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Many of us Thais can relate to Japanese cuisine's raw materials, taste, and image. As far as Oishi people are concerned, the greatest pride in other cultural aspects for Japanese is their honesty.

To Japanese, respect for honor and dignity matters more than overnight fame; pride in work quality, more than short-term benefit; the common good, more than selfish expediency.

Therein lies Oishi's commitment to quality products. Honesty dominates every process and pledge given to employees, customers, and shareholders. Onward we grow with our stakeholders.





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MESSAGE FROM THE CHAIRMAN



In 2014, the Company had refined and implemented several strategies to enhance operational efficiency and competitive advantages. One of the key milestones is the implementation of “Vision 2020”, a strategic roadmap of the group for the next 6 years to become a strong and sustainable leading F&B company in ASEAN region with five key strategic imperatives which are **Growth, Diversity, Brands, Reach and Professionalism**. These strategic imperatives will help strengthen the business and drive growth from our current strong platforms, increase efficiency and harness on combined strengths as well as align all business directions within the group. In additions to these, our strategic plan to realize synergies within the group had served as a solid foundation in shaping the Company’s success in 2014. Despite challenging economic outlook caused by political situations, the Company could manage to achieve satisfactory operating performance. Total sales was 12,405 million Baht, an increase of 197 million Baht or 1.6% from previous year. Net profit was 525 million Baht, an increase of 69 million Baht or 15.2% from previous year and representing 4.2% of total sales revenue.

During the past year, the Company has focused on brand buildings and innovative ways of conducting marketing and promotional campaign. This includes the title sponsorship of **Takeshi’s Castle Thailand** and Oishi Group Brings Happiness Back to Thailand, a campaign offering 50% discount to customers of Oishi Group’s restaurants. Successes from brand building and innovative products and marketing strategies have been well proven by “The Most Powerful Brand of Thailand 2014” award in RTD tea category from the survey of Faculty of Commerce and Accountancy, Chulalongkorn University which the Company has received for the second straight year. The Company has also focused on enhancing corporate identity and continuing supports on corporate social responsibility, particularly in sustainable development of educations and environments. Another achievement in expanding the Company’s international presences according to “Vision 2020” is the establishment of 2 oversea subsidiaries, one in Singapore and one in the Republic of the Union of Myanmar, in order to serve international expansion plans. In 2014, the Company opened 2 Shabushi restaurants in the Republic of the Union of Myanmar with the first branch in Yangon and the second branch in Mandalay. Both outlets receive impressive feedbacks from local customers. Moreover, the Company has continued to research and develop new products including

“Oishi Tokyo Banana” ready to drink milk tea, “Oishi O-Herb” genuine herbal drinks and “Oishi Kabusecha” a premium sugar-free green tea. All are innovative products which are well acclaimed by consumers.

In order to serve business expansions and to enhance production efficiency and long-term competitive advantages, Cold Aseptic production line 3 at Navanakorn Industrial Estate has started commercial operations since December 2014. The new central kitchen in Ban Bueng, Cholburi has also started full operations in the same year.

For the ratings, the Company’s corporate credit rating and debenture rating as of December, 2014 have been maintained at A-/Stable by TRIS Rating Company Limited, reflecting the Company’s position as one the leading green tea beverage company in Thailand with well recognized brands. The ratings maintain the same as those of 2013, representing stability of the Company’s financial position.

As the Chairman of the Board and on behalf of the Board of Directors, management team and employees, I would like to assure that we are determined and dedicated 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.

On this occasion, we would like to express our sincere gratitude for shareholders’ trust and continued supports to the Company and hope to continue receiving such kind supports as always.

– Signature –
(Mr. Prasit Kovilaiikool)
Chairman

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HEART

Honesty to one's duty means doing things right, whereas honesty to one's heart means doing the right things—hence our choice of quality ingredients for our production processes, flavoring, and packaging. Our attention to sanitation is no less than family cleanliness. What pride it is to see them savor every drop and every bite!

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 “O Herb” and “Fruitza”

Company Registration Number : 0107547000150

Headquarter Location : 19th – 20th Floor, PARK VENTURES
ECOPLEX 57 Wireless Road, Lumpini, Pathumwan,
Bangkok 10330.

Homepage : www.oishigroup.com

Telephone Number : 0-2785-8888

Fax Number : 0-2785-8889

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)** : OISHI 168A for Debentures No. 1/2013 due 2016

Other Related Information :
-None-

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 Thailand
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

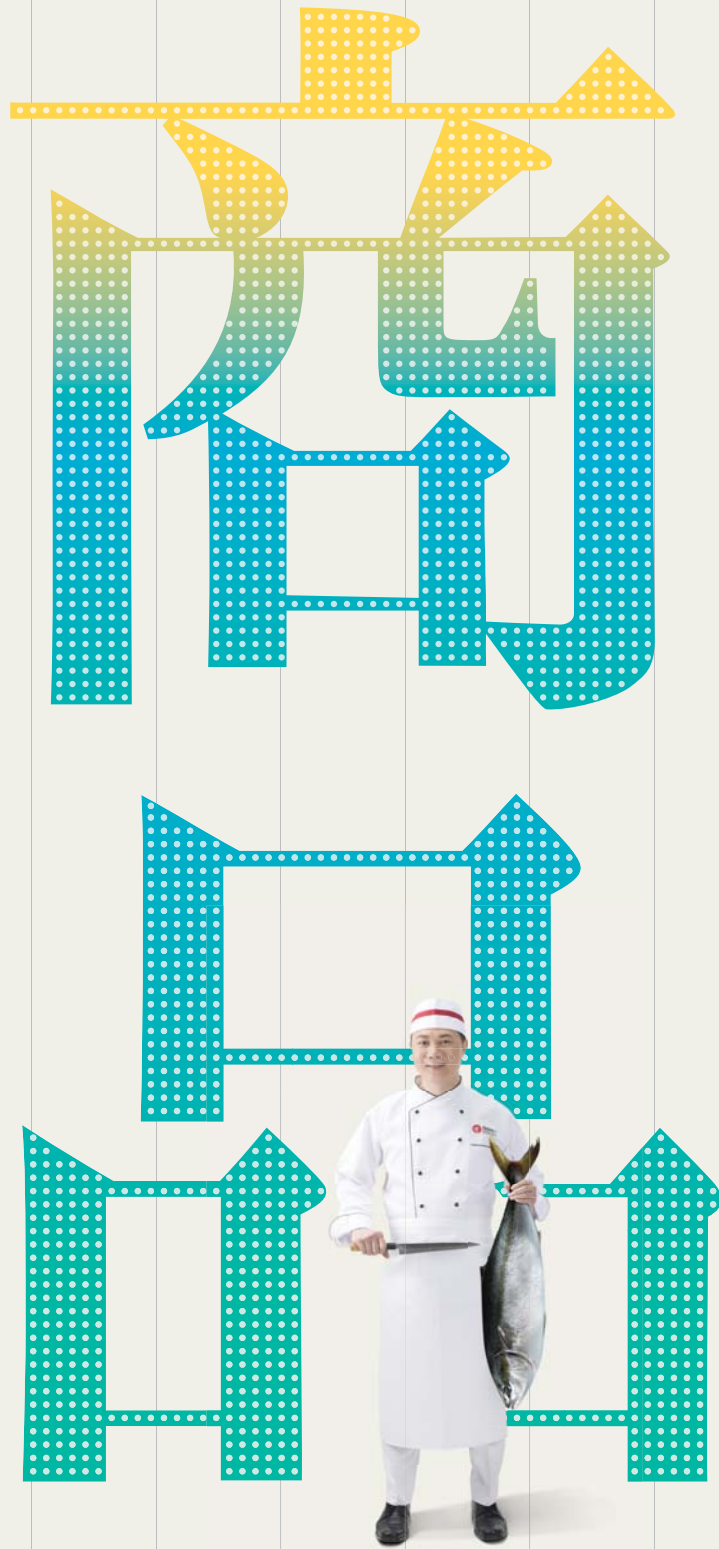
Legal Consultant :

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
No. 57 PARK VENTURES ECOPLEX, 19th floor, Wireless Road,
Lumpini, Pathumwan, Bangkok 10330
Tel (02) 785-8888
E-mail : karnjaporn.k@oishigroup.com



PRODUCTS

In what way does Oishi's cooking resemble brush-painted Japanese kanji? Every step is painstakingly taken, without short cuts or whimsical decoration. Maximum safety and standard are our goals, just like Oishi products of honesty and the true art of cuisine.

FINANCIAL HIGHLIGHTS

SUMMARY OF FINANCIAL STATUS AND COMPANY'S PERFORMANCE AT 31 DECEMBER 2014:

	(Baht'000)		
	CONSOLIDATED		
	2014	2013	2012
Total assets	9,131,549	7,907,771	7,260,025
Total liabilities	5,497,349	4,499,343	4,138,831
Equities	3,634,200	3,408,428	3,121,194
Sales revenue	12,404,500	12,208,112	11,634,397
Total revenue	12,516,347	12,269,238	11,702,290
Net profit	524,935	455,572	653,833

SUMMARY OF FINANCIAL RATIOS

	(Baht'000)		
	CONSOLIDATE		
	2014	2013	2012
Net profit margin (%)	4.2%	3.7%	5.6%
Return to equities (%)	14.9%	14.0%	21.7%
Return to assets (%)	6.2%	6.0%	10.1%
Earning per share (Baht)	2.80	2.43	3.49
Dividend per share (Baht)	1.60	1.30	2.20

In 2014, the Company had sales revenue of Baht 12,405 million, 1.6% increase from the previous year. Total sales revenue was contributed from beverage business of Baht 5,802 million or 6.9% decrease from the previous year and food business of Baht 6,602 million or 10.5% increase from the previous year. Main reasons were the followings:

1. Opening of 42 new restaurant outlets and closing of 10 non-performing outlets resulting in 10.5% increase in food business's sales revenue. Total outlets was 225 at year end (including overseas outlets and franchise outlet).
2. For beverage business, pure RTD green tea market value decreased by 17% causing sales revenue of beverage business to decrease.

2014 net profit was 525 million baht, 15.2% increase from the previous year. This is mainly due to success from brand buildings and innovative ways of conducting marketing and promotional campaign.

BOARD OF DIRECTORS AND EXECUTIVES



THE BOARD OF DIRECTORS

Mr. Prasit Kovilaikool

Chairman of the Board of Directors,
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 Laws (Honorary Degree), Chulalongkorn University
- Doctor of Laws (Honorary Degree), Eastern Asia University
- Barrister-at-Law
The Thai Bar Association

Mr. Thapana Sirivadhanabhakdi

Vice Chairman of the Board of Directors,
Chairman of the Executive Committee,
Nomination Committee Member,
Remuneration Committee Member
and Good Corporate Governance
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 Koompirochana

Independent Director,
Chairman of the Audit Committee,
Chairman of the Nomination Committee,
Remuneration Committee Member
and Good Corporate Governance
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,
Audit Committee Member,
Chairman of the Remuneration
Committee and
Chairman of the Good Corporate
Governance Committee

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,
Chairman of the Risk Management
Committee and
Good Corporate Governance
Committee Member

Education

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



Mr. Sithichai Chaikriangkrai

Director,
Vice Chairman of the 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



BOARD OF DIRECTORS AND EXECUTIVES



THE BOARD OF DIRECTORS

Mr. Ueychai Tantha-Obhas

Director and
Vice Chairman of the 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,
Executive Committee Member,
Risk Management Committee Member
and Good Corporate Governance 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. Pisanu Vichiensanth

Director,
Executive Committee Member and
Risk 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



THE EXECUTIVES

Mr. Paisarn Aowsathaporn

Executive Vice President,
Executive Committee Member
and Risk 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. Jesdakorn Ghosh (Taratip)

Vice President
and Risk Management Committee Member

Education

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



BOARD OF DIRECTORS AND EXECUTIVES



THE EXECUTIVES

Mrs. Chitkasem Moo-Ming

Vice President
and Risk 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)
- Director Certification Program (DCP) 184/2014
Thai Institute of Directors Association (IOD)

Mrs. Paitoon Siribovornkiat

Vice President
and Risk Management Committee Member

Education

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



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)
- Director Certification Program (DCP) 184/2014 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)
- Certification Programs of the Thai Institute of Directors (IOD)
 - Director Certification Program (DCP-149)
 - Advanced Audit Committee Programs (AAP-8 & ACP-37)
 - Role of Nomination and Governance Committee (RNG-1)
 - Role of Compensation Committee (RCC-13)
 - Financial Institutions Governance Program (FGP-7)
 - Risk Management Program (RMP-3)
- Certification Programs of Federation of Accounting Professions under The Royal Patronage of His Majesty The King
 - Chief Financial Officer Certification Program for Senior Executive (CFO-16)



OISHI BEVERAGE PRODUCTS



Oishi Green Tea
(500 ml.)



Oishi Green Tea
(380 ml.)



Oishi Green Tea UHT
(250 ml.)



Oishi Green Tea
(1,000 ml.)



Oishi Black Tea
(500 ml.)



Oishi Black Tea
(380 ml.)



Oishi Black Tea UHT
(250 ml.)



Oishi Black Tea
(1,000 ml.)



Oishi Green Tea
Returnable Bottle
(400 ml.)



Oishi Milk Tea
(270 ml.)



Oishi Kabusecha
(500 ml.)



Oishi O Herb
(380 ml.)



Oishi O Herb UHT
(250 ml.)



Oishi Fruito
(350 ml.)



Oishi Chakulza
(320 ml.)



Amino OK Plus
(360 ml.)



Oishi Fruitzaa
(320 ml.)

CHILLED & FROZEN PRODUCTS



Oishi Gyoza Chilled



Oishi Gyoza Frozen



Oishi Kani



Oishi Sandwich Break & Fast



Oishi Trendy Sandwich

JAPANESE RESTAURANTS



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ACTION

Honesty isn't a one-way process. At Oishi, we pay attention to the tiniest feedback. Open to audit, our food and drinks have passed critical feedback from the boardroom to delivery vans. Hence, our very confident strides, trusted by all through these years.



5.1 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 under the name "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.
- 2007 • Oishi Black Tea was launched
- 2008 • Oishi launched a new RTD product, namely "Coffio".
 - Thai Beverage PLC became Oishi's major 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 rai
 - 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
- 2013 • The company received an additional BOI privilege for Cold Aseptic Filling project 2nd line
 - Launched green tea in returnable bottle glass.
 - 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
 - Received BOI privileges for four projects at Navanakorn Industrial Estate and Wuang – Muang district, Saraburi province.

5.2 IMPORTANT EVENTS IN 2014

In 2014, the Company and the Company's subsidiaries have established domestic and international subsidiaries to support expansion plans as follow;

1. On April 28, 2014, Oishi Snack Co., Ltd. was incorporated to support domestic business expansions. The Company held 99.99% interest in Oishi Snack Co., Ltd.
2. On February 3, 2014, Oishi International Holdings Limited ("OIHL"), a subsidiary of the Company in Hong Kong, incorporated Oishi F&B (Singapore) Pte. Ltd. ("OSPL") in Singapore which OIHL held 100% interest in order to support international business expansions.
3. On May 9, 2014, OSPL incorporated Oishi Myanmar Limited ("Oishi Myanmar") in the Republic of the Union of Myanmar ("Myanmar") to support food business expansions in Myanmar. OSPL held 55% interest and CM Foods Company Limited, a company in Myanmar, held 45% interest in Oishi Myanmar.

Further to the above, the Company also had important developments in each business lines as follow;

Food Business

In 2014, the new central kitchen has started full commercial operations and accredited international standard certifications. The Company also has developed and launched several new products as well as refined new packagings and pricings of the products. In additions, the Company has expanded restaurants business into overseas and discontinued some business and product lines. Below are the key highlights.

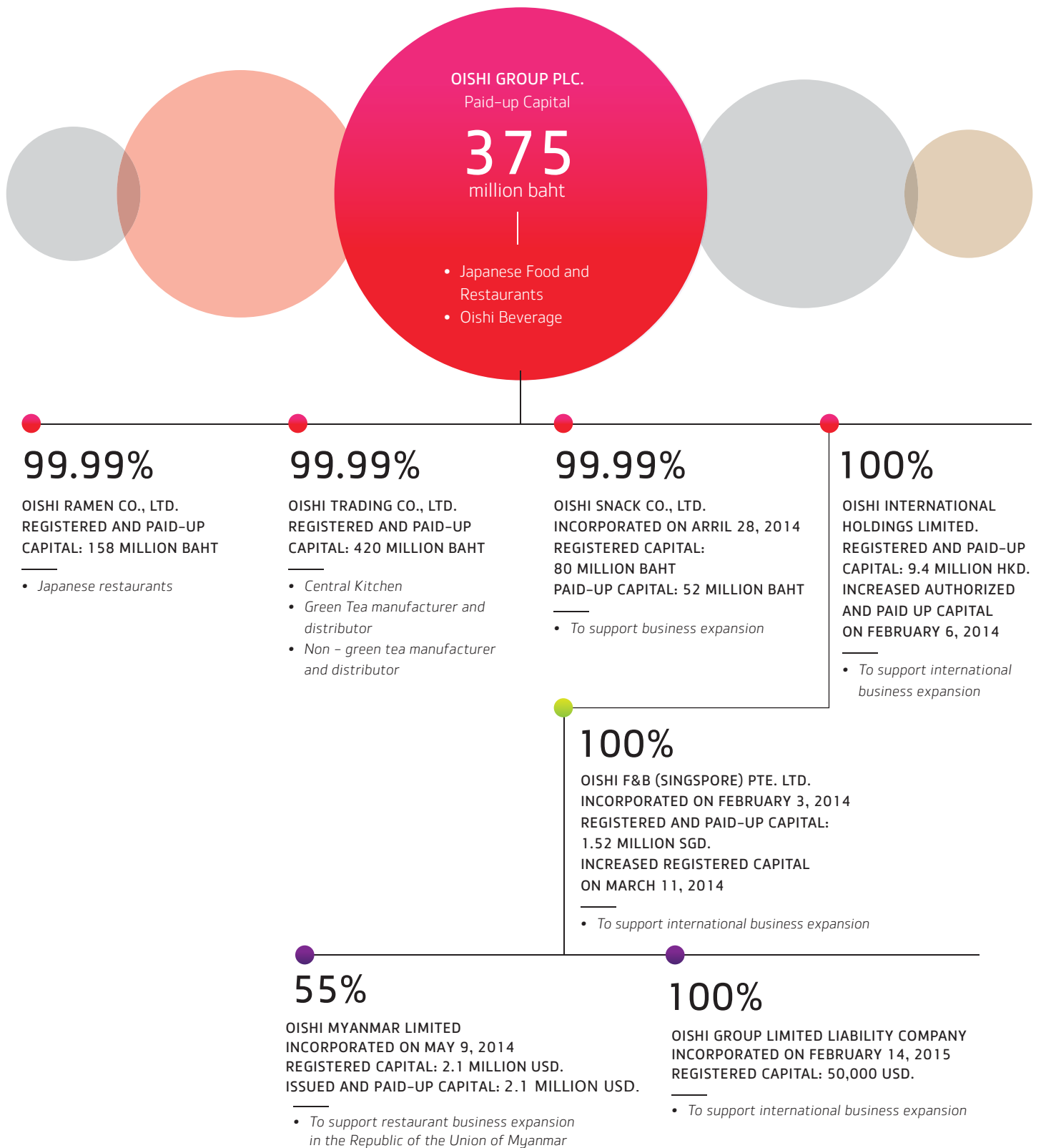
1. Launched new flavours of OISHI Break & Fast Sandwich which are Ham & Egg, Tuna Supreme and Pork & Japanese Source. All flavours are available at 7-11 stores. The Company also launched new style sandwich, OISHI Trendy Sandwich which includes Chicken Ham & Cheese, Tuna Caesar Salad and Alaska Crabsticks & Ebiko flavours for distribution through Lotus Express outlets.
2. Updated new packagings for OISHI Pork Gyoza and launched new flavours of chilled OISHI Gyoza including Pork Seaweed and Spicy Seafood which are available at 7-11 stores. For frozen Gyoza, Pork & Takoyaki flavor is introduced for Supermarket distribution channel. During the year, the Company also developed new distribution channels such as selling fried OISHI Gyoza through kiosk and cash van and selling bulk pack frozen OISHI Gyoza through hotels and restaurants.
3. Revised pricings of chilled OISHI Gyoza and OISHI Break & Fast Sandwich to be aligned with price structures of the product group.
4. Discontinued Kazokutei restaurants, a franchised brand from Japan, in May in order to focus on building and strengthening the Company's own restaurant brands.
5. Discontinued fried crispy seaweed Onori by OISHI during the third quarter of 2014 due to declining growths in crispy seaweed snack market and increasing intense competitions, which resulting in relatively high marketing expenses but low returns.
6. In July, OML opened its first Shabushi restaurant in Yangon and in October, the second restaurant was opened in Mandalay, Myanmar. This is one of the key milestones in expanding the Company's overseas restaurant business.
7. In November, the new central kitchen in Ban Bueng, Cholburi was completely accredited with safety and manufacturing standards as a food manufacturer. These include The British Retail Consortium (BRC), Good Manufacturing Practice (GMP) and Hazard Analysis Critical Control Point (HACCP). Only few food manufacturers in Thailand would manage to achieve accreditations with all of the above standards.

Beverage Business

The Company has developed and launched new products, updated new packagings and expanded distribution coverages into new countries as follow;

1. Launched new products including "Oishi Kabusecha" a premium sugar-free green tea, "Oishi O-Herb" genuine herbal drinks with three flavours namely Honey-Ginseng, Lotus Root-Red Date in March and Tamarindo in November, all flavours available in 250ml and 380ml SKUs and also launched "Oishi Tokyo Banana" ready to drink milk tea.
2. Updated new packaging design of Oishi green tea UHT from "One Piece" to "Neko" cat and updated new packaging design of canned carbonated tea, Oishi Chakulza. Lastly, redefined packagings of Oishi green tea products for Honey Lemon, Genmai, Black Tea Lemon and Original flavours for distributions in Malaysia.
3. Launched new SKUs for Oishi Green Tea, Lynchee flavor including 250ml, 400ml (returnable bottles), 500ml and 1,000ml.
4. Cold Aseptic Filling project 3rd line at Navanakorn Industrial Estate was commercial run in December.
5. Expanded distribution coverages into new countries which are China, Kuwait, Saudi Arabia, Hong Kong, Guam Island and Norway.

OSIHI GROUP STRUCTURE
AS AT FEBRUARY 25, 2015



5.3 OVERALL BUSINESS OPERATIONS

Business operations consist of two segments

5.3.1 Food Business

1. Restaurant Business : 9 Japanese restaurant brands

1) Oishi Grand (1 store)

A distinctive and luxurious buffet atmosphere at Siam Discovery with a limited time of 3 hours at the price per head of Baht 789.

2) Oishi Buffet (19 stores)

Japanese food buffet style with a limited time of 1 hour and 45 minutes at the price per head of Baht 539 in Bangkok areas and Baht 559 in provincial areas.

3) Shabushi (109 stores)

Domestic 107 stores

Shabu buffet style with the ingredients served along a conveyor (kaiten) together with assorted sushi. Price per head is Baht 359 in Bangkok areas and Baht 379 in provincial areas with a limited time of 1 hour and 15 minutes.

Overseas 2 stores

In 2014, the Company's subsidiary started operating Shabushi restaurants in the Republic of the Union of Myanmar ("Myanmar") with one branch in Yangon and another branch in Mandalay. Price per head is Kyat 15,000 or equivalent to ~USD 15.

4) Oishi Ramen (57 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 and its vicinity and over 15 districts nationwide. The service is provided during 10am-9pm with Baht 40 delivery fee per order to serve to the convenient lifestyle.

6) Kazokutei

Specializing in Japanese udon and soba. This is a franchise brand from Osaka.

By the way, the Company has discontinued all Kazokutei restaurants in May 2014 in order to focus on building and strengthening the Company's own restaurant brands.

7) Nikuya (13 Stores)

Specialized in Yakiniku buffet style with high quality products at the price per head of Baht 519.

8) Kakashi (16 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, and frozen foods.

As of December 31, 2014, total stores reach up to 225 stores of which 223 stores are domestic in Bangkok and key provinces with high potentials such as Nakornphathom, Roi Et, Prachinburi, Chachoengsao, Ubon Ratchathani, Mukdahan, Kanchanaburi. Two overseas stores are in Myanmar.

2. Ready to cook and Ready to eat Products

During the year, the Company has developed and launched ready to cook and ready to eat products in both chilled and frozen variety. This includes sandwiches and Gyoza products which drove 8% revenue growth of the product category in 2014.

The Company will continue to develop varieties of products in alignment with consumer needs and growing consumptions of ready to cook and ready to eat products due to the changing in lifestyles of consumers who prefer eating more quick and easy meal.

5.4 REVENUE STRUCTURE

Income by business type	Operated by	CONSOLIDATED FINANCIAL STATEMENTS					
		2014		2013		2012	
		Million Baht	%	Million Baht	%	Million Baht	%
Beverage business	The Company and Oishi Trading Co., Ltd.	5,877	47%	6,260	51%	6,353	54%
Food business	The Company, Oishi Ramen Co., Ltd and Oishi Myanmar Limited ⁽¹⁾	6,639	53%	6,009	49%	5,349	46%
Total		12,516	100%	12,269	100%	11,702	100%

Remarks:

- (1) On May 9, 2014, OSPL incorporated Oishi Myanmar Limited ("Oishi Myanmar") in the Republic of the Union of Myanmar ("Myanmar") to support food business expansions in Myanmar. OSPL held 55% interest and CM Foods Company Limited, a company in Myanmar held 45% interest in Oishi Myanmar.

5.5 TARGET CUSTOMERS

Food Business

Restaurant Business: The Company operated various styles of Japanese restaurants including Japanese food buffet style, Shabu buffet style, Yakiniiku buffet style, Japanese QSR and home delivery covering nearly all target groups of customers. The Company is continually expanding restaurant outlets in order to further increase areas and consumers coverage.

Ready to cook and Ready to eat Business: These frozen and chilled products target young generations such as working age consumers, students and housewives who have quick lifestyles. As a company in fast-moving consumer goods segment, the Company will continue to develop varieties of products in alignment with consumer needs and growing consumptions of ready to cook and ready to eat products .

Beverage Business

The Company's products portfolio covers all consumer's genders, ages and serving occasions. For Oishi Green Tea product, the target customers are young generations such as teenagers, college students and working age consumers who are in-trends and health conscious.

5.6 DISTRIBUTION CHANNELS AND DISTRIBUTORS

Food Business

Restaurant Business

The Company is a leading Japanese restaurants operators in Thailand with diverse styles of restaurants and wide areas coverage. Current total 225 outlets cover Bangkok, provincial areas and overseas.

Ready to cook and Ready to eat Business

Main distribution channels of chilled and frozen RTC and RTE products are 7-11, convenience stores and supermarkets. In order to increase coverage, the Company has also started distributing RTC and RTE products through hotels and restaurants.

Beverage Business

The Company distributes products through various domestic and international channels in order to maximize coverage. More than 90% of beverage products are distributed through companies within Thai Beverage Public Company Limited and Sermsook Public Company Limited's group which are considered to be one of the most efficient distribution channels with wide domestic and international distribution coverage. The Company also has own export distribution channels which contributes around 5% of total beverage sales and other distribution channels which contribute around 2% of total beverage sales.

5.7 BUSINESS TARGETS

Food Business

Restaurant Business

The Company aims to open 40 new stores with focuses on popular brands such as Shabushi to cover Bangkok and upcountry provinces with potentials and high purchasing powers. In 2015, stores expansion plans remain in the same directions. The company also plans to expand Shabushi restaurants in Myanmar continuously.

Ready to cook and Ready to eat Business

In 2015, the Company will continue to develop and launch new RTC and RTE products both chilled and frozen variety and will create advertising and promotional activities to expand more consumers base. Target growth of this product category in 2015 is set at 27% due to the growth of convenience stores channel such as Lotus Express and Family Mart, growing consumptions of RTC and RTE products, increased coverages in hotels, restaurants and caterings channels and sales of fried Gyoza through Kiosk channels which will expand product distribution coverages and increase brands awareness.

Beverage Business

According to 2014 business objectives, the Company targeted to maintain market leading positions in RTD green tea while expanding consumers base in both domestic markets and abroad. New innovative products were also planned to be launched in order to generate sustainable income streams.

The business results revealed that the Company can maintain leadership in RTD green tea across channels in year 2014 with new products portfolio expansion. In addition, the export market grows significantly this year.

In upcoming 2015, the Company aims to maintain leadership position in RTD green tea segment by focusing on brand differentiation and connections to main consumer target, young generation, to increase market penetration and further accelerate growth in oversea market.

5.8 EXPORT MARKET

Food Business

Restaurant Business

In 2014, OML, an indirect subsidiary, opened Shabushi restaurants in Yangon and Mandalay which consider to be a major milestone in expanding restaurants business in overseas.

Ready to cook and Ready to eat Business

The Company is in the process of obtaining relevant certifications and standards to enhance products images and creditabilities for overseas customers. The Company has also done researches on consumer behavioral and distribution channels in various countries in order to deliver products that match consumers' preferences. In November, the Company received standard accreditations related to food industry including BRC, HACCP and GMP. This helps strengthen the Company's positions to support domestic food demands. In 2015, the Company also plans to market RTC and RTE products, particularly frozen foods into international market, initially in ASEAN region, Japan and EU. Moreover, there are plans to co-developed new products with local partners in order to tailor the product flavors to match local preferences and cultures.

Beverage Business

Current export markets include various countries such as Laos, Cambodia, Myanmar, Malaysia, Brunei, Czech Republic, Iran, Russia, Israel, New Zealand, Switzerland, Denmark, Barbados, Hungary, Netherlands, Korea, Saint Martin and Poland.

In 2014, the company expanded into new oversea markets which are China, Australia, Saudi Arabia, Kuwait, Guam, Hong Kong, and Norway. During the year, we focused on penetrating into Malaysia market via F&N Beverage Marketing Sdn. Bhd's networks. Our RTD green tea has been distributed through Modern Trade and General Trade with more than 10,000 outlets for all over Malaysia.

In 2015, we are planning to continuously expand our export business in several countries i.e. Vietnam, Singapore and Brunei through our strong networks; Berli Jucker Public Company Limited, F&N Beverage Marketing Sdn. Bhd., and Oishi International Holdings Limited.



6.1 BEVERAGE BUSINESS

6.1.1 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, resulting the 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 achievement rate.

6.1.2 The limitation in 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.

6.1.3 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 and ASEAN Economic Community, 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.

6.1.4 Competition risks

Competition in the beverage business is quite intense. There have been high potential entrants in the market. The Company enhances the product images by means of

advertising and promotion. Nevertheless, we believe the competition is advantage for this industry either it will drive the market or drive the Company's performance.

6.1.5 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, inventories, 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 uninterrupted operations in the event of a natural disaster or emergency.

6.2 FOOD BUSINESS

6.2.1 Location for outlet expansion and current location retention

Since location is the key factor for a successful restaurant business while 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 rental fee 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.

6.2.2 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.

6.2.3 The limitation in 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.

6.2.4 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.

6.2.5 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 to enhance the product images by means of advertising and promotion. Nevertheless we believe that the competition is advantage for this industry either it will drive the market or drive the Company's performance.

6.2.6 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, inventories, 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.

6.2.7 Political and Economic risks

In 2014, the first 6 months was affected by political issue which reduce the consumer's consumption in the restaurant. Moreover, the consumer behavior have changed rapidly from the fact that they have less money to spend for food in the out-of-home restaurant.

Eventhough, the political situation is getting better but on the other hand, the household expenses are increasing. Hence the negative effects still remain and that have an effect on our revenue as well.

However, although the Company had an effect from the mentioned political situation but we still keep closely monitor and put the appropriate strategy management to cope with the uncertain situation as well.

6.3 STRATEGIC RISKS

The Company has initiated "Vision 2020" strategic roadmap to become one of the leading F&B players in ASEAN. Although the strategic roadmap has been carefully reviewed and considered, there could be

internal and external factors which may affect the execution of the strategy and cause the operating performances of the company to not achieve targets.

However, to manage such risks, annual business plans are defined every year in accordance with the long-term strategies of the Company. The Board of Directors are involved in reviewing and considering such strategies. In addition, strategy execution will be constantly monitored and reviewed to ensure that strategies and business operations are keeping up with changing business conditions.

6.4 RISKS FROM DEPENDENCE ON THE MAJOR SHAREHOLDER OR COMPANIES IN MAJOR SHAREHOLDER'S GROUP

The Company has estimated distribution proportion by the companies in Thai Beverage Public Company Limited ("ThaiBev") group which held 79.66% interest in the Company or around 90% of total beverage business revenue. Hence, distribution of beverage products group is dependent on the major shareholder's group which may possess some risks and affect the Company's operating performance in case there are changes in shareholding structure by the major shareholder or decreasing focus in the Company's beverage products distribution.

However, there have always been good business cooperations with the major shareholder's group for a very long time and the distribution channel of the group is one of the most efficient with the most area coverage. In addition, the Company has entered into a middle to long term agreement with the distribution partner. If there is a re-structure inside the shareholder organization, they still have to responsible for the distribution channel according to the agreement term. So there is a time period for the Company to prepare and assign some other distributors.

6.5 RISKS OF INVESTORS IN THE COMPANY'S SECURITIES

6.5.1 Risks from the controlling by the major shareholder

As of December 31, 2014, ThaiBev is the major shareholder of the Company with 79.66% shareholding in the issued capital. Therefore, ThaiBev can control the resolutions of the shareholders' meeting including the appointment of Directors, seeking approval on other matters that require a majority votes of the shareholders' meeting and agendas which by laws or by the articles of association of the Company, require 3 out of 4 votes of the shareholders' meeting. Hence, other shareholders might not be able to collect enough votes to counter the agendas raised by the major shareholder.

Nevertheless, for transparency and good corporate governance, the Company has defined an organization structures consisted of professional and competent management team with clear scope of authorizations and duties. The Company has also appointed the audit committees consisting of 3 independent directors, which have no interests in the Company in order to review company operations and protect the interests of minority shareholders. Resulting in appropriate check and balance and verifiable system.

6.5.2 Risks from low free float of the Company's securities in the Stock Exchange of Thailand which may results in the low liquidity transaction.

As of December 31, 2014, the Company has free float of 20.34% which result in relatively low liquidity transaction of the securities listed in the Stock Exchange of Thailand. Shareholders may have some risks of not being able to sell the Company's shares immediately at desired price.

However, the Company will continue to monitor and maintain appropriate free float level for shareholders on an on-going basis.



GROUP LEVEL STRATEGIES AND VISIONS

VISION 2020

It was a key milestone for the Company in 2014 to start implement “Vision 2020” strategic roadmap which is a roadmap of ThaiBev group and the Company (“The Group”) to become a strong and sustainable leading F&B company in ASEAN region. In perspective, The Group has evolved into a leading F&B business group with high potentials and strong platforms in–terms of size, revenue growth, market positions, diversity of products and consumer groups and distribution coverage across ASEAN region.

In order to become a truly strong and sustainable leading F&B company in ASEAN region, the Company needs to align vision and strategy with The Group to strengthen the business and grow from current strong platform, to increase efficiency from and harness on combined strengths within The Group as well as to makes sure all business directions are aligned. Five key strategic imperatives including 1. Growth 2. Diversity 3. Brands 4. Reach 5. Professionalism. These are key strategic imperatives are group level strategies which will be shaping overall directions and visions of The Group to become a strong and sustainable leader in ASEAN region. In additions, the Company has business operation strategies as follow;

7.1 BUSINESS OPERATION STRATEGIES

To perform Japanese restaurant and beverages business under Oishi Group, the company recognizes the importance of business strategy which is a key factor contributing to business success. This could be summarized in 7 perspectives.

7.1.1 Brand strengthening strategy by introducing quality healthy products (Brand)

Since the business was launched, the Company determines clear business principles and practices concerning Japanese restaurants and beverages with quality focus, under the brand “Oishi”. Therefore, “Oishi” has been widely recognized among health–lover consumers.

In addition, the Company has also focused on brand strengthening to create “Oishi” brand among consumers’ heart with new innovative creation to meet consumers’ lifestyle, including innovations related to products, activities, and campaigns, as well as has developed various forms of reaching new generation of consumers with a state–of–the–art, fun, and widely recognized brand.

7.1.2 Growth strategy (Growth)

Drive growths in revenue and operating performance with emphasis on non–alcoholic beverage business. Develop product and marketing innovations to tap–in new consumer demands.

7.1.3 Diversity strategy (Diversity)

The Company fulfills diverse consumer needs by offering varieties of products covering all consumer groups. Moreover, the Company thrives to expand food and beverage business overseas in order to diversify revenue streams and tap into high potentials markets both domestic and international by capitalizing on professional teams with diverse cultures, backgrounds and expertise.

7.1.4 Benefit management strategy from throughout sales channels (Reach)

The Company involves major distributors with experience to our marketing team responsible in implementing marketing strategy, causing our beverage products to be thoroughly distributed to our consumers. For food business, the Company also implements a strategy to expand new branches around Bangkok and other provinces continuously.

7.1.5 Professionalism build up strategy (Professionalism)

The Company continuously develop its human resources and implementation of the working environment to build up the professionalism teamwork.

7.1.6 Customer analysis strategy and continuous marketing strategy

The key target customers of Oishi cover consumers of all ages and genders who have health concern and modern lifestyle, as well as prefer to consume healthy foods and beverages. Japanese foods and beverages can directly satisfy the need of this group of customers. Over the time, the Company has continuously implemented marketing and PR strategy of Oishi products among these customers through several media, including TV, radio, and printings. In addition, currently the Company focuses on newly online digital media and alternative media, as well as recognizes the importance of the follow-up on customers' opinions to improve services in order to consistently maintain our standard.

7.1.7 Efficient cost management strategy

The Company recognizes the importance of raw material cost management and creating bargaining power against distributors in order to maintain costs and business outcomes with production management and delivery through a central kitchen, which is foods and beverages production unit for supplying all restaurants under Oishi Group. This helps the Company to manage purchasing and production costs efficiently, leading to the economy of scale.

