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OISHI おい
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PUBLIC COMPANY LIMITED

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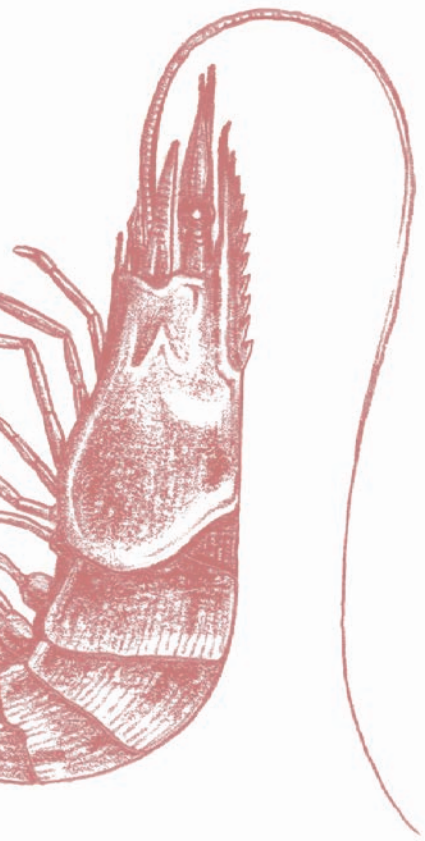
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SUKOI CULTURE

How subtle of the Japanese culture ! There's a bit more to sukoi than most of us tend to believe, for this awesome feeling should be uttered only by those thrilled ones on the receiving end—and not a boastful expression by those on the other end.

By the same token, Oishi Group yearns for its clientele to savor its delicacies and express sukoi. While Oishi has long achieved the pole position for Japanese food and drinks, we remain relentlessly meticulous about quality. For we'd like our customers to feel sukoi each time they taste our cuisine.



品質



Not just to prepare, but to feel, a dish

At Oishi, it takes both expertise and appreciation to prepare each delicacy for Thai taste buds: the prime sources of ingredients, yielding exquisite flavor and taste, the pristine storage method, the delicate touch of cooking and seasoning. Our chefs are masters of how these elements play out. Only the right, artful touch will do.



MESSAGE FROM — THE CHAIRMAN

In 2015, the Company had continuously made progress in its business performance as well as enhanced competitive advantages by refining business strategies based on “Vision 2020”, a strategic roadmap of the group 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, which has implemented since 2014. 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 2015. Despite the sluggish domestic economy and weak consumer confidence, the Company could successfully manage to achieve good operating performance. Total sales was 12,879 million Baht, an increase of 474 million Baht or 3.8% from previous year. Net profit was 712 million Baht, an increase of 187 million Baht or 35.7% from previous year and representing 5.5% of total sales revenue.

During the past year, the Company has focused on brand buildings and innovative ways of conducting marketing and promotional campaign to reach target customers. Successes from brand building and innovative marketing strategies have been well proven by “Superbrands 2015” award from Superbrands Thailand, the organization that works on measuring and assessing the success of branding through nationwide market research in various product categories and selecting brands that are trusted most by consumers. Besides, the Company successfully managed to have number one market share in both RTD tea market and pure RTD green tea market at 44.7% and 48% respectively.

For international business expansion, the Company has continuously followed “Vision 2020” strategic road map by build-up group structure platform that supports overseas expansion. In this year, the Company incorporated a subsidiary in the Socialist Republic of Vietnam. Currently, the Company has subsidiaries in Hong Kong, Singapore, the Republic of the Union of Myanmar and the Socialist Republic of Vietnam. Also in 2015, the Company opened 1 Shabushi restaurant in Yangon, the Republic of the Union of Myanmar which made Shabushi outlet number in this country become 3 in total.

Moreover, the Company has continuously focused on research and development of product quality in order to ensure consumer healthiness. In 2015, the Company launched “Oishi Watermelon Green tea” and new premium low sugar green tea “Oishi Kabusecha”. Both are innovative products which are well acclaimed by consumers. In order to support business expansions under

the Company’s own brands and Original Equipment Manufacturer (OEM) brands along with enhancing production efficiency and long-term competitive advantages, Cold Aseptic production line 4 at Wang-Muang district, Saraburi province, was planned to install and expected to start commercial operations by the end of 2016.

For the ratings, the Company’s corporate credit rating and debenture rating as of December, 2015 have been maintained at A-/Stable by TRIS Corporation 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 2014, representing stability of the Company’s financial position.

The Company has also focused on enhancing corporate identity and continuing supports on corporate social responsibility, particularly in sustainable development of educations and environments together with sustaining Thai culture inheritance as well as cultivating virtue in youth.

On behalf of the Board of Directors, I would like to assure that management team and all employees are determined and dedicated to grow the businesses with perseverance, tolerance, patient, integrity and wisdom in order for the Company to achieve sustainable growth and maintain the market leading position in both Japanese food and green tea beverage businesses via Thai Beverage Group’s production and distribution strengths, which will enable us to continuously expand the businesses domestically and internationally. In this regard, we would like to express our sincere gratitude for shareholders’ trust and continued supports to the Company for the everlasting prosperity of both the Company and shareholders onward.

On behalf of the Board of Directors, I would like to take this opportunity to wish all shareholders; may the holy triple gems, the Siam Devadhiraj God, and all the sacred things you respect, bless you with happiness, prosperity and success in all aspects.

– Signature –
(Mr. Prasit Kovilaikool)
Chairman

丁寧



The Finish Line

Contrary to what most people believe, our Finish Line is not when a given dish is prepared and put on a plate, but when diners experience their first bites. At Oishi, diners take the center stage. To cater to Thai diners, Oishi deliberately experimented, and only after we are satisfied with diners' delight will we rest. That's the secret of our time-honored success.

GENERAL — INFORMATION

The Company Name : Oishi Group Public Company Limited
(the “Company”)

Business Type : Japanese restaurants and Green Tea under the brands, “Oishi”, “Chakulza”, “Fruito” and “Kabusecha”, and RTD Drink under the brand, “O Herb”

Company Registration Number : 0107547000150

Headquarter Location : No. 57, PARK VENTURES ECOPLEX, 19th – 20th Floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330

Homepage : www.oishigroup.com

Telephone Number : (02) 785-8888

Fax Number : (02) 785-8889

Registered Capital : Baht 375,000,000

Paid-up Capital : Baht 375,000,000

Paid-up Common Stock : 187,500,000 shares

Par value : Baht 2

Trading Symbol on the Stock Exchange of Thailand : OISHI for ordinary shares

Trading Symbol on the Thai Bond Market Association (TBMA) :

- OISHI168A for Debentures No. 1/2013 due 2016
- OISHI18DA for Debentures No. 1/2015 due 2018

Other Related Information

-None-

REFERENCE

Share Registrar:

Thailand Securities Depository Company Limited
No. 93 Stock Exchange of Thailand Building,
Rachadabhisek Road, Dindaeng, Dindaeng, Bangkok 10400
Tel. (02) 009-9000

Debenture Registrar:

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

Debentures of Oishi Group Public Company Limited No.1/2015 due 2018
KrungThai Bank Public Company Limited
No. 35, Sukhumvit Road, Khlongtoey Nua,
Wattana, Bangkok 10110
Tel. (02) 298-0821

External Auditor:

KPMG Phoomchai Audit Company Limited
No. 1 Empire Tower, 50th – 51th floor, South Sathorn Road,
Yannawan, Sathorn, Bangkok 10120
Tel. (02) 677-2000

Legal Consultant:

Weerawong, Chinnavat & Peangpanor Company Limited
No. 540 Mercury Tower, 22nd floor, Ploenchit Road, 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 : investorrelations@oishigroup.com



選 択



Always zooming ahead

Complacency has no place at Oishi Group. We never take our market leadership for granted, but constantly strive for the best ingredients and recipes. We believe we can somehow outdo ourselves in striving for the best for Thai taste buds.

