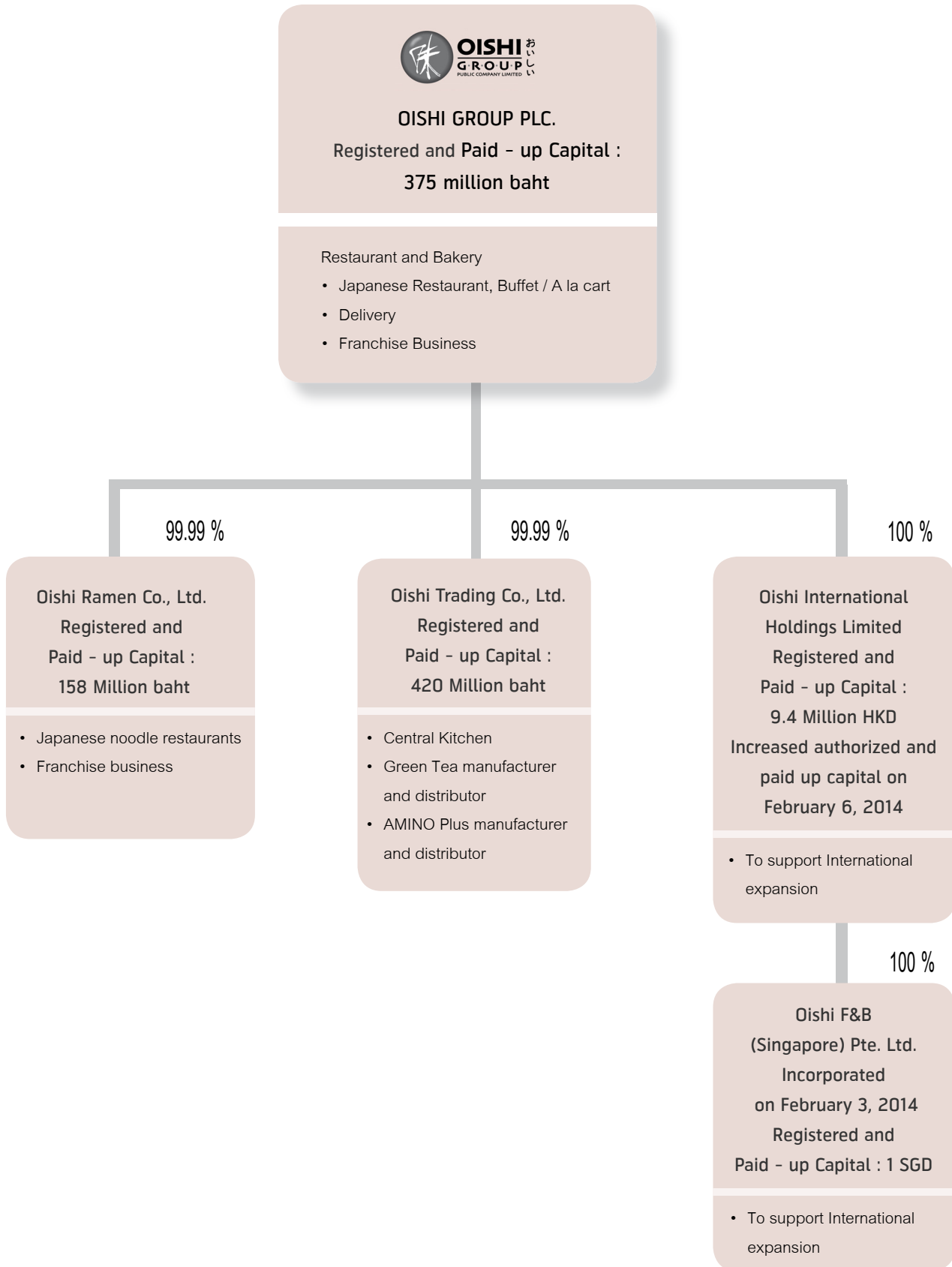
6. BUSINESS NATURE

6.1 History and significant development

The history and significant developments are set forth below :

- 1999 • Started Japanese restaurant operation under the brand “Oishi” on September 9, 1999
- 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
- 2013 • Cold Aseptic Filling project 2nd line at Wung-Muang district, Saraburi province was commercial run in March
 - Re - launched Fruito with 3 new flavors “Strawberry and Melon”, “Lemon and Berry” and “Green apple and White grape”
 - Launched new flavor of green tea “Lychee”
 - Re-launched “Oishi Matcha Latte”
 - Launched new flavor of sandwich break and fast “Japanese Roast Pork and Cheese”
 - Launched new product of gyoza “Tagoyaki”
 - Opened new central kitchen at Ban-Bueng district, Saraburi province in October
 - Got approval from BOI board for four projects at Navanakorn Industrial Estate and Wung-Muang district, Saraburi province.

OISHI GROUP STRUCTURE



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 749.

2) **Oishi Buffet (18 stores)**

Japanese food buffet style with a limited time of 1 hour and 45 minutes at the price per head of Baht 519.

3) **Shabushi (88 stores)**

Shabu buffet style with the ingredients served along a conveyor (kaiten) together with assorted sushi. Price per head is Baht 339 with a limited time of 1 hour and 15 minutes.

4) **Oishi Ramen (52 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 15 districts nationwide. The service is provided during 10 am - 9 pm with Baht 40 delivery fee per order to serve to the convenient lifestyle.

6) **Kazokutei (7 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 (8 Stores)**

Specialized in yakiniku buffet style with high quality products at the price per head of Baht 499.

8) **Kakashi (9 Stores)**

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

9) **Snack Shop (3 Stores)**

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

As at 31 December 2013, there were 193 stores nationwide (including 1 franchise store in Phuket)



6.2.2 Beverage Business :

The company produces and distributes the following beverage products :

Beverage	Flavor	PET (ml.)					Returnable Glass Bottle	Box	Can
		1000 ml.	500 ml.	380 ml.	360 ml.	270 ml.			
	Honey lemon	X	X	X			X	X	
	Genmai	X	X	X				X	
	Original		X	X				X	
	Kikucha	X	X	X				X	
	Strawberry							X	
	Goji berry							X	
Green Tea	Peach		X						
	Sugar free			X					
	Lychee			X					
	Black tea red berry			X					
	Black tea lemon	X	X	X				X	
	Matcha Latte					X			
	Strawberry + Melon					X			
Fruito	Lemon + Berry					X			
	Green Apple + Whitegrape					X			
	Honey lemon							X	
Chakulza	Apple Kiwi							X	
	Black tea lemon							X	
Amino Plus	Brighten				X				
	Burnn				X				



6.3 Income stream

Income by business type	Operated by	Consolidated Financials					
		2013		2012		2011	
		Million Baht	%	Million Baht	%	Million Baht	%
1. Beverage	The company and Oishi Trading	6,260	51%	6,353	54%	5,527	57%
2. Restaurant	The company and Oishi Ramen	6,009	49%	5,349	46%	4,150	43%
Grand Total		12,269	100%	11,702	100%	9,677	100%

Remarks :

* Oishi International Holdings Limited was incorporated on May 21, 2012 in Hong Kong in order to support the company's international expansion. On February 3, 2014, Oishi International Holdings Limited established a wholly owned subsidiary named Oishi F&B (Singapore) Pte. Ltd., in Singapore in order to support the company's international expansion. The two companies have not commercially operated.

6.4 Business objectives

The company aim to open 45 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.

Export market

The current export markets are in various countries e.g. Laos, Cambodia, Myanmar, Malaysia, Vietnam, Brunei, Czech Republic, Iran, Russia, Israel, Australia, New Zealand, Switzerland, Denmark, Barbados, Hungary and the Netherlands. In 2013, the company expands its export market to sell ready to drink or RTD green tea to Korea, Saint Marteen, Norway and Poland . This year, we focus more in penetrating the market to Malaysia via F&N Beverage Marketing Sdn. Bhd. Our RTD green tea has been distributed through Modern Trade and General Trade with more than 7,000 outlets for all over Malaysia. In 2014 we plan to continuously expand our export markets via International Beverage Holdings Company, a subsidiary of Thai Beverage PCL and Oishi International Holdings Limited.



7. RISK FACTORS

7.1 Beverage Business

7.1.1 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.

7.1.2 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.

7.1.3 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, has caused the rise in production cost i.e. fuel, transportation, paper fiber, and petroleum packaging. The Company therefore, has secured medium to long term contacts with the suppliers to avoid possible difficulties.

7.1.4 Competition risks

Competition in the beverage business is quite intense. There have been high potential entrants who launched green tea and functional drinks. 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.

7.1.5 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. The Company realizes the need to divert and mitigate the risks. For example, the construction of new factory at Wung-Muang district, Saraburi province, the construction of a flood wall and also set out the contingency plans to ensure the continued operations in the event of a natural disaster or emergency.

7.2 Food Business

7.2.1 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.

7.2.2 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.

7.2.3 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.

7.2.4 Fluctuation in raw material costs

Some materials were popular among the customers. When there were unexpected situations occur, for example, an epidemic in shrimp, product shortage and price fluctuation are subsequently exist. Fortunately, the Company has secured medium to long term contacts with the suppliers to avoid such difficulties.

7.2.5 Competition risks

New Japanese restaurant operators 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 to maintain the high quality of products and services, 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.

7.2.6 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 central kitchen and temporary closed of some restaurant stores. The Company realizes the need to divert and mitigate the risks. For example, the relocation of central kitchen to Ban-Bueng district, Chonburi province, 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. BUSINESS OPERATION

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 focuses on middle-income group.
3. Oishi Ramen and Kakashi focus on teenagers and those who require fast service.

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; e 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 various consumer demands and consumption consistency. The Company launches different flavors of green tea under different brands and 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 different packaging types of RTD green tea with different pricing to serve target customers and 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 Sermsook 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.

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 provides various types of restaurant and continuously introduces new products in response to an intense competition and to serve all customer needs.

8.4.2 Market condition of tea beverage

In 2013, the growth of RTD tea market is still high mainly from an intense competition, especially promotion campaigns, competitive pricing and new entrants. Nevertheless, the "Oishi" brand still dominates in the RTD tea market in terms of market share and top of mind brand.

8.5 BOI Investment Promotion Certificates

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

8.5.1 On November 23, 2005, Oishi Trading Company Limited was granted BOI investment promotion certificate for fruit and vegetable juice production in sealed bottle for the factory operated in Amatanakorn industrial estate. Promotion Certificate No.1223(4)/2006

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 certificate must be new machinery.
- production capacity of sealed bottle of fruit and vegetable juice at 144 million liter (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 equivalent within two years.
- The factory must be constructed within Amartanakorn industrial zone in Chonburi.

This Promotion Certificate expiry year 2014

8.5.2 On July 15, 2009, Oishi Trading Company Limited was granted BOI investment promotion certificate for fruit and vegetable juice production in sealed bottle for the factory operated in Navanakorn industrial zone, Pathumthani province. Promotion Certificate No.1214(2)/2010

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 certificate must be new machinery.
- Has production capacity of sealed bottle of fruit and vegetable juice at 108 million liter (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.

8.5.3 On July 9, 2010, Oishi Trading Company Limited was granted BOI investment promotion certificate for fruit and vegetable juice production in sealed box for the factory operated in Navanakorn industrial Zone, Pathumthani province. Promotion Certificate No.1954(2)/2010

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 certificate must be new machinery.
- Has production capacity of sealed box of fruit and vegetable juice at 150 million liter (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.

8.5.4 On August 1, 2012, Oishi Trading Company Limited was granted BOI investment promotion certificate for fruit and vegetable juice production in sealed bottle for the new factory operated in Saraburi province. Promotion Certificate No.2569(2)/2012

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 certificate must be new machinery.
- Has production capacity of sealed bottle of fruit and vegetable juice at 116 million liter (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.

8.5.5 On December 18, 2012, the Board of Investment has issued promotion certificate No.5039(2)/2013 to Oishi Trading Company Limited, as a measure of investment to revive investment, the flood disaster in 2011, by the substitution promotion certificate that has been damaged by the flood No.1214(2)/2010 and No.1954(2)/2010.

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 certificate must be new machinery.
- Has production capacity of sealed bottle and sealed box of fruit and vegetable juice at 258 million liter (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.

8.5.6 On August 6, 2013, Oishi Trading Company Limited was granted BOI investment promotion certificate for fruit and vegetable juice production in sealed box for the new factory operated in Saraburi province. Promotion Certificate No.1158(2)/2014

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 certificate must be new machinery.
- Has production capacity of sealed box of fruit and vegetable juice at 150 million liter (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.

8.5.7 On August 6, 2013, Oishi Trading Company Limited was granted BOI investment promotion certificate for fruit and vegetable juice production in sealed box for the factory operated in Navanakorn industrial Zone, Prathum Thani province. Promotion Certificate No.1159(2)/2014

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 certificate must be new machinery.
- Has production capacity of sealed box of fruit and vegetable juice at 150 million liter (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.

8.5.8 On August 6, 2013, Oishi Trading Company Limited was granted BOI investment promotion certificate for fruit and vegetable juice production in sealed bottle for the new factory operated in Saraburi province. Promotion Certificate No.1160(2)/2014

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 certificate must be new machinery.
- Has production capacity of sealed bottle of fruit and vegetable juice at 304 million liter (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.

8.5.9 On August 6, 2013, Oishi Trading Company Limited was granted BOI investment promotion certificate for fruit and vegetable juice production in sealed bottle for the factory operated in Navanakorn industrial Zone, Pathumthani province. Promotion Certificate No.1161(2)/2014

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 certificate must be new machinery.
- Has production capacity of sealed bottle of fruit and vegetable juice at 188 million liter (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.

8.6 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 material, 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-

9. BUSINESS ASSETS

Business operation assets of the Company and its subsidiaries are consisting both tangible and intangible assets. As of 31 December 2013, the net book values are detailed follows :

9.1 Land and land improvements

The Company has land and land improvements for business operation at book value as of December 31, 2013 as the following :

Land and Land improvements	Type of possession	Net book value (million baht)	Collateral for Loans
Land with 102-1-65.4 rais with improvements at Navanakorn Industrial Zone 2, Klong Nueng, Pathumthanee	Owner	365.53	None
Land with 182-2-19 rais at Tumbon Nong Chak, Ampor Banbueng, Cholburi	Owner	146.28	None
Total		511.81	

9.2 Building and building improvements

Buildings are used for business operation with book value as of December 31, 2013 as the following;

Buildings and building improvements	Type of possession	Net book value (million baht)	Collateral for Loans
Green tea plant at Navanakorn Industrial Zone 2, Klong Luang, Pathumthanee	Owner	741.50	None
Green tea plant at Amata Nakorn Industrial Estate, Bankao, Panthong, Chonburi	Leased	115.32	None
Building Improvements No.333 Moo 1 Highway 2089 (Muak Lek-Wang Muang) Tumbon Salaeng Phan Amphoe Wang Muang Saraburi	Leased	84.82	None
Central kitchen Tumbon Nong Chak Ampor Banbueng Cholburi	Owner	83.00	None
Total		1,024.64	

9.3 Rental agreement

As of December 31, 2013, the Company has 192 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. Most contracts will expire in 2014-2016

In addition, the Company has short-term property lease agreements for operation of the Cold Aseptic Filling Line 2 in Saraburi Province. The term of such Agreements are less than 3 years and the lessor commits to provide a right of first refusal on the purchase of such land.

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, 2013 is as following;

Area/Location	Rental period / Expiration	Net book value (million baht)	Collateral for Loans
1st floor, Seacon Square, No. 1053-1054 in 292.58 sq.m. area	21 years and 10 months 25 Days / Expire 2024	12.52	None
The Mall Ngamwongwan. GFC1A in 220 sq.m.area and GFC1B in 101sq.m. area	17 years and 9 months 15 Days / Expire 2022	4.96	None
The Mall Bangkok GF-F5A in 300 sq.m.area and GF-5B in 52 sq.m area	20 years and 5 months 15 Days / Expire 2022	16.80	None
Central Plaza, Pinklaow, G45 in 160.15 sq.m area	13 years and 1 months 30 Days / Expire 2022	1.55	None
Future Park ,Rangsit, B56 in 134 sq.m area	15 years and 6 months / Expire 2021	6.28	None
Esplanade,Ratchada, B41 in 288 sq.m area	24 years and 2 months 4 Days / Expire 2031	22.84	None
Total		64.95	

9.5 Tools and Machinery for Manufacturing

As of December 31, 2013, tools and machinery for manufacturing are as following;

Type of tools and machinery for manufacturing	Net book value (million baht)	Collateral for Loans
Machinery-Beverage	2,218.97	None
Machinery-Food	356.86	None
Total	2,575.83	

9.6 Decoration and internal systems

As of December 31, 2013, decoration and internal systems for business operation are as following;

Type of decoration and internal systems	Net book value (million)	Collateral for Loans
Decoration	401.23	None
Internal systems	767.61	None
Total	1,168.84	

9.7 Construction in progress and installation

Construction in progress and installation as of December 31, 2013, are as following;

Type of construction in progress and installation	Net book value (million)	Collateral for Loans
New Warehouse	186.75	None
New Central Kitchen	413.11	None
Branches in Progress	11.17	None
Other	24.58	None
Total	635.61	

9.8 Other assets

Other assets include office equipment, furniture and fixtures, restaurant utensils and vehicles. Net book value as of December 31, 2013 is 228.09 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”, “Ramen”, “Nikuya”, “Kakashi”, “Onori”, “Green tea”, “Chakulza”, “Fruito”, “Amino OK”, “Nekko” and “Fruitza”.

The Company also registered copyright for animation character “Oishi Neko” and other characters used with Chakulza products.

9.10 Investments in subsidiaries and affiliates

As of February 28, 2014, the list of 4 companies that the Company directly or indirectly hold shares for more than 50% of the issued shares, both in Thailand and oversea are as follows :

9.10.1 Direct subsidiaries

Company name	Business Type	Registered Capital	Number of Issue Share	Number of Shares Held	Investment Ratio %
1. Oishi Trading Co., Ltd. 19 th -20 th Floor, PARK VENTURES ECOPLEX 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330	Production of beverage and foods	Baht 420,000,000	4,200,000	4,199,990	99.99
2. Oishi Ramen Co., Ltd. 19 th -20 th Floor, PARK VENTURES ECOPLEX 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330	Japanese Noodles Restaurant	Baht 158,000,000	1,580,000	1,579,994	99.99
3. Oishi International Holdings Limited* (“OIHL”)* Room 901-2, Silvercord Tower 1 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	To serve future international expansion	HKD 9,400,000	9,400,000	9,400,000	100

9.10.2 Indirect subsidiaries

Company name	Business Types	Registered Capital	Number of Issue Share	Number of Shares Held	Shareholder	Investment Ratio %
Oishi F&B (Singapore) Pte Ltd. ("OSPL")** 138 Cecil Street #05-02 Cecil Court, Singapore	To serve future international expansion	SGD 1	1	1	Oishi International Holdings Limited	100

Remarks

- * On February 6, 2014, OIHL has registered for capital increase from HKD 500,000 to HKD 9,400,000. The total of issued and paid up shares in this capital increase is 9,300,000 shares totaling to 9,400,000 shares altogether. The Company has called for fully pay of share price on February 10, 2014.
- ** OSPL is incorporated in Singapore on February 3, 2014.

10. LEGAL DISPUTES

As at 31 December 2013, the Company do 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. CAPITAL STRUCTURE

11.1 Ordinary Shares

As of 31 December 2013, the Company has Baht 375 million of registered and paid-up capital. It can be categorized into 187.5 million common stocks, with the par value of Baht 2 per share. All shares are registered in Stock Exchange of Thailand.

11.2 Debentures

The Company issued the Debentures No. 1/2013 in the amount of Baht 1,000 million with the details as follows;

Type of Debentures	:	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative
Number of Debentures	:	1,000,000 units
Par Value per Unit	:	Baht 1,000
Total Value of Debentures	:	Baht 1,000 million
Issue Date of Debentures	:	7 August 2013
Maturity	:	3 years
Interest	:	4% per annum
Maturity Date	:	7 August 2016
Debenture Registrar	:	Siam Commercial Bank Public Company
Debentures Rating	:	A-/Stable (Trist Rating Company Limited)

11.3 Shareholders

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

As of 27 December 2013

Ref	Shareholders' name	Shares	%
1.	Thai Beverage Public Company Limited	149,360,199	79.659
2.	UOB KAY HIAN PRIVATE LIMITED	13,678,700	7.295
3.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	9,000,000	4.800
4.	Mr. Thaweachat Jurangkool	4,878,300	2.602
5.	STATE STREET BANK EUROPE LIMITED	1,976,000	1.054
6.	HSBC (SINGAPORE) NOMINEES PTE LTD	1,352,900	0.722
7.	Mrs. Hatairatn Jurangkool	920,000	0.491
8.	Thai NVDR Company Limited	863,648	0.461
9.	Krungthai-AXA Life Insurance Public Company Limited by Krung Thai Asset Management Public Company Limited	287,500	0.153
10.	Mr. Kuanchai Kerdkaewfah	207,800	0.110
11.	Minor shareholders	4,974,953	2.653
	Total	187,500,000	100

11.3.2 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 28 August 2013 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.

As of 11 March 2013, top ten shareholders of Thai Beverage Public Company Limited are as follows;

Ref	Shareholders' name	Shares	%
1.	Siriwana Company Limited	11,368,060,000	45.27
2.	The Central Depository (Pte) Limited	8,167,639,564	32.53
3.	Maxtop Management Corp.	3,694,675,000	14.71
4.	Sparkle View Development Limited	420,514,080	1.68
5.	Mr. Thapana Sirivadhanabhakdi	107,000,000	0.43
6.	Mrs. Thapanee Techajareonvikul	107,000,000	0.43
7.	Mr. Panote Sirivadhanabhakdi	107,000,000	0.43
8.	Mrs. Wallapa Traisorat	107,000,000	0.43
9.	Mrs. Atinant Bijananda	88,000,000	0.35
10.	Mrs. Varang Chaiyawan	65,650,500	0.26

11.4 Long - term Loan

In March 2013, the Company entered into a long-term loan agreement with a financial institution in the amount of Baht 1,000 million which is to be repaid monthly in 5 installments, Baht 200 million each, commencing in November 2015. Interest is payable monthly at constant rate.

11.5 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.

The Company paid the dividends for the operating results of the year 2012 and retained earnings to all shareholders at Baht 2.20 per share. The total amount to be paid is Baht 412.5 million, representing a payout ratio of 63.07% of the Company's net profit, which is in line with the Company's dividend payment policy.

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MANAGEMENT STRUCTURE

12. MANAGEMENT STRUCTURE

12.1 Board of Directors Structure

As of February 28, 2014, the Company's management consists of 6 committees including, the Board of Directors and 5 sub-committees namely the (1) Executive Committee, (2) Audit Committee, (3) Nomination Committee (4) Remuneration Committee and (5) Risks 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. Potjaneer	Thanavaranit	Independent Director
5. Mr. Chai	Jroongtanapibarn	Independent Director
6. Mr. Prasit	Kovilaikool	Independent Director
7. Mr. Sithichai	Chaikriangkrai	Director
8. Mr. Ueychai	Tantha-Obhas	Director
9. Mr. Matthew	Kichodhan	Director
10. Mr. Marut	Buranasetkul ⁽¹⁾	Director
11. Mr. Pisanu	Vichiensanth	Director
12. Mrs. Sureeporn	Pradittasnee	Director

Authorized Directors are as follow:

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

Remark :

- (1) Mr. Marut Buranasetkul was appointed as the Director by the Board of Directors' Meeting No. 5/2013 held on June 25, 2013 to replace Mr. Panote Sirivadhanabhakdi effective on June 25, 2013.
- (2) Mr. Panote Sirivadhanabhakdi has resigned from the position of the Director effective since June 24, 2013

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.

In addition, 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 to 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 - fourths (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 and assigning other parties to manage the Company's business.
- 4) Merger or amalgamation of the Company's business with other parties for profit/loss sharing.
- 5) Amendment of the Company's Memorandum of Association or Articles of Association.
- 6) Increase or decrease of the registered capital and issuance of debenture.
- 7) Merger or dissolution of the Company
- 8) 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 abide 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 2013, Mr. Marut Buranasetkul attended the Role of the Director Certification Program (DCP) class 180/2013 conducted by IOD and Mr. Vikrom Koopirochana attended the Anti-Corruption for Executive Program (ACEP) class 7/2013 conducted by IOD.