7.2 MARKETING STRATEGIES FOR FOOD BUSINESS

7.2.1 Quality and value for money of products and services

The Company has a policy that focuses on quality of food and value for money concept in term of both quantity and price to maximize customer satisfaction. The Company's buffet style restaurants has provided variety menu with unlimited amount to customers at the very reasonable price.

7.2.2 Variety of products and services

The Company has 3 target customer groups categorize by foods, services, brands as follows;

- (1) Oishi Japanese Buffet restaurant and Nikuya focus on middle to upper income groups.
- (2) Shabushi focuses on middle-income group.
- (3) Oishi Ramen and Kakashi focus on teenagers and office worker and those who require fast service.

7.2.3 Menu presentation 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 this strategy can boost customer satisfaction, it can also help save food costs. Oishi's menu will be selectively changed once every three month

7.2.4 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.

7.2.5 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.

7.2.6 Pricing strategy

The Company has different product and service offerings at various price range in order to fulfill every demand of the target customers including teenagers, students, white collars, family and health-conscious individuals.

7.3 **MARKETING STRATEGIES FOR THE BEVERAGE BUSINESS**

7.3.1 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 including Amino Plus, attentively for the modern consumers who are health conscious and are in need of a refreshing feeling.

7.3.2 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' preferences. In 2014 the Company has a plan to release the innovative products to serve the different in consumers demand.

7.3.3 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.

7.3.4 Distribution channel strategy

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

7.3.5 Sales promotion and advertising

The Company has consistently advertised in various media i.e. TV, radio, newspaper, magazines and out of home media i.e. bus, BTS and MRT. The Company also focuses on new media such as online advertising and social media network i.e. facebook and LINE application 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.

7.4 **INDUSTRY AND COMPETITIVE SITUATION**

7.4.1 Market condition of Japanese food business

Restaurant Business

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.

Ready to cook and Ready to eat Business

Ready to cook and Ready to eat market in 2014, shown the growth rate increased steadily over 10-15% because of products that meet customer needs better, which focus on health, cleanliness, fast & variety of the products as well as the expansion of the channels, the new entrant competitors, the extremely various newly launched product caused aggressive competition in the market. So the Company should be adapted to increase the variety of products available in the market by utilize our expertise in the area of Japanese food business to be a main market expansion or sourcing products from other manufacturers. Engaged in manufacturing products under the Oishi Brand to expand its product line and increase customer demand.

7.4.2 Market condition of tea beverage

RTD tea promotion campaign focused on the image differentiation of the Brand against other competitors via the campaign “ Mee Oishi Chevit O jung”. The campaign aimed to touch up the young generation; our main target and also to emphasize brand awareness through campaign ‘Tour Yok Gang O Yok Guan’.

In 2014, RTD tea market is still in an intense competition from several issues such as from promotion, from price posting, from the new entry of competitors. Given the fierce market competition in past year, the Company increased competitive. However, Oishi green tea are still be the leader in the market share continuously.

7.5 INVESTMENT PROMOTION CERTIFICATES

Oishi Trading Company Limited (“Oishi Trading”), a subsidiary, has been granted investment promotion certificates with details as follows:

7.5.1 On November 23, 2005, Oishi Trading was granted the 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 recruit 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. Oishi Trading is allowed to deduct the losses after the year of allowance. And it is allowed to choose to deduct for only 1 year or many years after the allowance period ends.
- Exemption for dividend tax during 8 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
- Has production capacity of sealed bottle of fruit and vegetable juice at 144 million liter (20 hrs/day: 300 days per year).
- A Thai nationality residents must own at least 51% of total registered shares.
- Has to operate to get ISO 9000 or equivalent within 2 years.
- The factory must be constructed within Amartanakorn industrial zone in Chonburi.

This Promotion Certificate 8-year maturity on September 27, 2014

7.5.2 On August 1, 2012, Oishi Trading was granted the 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 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, Oishi Trading is allowed to choose to deduct for only 1 year or many years after the allowance period ends within the limit of 5 years.
- Exemption for dividend tax during 8 years of allowance.

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.
- Has production capacity of sealed bottle of fruit and vegetable juice at 116 million liter (20 hrs/day: 300 days per year).
- A Thai nationality residents must own at least 51% of total registered shares.
- Has to operate to get ISO 9000, or ISO 14000, or equivalent within 2 years.
- The factory must be constructed in Saraburi province.

7.5.3 On December 18, 2012 the Board of Investment has issued a certificate No. 5039 (2)/ 2013 to Oishi Trading as a measures to revive investment from the flood of year 2011 by issuing a new certificate to replace the two old certificates (the two old certificates No. 1214 (2) /2010 and 1954 (2) /2010. Board of Investment has announced the cancellation on September 24, 2014)

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, Oishi Trading is allowed to choose to deduct for only 1 year or many years after the allowance period ends within the limit of 5 years.
- Exemption for dividend tax during 8 years of allowance.

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.
- Has production capacity of sealed bottle of fruit and vegetable juice at 258 million liter (20 hrs/day: 300 days per year).
- A Thai nationality residents must own at least 51% of total registered shares
- Has to operate to get ISO 9000, or ISO 14000, or equivalent within 2 years.
- The factory must be constructed within the premises of Navanakorn industrial zone in Pathumthani province.

7.5.4 On August 6, 2013, Oishi Trading was granted the 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 in 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, Oishi Trading is allowed to choose to deduct for only 1 year or many years after the allowance period ends within the limit of 5 years.
- Exemption for dividend tax during 8 years of allowance.

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.
- Has production capacity of sealed bottle of fruit and vegetable juice at 150 million liter (20 hrs/day: 300 days per year).
- A Thai nationality residents must own at least 51% of total registered shares
- Has to operate to get ISO 9000, or ISO 14000, or equivalent within 2 years.
- The factory must be constructed in Saraburi province.

7.5.5 On August 6, 2013, Oishi Trading Company Limited was granted the 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.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 in 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, Oishi Trading is allowed to choose to deduct for only 1 year or many years after the allowance period ends within the limit of 5 years.
- Exemption for dividend tax during 8 years of allowance.

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.
- Has production capacity of sealed bottle of fruit and vegetable juice at 150 million liter (20 hrs/day: 300 days per year).
- A Thai nationality residents must own at least 51% of total registered shares
- Has to operate to get ISO 9000, or ISO 14000, or equivalent within 2 years.
- The factory must be constructed within the premises of Navanakorn industrial zone in Pathumthani province.

7.5.6 On August 6, 2013, Oishi Trading Company Limited was granted the 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 in 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, Oishi Trading is allowed to choose to deduct for only 1 year or many years after the allowance period ends within the limit of 5 years.
- Exemption for dividend tax during 8 years of allowance.

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.
- Has production capacity of sealed bottle of fruit and vegetable juice at 304 million liter (20 hrs/day: 300 days per year).
- A Thai nationality residents must own at least 51% of total registered shares
- Has to operate to get ISO 9000, or ISO 14000, or equivalent within 2 years.
- The factory must be constructed in Saraburi province.

7.5.7 On August 6, 2013, Oishi Trading Company Limited was granted the 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 in 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, Oishi Trading is allowed to choose to deduct for only 1 year or many years after the allowance period ends within the limit of 5 years.
- Exemption for dividend tax during 8 years of allowance.

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.
- Has production capacity of sealed bottle of fruit and vegetable juice at 188 million liter (20 hrs/day: 300 days per year).
- A Thai nationality residents must own at least 51% of total registered shares.
- Has to operate to get ISO 9000, or ISO 14000, or equivalent within 2 years.
- The factory must be constructed within the premises of Navanakorn industrial zone in Pathumthani province.

7.6 PRODUCT AND SERVICE PROCUREMENT

7.6.1 Raw Material Procurement

The Company is committed to offer quality Japanese food and beverage products to customers. Therefore, the Company puts high emphasis on raw materials sourcing by having strict process of supplier screenings and selections. This includes pre-order quality assurance, suppliers bidding and physical goods checking in order to ensure that raw materials will meet high quality and standards. Delivery timeliness is also another important factor in selecting potential suppliers in order to avoid raw materials shortage. Moreover, the suppliers should show strong potentials to develop their capacity and products to serve and match the Company's changing and growing business accordingly.

In addition to quality aspects, the Company also considers pricings of the raw materials and supplies as these are relevant to the Company's costs. Therefore, procurements process require verifications, pricing comparisons and orders optimization to create competition among suppliers and increase bargaining power of the Company. Price reviews are also conducted on an on-going basis to make sure that prices of raw materials and supplies are reasonable and in-lined with market conditions.

For quality assurance and standardization purposes, several products are produced and processed at the Company's central kitchen. This also help ensures efficient inventory control and management.

For beverage business, not only the raw materials' quality, the Company also consider social responsibilities. Hence, the Company sources high quality tea leaves from domestic farms in order to create jobs and income to local farmers. The Company also execute long-term contracts with the farmers to control risks from raw material price fluctuations and generate sustainable income to local farmers.

Lastly, the Company continues to searches and open for any new suppliers in order to mitigate risks from raw materials shortage. The Company also does not support any suppliers which are involved with corruptions, human trafficking and violations of human rights.

7.6.2 Procurement and Production

Oishi Trading Company Limited, a subsidiary, is considered as the Company's central 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.

As of December 31, 2014, Oishi Trading Company Limited has 6 factories by this below details;

1. Oishi Trading 60/1120 Moo 19 Navanakorn Industrial Estate Klongluang Phatumthani 12120 (Aseptic Cold Filling in PET)
2. Oishi Trading 60/68 Moo 19 Navanakorn Industrial Estate Klongluang Phatumthani 12120 (Hot Filling in PET)
3. Oishi Trading 60/68 Moo 19 Navanakorn Industrial Estate Klongluang Phatumthani 12120 (Aseptic Cold Filling in paper brick)
4. Oishi Trading 700/635 Moo 3 Amatanakorn Industrial Estate Bankoa Phanthon Chonburi 20160 (Hot Filling in PET)
5. Oishi Trading 333 Moo 1 Salangphan Saraburi (Aseptic Cold Filling in PET)
6. Oishi Trading 283/2 Moo 3 Nongchak Banbueng Chonburi (Central Kitchen)

Production Capacity

Total beverage capacity in PET is 780 million bottles per year and in Paper Brick is 360 million bricks per year.

For central kitchen, total capacity for catering is 12,000 tons per year , Gyoza is 4,000 tons per years and sandwich is 20 million pieces per year.

With the above mentioned capacity, the Company is well positioned to serve domestic and international demands.

Environmental impact from manufacturing process and wastes

The Company follows the best practices for minimum environmental impacts i.e. production wastes, disposed materials from the process or any work-in-process. By applying clean technology with efficient treatment system for any wastes to ensure it must not affect the environments. Enhanced with sustainable waste and loss reduction programs, the Company controls risk factors which could affect the environment and reduce resources usage by saving energy and being complied with ISO 14001 Environmental Management Standard of which all of the Company's factories have already been accredited. Ensuring reliable and high standards environmental impacts management.

Regarding factories'safety, professional third party inspectors are engaged every year to assure safety and inspect production areas such as building structures and boilers.

During the year, the Company complied with all rules, regulations related to environment and safety as well as ISO 14001. Hence, there are no pending litigations related to such topics.

7.7 BUSINESS OPERATING LIMITATIONS

-None-

BUSINESS ASSETS

Business operation assets of the Company and its subsidiaries are consisting of both tangible and intangible assets. As of December 31, 2014, the net book values are detailed follows:

8.1 LAND AND LAND IMPROVEMENTS

The Company has land and land improvements for business operation with book value as of December 31, 2014 as follows;

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 province	Owner	371.49	None
Land with 182-2-19 rais with improvements at Tumbon Nong Chak, Ampor Banbueng (Muang), Chonburi province	Owner	147.58	None
Total		519.07	

8.2 BUILDINGS AND BUILDING IMPROVEMENTS

Buildings are used for business operation with book value as of December 31, 2014 as follows;

BUILDINGS AND BUILDING IMPROVEMENTS	TYPE OF POSSESSION	NET BOOK VALUE (MILLION BAHT)	COLLATERAL FOR LOANS
Building and structure at Navanakorn Industrial Zone 2, Klong Luang, Pathumthanee province	Owner	948.45	None
Building and structure at Amata Nakorn Industrial Estate, Bankao, Panthong, Chonburi province.	Leased	106.03	None
Building Improvements No.333 Moo 1 Highway 2089 (Muak Lek-Wang Muang) Tumbon Salaeng Phan, Ampor Wang Muang, Saraburi province	Leased	74.13	None
Central Kitchen at Tumbon Nong Chak, Ampor Banbueng, Chonburi province	Owner	355.11	None
Other improvements	Owner	11.21	None
Total		1,494.93	

8.3 RENTAL AGREEMENT

As of December 31, 2014, the Company has 220 rental contracts with retailers for Japanese food restaurant business. Most are short-term in a period of three years, with the optional for another three years renewal term. Most of contracts will expire in 2015-2017

In addition, the Company has short-term property lease agreements for operation of the Cold Aseptic Filling Line 2 in Saraburi Province where it is the most suitable location for distribution. 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.

8.4 LEASEHOLD RIGHTS

Majority of locations for Oishi businesses are under the contract of 3 years with the optional for another three years renewal term. This is to lessen the 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, 2014 is as follows;

AREA/LOCATION	RENTAL PERIOD/ EXPIRATION	NET BOOK VALUE (MILLION BAHT)	COLLATERAL FOR LOANS
1 st floor, Seacon Square, Unit no. 1053-1054 in 292.58 sq.m. area	21 years and 10 months 25 Days / Expire 2024	11.34	None
The Mall Ngamwongwan. Unit no. GFC1A in 220 sq.m. area and GFC1B in 101sq.m. area	17 years and 9 months 10 days / Expire 2019	4.10	None
The Mall Bangkapi Unit no. GF-F5A in 300 sq.m.area and no. GF-5B in 52 sq.m area	20 years and 5 months 15 Days / Expire 2022	14.85	None
Central Plaza, Pinklaow, Unit no. G45 in 160.15 sq.m area	13 years and 1 months 30 Days / Expire 2015	0.31	None
Future Park Rangsit, Unit no. B56 in 134 sq.m area	15 years and 6 months / Expire 2021	5.50	None
Esplanade Ratchada, Unit no. B41 in 288 sq.m area	24 years and 4 Days/ Expire 2031	21.54	None
Total		57.64	

8.5 TOOLS AND MACHINERY FOR MANUFACTURING

As of December 31, 2014, tools and machinery for manufacturing are as follows;

TYPE OF TOOLS AND MACHINERY FOR MANUFACTURING	NET BOOK VALUE (MILLION BAHT)	COLLATERAL FOR LOANS
Machinery-Beverage	2,893.62	None
Machinery-Food	401.44	None
Total	3,295.06	

8.6 DECORATION AND INTERNAL SYSTEMS

As of December 31, 2014, decoration and internal systems for business operation are as follows;

TYPE OF DECORATION AND INTERNAL SYSTEMS	NET BOOK VALUE (MILLION)	COLLATERAL FOR LOANS
Decoration	441.03	None
Internal systems	931.11	None
Total	1,375.14	

8.7 CONSTRUCTION IN PROGRESS AND INSTALLATION

Construction in progress and installation as of December 31, 2014, are as follows;

TYPE OF CONSTRUCTION IN PROGRESS AND INSTALLATION	NET BOOK VALUE (MILLION)	COLLATERAL FOR LOANS
Machinery of Cold Aseptic Filling Line 3	205.70	None
OEM Project	199.34	Certain parts
Branches in Progress	-	None
Others	30.49	None
Total	435.53	

8.8 OTHER ASSETS

Other assets include office equipment, furniture and fixtures, restaurant utensils and vehicles. Net book value as of December 31, 2014 is 228.09 million Baht.

8.9 INTELLECTUAL PROPERTY

Since started operations the Company has submitted applications for registration of many trademarks and service marks domestically and internationally 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”, “Green tea”, “Chakulza”, “Fruit”, “Amino OK”, “Nekko” and “Fruitza”.

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

In addition, the Company was awarded for “The Most Powerful Brand of Thailand 2014” awarded in RTD tea category from the survey of Faculty of Commerce and Accountancy, Chulalongkorn University which the Company has received for the second consecutive year.

8.10 INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

As of February 25, 2015, the list of 7 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:

8.10.1 Direct subsidiaries

Company name	Business Types	Share Type	Registered Capital	Paid-up Capital	Number of Issue Share	Number of Shares Held	Investment Ratio %	Director
1. Oishi Trading Co., Ltd. (Oishi Trading) 19 th -20 th Floor, PARK VENTURES ECOPLEX 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330	Production and distribution of beverage and foods	Ordinary	Baht 420,000,000	Baht 420,000,000	4,200,000	4,199,990	99.99	1. Mr. Thapana Sirivadhanabhakdi 2. Mr. Sithichai Chairiangkrai 3. Mr. Ueychai Tantha-Obhas 4. Mr. Pisanu Vichiensanth 5. Mr. Marut Buranasetkul 6. Mrs. Sureeporn Pradittasnee
2. Oishi Ramen Co., Ltd. (Oishi Ramen) 19 th - 20 th Floor, PARK VENTURES ECOPLEX 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330	Japanese Restaurant	Ordinary	Baht 158,000,000	Baht 158,000,000	1,580,000	1,579,994	99.99	1. Mr. Thapana Sirivadhanabhakdi 2. Mr. Sithichai Chairiangkrai 3. Mr. Ueychai Tantha-Obhas 4. Mr. Pisanu Vichiensanth 5. Mr. Marut Buranasetkul 6. Mrs. Sureeporn Pradittasnee
3. Oishi International Holdings Limited (OIHL) ⁽¹⁾ Room 901-2, Silvercord Tower 1 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	To support international business expansion	Ordinary	HKD 9,400,000	HKD 9,400,000	9,400,000	9,400,000	100	1. Mr. Sithichai Chairiangkrai 2. Mr. Marut Buranasetkul 3. Mrs. Chitkasem Moo-Ming 4. Mr. Aniruth Mahathorn 5. Mr. Lee Man Kong
4. Oishi Snack Co., Ltd. (Oishi Snack) ⁽²⁾ 19 th - 20 th Floor, PARK VENTURES ECOPLEX 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330	To serve future snack expansion	Ordinary	Baht 80,000,000	Baht 52,000,000	800,000	799,997	99.99	1. Mr. Thapana Sirivadhanabhakdi 2. Mr. Sithichai Chairiangkrai 3. Mr. Ueychai Tantha-Obhas 4. Mr. Pisanu Vichiensanth 5. Mr. Marut Buranasetkul 6. Mrs. Sureeporn Pradittasnee

8.10.2 Indirect subsidiaries

Company name	Business Types	Share Type	Registered Capital	Paid-up Capital	Number of Issue Share	Number of Shares Held	Shareholder	Investment Ratio %	Directors
1. Oishi F&B (Singapore) Pte. Ltd. (OSPL) ⁽³⁾ No. 438 Alexandra Road, #05-01 Alexandra Point, Singapore 119958	To support international business expansion	Ordinary	SGD 1,520,000	SGD 1,520,000	1,520,000	1,520,000	Oishi International Holdings Limited	100	1. Mr. Paisarn Aowsathaporn 2. Mrs. Chitkasem Moo-Ming 3. Ms. Tan Yen Hoon 4. Ms. Ong Hwee Lin Gene 5. Mr. Ng How Hwan Kevin
2. Oishi Myanmar Ltd. (OML) ⁽⁴⁾ No. 1-11 Padonmar Stadium (East Wing), Bargayar Street, Sanchaung Township, Yangon, Myanmar	Japanese Restaurant	Ordinary	USD 2,100,000	USD 2,100,000	2,100,000	1,155,000	Oishi F&B (Singapore) Pte Ltd.	55	1. Mr. Marut Buranasetkul 2. Mr. Paisarn Aowsathaporn 3. Mrs. Chitkasem Moo-Ming 4. Mrs. Daw Win Win Tint 5. Mr. U Soe Moe Thu
3. Oishi Group Limited Liability Company (OGLLC) ⁽⁵⁾ No. 11A, Phan Ke Binh Street, Da Kao ward, District 1, Ho Chi Minh City, the Socialist Republic of Vietnam	To serve future international expansion	-	USD 50,000	USD 50,000	-	-	Oishi F&B (Singapore) Pte Ltd.	100	1. Mr. Marut Buranasetkul 2. Mr. Paisarn Aowsathaporn 3. Mrs. Jesdakorn Ghosh 4. Mrs. Chitkasem Moo-Ming

Notes

- (1) 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 capital after the increasing is 9,300,000 shares totalling to 9,400,000 shares altogether. The Company has called for fully paid up of share price on February 10, 2014.
- (2) Oishi Snack is incorporated in Thailand on April 28, 2014
- (3) OSPL is incorporated in Singapore on February 3, 2014 and has registered for capital increase from SGD 1 to SGD 1,520,000. The total of issued and paid up shares in this capital increase is SGC 1,519,999 shares totalling to 1,520,000 shares altogether. Mr. Ng How Hwan Kevin was appointed as Director to replace Mr. Ho Eng Seng David effective on January 19, 2015.
- (4) OML is received the temporary certificate of incorporation and form of permit to operation on 9 May 2014. On August 28, 2014, OML was permanently incorporated and operated with absolute retroactive from the date of temporary incorporation. The initial issue and paid-up share capital called was USD 800,000 and has increased the issue and paid-up share to USD 2,100,000 on February 6, 2015.
- (5) OGLLC is incorporated in the Socialist Republic of Vietnam on February 14, 2015

LEGAL DISPUTES



As of 31 December 2014, 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

CAPITAL STRUCTURE



10.1 ORDINARY SHARES

As of 31 December 2014, 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 the Stock Exchange of Thailand.

10.2 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
Debentures Registrar	: Siam Commercial Bank Public Company Limited
Debentures Rating	: A-/Stable affirmed by TRIS Rating Company Limited (reviewed on December 19, 2014)

10.3 SHAREHOLDERS

10.3.1 As of December 30, 2014, Major shareholders and stock holding proportion based on paid-up capital are as follows:

REF	SHAREHOLDERS' NAME	SHARES	%
1.	Thai Beverage Public Company Limited	149,360,199	79.659
2.	DBS BANK A/C DBS NOMINEES-PB Clients	9,000,000	4.800
3.	UOB KAY HIAN PRIVATE LIMITED	9,000,000	4.800
4.	Mr. Thaveechat Jurangkool	8,263,100	4.407
5.	PHILLIP SECURITIES PTE LTD.	4,678,700	2.495
6.	HSBC (SINGAPORE) NOMINEES PTE LTD	1,182,400	0.631
7.	Mrs. Hatairat Jurangkool	930,000	0.496
8.	Thai NVDR Company Limited	286,694	0.153
9.	Mr. Kuanchai Kerdkaewfah	210,100	0.112
10.	Mr. Boonyakit Avesudkit	161,300	0.086
11.	Minor shareholders	4,427,507	2.361
	Total	187,500,000	100

10.3.2 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 of August 28, 2014 the companies that are related to Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi held shares in Thai Beverage Public Company Limited totally 65.89% of the paid-up capital.

As of March 17, 2014, 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	8,169,719,364	32.54
3.	Maxtop Management Corp.	3,694,675,000	14.71
4.	Nexus Power Investment Limited	420,514,080	1.67
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.	Mr. Natthawat Techapaiboon	72,377,500	0.29
	Total	24,241,345,944	96.55

10.4 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.

10.5 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.

Dividend payment information

	2012	2013
Dividend per share	Baht 2.20	Baht 1.30
Total amount	Baht 412.5 million	Baht 243.75 million
% of dividend payment	63.07	53.50

This is in line with our dividend policy, where we intend to pay out not less than 40% of net profit after deduction of tax and legal reserves.

11.1 BOARD OF DIRECTORS STRUCTURE

As of December 31, 2014, the Company's management consists of 7 committees including, the Board of Directors and 6 sub-committees namely the (1) Executive Committee, (2) Audit Committee, (3) Risk Management Committee (4) Nomination Committee (5) Remuneration Committee and (6) Good Corporate Governance Committee. Details are as follows:

11.1.1 Board of Directors

The Board of Directors comprises of 9⁽¹⁾ members

- | | |
|---|-----------------------------------|
| (1) Mr. Prasit Kovilaikool ⁽²⁾ | Chairman and Independent Director |
| (2) Mr. Thapana Sirivadhanabhakdi | Vice Chairman |
| (3) Mr. Vikrom Koopirochana | Independent Director |
| (4) Ms. Potjaneer Thanavarant | Independent Director |
| (5) Mr. Chai Jroongtanapibarn | Independent Director |
| (6) Mr. Sithichai Chaikriangkrai | Director |
| (7) Mr. Ueychai Tantha-Obhas | Director |
| (8) Mr. Marut Buranasetkul | Director |
| (9) Mr. Pisanu Vichiansanth | Director |

Authorized Directors are as follow;

"Two Directors to co-sign and affix the Company Seal, except Mr. Vikrom Koopirochana, Mr. Chai Jroongtanapibarn, Ms. Potjaneer Thanavarant, and Mr. Prasit Kovilaikool"

Roles, Authorities and Responsibilities of the Board of Directors

The Board of Directors has authorities and responsibilities to perform all duties using their knowledge, abilities and experience for the best benefit of the Company and also to monitor and supervise the administration of the Management to ensure full in compliance with laws, objectives and articles of association of the Company as well as the resolutions of the shareholders meetings. Covering establishes or considers and approve vision, mission, strategy, goals and business policies of the Company. The Board of Directors is also responsible for monitoring implementation by management in accordance with the approved policies, plans and budgets with efficiency and effectiveness to all stakeholders.

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 to 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.

Remark:

- (1) Mr. Narong Srisa-an, Mr. Matthew Kichodhan and Mrs. Sureeporn Pradittasnee was retired by rotation at the 2014 Annual General Meeting which held on April 30, 2014 and they were intended not to be re-elected for another term.
- (2) Mr. Prasit Kovilaikool was appointed as the Chairman by the Board of Directors Meeting No.2/2014 held on April 30, 2014 to replace Mr. Narong Srisa-an who retired from directorship.

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 or merger/ amalgamation of the Company's business with other parties for profit/loss sharing.
4. Amendment of the Company's Memorandum of Association or Articles of Association.
5. Increase or decrease of the registered capital and issuance of debenture.
6. Dissolution of the Company
7. Merger or amalgamation with other 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.

Roles, Authorities and Responsibilities of the Chairman

Chairman has responsible for the significant issues such as;

1. Lead the Board of Directors duties regarding the monitoring and ensuring that the Company's operation shall achieve the ultimate goals.
2. Be the Chairman of Board of Directors' Meeting and Shareholders' Meeting.
3. Be the decision making when the Board of Directors Meeting met the equal vote casts.
4. Perform other tasks as pursuant by Law

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), The Stock Exchange of Thailand (SET) and other institutes, for all directors enable them to continuously improve their performance.

In 2014, there are directors attended the training programs conducted by IOD, SET or other independent organization such as;

1. Ms. Potjane Thanavaraniit attended the Role of the Director Certification Program Updated (DCPU) class 1/2014 conducted by IOD.
2. Mr. Vikrom Koopirochana attended the Successful Formulation & Execution of Strategy (SFE) program class 22/2014 conducted by IOD.

11.1.2 The Executive Committee

The seven members of the Executive Committee are;

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

Roles, Authorities and Responsibilities of the Executive Committee

1. Follow the Company's policy which obliges to law and regulation except for those issues subjected to obtain prior approval from the Shareholders' Meeting.
 2. Hold the authority to propose, instruct and set business policy and strategy to the Board of Directors.
 3. Set business plan, management authority, annual business budget and annual expense budget to be proposed to the Board of Directors for approval.
 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 follow:
 - 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, raw material/machine purchasing, 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 if 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.
 7. Hold the authority to approve the opening of deposit account with domestic 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 **are** being presented to the Executive Committee. The board also has the power to revoke **and/or** 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.

11.1.3 The Audit Committee

The three audit committees⁽¹⁾ are;

- (1) Mr. Vikrom Koopirochana
Chairman of the Audit Committee
- (2) Ms. Potjane Thanavarant
Audit Committee
- (3) Mr. Chai Jroongtanapibarn
Audit Committee

Term in the 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 are unable to hold office, 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⁽²⁾

1. Audit Committee shall perform the duties as stipulated in the notice of the Stock Exchange of Thailand not only but limited to :-
 - 1.1 Review the Company's financial reporting processes to ensure that they are accurate and adequate;
 - 1.2 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;
 - 1.3 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;
 - 1.4 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;
 - 1.5 Prepare the audit committee report, signed by the Chairman of the Audit Committee, and disclose in the Company's Annual Report
2. Review the efficiency and effectiveness of internal control system and report to the Board of Directors that the Company's operation are conform to the Public Company Limited Acts and regulations of The Stock Exchange of Thailand and The Securities and Exchange Commission;
3. Be the channel to collect the suggestion or complaint issues from both inside and outside the Company;
4. Perform other tasks as assigned by the Board of Directors with concurrence from the Audit Committee.

Remark:

- (1) Ms.Potjane Thanavaranit and Mr. Chai Jroongtanapibarn are qualified with knowledge and experience to review the credibility of the Company's financial statements.
- (2) The Board of Directors Meeting No.4/2014 held on August 13,2014 had passed the resolution to revised the Audit Committee Charter effective from August 13, 2014.

11.1.4 The Risk Management Committee

The thirteen Risk Management Committees are;

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

The composition of Risk Management Committee⁽³⁾

Risk Management Committee comprise of Director and Management from each department or any other person appointed by the Board of Directors' meeting. At least one committee shall be director and the Board of Directors shall appointed the Chairman of the Committee. The secretary to the committee shall be appointed from one of the committee member or other appropriate person.

Roles, Authorities and Responsibilities of the Risk Management Committee⁽⁴⁾

The roles and authorities of Risk Management Committee are;

1. Set policy and integrated risk management framework that thoroughly cover main business risks i.e. Strategic Risks, Financial Risks, Operational Risks, Corruption Risks and External 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.

Remarks:

- (1) Mrs. Jesdakorn Ghosh (Taratip) has been appointed from the Board of Directors Meeting No. 1/2014 on February 25, 2014 to be the Risk Management Committee, effective from February 25, 2014 onward.
- (2) Mr. Suraat Chaiwongse has been appointed from the Board of Directors Meeting No. 4/2014 on August 13, 2014 to be the Risk Management Committee, effective from August 13, 2014 onward.
- (3) The Board of Directors Meeting No. 4/2014 held on August 13, 2014 had passed the resolution to approve the Risk Management Committee Charter effective from August 13, 2014.

11.1.5 The Nomination Committee

The three Nomination Committees are;

- (1) Mr. Vikrom Koopirochana
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 approved 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

11.1.6 The Remuneration Committee

The five Remuneration Committees are;

- (1) Ms. Potjane Thanavarant⁽¹⁾
Chairman of the Remuneration Committee
- (2) Mr. Vikrom Koopirochana
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.

Remarks:

- (1) Ms. Potjane Thanavaranit has been appointed from the Board of Directors Meeting No. 2/2014 held on April 30, 2014 to be the Chairman of the Remuneration Committee replace for Mr. Narong Srisa-an who complete his directorship at the 2014 Annual General Meeting on April 30, 2014.

11.1.7 Good Corporate Governance Committee⁽¹⁾

The five Good Corporate Governance Committee are;

- (1) Ms. Potjane Thanavaranit
Chairman of the Good Corporate Governance Committee
- (2) Mr. Vikrom Koompirochana
Good Corporate Governance Committee
- (3) Mr. Chai Jroongtanapibarn
Good Corporate Governance Committee

- (4) Mr. Thapana Sirivadhanabhakdi
Good Corporate Governance Committee
- (5) Mr. Marut Buranasetkul
Good Corporate Governance Committee

The composition of the Good Corporate Governance Committee⁽²⁾

The Board of Directors has appointed the Good Corporate Governance Committees which comprise of atleast three Company's director and not less than a half of the committee shall be independent director. One of independent director shall be appointed to be the Chairman of the committee.

Roles and Responsibilities of the Good Corporate Governance Committees⁽²⁾

The roles and authorities of Corporate Governance Committee are;

1. Set up policies, standard regulations and advise the Good Corporate Governance practices to the Board of Directors.
2. Monitor and supervise the Board of Directors and the management regarding the compliance to the Good Corporate Governance.
3. Review the Corporate Governance Policy by considering with the rules and regulations of The Securities and Exchange Commission, The Stock Exchange of Thailand or any other relevant regulators and propose to the Board of Directors.
4. Follow up the Company's operation whether comply to the Corporate Governance policy or not and report to the Board of Directors

Remarks

- (1) Board of Directors Meeting No.3/2014 held on May 12, 2014 had passed the resolution to appointed the Good Corporate Governance Committee effective from May 12, 2014 onward.
- (2) Board of Directors Meeting No.4/2014 held on August 13, 2014 had approved the Good Corporate Governance Committees Charter effective from August 13, 2014 onward.

11.1.8 Company Secretary

As of May 1, 2013 the Board of Directors appointed Mrs. Chitkasem Moo-Ming to be the Company Secretary effective from 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 Supervisory Board.

11.1.9 The Executives ⁽¹⁾

The Executives of the Company are

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

Remarks:

- (1) The executives name are defining according to the Notification of the Securities and Exchange Commission as of December 31, 2014. The Board of Directors names are in Section 11.1.1
- (2) Mrs. Jesdakorn Ghosh (Taratip) was appointed as a Vice President- Beverage Business effective on January 6, 2014.
- (3) Mrs. 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 Risk Management Committee for operating business and risks management of the Company in line with the Objectives and Articles of Association of the Company and the resolution of the Shareholders' Meeting and Board of Directors' Meeting as well as policies and 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

11.2 THE RECRUITMENT FOR BOARD OF DIRECTORS, INDEPENDENT DIRECTORS, AUDIT COMMITTEE AND EXECUTIVES

11.2.1 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 the 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.

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

The Company's independent director and audit committee must possess qualifications and must comply with the independence definition as stipulated by the Capital Market Supervisory Board during their directorship 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

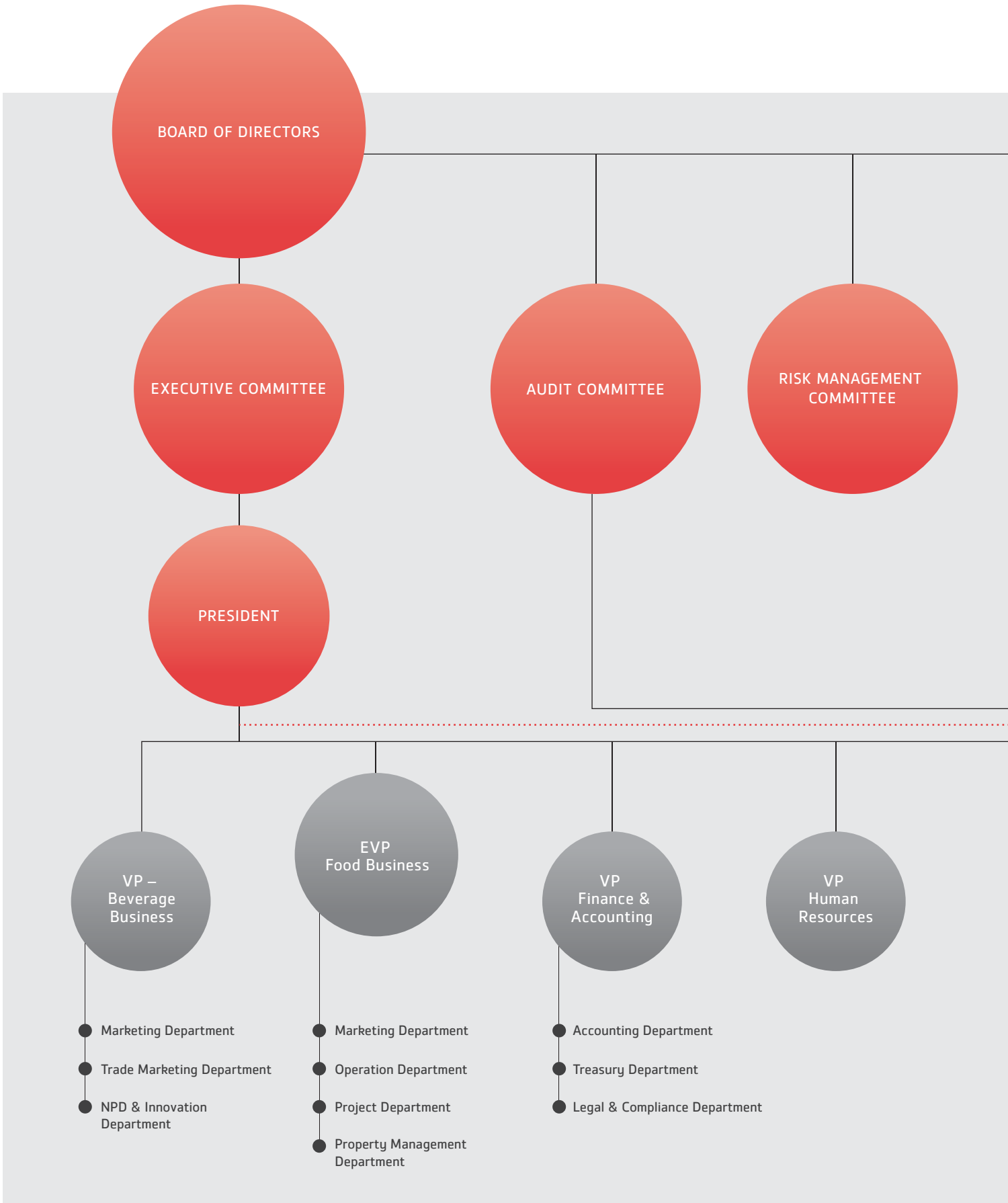
a father, mother, spouse, sibling, and child, including as a spouse of a child, of any management person, major shareholder, or of any controlling person, or of the person being nominated to be a management person of or a controlling person of the Company or the Company's subsidiary company.