FINANCIAL HIGHLIGHTS

SUMMARY OF FINANCIAL STATUS AND COMPANY'S PERFORMANCE AT 31 DECEMBER 2015:

(Baht'000)

	CONSOLIDATED		
	2015	2014	2013
Total assets	9,088,874	9,131,549	7,907,771
Total liabilities	5,005,645	5,497,349	4,499,343
Equities	4,083,229	3,634,200	3,408,428
Revenue from sale of goods and rendering of services	12,878,814	12,404,500	12,208,112
Total revenue	12,963,161	12,516,347	12,269,238
Net profit	703,735	520,760	455,572
Net profit attributable to owners of the Company	712,191	524,935	455,572

SUMMARY OF FINANCIAL RATIOS

	CONSOLIDATED		
	2015	2014	2013
Net profit margin to revenue from sale of goods and rendering of services (%)	5.5%	4.2%	3.7%
Return to equities (%)	18.5%	14.9%	14.0%
Return to assets (%)	7.8%	6.2%	6.0%
Earnings per share (Baht)	3.80	2.80	2.43
Dividend per share (Baht)	2.00	1.60	1.30

In 2015, the Company had sales revenue of Baht 12,879 million, 3.8% increased from the previous year. Total sales revenue was contributed from beverage business of Baht 6,307 million or 8.7% increased from the previous year, and food business of Baht 6,572 million or 0.5% decreased from the previous year. Main reasons were the followings:

1. For beverage business, the successful of brand building strategies and marketing and promotional campaigns, together with sales revenue growth of Original Equipment Manufacturer (OEM) business helped support the beverage's sales revenue to grow by 8.7% eventhough RTD tea market and pure RTD green tea market declined by 2.5% and 3.8%, respectively.
2. For food business, eventhough the Company opened up 30 new restaurant outlets, the Company closed 14 non-performing outlets (total outlets was 241 at year end, including overseas outlets), together with the sluggish economic which affected consumer's spending and the negative effect from the explosion incident at Ratchaprasong Junction in August 2015, food's sales revenue slightly declined in 2015.

2015 net profit attributable to owners of the Company was Baht 712 million, 35.7% increased from the previous year. This is mainly due to success from brand buildings and effective cost management.

BOARD OF DIRECTOR — AND THE 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, USA.
- 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, USA.
- Master of Science Administration in
Finance Economics,
Boston University, USA.
- Doctor of Philosophy (Honorary Degree),
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,
USA. (1968)
- Ph.D. (History),
Michigan State University,
USA. (1978)
- Honorary Degree in Humanities,
Schiller International University,
London (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 USA.
(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. Ueychai Tantha-Obhas

Director
and 1st Vice Chairman of the Executive
Committee

Education

- B. Sc Accounting,
St. Louis University, USA.
- Master of Business Administration
(MBA.),
Thammasat University





THE BOARD OF DIRECTORS



Mr. Sithichai Chaikriangkrai

Director,
2nd 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



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, USA.
- Certificate of Business and
Administration Extension School,
Harvard University, USA.



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,
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, USA.
- Master Degree in International Business Administration,
Johnson & Wales University,
Providence, Rhode Island, USA.
- CEDI - Babson Entrepreneurial Leadership Program
Babson College, Massachusetts, USA.



Mrs. Jesdakorn Ghosh

Senior Vice President and
Risk Management Committee Member

Education

- BA. Advertising, Thammasat University
- MBA. (Marketing), University of Dallas, Irvin,
Texas, USA.





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, USA.*
- *Company Secretary Program (CSP) 2012, Thai Institute of Directors Association (IOD)*
- *Director Certification Program (DCP) 184/2014 Thai Institute of Directors Association (IOD)*
- *CEDI – Babson Entrepreneurial Leadership Program Babson College, Massachusetts, USA.*



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*
- *Master Degree in Marketing (MIM), Thammasat University*





COMPANY SECRETARY AND HEAD OF INTERNAL AUDIT DEPARTMENT⁽¹⁾



Mrs. Chitkasem Moo-Ming

Company Secretary

Education

- BBA. – Finance & Banking, Chulalongkorn University
- MBA. – Finance & Strategy, University of North Carolina at Chapel Hill, North Carolina, USA.
- Company Secretary Program (CSP) 2012, Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP) 184/2014 Thai Institute of Directors Association (IOD)
- CEDI – Babson Entrepreneurial Leadership Program Babson College, Massachusetts, USA.



Mr. Sa-nguan Pongswan⁽²⁾

Internal Audit Director

Secretary of Audit Committee

Risk Management Committee Member and Secretary of Risk Management Committee

Education

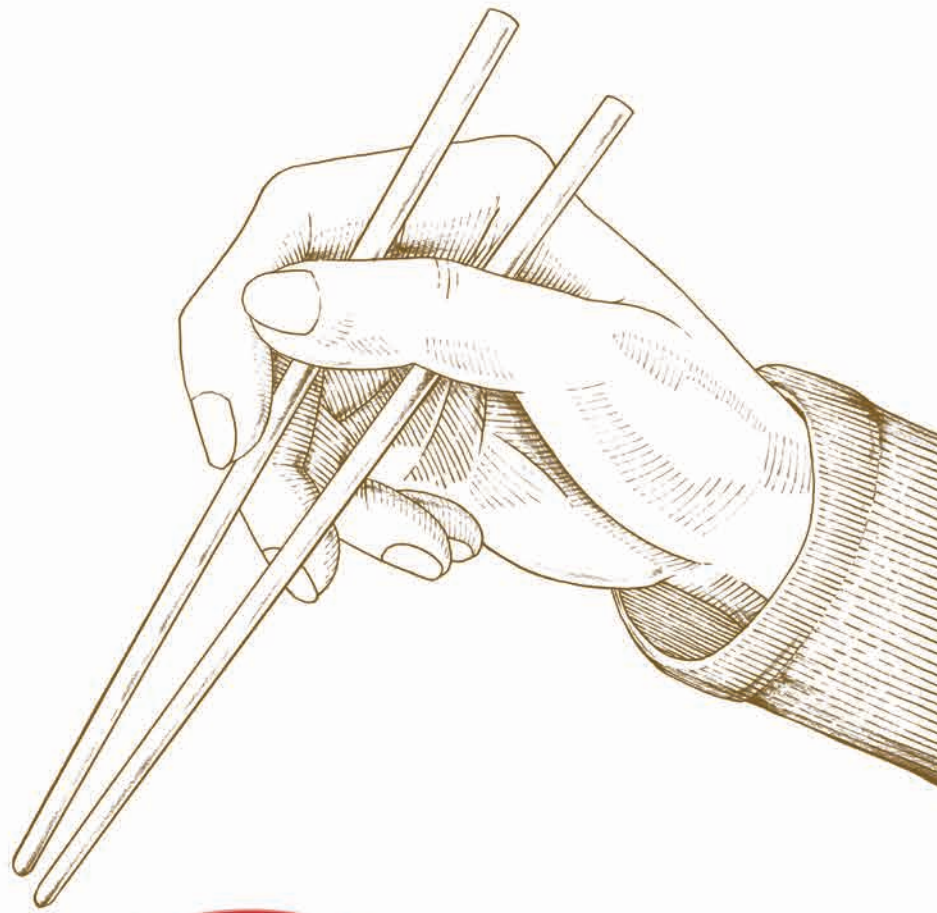
- Bachelor Degree in Law, Thammasat University
- Bachelor Degree in Accounting, Thammasat University
- Executive MBA., Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Certified Professional Internal Auditor of Thailand (CPIAT-The Institute of Internal Auditors of Thailand)
- Certified Public Accountant (CPA-Federation of Accounting Professions under The Royal Patronage of His Majesty The King)
- Certified Public Tax Auditor (CPTA-Revenue Department)
- Director Certification Program (DCP-149) Certification Programs of the Thai Institute of Directors (IOD)
- Advanced Audit Committee Programs (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)
- Ethical Leadership Program (ELP-1)
- Chief Financial Officer Certification Program for Senior Executive (CFO-16) Federation of Accounting Professions under The Royal Patronage of His Majesty The King

Remarks

⁽¹⁾ Appointment, Demotion and Rotation of the head of internal audit must be endorsed by the Audit Committee.