12.1.2 The Executive Committee

The 7 members of the Executive Committees are;

1. Mr. Thapana	Sirivadhanabhakdi	Chairman
2. Mr. Sithichai	Chaikriangkrai	Vice Chairman
3. Mr. Ueychai	Tantha-Obhas	Vice Chairman
4. Mr. Marut	Buranasetkul ⁽¹⁾	Executive Committee
5. Mr. Pisanu	Vichiensanth	Executive Committee
6. Mrs. Sureeporn	Pradittasnee	Executive Committee
7. Mr. Paisarn	Aowsathaporn	Executive Committee

Remarks :

- (1) Mr. Marut Buranasetkul was appointed as an Executive Committee by the Board of Directors' Meeting No. 4/2013 held on May 14, 2013 to replace Mr. Paiboon Kujareevanich effective on May 14, 2013.
- (2) Mr. Paiboon Kujareevanich has resigned from the position effective on May 1, 2013
- (3) Mr. Matthew Kichodhan resigned from the position effective on August 1, 2013.
- (4) Mr. Aniruth Mahathorn resigned from the position effective on December 30, 2013.

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 budget 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 followed :
 - 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 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 be an approval leading to the situation where the Executive Committee or its proxy can approve any transaction that the Executive Committee itself, interested person or person with potential of conflict of interest (as stipulated in the Article of Association and by regulations of SEC) can enter into transaction with the Company or Company's subsidiaries, save for the case when such transaction is in accordance with the policy and principle approved by the Board of Directors. Nevertheless, the executive director who is an interested person to such transaction cannot vote in that matter. The Board of Directors can amend the scope of responsibility of Executive Committee as necessary or appropriate.

12.1.3 The Audit Committee

The three audit committees are;

(1) Mr. Vikrom	Koompirochana	Chairman of the Audit Committees
(2) Ms. Potjanee	Thanavaranit	Audit Committee
(3) Mr. Chai	Jroongtanapibarn	Audit Committee

Remark : Ms. Potjanee Thanavaranit 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 Risks Management Committee

The nine Risks Management Committees are;

(1)	Mr. Chai	Jroongtanapibarn	Chairman of the Risks Management Committees
(2)	Dr. Pisanu	Vichiensanth	Risks Management Committee
(3)	Mrs. Sureeporn	Pradittasnee	Risks Management Committee
(4)	Mr. Marut	Buranasetkul ⁽¹⁾	Risks Management Committee
(5)	Mr. Paisarn	Aowsathaporn	Risks Management Committee
(6)	Mrs. Chitkasem	Moo-Ming	Risks Management Committee
(7)	Mrs. Paitoon	Siribovornkiat ⁽²⁾	Risks Management Committee
(8)	Ms. Jesdakorn	Taratip ⁽³⁾	Risks Management Committee
(9)	Mr. Thanee	Pornphisutsak	Risks Management Committee
(10)	Mr. Kittii	Anutarasate	Risks Management Committee
(11)	Ms. Jarunee	Kungwanwongsakul ⁽⁴⁾	Risks Management Committee
(12)	Mr. Sanguan	Pongswan ⁽⁵⁾	Risks Management Committee

Remarks :

- (1) Mr. Marut Buranasetkul was appointed as a Risks Management Committee by the Board of Directors' Meeting No. 6/2013 held on August 14, 2013 effective on August 14, 2013.
- (2) Mrs. Paitoon Siribovornkiat was appointed as a Risks Management Committee by the Board of Directors' Meeting No. 4/2013 held on May 14, 2013 effective on May 14, 2013.
- (3) Ms. Jesdakorn Taratip was appointed as a Risks Management Committee by the Board of Directors' Meeting No. 1/2014 held on February 25, 2014 effective on February 25, 2014.
- (4) Ms. Jarunee Kungwanwongsakul was appointed as a Risks Management Committee by the Board of Directors' Meeting No. 6/2013 held on August 14, 2013 effective on August 14, 2013.
- (5) Mr. Sanguan Pongswan was appointed as a Risks Management Committee by the Board of Directors' Meeting No. 4/2013 held on May 14, 2013 effective on May 14, 2013.
- (6) Mr. Paiboon Kujareevanich resigned from the position effective on May 1, 2013.
- (7) Mr. Aniruth Mahathorn resigned from the position effective on December 30, 2013.

Roles, Authorities and Responsibilities of the Risks Management Committee

The roles and authorities of Risks 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 | Koompirochana | 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 Committees |
| (2) Mr. Vikrom | Koompirochana | 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 1, 2013, the board of directors appointed Ms. Chitkasem Moo-Ming to be the Company Secretary.

Remark :

Mr.Paiboon Kujareevanich has resigned from the position effective on May 1, 2013.

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 Executive ⁽¹⁾

The Executive of the Company are

(1) Mr. Marut	Buranasetkul ⁽²⁾	President
(2) Mr. Paisarn	Aowsathaporn	Executive Vice President - Food Business
(3) Mrs. Chitkasem	Moo-Ming	Vice President-Finance and Accounting
(4) Ms. Jesdakorn	Taratip ⁽³⁾	Vice President-Beverage Business
(5) Mrs. Paitoon	Siribovornkiat ⁽⁴⁾	Vice President-Human Resources

Remarks :

- (1) Defining by the Notification of The Securities and Exchange Commission on February 28, 2014. The Board of Directors names are in column 12.1.1
- (2) Mr. Marut Buranasetkul was appointed as a President to replace Mr. Matthew Kichodhan effective on August 1, 2013. Mr. Matthew Kichodhan resigned from a President effective on August 1, 2013
- (3) Ms. Jesdakorn Taratip was appointed as a Vice President- Beverage Business effective on January 6, 2014.
- (4) Ms. Paitoon Siribovornkiat was appointed as a Vice President- Human Resources effective on February 25, 2014.

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 Risks 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 Corporate Governance Guideline.
3. Supervise and support the Human Resource Department to ensure that such department has an effective human resource management including the authorities and responsibilities 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 subsidiaries 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 subsidiaries except the employee who post in the higher level than Director or General Factory Manager.
- 3.5 Approve the employee training plan.

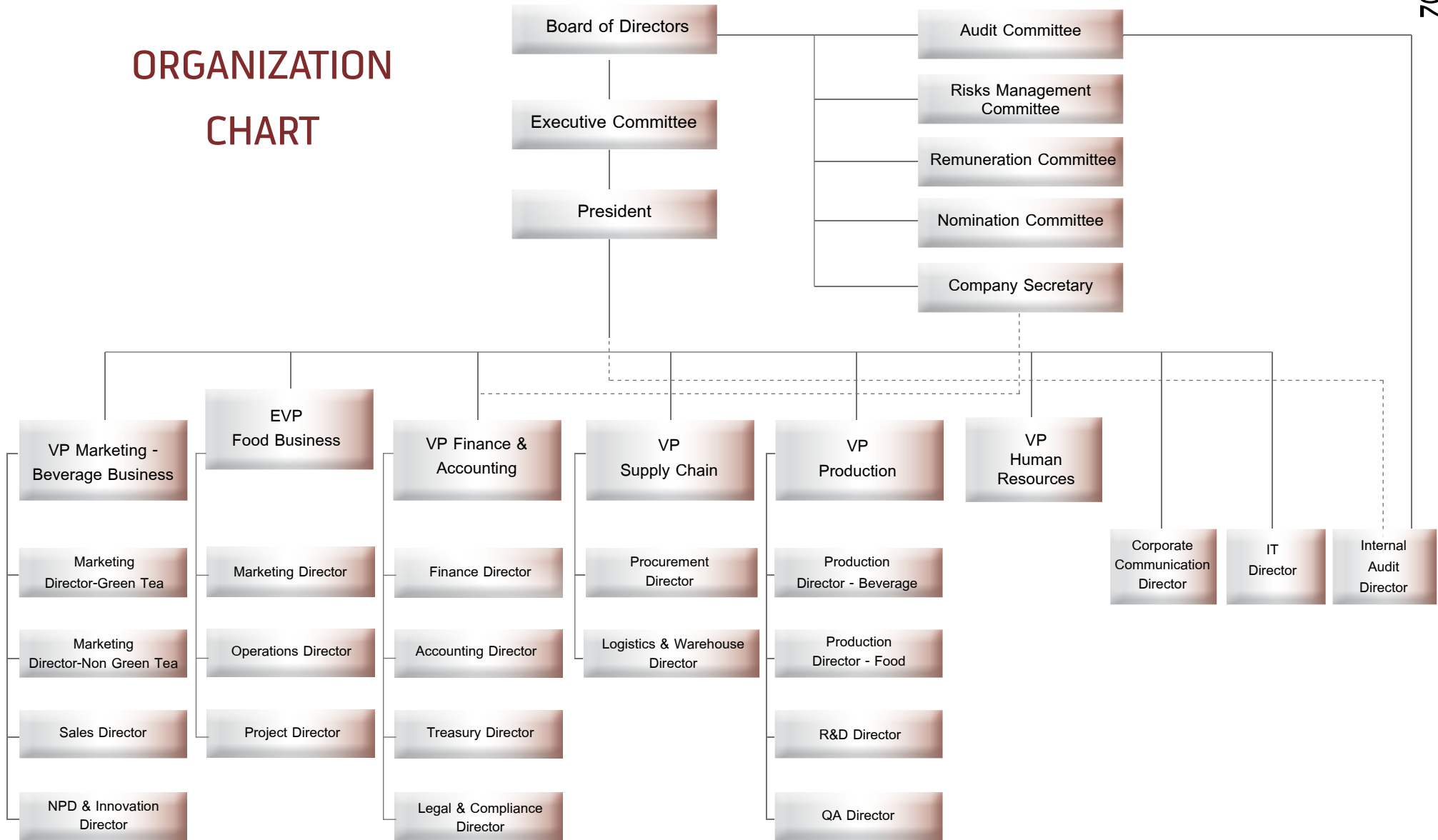
The hiring, transference termination evaluation or promotion of the head of Internal Audit Department has to obtain the concurrence from the Audit Committee

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





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 for any reason :

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.

As for the selection of the candidates for the Executives, the Nomination Committee will be responsible for recruiting of vice-president and higher positions. The Nomination committee will propose their consideration to the Board of Directors for further approval and appointment. The Nomination Committee will also prepare the transition plan for President and other high rank position to ensure that there will be executives with capability, knowledge and experience to succeed these important positions of the Company 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 honesty and transparency. It strictly follows the Code of Best Practice issued by the Stock Exchange of Thailand (SET) and/or other supervising bodies., In addition, The Board of Directors has established its Corporate Governance policy to be in line with the principle of SET to ensure transparency and to create confidence for the shareholders, investors and all related parties in hope to increase the level of the Company's corporate governance to be equal with other leading companies, The ultimate goals to achieve are the success of the business and sustainable growth of the Company. Accordingly, the Corporate Governance is to be reviewed and improved regularly and exhibited in the Annual Report of the Company.

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**INFORMATION ON
THE BOARD OF DIRECTORS
AND THE EXECUTIVES**



13. INFORMATION ON THE BOARD OF DIRECTORS AND THE EXECUTIVES

1. Mr. Narong Srisa-an

Type of Director	Authorized Director
Date of Appointment	January 26, 2006
Current Position	Chairman of the Board of the Director and Chairman of the Remuneration Committee
Date of Birth	May 5, 1928
Age	86
Education	<ul style="list-style-type: none">• Master of Arts (Economics) Honorary Degree, Thammasat University• Directors Accreditation Program (DAP) 2004
Training	
Thai Institute of Directors Association (IOD)	
Training (other Institutes)	None
No. of share (s) in the Company*	None
No. of years in position	8 years 1 month
Positions in listed companies	None
Positions in non-listed companies	
Present	Vice Chairman and 2nd Vice Executive Chairman Thai Beverage Public Company Limited Chairman and Executive Director Double A (1991) Public Company Limited Chairman Cosmos Brewery (Thailand) Company Limited Chairman Sura Bangyikhan Company Limited Thanakorn Vegetable Oil Products Company Limited Vice Chairman and Executive Chairman Beer Thai (1991) Public Company Limited Vice Chairman International Beverage Holdings Limited Thai Beverage Can Company Limited Director International Beverage Holdings (UK) Limited

Director has direct & indirect in any contract entered into by company

None

Experiences

2004 - Jan.2013

Chairman

Wrangyer Beverage (2008) Company Limited

1998- Apr. 2011

Independent Director

True Corporation Public Company Limited

Legal Record in the past 10 years

None

*including shares of spouse and minor



2. Mr. Thapana Sirivadhanabhakdi

Type of Director	Authorized Director
Date of Appointment	January 26, 2006
Current Position	Vice Chairman of Board of Directors, Chairman of Executive Committee, Nomination Committee Member and Remuneration Committee Member
Date of Birth	January 20, 1975
Age	39
Education	<ul style="list-style-type: none">• 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• Directors Accreditation Program (DAP) 2004
Training	
Thai Institute of Directors Association (IOD)	
Training (other Institutes)	None
No. of share (s) in the Company*	None
No. of years in position	8 years 1 month
Positions in listed companies	Vice Chairman Siam Food Products Public company Limited Director and Executive Chairman Univentures Public Company Limited Director Berli Jucker Public Company Limited 4 th Vice Chairman, 1 st Executive Vice Chairman, Chairman of Nomination and Corporate Governance Committee, Compensation Committee and Risk Management Committee Sermsuk Public Company Limited
Positions in non-listed companies	
Present	Director and President and CEO Thai Beverage Public Company Limited Chairman Oishi Trading Company Limited Oishi Ramen Company Limited Charun Business 52 Company Limited

Present

Thai Cooperage Company Limited
 Thai Beverage Marketing Company Limited
 Thai Molasses Company Limited
 Thai Beverage Recycle Company Limited
 Thai Beverage Energy Company Limited
 Thai Drink Company Limited
 Pan International (Thailand) Company Limited
 Feed Addition Company Limited
 Thai Beverage Training Company Limited
 Modern Trade Management Company Limited
Vice Chairman
 Cosmos Brewery (Thailand) Company Limited
 The Southeast Insurance Company Limited
 The Southeast Life Insurance Company Limited
 The Southeast Capital Company Limited
 Red Bull Distillery (1988) Company Limited
 Dhospaak Company Limited
 Wrangyer Beverage (2008) Company Limited
 International Beverage Holding (China) Ltd.
Vice Chairman and Executive Chairman
 Thai Beverage Logistics Company Limited
Director and Executive Vice Chairman
 Beer Thai (1991) Public Company Limited
Director and Executive Vice President
 Cosmos Brewery (Thailand) Company Limited
Director and CEO
 International Beverage Holdings Limited
Director
 Beer Chang Company Limited
 Thai Beverage Brand Company Limited
 Serm Suk Holding Company Limited
 Serm Suk Beverage Company Limited
 T.C.C. Technology Company Limited
 Chula United Company Limited
 Adelfos Company Limited
 Pathombnakdi Company Limited
 Sport and Recreation Management Company Limited
 Fraser and Neave Limited
 Times Publishing Limited



Present	InterBev Investment Limited Great Brands Limited Best Spirit Company Limited Super Brands Company Pte. Ltd. InterBev Malaysia Sdn. Bhd. InterBev (Singapore) Limited Blairmhor Distillers Limited Blairmhor Limited International Beverage Holding (UK) Limited Inver House Distillers Limited Beer Chang International Limited
Director has direct & indirect in any contract entered into by company	None
Legal Record in the past 10 years	None

*including shares of spouse and minor

3. Mr. Vikrom Koopirochana

Type of Director	Independent Director
Date of Appointment	10 November 2006
Current Position	Chairman of Audit Committee, Chairman of Nomination Committee and Remuneration Committee Member
Date of Birth	January 23, 1946
Age	68
Education	<ul style="list-style-type: none"> • B.A. (History), Chulalongkorn University • M.A. (History of International Relations), Michigan State University, U.S.A. • Ph.D. (History of International Relations), Michigan State University, U.S.A. • Honorary Doctorate Degree in Humanities, Schiller International University, London, UK.
Training	<ul style="list-style-type: none"> • Director Accreditation Program (DAP) class 63/2007 • Anti-Corruption for Executive Program (ACEP) class 7/2013 • Certificate of Top Executive Program, Class 14/2012
Thai Institute of Directors Association (IOD)	Capital Market Academy
Training (other Institutes)	
No. of share (s) in the Company*	None
No. of years in position	7 years 3 months
Positions in listed companies	
Present	<p>President</p> <p>Country Group Development Public Company Limited</p> <p>Director and Corporate Governance Committee</p> <p>Bangchak Petroleum Public Company Limited</p>
Positions in non-listed companies	
Present	<p>Honorary Advisor</p> <p>British Chamber of Commerce Thailand (BCCT)</p> <p>Director and Audit Committee</p> <p>The Securities and Exchange Commission</p> <p>Chairman</p> <p>Sports and Recreation Management Company Limited</p> <p>Director</p> <p>Universal Utilities Company Limited</p>
Director has direct & indirect in any contract entered into by company	None



Experiences

2005,

2007 - 2008

2003 - 2006

Director

Thai Airways International Public Company Limited

Ambassador of Thailand to the United Kingdom of

Great Britain and Northern Ireland and Ambassador

of Thailand to Ireland, Ministry of Foreign Affairs

Legal Record in the past 10 years

None

*including shares of spouse and minor

4. Ms. Potjaneer Thanavaranit

Type of Director	Independent Director
Date of Appointment	February 24, 2009
Current Position	Audit Committee Member
Date of Birth	September 13, 1946
Age	68
Education	<ul style="list-style-type: none"> • Bachelor Degree in Accounting, Chulalongkorn University • Master of Business Administration (M.B.A.), Syracuse University, U.S.A. (USAID scholarship) • National Defense College, class 42
Training	<ul style="list-style-type: none"> • Advanced Audit Committee Program (10/2013) • Financial Institutions Governance Program (2/2011) • Audit Committee Program (ACP 32/2010) • The Role of Compensation Committee Program (RCC4/2007) • The Role of Chairman Program (RCP13/2006) • Directors Certificate Program (DCP 17/2002)
Thai Institute of Directors Association (IOD)	<ul style="list-style-type: none"> • Certificate of Advanced Course in General Insurance, Swiss Insurance Training Center, Switzerland (Swiss Re Scholarship) • Certificate of Advanced Management Program, Australian Management College, Australian (COLOMBO Scholarship) • Certificate of Executive Development Program, Office of the Civil Service Commission • Certificate of Top Executive Program class 8, Capital Market Academy • Certificate of Top Executive Program in Commerce and Trade, class 3, Commerce Academy
Training (other Institutes)	
No. of share (s) in the Company*	None
No. of years in position	5 years
Positions in listed companies	
Present	<p>Independent Director and Chairman of Audit Committee Bank of Ayudhya Public Company Limited</p> <p>Independent Director Berli Jucker Public Company Limited</p>



Present	Chairman, Independent Director, Audit Committee Chairman of the Remuneration and Nomination Committee Univentures Public Company Limited Independent Director and the Remuneration and Nomination Committee member Thai Reinsurance Public Company Limited Independent Director and Director of the Audit Committee Member Bangkok Insurance Public Company Limited Council of State (Group 3 - Monetary Laws) Office of the Council of State Qualified Member of the Committee The Federation of Thai Insurance Organization
Positions in non-listed companies	None
Director has direct & indirect in any contract entered into by company	None
Experiences	
2008 - March 2013	Chairperson of the Public Sector Audit and Evaluation Committee Ministry of Commerce
2006 - 2008	Vice-President Nation Legislative Assembly of Thailand Minister of Commerce's Advisor Ministry of Commerce Advisor Council of National Security
2001 - 2008	Member of the Monetary Policy Board Bank of Thailand
Legal Record in the past 10 years	None

*including shares of spouse and minor

5. Mr. Chai Jroongtanapibarn

Type of Director	Independent Director
Date of Appointment	8 February 2006
Current Position	Audit Committee Member and Chairman of Risks Management Committee
Date of Birth	November 25, 1954
Age	59
Education	<ul style="list-style-type: none"> • Bachelor Degree in Accounting, Chulalongkorn University • Master Degree in Accounting, Thammasat University
Training	<ul style="list-style-type: none"> • Director Certification Program (DCP) class 29/2003 • Audit Committee Program (ACP) class 24/2005
Thai Institute of Directors Association (IOD)	
Training (other Associations)	None
No. of share (s) in the Company*	None
No. of years in position	8 years
Positions in listed companies	
Present	<p>Independent Director and Audit Committee Siam Food Products Public Company Limited</p> <p>Independent Director and Chairman of Audit Committee Thai Metal Trade Public Company Limited Major Cineplex Group Public Company Limited Team Precision Public Company Limited</p> <p>Independent Director Siam Future Development Public Company Limited</p>
Positions in non-listed companies	None
Director has direct & indirect in any contract entered into by company	None
Legal Record in the past 10 years	None

*including shares of spouse and minor



6. Mr. Prasit Kovilaikool

Type of Director	Independent Director
Date of Appointment	April 20, 2010
Current Position	Independent Director, Remuneration Committee Member, and Nomination Committee Member
Date of Birth	June 22, 1943
Age	70
Education	<ul style="list-style-type: none">• LL.B (Second Class Honours), Chulalongkorn University• LL.M., Columbia University, New York, U.S.A.• Doctor of Jurisical Science Program in Laws (Honorary Degree), Chulalongkorn University• Doctor of Jurisical Science Program in Laws (Honorary Degree), Eastern Asia University Admitted to Thai Bar Association
Training	<ul style="list-style-type: none">• Finance for Non-Finance Director (FND) 2004
Thai Institute of Directors Association (IOD)	<ul style="list-style-type: none">• Board Failure and How to Improving the Quality of Finance Reporting 2004• Director Accreditation Program (DAP) 2005
Training (other Institutes)	None
No. of share (s) in the Company*	None
No. of years in position	3 years 10 months
Positions in listed companies	
Present	Independent Director, Chairman of the Audit Committee and Chairman of the Remuneration and Nomination Committee Siam Food Products Public Company Limited Independent Director and Chairman of the Audit Committee Berli Jucker Public Company Limited
Positions in non-listed companies	
Present	Independent Director, Chairman of the Audit Committee, Chairman of the Remuneration Committee and Chairman of the Nomination Committee Thai Beverage Public company Limited Chulalongkorn University Council Member Chulalongkorn University

Present

Qualified Committee: Law Field

The office of Agricultural Futures Trading Commission,
 Ministry of Commerce

Exclusive Lecturer (B.A), Faculty of Law

Chulalongkorn University

Lecturer, Legal Education Institute of Thai Bar Association

The Thai Bar Association

Advisor of Property Asset Management Office

The Thai Red Cross Society

Council of State (Group 7)

Office of the Council of State

Director has direct & indirect in any
 contract entered into by company

None

Legal Record in the past 10 years

None

*including shares of spouse and minor



7. Mr. Marut Buranasetkul

Type of Director	Authorized Director
Date of Appointment	June 25, 2013
Current Position	President, Executive Committee and Risks Management Committee Member
Date of Birth	March 6, 1967
Age	47
Education	<ul style="list-style-type: none"> • Bachelor Degree in Computer Science (Applied Statistics in General Business), Chulalongkorn University • Master Degree in Business Administration (Marketing & General Management), Cleveland State University, U.S.A. • Certificate of Business and Administration Extension School, Harvard University, U.S.A.
Training	<ul style="list-style-type: none"> • Director Certification Program (DCP) class 180/2013
Thai Institute of Directors Association (IOD)	
Training (other Institutes)	<ul style="list-style-type: none"> • Capital Market Academy Leader Program • Certificate of Top Executive Program Class 13 • Executive Development Program 2
No. of share (s) in the Company*	None
No. of years in position	8 months
Positions in listed companies	
Present	Director Serrmsuk Public Company Limited
Positions in non-listed companies	
Present	<p>Senior Vice President - Marketing Thai Beverage Public Company Limited</p> <p>Director and Managing Director Oishi Trading Company Limited Oishi Ramen Company Limited</p> <p>3rd Vice Chairman, Executive Chairman and Managing Director Thai Beverage Marketing Company Limited</p> <p>Vice Chairman Modern Trade management Company Limited</p> <p>Director and Executive Chairman Dhospaak Company Limited</p>

Present	Qualified Committee Small and Medium Enterprises Promotion Commission
	Director Serm Suk Beverage Company Limited Serm Suk Holding Company Limited Oishi International Holdings Limited None
Director has direct & indirect in any contract entered into by company	
Experiences	
Jan. 2009 - Aug. 2012	Director of Office of the President Thai Beverage Public Company Limited
May 2009 - Feb.2011	Director and Managing Director Thai Drink Company Limited
Jan. 2009 - Jan.2011	Vice President Thai Beverage Marketing Company Limited
2001 - 2008	Senior Executive Vice President (Marketing and Sales) CAT Telecom Public Company Limited
2007 - 2008	Director CAT Buzz TV Company Limited
2006 - 2008	Director Hutchison CAT Wireless Multimedia Company Limited
Legal Record in the past 10 years	None