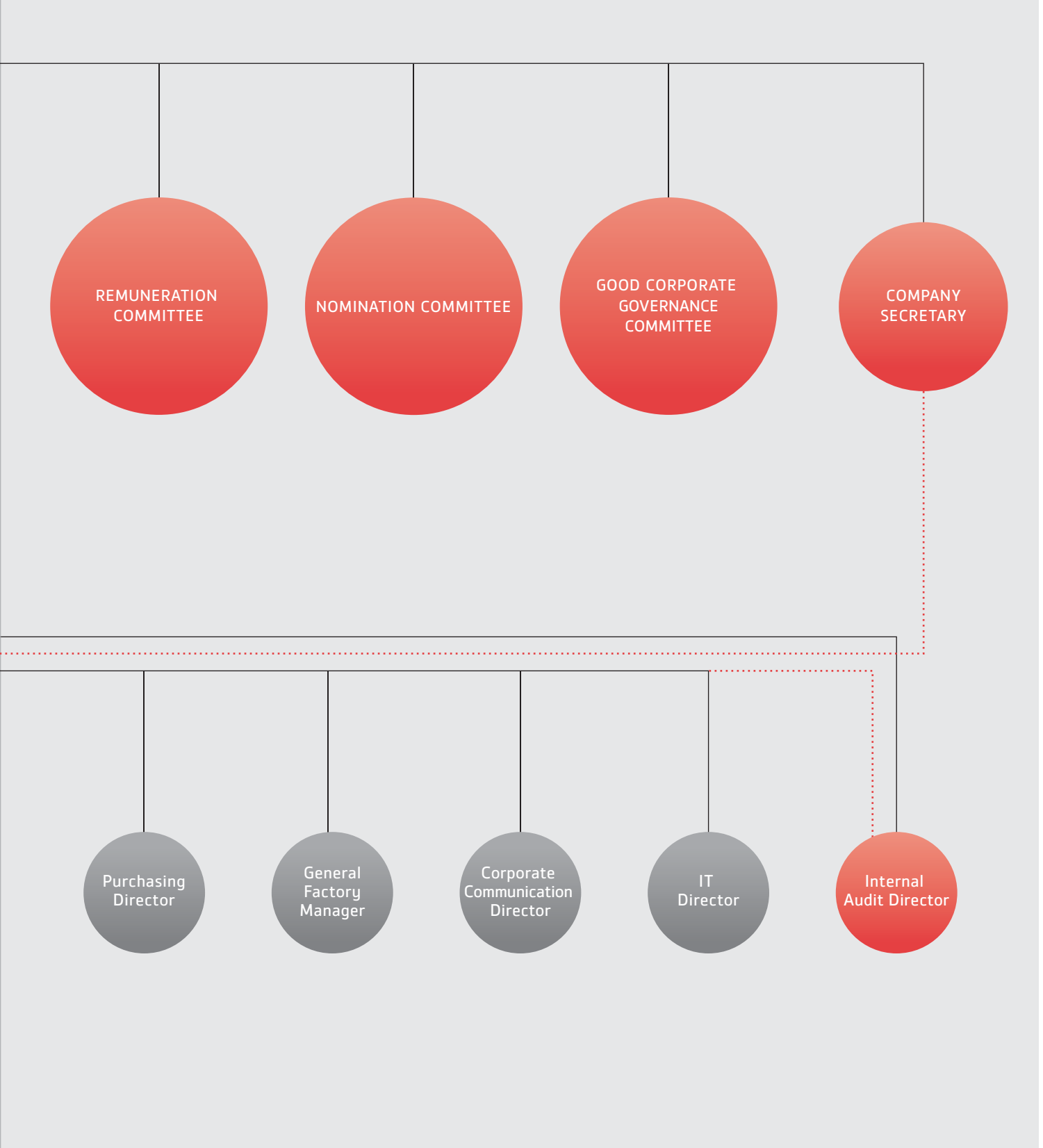
6. Not being a director appointed as a representative of a major shareholder, or the shareholder who is a related person of a major shareholder of the Company.
7. Not having any other characteristics that prevent the exertion of independent opinion with regard to the Company's business.
8. After the appointment, the 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, the 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 in an annual information disclosure (Form 56-1) and an annual report (Form 56-2).

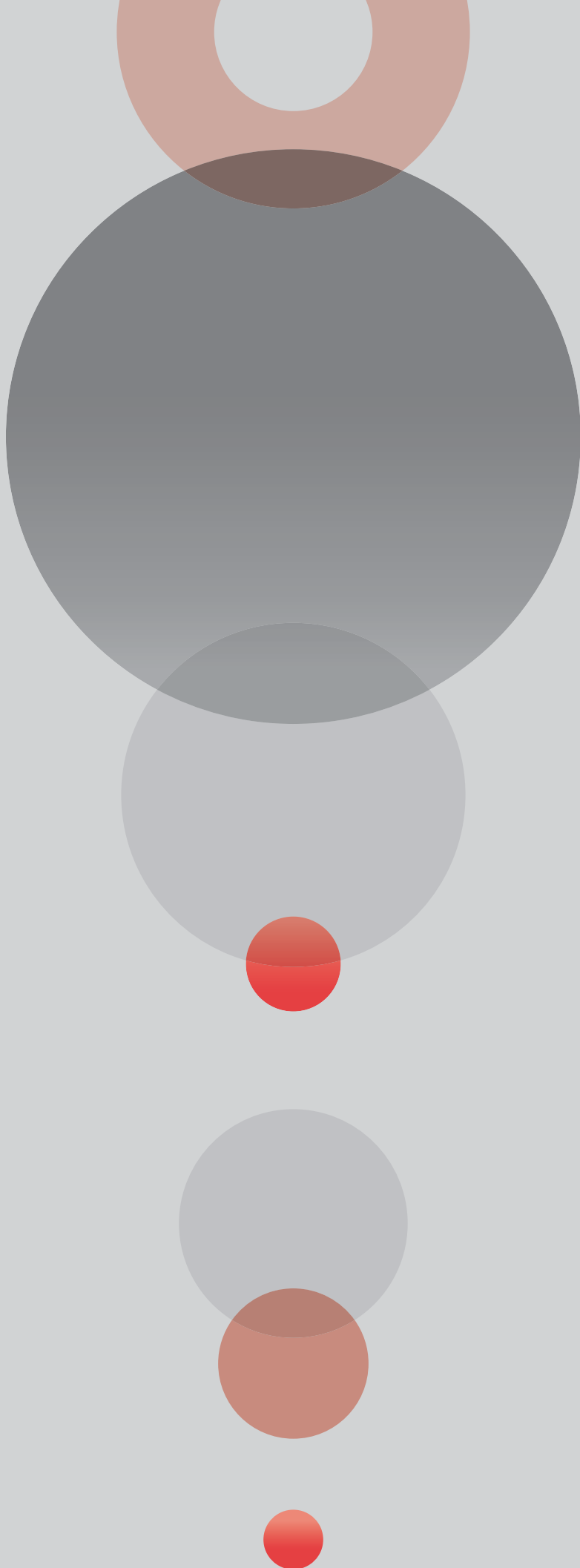
11.3 CORPORATE GOVERNANCE

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 Page 108-124 of this Annual Report.

ORGANIZATION CHART







INFORMATION ON THE BOARD OF DIRECTORS AND THE EXECUTIVES

1.

MR. PRASIT KOVILAIKOOL

Type of Director

Independent Director

Date of Appointment

April 20, 2010

Current Position

Chairman of the Board of the Director, Independent Director, Remuneration Committee Member, and Nomination Committee Member

Date of Birth

June 22, 1943

Age

72

Education

- LL.B (Second Class Honours), Chulalongkorn University
- LL.M., Columbia University, New York, U.S.A.
- Doctor of Laws (Honorary Degree), Chulalongkorn University
- Doctor of Laws (Honorary Degree), Eastern Asia University
- Barrister-at-law, The Thai Bar Association

Training

Thai Institute of Directors Association (IOD)

- Finance for Non-Finance Director (FND) 2004
- 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

4 years 10 months

Positions in other listed companies

Present **Independent Director, Chairman of the Audit Committee Chairman of the Remuneration and Nominating Committee and Chairman of the Corporate Governance Committee**
Siam Food Products Public Company Limited

Independent Director and Chairman of the Audit Committee
Berli Jucker Public Company Limited

Positions in other non-listed companies

Present **Independent Director, Chairman of the Audit Committee, Chairman of the Remuneration Committee and Nomination Committee**
Thai Beverage Public Company Limited

Chulalongkorn University Council Member
Chulalongkorn University

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

Counselor,
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

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 the Executive Committee,
Nomination Committee Member,
Remuneration Committee Member and
Good Corporate Governance Committee Member**

Date of Birth

January 20, 1975

Age

40

Education

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

Training**Thai Institute of Directors Association (IOD)**

- Directors Accreditation Program (DAP) 2004

Training (other Institutes)

- None -

No. of share(s) in the Company*

- None -

No. of years in position

9 years 1 month

Positions in other listed companies

Present **Vice Chairman and Remuneration and Nominating Committee Member**

Siam Food Products Public company Limited

Vice Chairman and Remuneration and Nomination Committee Member

Univentures Public Company Limited

Director and Executive Committee member

Berli Jucker Public Company Limited

Vice Chairman No. 4, Vice Chairman of the Executive Committee No. 1, Chairman of the Nominating and Corporate Governance Committee, Compensation Committee Member and Risk Management Committee Member

Sermasuk Public Company Limited

Director

Golden Land Property Development Public Company Limited

Positions in other non-listed companies

Present **President and Chief Executive Officer**

Thai Beverage Public Company Limited

Chairman

Oishi Trading Company Limited

Oishi Ramen Company Limited

Oishi Snack Company Limited

Charun Business 52 Company Limited

Thai Cooperage Company Limited

Thai Beverage Marketing Company Limited

Thai Molasses Company Limited

Thai Beverage Recycle Company Limited

Thai Beverage Energy Company Limited

Thai Drinks Company Limited

Pan International (Thailand) Company Limited

Feed Addition Company Limited

Thai Beverage Training Company Limited

Modern Trade Management Company Limited

SPM Foods and Beverages Company Limited

Positions in other non-listed companiesPresent **Chairman**

C A C Company Limited
Horeca Management Company Limited
Chang International Company Limited

Vice Chairman

Cosmos Brewery (Thailand) Company Limited
Southeast Group of Companies
Red Bull Distillery Group of Companies
Dhospaak Company Limited
International Beverage Holding (China) Ltd.

Vice Chairman and Chairman of the Executive Committee

Thai Beverage Logistics Company Limited

Director and Vice Chairman of the Executive Committee

Beer Thai (1991) Public Company Limited

Vice Chairman No.1 and Chairman of the Executive Committee

International Beverage Holdings Limited

Director

Beer Chang Company Limited
Thai Beverage Brand Company Limited
Serm Suk Holdings Company Limited
Serm Suk Beverage Company Limited
Serm Suk Training Company Limited
T.C.C. Technology Company Limited
Chula United Company Limited
Adelfos Company Limited
Pathombnakdi Company Limited
Wrangyer Beverage (2008) Company Limited
Fraser and Neave, Limited
Times Publishing Limited
InterBev Investment Limited
Great Brands Limited

Positions in other non-listed companiesPresent **Director**

Best Spirits 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

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

- None -

Experiences

2010 - 2013 **Director**
Beer Chang International Limited

2007 - 2012 **Chairman of the Executive Committee**
Univentures Public Company Limited

2003 - 2008 **Executive Vice President**
Thai Beverage Public Company Limited

Legal Record in the past 10 years

- None -

*including shares of spouse and minor

3.

MR. VIKROM KOOMPIROCHANA**Type of Director****Independent Director****Date of Appointment**

November 10, 2006

Current Position**Chairman of the Audit Committee,
Chairman of the Nomination Committee,
Remuneration Committee Member and
Good Corporate Governance Committee Member****Date of Birth**

January 23, 1946

Age

69

Education

- B.A. (History), Chulalongkorn University (1966)
- M.A. (History of International Relations), Michigan State University, U.S.A. (1968)
- Ph.D. (History of International Relations), Michigan State University, U.S.A. (1972)
- Honorary Doctorate Degree in Humanities, Schiller International University, London, UK. (2003)

Training**Thai Institute of Directors Association (IOD)**

- Director Accreditation Program (DAP) class 63/2007
- Anti-Corruption for Executive Program (ACEP) class 7/2013
- Successful Formulation & Execution of Strategy (SFE) class 22/2014

Training (other Institutes)

- Certificate of Top Executive Program, Class 14/2012
Capital Market Academy

No. of share(s) in the Company*

- None -

No. of years in position

8 years 3 months

Positions in other listed companiesPresent **Chairman**

Country Group Development Public Company Limited

**Chairman, Corporate Governance Committee Member
and Executive Committee Member**

Bangchak Petroleum Public Company Limited

2014 **Independent Director, Audit Committee Member**

-

and Nomination and Remuneration Committee Member

Present MFC Asset Management Public Company Limited

Positions in other non-listed companiesPresent **Honorary Advisor**

British Chamber of Commerce Thailand (BCCT)

**Commissioner, Audit Committee Member and
Nomination and Remuneration Sub-Committee Member**

The Securities and Exchange Commission

Chairman

Sports and Recreation Management Company Limited

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

- None -

Experiences

2005, 2007 - 2008

Director

Thai Airways International Public Company Limited

2007 - 2009

Chairman

Dragon One Public Company Limited

2000 - 2001

Deputy Permanent Secretary,

Office of the Permanent Secretary

2002

Ambassador of Thailand to the Republic of Italy

2003 - 2006

Ambassador of Thailand to the United Kingdom
of Great Britain and Northern Ireland**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. POTJANEE THANAVARANIT**Type of Director****Independent Director****Date of Appointment**

February 24, 2009

Current Position**Audit Committee Member,
Chairman of the Remuneration Committee and
Chairman of the Good Corporate Governance Committee****Date of Birth**

September 13, 1946

Age

69

Education

- Bachelor Degree in Accounting, Chulalongkorn University
- Master of Business Administration (MBA.), Syracuse University, U.S.A. (USAID scholarship)
- Degree from National Defense College, Class 42

Training**Thai Institute of Directors Association (IOD)**

- Director Certification Program Update (DCPU 1/2014)
- Anti-Corruption for Executive Program (ACEP 7/2013)
- Advanced Audit Committee Program (AACP 10/2013) (Completed: ACP, MIA, MFM, MIR)
- Financial Institutions Governance Program (FGP 2/2011)
- Audit Committee Program (ACP 32/2010)
- The Role of Compensation Committee Program (RCC 4/2007)
- The Role of Chairman Program (RCP 13/2006)
- Directors Certificate Program (DCP 17/2002)

Training (other Institutes)

- Certificate of Advanced Course in General Insurance, Swiss Insurance Training Center, Switzerland (Swiss Re Scholarship)
- Certificate of Advanced Management Program, Australian Management College, Australia (COLOMBO Scholarship)
- Certificate of Executive Development Program class 18, 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
- Certificate of Advanced Security Management Program class 2, The National Defense College Association of Thailand

No. of share(s) in the Company*

- None -

No. of years in position

6 years

Positions in other listed companiesPresent **Independent Director and Chairman of the Audit Committee**

Bank of Ayudhya Public Company Limited

Independent Director

Berli Jucker Public Company Limited

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

Univentures Public Company Limited

Independent Director and Audit Committee Member

Thai Reinsurance Public Company Limited

Bangkok Insurance Public Company Limited



Positions in other non-listed companies

Present **Member of National Reform Council**
National Reform Council

Member of Council of State (Group 3 – Monetary Laws)
Office of the Council of State

Qualified Member of the Committee
The Federation of Thai Insurance Organization

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

– None –

Experiences

2012 – 2014 **Remuneration and Nomination Committee member**
Thai Reinsurance Public Company Limited

2010 – 2013 **Director**
B.J.C. Logistics and warehouse Company Limited

2008 **Chairperson of the Public Sector Audit and Evaluation Committee**
–
March 2013 Ministry of Commerce

2007 – 2012 **Member and Treasurer**
Bhumiratchanakarin Kidney Institute Foundation

Experiences

2006 – 2008 **Advisor**
Council of National Security

Vice President
National Legislative Assembly of Thailand

Advisor to the Minister of Commerce (non-political position)
Ministry of Commerce

2005 – 2011 **Sub – Commissioner, the Sub – Commission on the Development and Promotion of Public Organization and other Organizations under Government Supervision**
Office of the Public Sector Development Commission

2002 – 2007 **Chairman**
Thailand Insurance Institute

2001 – 2008 **Member of the Monetary Policy Board**
Bank of Thailand

2001 – 2006 **Director – General**
Department of Insurance, Ministry of Commerce

Legal Record in the past 10 years

– None –

5.

MR. CHAI JROONGTANAPIBARN**Type of Director****Independent Director****Date of Appointment**

February 8, 2006

Current Position**Audit Committee Member,
Chairman of the Risk Management Committee and
Good Corporate Governance Committee Member****Date of Birth**

November 25, 1954

Age

61

Education

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

Training**Thai Institute of Directors Association (IOD)**

- Director Certification Program (DCP) class 29/2003
- Audit Committee Program (ACP) class 24/2005

Training (other Institutes)

- None -

No. of share(s) in the Company*

- None -

No. of years in position

9 years

Positions in other listed companiesPresent **Independent Director, Audit Committee Member and
Risk Management Committee Member**

Siam Food Products Public Company Limited

**Independent Director and Chairman of the Audit
Committee**

Team Precision Public Company Limited

**Independent Director, Chairman of the Audit
Committee and Chairman of the Remuneration
Committee**

Major Cineplex Group Public Company Limited

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

Thai Metal Trade Public Company Limited

Independent Director

Siam Future Development Public Company Limited

Positions in other non-listed companies

- None -

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

- None -

Experiences1980 - 1997 **Executive Director and Chief Finance Officer**
The Minor Group**Legal Record in the past 10 years**

- None -

*including shares of spouse and minor

6.

MR. MARUT BURANASETKUL**Type of Director****Authorized Director****Date of Appointment**

June 25, 2013

Current Position**President, Executive Committee Member, Risk Management Committee Member and Good Corporate Governance Committee Member****Date of Birth**

March 6, 1967

Age

48

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.

Training**Thai Institute of Directors Association (IOD)**

- Director Certification Program (DCP) class 180/2013

Training (other Institutes)

- Certificate of Top Executive Program Class 13, Capital Market Academy
- Executive Development Program 2, Thai Listed Companies Association

No. of share(s) in the Company*

– None –

No. of years in position

1 year 8 months

Positions in other listed companiesPresent **Director and Executive Committee Member**
Sermsuk Public Company Limited**Positions in other non-listed companies**Present **Senior Vice President – Non-alcohol beverage**
Thai Beverage Public Company Limited**President and Chairman of the Executive Committee**

Thai Drinks Company Limited

Director and President

Oishi Trading Company Limited

Oishi Ramen Company Limited

Oishi Snack Company Limited

Vice Chairman

SPM Foods and Beverages Company Limited

Horeca Management Company Limited

Vice Chairman and Vice Chairman of the Executive Committee

Modern Trade Management Company Limited

Director and Vice Chairman of the Executive Committee No. 1

Dhospaak Company Limited

Positions in other non-listed companies

Present **Qualified Committee**
Small and Medium Enterprises Promotion Commission

Director

Serm Suk Beverage Company Limited
Serm Suk Holdings Company Limited
Wrangyer Beverage (2008) Company Limited
Oishi International Holdings Limited
Oishi Myanmar Limited
Oishi Group Limited Liability Company

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

- None -

Experiences

Sep. 2012 – 2014 **Vice Chairman No. 3, Chairman of the Executive Committee and Managing Director**
Thai Beverage Marketing Company Limited

Sep. 2012 – 2013 **Senior Vice President – Marketing**
Thai Beverage Public Company Limited

Jan. 2009 – Aug. 2012 **Vice President – Office of the President**
Thai Beverage Public Company Limited

2010 – 2012 **Senior Vice President – Corporate Services**
Thai Beverage Public Company Limited

Experiences

May 2009 – Feb.2011 **Managing Director**
Thai Drinks 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

7.

MR. SITHICHAJ CHAIKRIANGKRAI**Type of Director****Authorized Director****Date of Appointment**

January 26, 2006

Current Position**Director, Vice Chairman of the Executive Committee and Remuneration Committee Member****Date of Birth**

July 10, 1954

Age

61

Education

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

Training**Thai Institute of Directors Association (IOD)**

- Directors Certification Program (DCP 26/2003)
- DCP Refresher Course (2/2006)

Training (other Institutes)

- None -

No. of share(s) in the Company*

- None -

No. of years in position

9 years 1 month

Positions in other listed companies

Present **Director and Executive Committee Member**
Siam Food Products Public Company Limited
Golden Land Property Development Public Company Limited
Univentures Public Company Limited

Director, Executive Committee Member and Risk Management Committee Member
Berli Jucker Public Company Limited

Director, Vice Chairman of the Executive Committee No. 2 and Risk Management Committee Member
Sermsuk Public Company Limited

Positions in other non-listed companies

Present **Director and Vice Chairman of the Executive Committee**
Beer Thip Brewery (1991) Company Limited

Director and Executive Vice President
Thai Beverage Public Company Limited

Vice Chairman No. 3
Thai Drinks Company Limited

Vice Chairman No. 5
Pan International (Thailand) Company Limited

Vice Chairman
Oishi Trading Company Limited
Oishi Ramen Company Limited
Oishi Snack Company Limited
Sura Bangyikhan Group of Companies



Positions in other non-listed companies

Present **Vice Chairman and Vice Chairman of the Executive Committee**

Thai Beverage Logistic Company Limited

Director

Eastern Seaboard Industrial Real Estate (Rayong) Company Limited

Thai Beverage Training Company Limited

Sermsuk Beverage Limited

Petform (Thailand) Company Limited

Oishi International Holdings Limited

Fraser and Neave Limited

Frasers Centrepoint Limited

International Beverage Holdings Limited

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

- None -

Experiences

2010 – 2013 **Director**

Beer Chang International Limited

2010 – 2012 **Director**

Super Brands Company Pte. Ltd.

2005 – 2010 **Senior Vice President**

Thai Beverage Public Company Limited

Legal Record in the past 10 years

- None -

*including shares of spouse and minor

8.

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

66

Education

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

Training**Thai Institute of Directors Association (IOD)**

- Director Accreditation Program 2004
- Directors Certification Program (DCP) 2007
- The Role of the Chairman Program Class 29/2012

Training (other Institutes)

- Advance Management Program (AMP)
The European Institute of Business Administration (INSEAD), France

No. of share(s) in the Company*

- None -

No. of years in position

9 years 1 month

Positions in other listed companies

- None -

Positions in other non-listed companiesPresent **Director and Executive Vice President**

Thai Beverage Public Company Limited

Vice Chairman

Oishi Trading Company Limited

Oishi Ramen Company Limited

Oishi Snack Company Limited

Vice Chairman No. 1 and Senior Vice President

Thai Beverage Marketing Company Limited

Vice Chairman No. 2

Thai Drinks Company Limited

Vice Chairman**and Chairman of the Executive Committee**

Horeca Management Company Limited

Modern Trade Management Company Limited

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


Blairmhor Limited

InterBev (Singapore) Limited

International Beverage Holdings (China) Limited

International Beverage Holdings Limited

InterBev Trading (China) Limited



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

- None -

Experiences

- 2011 - 2014 **Vice Chairman**
SPM Foods and Beverages Company Limited
- 2005 - 2010 **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

Legal Record in the past 10 years

- None -

*including shares of spouse and minor

9.

MR. PISANU VICHIEANSANTH**Type of Director****Authorized Director****Date of Appointment**

January 26, 2006

Current Position**Director, Executive Committee Member and Risk Management Committee Member****Date of Birth**

January 23, 1956

Age

59

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

Training**Thai Institute of Directors Association (IOD)**

- Director Accreditation Program (DAP) 2004

Training (other Institutes)

– None –

No. of share(s) in the Company*

– None –

No. of years in position

9 years 1 month

Positions in other listed companies

– None –

Positions in other non-listed companiesPresent **Director and Executive Vice President**

Thai Beverage Public Company Limited

Director and Managing Director

Cosmos Brewery (Thailand) Company Limited

Beer Thai (1991) Public Company Limited

Director

Oishi Trading Company Limited

Oishi Ramen Company Limited

Oishi Snack 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

Archa Beer Company Limited

Thai Beverage Training Company Limited

SPM Foods and Beverages Company Limited


Petform (Thailand) Company Limited

Thai Drinks Company Limited

Great Brands Limited

Vice Chairman No. 1

Chang International Company Limited



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

- None -

Experiences

- 2004 - 2014 **Senior Vice President**
Thai Beverage Public Company Limited
- 2005 - 2014 **Director**
Vidhayathan Company Limited
- 2003 - 2004 **Executive Vice President**
Beer Thai (1991) Public Company Limited
- 1997 - 2000 **Vice President of Engineering and Development**
Beer Thai (1991) Public 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

10.

MR. PAISARN AOWSATHAPORN**Current Position**

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

Age

50

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.

Training

Thai Institute of Directors Association (IOD)

- None -

Training (other Institutes)

- Certificate of Top Executive Program Class 19
Capital Market Academy

No. of share(s) in the Company*

- None -

Positions in other listed companies

- None -

Positions in other non-listed companies

Present **Director and Managing Director**

Oishi Myanmar Limited

Director

SPM Foods and Beverages Company Limited

Oishi F&B (Singapore) Pte. Ltd.

Oishi Group Limited Liability Company

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

- None -

Experiences

2002 - 2004 **Operations & Training Director**

Global Kitchen Company Limited

1999 - 2002 **Area Manager**

Yum Brand Company Limited
(Tricon Restaurant International)

1992 - 1999 **Restaurant Manager**

Siam Lotus Restaurant, U.S.A.

1991 - 1992 **Accountant**

Alpha Omega Design Company Limited

1991 **Assistant Accountant**

John Hancock Insurance Company U.S.A.

Legal Record in the past 10 years

- None -

*including shares of spouse and minor

11.

MRS. JESDAKORN GHOSH (TARATIP)**Current Position**

Vice President – Beverages and
Risk Management Committee Member

Age

45

Education

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

Training

Thai Institute of Directors Association (IOD)

– None –

No. of share(s) in the Company*

– None –

Positions in other listed companies

– None –

Positions in other non-listed companies

Present **Executive Committee Member**
Thai Drinks Company Limited

Director

Oishi Group Limited Liability Company

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

12.

MRS. CHITKASEM MOO-MING**Current Position**

Company Secretary, Vice President – Finance & Accounting and Risk Management Committee Member

Date of Birth

April 20, 1975

Age

40

Education

- BBA – Finance & Banking, Chulalongkorn University
- MBA – Finance & Strategy, University of North Carolina at Chapel Hill, North Carolina, U.S.A.

Training**Thai Institute of Directors Association (IOD)**

- Company Secretary Program (CSP) 2012
- Director Certificate Program (DCP 184/2014)

No. of share(s) in the Company*

– None –

Positions in other listed companies

– None –

Positions in other non-listed companies

Present **Director**

SPM Foods and Beverages Company Limited

Oishi International Holdings Limited

Oishi F&B (Singapore) Pte. Ltd.

Oishi Myanmar Limited

Oishi Group Limited Liability Company

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

– None –

Experiences

- 2011 – 2013 **Finance Director**
Oishi Group Public Company Limited
- 2008 – 2011 **Project Manager, Business Development and Strategic Planning**
Thai Beverage Public Company Limited
- 2006 – 2008 **Europe and America Project Manager (Fuel Marketing)**
ExxonMobil Limited
- 2004 – 2006 **Asia Pacific Business Advisor**
ExxonMobil Asia Pacific Pte. Ltd., Singapore

Legal Record in the past 10 years

– None –

*including shares of spouse and minor

13.

MRS. PAITON SIRIBOVORNKIAT

Current Position

Vice President – Human Resources and Risk Management Committee Member

Age

58

Education

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

Training

Thai Institute of Directors Association (IOD)

– None –

No. of share(s) in the Company*

– None –

Positions in other listed companies

– None –

Positions in other 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

Legal Record in the past 10 years

– None –

*including shares of spouse and minor

SHARE OWNERSHIP OF THE BOARD OF DIRECTORS AND THE EXECUTIVES⁽¹⁾



NAME	POSITION	ORDINARY STOCKS (SHARES)		
		28 FEB. 2014	28 FEB. 2015	INCREASE (DECREASE)
1. Mr. Narong Srisa-an ⁽²⁾	Chairman	-	-	-
2. Mr. Prasit Kovilaiakool ⁽³⁾	Chairman and Independent Director	-	-	-
3. Mr. Thapana Sirivadhanabhakdi	Vice Chairman	-	-	-
4. Mr. Vikrom Koompirochana	Independent Director/ Chairman of the Audit Committees	-	-	-
5. Ms. Potjaneer Thanavararit	Independent Director/ Audit Committees	-	-	-
6. Mr. Chai Jroongtanapibarn	Independent Director/ Audit Committees	-	-	-
7. Mr. Sithichai Chaikriangkrai	Director	-	-	-
8. Mr. Ueychai Tantha-Obhas	Director	-	-	-
9. Mr. Marut Buranasetkul	Director and President	-	-	-
10. Mr. Pisanu Vichiensanth	Director	-	-	-
11. Mrs. Sureeporn Pradittasnee ⁽⁴⁾	Director	-	-	-
12. Mr. Matthew Kichodhan ⁽⁵⁾	Director	-	-	-
13. Mr. Paisarn Aowsathaporn	Executive Vice President	-	-	-
14. Mrs. Jesdakorn Ghosh (Taratip) ⁽⁶⁾	Vice President	-	-	-
15. Mrs. Chitkasem Moo-Ming	Vice President/ Company Secretary	-	-	-
16. Mrs. Paitoon Siribovornkiat ⁽⁷⁾	Vice President	-	-	-

Remarks:

- (1) Executives are defined in the Announcement of the Securities and Exchange Commission.
- (2) Mr. Narong Srisa-an retired by rotation and he expressed intention not to be re-elected for another term in the Annual General Meeting of Shareholders held on April 30, 2014.
- (3) Mr. Prasit Kovilaiakool was appointed by the meeting of Board of Directors No. 2/2014 held on April 30, 2014 as Chairman of the Board of Directors in replacement of Mr. Narong Srisa-an who retired by rotation.
- (4) Mrs. Sureeporn Pradittasnee retired by rotation and she expressed intention not to be re-elected for another term in the Annual General Meeting of Shareholders held on April 30, 2014.
- (5) Mr. Matthew Kichodhan retired by rotation and he expressed intention not to be re-elected for another term in the Annual General Meeting of Shareholders held on April 30, 2014.
- (6) Mrs. Jesdakorn Ghosh (Taratip) was appointed as Vice President of the Company effective on January 6, 2014.
- (7) Mrs. Paitoon Siribovornkiat was appointed as Vice President of the Company effective on February 25, 2014.

REMUNERATION OF THE BOARD OF DIRECTORS AND THE EXECUTIVES

14.1 REMUNERATION PAID AS MONEY

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

NAME/POSITION	2014		
	MONTHLY FEE (BAHT)	BONUS (BAHT)	TOTAL AMOUNT (BAHT)
1. Mr. Narong Srisa-an ⁽¹⁾ Chairman Chairman of the Remuneration Committee	240,000	2,477,100	2,717,100
2. Mr. Prasit Kovilaikool ⁽²⁾ Chairman Independent Director Nomination Committee Remuneration Committee	640,000	1,238,500	1,878,500
3. Mr. Thapana Sirivadhanabhakdi ⁽³⁾ Vice Chairman Chairman of the Executive Committee Remuneration Committee Nomination Committee Good Corporate Governance Committee	540,000	3,366,400	3,906,400
4. Mr. Vikrom Koombirochana ⁽⁴⁾ Independent Director Chairman of the Audit Committee Chairman of the Nomination Committee Remuneration Committee Good Corporate Governance Committee	600,000	1,857,800	2,457,800
5. Ms. Potjanee Thanavarani ⁽⁵⁾ Independent Director Audit Committee Chairman of the Remuneration Committee Chairman of the Good Corporate Governance Committee	560,000	1,238,500	1,798,500
6. Mr. Chai Jroongtanapibarn ⁽⁶⁾ Independent Director Audit Committee Chairman of the Risk Management Committee Good Corporate Governance Committee	600,000	1,857,800	2,457,800
7. Mr. Sithichai Chaikriangkrai Director Vice Chairman of the Executive Committee Remuneration Committee	480,000	2,369,900	2,849,900

NAME/POSITION	2014		
	MONTHLY FEE (BAHT)	BONUS (BAHT)	TOTAL AMOUNT (BAHT)
8. Mr. Ueychai Tantha-Obhas Director Vice Chairman of the Executive Committee	360,000	2,369,900	2,729,900
9. Mr. Marut Buranasetkul ⁽⁷⁾ Director President Executive Committee Risk Management Committee Good Corporate Governance Committee	-	830,300	830,300
10. Mr. Matthew Kichodhan ⁽⁸⁾ Director	120,000	1,678,500	1,798,500
11. Mr. Pisanu Vichiensanth Director Executive Committee Risk Management Committee	480,000	1,992,800	2,472,800
12. Mrs. Sureeporn Pradittasnee ⁽⁹⁾ Director Executive Committee Risk Management Committee	120,000	-	120,000
13. Mr. Panote Sirivadhanabhakdi ⁽¹⁰⁾ Director	-	722,500	722,500
Total	4,740,000	22,000,000	26,740,000

Remarks:

- (1) Mr. Narong Srisa-an retired by rotation and he expressed intention not to be re-elected for another term in the Annual General Meeting of Shareholders held on April 30, 2014.
- (2) Mr. Prasit Kovilaiakool was appointed by the meeting of Board of Directors No. 2/2014 held on April 30, 2014 as Chairman of the Board of Directors in replacement of Mr. Narong Srisa-an who retired by rotation.
- (3) Mr. Thapana Sirivadhanabhakdi was appointed by the meeting of the Board of Directors No. 3/2014 held on May 12, 2014 as member of the Good Corporate Governance Committee.
- (4) Mr. Vikrom Koopirochana was appointed by the meeting of the Board of Directors No. 3/2014 held on May 12, 2014 as member of the Good Corporate Governance Committee.
- (5) Ms. Potjaneer Thanavarani was appointed by the meeting of the Board of Directors No. 2/2014 held on April 30, 2014 and the meeting of the Board of Directors No. 3/2014 held on May 12, 2014 as Chairman of the Remuneration Committee in replacement of Mr. Narong Srisa-an who retired by rotation, and the Good Corporate Governance Committee, respectively.
- (5) Mr. Chai Jroongtanapibarn was appointed by the meeting of the Board of Directors No. 3/2014 held on May 12, 2014 as member of the Good Corporate Governance Committee.
- (6) Mr. Marut Buranasetkul was appointed by the meeting of the Board of Directors No. 3/2014 held on May 12, 2014 as member of the Good Corporate Governance Committee.

- (7) Mr. Matthew Kichodhan retired by rotation and he expressed intention not to be re-elected for another term in the Annual General Meeting of Shareholders held on April 30, 2014.
- (8) Mrs. Sureeporn Pradittasnee retired by rotation and she expressed intention not to be re-elected for another term in the Annual General Meeting of Shareholders held on April 30, 2014. However, she continued to serve as member of the Executive Committee and the Risk Management Committee of the Company.
- (9) Mr. Panote Sirivadhanabhakdi has resigned from the director position effective since June 24, 2013 but he still has the right to receive bonus paid in 2014.

14.1.2 Remuneration of Executive, salary and others

	Unit : Baht	
	2014	2013
Salary	15,550	9,978
Employee Benefits	546	433
Provident Fund	496	406
Others	5,642	1,907
Total	22,234	12,723

Remark:

- * The remuneration of executives as of 31 December 2013 includes the remuneration of 4 executives, namely 1. Mr. Paisarn Aowsathaporn 2. Mrs. Jesdakorn Ghosh 3. Mrs. Chitkasem Moo-Ming and 4. Mrs. Paitoon Siribovornkiat, excludes the remuneration of Mr. Marut Buranesetkul under Section 14.1.1 and the service fees under the Business Administrative Service Agreement between the Company and Thai Beverage Public Company Limited of Baht 9,360,000 per year.

14.2 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. Prasit Kovilaikool	-	DAP/2005	-	-	Quality of Financial Reporting/2004 FND/2004
2. Mr. Thapana Sirivadhanabhakdi	-	Class of 2004	-	-	-
3. Mr. Vikrom Koopirochana	-	Class of 63/2007	-	-	CMA Class 14 Anti-Corruption for Executive Program 7/2013 SFE 22/2014
4. Ms. Potjane Thanavarant	Class of 17/2002 DCPU Class of 1/2014	-	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 ASMP Class 2 AACP Class of 10/2013 ACEP Class of 7/2013
5. Mr. Chai Jroongtanapibarn	Class of 29/2003	-	Class of 4/2005	-	
6. Mr. Sithichai Chaikriangkrai	Class of 26/2003 Refresher Course 2/2006	-	-	-	-
7. Mr. Ueychai Tantha-Obhas	DCP/2007	Class of 2004	-	Class of 29/2012	-
8. Mr. Marut Buranasetkul	Class of 180/2013	-	-	-	CMA Class 13 EDP 2
9. Mr. Pisanu Vichiensanth	-	DAP/2004	-	-	-

14.3 OTHER BENEFITS

- None -

INTERNAL INFORMATION USAGE



- 15.1 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.
- 15.2 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.

HUMAN RESOURCES AND EMPLOYEE DEVELOPMENT POLICY



16.1 HUMAN RESOURCES

As of December 31, 2014 the Company and subsidiaries have a total of 9,037 employees (excluding the Board of Directors and Management team as per Section 11), categorized into:

LINE OF COMMAND	NUMBER OF EMPLOYEES
Office	430
Restaurant	7,771 excluding employees in the restaurant operating in the Republic of the Union of Myanmar of 141 persons
Factory	695
Total	9,037

In 2014 the total basic salary was 1,167 million Baht. (excluding employees in the restaurant operating in the Republic of the Union of Myanmar)

16.2 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 Employee development policy in 2014 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 focusing 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 2014 Oishi Group's invested approximately 13.05 million Baht on the Learning and Development of our people, which approximate 40,000 Baht per person allocated to the leadership skills development of managers and executives and approximately 2,300 Baht per person for employees with more than 2,000 hours of training for the whole company.