⁽²⁾ Mr. Sa-nguan Pongswan has retired from the Company on 31 December 2015 according to the Company's regulations on work, the Audit Committee Meeting No. 8/2015 which was held on 29 December 2015 has endorsed the appointment of Ms. Chanatnuth Wongwan as the head of internal audit in replacement of Mr. Sa-nguan Pongswan.

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The No. 1 ingredient: our staff

Most indispensable to our success are our staff, who are nurtured not only with the Japanese way of work, filled with vigor and integrity, but also with Thai values of empathy, generosity, and optimism. In short, Oishi's success today is a unique blend of Thai and Japanese arts at its best.

BUSINESS POLICY — AND OVERVIEW

The Board of Directors has set the vision & mission of the Company to be suitably and consistent with the business as well as keep reviewing its position align with the change in economic and other circumstances. They were both revealed on the Company's website as details below;

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

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

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 addition, the Company has business operation strategies as follow;

5.1 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.

5.1.1 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 innovation 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.

5.1.2 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.

5.1.3 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 into overseas in order to diversify revenue streams and tap into high potential markets both domestic and international by capitalizing on professional teams with diverse cultures, backgrounds and expertise.

5.1.4 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.

5.1.5 Professionalism build up strategy (Professionalism)

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

5.1.6 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.

5.1.7 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.

5.2 MARKETING STRATEGIES FOR FOOD BUSINESS

5.2.1 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 terms 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.

For Ready to Cook and Ready to Eat products, the Company emphasize on products' quality ensuring the clean and hygiene product to the customers

5.2.2 Variety of products and services

The Company has 3 target customer groups categorized 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.

Meanwhile, the Company has extended the diversity of chilled and frozen products to be more various types covering all type of customer such as the animal face formed bread for children, organic sandwich, Japanese style noodles.

5.2.3 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

5.2.4 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.

5.2.5 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.

In addition, for RTC and RTE segment, the Company created awareness and brand recognition through the target customers consecutively via marketing activities which focusing on the participation of customer, lucky draw campaign. Marketing activities were also been organized in association with beverage business and other restaurant under the brand Oishi.

5.2.6 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.

5.2.7 Expansion in distribution channel

The Company expand more distribution Channels including convenience store, supermarket, Hotel Restaurant and Catering services. Furthermore Food Truck has been the new channel which easy to access and draw more awareness in our brand recognition.

5.3 MARKETING STRATEGIES FOR THE BEVERAGE BUSINESS

5.3.1 The quality of products and services

Green tea production process is focused on its production quality from clean & hygienic water filter through Reverse Osmosis (RO) process, high quality tea leaves selection and the use of fructose syrup in the product, including the launch of Oishi Kabusecha, Premium RTD Tea target to health-conscious consumers.

5.3.2 Variety of products

The Company has variety of products to fit with different consumer needs. The Company launches different flavors of green tea under different brands and package design with unique style to fit each target consumers' preferences. In 2016 the Company has a plan to launch new and innovative product to serve the different in consumers demand.

5.3.3 Pricing strategy to expand the customer base

The Company has different packaging types of RTD green tea with different pricing i.e. 250ml., 380ml., 500ml. and 800ml. to fit with consumers purchasing power and cover consumer needs.

5.3.4 Distribution channel strategy

The Company has managed product distribution through several channels i.e. 1) through Thai Beverage PCL. and Sermasuk PCL., 2) Oishi restaurant outlets and 3) Export.

5.3.5 Sales promotion and advertising

The Company has consistently advertised in various media channels i.e. TV, radio, newspaper, magazines and out of home media including 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.

5.4 INDUSTRY AND COMPETITIVE SITUATION

5.4.1 Market condition of Japanese food

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 which focus on health, cleanliness, fast and variety of the products. In addition, the expansion of the channels, the new entrant competitors, the extremely various newly launched product have 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. At the same time the sales of frozen foods, especially in supermarket has been declined since the consumer's behavior has been changed to reduce stock keeping at home but rather accept the higher in price from the retailer sales unit such as the convenience store, as a result, the sales in convenience store has been increased dramatically.

5.4.2 Market condition of beverage

In the past years, Oishi Green Tea continued to focus on building brand image and brand proposition to stand out and differentiate. The company continued its brand proposition " Mee Oishi Chevit O jung" which started communicate since 2014 and received a great result, the company also developed and launched innovative new product, impactful marketing activities throughout the year, from summer promotion campaign "Rahad Oishi Zing Tua Thai", Mother's day campaign to celebrate mother and enhance family's value with "Oishi Love Mom" campaign which encouraged teenagers to express their love to their moms in a unique way.

In 2015, RTD tea market still faced an intense competition from several factors such as price competition, aggressive promotional activities, as well as the decline of consumer spending. However, Oishi green tea was able to strongly maintained its leadership position in the market.

From increasing competition in the industry, the Company focused on researching and developing new products to meet the needs of consumers and create a differentiation to gain competitive advantage such as the launch of Oishi Watermelon, refresh Oishi Fruito's packaging to look outstanding, and identified the right product selections for each sales channel to meet the needs of the customer base of each channel.

The Company also focused on building brand awareness and consumer engagement through various advertising media channels, particularly digital media which increase its importance as current consumers spend more and more time on online and social media. Oishi Green Tea successfully expanded its Facebook fanpage to 3.3 million fans, ranked one of the top 3 brands in FMCG with the highest number of Facebook fans.

5.5 INVESTMENT PROMOTION CERTIFICATES

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

5.5.1 On 1 August 2012, Oishi Trading was granted the investment promotion certificate for fruit and vegetable juice production in sealed bottles 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 approved number and period. However, they have to work in specified tasks as per the BOI board's agreement.
- Tariff exemption for machinery according to 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 one year or many years after the allowance period ends within the limit of five years.
- Exemption for dividend tax during eight years of allowance.

Important conditions are summarized as follows;

- To expedite training or supporting Thais to operate in place of foreign technicians or experts within the designated period.

- Machinery used for the promoted activities must be new machinery.
- Has a production capacity of sealed bottles of fruit and vegetable juice at 116 million liters (20 hrs/day: 300 days per year).
- A Thai national resident must own at least 51% of the total registered capital.
- Has to operate to get ISO 9000, or ISO 14000, or equivalent within two years.
- The factory must be constructed in Saraburi province.

5.5.2 On 18 December 2012, the Board of Investment has issued a certificate No. 5039 (2)/ 2013 to Oishi Trading as a measure 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 24 September 2014)

Key privileges are summarized as follows;

- Allowed to recruit foreign technicians to the country according to the approved number and period. However, they have to work in specified tasks as per the BOI board's agreement.
- Tariff exemption for machinery according to 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 one year or many years after the allowance period ends within the limit of five years.
- Exemption for dividend tax during eight years of allowance.