*including shares of spouse and minor

**8. Mr. Sithichai Chaikriangkrai**

Type of Director	Authorized Director
Date of Appointment	January 26, 2006
Current Position	Director, Vice Chairman of Executive Committee and Remuneration Committee Member
Date of Birth	July 10, 1954
Age	60
Education	<ul style="list-style-type: none"> • Bachelor Degree in Accounting (First Class Honours), Thammasat University • Mini MBA. (Leadership Management), Kasetsart University • Diploma in Computer Management, Chulalongkorn University • Directors Certification Program (DCP 26/2003) • DCP Refresher Course (2/2006)
Training	
Thai Institute of Directors Association (IOD)	• DCP Refresher Course (2/2006)
Training (other Institutes)	None
No. of share (s) in the Company*	None
No. of years in position	8 years 1 month
Positions in listed companies	
Present	<p>Director and Executive Committee Siam Food Products Public Company Limited Golden Land Property Development Public Company Limited Univentures Public Company Limited</p> <p>Director Executive Committee and Risk Management Committee Berli Jucker Public Company Limited</p> <p>Director and 2nd Vice Chairman Sermsuk Public Company Limited</p>
Positions in non-listed companies	
Present	<p>Director and Vice Chairman Beer Thip Brewery (1991) Company Limited</p> <p>Director and Executive Vice President Thai Beverages Public Company Limited</p> <p>2nd Vice Chairman Thai Drink Company Limited</p> <p>Vice Chairman Oishi Trading Company Limited Oishi Ramen Company Limited Sura Bangyikhan Company Limited</p>

Present

Vice Chairman and Executive Vice Chairman

Thai Beverage Logistic Company Limited

Director

Eastern Seaboard Industrial Real Estate (Rayong)
 Company Limited

Wrangyer Beverage (2008) Company Limited

Thai Beverage Energy Company Limited

Charun Business 52 Company Limited

Thai Cooperage Company Limited

Thai Molasses Company Limited

Pan International (Thailand) Company Limited

Feed Addition Company Limited

Thai Beverage Recycle Company Limited

Archa Beer Co., Ltd Thai Beverage Training Company Limited

Sermsuk Holding Ltd

Sermsuk Beverage Ltd

Oishi International Holdings Limited

Fraser and Neave Limited

Frasers Centrepoint Limited

InterBev Investment Limited

Great Brands Limited

Blairmhor Distillers Limited

Director

Blairmhor Limited

International Beverage Holding (UK) Limited

Inver House Distillers Limited

International Beverage Holding Limited

Thai Beverage Can Company Limited

Adelfos Company Limited

Vice Chairman

International Beverage Holding (China) Limited

Director and Risk Management Committee

Beer Chang International Limited

Director has direct & indirect in any
 contract entered into by company

None

Legal Record in the past 10 years

None

*including shares of spouse and minor

**9. Mr. Ueychai Tantha-Obhas**

Type of Director	Authorized Director
Date of Appointment	January 26, 2006
Current Position	Director and Vice Chairman of Executive Committee
Date of Birth	May 17, 1949
Age	65
Education	<ul style="list-style-type: none"> • B. Sc Accounting, St. Louis University, Missouri, U.S.A. • Master of Business Administration (MBA), Thammasat University
Training	<ul style="list-style-type: none"> • Director Accreditation Program 2004 • Directors Certification Program (DCP) 2007 • The Role of the Chairman Program Class 29/2012 • Advance Management Program (AMP) • The European Institute of Business Administration (INSEAD), France
Thai Institute of Directors Association (IOD)	
Training (other Institutes)	
No. of share (s) in the Company*	None
No. of years in position	8 years 1 month
Positions in listed companies	None
Positions in non-listed companies	
Present	<p>Director and Executive Vice President Thai Beverages Public Company Limited</p> <p>Vice Chairman Oishi Trading Company Limited Oishi Ramen Company Limited</p> <p>1st Vice Chairman Thai Beverage Marketing Company Limited Thai Drink Company Limited</p> <p>Vice Chairman SPM Foods and Beverages Company Limited Modern Trade Management Company Limited</p> <p>Director Num Yuk Company Limited Num Muang Company Limited Num Thip Company Limited Num Nakorn Company Limited Thai Beverage Logistics Company Limited Thai Beverage Training Company Limited Blairmhor Distillers Limited</p>

Present	Blairmhor Limited InterBev (Singapore) Limited None
Director has direct & indirect in any contract entered into by company	None
Experiences	
2005 - 2010	Director and Senior Vice President Thai Beverage Public Company Limited
2005 - 2010	Director Red Bull Distillery (1988) Company 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
Legal Record in the past 10 years	None

*including shares of spouse and minor

**10. Mr. Matthew Kichodhan**

Type of Director	Authorized Director
Date of Appointment	September 10, 2010
Current Position	Director
Date of Birth	July 3, 1966
Age	48
Education	<ul style="list-style-type: none"> • Bachelor's Degree in Commerce, University of Toronto, Canada • Master's Degree in Science Management, Imperial College (Management School), University of London England
Training	<ul style="list-style-type: none"> • Directors Accreditation Program (DAP 2006) • Directors Certification Program (DCP 2007)
Thai Institute of Directors Association (IOD)	
Training (other Institutes)	None
No. of share (s) in the Company*	None
No. of years in position	3 years 6 months
Positions in listed companies	
Present	Director Wave Entertainment Public Company Limited BEC World Public Company Limited Ocean Glass Public Company Limited
Positions in non-listed companies	Chief Executive Officer, Development Group The Mall Group Company Limited
Director has direct & indirect in any contract entered into by company	None
Experiences	
2010 - July 2013	President and Executive Committee Oishi Group Public Company Limited
	President Oishi Ramen Company Limited Oishi Trading Company Limited
	Senior Vice President Thai Beverage Public Company Limited
July 2013	Director Oishi International Holdings Limited International Beverage Holdings Limited Best Spirits Company Limited

July 2013	Blairmhor Limited InterBev (Cambodia) Company Limited InterBev (Singapore) Limited InterBev Malaysia Sdn. Bhd. International Beverage Holdings (UK) Limited Inver House Distillers Limited International Beverage Holdings (China) Limited InterBev Trading (China) Limited
2006 - 2009	Director and Chief Operating Officer Minor Corporation Public Company Limited
2004 - 2006	Vice President, Business Management Gillette Asia Pacific Group, Singapore
Legal Record in the past 10 years	None

*including shares of spouse and minor

**11. Mr. Pisanu Vichiensanth**

Type of Director	Authorized Director
Date of Appointment	January 26, 2006
Current Position	Director, Executive Committee Member and Risks Management Committee Member
Date of Birth	January 23, 1956
Age	58
Education	<ul style="list-style-type: none"> • Bachelor of Food Science, Kasetsart University • Master Degree in Biotechnology (Second Class Honours), Massey University, New Zealand • Master Brewer, The Scandinavian School of Brewing, Denmark • Ph.D., Engineering, Technical University Berlin, West Germany • Director Accreditation Program (DAP) 2004
Training	
Thai Institute of Directors Association (IOD)	
Training (other Institutes)	None
No. of share (s) in the Company*	None
No. of years in position	8 years 1 month
Positions in listed companies	None
Positions in non-listed companies	
Present	<p>Director and Senior Vice President Thai Beverage Public Company Limited</p> <p>Director and Managing Director Cosmos Brewery (Thailand) Company Limited Beer Thai (1991) Public Company Limited</p> <p>Director Oishi Trading Company Limited Oishi Ramen Company Limited Beer Chang International Limited Charun Business 52 Company Limited Pan International (Thailand) Company Limited Feed Addition Company Limited Thai Beverage Recycle Company Limited Beer Chang Company Limited Vidhayathan Company Limited Archa Beer Company Limited Thai Beverage Training Company Limited Great Brands Limited</p>

Director has direct & indirect in any contract entered into by company	None
Experiences	
1997 - 2000	Vice President of Engineering and Development Carlsberg Brewery (Thailand) Company Limited
1994 - 1996	Assistant Plant Executive Carlsberg Brewery (Thailand) Company Limited
1992 - 1994	Consultant Pan Engineering Consultant Company Limited
Legal Record in the past 10 years	None

*including shares of spouse and minor

**12. Mrs. Sureporn Pradittasnee**

Type of Director	Authorized Director
Date of Appointment	April 28, 2011
Current Position	Director Executive Committee Member and Risks Management Committee Member
Date of Birth	February 6, 1943
Age	71
Education	<ul style="list-style-type: none"> • Bachelor of Accounting, University of the Thai Chamber of Commerce • Mini MBA., Thammasat University • Leadership MBA for Executives, Kasetsart University • Certificate of Data Processing • ITI (International Tabulating Institute) Washington DC, USA • Director Accreditation Program (DAP) 2006
Training	
Thai Institute of Directors Association (IOD)	
Training (other Institutes)	None
No. of share (s) in the Company*	None
No. of years in position	2 years 9 months
Positions in listed companies	None
Positions in non-listed companies present	4th Vice Chairman Pan International (Thailand) Company Limited Director Oishi Trading Company Limited Oishi Ramen Company Limited None
Director has direct & indirect in any contract entered into by company	
Experiences	
1999 – 2002	Managing Director Pan International (Thailand) Company Limited
1974 - 1998	Director of Customer Service Centre Supply & Distribution Department The Shell Company of Thailand
1970 – 1974	System Analyst The Thai Airways International Company Limited
1969	System Analyst Lear Siegler Institute, Silver Spring, Maryland, U.S.A.
Legal Record in the past 10 years	None

*including shares of spouse and minor

13. Mr. Paisarn Aowsathaporn

Current Position	Executive Vice President Executive Committee Member and Risks Management Committee Member
Age	49
Education	<ul style="list-style-type: none"> • Bachelor Degree in Business Administration, Indiana Institute of Technology, Fort Wayne, Indiana, U.S.A. • Master Degree International Business Administration, Johnson & Wales University, Providence, Rhode Island, U.S.A.
Training	None
Thai Institute of Directors Association (IOD)	
No. of share (s) in the Company*	None
Positions in listed companies	None
Positions in non-listed companies present	<p>Director</p> <p>Oishi F&B (Singapore) Pte. Ltd.</p> <p>None</p>
Director has direct & indirect in any contract entered into by company	None
Experiences	
2002 - 2004	<p>Director of Operations & Training</p> <p>Global Kitchen Company Limited</p>
1999 - 2002	<p>Area Manager</p> <p>Yum Brand Company Limited (Tricon Restaurant International)</p>
1992 - 1999	<p>Restaurant Manager</p> <p>Siam Lotus Restaurant, U.S.A.</p>
1991 - 1992	<p>Accountant</p> <p>Alpha Omega Design Company Limited</p>
1991	<p>Assistant Accountant</p> <p>John Hancock Insurance Company U.S.A.</p>
Legal Record in the past 10 years	None

*including shares of spouse and minor

**14. Mrs. Chitkasem Moo-Ming**

Current Position	Company Secretary Vice President – Finance & Accounting and Risks Management Committee Member
Date of Birth	April 20, 1975
Age	39
Education	<ul style="list-style-type: none"> • BBA - Finance & Banking, Chulalongkorn University • MBA - Finance & Strategy, University of North Carolina at Chapel Hill, North Carolina, U.S.A. • Company Secretary Program (CSP) 2012
Training	
Thai Institute of Directors Association (IOD)	
No. of share (s) in the Company*	None
Positions in listed companies	None
Positions in non-listed companies present	<p>Director</p> <p>Oishi International Holdings Limited</p> <p>Oishi F&B (Singapore) Pte. Ltd.</p>
Director has direct & indirect in any contract entered into by company	None
Experiences	
2011 - 2013	<p>Finance Director</p> <p>Oishi Group Public Company Limited</p>
2008 - 2011	<p>Project Manager, Business Development and Strategic Planning</p> <p>Thai Beverage Public Company Limited</p>
2006 - 2008	<p>Europe and America Project Manager (Fuel Marketing)</p> <p>ExxonMobil Limited</p>
2004 - 2006	<p>Asia Pacific Business Advisor</p> <p>ExxonMobil Asia Pacific (Singapore) Pte. Ltd.</p>
Legal Record in the past 10 years	None

*including shares of spouse and minor

15. Ms. Jesdakorn Taratip

Current Position	Vice President - Beverages and Risks Management Committee Member
Age	44
Education	<ul style="list-style-type: none"> • BA Advertising, Thammasat University • MBA (Marketing), University of Dallas, Irvin, Texas, U.S.A.
Training	None
Thai Institute of Directors Association (IOD)	
No. of share (s) in the Company*	None
Positions in listed companies	None
Positions in non-listed companies	None
Director has direct & indirect in any contract entered into by company	None
Experiences	
2006 - 2013	Marketing Director - Beverage Pepsico (Thailand) Limited
2001- 2005	Marketing Manager - Personal Care Products Colgate- Palmolive (Thailand) Company Limited
1997 – 2000	Franchise Manager and Senior Product Manager Johnson & Johnson Company Limited
Legal Record in the past 10 years	None

*including shares of spouse and minor



16. Mrs. Paitoon Siribovornkiat

Current Position	Vice President - Human Resources and Risks Management Committee Member
Age	57
Education	<ul style="list-style-type: none">• BA Humanities (Psychology), Middlesex University, England• Post Graduate Certificate in Education, London University, England• Masters in Marketing (MIM), Thammasat University
Training	None
Thai Institute of Directors Association (IOD)	
No. of share (s) in the Company*	None
Positions in listed companies	None
Positions in non-listed companies	None
Director has direct & indirect in any contract entered into by company	None
Experiences	
2004 - 2013	Assistant Vice President - Human Resources Thai Beverage Public Company Limited
1983 - 2004	Human Resources Manager Diageo Thailand Company Limited
1981- 1983	New Business Development Officer Diethelm Company Limited
1979 - 1981	Marketing Officer Chiang Inn Hotel, Chiangmai
Legal Record in the past 10 years	None

*including shares of spouse and minor

14. SHAREOWNERSHIP OF THE BOARD OF DIRECTORS AND EXECUTIVES⁽¹⁾

Name	Position	28 Feb. 2013	28 Feb. 2014	Increase (Decrease)
1. Mr. Narong Srisa-an	Chairman	-	-	-
2. Mr. Thapana Sirivadhanabhakdi	Vice Chairman	-	-	-
3. Mr. Vikrom Koompirochana	Independent Director / Chairman of the Audit Committees	-	-	-
4. Ms. Potjaneer Thanavarant	Independent Director / Audit Committees	-	-	-
5. Mr. Chai Jroongtanabibarn	Independent Director / Audit Committees	-	-	-
6. Mr. Prasit Kovilailool	Independent Director	-	-	-
7. Mr. Sithichai Chalkriangkrai	Director	-	-	-
8. Mr. Ueychai Tantha-Obhas	Director	-	-	-
9. Mr. Pisanu Vichiensanth	Director	-	-	-
10. Mrs. Sureeporn Pradittasnee	Director	-	-	-
11. Mr. Matthew Kichodhan ⁽²⁾	Director	-	-	-
12. Mr. Marut Buranasetkul ⁽³⁾	Director and President	-	-	-
13. Mr. Paisarn Aowsathaporn	Executive Vice President	-	-	-
14. Mrs. Chitkasem Moo-Ming	Vice President / Company Secretary	1,600	-	(1,600)
15. Ms. Jesdakorn Taratip ⁽⁴⁾	Vice President	-	-	-
16. Mrs. Paitoon Siribovornkiat ⁽⁵⁾	Vice President	-	-	-

Remarks :

- (1) Executives are defined in the Announcement of the Securities and Exchange Commission on 28 February 2014, directors and executives resigned from their position during the year did not hold shares in the Company save for Mr. Aniruth Mahathorn whose resignation effective on 30 December 2013, he held his wife' shares totaling to 3,100 shares as of 27 December 2013.
- (2) Mr. Matthew Kichodhan has resigned from his position effective since 1 August 2013
- (3) Mr. Marut Buranasetkul was appointed by the Board of Directors' Meeting No. 5/2556 on 25 June 2013 to hold the Director position in place of Mr. Panote Sirivadhanabhakdi and the President position in place of Mr. Matthew Kichodhan effective since 25 June 2013 and 1 August 2013 respectively.
- (4) Ms. Jesdakorn Taratip was appointed as Vice President of the Company effective on 6 January 2014
- (5) Mrs. Paitoon Siribovornkiat was appointed as Vice President of the Company effective on 25 February 2014

15. REMUNERATION

15.1 Remuneration Paid as Money

15.1.1 The remuneration of the Board of Directors amount are the details as follows;

Name / Position	2013		
	Monthly fee (Baht)	Bonus (Baht)	Total amount (Baht)
1. Mr. Narong Srisa-an Chairman / Chairman of the Remuneration Committee	720,000	3,602,900	4,322,900
2. Mr. Thapana Sirivadhanabhakdi Vice Chairman / Chairman of the Executive Committee / Remuneration Committee Nomination Committee	540,000	4,896,600	5,436,600
3. Mr. Vikrom Koopirochana Independent Director / Chairman of the Audit Committee / Chairman of the Nomination Committee / Remuneration Committee	600,000	2,702,200	3,302,200
4. Ms. Potjaneer Thanavarant Independent Director / Audit Committee	480,000	1,801,500	2,281,500
5. Mr. Chai Jroongtanapibarn Independent Director / Audit Committee Chairman of the Risk Management Committee	600,000	2,702,200	3,302,200
6. Mr. Prasit Kovilaikool Independent Director / Nomination Committee / Remuneration Committee	480,000	1,801,500	2,281,500
7. Mr. Sithichai Chaikriangkrai Director / Vice Chairman of Executive Committee / Remuneration Committee	480,000	3,447,200	3,927,200
8. Mr. Ueychai Tantha-Obhas Director / Vice Chairman of Executive Committee	360,000	3,447,200	3,807,200
9. Mr. Marut Buranasetkul ⁽¹⁾ Director / Executive Committee / Risks Management Committee / President	-	-	-
10. Mr. Matthew Kichodhan ⁽²⁾ Director	150,000	2,898,600	2,898,600
11. Mr. Pisanu Vichiensanth Director / Executive Committee / Risks Management Committee	480,000	2,898,600	3,378,600
12. Mrs. Sureeporn Pradittasnee Director / Executive Committee / Risk Management Committee	360,000	-	360,000
13. Mr. Panot Sirivadhanabhakdi ⁽³⁾ Director	180,000	1,801,500	1,981,500
Total	5,430,000	32,000,000	37,280,000

Remarks :

- (1) Mr. Marut Buranasetkul was appointed by the Board of Directors' Meeting No. 5/2556 on June 25, 2013 to hold the director position in place of Mr. Panote Sirivadhanabhakdi and to hold the President position in place of Mr. Matthew Kichodhan effective on June 25, 2013 and August 1, 2013 respectively.
- (2) Mr. Matthew Kichodhan resigned from the President and CEO position effective on August 1, 2013.
- (3) Mr. Panote Sirivadhanabhakdi resigned from the director position effective on June 24, 2013

15.1.2 Remuneration of Executive, salary and others ⁽¹⁾

Unit : Baht	2013	2012
Salary	36,468	31,993
Employee Benefits	1,228	1,101
Provident Fund	1,032	843
Others	5,741	7,084
Total	44,469	41,021

Remark :

- (1) The remuneration of executives as of 31 December 2013 includes the remuneration of 16 executives, namely 1. Mr. Paiboon Kujareevanich (resigned during year) 2. Mr. Paisarn Aowsathaporn 3. Mrs. Chitkasem Moo-Ming 4. Mr. Sa-nguan Pongwan 5. Mr. Chai Jroongtanapibarn 6. Mr. Sutee Thammasitboon 7. Mr. Somsak Ussavathirakul 8. Mr. Niruth Sripawatakul 9. Mr. Chanavuth Narkveg 10. Mr. Kitti Vesyasirindra 11. Ms. Chanokkant Jothaprasert (resigned during year) 12. Ms. Paitoon Siribovornkiat (appointed during the year) 13. Ms. Monrudee Akkararach (appointed during the year) 14. Mr. Thanee Pornphisutsak 15. Ms. Tachanan Manochnarumol (resigned during the year) 16. Mr. Hathaisan Rudeewong, excludes the service fees under the Business Administrative Service Agreement between the Company and Thai Beverage Public Company Limited of THB 9,360,000 per year.

15.2 Training course organized by Thailand Institute of Directors (IOD) and other institutes attended by each directors including the training of the independent directors as advised by the Securities Exchange Commission and the Stock Exchange of Thailand

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 Koopirochana	-	Class of 63/2007	-	-	CMA Class of 14/2012 RCC Class of 4 / 2007 CMA Class 8



Name	Directors Certification Program (DCP)	Directors Accreditation Program (DAP)	Audit Committee Program (ACP)	Role of the Chairman Program (RCP)	Other
4. Ms. Potjaneer Thanavaranit	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 FND/2004
7. Mr. Sithichai Chaikriangkrai	Class of 26/2003 Refresher Course 2/2005	-	-	-	-
8. Mr. Ueychai Tantha-Obhas	DCP/2007	Class of TCC/2004	-	Class of 29/2012	-
9. Mr. Marut Buranasetkul ⁽¹⁾	DCP/2013	Class of TCC/2004	-	-	CMA Class 13 EDP 2
10. Mr. Matthew Kichodhan	DCP/2007	DAP/2006	-	-	-
11. Mr. Pisanu Vichiensanth	-	Class of TCC/2004	-	-	-
12. Mrs. Sureeporn Pradittasnee	-	DAP/2004	-	-	-

Remarks ;

(1) Mr. Marut Buranasetkul was appointed by the Board of Directors' Meeting No. 5/2556 on 25 June 2013 to hold the director position in place of Mr. Panote Sirivadhanabhakdi

(2) Mr. Panote Sirivadhanabhakdi has resigned from the director position effective since June 24, 2013

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. HUMAN RESOURCES

17.1 Human resources

As of December 31, 2013 the Company and subsidiaries have a total of 8,296 employees (excluding the Board of Directors and Management team as per Content 12 : Management Structure), categorized into :

Line of Command	Number of employees
Office	353
Restaurant	7,139
Factory	804
Total	8,296

In 2013 the total basic salary was 1,034 million Baht.

17.2 Employee development policy

The focus on people development is one of Oishi Group's key missions, as we believe that our people is the most valuable asset to the Company in contributing to the Company's success and the main driving force for the Company to achieve its strategic imperatives and attaining continuous sustainable growth. Therefore, the skills and capabilities development of our people is important and crucial and is considered to be a long-term investment that must be done continuously in alignment with our business needs.

We have designed and conducted a wide range of learning and development programs to support our business needs, as well as enabling our employees to enhance their skills and capabilities to effectively perform their duties with various functional training programs specific to our business operation trained by our internal trainers who are knowledgeable and experienced in their own specific functional areas.

The 2013 People development policy covers all business segments and extended to all levels of employees with specific functional skills training as well as Leadership Skills development.

The Learning and Development programs for the restaurant operation still maintain the core restaurant operation training system courses with the focus on service excellence and food preparation standards of safety and quality. Likewise, the development programs for employees in the beverage segment, production and support functions also emphasize on product quality and service excellence in each function's respective fields.

Apart from the functional training and leadership skills developments programs Oishi Group provides opportunities for our employees to further their studies by developing a co-education vocational programs with the Office of Vocational Education, Ministry of Education. This program enables our employees to work and enhance their educational levels at the same time which would provide future career advancement opportunities.

In 2013 Oishi Group's invested approximately 12 million Baht on the Learning and Development of our people.

17.3 Welfare Policy

Oishi Group believes that our continued growth and successes is the result of our competent, skillful and motivated employees which we give high importance to our employee's well-being and good quality of life by providing appropriate welfare benefits and work-life balance philosophy :

1. Every employee will be treated fairly and with dignity.
2. Continuously improve the working environment to ensure that our people are happy and enjoy their work and working surroundings.
3. Provides sufficient and hygienic cafeterias, clean toilets, and safe shuttle bus services as well as nursing facilities to look after our employees' health and safety (factory locations).
4. Provides fair and appropriate remuneration and benefits schemes to all employees.
5. Promotes the regular information sharing to employees as relevant and appropriate.
6. Provides sufficient and modern office equipment and utilities so that employees can effectively perform their duties.

17.4 Safety of Occupational Health and Workplace Environment Policy

As our employees are our most valuable asset, we have therefore continuously enforce a high safety standard of occupational health and workplace environment, which can be elaborated as follows :

1. Safety in the workplace is the responsibility of all employees.
2. Improving working conditions for the safety of all employees and everyone.
3. Organize activities to promote and create awareness of safety in the workplace.
4. Act as a role model of good supervisors at all levels to abide by the workplace safety rules and regulations.
5. All employees to be cautious of own and colleagues safety as well as protect company assets in the workplace at all times.
6. All employees to provide full cooperation with the Company's measures on safety of occupational health and workplace environment.