16.3 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.

In 2014, the Company still strictly engage in the welfare policy as well as from the previous year which can be summarized as follow;

1. As a part of our business, 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 (for factory locations).
4. Provides fair and appropriate remuneration and benefits schemes fit for 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.

16.4 SAFETY AND OCCUPATIONAL HEALTH AND WORKPLACE ENVIRONMENT POLICY

As our employees are our most valuable asset, we have therefore continuously enforce a high safety standard and occupational health and workplace environment.

In 2014, the Company still engage in Safety and Occupational Health and Workplace Environment Policy 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 shall be cautious of own and colleagues safety as well as protect company assets in the workplace at all times.
6. All employees shall provide full cooperation with the Company's measures on safety of occupational health and workplace environment.

16.5 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 in 2014 as follows:

1. As a part of our business, every employee will be treated fairly and with dignity.
2. The employee recruitment and rotation will be fairly assessed depends 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, rules and regulation by embedding each of the core values into the performance evaluation process in order to create employees' culture change in alignment with the company's vision and strategy. The company emphasize on the meaning including the objective sample of culture conform with the company's core values in order to make all employees have a clear concept and easy to understanding with the ultimate aim to drive our organization through the vision.

16.6 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 cozy.
2. Provision of employee cafeteria service, security system, lockers, clean toilets, employees shuttle buses and nursing facilities (factory sites).
3. Effective utilization of office supplies automation resources and utilities.
4. Nurture good legally relationships with external organizations, visitors as well as government agents.
5. Regularly share information with employees as relevant and appropriate.

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 Integrated Internal Control 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 direct and indirect subsidiaries, the Company determined of their systems to be consistent with the Company's internal control framework. Besides, the Company has regularly sent authorities to inspect their performance; therefore, these six subsidiaries arranged their internal control sufficiently.

In order to promote Internal Control and Good Corporate Governance, the Board of Directors fully supports executives to continue improving the quality of internal control system as well as to fully encourage executives and staff of all levels to practise continuously in accordance with the Company's Good Corporate Governance Policies.

RELATED PARTIES TRANSACTIONS

18.1 RELATIONSHIPS WITH RELATED PARTIES

The Company and its subsidiaries have entered into related parties transactions in 2014 as set forth below:

NAME OF ENTITIES	COUNTRY OF INCORPORATION / NATIONALITY	NATURE OF RELATIONSHIPS
Thai Beverage PCL.	Thailand	Parent company and common directorship
Oishi Trading Co., Ltd.	Thailand	Direct subsidiary and common directorship
Oishi Ramen Co., Ltd.	Thailand	Direct subsidiary and common directorship
Oishi Snack Co.,Ltd.	Thailand	Direct subsidiary and common directorship
Oishi International Holdings Limited	Hong Kong	Direct subsidiary and common directorship
Oishi F&B (Singapore) Pte Ltd	Singapore	Indirect subsidiary and common directorship
Oishi Myanmar Limited	Myanmar	Indirect subsidiary and common directorship
Sangsom Co., Ltd.	Thailand	Direct subsidiary of parent company
Theparunothai Co., Ltd.	Thailand	Direct subsidiary of parent company
Luckchai Liquor Trading Co., Ltd.	Thailand	Direct subsidiary of parent company
Fuengfuanant Co., Ltd.	Thailand	Direct subsidiary of parent company
Sura Bangyikhan Co., Ltd.	Thailand	Direct subsidiary of parent company
Sura Piset Phatra Lanna Co., Ltd.	Thailand	Direct subsidiary of parent company
Beer Thai (1991) PCL.	Thailand	Direct subsidiary of parent company
Beer Thip Brewery (1991) Co., Ltd.	Thailand	Direct subsidiary of parent company
Cosmos Brewery (Thailand) Co., Ltd.	Thailand	Direct subsidiary of parent company
Krittayabun Co., Ltd.	Thailand	Direct subsidiary of parent company
Surathip Co., Ltd.	Thailand	Direct subsidiary of parent company
Modern Trade Management Co., Ltd.	Thailand	Direct subsidiary of parent company
Pomburapa Co., Ltd.	Thailand	Direct subsidiary of parent company
Pomklung Co., Ltd.	Thailand	Direct subsidiary of parent company
Pomchok Co., Ltd.	Thailand	Direct subsidiary of parent company
Pomkit Co., Ltd.	Thailand	Direct subsidiary of parent company
Pomcharoen Co., Ltd.	Thailand	Direct subsidiary of parent company
Pompalang Co., Ltd.	Thailand	Direct subsidiary of parent company
Pomnakorn Co., Ltd.	Thailand	Direct subsidiary of parent company
Pomthip (2012) Co., Ltd.	Thailand	Direct subsidiary of parent company
Num Yuk Co., Ltd.	Thailand	Direct subsidiary of parent company
Numthurakij Co., Ltd.	Thailand	Direct subsidiary of parent company

NAME OF ENTITIES	COUNTRY OF INCORPORATION / NATIONALITY	NATURE OF RELATIONSHIPS
Nummuang Co., Ltd.	Thailand	Direct subsidiary of parent company
Numnakorn Co., Ltd.	Thailand	Direct subsidiary of parent company
Num Palang Co., Ltd.	Thailand	Direct subsidiary of parent company
Numkijjakarn Co., Ltd.	Thailand	Direct subsidiary of parent company
Numrungrud Co., Ltd.	Thailand	Direct subsidiary of parent company
Numthip Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Logistics Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Marketing Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Recycle Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Training Co., Ltd.	Thailand	Direct subsidiary of parent company
Pan International (Thailand) Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Drinks Co., Ltd.	Thailand	Direct subsidiary of parent company
Dhospaak Co., Ltd.	Thailand	Direct subsidiary of parent company
Feed Addition Co., Ltd.	Thailand	Direct subsidiary of parent company
International Beverage Holdings Limited	Hong Kong	Direct subsidiary of parent company
United Winery and Distillery Co., Ltd.	Thailand	Direct subsidiary of parent company
S P M Foods & Beverages Co., Ltd.	Thailand	Indirect subsidiary of parent company
Serm Suk PCL.	Thailand	Indirect subsidiary of parent company
Chang International Co., Ltd.	Thailand	Indirect subsidiary of parent company
InterBev Malaysia Sdn. Bhd.	Malaysia	Indirect subsidiary of parent company
InterBev (Singapore) Limited	Singapore	Indirect subsidiary of parent company
InterBev Trading (Hong Kong) Limited	Hong Kong	Indirect subsidiary of parent company
Serm Suk Beverage Co., Ltd.	Thailand	Subsidiary of indirect subsidiary of parent company
TCC PD 11 Co., Ltd.	Thailand	Common directorship
Berli Jucker PCL.	Thailand	Common directorship
Berli Jucker Foods Co., Ltd.	Thailand	Common directorship
Surasate Co., Ltd.	Thailand	Common directorship
The Southeast Insurance PCL.	Thailand	Common directorship
The Southeast Life Insurance PCL.	Thailand	Common directorship
Indara Insurance PCL.	Thailand	Common directorship
Southeast Capital Co., Ltd.	Thailand	Common directorship
Thippatana Arcade Co., Ltd.	Thailand	Common directorship

NAME OF ENTITIES	COUNTRY OF INCORPORATION / NATIONALITY	NATURE OF RELATIONSHIPS
Sea Food Beer Garden Co., Ltd.	Thailand	Common directorship
T.C.C. Technology Co., Ltd.	Thailand	Common directorship
N.C.C. Exhibition Organizer Co., Ltd.	Thailand	Common directorship
N.C.C. Image Co., Ltd.	Thailand	Common directorship
N.C.C. Management and Development Co., Ltd.	Thailand	Common directorship
F&B International Co., Ltd.	Thailand	Common directorship
North Park Golf And Sports Club Co., Ltd.	Thailand	Common directorship
Rubia Industries Co., Ltd.	Thailand	Common directorship
TCC Hotel Collection Co., Ltd.	Thailand	Common directorship
Riverside Masterplan Co., Ltd.	Thailand	Common directorship
The Chonburi Sugar Corp. Ltd.	Thailand	Common directorship
Siam Food Products PCL.	Thailand	Common directorship
Lertrattakarn Co., Ltd.	Thailand	Common directorship
Wattanapat Trading Co., Ltd.	Thailand	Common directorship
Business Process Outsourcing Co., Ltd.	Thailand	Common directorship
TCC Luxury Hotels & Resorts Co., Ltd.	Thailand	Common directorship
Plaza Athenee Hotel (Thailand) Co., Ltd.	Thailand	Common directorship
TCC Hotel Asset Management Co., Ltd.	Thailand	Common directorship
Petform (Thailand) Co., Ltd.	Thailand	Associate of an indirect subsidiary of parent company
Crown Seal PCL.	Thailand	An indirect subsidiary of parent company holds shares
Best Fortune Property and Loan Fund	Thailand	Directors and controlling equity holders of parent company hold substantial units indirectly.
Thai Commercial Investment Freehold and Leasehold Fund	Thailand	Directors and controlling equity holders of parent company hold substantial units indirectly.
AT Mediafront Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial units indirectly.
F&N Beverages Marketing Sdn. Bhd.	Malaysia	Associate of an indirect subsidiary of parent company

NAME OF ENTITIES	COUNTRY OF INCORPORATION / NATIONALITY	NATURE OF RELATIONSHIPS
F&N Interflavine Pte Ltd	Singapore	Associate of an indirect subsidiary of parent company
F&N Dairies (Thailand) Limited	Thailand	Associate of an indirect subsidiary of parent company
F&N United Ltd	Thailand	Associate of an indirect subsidiary of parent company
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.

18.2 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 year ended 31 December 2014 with related parties were as follows:

Sales to parent company

REF	NAME	RELATIONSHIP	AMOUNT	BALANCE DUE
1	Thai Beverage PCL	Parent company and common directorship	1,084,765	46,521
	Total		1,084,765	46,521

Sales to related companies

REF	NAME	RELATIONSHIP	AMOUNT	BALANCE DUE
1	Sangsom Co., Ltd.	Direct subsidiary of parent company	2,549	-
2	Cosmos Brewery (Thailand) Co., Ltd.	Direct subsidiary of parent company	4,281	-
3	Beer Thai (1991) Co., Ltd.	Direct subsidiary of parent company	51,812	-
4	Beer Thip Brewery (1991) Co., Ltd.	Direct subsidiary of parent company	86,281,859	8,431,174
5	Krittayabun Co., Ltd.	Direct subsidiary of parent company	4,590,344,979	161,446,536
6	Num Yuk Co., Ltd.	Direct subsidiary of parent company	600	-
7	Modern Trade Management Co., Ltd.	Direct subsidiary of parent company	1,485,646	-
8	Pompalang Co., Ltd.	Direct subsidiary of parent company	-262,706	-
9	Thai Beverage Training Co., Ltd.	Direct subsidiary of parent company	415,193	75,165
10	F&N Beverages Marketing Sdn. Bhd.	Associate of an indirect subsidiary of parent company	55,998,232	15,663,244
11	Thai Beverage Logistic Co., Ltd.	Direct subsidiary of parent company	221,124	-
12	International Beverage Holdings Limited	Direct subsidiary of parent company	637,200	-
13	InterBev Trading (Hong Kong) Limited	Indirect subsidiary of parent company	25,336,078	3,475,677
14	Chang International Co., Ltd.	Indirect subsidiary of parent company	17,393	-
15	Thai Drink Co., Ltd.	Direct subsidiary of parent company	39,211	14,766
16	Berli Jucker PCL.	Indirect subsidiary of parent company	8,171,552	5,415,453
17	Sermsuk PCL.	Indirect subsidiary of parent company	794,820,824	66,006,511
18	Serm Suk Beverage Co., Ltd.	Subsidiary of indirect subsidiary of parent company	15,609,375	5,814,781
19	TCC Hotel Asset Management Co., Ltd.	Common directorship	147,201	-
	Total		5,579,322,403	266,343,307

Management fee to parent company

REF	NAME	RELATIONSHIP	AMOUNT	BALANCE DUE
1	Thai Beverage PCL	Parent company and common directorship	9,360,000	834,600
	Total		9,360,000	834,600

Other incomes from related companies

REF	NAME	RELATIONSHIP	AMOUNT	BALANCE DUE
1	Thai Beverage Logistics Co., Ltd.	Direct subsidiary of parent company	-	29,588
2	Sermsuk PCL.	Indirect subsidiary of parent company	11,148,575	7,944,825
3	Modern Trade Management Co., Ltd.	Direct subsidiary of parent company	-	9,883
4	Thai Drink Co., Ltd.	Direct subsidiary of parent company	181,444	194,145
5	S P M Foods & Beverages Co., Ltd.	Indirect subsidiary of parent company	60,000	-
6	Sura Bangyikhan Co., Ltd.	Direct subsidiary of parent company	14,325	6,500
7	Pan International (Thailand) Co., Ltd.	Direct subsidiary of parent company	-	44,157
Total			11,404,344	8,229,098

Purchases from related parties

REF	NAME	TYPE	AMOUNT	BALANCE DUE
1	Num Yuk Co., Ltd.	Finish Goods	9,731	-
2	Numthurakij Co., Ltd.	Finish Goods	427,642	108,860
3	Nummuang Co., Ltd.	Finish Goods	95,745	31,991
4	Numnakorn Co., Ltd.	Finish Goods	76,093	18,214
5	Num Palang Co., Ltd.	Finish Goods	172,329	48,506
6	Numkijjakarn Co., Ltd.	Finish Goods	126,725	30,611
7	Numrunrod Co., Ltd.	Finish Goods	157,414	46,498
8	Numthip Co., Ltd.	Finish Goods	30,289	4,872
9	Beer Thip Brewery (1991) Co., Ltd.	Raw materials	186,526,506	46,261,584
10	Pomkit Co., Ltd.	Raw materials	339,703	77,007
11	Pomklang Co., Ltd.	Raw materials	384,762	89,943
12	Pomchoke Co., Ltd.	Raw materials	224,268	48,799
13	Pomcharoen Co., Ltd.	Raw materials	419,938	95,148
14	Pomburapha Co., Ltd.	Raw materials	777,765	198,611
15	Pomphalang Co., Ltd.	Raw materials	536,501	131,733
16	Pomnakorn Co., Ltd.	Raw materials	157,930	43,138
17	Pomthip (2012) Co., Ltd.	Raw materials	2,142,342	526,412
18	Pan International Co., Ltd.	Supplies	564,207	110,830
19	Berli Jucker PCL.	Raw materials	9,612,381	2,156,157

REF	NAME	TYPE	AMOUNT	BALANCE DUE
20	Berli Jucker Foods Co., Ltd.	Finish Goods	26,240,159	-
21	Sermsuk PCL.	Raw materials	32,166,821	6,071,063
22	S P M Foods & Beverages Co., Ltd.	Raw materials	8,240,753	1,155,562
23	Petform (Thailand) Co., Ltd.	Packaging	298,918,484	58,854,136
24	Crown Seal Public Co., Ltd.	Packaging	16,149,420	49,113
25	F&N Dairies (Thailand) Limited	Raw materials	5,206,194	693,242
26	F&N United	Raw materials	1,936,728	400,634
	Total		591,640,830	117,252,664

Purchase of assets from related parties

REF	NAME	TYPE	AMOUNT	BALANCE DUE
1	T.C.C. Technology Co., Ltd.	Computer	2,442,520	1,605,872
2	United Winery and Distillery Co., Ltd.	Office Equipment	5,683	-
3	The Southeast Insurance PCL.	Others	1,622,819	-
4	Berli Jucker PCL.	Folklift	25,020,300	-
	Total		29,091,322	1,605,872

Rental paid to related parties

REF	NAME	TYPE	AMOUNT	BALANCE DUE
1	Sura Piset Phatra Lanna Co., Ltd.	Saraburi	30,000,000	-
2	Thippatana Arcade Co., Ltd.	Pantip Ngamwongwan, Chiangmai, Ekkamai, Siam	4,410,329	530,022
3	Berli Jucker Foods Co., Ltd.	Storage	500,000	-
4	Lertrattakarn Co., Ltd.	Park Ventures	34,948,625	12,858
	Total		69,858,954	542,880

Promotion expenses paid to related parties

REF	NAME	TYPE	AMOUNT	BALANCE DUE
1	Modern Trade Management Co., Ltd.	Promotion Exps	-	111,275,753
2	Num Yuk Co., Ltd.	Promotion Exps	-	5,752,850
3	Numthurakij Co., Ltd.	Promotion Exps	-	10,991,099
4	Nummuang Co., Ltd.	Promotion Exps	-	6,529,095
5	Numnakorn Co., Ltd.	Promotion Exps	-	6,205,216
6	Num Palang Co., Ltd.	Promotion Exps	-	3,455,107
7	Numkijjakarn Co., Ltd.	Promotion Exps	-	13,081,072
8	Numrungrid Co., Ltd.	Promotion Exps	-	9,523,621
9	Numthip Co., Ltd.	Promotion Exps	-	7,482,317
10	Thai Drink Co., Ltd.	Promotion Exps	-	1,412,014
11	Sermsuk PCL.	Promotion Exps	-	46,930,967
	Total		-	222,639,111

Other expenses paid to related parties

REF	NAME	TYPE	AMOUNT	BALANCE DUE
1	Numthurakij Co., Ltd.	Training	13,267	-
2	Numnakorn Co., Ltd.	Welfare	6,467	-
3	Num Palang Co., Ltd.	Advertising	77,912	-
4	Numkijjakarn Co., Ltd.	Advertising	637,088	-
5	Numrungrid Co., Ltd.	Advertising	387,365	-
6	Numthip Co., Ltd.	Welfare	34,622	-
7	Modern Trade Management Co., Ltd.	Advertising	405,737	-
8	Beer Thai (1991) PCL.	Transport	847,462	270,877
9	Beer Thip Brewery (1991) Co., Ltd.	Transport	834,228	265,438
10	Cosmos Brewery Co., Ltd.	Service fee	232,212	10,404

REF	NAME	TYPE	AMOUNT	BALANCE DUE
11	Pomburapa Co., Ltd.	Welfare	131,952	-
12	Pomnakorn Co., Ltd.	Welfare	146,759	-
13	Pomthip (2012) Co., Ltd.	Welfare	393	-
14	Dhospaak Co., Ltd.	Bounty	6,235,255	535,000
15	Thai Beverage Training Co., Ltd.	Training	8,000	-
16	Thai Beverage Logistic Co., Ltd.	Transport	1,738,402	560,920
17	Thai Drink Co., Ltd.	Advertising	399,481	-
18	Southeast Capital Co., Ltd.	Car lease	3,388,176	118,342
19	T.C.C. Technology Co., Ltd.	Equipment	3,427,490	1,471,983
20	Berli Jucker PCL	Promotion	1,003,050	5,383
21	The Southeast Insurance PCL.	Insurance premiums	15,061,057	18,410,045
22	The Southeast Life Insurance PCL.	Insurance premiums	12,515,932	-
23	N.C.C. Management and Development Co., Ltd.	Seminar	9,346	-
24	Plaza Athenee Hotel (Thailand) Co., Ltd.	Service fee	870,639	-
25	Berli Jucker Foods Co., Ltd.	Fee	15,000	16,050
26	TCC Luxury Hotels & Resorts Co., Ltd.	Banquet	246,097	-
27	Thippatana Arcade Co., Ltd.	Utilities	2,582,803	202,486
28	Riverside Masterplan Co., Ltd.	Utilities	30,000	-
29	F&N Beverages Marketing Sdn. Bhd.	Promotion	22,499,757	17,543,654
30	Business Process Outsourcing Co., Ltd.	Service fee	224,400	-
31	Lertrattakarn Co., Ltd.	Utilities	3,483,784	239,011
32	Thai Commercial Investment Freehold and Leasehold Fund	Utilities	1,246,850	97,500
33	Pan Internaional (Thailand) Co., Ltd.	Utilities	12,956	334
34	Petform (Thailand) Co., Ltd.	Utilities	439,200	-
35	Crown Seal PCL.	Fee	45,900	-
Total			79,239,039	39,747,427

18.3 NECESSITY OF RELATED PARTIES TRANSACTIONS

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

18.3.1 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.

18.3.2 Sales to related parties

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

18.3.3 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.

18.4 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.

18.5 POLICY OR TENDENCY OF RELATED PARTIES TRANSACTIONS IN THE FUTURE

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

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

FINANCIAL STATUS AND THE COMPANY PERFORMANCE



19.1 FINANCIAL STATEMENTS

Summary of the auditor's report

The auditor's report in 2014 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.

19.2 THE AUDITOR REMUNERATION

19.2.1 Audit fees

In 2014, the Company and its subsidiary companies paid the audit fees to

- KPMG Phoomchai Audit Co., Ltd. in the total amount of Baht 4,560,000 consisting of auditor's fee for the Company at Baht 2,434,000 and for the subsidiary companies of Baht 2,126,000.
- Other related business to KPMG Phoomchai Audit Co., Ltd. in the total amount of Baht 226,000.
- Other audit firm Baht 48,000.

19.2.2 Non-audit fees

In 2014, the Company and its subsidiary companies paid the service fees to

- KPMG Phoomchai Audit Co., Ltd. in the total amount of Baht 300,000
- Other related business to KPMG Phoomchai Audit Co., Ltd.
 - None -

Summary of Financial Statements

('000 Baht)

ITEMS	CONSOLIDATED		
	2014	2013	2012
Cash and cash equivalents	141,996	122,251	93,650
Short term investment	-	6,500	2,000
Trade accounts receivable	511,363	542,824	709,316
Inventories	441,920	370,922	309,605
Other current assets	212,727	171,369	1,060,972
Current assets	1,308,006	1,213,866	2,175,543
Other long-term investments	3,660	3,660	10,160
Property, plant and equipment	7,376,017	6,144,822	4,741,703
Intangible assets	26,691	33,795	33,140
Leasehold rights	57,682	64,954	72,626
Other non-current assets	359,493	446,674	226,853
Total assets	9,131,549	7,907,771	7,260,025
Short term loans from financial institutions	873,000	63,000	1,836,000
Current portion of long term loan from financial institutions	400,000	-	-
Trade accounts payable	1,179,113	1,321,593	932,942
Other payables	909,784	692,812	927,923
Accounts payable-assets acquisition	313,783	283,332	323,113
Other current liabilities	70,638	42,628	60,950
Current liabilities	3,746,317	2,403,365	4,080,928
Deferred Income	-	20	263
Accrued employee benefit	72,051	51,141	40,892
Long term loan and debentures	1,600,000	2,000,000	-
Other non-current liabilities	78,981	44,817	16,748
Total liabilities	5,497,349	4,499,343	4,138,831
Registered capital	375,000	375,000	375,000
Paid up capital	375,000	375,000	375,000
Share capital - NCI	11,642	-	-
Premium on share capital	609,402	609,402	609,402
Legal reserve	37,500	37,500	37,500
Unappropriated retained earnings	2,600,656	2,386,526	2,099,292
Total equity	3,634,200	3,408,428	3,121,194
Total liabilities and equity	9,131,549	7,907,771	7,260,025

Summary of Financial Statements

ITEMS	CONSOLIDATED		
	2014	2013	2012
Revenue from sale of goods	12,404,500	12,208,112	11,634,397
Other Income	111,846	61,126	67,893
Total income	12,516,347	12,269,238	11,702,290
Cost of sale of goods	8,198,527	8,209,097	8,030,593
Selling and administrative expenses	3,721,955	3,547,723	2,998,010
Profit before finance costs and income tax	595,864	512,418	673,687
Finance costs	97,100	87,085	45,647
Income tax	(21,996)	(30,239)	(25,793)
Consolidated net profit	520,760	455,572	653,833
Net profit attributable to owners of the Company	524,935	455,572	653,833
Number of shares ('000 shares)	187,500	187,500	187,500
Basic earnings per share (par value 2 baht per share)	2.80	2.43	3.49

ITEMS	CONSOLIDATED		
	2014	2013	2012
Net cash from operating activities	1,374,599	2,177,323	1,615,591
Net cash used in investing activities	(1,841,640)	(2,132,995)	(1,756,052)
Net cash provided (used in) by financing activities	489,155	(15,730)	178,097
Net increase (decrease) in cash and cash equivalents	22,113	28,598	37,636

Significant Financial Ratio

ITEMS	CONSOLIDATED		
	2014	2013	2012
Liquidity ratios			
Liquidity ratio (times)	0.3	0.5	0.5
Quick ratio (times)	0.2	0.3	0.2
Cash ratio (times)	0.4	0.7	0.5
Account receivable turnover (times)	23.5	19.5	19.2
Average collection period (days)	15.3	18.5	18.7
Inventory turnover (times)	20.2	24.1	30.0
Days sale outstanding (days)	17.8	14.9	12.0
Account payable Turnover (times)	6.6	7.3	10.2
Average payment Period (days)	54.9	49.4	35.3
Cash cycle (days)	-21.8	-16.1	-4.6
Profitability ratios			
Gross margin	33.9%	32.8%	31.0%
Operating profit margin	3.9%	3.7%	5.2%
Cash to profit ratio	284.0%	482.5%	266.7%
Net profit margin	4.2%	3.7%	5.6%
Return on equities	14.9%	14.0%	21.7%
Efficiency ratios			
Return on assets	6.2%	6.0%	10.1%
Return on fixed assets	20.0%	21.3%	29.6%
Asset turnover (times)	1.5	1.6	1.8
Financial policy ratios			
Total liabilities to equities ratio (times)	1.5	1.3	1.3
Debt to equities ratio (times)	0.8	0.6	0.6
Dividend payout	57.1%	53.5%	63.1%

MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATING RESULTS

In 2014, though political situation during the beginning of the year was perceived as one of the key challenges experienced by companies in many industries including food and beverage as it adversely affected the economy and consumers' sentiment, the Company managed to end of year with a satisfied performance.

Sales

For the year 2014, total revenue from sale of goods was Baht 12,405 million, an increase of 1.6% or Baht 197 million, from Baht 12,208 million of last year, due to an increase in food business of 10.5%, netted with 6.9% decrease in beverage business. The proportion of food business sales revenue to beverage business sales revenue was equal to 53:47.

Revenue from sales of beverage business in 2014 was Baht 5,802 million, a decrease of 6.9%, or Baht 430 million, from Baht 6,232 million of last year, mainly due to a decrease in total pure RTD green tea market size of 17% from last year which reflects the real demand of green tea given less head to head promotion and campaign within the industry this year. However, Oishi is still be able to maintain a leadership position in pure green tea market with the market share of 51% at the end of 2014.

Revenue from sales of food business in 2014 was Baht 6,602 million, an increase of 10.5%, or Baht 626 million, from Baht 5,976 million of last year, mainly due to store expansion both domestic and international. One of the key successes in this year was the first step of Shabushi international footprint. Two Shabushi outlets were opened in the Republic of the Union of Myanmar with the first outlet in Yangon opened in July 2014 and the second outlet in Mandalay opened in October 2014.

Cost of sales

Total cost of sales of the year 2014 was Baht 8,199 million or equivalent to 66.1% of total sales which is lower than total cost of sales in 2013 or equivalent to 67.2% of total sales due to better cost efficiency mainly contributed from high utilization of Cold Aseptic Filling Line 2 at Wang Muang district, Saraburi province.

Selling Expenses

Selling expenses of the year 2014 was Baht 1,695 million, an increase of 0.9% or Baht 16 million, from Baht 1,679 million of last year. In terms of percentage, selling expense in 2014 was 13.7% of total sales, a slight decrease and comparable to 13.8% of total sales in 2013 due to efficient cost control on marketing and promotion campaigns.

Administrative Expenses

Administrative expense of the year 2014 was baht 2,027 million, an increase of 8.5% or Baht 159 million, from Baht 1,869 million of last year, mainly due to restaurant outlet expansion and new central kitchen in Chonburi province.

Net Profit

Net profit of the year 2014 was Baht 525 million, an increase of 15.2% or Baht 69 million, from Baht 456 million of last year. In term of percentage, net profit in 2014 was 4.2% of total sales, an increase of 0.5% from 3.7% of total sales in 2013. The profitability improvement was mainly due to better cost management in term of both cost of goods sold and selling expenses of beverage business as a result of effective use of marketing expenses.

(in million Baht)

	2014	2013	2012	2014 vs 2013	2013 vs 2012
Revenue from sale of goods-Foods	6,602	5,976	5,320	10.5%	12.3%
Revenue from sale of goods-Beverages	5,802	6,232	6,314	-6.9%	-1.3%
Total Revenue from sale of goods	12,405	12,208	11,634	1.6%	4.9%
Net profit-Foods	78	173	117	-54.9%	47.9%
Net profit-Beverages	447	283	537	57.9%	-47.3%
Total Net profit	525	456	654	15.2%	-30.3%

FINANCIAL STATUS

Assets

Total assets as at the end of December 2014 was Baht 9,132 million, an increase by Baht 1,224 million or 15.5% from the end of 2013. Current assets increased by Baht 94 million, mainly due to increases in inventory and other current assets. Non-current assets increased by Baht 1,130 million, mainly due to an increase in property, plant and equipment.

Liabilities

Total liabilities as at the end of December 2014 was Baht 5,497 million, an increase by Baht 998 million or 22.2% from the end of 2013. Current liabilities increased by Baht 1,343 million, mainly due to an increase in short-term loans from financial institutions and current portion of long-term loan from financial institutions which was a reclassification of long-term loan portion in 2013, netted with a decrease in non-current liabilities of Baht 345 million, mainly due to a decrease in long term loan and debentures as a result of reclassification of the portion less than one year maturity to current liabilities as mentioned.

Shareholders' Equity

Total equity as at the end of December 2014 was 3,634 million Baht, an increase by Baht 226 million or 6.6% from the end of 2013, due to an increase in net profit for the period and non-controlling interests from investment in Oishi Myanmar Limited in order to expand food business overseas, netted with dividend payment and currency translation differences.

FINANCIAL RATIO ANALYSIS

Liquidity

In 2014, the liquidity ratio was 0.3 which was declined as compared with 2013 due to the increase in current liabilities as a result of higher amount of short-term loans from financial institutions and current portion of long-term loan from financial institutions due to a reclassification of less than one year maturity of long-term loan.

However, the Company's liquidity was quite strong. Cash cycle of 2014 was negative at 22 days decreased from last year, mainly due to shorter average collection days and longer average payment days which was a result of more efficient working capital management.

Profitability

All profitability ratios of the year 2014 were improving from last year, from gross margin level to net profit margin, due to better cost management at both cost of good sold and selling expenses .

Efficiency

In 2014, return on assets was 6.2% which was increased from last year due to an increase in net profit as a result of better cost management of beverage business. Though there was an increase in sales revenue in 2014, asset turnover was 1.5 times which was slightly declined from last year due to the growing of asset base as currently the Company is in expansion stage with the aim to be a regional leader in food and beverage business.

Financing

Debt to equity ratio of 2014 was 0.8 which was slightly increase from last year due to an increase in short-term loans from financial institutions, however, there was no additional long-term loan from financial institutions. The Company is currently in an expansion stage, given the debt to equity ratio of less than 1 times, the balance sheet is considered to be strong with certain amount of room for future financing.

Key drivers which could affect future operations and financial status

- The Company and its subsidiaries are planning to operate New Cold Aseptic Filling Line 3 of PET bottling production project at the factory 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.
- New central kitchen at Banbung district, Chonburi province. The project will support the branch expansion which is planned at around 265 stores in 2015.
- The success and expansion plan of Shabushi restuarants in the Republic of the Union of Myanmar operated and controlled by Oishi Myanmar Limited, This would help increase international footprint of restaurant business which is a significant key milestone for international market expansion.
- The successful of "Vision 2020" strategic roadmap implementation for the Company to become one of the leading food and beverage players in ASEAN. If the Company could achieve the strategic targets and key milestones, it would become a leader in the market with a strong performance and market positioning.

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITY FOR THE FINANCE REPORTING



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 of 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 good corporate governance practice, the risk management system as well as the internal control system are well adequate and sufficient, able to guarantee that the financial statements of the Company and its subsidiaries as of December 31, 2014 are reliable under generally accepted accounting standards and also acceptable to relevant laws and regulations.

- Signature -
(Mr. Prasit Kovilaikool)
Chairman

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 Koompirochana, Chairman of the Audit Committee, Ms. Potjanee 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 the Company’s Charter of Audit Committee. They are truly independent persons who neither are involved in the management or nor hold any positions in the Company, its subsidiaries and other affiliates.

During 2014, 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, strictly 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 2014, 8 meetings were held by the Audit Committee. Mr. Vikrom Koompirochana, Chairman of the Audit Committee, and Mr. Chai Jroongtanapibarn, Audit Committee member, attended all the 8 meetings. Ms. Potjanee Thanavarant, Audit Committee member, attended 7 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 2014:

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 2014. 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.

- Signature -

(Mr. Vikrom Koopirochana)

Chairman of the Audit Committee

RISK MANAGEMENT COMMITTEE REPORT

The Risk Management Committee of Oishi Group Public Company Limited consists of 13 members, 3 are members of the Board of Directors and the other 10 are senior executives of the related functions. The Risk Management Committee has carried out duties in accordance with the Risk Management Charter so as to ensure effectiveness and efficiency of overall risk management activities of the Company.

7 Risk Management Committee meetings were held in 2014 in which the following significant matters were considered.

1. **Adaptation of risk management policies and charter**
2. **Annual risk management plan**
3. **Assessment of risks, and the related preventive and corrective measures**
4. **Recommendations on risk management and mitigation of risks**
5. **Monitoring of risk management activities**
6. **Cultivation of risk management culture in the organization**
7. **Business continuity management**

The Risk Management Committee was of the view that the Company has the risk management plan in place and continuously executed by the Company's management with full effort and in a cautious manner. In addition, independent views and advices were given to the Company's management in order to ensure highest benefits of all shareholders and stakeholders.

On behalf of the Risk Management Committee

- Signature -

(Mr. Chai Jroongtanapibarn)

Chairman of the Risk Management Committee

Oishi Group Public Company Limited (“Company”) sees significance of corporate governance, which reflects the fair, efficient, and auditable management system. The Company is determined to develop and advance its corporate governance on a continuous basis. The Board of Directors adheres to the Code of Best Practices and ensures that the Company operates in compliance with the rules and regulations stipulated by the Stock Exchange of Thailand (“SET”), the Securities and Exchange Commission of Thailand (“SEC”) and/or any related agencies. The Company is confident that corporate governance will benefit its business operation through the appreciation of value and the return to shareholders in a long run as well as the enhanced confidence of shareholders, investors, and all related parties.

The Board of Directors was well aware of importance on corporate governance and regarded it as an essential foundation for effective development of the organization. Therefore, its related policy was determined to ensure the compliance with corporate governance practices of SEC and SET, which was established with reference from the Organization for Economic Co-operation and Development (OECD) international corporate governance practices. In addition, review and improvement have been made on a constant basis so as to ensure its alignment with rules and regulation as well as any changes of current situation.

In 2014, the Board of Directors appointed the Good Corporate Governance Committee to support the Board of Directors duties regarding to the corporate governance. The Board of Directors Meeting No. 5/2014 held on November 11, 2014 approved the revised corporate governance policy, which had been reviewed and proposed to the Board for approval by the Good Corporate Governance Committee, effective from November 11, 2014 onwards.

The Board of Directors realized that the successful corporate governance requires collaboration of all functions in the organization and therefore, issued a policy for executives, employees and all personnel of the Company to comply with the policy, ethics and guidelines in relation to corporate governance. Moreover, the Company arranged for communication channels to create understanding and monitoring of internal corporate governance on a continuous basis in order to assure its effective business operation and confidence of all stakeholders, which would lead to increase value and sustainable growth of the Company.

CORPORATE GOVERNANCE POLICY⁽¹⁾

The Board of Directors recognized that corporate governance was a key element that brought about the business success. Corporate governance policy included the following aspects;

- The system was established to ensure all stakeholders receive equal and fair treatment.
- Proper oversight and monitoring were put in place to ensure that the management implements policies in an effective and efficient manner so as to optimize interests of shareholders within the scope of the related laws and business ethics.
- Proper oversight and monitoring on operation were adopted to ensure the management maintain transparency, check and balance and adequate disclosure of information for all related parties.
- Appropriate and efficient systems governing internal supervision, internal audit, and risk management were functioning.
- Code of Conduct was established for Directors, management and employees as a guideline for business practice.

The Company was well aware of the significance of corporate governance as a solid platform for our effective growth. Therefore, it ensured strictly compliance with the above-mentioned policies, which were in line with the principles of corporate governance of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) that were based on the international standards of Organization for Economic Co-operation and Development (OECD), comprising 5 categories as follows;

1. Rights of shareholders;
2. Equal treatment to all shareholders;
3. Roles of stakeholders;
4. Disclosure and transparency and
5. Responsibility of the Board of Directors.

In this regard, the Board of Directors has determined that the principles of the corporate governance were to be disclosed

Remark

- (1) The Meeting of Board of Directors No. 5/2014 held on November 11, 2014 had a resolution approve the revised corporate governance policy as per recommendations of the Good Corporate Governance Committee, effective from November 11, 2014 onwards.

to the public through publishing on the Company's website under the Investor Relations section. In addition, the Company has compiled the Code of Conduct for use as guideline for practice of Directors, management and employees. The Code of Conduct was also made available on the Company's website under the Investor Relations section.

In 2014, the Company has implemented the corporate governance policy related to the 5 categories. Details are as follows:-

RIGHT OF SHAREHOLDERS

The Board of Directors recognizes that the shareholders are entitled to the right of ownership in the Company. They exercise their power of control by appointing the Board of Directors to oversee the operation of the Company on their behalf. As such, all shareholders are important, be it major shareholders, retail shareholders, foreign investors, or institutional investors. The Company explicitly expresses its intent not to take any actions that diminish the fundamental rights of shareholders but to facilitate shareholders in exercising their rights as deemed appropriate.