Important conditions are summarized as follows;

- To expedite training or supporting Thais to operate in place of foreign technicians or experts within the designated period.
- Machinery used for the promoted activities must be new machinery.

- Has production capacity of fruit and vegetable juice separated into;
The sealed Bottle (PET) category around 108 million liters per year
The sealed Box (UHT) category around 150 million liters per year
(20 hrs/day: 300 days per year).
- A Thai nationality residents must own at least 51% of total registered capital
- Has to operate to get ISO 9000, or ISO 14000, or equivalent within two years.
- The factory must be constructed within the premises of Navanakorn industrial zone in Pathumthani province.

5.5.3 On 6 August 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 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 one year or many years after the allowance period ends within the limit of five years.
- Exemption for dividend tax during eight years of allowance.

Important conditions are summarized as follows;

- To expedite training or supporting Thais to operate in place of foreign technicians or experts within designated period

- Machinery used for the promoted activities must be new machinery.
- Has production capacity of sealed box of fruit and vegetable juice at 150 million liter (20 hrs/day: 300 days per year).
- A Thai nationality residents must own at least 51% of total registered capital
- Has to operate to get ISO 9000, or ISO 14000, or equivalent within two years.
- The factory must be constructed in Saraburi province.

5.5.4 On 6 August 2013, Oishi Trading was granted the investment promotion certificate for fruit and vegetable juice production in sealed box for the factory operated in Navanakorn industrial Zone, Pathum Thani province. Promotion Certificate No.1159(2)/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 one year or many years after the allowance period ends within the limit of five years.
- Exemption for dividend tax during eight years of allowance.

Important conditions are summarized as follows;

- To expedite training or supporting Thais to operate in place of foreign technicians or experts within designated period
- Machinery used for the promoted activities must be new machinery.

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

5.5.5 On 6 August 2013, 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.1160(2)/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 one year or many years after the allowance period ends within the limit of five years.
- Exemption for dividend tax during eight years of allowance.

Important conditions are summarized as follows;

- To expedite training or supporting Thais to operate in place of foreign technicians or experts within designated period
- Machinery used for the promoted activities 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 capital
- Has to operate to get ISO 9000, or ISO 14000, or equivalent within two years.
- The factory must be constructed in Saraburi province.

5.5.6 On 6 August 2013, Oishi Trading was granted the investment promotion certificate for fruit and vegetable juice production in sealed bottle for the factory operated in Navanakorn industrial Zone, Pathum Thani province. Promotion Certificate No.1161(2)/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 one year or many years after the allowance period ends within the limit of five years.
- Exemption for dividend tax during eight years of allowance.

Important conditions are summarized as follows;

- To expedite training or supporting Thais to operate in place of foreign technicians or experts within designated period
- Machinery used for the promoted activities 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 capital.
- Has to operate to get ISO 9000, or ISO 14000, or equivalent within two years.
- The factory must be constructed within the premises of Navanakorn industrial zone in Pathumthani province.

5.6 PRODUCT AND SERVICE PROCUREMENT

5.6.1 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.

5.6.2 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 in order to deliver to all the restaurants in the group, as well as all the beverages under the brand "Oishi" for the group's products.

As at 31 December 2015, Oishi Trading Company Limited has 6 factories by this below details;

1. Oishi Trading 60/1120 M.19 Navanakorn Industrial Estate Klongluang Phatumthani 12120 (Cold Aseptic Filling in PET)
2. Oishi Trading 60/68 M.19 Navanakorn Industrial Estate Klongluang Phatumthani 12120 (Hot Filling and Drinking Water in PET)

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

Production Capacity

Total beverage capacity in PET is 780 Mil. Bottles per year, factory at Navanakorn Industrial Estate has capacity in Drinking Water 120 Mil. Bottles per year where the Company uses for OEM Chang and Crystal Drinking Water for the group's business. For the capacity in Paper Brick is 360 Mil. Bricks per year. The Cold Aseptic Filling in paper brick also able to suffice the OEM for dairies products, 156 Mil. Bottles per year, under the brand Nestle and Magnolia.

For central kitchen, total capacity for catering is 12,000 tons per year, Chilled Gyoza is 4,000 tons per year and sandwich is 20 Mil. 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 realizes the environmental concerning thus the environmental procedures has been executed legally and systematically i.e. production wastes, disposed materials from the process or any work-in-process. Ensuring that the efficient treatment system for any wastes are reliable and should not affect the social and environment.

In production line, the Company follows the best practices for environmental impacts by applying clean technology, energy-saving technology and reduce the packaging materials usage. 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. Hence, with all the procedures execution, the Company believe firmly that the environmental management was accurate, reliable and comply with the international standard.

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.

5.7 BUSINESS OPERATING LIMITATIONS

-None-



OISHI BEVERAGE PRODUCTS



Oishi Green Tea / Oishi Black Tea
(500 ml.)



Oishi Green Tea
(380 ml.)



Oishi Green Tea
(800 ml.)



Oishi Green Tea UHT
(250 ml.)



Oishi Fruito
(380 ml.)



Oishi Green Tea
Returnable Glass Bottle
(400 ml.)



Oishi Kabusecha
(500 ml.)



Oishi O Herb
(380 ml.)



Oishi Chakulza
(320 ml.)



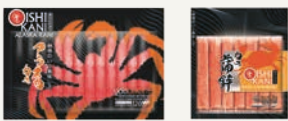
CHILLED & FROZEN PRODUCTS



Oishi Gyoza Chilled



Oishi Gyoza Frozen



Oishi Kani



Oishi Sandwich Break & Fast



Oishi Trendy Sandwich



Oishi Trendy Baking Sandwich



Oishi Trendy Roll



Oishi Trendy Ready Meal



Oishi Trendy Sandwich
Appetizer

JAPANESE RESTAURANTS



BUSINESS

NATURE

6.1 HISTORY AND SIGNIFICANT DEVELOPMENTS

The history and significant developments are set forth below:

- | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1999</p> <p>2001</p> <p>2002</p> <p>2003</p> <p>2004</p> <p>2005</p> <p>2006</p> <p>2007</p> <p>2008</p> <p>2009</p> <p>2010</p> <p>2011</p> <p>2012</p> | <ul style="list-style-type: none"> • Started Japanese restaurant operation under the brand “Oishi” on 9 September 1999 • Started Japanese noodle restaurant under the name “Oishi Ramen” • Started Japanese buffet shabu/kaiten style under the brand “Shabushi” • Operated new Central Kitchen at Nawanakorn factory producing food and beverage products to support sales at Oishi restaurants • “Oishi Green Tea” was launched • Started trading in SET under the name “OISHI” on 25 August 2004 • “Oishi Grand” was opened at Siam Discovery • Produced and distributed fruit juice with Amino under the name “Amino OK” • Amata Nakorn plant started its operation. • Oishi Black Tea was launched • Oishi launched a new RTD product, namely “Coffio”. • Thai Beverage PCL. became Oishi’s biggest shareholder • Opened Kazokutei, the Udon and Soba franchise restaurant from Osaka • Amino OK was rebranded as Amino Plus • New Green Tea flavor ‘Goji Berry’ was launched. • Additional lands were acquired, now the Company owns 61.5 rais • The Company received two additional BOI privileges, one for the Cold Aseptic Filling project and another one for the UHT project. • Launched new green tea with juices “Fruito” • Launched first ever sparkling green tea in can • Opened new restaurant brand “Nikuya”, Japanese-style yakiniku buffet. • Launched crispy fried seaweed “Onori” • New packaging design of green tea UHT with “One Piece” characters | <p>2013</p> <p>2014</p> | <ul style="list-style-type: none"> • Opened up new restaurant brand “Kakashi” under QSR format (Quick Service Restaurant), serving Japanese rice with various toppings • The Company received an additional BOI privilege for Cold Aseptic Filling project 2nd line • Launched green tea in returnable bottle 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” • Launched new flavor of sandwich break and fast “Japanese Roast Pork and Cheese” • Launched new product of gyoza “Takoyaki” • Received BOI privileges for four projects at Navanakorn Industrial Estate and Wuang – Muang district, Saraburi province. • Established domestic and international subsidiaries to support expansion plans as follows; Oishi Snack Co., Ltd.in Thailand, Oishi F&B (Singapore) Pte. Ltd. (“OSPL”) in Singapore, Oishi Myanmar Limited (“Oishi Myanmar”) in the Republic of the Union of Myanmar (“Myanmar”) • Opened up new Shabushi branch at Yangon and Mandalay in the Republic of the Union of Myanmar • 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. • 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 in March and Tamarindo in November, all flavours available in 250ml. and 380ml. SKUs and alsolaunched “Oishi Tokyo Banana” ready to drink milk tea. • Cold Aseptic Filling project 3rd line at Navanakorn Industrial Estate was commercial run in December. |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