17.5 Human Resources Policy

In order for the Company to achieve its strategic imperatives, Oishi Group's policy on Human Resources is to motivate and retain our talented employees by enhancing our people's professional capabilities to the full potential as well as adhering to integrity, discipline, harmony and common understanding.

The Company has set policies on Human Resources management as follows :

1. All employees will be treated fairly and with dignity.
2. The employee recruitment and transfers will be fairly assessed with emphasis on the job qualification and specification.
3. Continuous support on employee learning and development.
4. Fair remuneration schemes to employees as appropriate with the job requirement and company performance.
5. Regularly share information with employees as relevant and appropriate.
6. Cultivates the understanding and the participation of employees in accordance with Oishi's Core Values.

17.6 Administration Policy

The Company determines to create comfortable working environment for employees to ensure that our employees are happy and enjoy quality time with their work which would help to drive business performance and future business growth. The administration management policy are summarized below :

1. Improves the working environment to be orderly, clean and friendly.
2. Provision of employee cafeteria service, security system, lockers, clean toilets, employees shuttle buses and nursing facilities (factory sites).
3. Effective utilization of office automation resources and utilities.
4. Nurture good relationships with external organizations, visitors as well as government bodies.
5. Regularly share information with employees as relevant and appropriate.

18. INTERNAL CONTROL

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 management. 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 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 2013 as set forth below :

Name of entities	Country of incorporation / nationality	Nature of relationships
Thai Beverage PCL.	Thailand	Parent and directorship
Oishi Trading Co., Ltd.	Thailand	Subsidiary and directorship
Oishi Ramen Co., Ltd.	Thailand	Subsidiary and directorship
Oishi International Holding Limited	Hong Kong	Subsidiary and directorship
T.C.C. PD 11 Co., Ltd.	Thailand	Directorship
Pan International (Thailand) Co., Ltd.	Thailand	Directorship
Berli Jucker PCL.	Thailand	Directorship
Berli Jucker Foods Co., Ltd.	Thailand	Directorship
Krittayabun Co., Ltd.	Thailand	Directorship
Modern Trade Management Co., Ltd.	Thailand	Directorship
Pomburapa Co., Ltd.	Thailand	Directorship
Pomklung Co., Ltd.	Thailand	Directorship
Pomchok Co., Ltd.	Thailand	Directorship
Pomkit Co., Ltd.	Thailand	Directorship
Pomcharoen Co., Ltd.	Thailand	Directorship
Pompalang Co., Ltd.	Thailand	Directorship
Pomnakorn Co., Ltd.	Thailand	Directorship
Pomthip (2012) Co., Ltd.	Thailand	Directorship
Thai Beverage Logistics Co., Ltd.	Thailand	Directorship
Thai Beverage Marketing Co., Ltd.	Thailand	Directorship
Thai Drink Co., Ltd.	Thailand	Directorship
Sangsom Co., Ltd.	Thailand	Directorship
Beer Thai (1991) PCL.	Thailand	Directorship
Beer Thip Brewery (1991) Co., Ltd.	Thailand	Directorship
Surathip Co., Ltd.	Thailand	Directorship
Surasate Co., Ltd.	Thailand	Directorship
Cosmos Brewery (Thailand) Co., Ltd.	Thailand	Directorship
The Southeast Insurance PCL.	Thailand	Directorship
The Southeast Life Insurance PCL.	Thailand	Directorship
Indara Insurance PCL.	Thailand	Directorship



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



Name of entities	Country of incorporation / nationality	Nature of relationships
Petform (Thailand) Co., Ltd.	Thailand	Associates of the indirect subsidiary of Parent
Crown Seal Public Co., Ltd.	Thailand	Shareholders by the subsidiary of Parent
Best Fortune Property and Loan Fund	Thailand	Directors and major shareholders of the company, investors mostly indirect.
AT Mediafront Co., Ltd.	Thailand	Directors and major shareholders of the company, investors mostly indirect.
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
F&N Beverages Marketing Sdn. Bhd.	Malaysia	Associate of a subsidiary of Parent
F&N Dairies (Thailand) Limited	Thailand	Associate of a subsidiary of Parent
F&N Interflavine Pte Ltd	Singapore	Associate of a 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 2013 with related parties were as follows :

Sales to parent company

Ref	Name	Relationship	Amount	Balance due
1	Thai Beverage PCL	Directorship	666,144	-
	Total		666,144	-

Sales to related companies

Ref	Name	Relationship	Amount	Balance due
1	Sangsom Co., Ltd.	Directorship	2,484	-
2	Cosmos Brewery (Thailand) Co., Ltd.	Directorship	51,088	-
3	Beer Thai (1991) Co., Ltd.	Directorship	18,341	-
4	Beer Thip Brewery (1991) Co., Ltd.	Directorship	34,336,796	658,915
5	Krittayabun Co., Ltd.	Directorship	5,264,074,523	249,678,013
6	Pomkit Co., Ltd.	Directorship	(275,872)	-
7	Pomklung Co., Ltd.	Directorship	(79,430)	-
8	Pomchok Co., Ltd.	Directorship	(239,815)	-
9	Pomcharoen Co., Ltd.	Directorship	(64,717)	-
10	Pomburapha Co., Ltd.	Directorship	9,700	4,601
11	Pompalang Co., Ltd.	Directorship	(52,600)	-
12	Pomnakorn Co., Ltd.	Directorship	(111,148)	-
13	Pomthip (2012 Co., Ltd).	Directorship	5,290	-
14	Dhosbhak Co., Ltd.	Directorship	29,692	-
15	Thai Beverage Training Co., Ltd.	Directorship	167,135	12,600
16	The Southeast Insurance PCL.	Directorship	4,673	-
17	F&N Beverages Marketing Sdn. Bhd.	Associate of a subsidiary of Parent	11,560,662	4,434,561
18	Thai Beverage Logistic Co., Ltd.	Directorship	320,380	37,298
19	Thai Beverage Marketing Co., Ltd.	Directorship	390,879	237,237
20	InterBev Malaysia Sdn. Bhd.	Indirect subsidiary of Parent	32,063,123	2,629,858
21	Thai Drink Co., Ltd.	Directorship	7,490	1,370
22	Berli Jucker PCL.	Directorship	39,895,653	17,420,110
23	Sermasuk PCL.	Directorship	640,010,060	45,681,366
24	Serm Suk Beverage Co., Ltd.	Directorship	25,630,724	-
25	TCC Hotel Collection Co., Ltd.	Directorship	56,700	8,667
	Total		6,047,811,811	320,804,596

Management fee to parent company

Ref	Name	Relationship	Amount	Balance due
1	Thai Beverage PCL	Directorship	9,360,000	1,046,779
	Total		9,360,000	1,046,779

Other incomes from related companies

Ref	Name	Relationship	Amount	Balance due
1	Thai Beverage Logistics Co., Ltd.	Directorship	10,841,468	-
2	Sermsuk PCL.	Directorship	10,041,200	43,875
3	Modern Trade Management Co., Ltd.	Directorship	2,850,000	-
4	Krittayabun Co., Ltd.	Directorship	76,958	82,345
	Total		23,809,626	126,220

Purchases from related parties

Ref	Name	Type	Amount	Balance due
1	Beer Thai (1991) PCL.	Transport	1,288,074	-
2	Beer Thip Brewery (1991) Co., Ltd.	Raw materials	204,805,501	14,348,546
3	Pomkit Co., Ltd.	Raw materials	160,880	47,180
4	Pomklang Co., Ltd.	Raw materials	620,337	83,557
5	Pomchoke Co., Ltd.	Raw materials	111,910	32,519
6	Pomcharoen Co., Ltd.	Raw materials	134,535	69,718
7	Pomburapha Co., Ltd.	Raw materials	766,719	176,812
8	Pomphalang Co., Ltd.	Raw materials	483,748	107,062
9	Pomnakorn Co., Ltd.	Raw materials	61,719	28,120
10	Pomthip (2012) Co., Ltd.	Raw materials	2,049,982	443,701
11	Pan International (Thailand) Co., Ltd.	Supplies	120,082	-
12	Thai Drink Co., Ltd.	Raw materials	346,422	-
13	Berli Jucker PCL.	Raw materials	19,605,572	607,064
14	Berli Jucker Foods Co., Ltd.	Finish Goods	78,073,877	13,991,525
15	Sermsuk PCL.	Raw materials	29,132,660	5,492,083
16	S P M Foods & Beverages Co., Ltd.	Raw materials	889,375	300,600
17	Petform (Thailand) Co., Ltd.	Packaging	105,912,024	49,372,032
18	Crown Seal Public Co., Ltd.	Packaging	12,480,300	7,320,726
19	F&N Dairies (Thailand) Limited	Raw materials	4,163,813	1,236,524
	Total		461,207,530	93,657,769

Purchase of assets from parent company

Ref	Name	Type	Amount	Balance due
1	Thai Beverage PCL	Office Equipments	37,200	-
	Total		37,200	-

Purchase of assets from related parties

Ref	Name	Type	Amount	Balance due
1	T.C.C. Technology Co., Ltd.	Computer	684,745	-
2	The Chonburi Sugar Corp. Ltd.	Land	146,038,000	-
3	Beer Thip Brewery (1991) Co., Ltd.	Others	174,688	-
4	Pan International (Thailand) Co., Ltd.	Barcode Machine	26,156,769	-
5	Berli Jucker PCL.	Mobile Phone	23,500	-
6	Thippatana Arcade Co., Ltd.	Office Equipments	9,346	-
	Total		173,087,048	-

Rental paid to related parties

Ref	Name	Type	Amount	Balance due
1	Sura Piset Phatra Lanna Co., Ltd.	Land rental Wangmoung, Saraburi	30,000,000	-
2	Thippatana Arcade Co., Ltd.	Pantip Ngamwongwan, Chiangmai, Ekkamai, Siam	6,845,954	127,633
3	The Chonburi Sugar Corp. Ltd.	Land rental Banbueng, Chonburi	2,790,000	-
4	Riverside Masterplan Co., Ltd.	Asiatique	1,690,237	142,412
5	Lertrattakarn Co., Ltd.	Park venture	28,511,568	746,316
	Total		69,837,759	1,016,361

Promotion expenses paid to related parties

Ref	Name	Type	Amount	Balance due
1	Modern Trade Management Co., Ltd.	Promotion Expense	58,831,780	75,310,753
2	Pomkit Co., Ltd.	Promotion Expense	-	4,527,096
3	Pomklang Co., Ltd.	Promotion Expense	-	860,562
4	Pomchoke Co., Ltd.	Promotion Expense	-	3,072,018
5	Pomcharoen Co., Ltd.	Promotion Expense	-	2,256,447
6	Pomburapha Co., Ltd.	Promotion Expense	-	5,728,341
7	Pomphalang Co., Ltd.	Promotion Expense	-	2,277,367
8	Pomnakorn Co., Ltd.	Promotion Expense	-	2,601,827
9	Pomthip (2012) Co., Ltd.	Promotion Expense	-	1,793,062
10	Thai Drink Co., Ltd.	Promotion Expense	-	10,189,480
11	Sermasuk PCL.	Promotion Expense	-	10,979,196
	Total		58,831,780	119,596,149

Other expenses paid to related parties

Ref	Name	Type	Amount	Balance due
1	Num Turakij Co., Ltd.	Training	10,009	-
2	Numthip Co., Ltd.	Welfare	5,832	-
3	Modern Trade Management Co., Ltd.	Listing fee	174,650	-
4	Beer Thai (1991) PCL.	Transport	-	155,364
5	Beer Thip Brewery (1991) Co., Ltd.	Transport	-	41,587
6	Cosmos Brewery Co., Ltd.	Service fee	594,874	10,856
7	Krittayabun Co., Ltd.	Accrued dividend	-	420
8	Pomklung Co., Ltd.	Advertising	60,077	-
9	Dhospaak Co., Ltd.	Bounty	18,634,323	2,200,536
10	Thai Beverage Training Co., Ltd.	Training	178,000	-
11	Thai Beverage Logistic Co., Ltd.	Transport	839,387	385,875

Ref	Name	Type	Amount	Balance due
12	Thai Drink Co., Ltd.	Advertising	-	21,150
13	Wattanapat Trading Co., Ltd.	Parking	1,298,300	103,000
14	Southeast Capital Co., Ltd.	Car lease	3,405,430	364,603
15	T.C.C. Technology Co., Ltd.	Equipment	4,165,789	816,981
16	Berli Jucker PCL	Promotion	1,005,000	10,918,134
17	The Southeast Insurance PCL.	Insurance premiums	24,915,348	5,062
18	The Southeast Life Insurance PCL.	Insurance premiums	10,080,216	-
19	Plaza Athenee Hotel (Thailand) Co., Ltd.	Service fee	373,910	-
20	TCC Hotel Collection Co., Ltd.	Room rent	4,112	-
21	TCC Luxury Hotels & Resorts Co., Ltd.	Banquet	122,260	-
22	Best Fortune Property and Loan Fund	Event	3,000	-
23	Thippatana Arcade Co., Ltd.	Utilities	4,029,968	334,152
24	T.C.C. PD 11 Co., Ltd.	Service fee	120,000	-
25	Riverside Masterplan Co., Ltd.	Utilities	2,165,150	58,560
26	F&N Beverages Marketing Sdn. Bhd.	Promotion	-	3,118,309
27	F&N Interflavine Pte Ltd.	Fee	45,912	46,007
28	Business Process Outsourcing Co., Ltd.	Service fee	204,000	-
29	Lertrattakarn Co., Ltd.	Utilities	3,221,715	183,338
30	InterBev Malaysia Sdn. Bhd.	Promotion	-	77,849
31	Serm Suk Beverage Co., Ltd.	Discount	-	2,668,876
32	AT Mediafront Co., Ltd.	Advertising	3,500,000	3,745,000
	Total		79,157,262	25,255,659



19.3 Necessity and reasonability of related parties transactions

The above related parties transactions are continuous transactions from previous year which are necessary and reasonable as follows;

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

Such related parties transactions above are rationale due to they are transacted and supported in the normal course of business with arm length basic conditions and the remuneration of such can be calculated according to the assets or reference value which complies with the regulations of the Stock Exchange of Thailand.

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 Company shall comply with the rules and procedures stipulated by the SET, the SEC, any other regulatory authority, or approved Company guidelines and such related parties 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 transactions.



20. FINANCIAL STATUS AND THE COMPANY PERFORMANCE

20.1 Financial Statements

Summary of the auditor's report

The auditor's report in 2013 was audited by Mr. Nirand Lilamethwat from KPMG Phoomchai Audit Ltd. who gave an opinion that the Company's financial statement is fairly stated, in all material respects and in accordance with Thai Financial Reporting Standards.

20.2 The auditor's fee

20.2.1 Audit fee

In 2013, the Company and its subsidiary companies paid the audit fee in the total amount of Baht 4,340,000 consisting of auditor's fee for the Company at Baht 2,328,000 and for the subsidiary companies of Baht 2,012,000.

20.2.2 Other fees

-None-



Summary of Financial Statements

Items	Consolidated ("000 Baht)		
	2013	2012	2011
Cash and cash equivalents	122,251	93,650	56,018
Short term investment	6,500	2,000	-
Trade accounts receivable	542,824	709,316	502,415
Inventories	370,922	309,605	225,165
Other current assets	171,369	1,060,972	1,467,483
Current assets	1,213,866	2,175,543	2,251,081
Other long - term investments	3,660	10,160	12,160
Property, plant and equipment	6,144,822	4,741,703	3,130,070
Intangible assets	33,795	33,140	35,809
Leasehold rights	64,954	72,626	82,318
Other non - current assets	446,674	226,853	207,359
Total assets	7,907,771	7,260,025	5,718,796
Short term loans from financial institutions	63,000	1,836,000	581,000
Current portion of long term loan from financial institutions	-	-	600,000
Trade accounts payable	1,321,593	932,942	643,497
Other payable	692,812	927,923	649,913
Accounts payable - assets acquisition	283,332	323,113	191,995
Other current liabilities	42,628	60,950	81,296
Current liabilities	2,403,365	4,080,928	2,747,701
Deferred income	20	263	516
Accrued employee benefit	51,141	40,892	26,699
Long term loan from financial institution and debentures	2,000,000	-	-
Other non - current liabilities	44,817	16,748	39,035
Total liabilities	4,499,343	4,138,831	2,813,951
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	2,349,668	2,062,437	1,846,085
Other components of equity	36,858	36,855	36,859
Total equity	3,408,428	3,121,194	2,904,846
Total liabilities and equity	7,907,771	7,260,025	5,718,797



Summary of the Company's Financial Statements

Items	Consolidated ("000 Baht)		
	2013	2012	2011
Revenue from sale of goods	12,208,112	11,634,397	9,501,115
Other income	61,126	67,893	176,320
Total income	12,269,238	11,702,290	9,677,435
Cost of sale of goods and services	8,209,097	8,030,593	6,558,018
Selling and administrative expenses	3,547,723	2,998,010	2,245,214
Profit before finance costs and income tax	512,418	673,687	874,203
Financial costs	87,085	45,647	15,683
Income tax revenue (expense)	30,239	25,793	(50,393)
Net profit	455,572	653,833	808,127
Number of shares ('000 shares)	187,500	187,500	187,500
Basic earnings per share (par value 2 baht per share)	2.43	3.49	4.31

Items	Consolidated ("000 Baht)		
	2013	2012	2011
Net cash from operating activities	2,177,323	1,615,591	1,310,700
Net cash used in investing activities	(2,132,995)	(1,756,052)	(1,529,950)
Net cash provided (used in) by financing activities	(15,730)	178,097	(34,135)
Net increase (decrease) in cash and cash equivalents	28,598	37,636	(253,385)



Financial Ratio

Items	Consolidated		
	2013	2012	2011
Liquidity ratios			
Liquidity ratio (times)	0.51	0.53	0.82
Quick ratio (times)	0.28	0.20	0.20
Cash ratio (times)	0.67	0.47	0.63
Account receivable turnover (times)	19.50	19.20	17.14
Average collection period (days)	18.72	19.01	21.30
Inventory turnover (times)	24.13	30.03	18.19
Days sale outstanding (days)	15.13	12.15	20.06
Account payable Turnover (times)	7.28	10.19	9.11
Average payment Period (days)	50.12	35.83	40.05
Cash cycle (days)	-16.27	-4.67	1.32
Profitability ratios			
Gross margin	32.76 %	30.98 %	30.98 %
Operating Profit Margin	3.70 %	5.21 %	7.35 %
Cash to profit ratio	482.46 %	266.69 %	187.81 %
Net profit	3.73 %	5.62 %	8.51 %
Return on equities	13.95 %	21.70 %	28.93 %
Efficiency ratios			
Return on assets	6.01 %	10.08 %	15.39 %
Return on fixed assets	8.37 %	16.61 %	26.51 %
Asset turnover (times)	1.61	1.79	1.81
Financial policy ratios			
Total liabilities to equities ratio (times)	1.32	1.33	0.97
Debt to equities ratio (times)	0.61	0.59	0.41
Dividend payout	53.50 %	63.07 %	51.05 %

Management's Discussion and Analysis on Operating Results

Sales

For the year of 2013, the company has sales revenue totally 12,208 million Baht, which is 4.9% increase from the year of 2012 that had sales revenue totally 11,634 million Baht. The sales revenue can be classified as 5,976 million Baht from food business or equivalent to 49.0% of total sales revenue, and 6,232 million Baht from beverage business or equivalent to 51.0% of total sales revenue. The change in sales revenue comparing to 2012 comes from 12.3% increase in sales revenue from food business mainly due to an increase in number of restaurant outlets, netted with 1.3% decrease in sales revenue from beverage business due to intense competition, decline in campaign participation rate nationwide, political instability and economic slump and slowdown in private consumption due to high household debt, decline in agriculture commodity price and volatility of asset price.

Cost of sales

Total cost of sales of the company for the year of 2013 is 8,209 million bath or equivalent to 67.2% of total sales which is lower than total cost of sales in 2012, which is 8,031 million Baht or equivalent to 69.0% of total sales.

Selling Expenses

Selling expenses of the company for the year of 2013 and 2012 are equal to 1,679 million Bath and 1,376 million Baht, respectively. In terms of percentage, selling expenses in 2013 is 13.8% of total sales which increase from 11.8% of total sales in 2012 due to intense competition and higher promotional campaigns.

Administrative Expenses

For the year of 2013 and 2012, the company has administrative expenses 1,758 million Bath and 1,579 million Baht, respectively. The additional of 179 million Baht is due to an increase in number of restaurant outlets.

Non - recurring item

In June 30, 2013, the company concluded the final claim amount with the insurer at approximately 1,271 million Baht. In Q4'2012 and Q1'2013, the company booked insurance claim revenue 1,200 and 170 million Baht, respectively, or 1,370 million Baht in total. Therefore, for the year ended December 31, 2013 the company adjusted the claim receivable, and acknowledged loss from flood in its Profit and Loss of 99 million Baht. In December 31, 2013 the company received a full amount of insurance claim from the insurer.

Net Profit (Loss)

The Company's net profit for the year of 2013 and 2012 are equal to 456 million Bath or equivalent to 3.7% of total sales and 654 million Bath or equivalent to 5.6% of total sales, respectively. Profitability decreased by 30.3%.



Financial Status

Assets

As of December 31, 2013, a total asset of the company is 7,908 million Baht, which is increased by 648 million Baht or 8.9% from the year end of 2012 mainly due to an increase in net property, plant and equipment.

Liabilities

As of December 31, 2013, a total liability of the company is 4,499 million Baht, which increased by 360 million Baht or 8.7% from the year end of 2012 mainly due to an increase in loans from financial institutions and account payable.

Shareholders' equity

As of December 31, 2013, a total shareholders' equity of the company is 3,408 million Baht, which is increased by 287 million Baht or 9.2% from the year end of 2012 due to an increase in net retained earning which comprised of profit for the period netted with dividend payment.

20.3 Key drivers which could affect future operations and financial status

20.3.1 New Cold Aseptic Filling Line 3 of PET bottling production project at the factory which located in the **Navanakorn Industrial Estate** at Pathumthani province. The project will increase PET capacity by 20% 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 45 new stores in 2014

21. OTHER RELATED INFORMATION

- None -



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**REPORT OF
THE BOARD OF DIRECTORS'
RESPONSIBILITY FOR
THE FINANCIAL STATEMENT**

22. 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, 2013 are reliable under generally accepted accounting standards, and also acceptable to relevant laws and regulations.

(Narong Srisa-an)
Chairman

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**REPORT OF
THE AUDIT COMMITTEE**

23. REPORT OF THE AUDIT COMMITTEE

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 fully comply 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 2013, the Audit Committee 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 adequacy for disclosures of information regarding transactions between the Company, its subsidiaries and other affiliates, and transactions with tendency to cause conflict of interests, and the adequacy of the internal control systems. The Committee made recommendations for the development of internal control systems, strict monitoring of the Company’s internal audit and the selection and the proposed appointment of the Company’s statutory auditors to the Board of Directors. The Audit Committee also evaluated the performances of the Statutory Auditors, particularly in the area relating to the quality of services and their remuneration.

To ensure that the Company’s operations are undertaken efficiently and transparently, auditable 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 2013, 9 meetings were held by the Audit Committee. Mr. Vikrom Koopirochana, Chairman of the Audit Committee, and Ms. Potjaneer Thanavarant, Audit Committee member, attended all the 9 meetings. Mr. Chai Jroongtanapibarn, Audit Committee members, attended 8 meetings. 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 2013 :

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 Ltd., 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 Ltd., 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 laws and regulations relating to the Good Corporate Governance and the Code of Best Practice of the Securities Exchange Commission and 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 2013. 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 efficiency of their performances and the improvement of the internal audit systems.

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 operations are carried out efficiently in compliance with laws and regulations of the Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), particularly relating to the Good Corporate Governance, and thus boosting its corporate image. The Company's overall internal control systems are 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 attentive interest 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, making them increasingly relevant to the international standards.

(Mr. Vikrom Koombirochana)

Chairman of the Audit Committee

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**REPORT OF THE RISK
MANAGEMENT COMMITTEE**

24. REPORT OF THE RISK MANAGEMENT COMMITTEE

The Risk Management Committee consists of 12 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 2013, the committee held a total of 7 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



(Mr. Chai Jroongtanapibarn)

Chairman of the Risk Management Committee



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**REPORT ON THE GOOD
CORPORATE GOVERNANCE**

25. REPORT ON THE GOOD CORPORATE GOVERNANCE

Oishi Group Public Company Limited (the “Company”) has given the significant focus 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 issued by the Stock Exchange of Thailand. 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, and would also create confidence to the shareholders, investors and other stakeholders. The Board of Directors thus has set out its policies of Good Corporate Governance to be in line with the Stock Exchange of Thailand’s Codes of Best Practices for listed companies. The policies have been reviewed and improved regularly in order to raise the level of its Good Corporate Governance to be equal with other leading companies. This should allow the Company to achieve its ultimate goals, their business objectives and sustainable growth of the Company.