1.1 Protecting the rights of shareholders

The Board of Directors is well aware of its duty and places importance on protection of the rights of shareholders as well as protection and arrangement so as to ensure that all shareholders are entitled to their fundamental rights and exercise such rights in compliance with the related laws and/or regulations of the Company in an equal and appropriate manner and in accordance with the regulations of the Company as well as the criteria, rules, and regulations of SET and SEC and other relevant laws. The fundamental rights of shareholders include purchase, sale, and transfer of shares, gain from profit sharing of the Company, receive of adequate information, attendance to shareholders' meetings to exercise the voting right on appointment, dismissal, and determination of remuneration for Directors and auditors as well as matters that have impacts on the Company such as dividend allocation, establishment of or amendment to the Article of Association and the Memorandum of Association, decrease or increase of capital, and approval of one-time items.

To ensure the protection of the right of shareholders, the Company does not set up a policy which either deters or obstructs

communications among shareholders and ensures that there was no policy on entering into agreement with any shareholders in a manner that creates significant impact to the Company or other shareholders.

1.2 Shareholders' meeting

The Company organizes an Annual General Meeting of Shareholders within 4 months from the end of fiscal year or by the period as stipulated by the laws. In this regard, Extraordinary General Meetings of Shareholders may be held as deemed appropriate by the Board of Directors resolution. In each Shareholders' meeting, the Board of Directors arranges the processes to facilitate and support all shareholders as well as institutional investors to attend the meeting and exercise their voting right. In addition, the Company sees significance of setting the meeting date, time, and venue to accommodate attendance of all shareholders. Moreover shareholders are provided with an opportunity to propose any meeting agendas prior to the meeting date in compliance with the criteria, conditions, and methods established by the Company and/or relevant laws, rules, and regulations, whereby the details on the criteria, channels, and the result of the proposal to shareholders are disclosed via its website and that of SET. The Company prepares the invitation letter to the Shareholders' meeting containing, in a clear manner, the meeting agendas, objectives, rationales, opinions, and recommendations of the Board of Directors. The invitation letter was submitted together with relevant information of each agenda and they are available in both Thai and English versions. The documents are published in the Company's website while a hard copy was submitted to shareholders in advance in order to provide adequate information to shareholders in a timely manner so that proper consideration can be made for each agenda. Any query by shareholders may be submitted in advance in accordance with channels and criteria determined by the Company, whereby reply was to be provided in the meeting or they can make queries, suggestions, or express opinions during consideration of each agenda during the meeting of shareholders.

In 2014, the Company organized the Annual General Meeting of Shareholders on April 30, 2014 at 14.30 hr. at Grand Hall I Room on the 2nd floor of Plaza Athenee Bangkok, A Royal Meridien Hotel located at 61 Wireless Road, Lumpini sub-district, Pathumwan district, Bangkok 10330 while no Extraordinary General Meetings of Shareholders were held during the year.

The Company made the following arrangements for the Annual General Meeting of Shareholders for the year 2014.

Prior to the meeting of Shareholders

1. Shareholders were provided with an opportunity to propose agenda of the meetings of shareholders and nominate candidates for the Director position of the Company in advance. However, no shareholders expressed their intention to propose the agendas of the meeting and candidates for the Director position.
2. The date of the ordinary meeting of shareholders was notified to shareholders in advance in order to ensure that the shareholders could manage schedule to attend the meeting.
3. The invitation letter and attachments were published for acknowledgement of shareholders via the Company's website over 30 days prior to the meeting date.
4. The invitation letter containing the agenda, rationale, opinions of the Board of Directors, and related detailed information of each agenda were submitted to shareholders not less than 7 days prior to the meeting date. This was in order to provide adequate information for shareholders to make decision effectively. Announcement was made in daily newspaper for a period as stipulated by the law.
5. A Letter of Proxy was submitted in the format as required by the laws, together with instructions and documents required for shareholders attending in person and those attending by proxy whereby other persons or an Independent Director may be authorized to attend the meeting and exercise the voting right as instructed by the shareholders.
6. The Board of Directors put in place the remuneration determination process which was transparent and approved by shareholders. Both annual and lump sum remuneration for Directors were determined and proposed to shareholders for approval. In this regard, the policy, criteria and guideline for consideration of remuneration were described as basis for consideration of shareholders.
7. The Company encouraged institutional investors to attend the meeting of shareholders by contacting them and requested for submission of documents required for meeting attendance in advance. This was for the Company to check such documents and request for additional documents in case of incompleteness for facilitation purposes whereby it would take less time for document check on the meeting date.
8. Shareholders were provided with an opportunity to submit any

queries regarding the agenda in advance via email to the Investor Relations contact person at karnjaporn.k@oishigroup.com or by fax at Fax. no. 02-785-8889.

On Shareholders' Meeting date

Oishi supports and encourages all shareholders to exercise their right to attend and cast vote in the meeting of shareholders. Arrangements are made for convenience while the meeting was organized in a transparent and auditable manner. In addition, no actions are taken to deter or obstruct the right of shareholders, who are given a chance to make inquiries and express opinions as deemed appropriate. In 2014 the Company made the following arrangements on the meeting date.

1. The Company made preparations in terms of the personnel, system, and technology to facilitate registration and document check for shareholders attending the meeting in a proper, adequate, fast, and auditable manner. The Company utilizes the shareholders' meeting management system provided by Thailand Securities Depository Co., Ltd. ("TSD") for the registration, vote counting, and result processing to ensure clarity and transparency.
2. Ballots were prepared for shareholders in the meeting.
3. Shareholders attending the meeting after the meeting convened were allowed to exercise their rights to attend the meeting and cast their votes for agendas being considered where resolution had not yet been reached.
4. Shareholders were informed prior to the meeting regarding the rules, methods of attending, proxy authorization including explanation on criteria and methods of vote casting.
5. Shareholders were given the right to cast vote on a 1 share: 1 vote basis.
6. Independent persons i.e. audit firm representatives and retail shareholders were invited to participate in vote casting in the ordinary meeting of shareholders and the matter was disclosed in the minutes of ordinary meeting of shareholders.
7. The meeting was carried out as per the meeting agenda stated in the invitation letter, whereby details of each agenda was provided to shareholders.
8. For the agenda of consideration and election of Directors to replace those retired by rotation, the Company determined that voting was to be casted for each candidate individually.
9. Directors attended the ordinary shareholder meeting for the year 2014 at 91.6 percent together with all senior

executives and the auditors attended the meeting to provide clarifications to any queries; and to receive feedbacks and recommendations from shareholders. In addition, the Chairman of all sub-committees attended the meeting while those who could not attend the meeting due to conflict of schedule had notified their absence to the Chairman of the Company in advance.

10. The chronology of the meeting agenda runs as specified in the AGM notice. No additional agenda is considered in the meeting.
11. All shareholders were given equal right to express their opinion, raise any questions to the meeting as per meeting agenda, and propose matters as deemed appropriate.

Subsequent to the Meeting of Shareholders

1. Subsequent to the meeting of shareholders, the Company arranges for disclosure of resolutions and voting results of the meeting of shareholders via the notification system of SET in accordance with the period and criteria stipulated by SET.
2. The Company arranges to record and prepare the minutes of the meeting of shareholders in a correct and complete manner, consisting of details of the meeting quorum, number of shareholders attending the meeting in person and by proxy, list of names and title of Directors as well as those of Directors who did not attend the meeting, senior executives and the auditors, the criteria and method of vote casting, vote counting and result thereupon of each meeting agenda with details on yes, no, and abstention votes. Also, significant queries, clarifications, opinions, and any information are recorded in compliance with the related laws, rules and regulations. The minutes were prepared in both Thai and English versions and they were submitted to SET and related agencies in accordance with the period and criteria stipulated by the relevant laws, rules, and regulations so as to enable audit by shareholders.
3. A sound storage system is put in place for the minutes of meeting for audit and reference purposes.
4. Certain part of the meeting of shareholders are broadcasted in the Company's website to relay the information and ambience of meeting to shareholders not attending the meeting.

In addition, Directors have determined policies of the Company to protect the right of shareholders. These policies emphasize that shareholders are to be treated in accordance with corporate

governance of the Company as well as articles, rules, and regulations of SET and SEC, including significant and relevant laws. Directors see and place importance on the right of shareholders and shall not take any actions which may violate or deter the right of shareholders. In 2014, the Board of Directors did not receive any complaint regarding the breach of the right of shareholders, for this reason the above mentioned execution reflects that Directors have ensured proper management on the subject matter.

EQUAL TREATMENTS TO SHAREHOLDERS

The Board of Directors sees significance on equal and fair treatments for all shareholders, whether they are major shareholders, institutional shareholders, foreign investors, or retail shareholders. As such, policies on protection and support for all shareholders to ensure they are treated in an equal and fair manner were issued. Details are as follows:

1. The Company provides an opportunity for shareholders to propose additional meeting agenda and/or nominate additional candidates who meet the required qualifications as deemed appropriate to participate in election of Directors prior to the date of ordinary meeting of shareholders in accordance with the criteria, conditions, and methods determined by the Company and/or the related laws. In this regard, the criteria, channels, period, and result of proposal are announced in the Company's website and that of SET.
2. The Company prepares the invitation letter and attachments in both Thai and English versions.
3. The invitation letter and attachments containing details of each meeting agendas are submitted to shareholders. The said documents are also published on the Company's website prior to the meeting in accordance with the period as required by the relevant laws and rules.
4. In a case where shareholders could not attend the meeting in person, the Company submits along with the invitation letter the Letter of Proxy in a format that the shareholders can instruct vote casting so that such shareholders can authorize their proxy to attend the meeting and cast vote on their behalf. In addition, required documents and evidence as well as proxy authorization process are clearly explained for shareholders to ensure the right documents are compiled and to prevent any issues for proxy in attending the meeting. The criteria, methods and conditions of proxy authorization

are determined in compliance with the laws and no actions will be required in a manner that complicate shareholders in proxy authorization. Moreover, shareholders are entitled to authorize proxy to any Independent Directors of the Company as stated in the Letter of Proxy to protect their own right.

5. The Company prepares the ballots for shareholders in the meeting of shareholders and invited independent parties i.e. representatives of audit firm and retail shareholders to participate in the audit of vote casting in the ordinary meeting of shareholders, which is disclosed in the minutes of ordinary meeting of shareholders.
6. The Board of Directors has determined that all Directors and executives are disclosed the information and report on their interests and those of related persons in accordance with the criteria and methods determined by the Board of Directors and/or related laws. This is to provide an opportunity for the Board of Directors to consider any transactions of the Company which may incur conflicts of interest and enable it to make decision for the interest of the Company. In this regard, Directors and executives of the Company who involve in any transactions entered into with the Company shall not be entitled to make decisions relating to such transactions.
7. The Board of Directors has determined measures of which related communications are made clearly to the Board of Directors and executives to ensure understanding of their duty to report on securities of the Company owned by them, their spouse and offspring who are minors as well as report the changes thereof to SEC as required by the law. In addition, Directors and executives of the Company are obliged to report their ownership in securities of the Company in the meeting of Board of Directors on a regular basis. The securities of the Company owned by Directors and executives were disclosed in Section 13 on page 78 of this annual report.
8. The Board of Directors has determined measures whereby communications are made clearly to prohibit Directors and executives from revealing any insider information which is material and has not yet been disclosed to the public for personal gain of their own or others, which include sale and purchase of securities of the Company by Directors, executives and employees who serve in functions of which such insider information is made aware.

In this regard, penalties for violation of revealing insider information for personal gain of themselves or others were determined in the regulations of the Company, ranging from verbal warnings to termination of employment.

Details on monitoring of use of insider information was included under the topic of use of insider information in the category of disclosure and transparency of the corporate governance report.

9. Related transactions are to be carried out in a fair manner taking into account the arm's length price or the market price whereby the benefit of the Company is considered priority. In this regard, the Board of Directors ensures that such transactions are carried out strictly in accordance with the criteria, methods, and disclosure of connected transactions of listed companies.

In addition, the Board of Directors has established a clear direction to ensure strict compliance with the laws, regulations and articles of SET and SEC and arranged for review of compliance with corporate governance on a regular basis. This is in order to assure that all shareholders are treated and are entitled to exercise their right in an equal and fair manner.

In 2014, the Board of Directors neither received any complaints with regards to failure to ensure fair and equal treatments toward shareholders nor any crimes regarding the use of insider information of Directors and executives. This reflected that the policies or guidelines determined by the Board of Directors were adequate and appropriate.

ROLE OF STAKEHOLDERS

The Board of Directors recognizes the importance of the right of all stakeholders inside and outside the Company and is well aware that all stakeholders are entitled to sound treatments of the Company as required by the related laws. Cooperation is established for the Company and stakeholders to achieve stability and sustainable growth of the business. The Board of Directors has a policy to ensure equal importance and at the same time to attain the business goals as per the targets, formats and methods of such achievement. To ensure strict compliance with the policy, the Board of Directors has established the Oisihi Business Ethics for Directors, executives and all employees to acknowledge the standards and expectation of the Company, ranging from treatments to shareholders, customers, trade partners, competitors and the society in general as well as

colleagues. The Oishi Business Ethics was published on the website of the Company under the menu "Corporate Governance". Moreover, the Board of Directors has launched the mechanism and procedures to ensure strict and continuous compliance.

Additionally, the Company realized that the improved performance of the Company could be achieved from great support of all stakeholders. Thus, the Company has determined the policy to encourage cooperation between the Company and stakeholders to create mutual benefits, to assure that all stakeholders are entitled to sound protection and treatment and to see significance of all stakeholders. Details can be summarized as seen below.

1. Shareholders

The Company is determined to operate business based on honesty and with adherence to equal and fair treatments to shareholders. The Company arranges for disclosure of information in a complete, correct and equal manner on a regular basis. In addition, the Company has put in place measures to monitor and prevent Directors, executives and employees of the Company from exploiting any information which has not yet been disclosed as well as ensure sound management while business decisions are made after careful and thorough consideration. These actions were taken in order to achieve both short-term and long-term goals of the Company with efficiency as well as stable and sustainable business growth for the benefit of shareholders.

2. Employees

Employees are our valuable resources. The Company has a policy that employees shall receive fair treatments in respect of opportunity, remuneration, potential development as well as assurance on the quality of life, safety, hygiene at workplace and the arrangement of Provident Fund. With regards to remuneration, the Company makes decisions by taking into account the main factors i.e. capability and performance efficiency along with the company's operation results. For potential development, the Company arranges for various internal and external training courses for employees so as to promote and develop knowledge and capability of the employees will be beneficial for the Company in a long run. The work environment at the office and production facilities are arranged to ensure safety and good hygiene where the statistic of workplace injury is collected for safety analysis

and improvement on a continuous basis. Throughout the year 2014, the accident, day off from accident and injuries ratio were similar to the previous year. The Company is well aware of the human right and therefore ensures that no policy allowed discrimination, but providing equal opportunity for all employees. There is no discrimination in recruiting and hiring process where people of any races, skin colors, genders, religions, nationalities, and political opinions are entitled to consideration. All employees receive fair treatment and appropriate remuneration. Moreover, diversified CSR activities are organized to encourage employees to engage in community and society development.

3. Customers

The Company is determined to improve the quality of products and services on a continuous basis to deliver ultimate customer satisfaction where the Company takes the best care and take responsibility in our customers. The quality of our products are assured in order to build a long-lasting relationship with our customers. There are functions or persons are designated to receive customers' complaints so that the Company can remedy any complaints of customers in a timely manner.

4. Trade partners

The Company recognizes the importance on selection of trade partners where consideration is made by taking into account the performance, price, credibility, and clean history without records of any frauds and/or violation of human rights. The Company honors terms and conditions of trade deals and agreements on its ends and it was determined to treat our trade partners with equality and fairness, taking into account the mutual benefits. To prevent any frauds by trade partners and related employees, the Company shall terminate relationship with trade partners whom are found to commit frauds, bribery or offering any kind of benefits to related persons to carry out any transactions or enter into any agreements.

5. Creditors

The Company has policy to treat all creditors with fairness and equality, and it strictly honors terms and conditions

regarding warranty and agreements per contracts entered into with all creditors.

6. Business competitor

The Company ensures its practice to be in accordance with the international rules of competition. The Company treats business competitors fairly and it does not take any foul actions or destroy the reputation of business competitors by any means.

7. Society and Community

With regards to the society, the Company realizes that social contribution was essential for being a part of the society. The Company therefore creates jobs and opportunities for the community near the production facilities and restaurants as a way to give back to the community. In addition, the Company sees to it that engagement with the community is arranged through support and assistance on a continual basis. For social contribution in general, the Company organizes activities to enhance the quality of life of the overall society in various aspects, including donation for public benefits, which has been going on for years.

8. Environment

The Company was well aware of the importance on instilling the value and sense of environmental conservation and resource optimization. The Company started small and spread the idea throughout the organization through training courses, activities, and internal campaigns namely, reduction of office paper use and arrangements to ensure that the production process is eco-friendly for the community. Our production facilities obtained the ISO 14001 certification which reflects our recognition of the environmental management to ensure that the environment is well cared for while our business is moving forward. The Company focuses on prevention of pollution and constant development thereof. Also, the Company arranges for training courses on environmental conservation and system of the above standard whereby internal and external speakers are invited to provide knowledge and cultivate the values on the environment for employees. In 2014, the Company organized a total of 12 training courses on the environment hosted by internal and external personnel.

In addition, The Company promotes optimization of resources in an efficient and sustainable manner. Our production process is operated with modern machinery to minimize the use of resources while producing maximum results. Also, the Company ensures effective raw material management to minimize loss and waste of the resources.

9. Government and related agencies

The Company adheres to comply with the laws related to the environment, safety, labor, tax and accounting management as well as rules, regulations and notifications of the public agencies which are related our business operations.

In 2014, there was no violation of the laws relating to labor, employment, business competition and environment by the Company.

In addition to the above activities, the Board of Directors has determined the guideline for other aspects which are related to social responsibility and protection of the right of stakeholders as follows:-

1. Guideline on violation of human rights

The Company respects the human right of employees and other stakeholders and ensures that there is no discrimination against different belief, race, nationality, skin color, gender, sexual orientation, culture or any other conditions deemed part of the human right. The Company also provides human right guidance which are adaptable to the organization and will not support or engage in any activities which are related to the violation of human right.

2. Guideline on violation of intellectual property

In the course of business, the Company recognizes and places significance on creativity and development of its intellectual property on a continual basis. This is because these creations are the properties that add value to the Company. In this regard, the Company has filed for registration of copyrights and trademarks in Thailand and overseas to protect its right. With our established creation and development of intellectual property, the Company does not have any policy or necessity to act in violation of intellectual property.

3. Guideline on anti-corruption

The Company has put in place a clear policy to support actions against frauds, bribery, or corruption of any sort and the Company ensures cooperation and participation with various agencies to work against corruption as deemed appropriate. Moreover, the Company has determined that Directors, executives and all employees are not to engage in any corruption actions including bribing or taking bribes from public and private officials, whether directly or indirectly, in order to obtain or maintain the business or competitive advantages, or to exploit any donations and charity works in a manner that supports any frauds and/or corruption.

In addition, constant communications are made and knowledge is provided with regards to operations against corruption. Related audit and assessment of corruption risk are taken along with the monitoring of performance as per the guideline on anti-corruption of the Company to ensure proper and continuous compliance and that the operation of the Company is carried out according to the intent of the guideline.

4. Guideline on whistleblowers and compliant filing

The Company has put in effect measures for oversight and channels where all stakeholders, including employees, to inform any leads or file complaints directly to the Audit Committee on any actions which are suspected as violation or failure to compliance with laws, regulations, articles, or policies on corporate governance as well as any incorrect financial reports or flawed internal control systems. Various channels are made available for such filing, including the website of the Company under the "Investor Relations" section as seen below.

To inform any leads or file any complaints; please refer to addresses below.

Email : auditcommittee@oishigroup.com
Postage : Audit Committee
Oishi Group Public Company Limited
57 Park Venture Ecoplex, 19th floor,
Wireless Road, Lumpini, Pathumwan,
Bangkok 10330

The Company has guideline for protection of informing or complaint filing parties whose information will be kept confidential. The Company is not to reveal their names unless required by the law and/or any oversight agencies. In addition, the Company has the policy not to persecute or penalize any employees to inform leads or file complaints unless such actions are taken with dishonest intention against the Company and/or any persons in specific or against the laws or disciplines of the Company.

The Board of Directors assigns the Audit Committee consisting of Independent Directors to monitor and determines the guideline for management of complaints or leads received from the said channels. In this regard, the Internal Audit Department, which is independent in their operation as it reports directly to the Audit Committee, is responsible for filtering, managing, and investigating these leads and complaints. Should they are proven as true, the result will be presented to the Audit Committee for consideration and recommendation thereof, or for further reporting to the Board of Directors. After consideration and amendments, revision, and adjustments thereof, the Company will notify the said issues to the person who inform leads or file complaints as per the established procedure in a timely manner.

In addition, in a case where leads are informed or complaints are filed with honest intention without any foul aim to destroy the reputation of the Company or related persons and the Company is found guilty of violation of right of any parties by the court as per the accusation of the said persons, those parties are entitled to compensation made by the Company as deemed appropriate based on the reasonable case and related laws.

In 2014, there were no persons informing any leads or filing any complaints against the Company.

In this regard, the Company had clear policy and determination to ensure compliance with related laws and regulations so as to ensure that right of all stakeholders were protected to the best of its ability in the past year. The Company did not provide any monetary support to companies other than its subsidiaries and there was no significant violation against the laws on labors, consumers, business competition and environment. In addition, there were neither actions taken

by regulatory agencies against the Company regarding incorrect notification or disclosure of material events nor any lawsuits taken by trade partners, creditors, and competitors against the Company.

INFORMATION DISCLOSURE AND TRANSPARENCY

1. Information disclosure

The Company recognizes the importance on disclosure of significant information of the Company, both financial and non-financial information as well as other material information, which may affect to the price of share of the Company, in a correct, complete, transparent, and trustworthy manner. The information is provided to all shareholders fairly and just. The Company has determined the method of information disclosure via all channels of communication as follows:-

1. The Board of Directors is responsible for disclosure of data and information of the Company, including the financial, non-financial, and other information as per the criteria of the laws, SET, and SEC in a correct, complete, and transparent manner in a concise and simple language. Significant information of positive and negative effects are to be revealed subsequent to the established consideration process, taking into account the level of necessity on maintaining confidentiality of business insight, strategies, or any information which could lead to loss of benefits and competitive edge upon disclosure.
2. The Board of Directors is responsible for the reporting of information and performance in various aspects as required in the format of annual registration statement (56-1 Form) and annual report (56-2 Form) in a complete, correct, and timely manner as required by related laws and rules of SET, SEC, and other related agencies. Such information is to be disclosed in the Company's website as well so that shareholders and all stakeholders are equally provided with correct information.
3. The Board of Directors is responsible for the reporting of financial statements prepared by the Company whereby the responsibility of the Board of Directors was disclosed together with the auditor report on page 104 of this annual report. Also, the Board of Directors supervise that the management prepares the financial statements and financial information in a correct and complete manner in accordance

with the Generally Accepted Accounting Principles of Thailand and the accounting standards determined by the Institute of Certified Accountants and Auditor of Thailand.

Moreover, it is to ensure that proper accounting policies are adopted and adhered to on a continuous basis, together with careful consideration and rationalization to ensure appropriate and adequate preparation and disclosure of significant information in the note to financial statements.

In 2014, KPMG Phoomchai Audit Ltd. was appointed by the Annual General Meeting of Shareholders for the year 2014 as the auditor of the Company. The auditor was of knowledgeable and expertise without any conflicts of interest with the Company and met all the requirements. As such, the Board of Directors was confident that the financial statements of the Company are correct and trustworthy. In addition, the Board of Directors realizes the importance of effective internal control, which leads to efficient operation of the Company and the preparation of financial reports in a correct and complete manner. In addition, a mechanism to prevent any material frauds and irregular operation was put in place as the Company appointed the Audit Committee to be responsible for the review and oversight to ensure that the Company has appropriate internal control and effective audit system. This was to ensure that reports and records on the accounting information was correct, complete, and adequate. In addition, the Board of Directors assured confidence among shareholders by assigning the Audit Committee, which consisted of the Independent Directors, to be responsible for the internal control system. Opinions of the Audit Committee on this subject matter was as appeared in the report of Audit Committee on page 105 of this annual report, stating that the financial statements of the Company and subsidiaries as of December 31, 2014 were correct, complete, and fairly presented.

4. The Company has assigned the Investor Relations Department to be the contact point for communication and provision of information to institutional investors, shareholders as well as related analysts in a correct and fair manner.

The communication channel was available on the Company's website under the "Investor Relation" section. In addition, a department was designated to disseminate and promote

operations and projects of the Company via the press to disclose significant information for the public in a correct manner.

5. The Company arranges for communications channels where easy and fair access to information is provided to shareholders, investors, and the public. The information is available in both Thai and English versions and they are available on the website of the Company, which serves as another key portal to its material data. The Company ensures that its website is accessible and constantly updated so that investors and interested parties can access to the Company's information in a correct, fast, and fair manner. In this regard, the information on the Company's website may differ from the disclosed information depending on limitations and website development technology. However, no significant difference should incur in terms of its essence.

In 2014, the Company organized a press conference on performance and business direction while the meeting with analysts were held in each quarter during the year.

2. Oversight of the use of insider information and conflict of interests

2.1 Oversight on the use of insider information

The Company regards that the use of insider information is among key responsibilities of Directors, executives, and employees whereby all parties are expected to keep the information confidential, especially the internal information which has yet to be disclosed to the public or that which incurs significant impact toward the business operation or share price. It is determined that there would be no abuse of opportunity or information received in the tenure of Directors, senior executives, or employees of the Company for personal gain. Moreover, certain information is restricted and to be disclosed only to Directors and related senior executives of the Company. In addition, the Company requires that executives should report their ownership in securities and the changes thereof to SEC as per the section 59 of the Securities and Exchange Act B.E 2535. Additionally, the Company has determined policies in writing to prohibit Directors, executives, and employees to whom the insider information is disclosed, and their spouse, and children who are minors, to conduct sale and purchase

transactions of the Company's securities prior to the announcement of the financial statements of the Company to the public for a period of at least one month. Any violation against the said policy shall incur disciplinary actions, which range from warnings to termination of employment as well as court trial as per the laws. Related announcements and communications are regularly disseminated to Directors, executives, and all employees of the Company in advance.

2.2 Conflict of interest

The Board of Directors and executives of the Company are precautionous about any conflict of interest which may occur in practice and oversee that no Directors, executives, and related parties exploited the insider information for personal gain. In addition, it is determined that Directors and executives of the Company should report their interest as required by the law and Board of Directors.

In the occasion where the intercompany transactions entered into between the Company and other persons which may incur conflict of interest or may incur so in the future, the Board of Directors has determined the guideline for implementation which strictly complies with the related laws and regulations. The Audit Committee was assigned to provide the opinion on the necessity and appropriateness of the above mentioned transactions. In a case where the Audit Committee lacks of expertise required for consideration on a particular transaction, it may hire an independent expert or auditor of the Company to provide opinion on the transaction so as to provide adequate information for consideration of the Board of Directors or shareholders as the case may be; and to prevent the conflict of interest. The Board of Directors has determined policies and guideline for preventing Directors, executives, and employees of the Company from exploitation for personal gain whereby Directors, executives, and employees are to avoid conducting related transactions with the Company, which may incur conflict of interest.

In addition, to prevent the conflict of interest, the Company has established the policy overseeing any transactions which may incur the conflict of interest whereby Directors who have any conflict of interest in any agenda shall abstain from voting or not engaging in consideration of the agenda.

In addition, policies and methods were determined to prevent executives and related persons to exploit the insider information for personal gain.

In 2014, there was neither disclosure of incorrect significant information or announcement by any department of the Company nor any complaint regarding wrongdoings involving the abuse of insider information by Directors and executives nor any malpractice regarding the conflict of interest. This reflected that the policies and guideline for conflict of interest determined by the Board of Directors of the Company were duly .

LIABILITY OF THE BOARD OF DIRECTORS

The Board of Directors has roles and responsibilities to oversee management to achieve the targets and in a manner that delivers optimal benefits to shareholders. At the same time, it takes into account the benefit of all stakeholders. Appropriate delegation of structure, qualifications, and scope of authority of the Board of Directors would be beneficial to performance of the Company. Persons to be appointed as Directors should be equipped with knowledge, ability, experience, vision, and honesty; and they could manage their schedule to ensure they deliver full performance as required for Director position. They should have independence required for decision making for the best interest of the Company and shareholders. The Board of Directors has put in place committees or sub-committees to study, consider, filter, and support the works of the Board of Directors in order to enhance their performance. To ensure clear scope of responsibility and work efficiency of the Board of Directors, the following structure, framework, and authority of the Board of Directors and sub-committees were determined as follows:-

1. Structure and components of the Board of Directors

The Board of Directors shall consist of not less than 5 Directors as per the Article of Association of the Company dated March 3, 2004.

As of December 31 2014, the Board of Directors consisted of 9 Directors, one of which was Executive Director and the other 8 was Non-Executive Directors, where 4 of them were Independent Directors. Details of the Board of Directors were as appeared in the item 11. Management structure in the page 45 of this annual report.

In this regard, the independence of Independent Directors of the Company was qualified as per the laws regarding securities and exchanges and other related laws. Details of the independence requirements of Independent Directors were as appeared in the item 11. Management structure from un the page 54 of this annual report.

2. Nomination of Directors

The Board of Directors assigned the Nomination and Remuneration Committee to consider candidates for Director position through consideration of persons whose qualifications, knowledge, ability, experience, age, gender, multi-disciplinary knowledge, professions, specialty, and skills enhance the capability of the Board. The qualification of Director and/or Independent Director as per the law on public company limited, securities and exchange, and other related laws; and regulations of the Company shall also be taken into account for consideration.

The shortlist candidates will be proposed by the Nomination and Remuneration Committee to the meeting of Board of Directors or meeting of shareholders for consideration as the case maybe. In this regard, the appointment of the Directors by the meeting of shareholders are carried out in accordance with the criteria and methods as stipulated in the Article of Association of the Company and/or the related laws.

3. Roles, duties, and responsibilities of the Board of Directors

The Board of Directors has responsibility towards shareholders to perform their tasks with honesty and honorable intention. It is to devote their time, knowledge, skills, ability, and experience for the benefit of business operation of the Company. It is obliged to provide recommendations and see to it that the operation of the Company is strictly in compliance with the laws, objectives, Article of Association, and resolutions of the meeting of shareholders. In addition, it is to efficiently and effectively oversee, supervise, and monitor the management and operation of the Company according to the policies, business plans, and targets, taking into account the precaution on interests of all stakeholders.

In this regard, the Board of Directors considers, determines, and makes arrangement to put in place the finance and accounting systems, internal audit, risk management and internal control to ensure its propriety, adequacy, and credibility. This is in order to ensure that the operation is carried out in a correct and

complete manner in accordance with the related laws. In addition, it is responsible for ensuring that shareholders are treated fairly; interests of shareholders and all stakeholders are protected; and information is disclosed in a correct, complete, and timely manner.

The Board of Directors is prohibited from engaging in or being partner or Directors of businesses which are similar to that of the Company where they are deemed competitors of the Company and subsidiaries. It is determined that any Directors or persons who are deemed to incur possible conflict of interest or any conflict of interest against the Company or subsidiaries (as per the Article of Association, laws, and notifications of SEC and SET) are to abstain from voting in such related agenda.

The Board of Directors is to comply with all criteria and conditions as stipulated by the law in a case where approval of meeting of shareholders is required for any performances or approval of any businesses.

The Board of Directors is authorized to assign one or more Directors to serve as Vice Chairman as deemed appropriate.

The Board of Directors is authorized to empower some Directors and/or executives of the Company as Executive Directors to perform one or several tasks on behalf of the Board of Directors. The scope of empowerment shall be within the authority of the Board of Directors and shall be explicitly described.

The Board of Directors is also authorized to appoint sub-committees to support its works where it is authorized to revise the scope, responsibility, and authority of the sub-committees as deemed necessary or appropriate.

The Board of Directors is authorized to appoint a Director as the Managing Director to perform duties as determined by the Board of Directors; and it is authorized to revise the scope, responsibility, and authority of the Managing Director as deemed necessary or appropriate.

In this regard, the above empowerment shall not be in the nature of power of attorney or substitute power of attorney that allows the attorney-in-fact to approve transactions where he or other persons may incur conflict, interest, or conflict of interest (pertaining to the law, Article of Association of the Company, notifications and criteria of SEC and SET) against the Company or subsidiaries unless approval of transactions is made in accordance with the policy and criteria approved by the Board of Directors.

In this regard, persons with conflict of interest shall abstain from voting in such agenda.

4. Roles, duties, and responsibilities of the Chairman of the Board of Directors

The key roles and responsibilities of Chairman of the Board of Directors are as follows:-

1. To take responsibility as the leader of the Board of Directors to oversee and monitor the management of the Company to achieve the objectives as stated in the policies;
2. To chair the meeting of Board of Directors and meeting of shareholders;
3. To be the deciding vote in case of equal voting results;
4. To perform other tasks as required by the law

5. Meetings of the Board of Directors and sub-committees

Board of Directors Meeting

The Board of Directors has determined that an ordinary meeting is to be held on a quarterly basis while extraordinary meetings may be held if necessary. Meeting dates for the entire year are to be scheduled in advance and proposed to the meeting of Directors and sub committees for consideration in order to facilitate Directors to allocate time for attendance properly. With regards to the meeting of Board of Directors, the Chairman or assigned persons are to submit the invitation letter along with complete set of meeting documents for each Director at least 7 days prior to the meeting date unless there are any emergencies to protect the rights or benefits of the Company where meeting dates and schedules may be notified earlier or by other methods.

Each meeting of Board of Directors requires at least half of the numbers of all Directors to constitute quorum and the Chairman of the Board of Directors is to chair the meeting. In case the Chairman is absent from the meeting or could not perform the task at the meeting of the Board of Directors, Vice Chairman is to chair the meeting. If there is no Vice Chairman or the Vice Chairman could not perform the task, Directors are entitle to select a Director to chair the meeting.

The Board of Directors has determined that the Company Secretary is to record the minutes of meeting in writing. After the minutes are approved by the Board of Directors, the minutes of meeting are to be stored in a manner that they are ready for audit by related persons at all time.

Although the meeting of Board of Directors are scheduled on a quarterly basis, the management is obliged to submit, on a monthly basis, the monthly performance report to Directors via email for acknowledgement during the months where no meeting is held.

Sub-committees Meeting

Meetings of sub-committees are scheduled in advance for

the entire year while additional meetings may be held as necessary. Minutes of the meetings are to be prepared for each meeting.

In 2014, the Company held the Board of Directors Meeting and sub-committees Meetings whereby the numbers of meetings and details of attendance of each Director are summarized below.

Details of meeting and attendance of Directors⁽¹⁾

NAME	BOARD OF DIRECTORS MEETING/ ATTENDANCE	AUDIT COMMITTEE MEETING/ ATTENDANCE	EXECUTIVE COMMITTEE MEETING/ ATTENDANCE	NOMINATION COMMITTEE MEETING/ ATTENDANCE	REMUNERATION COMMITTEE MEETING/ ATTENDANCE	RISK MANAGEMENT COMMITTEE MEETING/ ATTENDANCE	GOOD CORPORATE GOVERNANCE COMMITTEE MEETING/ ATTENDANCE	METTING OF THE NON-EXECUTIVE DIRECTOR/ ATTENDANCE
Mr. Narong Srisa-an ⁽²⁾	1/5	-	-	-	1/3	-	-	-
Mr. Prasit Kovilaikool ⁽³⁾	5/5	-	-	1/1	3/3	-	-	1/1
Mr. Vikrom Koompirochana ⁽⁴⁾	5/5	8/8	-	1/1	3/3	-	3/3	1/1
Mr. Chai Jroongtanapibarn ⁽⁵⁾	5/5	8/8	-	-	-	7/7	3/3	1/1
Ms. Potjane Thanavarant ⁽⁶⁾	5/5	7/8	-	-	2/3	-	3/3	1/1
Mr. Thapana Sirivadhanabhakdi ⁽⁷⁾	5/5	-	12/12	1/1	3/3	-	3/3	-
Mr. Matthew Kichodhan ⁽⁸⁾	1/5	-	-	-	-	-	-	-
Mr. Marut Buranasetkul ⁽⁹⁾	5/5	-	12/12	-	-	-/7	3/3	-
Mr. Sithichai Chaikriangkrai	5/5	-	12/12	-	3/3	-	-	-
Mr. Ueychai Tantha-Obhas	5/5	-	10/12	-	-	-	-	-
Mr. Pisanu Vichiensanth	5/5	-	11/12	-	-	4/7	-	-
Mrs. Sureeporn Pradittasnee ⁽¹⁰⁾	1/5	-	12/12	-	-	6/7	-	-

Remarks

- (1) In case of absence from the meeting of Board of Directors and sub-committees as per the above table due to inevitable matter, Directors should notified of their absence in advance.
- (2) Mr. Narong Srisa-an retired by rotation and he expressed intention not to be re-elected for another term in the Annual General Meeting of Shareholders held on April 30, 2014.
- (3) Mr. Prasit Kovilaikool was appointed by the Meeting of Board of Directors No.2/2014 held on April 30, 2014 as Chairman of the Board of Directors in replacement of Mr. Narong Srisa-an who retired by rotation.
- (4) Mr. Vikrom Koompirochana was appointed by the Meeting of the Board of Directors No. 3/2014 held on May 12, 2014 as member of the Good Corporate Governance Committee.
- (5) Mr. Chai Jroongtanapibarn was appointed by the Meeting of the Board of Directors No. 3/2014 held on May 12, 2014 as member of the Good Corporate Governance Committee.
- (6) Ms. Potjane Thanavarant was appointed by the Meeting of the Board of Directors No. 2/2014 held on April 30, 2014 and

- the Meeting of the Board of Directors No. 3/2014 held on May 12, 2014 as Chairman of the Remuneration Committee in replacement of Mr. Narong Srisa-an who retired by rotation, and the Good Corporate Governance Committee, respectively.
- (7) Mr. Thapana Sirivadhanabhakdi was appointed by the Meeting of the Board of Directors No. 3/2014 held on May 12, 2014 as member of the Good Corporate Governance Committee.
- (8) Mr. Matthew Kichodhan retired by rotation and he expressed intention not to be re-elected for another term in the Annual General Meeting of Shareholders held on April 30, 2014.
- (9) Mr. Marut Buranasetkul was appointed by the Meeting of the Board of Directors No. 3/2014 held on May 12, 2014 as member of the Good Corporate Governance Committee.
- (10) Mrs. Sureeporn Pradittasnee retired by rotation and she expressed intention not to be re-elected for another term in the Annual General Meeting of Shareholders held on April 30, 2014. However, she continued to serve as member of the Executive Committee and the Risk Management Committee of the Company.