6.2 IMPORTANT EVENTS IN 2015

The Company continues to develop and expand its business in order to become a leading food and beverage sales and distribution company in ASEAN. On 14 February 2015, OSPL has incorporated Oishi Group Limited Liability Company (OGLLC) in the Socialist Republic of Vietnam in order to serve its business expansion of international business. The Company also has some significant developments in the following areas:

Food Business

In 2015, the Company has developed and elevated the standard of its restaurant and Central Kitchen to international standard. The Central Kitchen has been certified with all necessary standard of food industry i.e. the British Retail Consortium (BRC), Good Manufacturing Practice (GMP) and Hazard Analysis Critical Control Point (HACCP) in which not so many food companies in Thailand has obtained before. Other significant improvements and business expansions include:

1. Improvement and elevate the food and service provided in OISHI Buffet restaurant. Hiroyuki Sakai, the famous Iron Chef from Japan, is partnered to create special menus for the customers throughout the year including the promotional activity that take the lucky winner to experience his dishes originally in Japan.
2. Re-designing the color of sandwich product line to be more modern and emphasize on its Japanese style root or Brand DNA. Additionally, to distinguish the products from its competitors.

Moreover, new flavors of sandwich are continuously developed e.g. Pork & Basil Sandwich, Smoked Bacon, BBQ Buta to serve customers need of new flavors and to be able to compete with other competitors in the market.

3. Launching new line of sandwich products "Oishi Trendy Roll", the sandwich roll with different stuffing to focus on the teenager and working people. Two starting flavors are Surimi/Egg roll with Shoyu sauce and Tuna/Egg roll distributed via 7-Eleven since April 2015.

4. Developing new flavor of Oishi Gyoza line including spicy seafood, Pork & Basil, Yakiniku Pork. Also, Oishi Gyoza is now produced in frozen products with two new flavors i.e. banana and taro flavors to serve customer seeking new kind of snacks. Oishi Gyoza also comes in new small packing size (5 pieces) distributed in supermarket especially Lotus Express and Max Valu.
5. New product line of frozen food (Bento rice) is launched to explore new market. The product is pilot in different flavors i.e. Spicy Pork with rice, Pork in Japanese sauce, Teriyaki Chicken distributed in hypermarket and supermarket since October 2015.
6. The promotional activity of the frozen food has been launched for the first time under the campaign "Trip tuen tua tour tuen ten" focuses on the customers purchasing from 7-Eleven which is the core customer of the product. The activity is focused on fun and excitement in order to connect with the focus customer and to increase brand awareness.

Beverage Business

The Company has developed and launched new products, refreshed packaging design to attract teens target and expanded distribution coverages into new countries as following;

1. Launched new products including new variant of "Oishi Kabusecha" – Less sugar, which target to health conscious consumers who also looking for premium tea, the product was launched in February. Launched "Oishi Watermelon" as limited edition flavor during summer only, from March – June.
2. Refreshed packaging design of Oishi Kabusecha to be more bright and modern but still maintained Japanese premiumness and changed Oishi Chakulza to Sleek can format.
3. Launched Oishi Green Tea in 800 ml. size in 3 flavors, Honey Lemon, Genmai and Lychee, started selling in January, upgraded Oishi Fuito from 350 ml. to 380 ml. in September.

**OISHI GROUP STRUCTURE
AS AT FEBRUARY 25, 2016**

OISHI GROUP PLC.

Paid-up Capital

375

million baht

- Japanese Food and Restaurants
- Oishi Beverages

99.99%

OISHI RAMEN CO., LTD.
REGISTERED AND PAID-UP
CAPITAL: 158 MILLION BAHT

- Japanese restaurants

99.99%

OISHI TRADING CO., LTD.
REGISTERED AND PAID-UP
CAPITAL: 420 MILLION BAHT

- Central Kitchen
- Green Tea manufacturer and distributor
- Non - green tea manufacturer and distributor

99.99%

OISHI SNACK CO., LTD.
REGISTERED CAPITAL:
80 MILLION BAHT
PAID-UP CAPITAL:
52 MILLION BAHT

- To support business expansion

100%

**OISHI INTERNATIONAL
HOLDINGS LIMITED**
REGISTERED AND PAID-UP
CAPITAL: 9.4 MILLION HKD.

- To support international business expansion

100%

OISHI F&B (SINGAPORE) PTE. LTD.
REGISTERED AND PAID-UP CAPITAL:
1.52 MILLION SGD.

- To support international business expansion

55%

OISHI MYANMAR LIMITED
REGISTERED, ISSUED AND PAID UP CAPITAL:
2.1 MILLION USD. INCREASED REGISTERED
CAPITAL ON FEBRUARY 6, 2015

- To support restaurant business expansion in Myanmar

100%

OISHI GROUP LIMITED LIABILITY COMPANY
INCORPORATED ON FEBRUARY 14, 2015
REGISTERED CAPITAL: 50,000 USD.

- To support international business expansion

4. Expanded distribution coverages into new countries which are Germany, Finland and United Kingdom

6.3 OVERALL BUSINESS OPERATIONS

Business operations consist of two segments

6.3.1 Food Business:

1. Restaurant Business : 8 Japanese restaurant brands

1) Oishi Grand (1 store)

A distinctive and luxurious buffet atmosphere at Siam Paragon serving various and delicate food with a limited time of 3 hours at the price per head of Baht 895.

2) Oishi Buffet (18 stores)

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

3) Shabushi (121 stores)

Domestic 118 stores

Shabu buffet style with the ingredients served along a conveyor (raiten) 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 3 stores

In 2015, the Company's subsidiary started operating Shabushi restaurants in Myanmar with two branches in Yangon and another branch in Mandalay. Price per head is 15,000 MMK, or equivalent to ~USD 15.

4) Oishi Ramen (52 stores)

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

5) Oishi Delivery (6 Stores)

Home delivery service (call number 1773) in Bangkok and its vicinity and over 15 districts nationwide. The service is provided during 10 a.m. – 9 p.m. with Baht 40 delivery fee per order to serve to the convenient lifestyle. Credit card is acceptable at minimum order of Baht 500.

6) Nikuya (18 Stores)

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

7) Kakashi (23 Stores)

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

8) Snack Shop (3 Stores)

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

As at 31 December 2015, total stores reach up to 241 stores of which 238 stores are domestic in Bangkok and key provinces. Three overseas stores are operating in Myanmar.