Policy on Corporate Governance

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

- Certain systems are set to build up confidence to the shareholders and related parties that fair and equal treatment will be offered to every party.
- Supervising and overseeing the Executives to efficiently and productively comply with the policy for the best interest of the shareholders within the boundary of the laws and business etiquettes.
- Supervising and overseeing the Executives’ performance to be transparent, auditable and that sufficient information is accessible by relevant parties.
- Providing appropriate internal audit, internal control and efficient risk management systems.
- Determining 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 leading to efficient growth of any entity. The Company, therefore, operates its business strictly in compliance with the good corporate governance code of 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 of 5 principles on Good Corporate Governance, which are as follows :

Shareholders' Rights

The Board of Directors realizes 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 accordingly supports the shareholders to exercise their rights. Fundamental rights of the shareholders include stock selling or purchasing and/or transferring, profit allocation, sufficient information notification, voting in shareholders' meeting to appoint or discharge the committee, to determine directors' remuneration, to 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, etc.

The Board of Directors is determined to treat all shareholders equally and fairly. The Board of Directors always facilitates, supports and encourages all shareholders, during the shareholders' meeting, to receive information, to cast their vote in the shareholders' meeting and in profit allocation.

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. Other meetings will be held as extraordinary shareholders' meeting in which the Board of Directors may call for such meeting as deemed appropriate.

In each meeting, the Board of Directors will set out several procedures to facilitate the meeting in order for each shareholder, including the institutional investor, to attend and to cast their vote. The Company will send out Proxy Forms, with various voting choices together with clear explanation of procedures and documents that the shareholders have to prepare when attending or appointing proxy, along with the Meeting Invitation in case the shareholders are unable to attend the meeting. The shareholders may appoint anyone or any of the independent directors as proxy to attend the meeting, and shall have the rights to vote as stipulated by the shareholders.

Prior to each shareholders' meeting, the Company will prepare and distribute the meeting invitation together with the opinion of the Board of Directors and other meeting information both in Thai and English version on the Company's website. The meeting invitation will include agenda, reason, and other information which will be sent to the shareholders in advance at least seven days prior to the meeting. This will ensure that the shareholders has sufficient information to make decision in each agenda effectively, As for the agenda to determine directors' remuneration, the Company will propose them to the shareholders' consideration both remunerations, salary and bonus of the directors. The policy and rationale of the proposed remuneration will also be presented to the shareholders for their consideration.

On the meeting date, before getting to the meeting agenda, the Company shall inform to shareholders all the rules and procedures of the meeting including proxy procedures. The Company will also explain on the voting procedures and prepare ballot for the shareholders. In the agenda of director nomination, the Company will propose to the shareholders to nominate a director individually, The Company will give equal freedom to every shareholders in expressing opinion and making 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 enquiry, as well as, acknowledge every opinion and suggestion of the shareholders. In 2013 AGM, most of the directors have attended the meeting, the absent directors are those who have engaged in other important transactions with advance notice to the Chairman. In addition, for transparency and to facilitate the voting process, the Company has used the registration program and barcode voting system of the Thailand Securities Depository Co., Ltd. ("TSD"), an independent organization, in which their staff also assist in the counting of vote for the meeting.



In the meeting minutes, the Company will record the list of attended directors, voting procedures, using of ballot and all of the voting result 'agree', 'not agree' and 'no vote', including all of the inquiries and opinions of the attendees so that the shareholders can inspect them. In 2013, the Company has arranged the attending of independent parties i.e. auditor and minor shareholders to review the voting in the AGM. The Company also informed the resolution of the meeting on the same day of the AGM. The Company will not prevent or obstruct any opportunity of the shareholders to communicate and will not make any agreement between shareholders that should significantly affect the Company or other shareholders.

In addition, the Board of Director has set up policies to supervise and protect the rights of the shareholders. Such 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 emphasizes on the shareholders' rights, and will not carry any action that might deprive the rights of the shareholders.

Shareholders' Equal Treatments

The Board of Directors has valued and has clear policies on equal treatments toward every shareholders, Whether or not they are managerial shareholders, major shareholders, minor shareholders, and/or institution shareholders, they are all subjected to equal treatment and the Board of Directors has set policies to supervise and protect the shareholders' rights, as well as encouraging every party to strictly comply 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 emphasized on strict compliance of rules and regulations of the SET and SEC so that all shareholders can be certain that they will be fairly and equally treated by the Company.

In the shareholders' meeting, the Company will send out proxy form together with the meeting invitation to facilitate those shareholders who cannot attend the meeting. The meeting invitation and meeting documents will be prepared in two languages to facilitate foreign shareholders. The meeting invitation including meeting agenda and all other documents will be put on the Company's website 30 days prior to the shareholders' meeting. The Company allows any minority shareholders to propose any agenda and nominate any person to be a director of the Company in accordance with the applicable laws, rules and regulations. Such rights are disclosed via SEC website, Company's website and also in the AGM.

In addition, the Board of Directors requires that all directors and executives including their related person disclose any information regarding their interest to the Company by ways and procedures determined by the Board of Directors. This will allow the Board of Directors to examine any transaction that is possibly conflicted with the Company's interest and to make appropriate decision in that regard for the best benefit of the Company. In such event, the Company sets out the rule that any executives that is an interested person to the transaction shall not take part when making decision with regard to that transaction.

The Board of Directors has also set preventive measures to prevent the directors, executives and staffs from using internal information for their own or others' benefit which is considered a disadvantage to other shareholders, among others, insider trading or disclosing internal information to any related person to the director or executive, etc.

In terms of the use of internal information, the Company has set out certain measures to ensure that there will be no use of internal information for the benefit of individual. The details on these preventive measures are shown in 'Disclosure of Information and Transparency' of this corporate governance report.

The Company also arranged for the disclosure of directors' and executives' holding of shares in Section 14 Page [•] of this Annual Report.

Nevertheless, for the best benefit and equal treatment of all shareholders, any connected transaction shall be on an arm's length basis taking into account of the regular practice in pricing and market price. Any transaction to be disclosed or approved by the shareholders, the Company will disclose such information and rationale to the shareholders prior entering to such transaction as required by supervising body.

The Role of the Stakeholders

The Board of Directors also emphasize on the issue of the rights of the stakeholders. The Board of Directors is very well aware that every stakeholder must be treated with care as 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, etc.

The Board of Directors determined to treat each group of stakeholder considering their rights under the laws or under any agreements they entered with the Company. The Company will not act in any way that is prejudice to the rights of the stakeholders.

In addition, the Board of Directors intended to develop a system that encourage stakeholders' participation, leading to better performance and sustainable growth of the Company. Accordingly, the Board will provide all relevant and important information sufficiently to stakeholders for their participation.

The Board of Directors is well aware that the effective outcome of the Company can be achieved through 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. Such policy can be elaborated as follows;

- Shareholders :
 - The Company shall be operated with transparency, under the determination to grow and giving good benefits to the shareholders in the long run.
- Employees :
 - 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. Appropriate benefits will be provided for all employees such as health insurance, provident fund, etc.



- Customers :
- 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 select their suppliers take into account of their performance, price and creditability, no fraud record and/or violation of human rights
 - 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 terms and conditions stated in the entered 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 jeopardize the reputation of competitors.
- Community & Environment :
- 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.
 - The Company shall operate under all environmental standards, all factories of the Company are certified ISO 14001 (Environmental Management System).

As for responsibility to the community, the Company realizes that being part of the community, it is important to help and give back to the community. In the factory area and the Company's premise there will always be vacancies and opportunities available to the community. The Company always participated in community's activities. As for giving back to community, the Company have helped the victims of the flood last year and those with disadvantages in various opportunities, both through various charity organizations and the one that the Company created itself. The Company also created several events that benefit the community such as donation of sport equipment event to support the development of youth in provinces.

As for the environmental issue, the Company always emphasize in building environmental awareness starting from small level to the organization as a whole through various seminars, activities and campaigns i.e. reducing usage of paper in the office, making sure that producing activity is environmental friendly. As stated earlier, all factories of the Company are certified ISO 14001. The standard objective is that the organization should have awareness in environmental issues along with the business objectives. The main issue is Prevention of Pollution which shall be pursued and improved continuously. The Company has provided environmental seminars and such ISO standard seminars to all employees using internal and external resource persons. In 2013, there are total of five seminars in this regard. In addition, the Company always support the effective use of resources. In producing activities, the Company uses new technology machines and innovations to reduce the number of plastic used in packaging. Other resources are also used effectively to maximize their value and minimize unnecessary usage.

As for the employee aspect, the Company treats employee as their valuable asset. The Company has policy that focus on equal and fair treatment in terms of opportunity, rewards, improvement and to ensure employees on their quality of life, safety in workplace. When considering remuneration for employee, the Company always consider their performance and their efficiency. To improve the capability of employee, various seminars and training are provided both from within and outside the organization in order to develop and enhance the capability of employees leading to greater benefits too the Company in a long run. All premises, offices, and factories of the Company are also set up with safety measures.

In order to operate business for the best interest of shareholders, the Board of Directors has set a policy, where every party is equally important whilst achieving the goals of the organization. To succeed the policy, the directors and executives, as well as, employees must acknowledge the standard procedures 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 ethics will be abided by.

In operating business, the Company also realize the importance of the development of intellectual property. Any development is considered as an asset and they create value to the Company. The Company has registered the copyrights and trademarks both domestically and internationally to protect their rights. According to such developments, we have no policy or the necessity to infringe the intellectual property rights of others. In 2013, the Company was award IP Champion 2013 from the Intellectual Property Department, Ministry of Commerce, for the most successful in bringing the intellectual property to commercial use.

In 2013, the Company established channels for all stakeholders including the staffs to inform or submit their complaint on any acts or events of incompliance of the rules, regulations, any good corporate governance policy, any incorrect financial report or any defect internal control to Internal Audit Director directly via company website as follows :

Submit your report or complaint

Email : internalaudit@oishigroup.com

Post : Internal Audit Director, Internal Audit

Oishi Group Public Company Limited

20th Floor, Park Venture Ecoplex, 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330.

The Company shall treat both such reported information and the person submitting as confidential and shall not disclose such information without consent or without legal requirement and/or the request from supervising bodies. Accordingly, the informant who is the staff of the Company can be certain that they will not be effect from such reporting. In the event that the reported information are justified and without any prejudice to the Company and relevant persons, when the Company has reviewed and of the opinion that it is an infringement to the right of the relevant persons, such person shall be reimbursed from the Company as appropriate, reasonable and in compliance with the applicable laws.

In addition, in the previous year, the Company did not provide any financial to other companies that are not subsidiary and there is no record of violation in labor law, consumer protection or trade competition in significant matter. Also, there is no record from the supervising bodies on incompliance of announcement requirement whatsoever.



In any case, the Company has a clear policy and intended to comply all the applicable laws, relevant rules and regulations, to ensure that the stakeholders will be treated with best care.

Disclosure of Information and Transparency

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

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 Company including both 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 exhibit the public the Company's financial status, as well as its real performance of the past year. 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 to provide sufficient information in the notes to the financial statement.

The Board of Directors also acknowledges the significance of the internal auditory efficiency, as it is one of the keys 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, 2013 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 performance of the Company and its subsidiaries, business growth rate and also on the comparative rate with others in the same industry listed in the SET. The remuneration must be sufficient to motivate the directors to continuously contribute good work at the Company and to maintain with 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 for the year 2013, in Section 15 on Page 84

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 that is accurate, reliable, timely and sufficient shall be disclosed to the shareholders, investors, analysts, and public. The Board of Directors has the responsibility to strictly and transparently abide by the policy and making sure that they are all auditable.

The Company recognizes that the issue of using internal information falls within responsibility of the directors, executives and employees. They should keep all of Company's confidential information safe and confidential especially any information that has not yet disclosed to public, information that may have effect to business operation or stock price. They are prohibited from using any information or opportunity obtained from the positions as director, executive or employee of the Company for any personal use. Also the Company has 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. Should any of the director of employee commit such prohibition, they will be subjected to punishments ranging from warning notice to employment termination. The Company has also set a written policy with regard to the prohibition of all employees to make any trade of stock during the disclosure of significant information which may affect the stock price until such information is disclosed to public for at least 30 days. There will be an announcement in advance of such event of disclosure. In the last year, there is no record of any Company's employee violating such policy whatsoever.

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 independently making any decision for Company's benefits and entire shareholders. The Board of Directors has set a system to separate the role of the Board of Directors and management position 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 suitable for Company. They distributed their time and effort fully to the Company.

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.

The board of Directors has set out visions and missions that are suitable for the operation of the Company and they are also shown on the Company's website as follows :

Visions

“ To be leader and innovator of the Japanese food and beverage business for the quality of life and wellness of the new generation ”

Mission

1. Maintain the quality and good services of the restaurant, bakery and health beverage businesses; as well as maintaining the popularity of 'Oishi' products among the customers, and give the importance to the standards of the product manufacturing and operation.
2. Select quality raw materials that bring the highest customer's satisfactory, in order to be well recognized in both local and overseas markets.
3. Continuously improve the production process by using modern technology in the product's research and development.
4. Increase the effectiveness of the production and the company's competitiveness, in terms of the price and quality, against the competitors in the local and overseas market; it will help push the Thai economic forward to its growth.

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 committee are Executive Committee, Audit Committee, Risk Management Committee, Nomination Committee and Remuneration Committee. Please see the details in Section 12 Management Structure on Page 43 of this Annual Report.

The Board of Directors and Sub-Committee Meetings

The Board of Directors is set to hold the meeting once in every year quarter, while extra meeting can also be held if necessary. The agendas of the meeting must be clearly stated in advance. In addition, 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 noted the meeting minutes in written document for further examination, as soon as the document is approved by the board. They are all auditable by relevant persons at any time.

Even though the Board of Directors' meeting is set to be held quarterly, during the absence of such meeting, the management team will report all the operation performance to all directors via email monthly.

The sub - committee meeting schedule will be set in advance. Extra meeting maybe added to the schedule if necessary. The minutes of the meeting are recorded in writing in every meeting.

In 2013, 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	Risks Management Committee
		No. of Meeting Attendance / No. of Meeting in 2013					
Mr. Narong	Srisa-an	7/7	-	-	-	4/4	-
Mr. Vikrom	Koompirochana	7/7	9/9	-	5/5	4/4	-
Mr. Chai	Jroongtanapibarn	6/7	8/9	-	-	-	7/7
Ms. Potjaneer	Thanavaranit	7/7	9/9	-	-	-	-
Mr. Prasit	Kovilaikool	7/7	-	-	5/5	4/4	-
Mr. Thapana	Sirivadhanabhakdi	5/7	-	11/12	4/5	3/4	-
Mr. Matthew	Kichodhan ⁽²⁾	7/7	-	7/12	-	-	-
Mr. Panote	Sirivadhanabhakdi ⁽³⁾	5/7	-	-	-	-	-
Mr. Marut	Buranasetkul ⁽⁴⁾	2/7	-	5/12	-	-	-
Mr. Sithichai	Chaikriangkrai	7/7	-	11/12	-	4/4	-
Mr. Ueychai	Tantha-Obhas	6/7	-	12/12	-	-	-
Mr. Pisanu	Vichiensanth	7/7	-	12/12	-	-	5/7
Ms. Sureeporn	Pradittasnee	6/7	-	10/12	-	-	7/7

Remarks :

- (1) 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.
- (2) Mr. Matthew Kichodhan has resigned from the position of Executive Committee effective from 1 August 2013
- (3) Mr. Panote Sirivadhanabhakdi has resigned from the position of Director effective from 24 June 2013
- (4) Mr. Marut Buranasetkul
 - is appointed by the Board of Directors' Meeting No. 4/2556 on 14 May 2013 as a Executive Committee in place of Mr. Paiboon Kujareevanich effective since 14 May 2013
 - is appointed by the Board of Directors' Meeting No. 5/2556 on 25 June 2013 as a Director in place of Mr. Panot Sirivadhanabhakdi effective since 25 June 2013
 - is appointed by the Board of Directors' Meeting No. 6/2556 on 14 August 2013 as a Risks Management Committee effective since 14 August 2013

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. For any connected transactions that may have conflict of interest, the Board of Directors has appointed audit committee to consider the necessity and appropriate of such transactions. In case the audit committee does not have expertise to review such connected transactions, independent specialists or accountants will be hired to give their advices on such transactions. Such advice will be considered when the Board of Directors or the shareholders have to make any decision, as the case may be. In addition, policies have been set up by the Board of Directors to prevent the exploitation for personal use by determining that the directors and employees shall avoid committing any connected transaction that may have conflict of interest with the Company.

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.

Executive Transition Plan

The Company has arranged for executive transition plan for all important positions of the Company including Managing directors and other executive positions in order to make sure that the Company will have executive with knowledge, capability and experience who can carry major positions of the Company in the future. The plan is to support and making preparation for executives in the handover of tasks or when there are major positions in the Company available. The Company will arrange for the executives to have various trainings including Director Certification Program (DCP) or Director Accreditation Program (DAP) provided by Thai Institute of Director Association to build a better understanding of tasks and responsibilities of the director in a listed company. This should be a good preparation for executives when transition is needed as well as an excellent support to the Board of Directors of the Company.

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.

Risk Management

In operating a business, risk is inevitable either from internal factor or external factor. The Board of Directors is very well aware the importance of risk management. The Risk Management Committee is established consisting of directors and executives of all significant units of the Company to manage the risk of the organization. The committee will assist in analyzing the risk and will come up with advices, solutions to any assessed risk including follow up the progress of any execution. Accordingly, the committee will prepare the Risk Committee's report submitting quarterly to the Board of Directors.

Moreover, the Board of Directors has determined that Good Corporate Governance policy shall be a guideline of all directors, executives and employees when operating business. The Board of Directors will review and improve Good Corporate Governance annually making it suitable for any change in business operation, circumstances, rules and regulations.

In 2013, the Company have operated successfully and complied with the Good Corporate Governance in all respects.

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CORPORATE SOCIAL RESPONSIBILITY REPORT



26. CORPORATE SOCIAL RESPONSIBILITY REPORT

Corporate Social Responsibility in Process Vision and Strategic Framework

Oishi Group Public Company Limited (the “Company”) long term significant directions is to move toward in a way of CSR-in-process with our quality management system and efficiency implementations that responsible for the economic and environment advantages. As part of our strategy, which is one of our fundamental business principles, we endeavor to minimize our production pollutions that effect the community. With this report we present to our stakeholders our goals, performance results, in the line with our vision and sustainability strategy in eight focus areas as follows;

1. Business Standards and Corporate Governance

The Company has long recognized the ongoing enhancement of its Corporate Governance structures as one of its most important management objectives. As part of this effort, in addition to the economic and environment advantages, help us fulfill our promise to consumer by serving them products of the highest quality produce at the highest safety standards

2. Compliance / Anti-Corruption

The Company’s policy is to comply with all applicable laws and regulations of the Country in which, it operates and to conducts its business activities in an honest and ethical manner. We understand that conducting business with integrity and fairness is an essential duty of management. To this end, The Company has established a compliance network through which it promotes initiatives aimed at reinforcing the company’s commitment to integrity in its business activities. We will take appropriate steps to ensure that :

- 2.1 To provide our employees to increase the vigilance of their compliance efforts.
- 2.2 Introduced its own requirements to strengthen the separation of the director’s Function from that of the statutory committees.
- 2.3 The Company and its employees will never seek, accept or give a bribe, facilitation payment, kickback or other improper payment. We must also always ensure that we operate with appropriate transparency in all our business dealings.



3. Human Rights

Cherishing humanity has been fundamental to management at the Company since our foundation.

The Company established the human right policy to gauge the impact of business activities on stakeholder's human rights and deliberate on mechanisms to prevent human rights violations.

4. Human Resources

In the responsibility of Human Resource Management and Human Resource Development teams, the Company business philosophy and our Human Resources Policy, are based on the principle of equality. Our understanding of quality in the workplace brings with it fair and transparent process practices. The Company employees are subject to a salary and promotion system according to their qualifications and performance including recruitment, performance management, promotion, compensation, career and personal development performed within the framework of our "Lifelong learning - the Company Gives Education" program. To do so, the Company providing a graduate courses under an associate Graduate school such as, Bangprakong Industrial and Community Education College and Bangkok Arts and Crafts College.

5. Consumer Satisfaction Responsibility

At The Company, we try to manage our operations in the most responsible way, on basic strategy "QSC+2Vs" by Q-Quality of product. The Company's restaurants aim to always serve our products to consumers in the most healthy and hygienic condition, with preferred packaging alternatives called "Cold Aseptic Filling" technology from Japan. The world class new technology ensures authentic "Real brew" Japanese green tea taste from natural green tea leaves and the "Goodness" of green tea nutrients is retained in every bottle. Moreover, 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.

6. Environment Responsibility

The Company recognizes that its various business activities are only possible if our environment is healthy and sustainable. We carefully monitor our environment impact and target a performance that exceeds legal requirements. In line with this plan;

- The state of the art plant locate at Navanakorn Industrial estate have also been designed to be a World class "Green Factory", featuring Econo-Pilot Cooling system a lightweight walls that reduce energy consumption by up to 50%. In addition, the buildings have been designed to reliance on natural light during daylight to reduce energy consumption.

7. Community

For more than ten years, we aim to support sustainable development in communities where we operate and contribute to the welfare of the society.

8. Innovation for Corporate Responsibility

The Company increasing concern regarding environmental and social responsibility. We will continue to address the needs of communities by leveraging its innovative products and technologies by using 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.

Corporate Social Responsibility after Process Vision and Strategic Framework

The Company positions the enhancement of Corporate Governance as an important management issue, including mutually supportive relationships in order for society and environment. The Company continues to work on a variety of themes in its focus on corporate social responsibility (CSR), throughout our participated employees under our campaign called “Hai” - our strong standing commitment to our community. Some of the projects we performed in 2013 are as follows;

1. Social Development and Betterment for Human Condition Responsibility

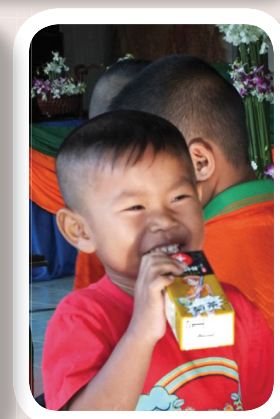
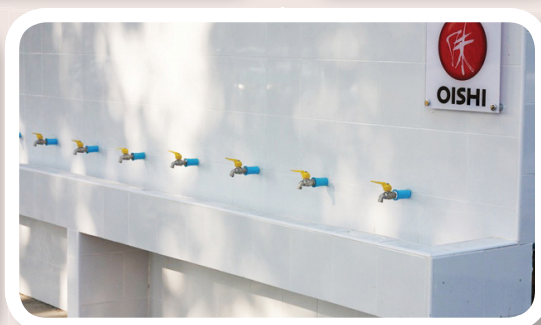
1.1 Disaster Relief





In the event of crisis situation, the Company supports humanitarian relief efforts in a manner that takes into consideration the nature of the event. On October 2013, a number of flood alerts were issued around Central and Northeastern Provinces areas of Thailand, causing massive damage and loss of life. In collaboration with other supporting organizations the Company provided immediate disaster relief, we created the “Hai - Emergency Relief for Flood Disaster Campaign” cumulative total of more than 200 employees had participated in a while range of volunteers activities. Over a total 2,000 survivor bags and 5,000 boxes of fresh food have been delivered to disaster areas such as Chachoengsao, Nakorn Ratchasima and Nakorn nayok provinces.

1.2 Sook Jai Tee “Hai” - Give Help Clean Water



The Company is committed to pursuing sustainable business practice while working to realize a better future for Youth. The Company also undertakes community engagement activities in fields where it is best able to do so to help address the needs of our children. The Give Help Clean Water is a unique campaign that comes from first the Company leadership training courses for our factory employees, a show case power of The Number One Drinks Company in Thailand. To improve the lives of children at Baan Hin Dard Primary School, Nakorn Ratchasima province in need of clean drinking water we contribute a huge number of 141,000 baht mobilizing funds from September - December 2013. The Company Give Help Clean Water campaign is charitable thrust funded and supported by local communities, employees and corporate affiliates of the Company. We focus at efforts and investments on this areas of development; providing clean water access to rural communities, building educational structure and monitoring all through process to protect water purification given

2. Youth Development Responsibility

- 2.1 In November 2013, more than 250 management and voluntarism employees of the Company supported an annual charity campaign called “Hai”-Pan Num Jai Hia Nong at Wat Kao Noi Primary School in Kanchanaburi province. A recreation activity has been organized for over 70 students. There was also a scholarship, a learning and sport equipment given for their future education as well.