6. Leadership and vision

The Board of Directors endorsed the vision, mission, strategies, goals, business plans, and budget of the Company. The meeting of Board of Directors is scheduled at least on a quarterly basis in order to monitor the performance of the Company and to acknowledge significant actions taken by the management. The Board of Directors put in place the mechanism to oversee, monitor, and assess the performance of executives to ensure alignment with the short-term and long-term goals.

Oishi has determined the vision and mission which are suitable and in alignment with the business operation of the Company and reviews them constantly to ensure that they accord to the current situations and economy. The vision and mission are disclosed in the Company's website as follows:-

Vision

"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 business; 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 customers 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 pro 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.

The Board of Directors meeting No. 1/2015 held on February 25, 2015 considered and resolved that those vision and mission were appropriate and in alignment with the business operation of the Company.

In addition, Thai Beverage Public Company Limited ("ThaiBev") has determined the "Vision 2020" consisting of 5 key strategies i.e. growth, diversity, brand, reach, and professionalism. The vision established the guideline and long-term plan for all businesses under ThaiBev's umbrella to ensure alignment of business direction, which will enhance ThaiBev Group's strength, allocation and management of joint resources, the competitive edge, and sustainable returns for shareholders of each business. At the same time, it provides a challenge opportunity for personnel of ThaiBev Group to enhance their potential and career advances.

7. Check and balance of Non-Executive Directors

The Company has determined the policy to organize the structure of the Board of Directors to retain the balance between the ratio of Independent Directors, Executive Directors, and Non-Executive Directors in order to ensure the check and balance on performance of the Board of Directors.

In addition, the Company has policy to encourage Non-Executive Directors to hold meetings among them as deemed appropriate without the attendance of management or Executive Directors so as to provide an opportunity for the Non-Executive Directors to discuss matters or issues regarding business operations or other matters as deemed appropriate. The Non-Executive Directors are to select one among them to chair the meeting.

In 2014, the Non-Executive Directors organized one meeting without attendance of the management and executives.

8. Centralization or segregation of position

The Chairman of the Board of Directors and the Managing Director are two separate persons in order to clearly segregate the duties of supervision from management. The Chairman of the Board of Directors serves as the leader of the Board of Directors for consideration and endorsement of overall policies such as vision, mission, strategies, and corporate governance policies while the Managing Director serves as the leader of executives and management whom responsible for the management of the Company in accordance with the policies set forth by the Board of Directors.

9. Term of Office

In each Annual General Meeting of Shareholders, Directors whose terms are the longest shall retire by rotation at the ratio of one third of all Directors. If the numbers of Directors do not allow three portions, the most proximate number to one third shall be referred to instead. In this regard, Directors who retire by rotation may be nominated as candidates for re-election by the Meeting of Shareholders, except for Independent Directors who should not assume the term in office exceeding 3 consecutive terms or a period of 9 years unless they are qualified to hold the position for a longer period. The Board of Directors may consider the independence, appropriateness, and performance efficiency; and clarify its grounds and the Director's performance for consideration of shareholders to re-elect Independent Directors who have served for more than 3 terms or 9 years for another term.

Apart from retiring by rotation, the Board of Directors may leave the office as stipulated by the laws or the Article of Association of the Company. In a case where director position is vacant due to reasons other than retirement by rotation, the Board of Directors are entitled to select persons whose qualifications are not prohibited by the laws to fill in the vacancy unless such office has less than 2 months term. The newly appointed Director shall serve at the remaining term of office. In this regard, the appointment requires approval of the Board of Directors with the votes of not less than three-fourth of remaining Directors.

10. Director assessment

The Company has policies for the Board of Directors to conduct self-assessment at least once a year for the purpose of development and improvement of their performance. The Board of Directors meeting No. 1/2015 held on February 25, 2015 had a resolution approving the self-assessment form for the Board of Directors for the self-performance assessment, applicable from the year 2014 onwards.

11. Determination of Director Remuneration

The Board of Directors has put in place the system to consider and determine remuneration of Directors, consisting of proper and auditable procedures to enhance confidence of shareholders.

In this regard, the Board of Directors assigned the Remuneration Committee to consider all types of remuneration of Directors and members of all sub-committees i.e. monthly remuneration and bonus as well as other benefit-in-kind (if any). The matter is proposed to the Board of Directors to ensure appropriateness prior to being proposed to the Meeting of Shareholders for further approval.

All forms of remuneration of Directors are determined by the Remuneration Committee through benchmarking against peers and businesses of similar sizes. The remuneration shall be appropriate and in alignment with duties and obligations, performance, and assigned responsibilities. It should be able to attract Directors with proper qualifications and ability to serve the Company or perform duties to achieve the objects, goals, and business direction of the Company.

12. Orientation

The Board of Directors arranges the orientation of all new directors for them to understand expectation of the Company with regards to roles, duties, and responsibility of directors, policies and guideline on corporate governance of the Company; to learn more about business, products, business plans, and operations of the Company; and to visit business units of the Company to ensure they are ready to serve as Director of the Company.

13. Director development

The Company has policy to encourage and support all directors of the Company to attend seminars and participate in training courses organized by the Thai Institute of Directors Association (IOD), SET, and other independent organizations or agencies to promote knowledge, which will benefit the performance efficiency. The details of seminars and training courses of which directors had attend during the year 2014 were declared in the section 11 Management Structure in the page 46 of this annual report.

14. Succession plan

The Company prepares and monitors the succession plans for the Managing Director and senior executive positions in order to ensure that the Company has executives who are equipped with knowledge, ability, and experience for succession in key positions in the future. Review and reports are made as deemed appropriate. This is to encourage and ensure readiness for senior executives for the purpose of succession in key positions of the Company.

The Company arranges the senior executives to attend Director Certification Program (DCP) or Director Accreditation Program (DAP) organized by the Thai Institute of Directors Association to build a solid foundation of understanding on criteria for their duty performance and responsibility of Directors in listed companies, which enhance their readiness and benefit executives in terms of working to support the Board of Directors.

In 2014, Ms. Chitkasem Moo-Ming, Assistant Managing Director-Finance and Accounting attended the Director Certification Program (DCP) class 184/2014

15. Company Secretary

The Board of Directors appointed the Company Secretary to ensure compliance with laws and corporate governance principles whereby the scope, authority, and responsibilities are as follows:-

1. Has authority to contact and sign in documents to be submitted to the Stock Exchange of Thailand;
2. Has roles and responsibilities as stipulated by the laws on securities and exchange and rules and regulations determined Capital Market Supervisory Board and/or other supervising agencies.

16. Sub-committees

The Board of Directors appointed 6 sub-committees to support on oversight of the Company's operation namely the Executive Committee, the Audit Committee, the Risk Management Committee, the Nomination Committee, the Remuneration Committee, and the Good Corporate Governance Committee. The compositions, qualifications, meetings, term of office, scope, duties, and responsibility of the each sub-committee are established by the Board of Directors as stipulated in the related charter or appointment directive.

In addition, the Board of Directors has determined that details of the structure, compositions, roles, duties and responsibilities, performance, attendance, amount of remuneration of the Board of Directors, the sub-committees, and authorized directors are to be described in the section 11 management Structure on page 45-55 of this annual report.

17. Communication and promotion on compliance with corporate governance and Code of Conduct of the Company

The Board of Directors sees significance of dissemination and promotion of awareness and understanding of all employees in the organization regarding compliance with the corporate governance and Code of Conduct of the Company. This is in order to achieve the objectives and determination on developing and elevating the corporate governance of the Company.

Therefore, the Board of Directors has established the policy to communicate to employees about the policy on corporate governance and Code of Conduct of the Company on a continual basis. Also, activities to promote knowledge and understanding of procedures to monitor compliance with policies and the Code of Conduct of the company have been organized for the purpose of improvement and development of compliance to rules and regulations to ensure the entire organization have the common goals.

18. Internal control and audit system

The Company has put in place extensive internal control for all aspects so as to ensure that the operations of the Company are in compliance with the related goals, principles, and regulations. The audit mechanism is also put in effect to ensure check and balance which is sufficient to protect, secure, and oversee the capital of shareholders and assets of the Company. Command line for approval was established along with liability of executives and employees. Work regulations were determined in writing and the Internal Audit department conducts audit of all functions to ensure correct and careful operations in a manner that prevents frauds and corruption while ensuring compliance with related rules and regulations. The Audit Committee monitors the operation of the Company to ensure effective internal control and trustworthy financial system through consideration of the direct report from the Internal Audit Department of the Company.

The Company encourages and supports the Internal Audit Department to work with independence in order to ensure the efficient check and balance by having it reporting directly to the Audit Committee. This is to ensure that the operation of the Company is carried out strictly and effectively in compliance with the guideline. In each meeting of the Audit Committee, the head of Internal Audit Department reports on significant findings to the Audit Committee for acknowledgement. In addition, the Audit Committee is to submit the report and recommendation thereof to the management in order to notify them about any areas where there is opportunity for improvement. In this regard, the Internal Audit Department works to support the Audit Committee with regards to complaints and leads filed by internal and external parties.

19. Risk Management

The Board of Directors recognizes the importance of management of risks which may incur to the Company. As such, the Risk Management Committee was established and consisted of director and executives of key functions of the Company to take responsibility in assessment and management of risks of the company as well as corruption risk. The Risk Management Committee shall discuss to assess the primary, secondary and immaterial risks and makes suggestions on amendments, management or minimization of negative effects from different types of risks. Moreover, it monitors the progress to ensure appropriate and continual implementation and prepares related report to be proposed to the Board of Directors on a quarterly basis, which forms part of the annual report. Primary risks of the Company are as per details in the Section 7 Risk Factors on page 25-27 of this annual report.

In this regard, the Board of Directors has established the policy on corporate governance and Code of Conduct of Oishi Group as guideline for business practice for Directors, executives, and employees of the Company. The Board of Directors review and revise the corporate governance principle on a regular basis. In 2014, the Board of Directors established the Good Corporate Governance Committee to support the work of the Board of Directors on corporate governance. The Good Corporate Governance Committee has reviewed and revised the policy to be adaptable to any possible changes as result of business operation, environment, situations, including rules and regulations. The revised corporate governance policy was effective from November 11 2014 onwards and was disclosed in the Company's website under the topic of corporate governance.

In 2014, the Board of Directors, executives, and employees of the Company ensured compliance with the corporate governance and Code of Conduct of Oishi Group. Monitoring and assessment of policy compliance was conducted on a regular basis. In the past year, the Company neither violated laws nor regulations of SEC and SET.



REPORT ON
CORPORATE SOCIAL
RESPONSIBILITY

REPORT ON CORPORATE SOCIAL RESPONSIBILITY



COMPANY'S POLICY AND IMPLEMENTATION ON CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY FOR BUSINESS SUSTAINABILITY AND A WHOLE SOCIETAL COMMUNITIES (CSR-IN-PROCESS)

Oishi Group Public Company Limited (the "Company") commits to **CSR-in-process** scheme which is the implementation of social responsibility within the corporate's core processes. Consequently, the company has continued creating profits with corporate social responsibility (CSR) persistently, such as prevention and elimination of pollution in manufacturing process to mitigate effects to the community, production of goods and services with quality and standards determined in product labels, correctly and completely disclosure of product information to consumers, and compensation made to customers in case of faults and defects caused by the company's employees. The responsibilities are considered routine activities performed by the company. They can be divided into 8 titles as follows:

1. Equity on Business operations

The company performs business with corporate governance in accordance with good governance, business code of conducts, social and environmental responsibilities, as well as fair business strategies, in order to create quality products that meet the international standards. That is to allow product and service users to receive maximum benefits both in terms of quality and price to create good image to customers' perception resulting customers' trust in our product and service quality. In addition, the company also performs activities in accordance with laws, and encourages our employees to recognize the importance of the compliance to competitive laws, fair treatment to all relevant parties, and care generated to all employees to ensure their good benefits and welfares to create employees' pride by becoming a part of the business, as well as to guarantee shareholders with appropriate rate of investment return.

2. Respect of human right

A good organization must respect life and dignity of all human beings as a fundamental of human resource management and development. To promote the respect of right and freedom, the Company therefore recognizes the importance of fundamental human right by implementing non-discrimination, promoting equality, avoiding gender and class separation, avoiding children labor use, and resisting against corruption in all aspects

3. Fair labor treatment

To maintain corporate governance principle, the Company represents social responsibility by treating our employees with fairness, that is respecting to their right to work under human right principles from equal treatment or fairness during recruitment processes and position designation, for the consideration of benefits in terms of income and welfares as appropriate, as well as the consideration of opportunities and career progress, such as appropriate promotion. In addition, the company has developed employees' competency and helped promote their career progress by providing special trainings which are beneficial in their specific field on regular basis.

4. Responsibility to consumers

To deliver products and services with high standard, the company recognizes the importance of management. In food sector, the Company applies a strategy "QSC + 2Vs", whereas **Q – Quality of Product** refers to quality of food processed with good hygiene and the selection of clean fresh new and safe natural raw materials under goods and services quality management scheme; "**IQHSM**" or "**Integrated Quality Hygiene Safety Management**", integrating and applying several international standards, including ISO9001(2008), Codex GMP/GHP 2003, and Codex HACCP 2003. This scheme focuses on controlling and inspecting the quality of raw materials, foods, and services. The Company is the first company in Asia which applied the said standards for the management of leading Japanese restaurants under Oishi Group from 2008.

In addition, recently Oishi opened up a central kitchen for food processing plant with global standard under goods and services quality management system, certified by international quality system including GMP/ HACCP system and BRC (British Retail Consortium)

system which are quality system for food safety with the excellent performance appraisal (Grade A). In this connection, the central kitchen has also been registered as an establishment for export at the Department of Fisheries with excellent performance (First Class Plan) and at the Department of Livestock. This can simply explain that all production processes of the central kitchen possess standards equivalent to those of other export products in global markets.

As for beverages sector, the Company has become a role model in Thailand in applying production technology and cold aseptic filling system from Japan to the production of “Oishi Green Tea” beverages. These production technologies can pertain taste, nutrition, and originality of Japanese tea from natural tea leaf raw material. This plant is also the first in Thailand using double clean room technology which is considered the cleanest environment for production processes equivalent to an operation room in a hospital.

Oishi beverages production plant in Navanakorn has received standard of TAS 9023–2007 GMP Codex Alimentarius or good principle in food production, TAS 9024–2007 HACCP Codex Alimentarius or an analysis system of hazard and critical point requiring monitoring, ISO9001:2008 (Quality Management System), ISO22000:2005 (Food Safety Management System), ISO14001:2004 (Environment Management System), HALAL Food Standards, Green Industry Level 3 and LACF USFDA or low-acid canned foods under the Food and Drug Administration of the United States of America.

For Oishi beverages production plant in Saraburi, it received standard of TAS 9023–2007 GMP Codex Alimentarius or Good Principle in Food Production, BRC Issue 6 Global Standard For Food Safety, ISO22000:2005 or Food Safety Management system, ISO 14001:2004 or Environment Management system, HALAL Food Standards and LACF USFDA or low-acid canned foods under the Food and Drug Administration of the United States of America.

5. Environmental conservation

One of the company’s key policies apart from the development of maximum efficiency and effectiveness of working procedure is the recognition of the importance on responsible and sustainable environmental conservation, including pollution prevention, sustainable use of resources, reduction and adaptation for global warming. The instances are as follows:



- Oishi Green Tea production plant located in Navanakorn Industrial zone is considered a World –Class factory designed on the basis of green factory for environment. There has been the introduction of energy-saving technology, such as Econo-Pilot Cooling System as same as the Hi – Class factory in Japan, the use of gypsum wall to absorb heat from outdoor which can help save energy up to 50%, and the change from T8 to LED lamps which can help reduce electricity use by 60%. In addition, the building was also designed to support the natural light energy consumes to effectively reduce the use of electricity. Dry Filling Process for manufacturing has also been introduced to reduce water use during manufacturing process and to prevent contaminated chemicals. Another important initiative is the change of wind blowing used for tea bottles from air compressor to hi-speed motor blower which could help save energy and electricity worth 8 hundred thousand Baht annually.
- Oishi central kitchen located in Ban Bung District in Chonburi Province is a standardize food processing plant which has produced various process foods, including fresh foods such as cut of swine, chicken, fish, and fresh vegetables to supply over 200 Japanese restaurants under Oishi Group. In addition, this central kitchen also produces Kyoza, sandwiches, as well as several seasonings, such as Yakiniiku sauce, curry, Suki sauce, and Miso soup etc. Consequently, Oishi central kitchen recognizes the importance on waste water treatment by firstly forwarding all wastes to an “Equalization Tank” which is a tank collecting waste water from the plant and then treat waste water consistently (pH treatment), before having further treatment at “Aerated Lagoon” to add sufficient oxygen by using a floating aerator to enable decomposition of organic matter in the waste water naturally. After all, water will be proceeded to “Polishing Pond” which will receive waste water from an aerated lagoon to treat waste and decomposition in water and then water will be reused watering plants.

6. Community and Social development cooperation

It has been over 10 years that the company has performed its business in Navanakorn Industrial Zone in Patumthani Province and Amata Nakorn in Chonburi Province. Also, recently the company has opened up Oishi central kitchen in Ban Bung District in Chonburi province resulting in new employment opportunities for local people to have job and to generate more income further.

7. Innovation and it’s dissemination from CSR initiative

The company has developed new, modern, and advanced economic and social knowledge to create innovation and it’s dissemination from CSR initiative, particularly for social and environmental care, such as creation of Poly Ethylene Terephthalate bottle (PET) produced with advance technology which can help reduce the use of plastic by 30% comparing to hot filling production and can help the products weight lighter to save energy and fuel used for transportation. This is considered the application of mainstream innovation to innovation from CSR initiative as the company believes that innovation focusing on creating value from new thinking based on social responsibility will definitely create prosperity and sustainability of a business.

REPORT ON CORPORATE SOCIAL RESPONSIBILITY APART FROM NORMAL BUSINESS OPERATION (CSR AFTER PROCESS)

SOCIAL ACTIVITIES

Over the past 15 years, apart from being a manufacturer of foods and beverages through modern processing, high technology, and truly traditional Japanese neatness, **Oishi Group Public Company Limited (the “Company”)** has implemented a key policy, stating **attempt to move the business forward, together with provision of corporate social responsibility, and requite the country.** Under thoughts and Brand DNA origin from traditional “**Japaneseness**”, particularly the gorgeous respect of “**ethics**” of Japan, such as discipline and honesty, which reflect the organizational transparency and code of conducts. In addition, the company also recognizes the importance on the implantation of morality in Thai society by supporting and creating several social activities in various forms continuously and consistently, such as educational activities, environmental activities, quality of life promoting activities for people in the society, children and youth developing activities, as well as providing urgent and immediate assistance during natural disasters. Activities which the company has performed over the previous year are as follows:



1) Educational Activities

1.1) Oishi Group PLC. funded volunteering camps for rural development

As the Company recognizes the value of youth people with morality and social mind, the company supported 4 volunteering camps for rural development collaboratively organized by students from Chulalongkorn University in March – April 2014 as follows:

- Environment Conservation Club under the Faculty of Science, Chulalongkorn University organized a programme “the 1st Plantation and People Development Camp for Young Environmentalists” to conduct activities to raise awareness and educate knowledge and understanding on the importance of natural resources for students at Suthep Scout Camp in Chiang Mai Province. This initiative helped build students on the recognition of the importance of natural conservation with a hope that the trained students would become a great force and would lead further solutions to develop the better environment.
- CU Rural Student Group from Chulalongkorn University organized a programme “The 25th CU Rural Volunteering Camp for Development” aiming to build a library for Ban Pakrat School in Nong Ya Plong District in Petchburi Province, and to conduct several activities benefiting to villages and communities.
- Volunteering Camp Club under the Student Government of Chulalongkorn University organized “Volunteering Club for School Building Construction at Ban Thongchai Lang School” to collaboratively construct 1 building to solve the lack of teaching space for Ban Thongchai Lang School in Dan Mae Lamao Sub-district, Maesod District in Tak Province, as well as conducted several activities to build good relationship with the community in order to create better understanding on the difference between urban and rural society.
- Volunteering Camp Club for Rural Development under the Faculty of Law, Chulalongkorn University, organized “The 2nd Volunteering Camp for Rural Development in Academic Year 2013” at Tham Phra Village, I-poom Sub-district, Dansai District in Loei Province, aiming to provide an opportunity for students to conduct social works through several activities, such as school library construction, teaching students during school break, and provision of fundamental laws to villagers, etc.



1.2) Promotion of Youth Education: Oishi awarded scholarships for employees' children

Apart from the continuous organization of social works, the Company also recognizes the important on the personnel's welfare. Thus, the company has promoted education through awarding scholarships for Oishi's employees' children on regular basis, aiming to promote education and to be a part in creating brighter future for the youths, as well as to heighten morale of the employees. The company selected employees' children with good academic performance to granted scholarships. This year, the company awarded totally 85 scholarships, amounting to over four hundred thousand Baht. The awarding ceremony was held at the Company at Park Venture Building in May 2014.



2) ENVIRONMENTAL ACTIVITIES

2.1) Promotion of Research Project "Tea Farm Against Smoke Hazard"

Smoke hazard tends to increase its severity. According to the survey of dust amount conducted by the Pollution Control Department of Thailand, it was found that provinces in Northern Thailand had triple amount of dust over the standard. The area of the most severity was Mae Hong Son Province, following with Chiang Rai Province and Phrae Province respectively (according to the survey conducted by Phrae Provincial Public Health Office in January 2014). This caused the persistent increase among people in cancer and respiratory diseases every year. The Company therefore collaborated with Phrae Community College to fund a research project namely "Oishi Tea Farm Against Smoke Hazard" which not only aimed to help deal with air pollution matters, but also aimed to promote careers and to develop agriculturists in the community for better quality in life. This initiative has been established under the cooperation between a research team from Phrae Community College and Ban Na Koo Ha villagers. They collaboratively planted organic tea trees in the mountainous agricultural area in Ban Na Koo Ha Village, Suan Kuen Sub-district, Muang District in Phrae Province, to replace the plantation of traditional plants requiring the post-harvested straws to be fired causing smoke hazard. In the future, the villagers' hopes that the plantation of organic tea would help decrease air smoke hazard and help expand a new quality and standard tea resources which could be processed to manufacturing factories to sustainable generate community income.



2.2) Coral reef plantation for sea conservation

Nowadays, a number of coral reefs in Thailand have continuously decreased due to the global warming caused by human beings. In general, coral reefs could survive in the ocean at the temperature up to 32 degree Celsius. However, the global warming has directly affected the ecosystem in the ocean, causing higher temperature in ocean water. As a result, coral reefs surviving in the ocean have gotten bleached and a huge amount of them were dead more and more. Oishi executives and employees recognized the importance on this issue so they visited to Toei Ngam Beach, Gulf of Marine Corps, Sattahip District in Chonburi Province in November 2014 to participate in the coral reef conservation activities in order to maintain ocean balance. The executives and employees collaboratively planted coral reefs with the close instruction and hospitality provided by officials from the Tourism Affairs of the Royal Thai Marine Corps. After all the Company support OISHI Green Tea to the Tourism Affairs of the Royal Thai Marine Corps as a thank for the support.





3) SOCIAL WELFARE DEVELOPMENT ACTIVITIES

3.1) Thai Red Cross Society gather blood donation from Oishi crews

As the Thai Red Cross Society has received an increasing number of blood demand from hospitals throughout the country, executives and employees of the Company committed to an intention of “giving” and cooperatively donate blood to the National Blood Center under the Thai Red Cross Society in March 2014 at a blood donation mobile unit located at Park Venture Building. This was based on the belief of huge giving and being a part in rescue our fellowman altogether.

3.2) Support Thai rice under campaign “1 Company 1 Sub-district initiative (OTOP)”

Thai farmers are backbone of the country. Oishi cooperatively succeeded in supporting a project for Thai farmers namely “Thai Bev Helps Create Model Sub-district for Right Livelihood: 1 Company, 1 Sub-district” organized by the key organization, Thai Beverage PLC., in cooperation with Right Livelihood Foundation, in order to help develop farmer career. This project supported a group of farmers planting gaba rice at Pone Thong Sub-district in Chaiyaphum Province. **Mr. Sam – Paisarn Aowsathaporn, An Executive Vice President in food division of the Company** also joined a field trip to visit a model sub-district for right livelihood to study on a good origin of “Germinated Parboiled Brown Rice” which is planted from paddy, full with nutrition, vitamins, minerals, fiber, and aromatic scent. Therefore, Germinated Parboiled Brown Rice has more nutrition than gaba rice and has higher nutrition value than grains. Oishi planned to further create new sushi made from such Germinated Parboiled Brown Rice to create special menus for health lovers in the near future.





3.3) Oishi "gives" fresh and safety for drivers during Songkran holidays

As usually there are many people travelling uptown during Thai New Year or Songkran holidays, the Company took a part to create a campaign encouraging safe drive during Songkran Holidays by giving 10,000 bottles of Oishi drink to the Highway Police Division in order to distribute drinks to travelers. This could help provide freshness while driving between April 11-16, 2014 at 4 main highway police service stations, such as Wang Noi highway police service in Phra Nakhon Si Ayutthaya Province and Wang Manow highway police service in Petchburi Province.

3.4) Emergency assistance for earthquake victims in Chiang Rai Province

From a severe earthquake which happened in several areas in Chiang Rai Province on May 5, 2014 particularly in Phan and Mae Lao District which suffered enormously everywhere, including buildings, people houses, archaeological sites, government offices, and transportation roads, leading to enormous difficulty to people, the Company as an CSR organization recognized the necessity and urgency of assistance needed to alleviate suffer of people affected from this natural disaster. Consequently, the company cooperated with Thai Beverage PLC., the 3rd Army Area by Chiang Rai Army Province, Thai Tea Suwirun business partner and Choui Fong Tea Plantation, attempted to recover affected schools, such as Pong Phrae Wittaya School under the Office of Basic Education Commission Office located in Mae Lao District in Chiang Rai Province. This school is amongst schools received the most suffer. The assistance was divided into 3 phases, including

- Phase 1 (May–September 2014): Built Oishi tent as a temporary school building
- Phase 2 (July–September 2014): Built a new kindergarten building based on a standard building plan of the Office of Basic Education Commission Office (OBEC) which was calculated for safety to support earthquake efficiently. In addition, Oishi executives and team also visited to the site to give Oishi foods and drinks to students, teachers, soldiers, villagers, and volunteers as a morale support for everyone who collaboratively joined this school building construction.
- Phase 3 (September 2014): Thai Beverage PLC., the 3rd Army Area by Chiang Rai Army Province, Thai Tea Suwirun business partner and Choui Fong Tea Plantation participated in a ceremony of sending a new kindergarten building, named "Chang Noi Kindergarten" to the school, with a support from volunteering students from Chiang Rai Rajabhat University who helped painting the new building.



3.5) Oishi supported friends from 3 Southern border provinces through a project "Each one hand...We can help 2014"

The Company supported a project "Each one hand...We can help 2014" organized by TCC Land Co., Ltd. with an objective to provide support to people in 3 Southern border provinces. TCC Land Co., Ltd. also invited their subsidiaries and Oishi to participate in having a selling booth to sell foods and drinks at a special rate, during July 7-9, 2014 at Empire Tower Building. All income without deduction was donated to 3 foundations, including the Anandamahidol Hospital Foundation, the Education for Development Foundation, and the Foundation to Support Teachers and Educational Personnel Suffered from Terrorism, in order to support villagers in 3 Southern border provinces further.



4) CHILDREN AND YOUTH DEVELOPMENT ACTIVITIES

4.1) Oishi team cooperatively donated necessary equipment to children at "Boonchoo Home for Special Children"

The Company's executives and employees cooperatively participated in the company annual social activity under a project Oishi "Give" by visiting a foster house "Boonchoo House for Special Children" in Sattahip District in Chonburi Province in November 2014 to give donation funds, objects in need, and Oishi drinks to **Teacher Boonchoo Muangmaithong, a director of Boonchoo House for Special Children**, to support and assist over hundred children in the foster house. The children gave a special performance on stage to thank Oishi team for visiting them this time.



4.2) "Shabushi" celebrated 100 branches by providing special meal for the Orphanage Foundation

The Company took a part in creating a giving society when Shabushi by OISHI has become successful achieving 100 branches around Thailand in September 2014. As a result, Oishi fulfilled happiness to the society by offering an impressive experience to underprivileged children and youth. The Company invited 100 children from the Orphanage Foundation of Thailand for a special meal at Shabushi restaurant, Gateway Ekamai branch, and had 2 humorous stars, **Palm – Supachai Suwanon** and **Dao – Pimthong Washirakom**, joined in creating smiles and laughter, as well as fulfilling happiness to those children. In addition, Oishi donated fund amounting to 20,000 Baht to the Orphanage Foundation as a lunch fund to be used for further occasion.



4.3) Oishi supported foods and drinks for a project "Chang Volleyball All Festival"

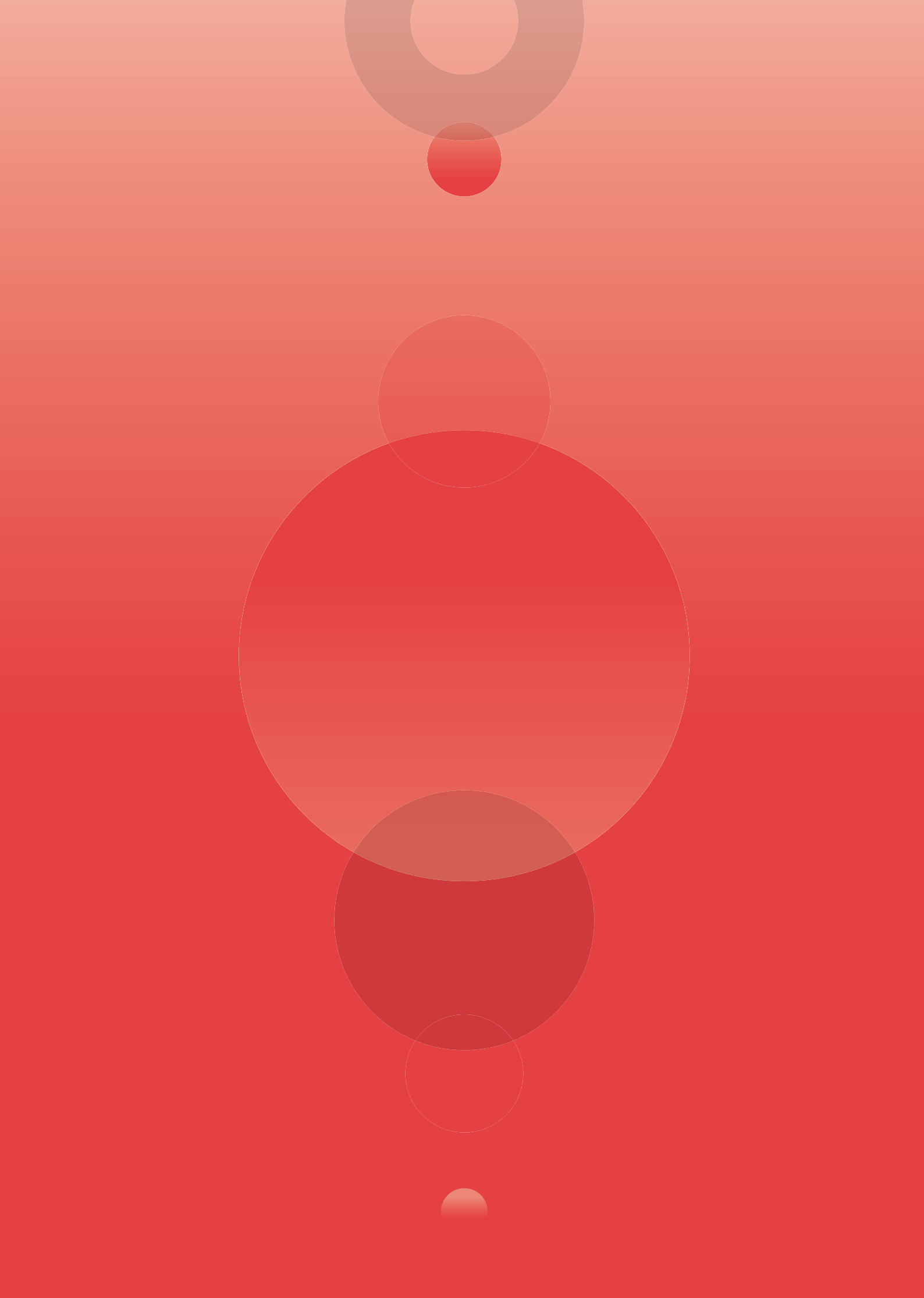
As we believe that sports can help develop people of all genders and all ages in various skills and can help create happiness to everyone, Oishi regularly support sportive activities, particularly sports for children who are the future of our country. Consequently, Oishi agreed to support a project "Chang Volleyball All Festival" organized by Thai Beverage PLC. This project invited children from 3 Southern border provinces for a training on Volleyball from a national female Volleyball team, as well as entertained them with an amazing show at Siam Niramit in July 2014. Oishi fulfilled the participating children with Oishi foods and drinks for their ultimate smiles.

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)
COMPANY'S POLICY AND IMPLEMENTATION ON THE PREVENTION OF CORRUPTION INVOLVEMENT
(ANTI-CORRUPTION)**

Anti-corruption

The Company performs business with transparency and commits to righteousness, by implementing a policy on anti-corruption, as well as supporting activities and raising awareness of all executives and employees on compliance to relevant laws and regulations and tenacity against any forms of corruption to seek for any improper interest. The Company does not support anyone to achieve work success from any wrong performing. Consequently, the company suggests practices against corruption as follows:-

1. Perform business risk management by specifying risks and causes of corruption in order to robustly perform appropriate prevention, maintain and comply with anti-corruption continuously.
2. Create trust by showing business leadership as a role model for anti-corruption, as well as promote and monitor strict compliance to anti-corruption policy.
3. Promote, educate, and raise awareness, value, and perception of honesty among all employees.
4. Develop and maintain effective and accountable anti-corruption measures with balance power and make communicative channels available for corruption reporting, as well as define a protection measures for reporter and tracing inspection in place with fairness.
5. Encourage employees and business partners to report on any breach of business policy and unfair treatment.
6. Perform anti-corruption activities by supporting or associating with other related organizations to performing the similar concept of anti-corruption.