2. Ready to cook and Ready to eat Products

During the year of 2015, the Company has developed and launched more ready to cook and ready to eat products in both chilled and frozen. This includes sandwiches and Gyoza products which drove 7% 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 life styles of consumers who prefer eating more quick and easy meal.

6.3.2 Beverage Business:

The company produces and distributes the following beverage products with the various packaging:

Product	Flavor	PET			RGB	UHT	Can
		800 ml.	500 ml.	380 ml.	400 ml.	250 ml.	320 ml.
Oishi Green Tea	Honey Lemon	•	•	•	•	•	
	Genmai	•	•	•		•	
	Original		•	•		•	
	Strawberry					•	
	Sugar Free			•			
	Lychee	•		•		•	
	Kyoho with Nata de coco			•			
Oishi Kabusecha	No sugar		•				
	Less Sugar		•				
Oishi Black Tea	Black Tea Lemon		•				
Oishi Fruito	Strawberry Melon			•			
	Green Apple White grape			•			
Oishi Chakulza	Honey Lemon						•
	Lemon Lime						•
Oishi O Herb	Honey – Ginseng			•			
	Lotus root – Red date			•			
	Tamarindo			•			

6.4 REVENUE STRUCTURE

Income by business type	Operated by	CONSOLIDATED FINANCIAL STATEMENTS					
		2015		2014		2013	
		Million Baht	%	Million Baht	%	Million Baht	%
Beverage Business	The Company and Oishi Trading Co., Ltd.	6,351	49%	5,877	47%	6,260	51%
Food Business	The Company, Oishi Ramen Co., Ltd. and Oishi Myanmar Limited	6,612	51%	6,639	53%	6,009	49%
Total		12,963	100%	12,516	100%	12,269	100%

6.5 TARGET CUSTOMERS

Food Business

Restaurant Business:

The Company operated various styles of Japanese restaurants including Japanese food buffet style, Shabu buffet style, Yakiniku buffet style, Japanese QSR and home delivery covering nearly all target groups of customers. The Company is continuously 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 trendy and health conscious.

6.6 DISTRIBUTION CHANNELS AND DISTRIBUTORS

Food Business

Restaurant Business:

The Company is a leading Japanese restaurants operator in Thailand with diverse styles of restaurants and wide areas coverage. Current total 238 outlets cover Bangkok, provincial areas and overseas.

Ready to cook and Ready to eat Business:

In 2015, main distribution channels of chilled and frozen RTC and RTE products are 7-Eleven, convenience stores and supermarkets. In order to increase coverage, the Company has also started distributing RTC and RTE products through hotels and restaurants. The Company also starts distributing its frozen Gyoza to other AEC countries e.g. Myanmar and the Kingdom of Cambodia (Cambodia).

Beverage Business

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

6.7 BUSINESS TARGETS

Food Business

Restaurant Business

The Company aims to open approximately 30 new stores annually focusing on popular brands such as Shabushi to cover Bangkok and upcountry provinces with potentials and high purchasing powers. In 2016, stores expansion plans remain in the same directions. The Company also plans to expand Shabushi restaurants in Myanmar continuously. Last year, the Company has achieved its target in expansion of business.

Ready to cook and Ready to eat Business

In 2016, the Company will continue to develop and launch new ready to cook (RTC) and ready to eat (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 2016 is set at 25% due to the growth of convenience stores channel such as 7-Eleven, Lotus Express, MaxValu 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 coverage and increase brands awareness.

In 2015, RTC and RTE Businesses has growth rate comparing to 2014 at the anticipated number.

Beverage Business

According to 2015 business objectives, the Company aimed to maintain its market leading position in RTD tea by brought in innovations cater for different and changing consumer needs as well as innovative marketing campaigns to induce demands all year long while expanding consumers base in both domestic and international markets. As a result, Oishi Green Tea was able to maintain its leadership in RTD tea market in all distribution channels.

6.8 EXPORT MARKET

Food Business

Restaurant Business

In 2015, OML, an indirect subsidiary opened another Shabushi restaurant branch in Yangon accumulating to 3 branches in Myanmar which consider to be a significant 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 creditability for overseas customers. The Company has also done researches on consumer behavior and distribution channels in various countries in order to deliver products that match consumers' preferences. In November 2014, 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 started to sale and distributed Oishi Gyoza in AEC countries e.g. Myanmar and Cambodia with special focus on frozen food. The Company also has plan to cooperate with local business partner to develop new products suitable with taste and culture of each local area.

Beverage Business

Current export markets include various countries such as Laos, Cambodia, Myanmar, Malaysia, Negara Brunei Darussalam (Brunei), the Russian Federation (Russia), Israel, New Zealand, the Swiss Confederation, Barbados, Hungary, Netherlands, the Republic of Korea, Sint Maarten, the Republic of Poland, the Federal Republic of Germany (Germany), the Republic of Finland and United Kingdom.

In 2015, the Company expanded into new overseas markets – Germany, Finland and United Kingdom. During the year, the Company also expanded market into Singapore and Brunei through F&N Beverage Marketing Sdn. Bhd. and Oishi International Holdings Ltd.

In 2016, the Company plan to continuously expand its export business in several contries i.e. Eastern and focus more marketing activities in ASEAN countries i.e. Laos and Cambodia.

RISK

FACTORS

7.1 BEVERAGE BUSINESS

7.1.1 The risks in new product development

Although it is common practice that all new products must pass the various processes of quality tests during production, there is also the process of packaging design, tasting, advertising and promotions, 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.

7.1.2 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.

7.1.3 Fluctuation in raw material costs

Factors such as the rise in fuel cost, the use of plants as alternative energy, and the drastic demand for raw materials from China 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 contracts with the suppliers to avoid possible difficulties.

7.1.4 Competition risks

Competition in the beverage business is quite intense. There have been high potential entrants 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.

7.1.5 Natural disaster risks

The 2011 great flood in Thailand was the most severe disaster ever, the Company's factory at Navanakorn Industrial Estate has also been flooded for two months, resulting in physical damages to buildings, machineries, 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.

7.2 FOOD BUSINESS

7.2.1 Location for outlet expansion and current location retention

Since location is the key factor for a successful restaurant business 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 renten 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.

7.2.2 Raw materials and products obsolescence

One of the key success factors for food business is good quality and freshness of raw materials and products. For the Company, over 50% of raw materials and products are meat, seafood, vegetable, fruit and bread, which are perishable. For this reason, effective raw material management greatly affects production cost and therefore the Company's competitiveness. To reduce waste of expired raw materials and to preserve

quality and freshness, the Company has a policy to make purchases on a daily basis. The materials are stored in temperature-controlled rooms. In addition, First-In-First-Out (FIFO) inventory control scheme is used.

7.2.3 The limitation 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.

As for RTC and RTE businesses, the Company highly concerns on good quality and freshness of raw materials and products. Although 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 adequate purchases of materials and maintain its quality within proper storage, this includes the storage in temperature-controlled rooms and First-In-First-Out (FIFO) inventory control scheme. As a result, the limitation of raw material sourcing has less influence on the Company's business.

7.2.4 Fluctuation in raw material costs

Some materials were popular among the customers. When there were unexpected situations occur, for example, epidemics in plants and animals, product shortage and price fluctuation are subsequently exist. Fortunately, the Company has secured medium to long term contracts with the suppliers to avoid such difficulties. This factor therefore has less influence on the Company's business.

7.2.5 Competition risks

New Japanese restaurant operators emerge constantly due to the high popularity of this type of food. Certain

competitors open their stores with the same offering and at nearby locations. However the Company has policy to maintain the high quality of products and services, not to cut - price but to enhance 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.