- 2.2 The Company enhanced the real meaning of “Hai” continue our third year’s project called “Movie for Kids” with the Volunteer spirit Goup from Facebook Page. By giving opportunities to kids from The Foundation for Slum Child Under the patronage of HRH Princess Galayani Wattana Department Luang Naratiwat to enjoy their lunch at an authentic Japanese Buffet “Oishi Buffet” including their first adventure under the sea in an animation movie “SAMMY-A Turtle’s Tale 2” at SF Cinema Central Rattanathibet afterwards.



- 2.3 On August-November 2013, the Company continue refreshments mission by supported a special set of Sport equipment for Youth in Udon Thani, Chiangmai, Khon Kaen, Pitsanulok and Songkhla province by orders. The package containing a soccer ball, volleyball, basketball, ball drills and Oishi Green Tea UHT in a special mesh storage bags worth 555,000 baht in total. The Company strongly believed that our contributing like this will produce a lasting social benefit to our Youth health arena.



- 2.4 On May 2013, a group of voluntarism employees from the Company jointly donated an Education funds from all employee's donation along with learning tools, sport equipment, food and beverage from the Company to a group of 50 students at Baan Muang Lae Etong Secondary School located in an old mining areas, 213 kilometers far away from the main city of Kanchanaburi province and next to Burma Border.



- 2.5 Oishi Green Tea UHT invites children to join our Oishi booth for the National Children's Day 2013 at the Government House in Learning and Development Zone. Enjoy our fun activities, meet and greet with cute Neko Maneki Mascot from Japan with free Oishi's refreshment throughout the event.





3. Community Responsibility



The Company organizes an event for Academy students to visit our Factory at Navanakorn Industrial Zone, Pathumthani province. This special group of 23 candidates' students who held a contest project plans (J-MAT AWARD) of the Royal Shield HRH Maha Chakri Sirindhorn from our Marketing Contest called "The Best Green Tea..tied distraught (mud jai Wai Wa Woon)" scholarships worth over 500,000 baht. This will give them an opportunity to create their marketing plans as a professional marketer to simulation in the scenario of real goods and services. Determine the purpose and aims of the consumer to achieve sales growth also to make awareness and attitudes of consumers to choose the product. With all knowledge gained from this study we strongly hope to give them all the skills in marketing to achieve their future education.

4. Environment Responsibility



Oishi Green Tea UHT in corporation a joint project called "GREENFOOD" for Princess Pa Foundation, Thai Red Cross Society" during October-December 2013. Our mission is to encourage children about Recycling which we hope to send then a message to Reduce, Reuse and Recycle their waste now and in the future. To start with their Oishi Green Tea UHT boxes can be reuse to produce a main resource for Green roof to help people in the society and introduce the idea of protecting a healthy environment throughout this fun project. In order to do so, we create three funs marketing activities since October-December 2013 in which all used of Oishi Green Tea UHT boxes collected from children can redeem prizes including two seats for cinema.



27. INDEPENDENT AUDITOR'S REPORT

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 (the "Group") and of Oishi Group Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2013, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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 present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

KPMG Phoomchai Audit Ltd.
Bangkok
25 February 2014

(Nirand Lilamethwat)
Certified Public Accountant
Registration No. 2316

STATEMENT OF FINANCIAL POSITION

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in Baht)

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2013	2012	2013	2012
Current assets					
Cash and cash equivalents	7	122,251,278	93,649,659	102,205,888	49,659,512
Current investment	8	6,500,000	2,000,000	-	-
Trade accounts receivable	6, 9	542,823,768	709,315,929	71,692,175	204,455,643
Other receivables	6, 10	117,207,519	1,010,258,017	36,337,874	18,858,908
Dividends receivable from a subsidiary	6	-	-	419,999,000	167,999,600
Short - term loans to a subsidiary	6	-	-	1,805,000,000	118,000,000
Inventories	11	370,922,411	309,605,241	66,289,437	41,178,404
Corporate tax refundable		16,559,340	13,433,960	7,260,077	6,280,536
Other current assets		37,601,797	37,280,503	15,114,653	24,205,298
Total current assets		1,213,866,113	2,175,543,309	2,523,899,104	630,637,901
Non - current assets					
Investments in subsidiaries	12	-	-	578,396,775	578,203,025
Other long - term investment	8	3,660,000	10,160,000	-	-
Property, plant and equipment	13	6,144,822,180	4,741,702,936	1,152,093,705	974,179,983
Intangible assets	14	33,794,628	33,139,828	21,987,197	21,426,222
Leasehold rights	15	64,954,437	72,626,251	35,352,100	37,809,851
Deferred tax assets	16	85,604,844	53,773,684	11,836,679	16,190,089
Other non - current assets	6, 17	361,069,279	173,078,954	178,232,439	151,272,762
Total non - current assets		6,693,905,368	5,084,481,653	1,977,898,895	1,779,081,932
Total assets		7,907,771,481	7,260,024,962	4,501,797,999	2,409,719,833

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

STATEMENT OF FINANCIAL POSITION

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in Baht)

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2013	2012	2013	2012
Current liabilities					
Short-term loans from financial institutions	18	63,000,000	1,836,000,000	-	-
Trade accounts payable	6, 19	1,321,592,899	932,942,350	472,934,844	404,454,174
Other payables	6, 20	692,812,062	927,922,632	349,877,139	491,694,146
Accounts payable-asset acquisition	21	283,332,636	323,112,686	153,683,394	134,186,070
Short-term loan from a subsidiary	6	-	-	141,000,000	159,000,000
Income tax payable		-	3,700,003	-	-
Other current liabilities		42,627,824	57,250,096	14,236,116	21,924,172
Total current liabilities		2,403,365,421	4,080,927,767	1,131,731,493	1,211,258,562
Non-current liabilities					
Long-term loan from a financial institution	18	1,000,000,000	-	1,000,000,000	-
Debentures	18	1,000,000,000	-	1,000,000,000	-
Deferred income		19,935	263,223	-	177,663
Employee benefit obligations	22	51,141,062	40,892,444	37,173,961	28,267,992
Other non-current liabilities	23	44,817,109	16,747,433	-	300,000
Total non-current liabilities		2,095,978,106	57,903,100	2,037,173,961	28,745,655
Total liabilities		4,499,343,527	4,138,830,867	3,168,905,454	1,240,004,217

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

STATEMENT OF FINANCIAL POSITION

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in Baht)

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2013	2012	2013	2012
Equity					
Share capital :	24				
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	25	609,402,184	609,402,184	609,402,184	609,402,184
Retained earnings					
Appropriated to legal reserve	25	37,500,000	37,500,000	37,500,000	37,500,000
Unappropriated		2,349,668,016	2,062,437,093	310,990,361	147,813,432
Other components of equity					
Currency translation differences		(1,661)	(4,597)	-	-
Revaluation surplus on land		36,859,415	36,859,415	-	-
Total equity		3,408,427,954	3,121,194,095	1,332,892,545	1,169,715,616
Total liabilities and equity		7,907,771,481	7,260,024,962	4,501,797,999	2,409,719,833

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



STATEMENT OF COMPREHENSIVE INCOME

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2013	2012	2013	2012
Income					
Revenue from sale of goods	6, 26, 34	12,208,111,921	11,634,396,731	5,994,378,586	6,152,699,067
Dividend income from subsidiaries	6, 12	-	-	318,489,207	352,431,138
Other income	6, 27	61,125,670	67,893,662	71,923,945	33,760,888
Total income		12,269,237,591	11,702,290,393	6,384,791,738	6,538,891,093
Expenses					
Cost of sale of goods	6, 11	8,209,096,652	8,030,592,613	3,660,694,672	4,072,736,233
Selling expenses	6, 28	1,679,218,484	1,376,448,603	794,585,831	829,666,491
Administrative expenses	6, 29	1,758,334,815	1,579,227,434	1,545,553,690	1,333,730,413
Net loss arising from the flooding	3	99,203,123	5,744,505	-	-
Net loss on foreign exchange		10,966,114	36,589,713	-	-
Finance costs	6, 32	87,085,084	45,647,370	48,649,812	4,525,792
Total expenses		11,843,904,272	11,074,250,238	6,049,484,005	6,240,658,929
Profit before income tax expense		425,333,319	628,040,155	335,307,733	298,232,164
Income tax revenue (expense)	33	30,238,724	25,792,965	(4,158,889)	11,527,495
Profit for the year		455,572,043	653,833,120	331,148,844	309,759,659
Other comprehensive income					
Foreign currency translation differences for foreign operations		2,936	(4,597)	-	-
Defined benefit plan actuarial gains (losses)	22	511,100	(7,788,479)	972,606	(3,898,594)
Income tax on other comprehensive income	33	(102,220)	1,557,695	(194,521)	779,719
Other comprehensive income for the year, net of income tax		411,816	(6,235,381)	778,085	(3,118,875)
Total comprehensive income for the year		455,983,859	647,597,739	331,926,929	306,640,784
Basic earnings per share	35	2.43	3.49	1.77	1.65

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

STATEMENT OF CHANGES IN EQUITY

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in Baht)								
Consolidated financial statements								
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity		Total equity
				Appropriated to legal reserve	Unappropriated	Currency translation differences	Revaluation surplus on land	
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	36	-	-	-	(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		-	-	-	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.

STATEMENT OF CHANGES IN EQUITY

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in Baht)

Consolidated financial statements								
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity		Total equity
				Appropriated to legal reserve	Unappropriated	Currency translation differences	Revaluation surplus on land	
Year ended 31 December 2013								
Balance at 1 January 2013		375,000,000	609,402,184	37,500,000	2,062,437,093	(4,597)	36,859,415	3,121,194,095
Transaction with owners, recorded directly in equity								
Dividends to owners of the Company	36	-	-	-	(168,750,000)	-	-	(168,750,000)
Total transaction with owners, recorded directly in equity		-	-	-	(168,750,000)	-	-	(168,750,000)
Comprehensive income for the year								
Profit		-	-	-	455,572,043	-	-	455,572,043
Other comprehensive income		-	-	-	408,880	2,936	-	411,816
Total comprehensive income for the year		-	-	-	455,980,923	2,936	-	455,983,859
Balance at 31 December 2013		375,000,000	609,402,184	37,500,000	2,349,668,016	(1,661)	36,859,415	3,408,427,954

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

STATEMENT OF CHANGES IN EQUITY

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in Baht)

	Separate financial statements							
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity		Total equity
				Appropriated to legal reserve	Unappropriated	Currency translation differences	Revaluation surplus on land	
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	36	-	-	-	(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.

STATEMENT OF CHANGES IN EQUITY

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in Baht)

	Separate financial statements							
	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of equity		Total equity
				Appropriated to legal reserve	Unappropriated	Currency translation differences	Revaluation surplus on land	
Year ended 31 December 2013								
Balance at 1 January 2013		375,000,000	609,402,184	37,500,000	147,813,432	-	-	1,169,715,616
Transaction with owners, recorded directly in equity								
Dividends to owners of the Company	36	-	-	-	(168,750,000)	-	-	(168,750,000)
Total transaction with owners, recorded directly in equity		-	-	-	(168,750,000)	-	-	(168,750,000)
Comprehensive income for the year								
Profit		-	-	-	331,148,844	-	-	331,148,844
Other comprehensive income		-	-	-	778,085	-	-	778,085
Total comprehensive income for the year		-	-	-	331,926,929	-	-	331,926,929
Balance at 31 December 2013		375,000,000	609,402,184	37,500,000	310,990,361	-	-	1,332,892,545

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



STATEMENT OF CASH FLOWS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in Baht)

	Consolidated financial statements		Separate financial statements		
	For the year ended 31 December		For the year ended 31 December		
	Note	2013	2012	2013	2012
Cash flows from operating activities					
Profit for the year		455,572,043	653,833,120	331,148,844	309,759,659
Adjustments for					
Depreciation and amortisation	13, 14, 15	705,346,609	512,137,433	330,567,860	256,912,780
(Reversal of) impairment losses on plant and equipment	13	(25,784,609)	(224,648,362)	(3,420,762)	3,420,762
(Reversal of) allowance for obsolete and deteriorated inventories		(12,268,614)	14,344,761	(4,246,470)	4,246,470
Write off of obsolete and deteriorated inventories		38,353,597	34,581,410	18,866,645	3,707,274
Write off of other current asset		-	1,265,615	-	1,015,666
Loss (income) on insurance reimbursement	3	99,203,123	(170,000,000)	-	-
Interest income		(2,227,774)	(2,416,997)	(43,377,082)	(3,801,364)
Dividends income from subsidiaries	12	-	-	(318,489,207)	(352,431,138)
Finance costs	32	87,085,084	45,647,370	48,649,812	4,525,792
Unrealised loss on foreign exchange		2,944,645	30,153,259	-	-
Loss on disposal and write off of plant and equipment		18,485,070	48,338,425	15,911,670	22,026,232
Loss on disposal and write off of intangible assets		1,200,430	14,865	1,156,308	13,602
Employee benefit expenses	22	9,829,368	6,405,332	7,486,101	4,955,019
Deferred income		(243,288)	(252,531)	(177,663)	(186,907)
Income tax (revenue) expense	33	(30,238,724)	(25,792,965)	4,158,889	(11,527,494)
		1,347,256,960	923,610,735	388,234,945	242,636,353
Changes in operating assets and liabilities					
Trade accounts receivable		166,756,613	(206,721,385)	132,763,468	(91,046,727)
Other receivables		(9,397,091)	116,572,253	(127,460)	161,776
Inventories		(87,402,153)	(133,366,713)	(39,731,208)	(10,224,234)
Other current assets		(321,294)	4,445,752	9,090,645	(1,859,895)
Other non-current assets		(185,854,039)	(30,010,815)	(26,959,677)	(26,847,605)
Trade accounts payable		388,641,175	289,453,296	68,480,670	103,953,165
Other payables		(251,318,134)	247,692,610	(158,116,391)	261,486,952
Other current liabilities		(14,622,272)	16,843,000	(7,688,056)	3,804,555
Other-non current liabilities		28,069,677	(22,287,650)	(300,000)	-
Cash generated from operating activities		1,381,809,442	1,206,231,083	365,646,936	482,064,340
Proceeds from insurance reimbursement		803,103,563	467,693,314	-	-
Benefit obligations transferred in		1,450,336	-	2,541,800	-
Employee benefits paid		(519,986)	-	(149,326)	-
Income tax paid		(8,520,040)	(58,332,727)	(979,541)	(8,129,295)
Net cash from operating activities		2,177,323,315	1,615,591,670	367,059,869	473,935,045

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



STATEMENT OF CASH FLOW

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in Baht)

	Consolidated financial statements		Separate financial statements		
	For the year ended 31 December		For the year ended 31 December		
	Note	2013	2012	2013	2012
<i>Cash flows from investing activities</i>					
Interest received		2,368,677	2,385,099	26,025,576	3,820,542
Dividends received		-	-	66,489,807	520,430,738
Payment of short-term loans to a subsidiary		-	-	(4,673,500,000)	(2,254,761,000)
Repayment of short-term loans from subsidiaries		-	-	2,986,500,000	2,210,761,000
Redemption of investments in government bond		2,000,000	-	-	-
Purchase of investments in a subsidiary		-	-	(193,750)	(203,025)
Purchase of property, plant and equipment		(2,131,466,213)	(1,765,751,813)	(496,710,670)	(535,220,983)
Proceeds from sale of property, plant and equipment		2,529,596	10,530,219	1,641,452	10,300,253
Purchase of intangible assets		(8,455,751)	(3,215,831)	(5,694,200)	(2,279,201)
Proceeds from sale of intangible assets		28,720	-	28,720	-
Net cash used in investing activities		(2,132,994,971)	(1,756,052,326)	(2,095,413,065)	(47,151,676)
<i>Cash flows from financing activities</i>					
Interest paid		(73,979,661)	(45,653,044)	(32,350,428)	(4,525,792)
Dividends paid to owners of the Company		(168,750,000)	(431,250,000)	(168,750,000)	(431,250,000)
Proceeds from short-term loans					
from financial institutions		11,649,000,000	4,835,000,000	135,000,000	-
Repayment of short-term loans					
from financial institutions		(13,422,000,000)	(3,580,000,000)	(135,000,000)	-
Proceeds from short-term loans from subsidiaries		-	-	61,000,000	55,000,000
Repayment of short-term loans from subsidiaries		-	-	(79,000,000)	(41,000,000)
Repayment of current portion of long-term loan					
from a financial institution		-	(600,000,000)	-	-
Proceeds from long-term loan					
from a financial institution		1,000,000,000	-	1,000,000,000	-
Proceeds from issuance of debentures		1,000,000,000	-	1,000,000,000	-
Net cash from (used in) financing activities		(15,729,661)	178,096,956	1,780,899,572	(421,775,792)
Net increase in cash and cash equivalents		28,598,683	37,636,300	52,546,376	5,007,577
Cash and cash equivalents at 1 January		93,649,659	56,017,956	49,659,512	44,651,935
Effect of exchange rate changes on balances					
held in foreign currencies		2,936	(4,597)	-	-
Cash and cash equivalents at 31 December	7	122,251,278	93,649,659	102,205,888	49,659,512

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



NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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 25 February 2014.

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.

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 2013 and 2012 were as explained in note 12.

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.

The FAP has issued the following new and revised TFRS relevant to the Group's operations and effective for accounting periods beginning on or after 1 January 2013 :

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

The adoption of these new and revised TFRS has resulted in changes in the Group's accounting policies. The effects of these changes are disclosed in note 4.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 40.

(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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to 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 5(s)	Current and deferred taxation
Note 13	Valuation of land
Note 16	Utilisation of tax losses
Note 22	Measurement of defined benefit obligations

3. Impact of severe flooding in Thailand

In 2011 the Group was affected by the unusually severe flooding affecting parts of Thailand that affected the factory of the Group in Pathumthani which stopped operations on 19 October 2011 and only recommenced in October 2012. The Group and the Company have recognised the following expenses and insurance reimbursements resulting from the flood damage.

(in million Baht)

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Insurance reimbursement				
- received prior to 31 December	1,271	468	-	-
- received after 31 December	-	160	-	-
- not yet received	-	742	-	-
Government compensation before 31 December	4	4	-	-
Accumulated insurance reimbursement recognised	1,275	1,374	-	-
Insurance reimbursement recognised in previous periods	(1,374)	(1,200)	-	-
(Loss) insurance reimbursement recognised	(99)	174	-	-
Write off and impairment of plant and equipment	-	(36)	-	-
Other flood related expenses	-	(144)	-	-
Total flood related expenses	-	(180)	-	-
Net flood related loss recognised	(99)	(6)	-	-

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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

(in million Baht)

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cost of sales of goods	-	20	-	-
Administrative expenses	-	160	-	-
Total flood related expenses	-	180	-	-

4 Changes in accounting policies

(a) Overview

From 1 January 2013, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has changed its accounting policies in the following areas :

- Accounting for the effects of changes in foreign exchange rates
- Presentation of information on operating segments

Details of the new accounting policies adopted by the Group are included in notes 4 (b) to 4 (c) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group.

(b) Accounting for the effects of changes in foreign exchange rates

From 1 January 2013, the Group has adopted TAS 21 (revised 2009) Accounting for the effects of changes in foreign exchange rates.

The principal change introduced by TAS 21 (revised 2009) 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 (revised 2009) 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 (revised 2009). Foreign currencies are defined by TAS 21 (revised 2009) as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21 (revised 2009) from 1 January 2013 has not had a significant impact on the Group's reported assets, liabilities or retained earnings.

(c) Presentation of information on operating segments

From 1 January 2013, the Group has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments. The change in policy only impacts presentational aspects and has no impact on the Group's reported assets, liabilities, results or earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

IFRS 8 introduces the “management approach” to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Group’s Chief Operating Decision Maker in order to assess each segment’s performance and to allocate resources to those segments. Previously the Group presented segment information in respect of its business segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in the Group’s financial statements.

5 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 4, which addresses changes in accounting policies.

(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 the functional currency at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency 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 the functional currency using the foreign exchange rates ruling at the dates of the transactions.

Foreign currency differences arising on retranslation are generally recognized in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Foreign operation

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

The revenues and expenses of foreign operation is 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 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.

Fair value hedges

Where a derivative hedges the changes in fair value of a recognised asset, liability or unrecognised firm commitment (or an identified portion of such asset, liability or firm commitment), any gain or loss on remeasuring the fair value or foreign currency component of the hedging instrument is recognised in profit or loss. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in profit or loss.

(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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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, 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.



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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	5-30	years
Decoration, office equipment, furniture and fixtures	5-10	years
Internal systems	5-20	years
Tools and machinery for manufacturing	3-20	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 amortisation.

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 is recognised in profit or loss as incurred.

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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.

Amortisation

Amortisation is 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, if no impairment loss had been recognised.



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(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

Contribution plans

A 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 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 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 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 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.

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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 are recognised in profit or loss as it accrues.

(q) Finance costs

Finance costs comprise interest expense on borrowings.

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.



NOTES TO THE FINANCIAL STATEMENTS

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(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.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(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 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 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.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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(t) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

6 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 12. 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 (whether executive or otherwise) of the Group.
Thai Beverage PCL.	Thailand	Parent and directorship
TCC PD 11 Co., Ltd.	Thailand	Directorship
Pan International (Thailand) Co., Ltd.	Thailand	Directorship
Berli Jucker PCL.	Thailand	Directorship
Berli Jucker Foods Co., Ltd.	Thailand	Directorship
Krittayabun Co., Ltd.	Thailand	Directorship
Modern Trade Management Co., Ltd.	Thailand	Directorship
Pomburapa Co., Ltd.	Thailand	Directorship
Pomklung Co., Ltd.	Thailand	Directorship
Pomchok Co., Ltd.	Thailand	Directorship
Pomkit Co., Ltd.	Thailand	Directorship
Pomcharoen Co., Ltd.	Thailand	Directorship
Pompalang Co., Ltd.	Thailand	Directorship
Pomnakorn Co., Ltd.	Thailand	Directorship
Pomthip (2012) Co., Ltd.	Thailand	Directorship
Thai Beverage Logistics Co., Ltd.	Thailand	Directorship
Thai Beverage Marketing Co., Ltd.	Thailand	Directorship
Thai Drink Co., Ltd.	Thailand	Directorship
Sangsom Co., Ltd.	Thailand	Directorship



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

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Num Kitjakarn Co., Ltd.	Thailand	Directorship
Numthip Co., Ltd.	Thailand	Directorship
Lertrattakarn Co., Ltd.	Thailand	Directorship
Wattanapat Trading Co., Ltd.	Thailand	Directorship
Business Process outsourcing Co., Ltd.	Thailand	Directorship
TCC Luxury Hotels & Resorts Co., Ltd.	Thailand	Directorship
Plaza Athenee Hotel (Thailand) Co., Ltd.	Thailand	Directorship
Petform (Thailand) Co., Ltd.	Thailand	Associates of the indirect subsidiary of Parent
Crown Seal PCL.	Thailand	Shareholders by the subsidiary of Parent
Best Fortune Property and Loan Fund	Thailand	Directors and major shareholders of the company, investors mostly indirect.
AT Mediafront Co., Ltd.	Thailand	Directors and major shareholders of the company, investors mostly indirect.
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
F&N Beverages Marketing Sdn. Bhd.	Malaysia	Associate of a subsidiary of Parent
F&N Dairies (Thailand) Limited	Thailand	Associate of a subsidiary of Parent
F&N Interflavine Pte Ltd	Singapore	Associate of a subsidiary of Parent

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

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

(in thousand Baht)

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Parent				
Sales of goods	666	1,279	639	1,279
Purchase of property	37	-	37	-
Management fees	9,360	9,360	9,360	9,360
Subsidiaries				
Sales of goods	-	-	3,511	7,272
Sales of property	-	-	234	7,446
Interest income	-	-	42,436	2,758
Consultancy income	-	-	-	720
Other income	-	-	1,836	3,548
Purchase of goods	-	-	151,688	204,633
Purchase of property	-	-	14,947	12,896
Rental expense	-	-	5,042	4,810
Interest expense	-	-	3,716	4,526
Other expense	-	-	52,449	22,120
Key management personnel				
key management personnel compensation				
Short-term employee benefits	48,330	56,397	48,330	56,397
Termination benefits	399	587	399	587
Total key management personnel compensation	48,729	56,984	48,729	56,984
Other related parties				
Sales of goods	6,047,812	6,137,112	586,968	1,391,854
Rental income	10,841	-	-	-
Other income	12,968	11,502	9,809	10,744
Purchase of goods	461,208	1,549,346	314,489	1,095,834
Purchase of property	173,087	46,949	33	428
Rental expense	69,838	29,596	30,014	8,751
Promotion expenses	58,832	35,440	19,596	8,860
Other expense	79,157	40,187	25,386	19,119

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Directors' remuneration

At the annual general meeting of the shareholders of the Company held on 29 April 2013, the shareholders approved the directors' remuneration and bonus for the year 2013 in the amount not exceeding Baht 10 million and Baht 32 million, respectively.