INDEPENDENT AUDITOR'S REPORT

Oishi Group Public Company Limited and its Subsidiaries



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 2014, 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 2014 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(Nirand Lilamethwat)

Certified Public Accountant
Registration No. 2316

KPMG Phoomchai Audit Ltd.
Bangkok
25 February 2015

STATEMENT OF FINANCIAL POSITION

Oishi Group Public Company Limited and its Subsidiaries



(in Baht)

Assets	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
		31 December		31 December	
Current assets					
Cash and cash equivalents	6	141,995,990	122,251,278	45,606,997	102,205,888
Current investment	7	-	6,500,000	-	-
Trade accounts receivable	5, 8	511,362,550	542,823,768	54,522,407	71,692,175
Other receivables	5, 9	157,393,163	117,207,519	57,160,680	36,337,874
Dividends receivable from a subsidiary	5	-	-	-	419,999,000
Short-term loans to a subsidiary	5	-	-	2,214,000,000	1,805,000,000
Inventories	10	441,919,679	370,922,411	73,860,950	66,289,437
Corporate tax refundable		6,781,392	16,559,340	6,062,257	7,260,077
Other current assets		48,552,926	37,601,797	11,305,349	15,114,653
Total current assets		1,308,005,700	1,213,866,113	2,462,518,640	2,523,899,104
Non-current assets					
Investments in subsidiaries	11	-	-	669,772,780	578,396,775
Other long-term investment	7	3,660,000	3,660,000	-	-
Property, plant and equipment	12	7,376,017,068	6,144,822,180	978,840,410	1,152,093,705
Intangible assets	13	26,691,027	33,794,628	15,373,062	21,987,197
Leasehold rights	14	57,682,485	64,954,437	32,894,353	35,352,100
Deferred tax assets	15	112,585,551	85,604,844	10,918,340	11,836,679
Other non-current assets	5, 16	246,907,055	361,069,279	195,334,335	178,232,439
Total non-current assets		7,823,543,186	6,693,905,368	1,903,133,280	1,977,898,895
Total assets		9,131,548,886	7,907,771,481	4,365,651,920	4,501,797,999

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

STATEMENT OF FINANCIAL POSITION

Oishi Group Public Company Limited and its Subsidiaries



(in Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		31 December		31 December	
Liabilities and equity		2014	2013	2014	2013
Current liabilities					
Short-term loans from financial institutions	17	873,000,000	63,000,000	-	-
Current portion of long-term loan from a financial institution	17	400,000,000	-	400,000,000	-
Trade accounts payable	5, 18	1,179,113,072	1,321,592,899	476,469,053	472,934,844
Other payables	5, 19	909,783,796	692,812,062	409,719,036	349,877,139
Accounts payable-asset acquisition	5, 20	313,782,555	283,332,636	19,415,243	153,683,394
Short-term loans from subsidiaries	5, 17	-	-	89,000,000	141,000,000
Current portion of finance lease liabilities	17	16,753,313	-	-	-
Income tax payable		532,451	-	-	-
Other current liabilities		53,352,006	42,627,824	20,823,361	14,236,116
Total current liabilities		3,746,317,193	2,403,365,421	1,415,426,693	1,131,731,493
Non-current liabilities					
Long-term loan from a financial institution	17	600,000,000	1,000,000,000	600,000,000	1,000,000,000
Debentures	17	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Deferred income		-	19,935	-	-
Finance lease liabilities	17	49,833,547	-	-	-
Employee benefit obligations	21	72,050,509	51,141,062	51,616,959	37,173,961
Other non-current liabilities	22	29,147,506	44,817,109	-	-
Total non-current liabilities		1,751,031,562	2,095,978,106	1,651,616,959	2,037,173,961
Total liabilities		5,497,348,755	4,499,343,527	3,067,043,652	3,168,905,454

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

STATEMENT OF FINANCIAL POSITION

Oishi Group Public Company Limited and its Subsidiaries



(in Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		31 December		31 December	
Liabilities and equity		2014	2013	2014	2013
Equity					
Share capital:	23				
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	24	609,402,184	609,402,184	609,402,184	609,402,184
Retained earnings					
Appropriated to legal reserve	24	37,500,000	37,500,000	37,500,000	37,500,000
Unappropriated		2,570,340,984	2,349,668,016	276,706,084	310,990,361
Other components of equity					
Currency translation differences		(2,173,748)	(1,661)	-	-
Revaluation surplus on land		36,859,415	36,859,415	-	-
Equity attributable to owners of the Company		3,626,928,835	3,408,427,954	1,298,608,268	1,332,892,545
Non-controlling interests		7,271,296	-	-	-
Total equity		3,634,200,131	3,408,427,954	1,298,608,268	1,332,892,545
Total liabilities and equity		9,131,548,886	7,907,771,481	4,365,651,920	4,501,797,999

These 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	
		2014	2013	2014	2013
Income					
Revenue from sale of goods	5, 25, 33	12,404,500,202	12,208,111,921	6,268,947,303	5,994,378,586
Dividend income from subsidiaries	5, 11	-	-	258,319,376	318,489,207
Interest income		1,588,193	2,227,774	80,916,072	43,377,082
Net gain on foreign exchange		28,495,825	-	109,265	-
Other income	5, 26	81,762,365	58,897,896	61,394,059	28,546,863
Total income		12,516,346,585	12,269,237,591	6,669,686,075	6,384,791,738
Expenses					
Cost of sale of goods	5, 10	8,198,527,235	8,209,096,652	3,830,786,593	3,660,694,672
Selling expenses	5, 27	1,694,919,326	1,679,218,484	772,928,495	794,585,831
Administrative expenses	5, 28	2,027,035,884	1,758,334,815	1,717,146,882	1,545,553,690
Net loss arising from the flooding	3	-	99,203,123	-	-
Net loss on foreign exchange		-	10,966,114	-	-
Finance costs	5, 31	97,099,595	87,085,084	81,662,238	48,649,812
Total expenses		12,017,582,040	11,843,904,272	6,402,524,208	6,049,484,005
Profit before income tax expense		498,764,545	425,333,319	267,161,867	335,307,733
Income tax benefit (expense)	32	21,995,788	30,238,724	(4,900,548)	(4,158,889)
Profit for the year		520,760,333	455,572,043	262,261,319	331,148,844

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

STATEMENT OF FINANCIAL POSITION

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	
		2014	2013	2014	2013
Other comprehensive income					
Foreign currency translation differences for foreign operations		(2,368,415)	2,936	-	-
Defined benefit plan actuarial gains (losses)	21	(15,583,184)	511,100	(7,404,908)	972,606
Income tax on other comprehensive income	32	1,946,000	(102,220)	1,484,312	(194,521)
Other comprehensive income for the year, net of income tax		(16,005,599)	411,816	(5,920,596)	778,085
Total comprehensive income for the year		504,754,734	455,983,859	256,340,723	331,926,929
Profit (loss) attributable to:					
Owners of the Company		524,935,152	455,572,043	262,261,319	331,148,844
Non-controlling interests		(4,174,819)	-	-	-
Profit for the year		520,760,333	455,572,043	262,261,319	331,148,844
Total comprehensive income (loss) attributable to:					
Owners of the Company		509,125,881	455,938,859	256,340,723	331,926,929
Non-controlling interests		(4,371,147)	-	-	-
Total comprehensive income for the year		504,754,734	455,938,859	256,340,723	331,926,929
Basic earnings per share (in Baht)	34	2.80	2.43	1.40	1.77

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

STATEMENT OF CHANGES IN EQUITY

Oishi Group Public Company Limited and its Subsidiaries



CONSOLIDATED FINANCIAL STATEMENTS

(in Baht)

	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings			Other components of equity			Equity attributable to owners of the Company	Non- controlling interests	Total equity
				Appropriated to legal reserve	Unappropriated	Unappropriated	Currency translation differences	Revaluation surplus on land	Total other components of equity			
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	36,854,818	3,121,194,095	-	3,121,194,095	
Transaction with owners, recorded directly in equity												
Dividends to owners of the Company	35	-	-	-	(168,750,000)	-	-	-	(168,750,000)	-	(168,750,000)	
Total transaction with owners, recorded directly in equity		-	-	-	(168,750,000)	-	-	-	(168,750,000)	-	(168,750,000)	
Comprehensive income for the year												
Profit		-	-	-	455,572,043	-	-	-	455,572,043	-	455,572,043	
Other comprehensive income		-	-	-	408,880	2,936	-	2,936	411,816	-	411,816	
Total comprehensive income for the year		-	-	-	455,980,923	2,936	-	2,936	455,983,859	-	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	36,857,754	3,408,427,954	-	3,408,427,954	

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

STATEMENT OF CHANGES IN EQUITY

Oishi Group Public Company Limited and its Subsidiaries



CONSOLIDATED FINANCIAL STATEMENTS

(in Baht)

	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings			Other components of equity			Equity attributable to owners of the Company	Non- controlling interests	Total equity
				Appropriated to legal reserve	Unappropriated	Unappropriated	Currency translation differences	Revaluation surplus on land	Total other components of equity			
Year ended 31 December 2014												
Balance at 1 January 2014		375,000,000	609,402,184	37,500,000	2,349,668,016	(1,661)	36,859,415	36,857,754	3,408,427,954	-	3,408,427,954	
Transaction with owners, recorded directly in equity												
Dividends to owners of the Company	35	-	-	-	(290,625,000)	-	-	-	(290,625,000)	-	(290,625,000)	
Total transaction with owners, recorded directly in equity		-	-	-	(290,625,000)	-	-	-	(290,625,000)	-	(290,625,000)	
Acquisition of non-controlling interests		-	-	-	-	-	-	-	-	11,642,443	11,642,443	
Comprehensive income for the year		-	-	-	524,935,152	-	-	-	524,935,152	(4,174,819)	520,760,333	
Profit (loss)		-	-	-	(13,637,184)	(2,172,087)	-	(2,172,087)	(15,809,271)	(196,328)	(16,005,599)	
Other comprehensive income		-	-	-	511,297,968	(2,172,087)	-	(2,172,087)	509,125,881	(4,371,147)	504,754,734	
Total comprehensive income for the year		-	-	-	2,570,340,984	(2,173,748)	36,859,415	34,685,667	3,626,928,835	7,271,296	3,634,200,131	
Balance at 31 December 2014		375,000,000	609,402,184	37,500,000	2,570,340,984	(2,173,748)	36,859,415	34,685,667	3,626,928,835	7,271,296	3,634,200,131	

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

STATEMENT OF CHANGES IN EQUITY

Oishi Group Public Company Limited and its Subsidiaries



SEPARATE FINANCIAL STATEMENTS

(in Baht)

	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	Total other components of equity		
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	35	-	-	-	(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

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

STATEMENT OF CHANGES IN EQUITY

Oishi Group Public Company Limited and its Subsidiaries



SEPARATE FINANCIAL STATEMENTS

(in Baht)

	Note	Retained earnings			Other components of equity			Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Appropriated to legal reserve	Unappropriated	Currency translation differences	Revaluation surplus on land	
Year ended 31 December 2014								
Balance at 1 January 2014		375,000,000	609,402,184	37,500,000	310,990,361	-	-	1,332,892,545
Transaction with owners, recorded directly in equity								
Dividends to owners of the Company	35	-	-	-	(290,625,000)	-	-	(290,625,000)
Total transaction with owners, recorded directly in equity		-	-	-	(290,625,000)	-	-	(290,625,000)
Comprehensive income for the year								
Profit		-	-	-	262,261,319	-	-	262,261,319
Other comprehensive income		-	-	-	(5,920,596)	-	-	(5,920,596)
Total comprehensive income for the year		-	-	-	256,340,723	-	-	256,340,723
Balance at 31 December 2014		375,000,000	609,402,184	37,500,000	276,706,084	-	-	1,298,608,268

These 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

For the year ended 31 December

SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December

	Note	2014	2013	2014	2013
Cash flows from operating activities					
Profit for the year		520,760,333	455,572,043	262,261,319	331,148,844
<i>Adjustments for</i>					
Depreciation and amortisation	12, 13, 14	824,709,689	705,346,609	378,221,348	330,567,860
Reversal of impairment losses on plant and equipment	12	-	(25,784,609)	-	(3,420,762)
(Reversal of) allowance for obsolete and deteriorated inventories		13,698,050	(12,268,614)	6,016,440	(4,246,470)
Write off of obsolete and deteriorated inventories		37,098,742	38,353,597	3,733,809	18,866,645
Write off of other current assets		44,634	-	-	-
Loss on insurance reimbursement	3	-	99,203,123	-	-
Interest income		(1,588,193)	(2,227,774)	(80,916,072)	(43,377,082)
Dividends income from subsidiaries	11	-	-	(258,319,376)	(318,489,207)
Finance costs	31	97,099,595	87,085,084	81,662,238	48,649,812
Unrealised (gain) loss on foreign exchange		(21,512,083)	2,944,645	-	-
Loss on disposal and write-off of plant and equipment		19,666,990	18,485,070	15,123,239	15,911,670
Loss on disposal and write-off of intangible assets		5,475,151	1,200,430	5,474,552	1,156,308
Employee benefit expenses	21	11,123,159	9,829,368	8,698,709	7,486,101
Deferred income		(19,935)	(243,288)	-	(177,663)
Income tax (benefit) expense	32	(21,995,788)	(30,238,724)	4,900,548	4,158,889
		1,484,560,344	1,347,256,960	426,856,754	388,234,945
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		31,059,452	166,756,613	17,169,768	132,763,468
Other receivables		(40,033,773)	(9,397,091)	(34,685,710)	(127,460)
Inventories		(121,794,060)	(87,402,153)	(17,321,762)	(39,731,208)
Other current assets		(10,951,129)	(321,294)	3,809,304	9,090,645
Other non-current assets		(22,411,480)	(185,854,039)	(9,841,819)	(26,959,677)
Trade accounts payable		(142,479,711)	388,641,175	3,534,209	68,480,670
Other payables		216,679,222	(251,318,134)	59,752,219	(158,116,391)
Other current liabilities		10,724,182	(14,622,272)	6,587,245	(7,688,056)
Other-non current liabilities		(15,669,603)	28,069,677	-	(300,000)
Cash generated from operating activities		1,389,683,444	1,381,809,442	455,860,208	365,646,936
Proceeds from insurance reimbursement		-	803,103,563	-	-
Benefit obligations transferred in		1,242,770	1,662,515	677,011	2,916,979
Benefit obligations transferred out		(1,176,302)	(212,179)	(550,057)	(375,179)
Employee benefits paid		(5,863,364)	(519,986)	(1,787,574)	(149,326)
Income tax paid		(9,287,858)	(8,520,040)	(8,560,153)	(979,541)
Net cash from operating activities		1,374,598,690	2,177,323,315	445,639,435	367,059,869

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

STATEMENT OF FINANCIAL POSITION

Oishi Group Public Company Limited and its Subsidiaries



(in Baht)

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December

SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December

Note	2014	2013	2014	2013
Cash flows from investing activities				
Interest received	1,696,900	2,368,677	94,778,976	26,025,576
Dividends received	-	-	678,318,376	66,489,807
Short-term loans to a subsidiary	-	-	(3,671,035,000)	(4,673,500,000)
Repayment of short-term loan from a subsidiary	-	-	3,262,035,000	2,986,500,000
Redemption of investments in government bond	6,500,000	2,000,000	-	-
Investments in subsidiaries	-	-	(91,376,005)	(193,750)
Proceeds from capital increase in non-controlling interests in a subsidiary	11,642,443	-	-	-
Purchase of property, plant and equipment	(1,858,767,875)	(2,131,466,213)	(349,724,905)	(496,710,670)
Proceeds from sale of property, plant and equipment	1,958,090	2,529,596	1,343,051	1,641,452
Purchase of intangible assets	(4,755,026)	(8,455,751)	(2,461,814)	(5,694,200)
Proceeds from sale of intangible assets	85,128	28,720	81,556	28,720
Decrease of leasehold rights	-	-	(1)	-
Net cash used in investing activities	(1,841,640,340)	(2,132,994,971)	(78,040,766)	(2,095,413,065)
Cash flows from financing activities				
Interest paid	(95,467,196)	(73,979,661)	(81,572,560)	(32,350,428)
Dividends paid to owners of the Company	(290,625,000)	(168,750,000)	(290,625,000)	(168,750,000)
Increase in finance lease liabilities	70,000,000	-	-	-
Finance lease payments	(4,753,027)	-	-	-
Proceeds from short-term loans from financial institutions	8,654,000,000	11,649,000,000	-	135,000,000
Repayment of short-term loans from financial institutions	(7,844,000,000)	(13,422,000,000)	-	(135,000,000)
Proceeds from short-term loans from subsidiaries	-	-	261,323,000	61,000,000
Repayment of short-term loans from subsidiaries	-	-	(313,323,000)	(79,000,000)
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	489,154,777	(15,729,661)	(424,197,560)	1,780,899,572
Net increase (decrease) in cash and cash equivalents	22,113,127	28,598,683	(56,598,891)	52,546,376
Cash and cash equivalents at 1 January	122,251,278	93,649,659	102,205,888	49,659,512
Effect of exchange rate changes on balances held in foreign currencies	(2,368,415)	2,936	-	-
Cash and cash equivalents at 31 December	6	141,995,990	45,606,997	102,205,888

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

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



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Oishi Group Public Company Limited and its Subsidiaries



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34	Earnings per share
35	Dividends
36	Financial instruments
37	Commitments with non-related parties
38	Events after the reporting period
39	Thai Financial Reporting Standards (TFRS) not yet adopted

NOTE OF THE FINANCIAL STATEMENT

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 2015.

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 and Japanese restaurant. Details of the Company’s subsidiaries as at 31 December 2014 and 2013 were as explained in note 11.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(a) *Statement of compliance*

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

The FAP has issued the following new and revised TFRS relevant to the Group’s operations and effective for annual accounting periods beginning on or after 1 January 2014:

TFRS	Topic
TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 8 (revised 2012)	Operating Segments

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



TFRS	Topic
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 13	Customer Loyalty Programmes
TIC 15	Operating Leases-Incentives
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease

The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the financial statements.

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 annual financial periods beginning on or after 1 January 2015 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 39.

(b) Basis of measurement

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

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

(c) 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 4(s)	Current and deferred taxation
Note 12	Valuation of land
Note 15	Utilisation of tax losses
Note 21	Measurement of defined benefit obligations

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



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.

<i>Year ended 31 December</i>	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Insurance reimbursement				
– received prior to 31 December	–	1,271	–	–
Government compensation before 31 December	–	4	–	–
Accumulated insurance reimbursement recognised	–	1,275	–	–
Insurance reimbursement recognised in previous periods	–	(1,374)	–	–
Loss from insurance reimbursement recognised	–	(99)	–	–
Net flood related loss recognised	–	(99)	–	–

4. SIGNIFICANT ACCOUNTING POLICIES

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

(a) *Basis of consolidation*

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

Subsidiaries

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

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



(b) *Foreign currencies*

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

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

Foreign operations

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.

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

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

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.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



(d) Cash and cash equivalents

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

(e) Trade and other accounts receivable

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

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

(f) Inventories

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

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

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

(g) Investments

Investments in subsidiaries

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

Investments in government bonds

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

(h) Property, plant and equipment

Recognition and measurement

Owned assets

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

Cost includes expenditure that is directly attributable to the acquisition of the asset, 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.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



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.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Revalued assets

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

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

Reclassification to investment property

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

Subsequent costs

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

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



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, and 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.

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.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



(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.

(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.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



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.

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.

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.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



Franchise income

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

Subsidised income

Subsidised income is recognised in profit or loss 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.

(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 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.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



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.

(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.

5. RELATED PARTIES

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

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

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Thai Beverage PCL.	Thailand	Parent company and common directorship
Sangsom Co., Ltd.	Thailand	Direct subsidiary of parent company
Theparunothai Co., Ltd.	Thailand	Direct subsidiary of parent company
Luckchai Liquor Trading Co., Ltd.	Thailand	Direct subsidiary of parent company
Fuengfuanant Co., Ltd.	Thailand	Direct subsidiary of parent company
Sura Bangyikhan Co., Ltd.	Thailand	Direct subsidiary of parent company

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



Name of entities	Country of incorporation/ nationality	Nature of relationships
United Winery and Distillery Co., Ltd.	Thailand	Direct subsidiary of parent company
Sura Piset Phatra Lanna Co., Ltd.	Thailand	Direct subsidiary of parent company
Beer Thai (1991) PCL.	Thailand	Direct subsidiary of parent company
Beer Thip Brewery (1991) Co., Ltd.	Thailand	Direct subsidiary of parent company
Cosmos Brewery (Thailand) Co., Ltd.	Thailand	Direct subsidiary of parent company
Krittayabun Co., Ltd.	Thailand	Direct subsidiary of parent company
Surathip Co., Ltd.	Thailand	Direct subsidiary of parent company
Modern Trade Management Co., Ltd.	Thailand	Direct subsidiary of parent company
Pomburapa Co., Ltd.	Thailand	Direct subsidiary of parent company
Pomklung Co., Ltd.	Thailand	Direct subsidiary of parent company
Pomchok Co., Ltd.	Thailand	Direct subsidiary of parent company
Pomkit Co., Ltd.	Thailand	Direct subsidiary of parent company
Pomcharoen Co., Ltd.	Thailand	Direct subsidiary of parent company
Pompalang Co., Ltd.	Thailand	Direct subsidiary of parent company
Pomnakorn Co., Ltd.	Thailand	Direct subsidiary of parent company
Pomthip (2012) Co., Ltd.	Thailand	Direct subsidiary of parent company
Num Yuk Co., Ltd.	Thailand	Direct subsidiary of parent company
Numthurakij Co., Ltd.	Thailand	Direct subsidiary of parent company
Nummuang Co., Ltd.	Thailand	Direct subsidiary of parent company
Numnakorn Co., Ltd.	Thailand	Direct subsidiary of parent company
Num Palang Co., Ltd.	Thailand	Direct subsidiary of parent company
Numkijjakarn Co., Ltd.	Thailand	Direct subsidiary of parent company
Numrungrud Co., Ltd.	Thailand	Direct subsidiary of parent company
Numthip Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Logistics Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Marketing Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Recycle Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Training Co., Ltd.	Thailand	Direct subsidiary of parent company
Pan International (Thailand) Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Drink Co., Ltd.	Thailand	Direct subsidiary of parent company
Dhospaak Co., Ltd.	Thailand	Direct subsidiary of parent company
Feed Addition Co., Ltd.	Thailand	Direct subsidiary of parent company
International Beverage Holdings Limited	Hong Kong	Direct subsidiary of parent company

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



Name of entities	Country of incorporation/ nationality	Nature of relationships
S P M Foods & Beverages Co., Ltd.	Thailand	Indirect subsidiary of parent company
Sernsuk PCL.	Thailand	Indirect subsidiary of parent company
Chang International Co.,Ltd.	Thailand	Indirect subsidiary of parent company
InterBev Malaysia Sdn. Bhd.	Malaysia	Indirect subsidiary of parent company
InterBev (Singapore) Limited	Singapore	Indirect subsidiary of parent company
InterBev Trading (Hong Kong) Limited	Hong Kong	Indirect subsidiary of parent company
Sern Suk Beverage Co., Ltd.	Thailand	Subsidiary of indirect subsidiary of parent company
TCC PD 11 Co., Ltd.	Thailand	Common directorship
Berli Jucker PCL.	Thailand	Common directorship
Berli Jucker Foods Co., Ltd.	Thailand	Common directorship
Surasate Co., Ltd.	Thailand	Common directorship
The Southeast Insurance PCL.	Thailand	Common directorship
The Southeast Life Insurance PCL.	Thailand	Common directorship
Indara Insurance PCL.	Thailand	Common directorship
Southeast Capital Co., Ltd.	Thailand	Common directorship
Thippatana Arcade Co., Ltd.	Thailand	Common directorship
Sea Food Beer Garden Co., Ltd.	Thailand	Common directorship
T.C.C. Technology Co., Ltd.	Thailand	Common directorship
N.C.C. Exhibition Organizer Co., Ltd.	Thailand	Common directorship
N.C.C. Image Co., Ltd.	Thailand	Common directorship
N.C.C. Management and Development Co., Ltd.	Thailand	Common directorship
F&B International Co., Ltd.	Thailand	Common directorship
North Park Golf And Sports Club Co., Ltd.	Thailand	Common directorship
Rubia Industries Co., Ltd.	Thailand	Common directorship
TCC Hotel Collection Co., Ltd.	Thailand	Common directorship
Riverside Masterplan Co., Ltd.	Thailand	Common directorship
The Chonburi Sugar Corp. Ltd.	Thailand	Common directorship
Siam Food Products PCL.	Thailand	Common directorship
Lertrattakarn Co., Ltd.	Thailand	Common directorship
Wattanapat Trading Co., Ltd.	Thailand	Common directorship
Business Process Outsourcing Co., Ltd.	Thailand	Common directorship
TCC Luxury Hotels & Resorts Co., Ltd.	Thailand	Common directorship

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



Name of entities	Country of incorporation/ nationality	Nature of relationships
Plaza Athenee Hotel (Thailand) Co., Ltd.	Thailand	Common directorship
TCC Hotel Asset Management Co., Ltd.	Thailand	Common directorship
Petform (Thailand) Co., Ltd.	Thailand	Associate of an indirect subsidiary of parent company
Crown Seal PCL.	Thailand	An indirect subsidiary of parent company holds shares
Best Fortune Property and Loan Fund	Thailand	Directors and controlling equity holders of parent company hold substantial units indirectly.
Thai Commercial Investment Freehold and Leasehold Fund	Thailand	Directors and controlling equity holders of parent company hold substantial units indirectly.
AT Mediafront Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial units indirectly.
F&N Beverages Marketing Sdn. Bhd.	Malaysia	Associate of an indirect subsidiary of parent company
F&N Interflavine Pte Ltd	Singapore	Associate of an indirect subsidiary of parent company
F&N Dairies (Thailand) Limited	Thailand	Associate of an indirect subsidiary of parent company
F&N United Ltd	Thailand	Associate of an indirect subsidiary of parent company

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

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



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

<i>Year ended 31 December</i>	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Parent				
Sales of goods	1,085	666	845	639
Management fees	9,360	9,360	9,360	9,360
Subsidiaries				
Sales of goods	-	-	2,270	3,511
Interest income	-	-	80,347	42,436
Other income	-	-	33,824	1,836
Purchase of goods	-	-	153,317	151,688
Purchase of equipment	-	-	6,507	14,947
Rental expense	-	-	5,695	5,042
Interest expense	-	-	2,630	3,716
Other expenses	-	-	20,900	52,449
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	48,263	48,330	42,424	48,330
Termination benefits	546	399	546	399
Total key management personnel compensation	48,809	48,729	42,970	48,729
Other related parties				
Sales of goods	5,579,322	6,047,812	436,015	586,968
Rental income	-	10,841	-	-
Other incomes	11,404	12,968	9,466	9,809
Purchase of goods	591,641	461,208	254,997	314,489
Purchase of property, plant and equipment	29,091	173,087	1,501	33
Rental expense	69,859	69,838	32,829	30,014
Other expenses	79,239	137,989	21,942	44,982

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



Directors' remuneration

At the annual general meeting of the shareholders of the Company held on 30 April 2014, the shareholders approved the directors' remuneration and bonus for the year 2014 in the amount not exceeding Baht 10 million and Baht 22 million, respectively.

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.

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

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
<i>Trade accounts receivable – related parties</i>				
Parent	43	-	41	-
Subsidiaries	-	-	838	172
Other related parties	266,344	320,805	41,687	35,810
Total	266,387	320,805	42,566	35,982

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
<i>Other receivables – related parties</i>				
Parent	3	-	3	-
Subsidiaries	-	-	29,886	19,991
Other related parties	8,524	406	6,618	150
Total	8,527	406	36,507	20,141

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
<i>Dividends receivable from a subsidiary</i>				
Oishi Trading Co., Ltd.	-	-	-	419,999

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



	(% per annum)				(in thousand Baht)	
	INTEREST RATE		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013	2014	2013
<i>Short-term loans to a subsidiary</i>						
Oishi Trading Co., Ltd.	4.00	4.00	-	-	2,214,000	1,805,000

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
At 1 January	-	-	1,805,000	118,000
Increase	-	-	3,671,035	4,673,500
Decrease	-	-	(3,262,035)	(2,986,500)
At 31 December	-	-	2,214,000	1,805,000

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
<i>Other non-current assets</i>				
Other related parties	8,910	8,417	4,832	4,394

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
<i>Trade accounts payable – related parties</i>				
Subsidiaries	-	-	17,740	11,405
Other related parties	117,253	93,658	53,695	35,817
Total	117,253	93,658	71,435	47,222

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
(in thousand Baht)				
<i>Other payables - related parties</i>				
Parent	835	1,047	835	1,047
Subsidiary	-	-	22,556	18,062
Other related parties	262,929	145,868	31,172	50,032
Total	263,764	146,915	54,563	69,141

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
(in thousand Baht)				
<i>Accounts payable-asset acquisition - related parties</i>				
Other related parties	1,606	-	1,606	-

	INTEREST RATE (% per annum)		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013	2014	2013
(in thousand Baht)						
<i>Short-term loans from subsidiaries</i>						
Oishi Ramen Co., Ltd.	1.75	2.50	-	-	38,000	141,000
Oishi Snack Co., Ltd.	1.75	-	-	-	51,000	-
Total			-	-	89,000	141,000

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
(in thousand Baht)				
At 1 January	-	-	141,000	159,000
Increase	-	-	261,323	61,000
Decrease	-	-	(313,323)	(79,000)
At 31 December	-	-	89,000	141,000

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
<i>Commitments with related parties</i>				
<i>Capital Commitments</i>				
<i>Contracted but not provided for:</i>				
Purchase orders for goods and supplies	9,300	31,000	-	-
<i>Non-cancellable operating lease commitments</i>				
Within one year	20,859	20,726	16,957	16,603
After one year but within five years	9,668	22,526	16,766	24,677
After five years	-	-	5,230	7,794
Total	30,527	43,252	38,953	49,074

Significant agreements under non-cancellable operating lease commitments

Property lease agreements

On 1 October 2012, the Company and its subsidiaries entered into area lease agreements with a related company with monthly rental fees totaling Baht 1,198,458. The agreements are for three years from 1 October 2012 to 30 September 2015 with renewal additional term of three years each if not less than seven 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, effective from 1 February 2014 and ends on the same date as the original rental agreement dated 1 October 2012. The additional rental fee is Baht 361,460 per month.

On 9 July 2012, Oishi Trading Co., Ltd. "lessee", the Company's subsidiary, entered into a land and building lease agreement in Saraburi province with a related company "lessor" with monthly rental fee totaling Baht 180,000. The agreement is for two years from 1 September 2012 to 31 May 2014 with renewal additional term of two years each if not less than 60 days' prior written notice is given by any one party to the other as stipulated in the agreement. Subsequently on 29 August 2014, the lessee entered into a renewal of land and building agreement. The agreement is for one year from 1 September 2014 to 31 August 2015 with monthly rental fee totaling Baht 180,000. If the lessee wishes to renew the contract, it shall give written notice to the lessor not less than 30 days' prior to the contract termination. The lessor shall grant the lessee land and building rental for an additional period two years at a time, starting from the contract termination or the end of renewal period.

In 2012, the Company entered into two building area agreements with related companies. The agreements are for three years, due within April and May 2015 with monthly rental fees based on percentage of sale and conditions as stipulated in the agreements. These agreements shall be automatically renewed two times for additional term of three years each, unless there are written notices not to renew these agreements at least three months' prior to the expiry date.

On 16 January 2009, the Company entered into a building lease agreement in Chiang Mai province with a related company. The agreement is for three 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 three years from 16 January 2012 to 15 January 2015 with monthly rental fee of Baht 49,565.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



On 1 August 2009, Oishi Ramen Co., Ltd., the Company's subsidiary, entered into an area lease agreement of a building in Nonthaburi province with a related company. The agreement is for three years from 1 August 2009 to 31 July 2012. Subsequently on 1 August 2012, the agreement was renewed for three years from 1 August 2012 to 31 July 2015 with monthly rental fee of Baht 55,732 to Baht 64,105.

The Company and Oishi Trading Co., Ltd., the Company's subsidiary, entered into car lease agreements with a related company. The agreements are for five years, due within August 2015 to August 2019 with monthly rental fee totaling Baht 351,700.

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.

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
<i>Other commitments</i>				
Service agreements	42,708	43,967	18,709	25,773
Purchase orders for goods and supplies	2,436	3,775	1	-
Advertising agreements	-	5,304	-	-
Others	39	2,639	-	-
Total	45,183	55,685	18,710	25,773

Other agreements

Sales distributor appointment agreements

On 4 June 2013, Oishi Trading Co., Ltd., the Company's subsidiary, entered into an appointment agreement with a related company to act as a distributor in Malaysia and Brunei at the price and conditions as specified in the agreement. The agreement shall be in effect for a period of seven months, effective from 1 June 2013 to 31 December 2013. Subsequently, the agreement has been extended for additional term of six months each. The first extension on 18 December 2013 was from 1 January 2014 to 30 June 2014, the second extension on 27 June 2014 was from 1 July 2014 to 31 December 2014 and the third extension on 1 December 2014 was from 1 January 2015 to 30 June 2015 with conditions as specified in the original 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 of the said subsidiary for green tea products. The agreement shall be in effect for a period of three years, effective from 4 November 2008 to 3 November 2011. Subsequently, the agreement has been extended for three years, commencing from 4 November 2011 to 3 November 2014. This agreement shall be automatically renewed for additional term of one 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. This agreement is being proposed for extension according to the Company's process.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



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 of the Company and the said subsidiary for ready-to-drink products. The agreements shall be in effect for a period of three years, effective from 1 January 2011 to 31 December 2013. Subsequently on 30 December 2013, the agreements have been extended for three years, commencing from 1 January 2014 to 31 December 2016. The renewals are subject to receipt of written notice at least six months' prior to the expiry date.

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 three years from 15 May 2012 to 14 April 2015. Subsequently on 25 April 2014, the Company submitted a written notice to terminate the agreement, effective from 31 May 2014 onwards.

Production and distributing goods agreements

On 1 August 2012, the Company entered into an appointment agreement 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 shall be in effect for a period of five years, effective from 1 August 2012 to 31 July 2017 with renewal for additional term of five years each if not less than 90 days' prior written notice is given by any one party to the other.

Management service agreements

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

On 10 July 2014, the Company entered into a management service agreement with Oishi Myanmar Limited, an indirect subsidiary in the Republic of the Union of Myanmar, to provide management administration service to Oishi Myanmar Limited with a service fee as specified in the agreement. The agreement shall be in effect from 10 July 2014 onwards, unless any party to the other agree to terminate this agreement or as stipulated in the agreement.

Sale and purchase goods agreement

On 20 March 2012, the Company entered into a sale and purchase goods agreement with a related company, according to the minimum purchase monthly quantity required at the price specified in the agreement. The agreement shall be in effect for one year, effective from 21 March 2012 to 20 March 2013 and the agreement has been extended for two years. Subsequently on 25 April 2014, the Company submitted a written notice to terminate the said agreement, effective from 31 May 2014 onwards. However, the Company is committed to purchase the remaining goods and materials from the seller at the agreed price within 30 days after the expiration of the agreement.

Beverage trading agreements

On 19 May 2011, the Company entered into a canned green tea soda beverage trading agreement with a related company according to the quantity required from the Company at the price specified in the agreement. The agreement is for five years from 19 May 2011 to 19 May 2016. 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 three months prior to the expiration of the initial term or any renewal term.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



6. CASH AND CASH EQUIVALENTS

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Cash on hand	24,478	19,444	20,423	18,557
Cash at banks – current accounts	45,855	1,485	150	1,119
Cash at banks – savings accounts	71,663	101,322	25,034	82,530
Total	141,996	122,251	45,607	102,206

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Thai Baht (THB)	96,339	122,251	45,607	102,206
Singapore Dollars (SGD)	32,812	-	-	-
Myanmar Kyat (MMK)	8,981	-	-	-
United States Dollars (USD)	3,851	-	-	-
Hong Kong Dollars (HKD)	13	-	-	-
Total	141,996	122,251	45,607	102,206

7. OTHER INVESTMENT

Other investment as at 31 December 2014 and 2013 was an investment in government bonds.

	INTEREST RATE (% per annum)		CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013	2014	2013
Current investment						
Redemption within one year	-	5.90	-	6,500	-	-
Other long-term investments						
Redemption within 2016	4.125	4.125	3,660	3,660	-	-

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

Other investment of the Group as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



8. TRADE ACCOUNTS RECEIVABLE

	Note	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
Related parties	5	266,387	320,805	42,566	35,982
Other parties		244,976	222,019	11,956	35,710
Total		511,363	542,824	54,522	71,692

Aging analyses for trade accounts receivable were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Related parties				
Within credit terms	263,899	320,467	42,566	35,982
Overdue:				
Less than 3 months	2,488	323	-	-
6 - 12 months	-	13	-	-
Over than 12 months	-	2	-	-
Total	266,387	320,805	42,566	35,982
Other parties				
Within credit terms	160,174	139,510	9,776	35,710
Overdue:				
Less than 3 months	83,867	81,086	2,180	-
3 - 6 months	229	1,175	-	-
6 - 12 months	706	248	-	-
Total	244,976	222,019	11,956	35,710
Grand total	511,363	542,824	54,522	71,692

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

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



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

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Thai Baht (THB)	491,776	535,836	54,522	71,692
Malaysian Ringgit (MYR)	15,663	4,435	-	-
United States Dollars (USD)	3,924	1,931	-	-
Singapore Dollars (SGD)	-	622	-	-
Total	511,363	542,824	54,522	71,692

9. OTHER RECEIVABLES

	Note	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
Related parties	5	8,527	406	36,507	20,141
Other parties					
Prepaid expenses		65,659	29,504	12,422	9,724
Subsidy and rebate receivables		40,075	54,738	-	4,593
Refundable import duty		2,904	29,109	-	-
Others		40,228	3,451	8,232	1,880
Total		157,393	117,208	57,161	36,338

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



10. INVENTORIES

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Finished goods	107,410	116,696	9,287	11,996
Raw materials	314,489	221,785	62,559	48,326
Production supplies	35,795	34,517	8,031	5,967
	457,694	372,998	79,877	66,289
Less allowance for decline in value	(15,774)	(2,076)	(6,016)	-
Total	441,920	370,922	73,861	66,289
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	8,147,730	8,183,012	3,821,037	3,646,074
- Write-down to net realisable value	50,797	38,354	9,750	18,867
- Reversal of write-down	-	(12,269)	-	(4,246)
Net	8,198,527	8,209,097	3,830,787	3,660,695

11. INVESTMENTS IN SUBSIDIARIES

	(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013
At 1 January	578,397	578,203
Investment in a subsidiary	52,000	-
Increase in subsidiary's share capital	39,376	194
At 31 December	669,773	578,397

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



On 3 February 2014, Oishi F&B (Singapore) Pte Ltd, an indirect subsidiary of the Company, was incorporated in Singapore with an authorised and paid-up share capital of SGD 1 (1 ordinary share with a SGD 1 par value). Oishi International Holdings Limited, a subsidiary of the Company in Hong Kong, holds the entire shares. Subsequently on 11 March 2014, the said indirect subsidiary increased its authorised share capital from SGD 1 to SGD 1.52 million (1.52 million ordinary shares with a SGD 1 par value). On 11 March 2014, the additional paid-up share capital of SGD 1.52 million was called for the international business expansion. As at 31 December 2014, the said indirect subsidiary has not started commercial operation.

On 6 February 2014, Oishi International Holdings Limited, a subsidiary of the Company in Hong Kong, increased its authorised share capital from HKD 500,000 (500,000 ordinary shares with a HKD 1 par value) to HKD 9.40 million (9.40 million ordinary shares with a HKD 1 par value). On 10 February 2014, the remaining unpaid paid-up share capital and the additional paid-up share capital of HKD 9.30 million were called for the international business expansion. As at 31 December 2014, the said subsidiary has not started commercial operation.

On 28 April 2014, Oishi Snack Co., Ltd., a subsidiary of the Company, was incorporated in Thailand with an authorised share capital of Baht 80 million (800,000 ordinary shares with a Baht 100 par value). On 8 April 2014, the initial paid-up capital was called 65% amounting to Baht 52 million to support the domestic business expansion. As at 31 December 2014, the said subsidiary has not started commercial operation.