7.2.6 Natural disaster risks

The 2011 great flood in Thailand had caused severe damages to the Company's business. The Company realizes the need to divert and prevent the risks of natural disaster. As a result, we relocated the Central Kitchen to Ban-Bueng district, Chonburi province, allocated new investments on the location secured from flood, and also set out the contingency plans in order to ensure the continued operations in the event of a natural disaster or emergency.

7.2.7 Political and Economic Risk

In 2014, the political situation in Thailand appeared to show good signs. Nonetheless, the economic effects, such as the rise of raw material costs, labor costs, and household expenses, as well as the reduction of consumer's consumption. These factors affect overall performance of food business.

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

7.2.8 Development of New Products

As the RTE product has main distribution channel through the convenience stores, the continuous development of products are required. As the consumer's consumption behavior is dynamic, certain products or favors may not meet market demand as well as the target group. Our product development team therefore emphasizes on the innovation and development of product to reach the market demand and satisfy the dynamic of consumption behavior.

7.3 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.

7.4 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.

7.5 RISKS OF INVESTORS IN THE COMPANY'S SECURITIES

7.5.1 Risks from the controlling by the major shareholder

As of 29 January 2016, 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.

7.5.2 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 29 January 2016, the Company has free float of 15.31% 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.

BUSINESS — ASSETS

Business operation assets of the Company and its subsidiaries are consisting of both tangible and intangible assets. As of 31 December 2015, the net book values are detailed follows:

8.1 LAND AND LAND IMPROVEMENTS

The Company has land and land improvements for business operation at book value as of 31 December 2015 as follows:

LAND AND LAND IMPROVEMENTS	TYPE OF POSSESSION	NET BOOK VALUE (MILLION BAHT)	COLLATERAL FOR LOANS
Land with 61-2-14.6 rais with improvements at Navanakorn Industrial Zone 2, Klong Nueng, Pathumthanee province	Owner	369.09	None
Land with 182-2-19 rais with improvements at Tumbon Nong Chak, Ampor Banbueng (Muang), Chonburi province	Owner	147.42	None
Total		516.51	

8.2 BUILDINGS AND BUILDING IMPROVEMENTS

Buildings are used for business operation with book value as of 31 December 2015 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	965.95	None
Building and structure at Amata Nakorn Industrial Estate, Bankao, Panthong, Chonburi province	Leased	96.78	None
Building Improvements No.333 Moo 1 Highway 2089 (Muak Lek-Wang Muang) Tumbon Salaeng Phan, Ampor Wang Muang, Saraburi province	Leased	63.75	None
Central Kitchen at Tumbon Nong Chak, Ampor Banbueng, Chonburi province	Owner	343.86	None
Other improvements	Owner	10.94	None
Total		1,481.28	

8.3 RENTAL AGREEMENT

As of 31 December 2015, the Company has 241 rental contracts with retailers for Japanese food restaurant business. Most are short-term with a period of three years, with the optional for another three years renewal term. Most of contracts will expire in 2016 – 2018

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 location 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 31 December 2015 is as follows;

AREA/LOCATION	RENTAL PERIOD/ EXPIRATION	NET BOOK VALUE (MILLION BAHT)	COLLATERAL FOR LOANS
1 st floor, Seacon Square, No. 1053-1054 in 292.58 sq.m. area	21 years and 9 months 15 Days / Expire 2024	10.18	None
The Mall Ngamwongwan. Unit no.GFC 1A in 220 sq.m.area and GFC 1B in 101sq.m. area	17 years and 9 months 10 days / Expire 2019	3.30	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	12.89	None
Future Park Rangsit, Unit no.B56 In 134 sq.m area	14 years and 10 months/ Expire 2021	4.71	None
Esplanade Ratchada, Unit no.B41 In 288 sq.m area	24 years and 2 months 4 days/ Expire 2031	20.26	None
Total		51.34	

8.5 TOOLS AND MACHINERY FOR MANUFACTURING

As of 31 December 2015, 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	2,819.36	None
Machinery-Food	383.47	None
Total	3,202.83	

8.6 DECORATION AND INTERNAL SYSTEMS

As of 31 December 2015, decoration and internal systems for business operation are as follows;

TYPE OF DECORATION AND INTERNAL SYSTEMS	NET BOOK VALUE (MILLION)	COLLATERAL FOR LOANS
Decoration	413.07	None
Internal systems	1,017.89	None
Total	1,430.96	

8.7 CONSTRUCTION IN PROGRESS AND INSTALLATION

Construction in progress and installation as of 31 December 2015, are as follows;

TYPE OF CONSTRUCTION IN PROGRESS AND INSTALLATION	NET BOOK VALUE (MILLION)	COLLATERAL FOR LOANS
Cold Aseptic Filling Building Nava Nakorn	8.70	None
Machinery of Cold Aseptic Filling Line 2	5.47	None
Machinery of Cold Aseptic Filling Line 3	48.69	None
Project OEM UHT Nava Nakorn	5.71	None
Project Water Amata Nakorn	24.06	None
Oishi Knowledge Center	3.10	None
Others	6.48	None
Total	102.21	

8.8 OTHER ASSETS

Other assets were included office equipment, furniture and fixtures, restaurant utensils and vehicles. Net book value as of 31 December 2015 is 269.25 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”, “Fruito”, “Amino OK”, “Neko” and “Fruitza”.

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

In addition, the Company was awarded for “Superbrands 2015” from Superbrands Thailand, the organization that works on measuring and assessing the success of branding through nationwide market research in various product categories and selecting brands that are trusted most by consumers. In all aspects, it is ensuring that the Company’s trademarks are well recognize and stay in the consumers’ heart for a long time. Consequently, the Company has no policy to breach the other trademarks and also the intellectual property.

8.10 INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

As of 25 February 2016, the list of 7 companies that the Company directly or indirectly holds shares for more than 50% of the issued shares, both in Thailand and overseas 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 Chaikriangkrai 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 Chaikriangkrai 3. Mr. Ueychai Tantha-Obhas 4. Mr. Pisanu Vichiensanth 5. Mr. Marut Buranasetkul 6. Mrs. Sureeporn Pradittasnee
3. Oishi International Holdings Limited (OIHL) 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 Chaikriangkrai 2. Mr. Marut Buranasetkul 3. Mrs. Chitkasem Moo-Ming 4. Mr. Lee Man Kong 5. Mrs. Jesdakorn Gosh ⁽¹⁾
4. Oishi Snack Co., Ltd. (Oishi Snack) 19 th -20 th Floor, PARK VENTURES ECOPLEX 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330	To serve future snack business expansion	Ordinary	Baht 80,000,000	Baht 52,000,000	800,000	799,998	99.99	1. Mr. Thapana Sirivadhanabhakdi 2. Mr. Sithichai Chaikriangkrai 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) 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⁾
2. Oishi Myanmar Ltd. (OML) ⁽³⁾ No. 1-11 Padonmar Stadium (East Wing), Bargayar Street, Sanchaung Township, Yangon, Myanmar	Japanese Restaurant	Ordinary	USD 2,100,000	USD 2,100,000 ⁽³⁾	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) ⁽⁴⁾ 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 Gosh 4. Mrs. Chitkasem Moo-Ming

Notes

- (1) Mrs. Jesdakorn Gosh was appointed as Director to replace Mr. Aniruth Mahathorn effective on 1 October 2015.
(2) Mr. Ng How Hwan Kevin was appointed as Director to replace Mr. Ho Eng Seng David effective on 19 January 2015.
(3) OML has increased the issue and paid-up share from 800,000 to USD 2,100,000 on 6 February 2015.
(4) OGLLC is incorporated in the Socialist Republic of Vietnam on 14 February 2015

LEGAL DISPUTES

As at 31 December 2015, 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 25 February 2016, the Company has 375 million Baht of registered and paid-up capital. It can be categorized into 187.5 million common stocks, with the par value of Baht 2 per share. All shares are registered in the Stock Exchange of Thailand.