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.

Balances as at 31 December with related parties were as follows :

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade accounts receivable from related parties				
Parent				
Thai Beverage PCL.	-	78	-	78
Subsidiaries				
Oishi Trading Co., Ltd.	-	-	26	5
Oishi Ramen Co., Ltd.	-	-	146	131
Other related parties				
Krittayabun Co., Ltd.	249,678	351,161	16,825	105,119
Sermsuk PCL.	45,682	88,131	1,315	8,999
Berli Jucker PCL.	17,420	50,233	17,420	50,233
Serm Suk Beverage Co., Ltd.	-	12,038	-	12,038
Others	8,025	5,994	250	-
Total	320,805	507,635	35,982	176,603

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Other receivables from related parties				
Subsidiaries				
Oishi Trading Co., Ltd.	-	-	18,657	6,205
Oishi Ramen Co., Ltd.	-	-	1,334	1,606
Other related parties				
The Southeast Insurance Public Co., Ltd. *	-	902,307	-	-
Others	406	2,013	150	1,828
Total	406	904,320	20,141	9,639

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* As at 31 December 2013, the Group finalized the assessment of the flood damage and received insurance reimbursements in full amount of Baht 1,271 million (as disclosed in note 3).

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>Dividend receivable from a subsidiary</i>				
Oishi Trading Co., Ltd.	-	-	419,999	167,999
Total	-	-	419,999	167,999

	Interest rate		Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012	2013	2012
	<i>(% per annum)</i>		<i>(thousand Baht)</i>			
<i>Short-term loans to a subsidiary</i>						
Oishi Trading Co., Ltd.	4.00	2.75	-	-	1,805,000	118,000
Total			-	-	1,805,000	118,000

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
At 1 January	-	-	118,000	74,000
Increase	-	-	4,673,500	2,254,761
Decrease	-	-	(2,986,500)	(2,210,761)
At 31 December	-	-	1,805,000	118,000

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OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>Other non-current assets</i>				
Other related parties				
Lertrattakarn Co., Ltd.	3,106	2,381	2,648	1,923
Sura Piset Phatra Lanna Co., Ltd.	2,500	2,500	-	-
Thippatana Arcade Co., Ltd.	1,591	1,591	1,145	1,145
Others	1,220	1,180	601	561
Total	8,417	7,652	4,394	3,629

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>Trade accounts payable to related parties</i>				
Subsidiaries				
Oishi Trading Co., Ltd.	-	-	11,351	34,550
Oishi Ramen Co., Ltd.	-	-	54	54
Other related parties				
Petform (Thailand) Co., Ltd.	49,372	-	-	-
Beer Thip Brewery (1991) Co., Ltd.	14,349	43,201	14,349	37,098
Berli Jucker Foods Co., Ltd.	13,991	12,874	13,991	12,874
Crown Seal PCL.	7,321	-	-	-
Sermsuk PCL.	5,492	6,035	5,270	5,744
Others	3,133	2,503	2,207	762
Total	93,658	64,613	47,222	91,082

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OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>Other payables to related parties</i>				
Parent				
Thai Beverage PCL.	1,047	835	1,047	835
Subsidiary				
Oishi Trading Co., Ltd.	-	-	17,110	16,324
Oishi Ramen Co., Ltd.	-	-	952	335
Other related parties				
Modern Trade Management Co., Ltd.	75,311	210,751	34,683	95,331
Sermasuk PCL.	10,979	18,801	9	5,886
Berli Jucker PCL.	10,918	32,082	10,073	32,082
Thai Drink Co., Ltd.	10,211	9,532	114	2,545
Pomburapa Co., Ltd.	5,728	6,369	15	2,538
Pomkit Co., Ltd.	4,527	7,541	52	4,287
AT Mediafront Co., Ltd.	3,745	-	-	-
F&N Beverages Marketing Sdn Bhd	3,118	-	-	-
Pomchok Co., Ltd.	3,072	5,197	19	3,014
Pomnakorn Co., Ltd.	2,602	3,857	22	1,952
Pompalang Co., Ltd.	2,277	9,639	47	4,911
Pomcharoen Co., Ltd.	2,257	6,657	15	2,981
Lertrattakarn Co.,Ltd.	930	2,884	920	2,404
Others	10,193	12,288	4,063	6,298
Total	146,915	326,433	69,141	181,723

	Interest rate		Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012	2013	2012
	(% per annum)		(in thousand Baht)			
<i>Short-term loans from a subsidiary</i>						
Oishi Ramen Co., Ltd.	2.50	2.75	-	-	141,000	159,000
Total			-	-	141,000	159,000

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Movements during the year ended 31 December of short-term loans from subsidiaries were as follows :

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
At 1 January	-	-	159,000	145,000
Increase	-	-	61,000	55,000
Decrease	-	-	(79,000)	(41,000)
At 31 December	-	-	141,000	159,000

(in thousand Baht)

<i>Commitments with related parties</i>	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>Capital Commitments</i>				
<i>Contracted but not provided for :</i>				
Purchase orders for goods and supplies	31,000	-	-	-
Total	31,000	-	-	-
<i>Non-cancellable operating lease commitments</i>				
Within one year	20,726	8,574	16,603	4,096
After one year but within five years	22,526	11,725	24,677	13,265
After five years	-	-	7,794	10,674
Total	43,252	20,299	49,074	28,035

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 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. Subsequently on 1 December 2013, the Company entered into an additional agreement for rental of such building area. The agreement is effective from 1 February 2014 and terminates the contract dated 1 October 2012 with monthly rental fee of Baht 361,460.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

On 9 July 2012, Oishi Trading Co., Ltd., 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.

In 2012, the Company entered into a building area agreement with related companies. The agreements are for 3 years due within April and May 2015 with monthly rental fee based on percentage of sale and conditions as stipulated in the agreement. These agreements 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 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 Co., Ltd., the Company's subsidiary, entered into car lease agreements with a related company. The agreements are for 5 years, due within August 2015 to April 2018, with monthly rental fee totalling Baht 250,050.

On 1 August 2009, Oishi Ramen Co., Ltd., 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 2009 to 31 July 2012. 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 to Baht 64,105.

Area building sublease memorandums

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>Other commitments</i>				
Service agreements	43,967	81,788	25,773	33,237
Advertising agreements	5,304	-	-	-
Purchase orders for goods and supplies	3,775	35,542	-	34,158
Others	2,639	-	-	-
Total	55,685	117,330	25,773	67,395

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Other agreements

Distributing goods agreement

On 4 June 2013, Oishi Trading Co., Ltd., the Company's subsidiary, entered into appointment agreement with a related company that has responsibility to act as a distributor in Malaysia and Brunei at the price and conditions as specified in the agreement. The agreement is for 7 months from 1 June 2013 to 31 December 2013. Subsequently on 18 December 2013 the Company entered into renewal of the agreement for 6 months from 1 January 2014 to 30 June 2014 with the conditions as specified in the original agreement.

Production and distributing goods agreements

On 1 August 2012, the Company entered into appointment agreements with related companies that have authority and responsibility to act as a manufacturer and distributor for green tea returnable bottles at the price and conditions as specified in the agreement. The agreement is for 5 years from 1 August 2012 to 31 July 2017 with renewal for additional terms of 5 years each if not less than 90 days' prior written notice is given by any one party to the other as stipulated in the agreement.

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 1 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.

Purchasing goods 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. Subsequently, the agreement was extended for 2 years from 21 March 2013 to 20 March 2015 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 3 years from 15 May 2012 to 14 April 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.

Beverage trading agreements

On 19 May 2011, the Company entered into a green tea soda beverage canned trading agreements 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. This agreements are shall be automatically renewed for additional terms of 1 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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Distributing goods agreements

On 30 December 2010, the Company and Oishi Trading Co., Ltd., 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. The agreements are for 3 years from 1 January 2011 to 31 December 2013. Subsequently on 30 December 2013, the agreements were extended for 3 years from 1 January 2014 to 31 December 2016. The renewal is subject to receipt of written notice at least 6 months prior to the expiration as stipulated in the agreement.

On 4 November 2008, Oishi Trading Co., Ltd., 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 on 30 December 2013, the agreement was extended for 3 years from 4 November 2011 to 3 November 2014. This agreement shall be automatically renewed for additional terms of 1 year each, unless there is a written notice not to renew this agreement at least 90 days prior to the expiration of the initial term or any renewal term.

7. Cash and cash equivalents

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash on hand	19,444	17,511	18,557	16,408
Cash at banks - current accounts	1,485	3,985	1,119	519
Cash at banks - savings accounts	101,322	72,154	82,530	32,733
Total	122,251	93,650	102,206	49,660

Cash and cash equivalents of the Group as at 31 December 2013 and 2012 were denominated in Thai Baht and other functional currencies of foreign subsidiaries entirely in Thai Baht. Cash and cash equivalents of the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

8. Other investment

Other investment as at 31 December 2013 and 2012 was investment in government bonds.

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

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Oishi Trading Co., Ltd., the Company's subsidiary, has pledged the bonds as collateral for electricity and natural gas consumption amounting to Baht 6.5 million and 3.66 million, respectively.

Other investment of the Group as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

9. Trade accounts receivable

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Related parties	6	320,805	507,635	35,982	176,603
Other parties		222,019	201,681	35,710	27,853
Total		542,824	709,316	71,692	204,456

Aging analyses for trade accounts receivable were as follows :

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Related parties				
Within credit terms	320,467	507,312	35,982	176,603
Overdue :				
Less than 3 months	323	323	-	-
6-12 months	13	-	-	-
Over than 12 months	2	-	-	-
Total	320,805	507,635	35,982	176,603
Other parties				
Within credit terms	139,510	129,880	35,710	26,947
Overdue :				
Less than 3 months	81,086	70,259	-	334
3 - 6 months	1,175	732	-	572
6-12 months	248	810	-	-
Total	222,019	201,681	35,710	27,853
Grand total	542,824	709,316	71,692	204,456

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

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Thai Baht (THB)	535,836	703,686	71,692	204,456
Malaysian Ringgit (MYR)	4,435	-	-	-
United States Dollars (USD)	1,931	4,669	-	-
Singapore Dollars (SGD)	622	961	-	-
Total	542,824	709,316	71,692	204,456

10. Other receivables

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Related parties	6	406	904,320	20,141	9,639
Other parties					
Subsidize and rebate receivables		54,738	27,763	4,593	2,577
Prepaid expenses		29,504	45,054	9,724	5,473
Refundable import duty		29,109	29,796	-	-
Others		3,451	3,325	1,880	1,170
Total		117,208	1,010,258	36,338	18,859

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

11. Inventories

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Finished goods	116,696	67,281	11,996	9,866
Raw materials	221,785	223,693	48,326	31,576
Production supplies	34,517	32,976	5,967	3,983
	372,998	323,950	66,289	45,425
<i>Less allowance for decline in value</i>	(2,076)	(14,345)	-	(4,247)
Total	370,922	309,605	66,289	41,178
Inventories recognised as an expense in cost of sales of goods' :				
- Cost	8,172,554	7,981,667	3,635,617	4,064,782
- Write-down to net realisable value	36,543	48,926	25,078	7,954
Net	8,209,097	8,030,593	3,660,695	4,072,736

12. Investments in subsidiaries

(in thousand Baht)

	Separate financial statements	
	2013	2012
At 1 January	578,203	578,000
Acquisitions	194	203
At 31 December	578,397	578,203

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Investments in subsidiaries as at 31 December 2013 and 2012, and dividend income from those investments for the years then ended, were as follows :

(in thousand Baht)

		Separate financial statements							
Subsidiaries	Type of business	Ownership interest		Paid-up capital		Cost		Dividend income	
		2013	2012	2013	2012	2013	2012	2013	2012
		(%)							
Oishi Trading Co., Ltd.	Manufacture and distribution of food and beverage	99.99	99.99	420,000	420,000	420,000	420,000	293,999	335,999
Oishi Ramen Co., Ltd.	Japanese ramen restaurant	99.99	99.99	158,000	158,000	158,000	158,000	24,490	16,432
Oishi International Holdings Limited	Distribution beverage in international	100.00	100.00	397	203	397	203	-	-
Total						578,397	578,203	318,489	352,431

On 21 May 2012, Oishi International Holdings Limited, the Company's subsidiary, was incorporated in Hong Kong with a registered and fully paid-up of capital stock of Hong Kong Dollars 50,000. Subsequently on 21 May 2013, the Company's subsidiary increased the registered capital stock from Hong Kong Dollars 50,000 (50,000 share at HKD 1 par value) to Hong Kong Dollars 500,000 (500,000 shares at HKD 1 par value) and called for additional paid-up share capital of Hong Kong Dollars 50,000. The issued and paid-up of capital stock totals Hong Kong Dollars 100,000. The subsidiary has not yet commenced commercial operations as at 31 December 2013.

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

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

13. Property, plant and equipment

(in thousand Baht)

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>Cost/ revaluation</i>											
At 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 and											
1 January 2013	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
Additions	146,281	-	1,335	109,338	106,909	172,222	54,890	21,264	-	1,477,213	2,089,452
Transfers	-	5,273	220,179	92,960	271,630	919,824	23,521	4,055	-	(1,537,442)	-
Disposals	-	-	-	(38,382)	(15,808)	(47,819)	(25,144)	(12,061)	-	-	(139,214)
At 31 December 2013	503,281	15,161	1,316,345	683,979	1,174,015	3,921,633	346,038	119,097	3,408	635,605	8,718,562

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

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>Depreciation and impairment losses</i>											
At 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	221,352	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 and											
1 January 2013	-	4,924	234,413	217,291	282,009	1,079,464	139,404	65,940	3,176	-	2,026,621
Depreciation charge for the year	-	1,704	57,290	101,388	135,768	329,961	50,668	14,165	159	-	691,103
Reversal of impairment losses	-	-	-	-	-	(22,364)	(3,421)	-	-	-	(25,785)
Disposals	-	-	-	(35,925)	(11,374)	(41,258)	(18,691)	(10,951)	-	-	(118,199)
At 31 December 2013	-	6,628	291,703	282,754	406,403	1,345,803	167,960	69,154	3,335	-	2,573,740
<i>Net book value</i>											
At 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 and											
1 January 2013	357,000	4,964	860,418	302,772	529,275	1,797,942	153,367	39,899	232	695,834	4,741,703
At 31 December 2013	503,281	8,533	1,024,642	401,225	767,612	2,575,830	178,078	49,943	73	635,605	6,144,822

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Assets under construction and installation

As at 31 December 2013 assets under construction and installation of the Group comprised New central kitchen project and New warehouse (as described in note 38) totaling Baht 607.77 million (2012 : comprised Cold-Aseptic-Filling beverage and PET bottle production project, New central kitchen project and UHT packaging machine project totaling Baht 657.96 million).

Capitalised borrowing costs relating to the projects as mention above amounted to Baht 2.38 million (2012 : nil), with a capitalization rate of 3% (2012 : not applicable).

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 9.22 million deferred tax liability (as described in note 33).

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

Separate financial statements

	Decoration	Internal systems	Tools and machinery for manufacturing	Office equipment, Furniture and fixtures	Restaurant utensils	Vehicles	Assets under construction and installation	Total
Cost								
At 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 and 1 January 2013	486,370	439,445	449,751	207,179	95,217	860	15,595	1,694,417
Additions	108,014	104,983	111,726	39,082	20,191	-	132,212	516,208
Transfers	57,899	34,681	23,950	16,055	4,055	-	(136,640)	-
Disposals	(30,921)	(13,501)	(31,398)	(21,655)	(7,482)	-	-	(104,957)
At 31 December 2013	621,362	565,608	554,029	240,661	111,981	860	11,167	2,105,668

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

Separate financial statements

	Decoration	Internal systems	Tools and machinery for manufacturing	Office equipment, Furniture and fixtures	Restaurant utensils	Vehicles	Assets under construction and installation	Total
<i>Depreciation and impairment losses</i>								
At 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 and 1 January 2013	191,329	169,010	210,563	90,631	57,844	860	-	720,237
Depreciation charge for the year	98,006	90,083	84,179	38,586	13,308	-	-	324,162
Impairment losses	-	-	-	(3,421)	-	-	-	(3,421)
Disposals	(28,542)	(9,081)	(26,400)	(16,571)	(6,810)	-	-	(87,404)
At 31 December 2013	260,793	250,012	268,342	109,225	64,342	860	-	953,574
<i>Net book value</i>								
At 1 January 2012	179,286	191,364	176,823	80,035	28,427	54	4,534	582,465
At 31 December 2012 and 1 January 2013	295,041	270,435	239,188	116,548	37,373	-	15,595	974,180
At 31 December 2013	360,569	315,596	285,687	131,436	47,639	-	11,167	1,152,094

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

14. Intangible assets

(in thousand Baht)

Consolidated financial statements			
	Software licences	Operation rights	Total
<i>Cost</i>			
At 1 January 2012	46,731	10,806	57,537
Additions	3,216	-	3,216
Disposals	(30)	-	(30)
At 31 December 2012 and 1 January 2013	49,917	10,806	60,723
Additions	8,456	-	8,456
Disposals	(1,836)	-	(1,836)
At 31 December 2013	56,537	10,806	67,343
<i>Amortisation</i>			
At 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 and 1 January 2013	23,787	3,796	27,583
Amortisation charge for the year	5,492	1,080	6,572
Disposals	(607)	-	(607)
At 31 December 2013	28,672	4,876	33,548
<i>Net book value</i>			
At 1 January 2012	27,713	8,096	35,809
At 31 December 2012 and 1 January 2013	26,130	7,010	33,140
At 31 December 2013	27,865	5,930	33,795

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

	Separate financial statements		
	Software licences	Operation rights	Total
Cost			
At 1 January 2012	23,025	10,806	33,831
Additions	2,279	-	2,279
Disposals	(28)	-	(28)
At 31 December 2012 and 1 January 2013	25,276	10,806	36,082
Additions	5,694	-	5,694
Disposals	(1,753)	-	(1,753)
At 31 December 2013	29,217	10,806	40,023
Amortisation			
At 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 and 1 January 2013	10,860	3,796	14,656
Amortisation charge for the year	2,868	1,080	3,948
Disposals	(568)	-	(568)
At 31 December 2013	13,160	4,876	18,036
Net book value			
At 1 January 2012	14,565	8,096	22,661
At 31 December 2012 and 1 January 2013	14,416	7,010	21,426
At 31 December 2013	16,057	5,930	21,987

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 38.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

15. Leasehold rights

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<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	83,847	74,155	19,075	16,597
Amortisation charge for the year	7,672	9,692	2,458	2,478
At 31 December	91,519	83,847	21,533	19,075
<i>Net book value</i>				
At 1 January	72,626	82,318	37,810	40,288
At 31 December	64,954	72,626	35,352	37,810

Leasehold rights

The Company

As at 31 December 2013 and 2012, 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 2013 and 2012, Oishi Ramen Co., Ltd., 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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

16. Deferred tax

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

(in thousand Baht)

	Consolidated financial statements			
	Assets		Liabilities	
	2013	2012	2013	2012
Total	94,820	62,989	(9,215)	(9,215)
Set off of tax	(9,215)	(9,215)	9,215	9,215
Net deferred tax assets	85,605	53,774	-	-

(in thousand Baht)

	Separate financial statements			
	Assets		Liabilities	
	2013	2012	2013	2012
Deferred tax assets	11,837	16,190	-	-

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

(in thousand Baht)

	Consolidated financial statements			
	(Charged) / credited to :			
	At 1 January 2013	Profit or loss (Note 33)	Other comprehensive income	At 31 December 2013
Deferred tax assets				
Inventories	1,618	(1,213)	-	405
Derivative	6,720	(6,720)	-	-
Employee benefit obligations	8,179	1,173	(102)	9,250
Impairment losses on plant and equipment	684	(684)	-	-
Loss from insurance compensation	19,742	(19,742)	-	-
Tax loss carry forward	26,046	59,119	-	85,165
Total	62,989	31,933	(102)	94,820

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

Consolidated financial statements

(Charged) / credited to :

	At 1 January 2013	Profit or loss (Note 33)	Other comprehensive income	At 31 December 2013
<i>Deferred tax liability</i>				
Revaluation surplus on land	(9,215)	-	-	(9,215)
Total	(9,215)	-	-	(9,215)
Net	53,774	31,933	(102)	85,605

(in thousand Baht)

Consolidated financial statements

(Charged) / credited to :

	At 1 January 2012	Profit or loss (Note 33)	Other comprehensive income	At 31 December 2012
<i>Deferred tax assets</i>				
Inventories	334	1,284	-	1,618
Inventories				
Derivative	-	6,720	-	6,720
Employee benefit obligations	5,340	1,281	1,558	8,179
Impairment losses on plant and equipment	23,000	(22,316)	-	684
Loss from insurance compensation	-	19,742	-	19,742
Tax 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

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

Separate financial statements

(Charged) / credited to :

	At 1 January 2013	Profit or loss (Note 33)	Other comprehensive income	At 31 December 2013
<i>Deferred tax assets</i>				
Inventories	849	(849)	-	-
Employee benefit obligations	5,654	1,392	(194)	6,852
Impairment losses on plant and equipment	684	(684)	-	-
Tax loss carry forward	9,003	(4,018)	-	4,985
Total	16,190	(4,159)	(194)	11,837

(in thousand Baht)

Separate financial statements

(Charged) / credited to :

	At 1 January 2012	Profit or loss (Note 33)	Other comprehensive income	At 31 December 2012
<i>Deferred tax assets</i>				
Inventories	-	849	-	849
Employee benefit obligations	3,883	991	780	5,654
Impairment losses on plant and equipment	-	684	-	684
Tax loss carry forward	-	9,003	-	9,003
Total	3,883	11,527	780	16,190

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

17. Other non-current assets

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Related parties	6	8,417	7,652	4,394	3,629
Other parties					
Deposit - rental		175,518	150,245	161,985	140,201
Advance payment - assets		160,335	4,464	-	-
Deposit - utilities		8,281	5,952	7,818	5,868
Others		8,518	4,766	4,035	1,575
Total		361,069	173,079	178,232	151,273

18. Interest-bearing liabilities

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Current					
Short-term loans from financial institutions					
Unsecured					
- Promissory note		63,000	1,643,000	-	-
- Trust Receipt		-	193,000	-	-
Short-term loans from financial institutions		63,000	1,836,000	-	-
Short-term loan from a subsidiary	6	-	-	141,000	159,000
Total current interest-bearing liabilities		63,000	1,836,000	141,000	159,000
Non-current					
Long-term loans from a financial institution-Unsecured		1,000,000	-	1,000,000	-
Debenture-Unsecured		1,000,000	-	1,000,000	-
Long-term loans from financial institutions		2,000,000	-	2,000,000	-
Total non-current interest-bearing liabilities		2,000,000	-	2,000,000	-

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

The periods to maturity of interest-bearing liabilities as at 31 December were as follows :

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Within one year	63,000	1,836,000	141,000	159,000
Within one year	2,000,000	-	2,000,000	-
Total	2,063,000	1,836,000	2,141,000	159,000

Long-term loan from a financial institution

In March 2013, the Company entered into a long-term loan agreement with a financial institution in the amount of Baht 1,000 million which is to be repaid monthly in 5 installments, Baht 200 million each, commencing in November 2015. Interest is payable monthly at rate of 3.85% per annum. The loan agreement contains certain covenants and restrictions as specified in the agreement.

In November 2010, Oishi Trading Co., Ltd., a subsidiary, entered 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.

Debentures

At the annual general meeting of the shareholders of the Company held on 25 April 2013, the shareholders approved the Company to issue bonds not exceeding Baht 3,000 million for the operation and expansion of business. Period of bonds not to exceed 10 years. In case of redemption or repayment of bonds issued in the amount above, the Company can issue bonds as a substitute for the conditions and limits (Revolving). The shareholders also authorised the President of the Board of Directors, Board of Directors or a person authorized by the Board of Directors to set or change limits, conditions and details related to the type of issuance and sale of bonds, and authorising such persons to take any action that is necessary and in accordance with the law. This includes the preparation and submission of the application and documents with the Securities and Exchange Commission, Government agencies involved, Regulatory agencies and/or any other persons involved.