On 23 May 2014, Oishi F&B (Singapore) Pte Ltd, an indirect subsidiary of the company, entered into a Shareholders Agreement with a company in the Republic of the Union of Myanmar to establish the Oishi Myanmar Limited to support restaurant business expansion in the Republic of the Union of Myanmar. The temporary certificate of incorporation and form of permit to operation were issued on 9 May 2014, and on 28 August 2014, Oishi Myanmar Limited was permanently incorporated and operated with absolute backward effect since the date of temporary incorporation, with an authorised share capital of US 2.10 million (2.10 million ordinary shares with a USD 1 par value). The initial issue and paid-up share capital called for was USD 800,000. The indirect subsidiary paid the share capital of USD 440,000 for 55% of shareholders' equity on 6 August 2014.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



Investments in subsidiaries as at 31 December 2014 and 2013, and dividend income from those investments for the years then ended, were as follows:

Subsidiaries	Type of business	Ownership interest (%)		Paid-up capital		Cost		Dividend income	
		2014	2013	2014	2013	2014	2013	2014	2013
SEPARATE FINANCIAL STATEMENTS									
(in thousand Baht)									
Direct subsidiaries									
Oishi Trading Co., Ltd.	Manufacture and distribution of food and beverage	99.99	99.99	420,000	420,000	420,000	420,000	251,999	293,999
Oishi Ramen Co., Ltd.	Japanese restaurant	99.99	99.99	158,000	158,000	158,000	158,000	6,320	24,490
Oishi Snack Co., Ltd.	Distribution of food	99.99	-	52,000	-	52,000	-	-	-
Oishi International Holdings Limited	International distribution of beverage	100.00	100.00	HKD 9,400,000	HKD 100,000	39,773	397	-	-
Indirect subsidiaries									
Oishi F&B (Singapore) Pte Ltd	Brand management and consulting	100.00	-	SGD 1,520,000	-	-	-	-	-
Oishi Myanmar Limited	Japanese restaurant	55.00	-	USD 800,000	-	-	-	-	-
Total						669,773	578,397	258,319	318,489

All subsidiaries operate in Thailand, except Oishi International Holdings Limited operates in Hong Kong, Oishi F&B (Singapore) Pte, Ltd operates in Singapore, and Oishi Myanmar Limited operates in the Republic of the Union of Myanmar.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



12. PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED FINANCIAL STATEMENTS

(in thousand Baht)

<i>Cost/ revaluation</i>	Land improvements		Land	Buildings and Building improvements		Decoration	Internal systems	Tools and machinery for manufacturing	Office Furniture and fixtures		Restaurant utensils	Vehicles	Assets under construction and installation	Total
	Land improvements	Land		Buildings and Building improvements	Decoration				Office Furniture and fixtures	Restaurant utensils				
At 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 and 1 January 2014	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			
Additions	-	1,410	27,808	141,209	129,424	152,818	64,354	33,568	1,049	1,512,319	2,063,959			
Transfers	-	8,052	523,101	28,431	211,970	931,044	8,521	1,276	-	(1,712,395)	-			
Disposals	-	-	(3,313)	(26,049)	(28,167)	(48,260)	(23,662)	(6,716)	-	-	(136,167)			
At 31 December 2014	503,281	24,623	1,863,941	827,570	1,487,242	4,957,235	395,251	147,225	4,457	435,529	10,646,354			

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



CONSOLIDATED FINANCIAL STATEMENTS

(in thousand Baht)

	Land improvements	Land	Buildings and Building improvements	Decoration	Internal systems	Tools and machinery for manufacturing	Office Furniture and fixtures	Restaurant utensils	Vehicles	Assets under construction and installation	Total
Depreciation and impairment losses											
At 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 and											
1 January 2014	-	6,628	291,703	282,754	406,403	1,345,803	167,960	69,154	3,335	-	2,573,740
Depreciation charge for the year	-	2,203	78,825	124,126	169,377	358,493	59,886	18,088	140	-	811,138
Disposals	-	-	(1,522)	(20,338)	(22,650)	(42,120)	(21,531)	(6,380)	-	-	(114,541)
At 31 December 2014	-	8,831	369,006	386,542	553,130	1,662,176	206,315	80,862	3,475	-	3,270,337
Net book value											
At 1 January 2013											
Owned assets	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 and											
1 January 2014											
Owned assets	503,281	8,533	1,024,642	401,225	767,612	2,575,830	178,078	49,943	73	635,605	6,144,822
At 31 December 2014											
Owned assets	503,281	15,792	1,494,935	441,028	934,112	3,295,059	188,936	66,363	982	365,529	7,306,017
Assets under finance leases	-	-	-	-	-	-	-	-	-	70,000	70,000
	503,281	15,792	1,494,935	441,028	934,112	3,295,059	188,936	66,363	982	435,529	7,376,017

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



Assets under construction and installation

As at 31 December 2014 assets under construction and installation of the Group comprised Cold Aseptic-Filling line 3 beverage and PET bottling production project, and boxed beverage production project totaling Baht 205.70 million and 177.45 million, respectively.

In 2013, capitalised borrowing costs relating to the projects as mentioned above amounted to Baht 2.38 million, with a capitalization rate of 3%.

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 32).

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



(in thousand Baht)

SEPARATE FINANCIAL STATEMENTS

Cost	Decoration	Internal systems	Tools and machinery for manufacturing	Office equipment, Furniture and fixtures	Restaurant utensils	Vehicles	Assets under construction and installation	Total
At 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 and 1 January 2014	621,362	565,608	554,029	240,661	111,981	860	11,167	2,105,668
Additions	49,484	45,334	48,897	20,892	10,692	-	40,156	215,455
Transfers	18,581	13,416	9,809	8,241	1,276	-	(51,323)	-
Disposals	(22,196)	(21,747)	(31,529)	(10,651)	(5,863)	-	-	(91,986)
At 31 December 2014	667,231	602,611	581,206	259,143	118,086	860	-	2,229,137

NOTE OF THE FINANCIAL STATEMENT

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 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
Reversal of impairment losses	-	-	-	(3,421)	-	-	-	(3,421)
Disposals	(28,542)	(9,081)	(26,400)	(16,571)	(6,810)	-	-	(87,404)
At 31 December 2013 and 1 January 2014	260,793	250,012	268,342	109,225	64,342	860	-	953,574
Depreciation charge for the year	114,205	102,927	96,017	43,169	15,926	-	-	372,244
Disposals	(16,700)	(17,106)	(26,994)	(9,126)	(5,595)	-	-	(75,521)
At 31 December 2014	358,298	335,833	337,365	143,268	74,673	860	-	1,250,297
<i>Net book value</i>								
<i>Owned assets</i>								
At 1 January 2013	295,041	270,435	239,188	116,548	37,373	-	15,595	974,180
At 31 December 2013 and 1 January 2014	360,569	315,596	285,687	131,436	47,639	-	11,167	1,152,094
At 31 December 2014	308,933	266,778	243,841	115,875	43,413	-	-	978,840

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



13. INTANGIBLE ASSETS

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS

	Software licences	Operation rights	Total
Cost			
At 1 January 2013	49,917	10,806	60,723
Additions	8,456	-	8,456
Disposals	(1,836)	-	(1,836)
At 31 December 2013 and 1 January 2014	56,537	10,806	67,343
Additions	4,755	-	4,755
Disposals	(216)	(10,806)	(11,022)
At 31 December 2014	61,076	-	61,076
Amortisation			
At 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 and 1 January 2014	28,672	4,876	33,548
Amortisation charge for the year	5,763	536	6,299
Disposals	(50)	(5,412)	(5,462)
At 31 December 2014	34,385	-	34,385
Net book value			
At 1 January 2013	26,130	7,010	33,140
At 31 December 2013 and 1 January 2014	27,865	5,930	33,795
At 31 December 2014	26,691	-	26,691

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



(in thousand Baht)

SEPARATE FINANCIAL STATEMENTS

	Software licences	Operation rights	Total
Cost			
At 1 January 2013	25,276	10,806	36,082
Additions	5,694	-	5,694
Disposals	(1,753)	-	(1,753)
At 31 December 2013 and 1 January 2014	29,217	10,806	40,023
Additions	2,462	-	2,462
Disposals	(209)	(10,806)	(11,015)
At 31 December 2014	31,470	-	31,470
Amortisation			
At 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 and 1 January 2014	13,160	4,876	18,036
Amortisation charge for the year	2,984	536	3,520
Disposals	(47)	(5,412)	(5,459)
At 31 December 2014	16,097	-	16,097
Net book value			
At 1 January 2013	14,416	7,010	21,426
At 31 December 2013 and 1 January 2014	16,057	5,930	21,987
At 31 December 2014	15,373	-	15,373

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 37.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



14. LEASEHOLD RIGHTS

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Cost				
At 1 January	156,473	156,473	56,885	56,885
At 31 December	156,473	156,473	56,885	56,885
Amortisation				
At 1 January	91,519	83,847	21,533	19,075
Amortisation charge for the year	7,272	7,672	2,458	2,458
At 31 December	98,791	91,519	23,991	21,533
Net book value				
At 1 January	64,954	72,626	35,352	37,810
At 31 December	57,682	64,954	32,894	35,352

Leasehold rights

The Company

As at 31 December 2014 and 2013, the Company had leasehold rights in two 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 2014 and 2013, Oishi Ramen Co., Ltd., the Company's subsidiary, had leasehold rights on sale areas of five department stores, for the operation of restaurants, which are amortised over the period of agreements for approximately 13–20 years.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



15. DEFERRED TAX

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

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS

	Assets		Liabilities	
	2014	2013	2014	2013
Total	121,801	94,820	(9,215)	(9,215)
Set off of tax	(9,215)	(9,215)	9,215	9,215
Net deferred tax assets	112,586	85,605	-	-

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS

	Assets		Liabilities	
	2014	2013	2014	2013
Deferred tax assets	10,918	11,837	-	-

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



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 2014	Profit or loss (Note 32)	Other comprehensive income	At 31 December 2014
Deferred tax assets				
Inventories	405	819	-	1,224
Employee benefit obligations	9,250	1,251	1,946	12,447
Tax loss carry forward	85,165	22,965	-	108,130
Total	94,820	25,035	1,946	121,801
Deferred tax liability				
Revaluation surplus on land	(9,215)	-	-	(9,215)
Net	85,605	25,035	1,946	112,586

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS

	(Charged) / credited to:			
	At 1 January 2013	Profit or loss (Note 32)	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
Deferred tax liability				
Revaluation surplus on land	(9,215)	-	-	(9,215)
Net	53,774	31,933	(102)	85,605

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



(in thousand Baht)

SEPARATE FINANCIAL STATEMENTS

(Charged) / credited to:

	At 1 January 2014	Profit or loss (Note 32)	Other comprehensive income	At 31 December 2014
<i>Deferred tax assets</i>				
Inventories	-	1,203	-	1,203
Employee benefit obligations	6,852	1,379	1,484	9,715
Tax loss carry forward	4,985	(4,985)	-	-
Total	11,837	(2,403)	1,484	10,918

(in thousand Baht)

SEPARATE FINANCIAL STATEMENTS

(Charged) / credited to:

	At 1 January 2013	Profit or loss (Note 32)	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

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



16. OTHER NON-CURRENT ASSETS

	Note	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
Related parties	5	8,910	8,417	4,832	4,394
Other parties					
Rental deposit		198,661	175,518	172,239	161,985
Receivable from Revenue Department		16,515	-	7,260	-
Advance payment for purchase of assets		7,247	160,335	-	-
Others		15,574	16,799	11,003	11,853
Total		246,907	361,069	195,334	178,232

17. INTEREST-BEARING LIABILITIES

	Note	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
Current					
Short-term loans from financial institutions-Unsecured					
- Promissory note		873,000	63,000	-	-
- Current portion of long-term loan from a financial institution		400,000	-	400,000	-
Short-term loans from financial institutions		1,273,000	63,000	400,000	-
Short-term loans from subsidiaries-unsecured	5	-	-	89,000	141,000
Short-term loans		1,273,000	63,000	489,000	141,000
Current portion of finance lease liabilities		16,753	-	-	-
Total current interest-bearing liabilities		1,289,753	63,000	489,000	141,000

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



	Note	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
Non-current					
Long-term loan from a financial institution-Unsecured		600,000	1,000,000	600,000	1,000,000
Debentures-Unsecured		1,000,000	1,000,000	1,000,000	1,000,000
Long-term loans from financial institutions		1,600,000	2,000,000	1,600,000	2,000,000
Finance lease liabilities		49,834	-	-	-
Total non-current interest-bearing liabilities		1,649,834	2,000,000	1,600,000	2,000,000

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

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Within one year	1,273,000	63,000	489,000	141,000
After one year but within five years	1,600,000	2,000,000	1,600,000	2,000,000
Total	2,873,000	2,063,000	2,089,000	2,141,000

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 five installments of Baht 200 million each, commencing in November 2015. Interest is payable monthly at the rate of 3.85% per annum. The loan agreement contains certain covenants and restrictions as specified in the agreement.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



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 the bonds not exceeding 10 years. In case the Company redeems or repays the said bonds, the Company can issue additional bonds as substitute under the conditions and limits (Revolving). The shareholders also authorised the President of the Board of Directors, Board of Directors or a person authorised 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.

As at 31 December 2014 the Group had available credit balance in Thai Baht 5,711.37 million and in United States Dollars 88.82 million (2013: Thai Baht 6,620.76 and United States Dollars 87.32 million)

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

(in thousand Baht)

	2014			2013		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	19,951	(3,198)	16,753	-	-	-
After one year but within five years	53,691	(3,857)	49,834	-	-	-
Total	73,642	(7,055)	66,587	-	-	-

Interest-bearing liabilities of the Group as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



18. TRADE ACCOUNTS PAYABLE

	Note	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
Related parties	5	117,253	93,658	71,435	47,222
Other parties		1,061,860	1,227,935	405,034	425,713
Total		1,179,113	1,321,593	476,469	472,935

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

		CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
Thai Baht (THB)		1,178,141	1,178,141	476,469	472,935
United States Dollars (USD)		972	972	-	-
Total		1,179,113	1,179,113	476,469	472,935

19. OTHER PAYABLES

	Note	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
Related parties	5	263,764	146,915	54,563	69,141
Other parties					
Selling expenses		178,754	216,774	50,199	33,344
Cheque in transit		97,765	-	86,839	-
Personnel expenses		89,589	94,974	77,328	86,000
Utilities expenses		44,619	44,926	20,600	21,044
Retention		43,192	35,039	31,869	34,639
Advances received from sale of coupons		16,335	25,352	16,335	25,351
Others		175,766	128,832	71,986	80,358
Total		909,784	692,812	409,719	349,877

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



The currency denomination of other payables as at 31 December was as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Thai Baht (THB)	893,247	689,648	409,719	349,877
Malaysia Ringgit (MYR)	16,537	3,118	-	-
Singapore Dollars (SGD)	-	46	-	-
Total	909,784	692,812	409,719	349,877

20. ACCOUNTS PAYABLE-ASSET ACQUISITION

The currency denomination of accounts payable-asset acquisition as at 31 December was as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Thai Baht (THB)	168,029	219,406	19,415	153,863
Yen (JPY)	113,018	53,775	-	-
Euro (EUR)	32,736	10,152	-	-
Total	313,783	283,333	19,415	153,683

21. EMPLOYEE BENEFIT OBLIGATIONS

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Statement of financial position				
Obligations for:				
Post-employment benefits compensation plan				
based on Thai Labor law	72,051	51,141	51,617	37,174

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



Year ended 31 December	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Statement of comprehensive income :				
Recognised in profit or loss:				
Post-employment benefits compensation plan based on Thai Labor law	11,123	9,829	8,699	7,486
Recognised in other comprehensive income:				
Actuarial (gains) losses recognised in the year	15,583	(511)	7,405	(972)
Cumulative actuarial losses recognised	32,352	16,769	15,209	7,804

Compensation plan based on Thai Labor law

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

The statement of financial position obligation was determined as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Present value of unfunded obligations	72,051	51,141	51,617	37,174

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



Movement in the present value of the defined benefit obligations:

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Defined benefit obligations at 1 January	51,141	40,892	37,174	28,268
Benefit obligations transferred in	1,243	1,663	677	2,916
Benefit obligations transferred out	(1,176)	(212)	(550)	(375)
Benefits paid by the plan	(5,863)	(520)	(1,788)	(149)
Current service costs and interest	11,123	9,829	8,699	7,486
Actuarial (gains) losses in other comprehensive income	15,583	(511)	7,405	(972)
Defined benefit obligations at 31 December	72,051	51,141	51,617	37,174

Expense recognised in profit or loss (note 29)

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Current service costs	8,950	8,357	7,119	6,365
Interest on obligation	2,173	1,472	1,580	1,121
Total	11,123	9,829	8,699	7,486

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

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Cost of sales	3,462	1,641	1,665	3,198
Administrative expenses	7,661	8,188	7,034	4,288
Total	11,123	9,829	8,699	7,486

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



Actuarial gains and losses recognised in other comprehensive income:

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Included in retained earnings:				
At 1 January	16,769	17,280	7,804	8,776
Recognised during the year	15,583	(511)	7,405	(972)
At 31 December	32,352	16,769	15,209	7,804

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Discount rate	3.30	4.25	3.30	4.25
Future salary increases	6.0	6.0	6.0	6.0

Assumptions regarding future mortality are based on published statistics and mortality tables.

22. OTHER NON-CURRENT LIABILITIES

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Retention	28,432	44,513	-	-
Others	715	304	-	-
Total	29,147	44,817	-	-

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



23. SHARE CAPITAL

	(in Baht)	2014		2013	
		(thousand shares / thousand Baht)			
		Number	Baht	Number	Baht
Authorised					
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
Issued and paid-up					
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

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.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



24. 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.

25. 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, snack and frozen foods.
- 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.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



Information about reportable segments

	FOOD SEGMENT		BEVERAGE SEGMENT		(in million Baht) TOTAL	
	2014	2013	2014	2013	2014	2013
Revenue from external customers						
- Other customers	6,594	5,927	230	233	6,824	6,160
- Related customers	8	49	5,572	5,999	5,580	6,048
Interest income	1	1	1	1	2	2
Other income	36	32	74	27	110	59
Total income	6,639	6,009	5,877	6,260	12,516	12,269
Cost of sale of goods	4,024	3,578	4,174	4,631	8,198	8,209
Selling expenses	751	652	944	1,027	1,695	1,679
Administrative expenses	1,772	1,554	255	205	2,027	1,759
Net loss arising from the flooding	-	9	-	90	-	99
Net loss on exchange rate	-	-	-	11	-	11
Finance cost	-	-	97	87	97	87
Total expenses	6,547	5,793	5,470	6,051	12,017	11,844
Profit before income tax expense	92	216	407	209	499	425
Income tax benefit (expense)	(18)	(43)	40	74	22	31
Profit for the year	74	173	447	283	521	456

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



	FOOD SEGMENT		BEVERAGE SEGMENT		(in million Baht) TOTAL	
	2014	2013	2014	2013	2014	2013
Capital expenditure	632	1,117	1,437	981	2,069	2,098
Depreciation and amortisation	456	365	369	340	825	705
Assets and liabilities						
Inventories	252	169	190	202	442	371
Property, plant and equipment	2,179	2,013	5,197	4,132	7,376	6,145
Other assets	666	674	648	718	1,314	1,392
Total assets	3,097	2,856	6,035	5,052	9,132	7,908
Trade accounts payable	625	647	554	675	1,179	1,322
Interest-bearing liabilities	-	-	2,940	2,063	2,940	2,063
Other liabilities	626	469	752	645	1,378	1,114
Total liabilities	1,251	1,116	4,246	3,383	5,497	4,499

Geographic segments

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

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



26. OTHER INCOME

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Subsidise income	17,753	6,110	16,403	6,110
Consultancy income	14,000	-	-	-
Compensation income	11,045	-	-	-
Revenue from sale of by-product	11,039	7,070	1,216	1,801
Rental income	2,189	12,987	-	-
Franchise income	549	3,813	-	3,080
Management service income	-	-	18,197	-
Others	25,187	28,918	25,578	17,556
Total	81,762	58,898	61,394	28,547

27. SELLING EXPENSES

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Advertising and promotion expenses	1,148,251	1,250,966	292,310	384,859
Rental expenses	508,301	425,088	480,146	409,727
Others	38,367	3,165	472	-
Total	1,694,919	1,679,219	772,928	794,586

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



28. ADMINISTRATIVE EXPENSES

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Personnel expenses	1,062,493	927,528	932,837	852,141
Depreciation and amortisation	312,795	267,966	282,204	246,389
Office expenses	302,092	261,492	283,150	244,681
Others	349,656	301,349	218,956	202,343
Total	2,027,036	1,758,335	1,717,147	1,545,554

29. EMPLOYEE BENEFIT EXPENSES

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Salaries and wages	1,272,915	1,163,896	930,765	862,440
Remuneration	22,000	32,000	22,000	32,000
Pension costs – defined benefit plans	11,123	9,829	8,699	7,486
Pension costs – contribution plans	12,083	11,074	8,854	7,630
Others	392,744	365,045	175,341	168,737
Total	1,710,865	1,581,844	1,145,659	1,078,293

Defined benefit plan

The detail of employee benefit plans are given in note 21.

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.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



30. EXPENSES BY NATURE

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

	Note	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
Change in inventories of finished goods		9,286	(49,415)	2,709	(2,130)
Raw materials and consumables used		6,141,392	6,232,497	3,393,755	3,232,267
Employee benefit expenses	29	1,710,865	1,581,844	1,145,659	1,078,293
Advertising and promotion expenses	27	1,148,251	1,250,966	292,310	384,859
Depreciation and amortisation	12,13,14	824,709	705,347	378,221	330,568
Rental expense		559,369	519,848	513,316	437,231
Net loss arising from the flooding	3	-	99,203	-	-
Finance costs	31	97,100	87,085	81,662	48,650
Net loss on foreign exchange		-	10,966	-	-
Others		1,526,610	1,405,563	594,892	539,746
Total expenses		12,017,582	11,843,904	6,402,524	6,049,484

31. FINANCE COSTS

	Note	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
Interest expense					
Subsidiary	5	-	-	2,630	3,716
Bank loans		97,100	89,462	79,032	44,934
Total of interest expense		97,100	89,462	81,662	48,650
Less: amounts included in the cost of assets under construction	12	-	(2,377)	-	-
Net		97,100	87,085	81,622	48,650

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



32. INCOME TAX EXPENSE

Income tax recognised in profit or loss

	Note	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
		2014	2013	2014	2013
Current tax expense					
Current year		3,039	1,694	2,498	-
Deferred tax expense					
	15				
Movements in temporary differences		(2,070)	27,186	(2,582)	141
Benefit of tax losses recognised		(22,965)	(59,119)	4,985	4,018
		(25,035)	(31,933)	2,403	4,159
Total income tax expense (benefit)		(21,996)	(30,239)	4,901	4,159

Income tax recognised in other comprehensive income

	2014			2013		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
CONSOLIDATED FINANCIAL STATEMENTS						
Defined benefit plan						
Actuarial gains (losses)	(15,583)	1,946	(13,637)	511	(102)	409
Total	(15,583)	1,946	(13,637)	511	(102)	409

	2014			2013		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
SEPARATE FINANCIAL STATEMENTS						
Defined benefit plan						
actuarial gains (losses)	(7,405)	1,484	(5,921)	972	(194)	778
Total	(7,405)	1,484	(5,921)	972	(194)	778

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



Reconciliation of effective tax

CONSOLIDATED FINANCIAL STATEMENTS

	2014		2013	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		498,765		425,333
Income tax using the Thai corporation tax rate	20.00	99,753	20.00	85,067
Income not subject to tax		(127,415)		(118,656)
Expenses for tax incentive		(460)		(171)
Expenses not deductible for tax purposes		6,126		3,521
Total	(4.41)	(21,996)	(7.11)	(30,239)

SEPARATE FINANCIAL STATEMENTS

	2014		2013	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		267,162		335,308
Income tax using the Thai corporation tax rate	20.00	53,432	20.00	67,062
Income not subject to tax		(50,887)		(63,698)
Expenses for tax incentive		(459)		(171)
Expenses not deductible for tax purposes		2,815		966
Total	1.83	4,901	1.24	4,159

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. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



33. 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 number	1223(4)/2549	1214(2)/2553*	1954(2)/2553*	2569(2)/2555	5039(2)/2556*	1161(2)/2557
Promotional certificate received date	2 March 2006	25 February 2010	7 September 2010	1 August 2012	18 December 2012	5 February 2014
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	import within 5 August 2016
(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	the first date of derived income 15 December 2014
(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	8 years
Promotional certificate expiration/cancellation date	27 September 2014	24 September 2014	24 September 2014			

* Promotional certificate number 5039(2)/2556 was issued by the Board of Investment for Oishi Trading Co., Ltd., a subsidiary of the Company, according to the investment promotion policy for restoration of the flood-affected investments from Thailand's 2011 flooding. The promotional certificate was issued to replace the promotional certificate number 1214(2)/2553 and number 1954(2)/2553 which the Board of Investment cancelled the said certificates in 2014.

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

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



Summary of revenue from promoted and non-promoted businesses:

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS

	2014			2013		
	Promoted business	Non-promoted business	Total	Promoted business	Non-promoted business	Total
Local sales	4,586,963	7,524,522	12,111,485	4,513,062	7,485,119	11,998,181
Export sales	253,415	39,600	293,015	205,633	4,298	209,931
Total	4,804,378	7,564,122	12,404,500	4,718,695	7,489,417	12,208,112

(in thousand Baht)

SEPARATE FINANCIAL STATEMENTS

	2014			2013		
	Promoted business	Non-promoted business	Total	Promoted business	Non-promoted business	Total
Local sales	-	6,268,947	6,268,947	-	5,994,379	5,994,379

34. EARNINGS PER SHARE

The calculations of basic earnings per share for the years ended 31 December 2014 and 2013 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	
	2014	2013	2014	2013
Profit attributable to equity holders of the Company (basic)	524.94	455.57	262.26	331.15
Number of ordinary shares outstanding	187.50	187.50	187.50	187.50
Basic earnings per share (in Baht)	2.80	2.43	1.40	1.77

NOTE OF THE FINANCIAL STATEMENT

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35. DIVIDENDS

At the Board of Directors of the Company meeting held on 13 August 2014, the directors approved the appropriation of interim dividend of Baht 0.55 per share, totaling Baht 103.13 million, and was paid to the shareholders in September 2014.

At the annual general meeting of the shareholders of the Company held on 30 April 2014, the shareholders approved the appropriation of dividend of Baht 1.30 per share, totaling Baht 243.75 million. The Company paid an interim dividend of Baht 0.30 per share, totaling Baht 56.25 million in September 2013 therefore the final dividend payment shall be Baht 1 per share, totaling Baht 187.50 million, and was paid to shareholders in May 2014.

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 shareholders 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 300.00 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.

36. 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 17). The Group mitigates this risk by ensuring that the majority of its debt security and borrowings are at fixed interest rates.

NOTE OF THE FINANCIAL STATEMENT

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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	Total
		(in thousand Baht)		
2014				
Current				
Short-term loans from financial institutions	2.13 - 2.15	873,000	-	873,000
Current portion of long-term loan from a financial institution	3.85	400,000	-	400,000
Non-current				
Long-term loan from a financial institution	3.85	-	600,000	600,000
Debentures	4.00	-	1,000,000	1,000,000
Total		1,273,000	1,600,000	2,873,000
2013				
Current				
Short-term loans from financial institutions	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

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



SEPARATE FINANCIAL STATEMENTS

	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2014				
Current				
Current portion of long-term loan from a financial institution	3.85	400,000	-	400,000
Short-term loans from subsidiaries	1.75	89,000	-	89,000
Non-current				
Long-term loan from a financial institution	3.85	-	600,000	600,000
Debentures	4.00	-	1,000,000	1,000,000
Total		489,000	1,600,000	2,089,000
2013				
Current				
Short-term loan 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

NOTE OF THE FINANCIAL STATEMENT

Oishi Group Public Company Limited and its Subsidiaries



Foreign currency risk

As at 31 December 2014 the Group had foreign currency risk relating to machinery purchase agreements. The Group primarily utilised forward exchange contracts with maturity period of less than one year to hedge such agreements during the year. 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.

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)	
		CONSOLIDATED FINANCIAL STATEMENTS	
	Note	2014	2013
<i>Yen</i>			
Accounts payable-asset acquisition	20	(113,018)	(53,775)
Gross balance in financial statement position exposure		(113,018)	(53,775)
Currency forwards		-	55,120
Net exposure		(113,018)	1,345
<i>Euro</i>			
Accounts payable-asset acquisition	20	(32,736)	(10,152)
Gross balance in financial statement position exposure		(32,736)	(10,152)
Currency forwards		-	9,162
Net exposure		(32,736)	(990)
<i>United States Dollars</i>			
Cash and cash equivalents	6	3,851	-
Trade accounts receivable	8	3,924	1,931
Trade accounts payable	18	(972)	(561)
Gross balance in financial statement position exposure		6,803	1,370
<i>Singapore Dollars</i>			
Cash and cash equivalents	6	32,812	-
Trade accounts receivable	8	-	622
Other payables	19	-	(46)
Gross balance in financial statement position exposure		32,812	576

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(in thousand Baht)

**CONSOLIDATED
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	Note	2014	2013
<i>Malaysian Ringgit</i>			
Trade accounts receivable	8	15,663	4,435
Other payables	19	(16,537)	(3,118)
Gross balance in financial statement position exposure		(874)	1,317
<i>Other foreign currencies</i>			
Cash and cash equivalents	6	8,994	-
Gross balance in financial statement position exposure		8,994	-

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.

NOTE OF THE FINANCIAL STATEMENT

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

Fair values of forward exchange contracts classified by currencies were as follows:

	(in million)		(in million Baht)	
	AMOUNT IN CONTRACT (Foreign currency)		FAIR VALUE (Baht currency)	
	2014	2013	2014	2013
Euro	-	0.22	-	10.08
Yen	-	170.12	-	53.47
Total			-	63.55

37. COMMITMENTS WITH NON-RELATED PARTIES

	(in thousand Baht)		(in thousand Baht)	
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Capital commitments				
<i>Contracted but not provided for:</i>				
Cold-Aseptic-Filling Line 3 beverage and PET bottling production project				
Machinery and equipment	39,255	668,113	-	-
	39,255	668,113	-	-
New central kitchen project				
Building and other constructions	-	23,837	-	-
Machinery and equipment	11,200	19,748	-	-
	11,200	43,585	-	-
Other projects				
Building and other constructions	-	107,347	-	-
Machinery and equipment	14,477	187,637	39	4,762
	14,477	294,984	39	4,762
Total	64,932	1,006,682	39	4,762

NOTE OF THE FINANCIAL STATEMENT

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Significant agreements under capital commitments

Cold-Aseptic-Filling line 3 beverage and PET bottling 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 Board of Directors approved an investment in the new central kitchen construction for the production of finished goods and raw materials in the amount up to Baht 545 million. The said project has been operated under Oishi Trading Co., Ltd., the Company's subsidiary. Subsequently in 2013, the Board of Directors approved the additional budget amounting to Baht 60 million and in July 2014 the Board of Executive Committee approved the additional budget amounting to Baht 12 million. The total budget of the new central kitchen budget is Baht 617 million.

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
<i>Non-cancellable operating lease commitments</i>				
Within one year	219,472	192,345	184,846	167,054
After one year but within five years	234,329	144,962	177,977	131,718
After five years	11,203	14,864	8,603	9,864
Total	465,004	352,171	371,426	308,636

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 one year to three years, due within 2014 to 2016. The Company agreed to pay monthly rental fees 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 two months from 1 December 2006 to 31 January 2021 with monthly rental fee of Baht 200,000. Subsequently, on 30 January 2015, the counterparty prepared the memorandum of understanding to terminate the factory building lease agreement.

Forklift agreements

Oishi Trading Co., Ltd., the Company's subsidiary, entered into forklifts and other equipment lease agreements with local companies. The agreements are for three years from 2014 to 2016 with the monthly rental rate as specified in the agreements.

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Store lease agreements

Oishi Trading Co., Ltd., the Company's subsidiary, entered into store lease agreements with local companies. The agreements are for one year to three years from 2014 to 2016 with the monthly rental rate as specified in the agreements.

	CONSOLIDATED FINANCIAL STATEMENTS		(in thousand Baht) SEPARATE FINANCIAL STATEMENTS	
	2014	2013	2014	2013
Other Commitments				
Service agreements	404,076	350,517	330,352	343,032
Letters of credit	140,928	61,983	-	-
Purchase orders for goods and supplies	35,558	114,569	-	17,275
Bank guarantees	34,700	14,254	-	-
Advertisement contracts	11,119	60,026	-	10,000
Forward contracts	-	64,282	-	-
Others	17,121	30,722	-	-
Total	643,502	696,353	330,352	370,307

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 14 years and two months period from 1 December 2006 to 31 January 2021. Subsequently on 30 January 2015 the counterparty prepared the memorandum of understanding to terminate the hot-fill PET Bottle trading agreement.

Material and package trading agreements

On 28 December 2012, the Company and Oishi Ramen Co., Ltd., the Company's subsidiary, entered into material and package trading agreements with a local company for distributing 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 agreements for one year from 1 January 2013 to 31 December 2013. Subsequently, the Company and the said subsidiary entered into new agreements to pay the service charge for the rate specified in the agreements for three years from 1 January 2014 to 31 December 2016.

Transportation agreements

On 1 February 2010, the Company and Oishi Trading Co., Ltd., the Company's subsidiary, entered into transportation agreements with a local company to transport products from factory to the defined destination. Transportation cost is calculated for each trip at the rate stated in the agreements. The agreements shall be in effect for a period of three years, effective from 1 January 2010 to 31 December 2012. Subsequently on 1 July 2010, the Company and its subsidiary amended the period of agreements to be two years from 1 July 2010 to 30 June 2012. The agreements will be extended for successive term of one year if no prior written notices are given by any one party to the other.

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Consultancy fee agreement

Consultancy fee included in other expenses was paid to a company at the amount of 600,000 Baht per month. Subsequently in January 2013, the consultancy fee was revised to Baht 200,000 per quarter, effective from 1 January 2013 onwards.

License agreements

On 29 September 2009, the Company entered into a license agreement with an overseas company for operating Japanese restaurants in Thailand as the master license for the period of 10 years from 29 September 2009. This agreement shall be automatically renewed for additional term 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 is committed to pay initial license fee and royalty fee as stipulated in the agreement. Subsequently on 23 June 2014, the other party agreed to terminate license agreement for operating Japanese restaurants in Thailand. This termination was effective from 31 May 2014 onwards.

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 complied with conditions as stipulated in the agreement. The agreement shall be in effect for a period of seven years, effective 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.

Sponsorship contracts

On 1 July 2014, Oishi Trading Co., Ltd., the Company's subsidiary, entered into two sponsorship contracts with a local company. The first contract shall be in effect from 18 August 2014 onwards, unless any party agrees to terminate this contract as stipulated in the contract. Another contract shall be in effect from 18 August 2014 to 31 December 2014. The Company's subsidiary can extend the contract with the conditions as specified in the original contract.

38. EVENTS AFTER THE REPORTING PERIOD

On 6 February 2015, Oishi Myanmar Limited, an indirect subsidiary of the Company in the Republic of the Union of Myanmar, increased its authorised and called-up share capital from USD 0.80 million (800,00 ordinary shares with a USD 1 par value) to USD 1.30 million (1,300,000 ordinary shares with a USD 1 par value). The payment of additional called-up share capital is scheduled within February 2015.

At the Board of Directors of the Company meeting held on 25 February 2015, the directors agreed the following,

- a) To propose a dividend payment for the year of Baht 1.60 per share, totaling Baht 300 million. On 9 September 2014, the interim dividend paid was Baht 0.55 per share, totaling Baht 103.13 million. The remaining dividend payment is Baht 1.05 per share, totaling Baht 196.87 million, and will be paid to the shareholders in May 2015.
- b) To approve the renewal of area leases and service agreements for the headquarters at Park Ventures building of the Company and the Company's subsidiaries with a related party. The agreements are for three years and will be contracted after the end of the original agreements on 30 September 2015.
- c) To approve the sales distributor appointment agreement between Oishi Trading Co., Ltd., the Company's subsidiary, and a related party. The agreement is for three years from 1 March 2015 to 28 February 2018.

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- d) To acknowledge the incorporation of Oishi Group Limited Liability Company, a subsidiary of an indirect subsidiary in the Socialist Republic of Vietnam on 14 February 2015 to support the expansion of business in the Socialist Republic of Vietnam. The authorised share capital is USD 50,000 and Oishi F&B (Singapore) Pte Ltd, the Company's indirect subsidiary incorporated in Singapore, holds the entire shares.

39. THAI FINANCIAL REPORTING STANDARDS (TFRS) NOT YET ADOPTED

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic	Year effective
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015
TFRS 3 (revised 2014)	Business Combinations	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015

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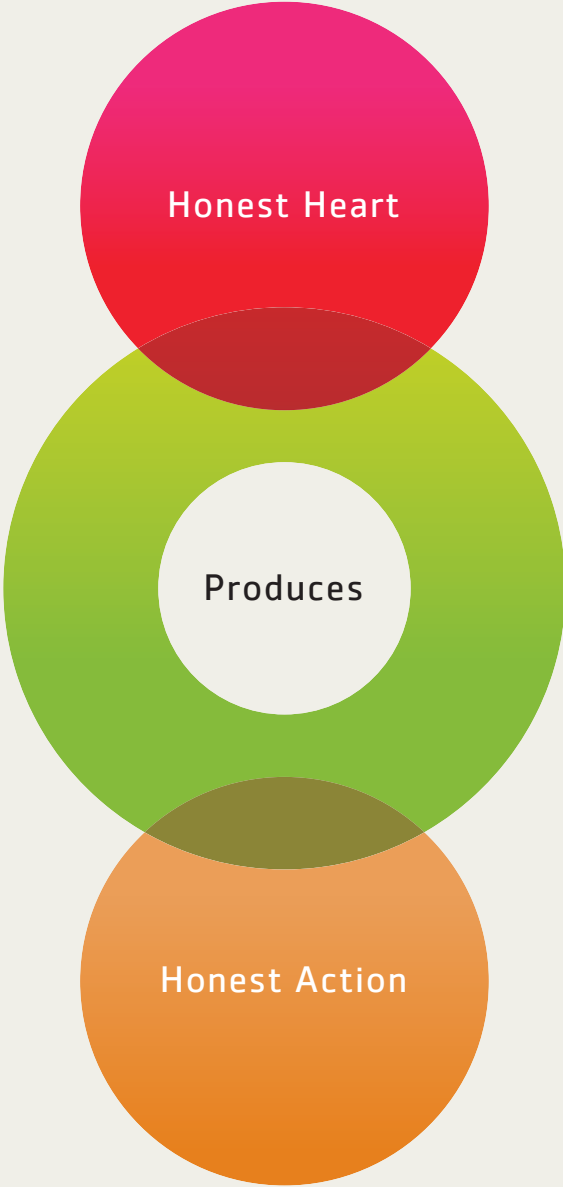


TFRS	Topic	Year effective
TSIC 15 (revised 2014)	Operating Leases – Incentive	2015
TSIC 25 (revised 2014)	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders	2015
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease	2015
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 13 (revised 2014)	Customer Loyalty Programmes	2015

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial applications.



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





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