Subsequently, on 7 August 2013, the Company issued No. 1/2013 unsubordinated, unsecured debentures and without a share holder representative with the name registered in the amount of Baht 1,000 million comprising 1,000,000 units at par value of Baht 1,000 each. The debentures have a fixed coupon rate of 4% per annum, payable every six-month period on every 7 February and 7 August in arrears. The debentures have a three year term and mature on 7 August 2016.

The Company must comply with the conditions and interest-bearing debt to equity ratios over the term of the debentures.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

As at 31 December 2013 the Group had available credit balance in Thai Baht 6,620.76 million and in United States Dollars 87.32 million (2012 : Thai Baht 2,533.73 and United States Dollars 70.11million)

Interest-bearing liabilities of the Group as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

19. Trade accounts payable

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Related parties	6	93,658	64,613	47,222	91,082
Other parties		1,227,935	868,329	425,713	313,372
Total		1,321,593	932,942	472,935	404,454

Trade accounts payable as at 31 December reclassified by currencies as follow :

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Thai Baht (THB)	1,321,032	930,287	472,935	404,454
United State Dollars (USD)	561	2,655	-	-
Total	1,321,593	932,942	472,935	404,454

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

20. Other payables

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Related parties	6	146,915	326,433	69,141	181,723
Other parties					
Selling expenses		216,774	230,631	33,344	48,497
Personal expenses		94,974	107,925	86,000	84,785
Utilities expenses		44,926	31,947	21,044	17,461
Retention		35,039	43,580	34,639	43,218
Revenue from the advance					
sale of coupons		25,352	22,773	25,351	22,773
Rental Expense		23,214	14,545	16,878	7,384
Fuel expenses		16,787	11,874	3,695	2,974
Interest expenses		16,025	542	16,000	-
Transportation expenses		7,393	11,665	784	1,516
Transfer cheque		-	50,731	-	50,731
Others		65,413	75,277	43,001	30,632
Total		692,812	927,923	349,877	491,694

Other payables as at 31 December reclassified by currencies as follow :

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Thai Baht (THB)	689,648	927,923	349,877	491,694
Malaysia Ringgit (MYR)	3,118	-	-	-
Singapore Dollars (SGD)	46	-	-	-
Total	692,812	927,923	349,877	491,694



NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

21. Accounts payable-asset acquisition

Accounts payable-asset acquisition as at 31 December reclassified by currencies as follow :

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Thai Baht (THB)	219,406	209,060	153,683	134,186
Euro Zone (EUR)	10,152	114,053	-	-
Yen (JPY)	53,775	-	-	-
Total	283,333	323,113	153,683	134,186

22. Employee benefit obligations

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Statement of financial position				
Obligations for :				
Post-employment benefits				
Compensation plan based on Thai Labor law	51,141	40,892	37,174	28,268
Total	51,141	40,892	37,174	28,268

(in thousand Baht)

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Statement of comprehensive income :				
Recognised in profit or loss :				
Post-employment benefits Compensation				
plan based on Thai Labor law	9,829	6,405	7,486	4,955
Total	9,829	6,405	7,486	4,955

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Recognised in other comprehensive income :				
Actuarial (gains) losses recognised in the year	(511)	7,788	(972)	3,899
Cumulative actuarial losses recognised	<u>16,769</u>	<u>17,280</u>	<u>7,804</u>	<u>8,776</u>

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 :

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Present value of unfunded obligations	51,141	40,892	37,174	28,268
Statement of financial position obligation	<u>51,141</u>	<u>40,892</u>	<u>37,174</u>	<u>28,268</u>

Movement in the present value of the defined benefit obligations :

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Defined benefit obligations at 1 January	40,892	26,699	28,268	19,414
Benefit obligations transferred in	1,663	-	2,753	-
Benefits paid by the plan	(732)	-	(361)	-
Current service costs and interest	9,829	6,405	7,486	4,955
Actuarial (gains) losses in other comprehensive income	(511)	7,788	(972)	3,899
Defined benefit obligations at 31 December	<u>51,141</u>	<u>40,892</u>	<u>37,174</u>	<u>28,268</u>



NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Expense recognised in profit or loss (note 30)

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current service costs	8,357	5,444	6,365	4,211
Interest on obligation	1,472	961	1,121	744
Total	9,829	6,405	7,486	4,955

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cost of sales	1,641	1,816	3,198	1,050
Administrative expenses	8,188	4,589	4,288	3,905
Total	9,829	6,405	7,486	4,955

Actuarial (gains) losses recognised in other comprehensive income :

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Included in retained earnings :				
At 1 January	17,280	9,492	8,776	4,877
Recognised during the year	(511)	7,788	(972)	3,899
At 31 December	16,769	17,280	7,804	8,776

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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

	(%)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Discount rate	4.25	3.6	4.25	3.6
Future salary increases	6.0	6.0	6.0	6.0

23. Other non-current liabilities

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Retention	44,513	15,731	-	-
Others	304	1,016	-	300
Total	44,817	16,747	-	300

24. Share capital

(thousand shares / thousand Baht)

	Par value per share (in Baht)	2013		2012	
		Number	Baht	Number	Baht
<i>Authorised</i>					
At 1 January					
- ordinary shares	2	187,500	375,000	187,500	375,000
At 31 December					
- ordinary shares	2	187,500	375,000	187,500	375,000
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	2	187,500	375,000	187,500	375,000
At 31 December					
- ordinary shares	2	187,500	375,000	187,500	375,000



NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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.

25. Reserves

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.

Valuation surplus

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

26. Operating segments

The Group has two reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Food segment Japanese restaurant business, ramen and snack.
- Beverage segment Production and distribution of green tea and fruit juice flavoured drinks.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's chief operating decision maker. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Information about reportable segments

(in million Baht)

	Food segment		Beverage segment		Total	
	2013	2012	2013	2012	2013	2012
Revenue and expenses						
Revenue from sale of goods						
- External sales	5,927	5,256	233	240	6,160	5,496
- Inter company sales	49	64	5,999	6,074	6,048	6,138
Interest received	1	1	1	1	2	2
Other income	32	28	27	38	59	66
Total revenue	6,009	5,349	6,260	6,353	12,269	11,702
Cost of sale of goods	3,578	3,273	4,631	4,758	8,209	8,031
Selling expenses	652	582	1,027	794	1,679	1,376
Administrative expenses	1,554	1,342	205	237	1,759	1,579
Net loss on flood damage	9	-	90	6	99	6
Net loss on exchange rate	-	-	11	37	11	37
Finance cost	-	-	87	45	87	45
Total expenses	5,793	5,197	6,051	5,877	11,844	11,074
Profit before income tax expense	216	152	209	476	425	628
Income tax (expense) income	(43)	(35)	74	61	31	26
Profit for the year	173	117	283	537	456	654
Capital expenditure	1,117	609	981	1,336	2,098	1,945
Depreciation and amortisation	365	292	340	219	705	511
Assets and liabilities						
Inventories	169	141	202	169	371	310
Property, plant and equipment	2,013	1,173	4,132	3,569	6,145	4,742
Other assets	674	522	718	1,686	1,392	2,208
Total assets	2,856	1,836	5,052	5,424	7,908	7,260
Trade accounts payable	647	431	675	502	1,322	933
Interest-bearing liabilities	-	-	2,063	1,836	2,063	1,836
Other liabilities	469	502	645	868	1,114	1,370
Total liabilities	1,116	933	3,383	3,206	4,499	4,139

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Geographic segments

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

27. Other income

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Rental income	12,987	696	-	-
Revenue from sale of by-product	7,070	4,091	1,801	991
Subsidize income	6,110	4,886	6,110	4,886
Franchise income	3,813	6,159	3,080	5,283
Interest income	2,228	2,417	43,377	3,801
Reversal of account payables	-	23,486	-	-
Others	28,918	26,159	17,556	18,800
Total	61,126	67,894	71,924	33,761

28. Selling expenses

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Advertising expenses	1,192,134	969,939	365,263	475,017
Rental expenses	425,088	368,083	409,727	345,558
Promotion expenses	58,832	35,440	19,596	8,860
Others	3,165	2,987	-	231
Total	1,679,219	1,376,449	794,586	829,666

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

29. Administrative expenses

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Personnel expenses	927,528	894,069	852,141	747,344
Depreciation and amortisation	267,966	256,478	246,389	188,052
Office expenses	261,492	221,622	244,681	193,179
Others	301,349	207,058	202,343	205,155
Total	1,758,335	1,579,227	1,545,554	1,333,730

30. Employee benefit expenses

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Salaries and wages	1,163,896	1,022,279	862,440	733,193
Remuneration	32,000	38,427	32,000	38,427
Pension costs - defined benefit plans	9,829	6,405	7,486	4,955
Pension costs - contribution plans	11,074	9,486	7,630	6,063
Others	365,045	333,057	168,737	153,670
Total	1,581,844	1,409,654	1,078,293	936,308

Defined benefit plan

The detail of employee benefit plans are given in note 22.

Contribution plans

The 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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

31. 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 :

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Change in inventories of finished goods		(49,415)	155	(2,130)	(7,515)
Raw materials and consumables used		6,232,497	6,610,001	3,232,267	3,738,789
Employee benefit expenses	30	1,581,844	1,409,654	1,078,293	936,308
Advertising and promotion expenses		1,250,966	1,005,379	384,859	483,877
Depreciation and amortisation expenses	13, 14, 15	705,347	511,304	330,568	256,913
Rental expense		519,848	420,004	437,231	359,293
Net loss arising from the flooding	3	99,203	5,745	-	-
Finance costs	32	87,085	45,647	48,650	4,526
Net loss on foreign exchange		10,966	36,590	-	-
Others		1,405,563	1,029,771	539,746	468,468
Total expenses		11,843,904	11,074,250	6,049,484	6,240,659

32. Finance costs

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Interest expense					
Subsidiary	6	-	-	3,716	4,526
Bank loans		89,462	45,647	44,934	-
Total of interest expense		89,462	45,647	48,650	4,526
Less : amounts included in the					
cost of assets under construction	13	(2,377)	-	-	-
Net		87,085	45,647	48,650	4,526

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

33. Income tax expense

Income tax recognised in profit or loss

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Current tax expense					
Current year		1,694	7,715	-	-
Deferred tax expense					
	16				
Movements in temporary differences		27,186	(7,462)	141	(2,524)
Benefit of tax losses recognised		(59,119)	(26,046)	4,018	(9,003)
		(31,933)	(33,508)	4,159	(11,527)
Total income tax expense		(30,239)	(25,793)	4,159	(11,527)

Income tax recognised in other comprehensive income

(in thousand Baht)

	Consolidated financial statements					
	2013			2012		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Defined benefit plan						
Actuarial gains (losses)	511	(102)	409	(7,788)	1,558	(6,230)
Total	511	(102)	409	(7,788)	1,558	(6,230)

**NOTES TO THE FINANCIAL STATEMENTS**

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

*(in thousand Baht)***Separate financial statements**

	2013			2012		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Defined benefit plan						
actuarial gains (losses)	972	(194)	778	(3,899)	780	(3,119)
Total	972	(194)	778	(3,899)	780	(3,119)

Reconciliation of effective tax**Consolidated financial statements**

	2013		2012	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		425,333		628,040
Income tax using the Thai corporation tax rate	20.00	85,067	23.00	144,449
Current year losses for which no deferred tax asset was recognised		-		4,015
Income not subject to tax		(118,656)		(218,754)
Expenses for tax incentive		(171)		(478)
Expenses not deductible for tax purposes		3,521		44,975
Total	(7.11)	(30,239)	(4.11)	(25,793)

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

	Separate financial statements			
	2013		2012	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		335,308		298,232
Income tax using the Thai corporation tax rate	20.00	67,062	23.00	68,593
Current year losses for which no deferred tax asset was recognised		-		1,351
Income not subject to tax		(63,698)		(81,955)
Expenses for tax incentive		(171)		(478)
Expenses not deductible for tax purposes		966		962
Total	1.24	4,159	(3.87)	(11,527)

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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

34. Promotional privileges

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

Promotional certificate no.	1223(4)/2549	1214(2)/2553	1954(2)/2553	2569(2)/2555	5039(2)/2556*
Date	2 March 2006	25 February 2010	7 September 2010	1 August 2012	18 December 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 2 September 2008	import within 25 August 2012	import within 7 March 2013	import within 18 April 2015	import within 27 September 2015
(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 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 28 March 2013	the first date of derived income 18 December 2012

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Promotional certificate no.	1223(4)/2549	1214(2)/2553	1954(2)/2553	2569(2)/2555	5039(2)/2556*
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Promotional privileges

(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
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**The promotional certificate which was issued by the Board of Investment for Oishi Trading Co., Ltd., the subsidiary of the Company, according to the investment promotion policy to restore the flood-affected investment from Thailand's 2011 flooding. The promotional certificate was issued to replace the promotional certificates no. 1214(2)/2553 and no. 1954(2)/2553 which the Board of Investment will have cancelled the said certificates in 2014.

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

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Summary of revenue from promoted and non-promoted businesses :

(in thousand Baht)

	Consolidated financial statements					
	2013			2012		
	Promoted business	Non-promoted business	Total	Promoted business	Non-promoted business	Total
Local sales	4,513,062	7,485,119	11,998,181	3,345,271	8,077,807	11,423,078
Export sales	205,633	4,298	209,931	182,076	29,243	211,319
Total	4,718,695	7,489,417	12,208,112	3,527,347	8,107,050	11,634,397

(in thousand Baht)

	Separate financial statements					
	2013			2012		
	Promoted business	Non-promoted business	Total	Promoted business	Non-promoted business	Total
Local sales	-	5,994,379	5,994,379	-	6,152,699	6,152,699
Total	-	5,994,379	5,994,379	-	6,152,699	6,152,699

35. Earnings per share

The calculations of basic earnings per share for the years ended 31 December 2013 and 2012 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 :

(in million Baht / in million shares)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Profit attributable to equity holders				
of the Company (basic)	455.57	653.83	331.15	309.76
Number of ordinary shares outstanding	187.50	187.50	187.50	187.50
Basic earnings per share (in Baht)	2.43	3.49	1.77	1.65

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

36. Dividends

At the Board of Directors of the Company meeting held on 14 August 2013, the directors approved the appropriation of interim dividend of Baht 0.30 per share, totaling Baht 56.25 million, and was paid to the shareholder in September 2013.

At the annual general meeting of the shareholders of the Company held on 29 April 2013, 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 1.60 , totaling Baht 300 million in September 2012 therefore the final dividend payment shall be Baht 0.60 per share, totaling Baht 112.50 million, and was paid to shareholders in May 2013.

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.

37 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 debt security and loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (Note 18). The Group mitigates this risk by ensuring that the majority of its debt security and borrowings are at fixed interest rates.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows :

Consolidated financial statements

	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2013				
Current				
Short-term loan from a financial institution	2.40	63,000	-	63,000
Non-current				
Long-term loan from a financial institution	3.85	-	1,000,000	1,000,000
Debentures	4.00	-	1,000,000	1,000,000
Total		63,000	2,000,000	2,063,000
2012				
Current				
Short-term loans from financial institutions	2.92 - 3.04	1,836,000	-	1,836,000
Total		1,836,000	-	1,836,000

Separate financial statements

	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2013				
Current				
Short-term loans from a subsidiary	2.50	141,000	-	141,000
Non-current				
Long-term loan from a financial institution	3.85	-	1,000,000	1,000,000
Debentures	4.00	-	1,000,000	1,000,000
Total		141,000	2,000,000	2,141,000
2012				
Current				
Short-term loans from a subsidiary	2.75	159,000	-	159,000
Total		159,000	-	159,000

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Foreign currency risk

As at 31 December 2013 the Group had foreign currency risk relating to purchase machinery agreements in the amount of Euro 3.23 million and Yen 1,660.19 million (2012 : Euro 1.81 million and Yen 800.42 million). The Group primarily utilized forward exchange contracts with maturities of less than one year to hedge such agreements. The forward exchange contracts entered into at the reporting date also related to anticipated purchase of machinery denominated in foreign currencies, for the subsequent period, (as disclosed in Note 38 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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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

(in thousand Baht)

	Note	Consolidated financial statements	
		2013	2012
Yen			
Accounts payable-asset acquisition	21	(53,775)	-
Gross balance in financial statement position exposure		(53,775)	-
Currency forwards		55,120	-
Net exposure		1,345	-
Euro			
Accounts payable-asset acquisition	21	(10,152)	(114,053)
Gross balance in financial statement position exposure		(10,152)	(114,053)
Currency forwards		9,162	106,419
Net exposure		(990)	(7,634)
United States Dollars			
Trade accounts receivable	9	1,931	4,669
Trade accounts payable	19	(561)	(2,655)
Gross balance in financial statement position exposure		1,370	2,014
Singapore Dollars			
Trade accounts receivable	9	622	961
Other payables	20	(46)	-
Gross balance in financial statement position exposure		576	961
Malaysian Ringgit			
Trade accounts receivable	9	4,435	-
Other payables	20	(3,118)	-
Gross balance in financial statement position exposure		1,317	-

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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 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 debt security 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).

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

38. Commitments with non related parties

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Capital commitments				
<i>Contracted but not provided for :</i>				
Cold-Aseptic-Filling Line 3 beverage and PET bottling production project				
Machinery and equipment	668,113	-	-	-
	668,113	-	-	-
Capital commitments (Continued)				
<i>Contracted but not provided for :</i>				
New central kitchen project				
Building and other constructions	23,837	295,592	-	-
Machinery and equipment	19,748	182,351	-	-
	43,585	477,943	-	-
Cold-Aseptic-Filling Line 2 beverage and PET bottling production project				
Building and other constructions	-	24,922	-	-
Machinery and equipment*	-	625,725	-	-
	-	650,647	-	-
Other projects				
Building and other constructions	107,347	43,072	-	-
Machinery and equipment	187,637	29,146	4,762	4,067
	294,984	72,218	4,762	4,067
Total	1,006,682	1,200,808	4,762	4,067

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

* Under the commitments, Oishi Trading Co., Ltd, a subsidiary, entered into letter of credit contracts and forward contracts with commercial banks amounting to Baht 61.98 million (2012 : Baht 334.88 million) and Baht 64.28 million (2012 : Baht 492.11 million), respectively. These forward contracts classified by currencies were as follows :

	<i>(in million)</i>		<i>(in thousand Baht)</i>	
	Amount in contract		Fair value	
	<i>(Foreign currency)</i>		<i>(Baht currency)</i>	
	2013	2012	2013	2012
Euro	0.22	4.49	10.08	182.59
Yen	170.12	783.82	53.47	279.20
Total			63.55	461.79

Significant agreements under capital commitments

Cold-Aseptic-Filling line 3 beverage and PET bottle production project

In August 2013, the directors approved investment for the factory construction and the installation in Cold-Aseptic-Filling Line 3 beverage and PET bottling production project in the amount of Baht 1,300 million under a condition that the project is promoted by the Board of Investment (BOI). The said project has been operated under Oishi Trading Co., Ltd., the Company's 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 Co., Ltd., the Company's subsidiary. In 2013, the board of directors meeting approved the additional budget in amount up to Baht 60 million.

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 Co., Ltd., the Company's subsidiary, and operated in March 2013. In May 2013, the board of directors meeting approved the additional budget in amount up to Baht 90 million.



NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>Non-cancellable operating lease commitments</i>				
Within one year	192,345	218,680	167,054	177,928
After one year but within five years	144,962	184,074	131,718	161,255
After five years	14,864	15,795	9,864	8,396
Total	352,171	418,549	308,636	347,579

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 2013 to 2016. 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 Co., Ltd., the Company's subsidiary, entered into a factory building lease agreement with a local company for production of food and beverage. The agreement is for 14 years and 2 months, from 1 December 2006 to 31 January 2021, with monthly rental fee of Baht 200,000.

Forklift agreements

Oishi Trading Co., Ltd., the Company's subsidiary, entered into lease agreements, forklifts and other equipments, with local companies. The agreements are for 3 years, from 2013 to 2016, with the monthly rental rate as specified in the agreements.

Store lease agreements

Oishi Trading Co., Ltd., the Company's subsidiary, entered into store lease agreements with local companies. The agreements are for 1 year to 3 years, from 2013 to 2015, with the monthly rental rate as specified in the agreements.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>Other Commitments</i>				
Service agreements	350,517	363,015	343,032	350,185
Purchase orders for goods and supplies	114,569	39,563	17,275	30,344
Advertisement contracts	60,026	73,081	10,000	1,474
Maintenance from flooding	-	23,192	-	-
Bank guarantees	14,254	5,380	-	-
Others	30,722	8,328	-	-
Total	570,088	512,559	370,307	382,003

Other agreements

Hot-fill PET bottle trading agreement

On 15 November 2006, Oishi Trading Co., Ltd., the Company's subsidiary, entered into a hot-fill PET bottle trading agreement with a local bottle manufacturing company according to the quantity required from the subsidiary on a monthly basis at the price specified in the agreement. The agreement is for a 14-year and 2-month period, from 1 December 2006 to 31 January 2021.

Material and package trading agreements

On 30 April 2010, the Company and Oishi Ramen Co., Ltd., the Company's 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 its subsidiary. The Company and its subsidiary agreed to pay the service charge at the rate specified in the agreement. The said agreement is for 2-year and 8-month period from 1 May 2010 to 31 December 2012. Subsequently on 28 December 2012, the Company and its subsidiary entered into new agreements. The terms of these new agreements were 1 year from 1 January 2013 to 31 December 2013 with the renewal option for another 1 year each.

Transportation agreements

On 1 February 2010, the Company and Oishi Trading Co., Ltd., the Company's 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 the term of new agreement to be 2 years from 1 July 2010 to 30 June 2012 and may be extended for successive periods of 1 year each or terminated if any party does not written notice given by any one party to the other.



NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Consultancy fee agreement

The Company paid consultancy fee to a company of Baht 600,000 per month. Subsequently in January 2013, the consultancy fee was changed to Baht 200,000 per quarter which is effective since 1 January 2013 onward. 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 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 Co., Ltd., the Company's 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.

39. Events after the reporting period

At the Board of Directors of the Company meeting held on 25 February 2014, the directors agreed the following,

- a) To acknowledge the increasing of the registered capitals of Oishi International Holdings Limited ("OIHL"), the subsidiary of the Company in Hong Kong from Hong Kong Dollars 500,000 (500,000 shares at HKD 1 par value) to Hong Kong Dollars 9,400,000 (9,400,000 shares at HKD 1 par value). The company fully paid up the remaining amount of Hong Kong Dollars 9,300,000 on 10 February 2014 to support the international expansion.
- b) To acknowledge the incorporation of Oishi F&B (Singapore) Pte. Ltd. ("OSPL") in Singapore on 3 February 2014 to support the international expansion. The registered and fully paid-up of capital stock of Singapore Dollars 1 (1 share at SGD 1 par value), 100% Shareholding by Oishi International Holdings Limited which was incorporated in Hong Kong, a subsidiary of the Company. The Board of Directors of the Company has also approved the increase of registered capital and paid up capital of "OSPL" to the amount of not exceed Baht 40 million or equivalent to Singapore Dollars 1,520,000.
- c) To propose a dividend payment for the year of Baht 1.3 per share, totaling Baht 243.75 million. In September 2013, the interim dividend paid was Baht 0.3 per share, totaling Baht 56.25 million. The remaining dividend payment is Baht 1.0 per share, totaling Baht 187.50 million, and will be paid to the shareholder in May 2014.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

40. Thai Financial Reporting Standards (TFRS) not yet adopted

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

TFRS	Topic	Year effective
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of cash flows	2014
TAS 12 (revised 2012)	Income taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue	2014
TAS 19 (revised 2012)	Employment benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 8 (revised 2012)	Operation Segments	2014
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC 4	Determining Whether an Arrangement Contains a Lease	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TFRIC 13	Customer Loyalty Programmes	2014
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014

TFRIC 13 - Customer Loyalty Programmes

TFRIC 13 addresses the accounting for an entity's obligation to provide free or discounted goods or services ('awards') in the future under a customer loyalty programme. TFRIC 13 requires that award credits are accounted for as a separately identified component of the sales transactions in which they are granted (the 'initial sale'). The fair value of the consideration received or receivable in respect of the initial sale is allocated between the award credits and the other components of the sale. The revenue and costs ascribed to the awards are only recognised when the award credits are redeemed or the entity otherwise fulfils its obligations in respect of the awards.

Management has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of the adoption of TRIC 13 with effect from 1 January 2014 and expects that has not had a significant impact on the Group's reported assets, liabilities or retained earnings in the period of initial application.



“ For more information, please see the Company's Annual Registration Statement (Form 56-1) on
www.sec.or.th or www.oishigroup.com ”

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