10.2 DEBENTURES

The Company issued the Debentures as per the following details;

Debentures of Oishi Group Public Company Limited No. 1/2013 Due 2016

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	: 1,000 Baht
Total Value of Debentures	: 1,000 million Baht
Issue Date of Debentures	: 7 August 2013
Maturity	: 3 years
Interest	: 4% per annum
Maturity Date	: 7 August 2016
Debenture Registrar	: Siam Commercial Bank Public Company Limited
Debentures Rating	: A-/Stable affirmed by TRIS Rating Company Limited (reviewed on 1 October 2015)

Debentures of Oishi Group Public Company Limited No. 1/2015 Due 2018

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	: 1,000 Baht
Total Value of Debentures	: 1,000 million Baht

Issue Date of Debentures : 9 December 2015
 Maturity : 3 years
 Interest : 2.51% per annum
 Maturity Date : 9 December 2018
 Debenture Registrar : KrungThai Bank Public Company Limited

10.3 SHAREHOLDERS

10.3.1 As of 29 January 2016, 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.	Mr. Thaweachat Jurangkool	9,425,300	5.027
3.	UOB KAY HIAN PRIVATE LIMITED	9,000,000	4.800
4.	DBS BANK LTD.	9,000,000	4.800
5.	PHILLIP SECURITIES PTE LTD.	4,678,700	2.495
6.	Mrs. Hatairat Jurangkool	930,000	0.496
7.	Thai NVDR Company Limited	237,692	0.127
8.	Mr. Kwanchai Kerdkaewfah	192,900	0.103
9.	Mrs. Somporn Nopprach	170,400	0.091
10.	Mr. Boonkiat Auesudkit	161,300	0.086
11.	Minor shareholders	4,343,509	2.316
	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 alcoholic and non-alcoholic beverages and Japanese restaurants.
- 2) As at March 3, 2015 the companies that are related to Mr. Charoen Sirivadhabhakdi and Khunying Wanna Sirivadhabhakdi held shares in Thai Beverage Public Company Limited totally 65.89% of the paid-up capital.

As at March 3, 2015, 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	8,590,233,444	34.21
3.	Maxtop Management Corp.	3,694,675,000	14.71
4.	Mr. Thapana Sirivadhanabhakdi	107,000,000	0.43
5.	Mrs. Thapanee Techajareonvikul	107,000,000	0.43
6.	Mr. Panote Sirivadhanabhakdi	107,000,000	0.43
7.	Mrs. Wallapa Traisorat	107,000,000	0.43
8.	Mrs. Atinant Bijananda	88,000,000	0.35
9.	Mr. Natthawat Techapaiboon	72,377,500	0.29
10.	Mrs. Warang Chaiyawan	65,650,500	0.26

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 1,000 million Baht which is to be repaid monthly in 5 installments, 200 million Baht each, commencing in November 2015. Interest is payable monthly at constant rate of 3.85 per annum.

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 if such 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

	2013	2014	2015 ⁽¹⁾
Dividend per share	1.30 Baht	1.60 Baht	2.00 Baht
Total amount	243.75 million Baht	300 million Baht	375 million Baht
% of dividend payment	53.50	57.15	52.65

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.

Remark

(1) The dividend payment rate for the year 2015 is subjected to the shareholders' approval in the 2016 Annual General Shareholder Meeting.

MANAGEMENT — STRUCTURE

11.1 BOARD OF DIRECTORS STRUCTURE

As of February 25, 2016, 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 members

- (1) Mr. Prasit Kovilaikool
Chairman and Independent Director
- (2) Mr. Thapana Sirivadhanabhakdi
Vice Chairman
- (3) Mr. Vikrom Koompirochana
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 and President
- (9) Mr. Pisanu Vichiensanth
Director

Authorized Directors are as follow;

"Two Directors to co-sign and affix the Company Seal, except Mr. Vikrom Koompirochana, 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 the Company and subsidiaries, regardless of whether he or she benefits, directly or indirectly, from that business.

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

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

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

1. Issues stipulated by law that shareholders' resolutions must be sought;
2. Any transaction which conflict with the interest of a director or 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 prescribed 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.

11.1.2 The Executive Committee

The eight members⁽¹⁾ of the Executive Committees are;

1. Mr. Thapana Sirivadhanabhakdi
Executive Chairman
2. Mr. Ueychai Tantha-Obhas
1st Executive Vice Chairman
3. Mr. Sithichai Chaikriangkrai
2nd Executive Vice Chairman
4. Mr. Lee Meng Tat
3rd Executive Vice Chairman⁽²⁾

5. Mr. Marut Buranasetkul
Executive Committee
6. Mr. Pisanu Vichiensanth
Executive Committee
7. Mrs. Sureeporn Pradittasnee
Executive Committee
8. 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 as well as carry out such plans and strategies in accordance with the policy and business direction stated to the Board of Directors.
4. Effectively handle business administration of the Company and its subsidiaries according to the Company's business policy, goals, operational plan, budget and management authority as approved by the Board of Directors.
5. Handle the Company's general administration that include recruiting, training, making employment, and termination of employment. The authority, however, does not include the termination of vice president onwards.
6. Approve the Company and its subsidiaries' business transaction as followed:
 - 6.1 Approval of credit offered by a financial institution or loan requested to a financial institution, giving collateral or making any payment for business administration e.g. branch expansion, raw material/ machine purchasing, investment or any regular business expense.
 - 6.2 Approval the annual budget of the subsidiaries

The authorities heretofore mentioned are under conditions as follows:

1. To approve purchases or entering into agreements to purchase major raw materials with the limit of not exceeding 1,000 million Baht per purchase.
2. To approve other payment of not exceeding 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 not exceeding 10 million Baht or the payment of entertainment expense, charity and promotional products, where the Executive Committee can authorize an amount not exceeding 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, employment disciplinary, 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 maybe 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 procurement of major raw material, consider the increase of salary and bonus for the employees excluding those in the level of vice presidents onward; the Executive Committee can also appoint ad hoc committee, who are experienced in some specific areas, to filter the works before they being presented to the Executive Committee. The board also has the power to revoke, make amend the scope of the appointed authority.
13. The Executive Committee is bound to conduct any duty assigned by the Board of Directors.

In addition, an approval of the above authorities must not be an approval leading to the situation where the Executive Committee or its proxy can approve any transaction that the Executive Committee itself or other person who is an 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.

Remarks

1. The Board of Director Meeting No. 4/2015, which was held on 26 June 2015, has approved the Board of Directors restructuring, effective from 26 June 2015 onward.
2. Mr. Lee Meng Tat was appointed by the resolution of the Board of Director Meeting No. 4/2015, which was held on 26 June 2015, to the position of the 3rd Executive Vice Chairman, effective from 26 June 2015 onward.

11.1.3 The Audit Committee

The three audit committees⁽¹⁾ are;

- (1) Mr. Vikrom Koopirochana
Chairman of the Audit Committees
- (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.

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 shall appoint new committee members to fill the vacancy within three months from the date of vacancy in the Committee.

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

Roles, Authorities and Responsibilities of the Audit Committee

1. Audit Committee shall perform the duties as stipulated in the notice of the Stock Exchange of Thailand (SET) including 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 or any other related function;
 - 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 whether the Company's operation conforms to the Public Company Limited Acts and regulations of SET and the Securities and Exchange Commission (SEC);
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 Thanavararit and Mr. Chai Jroongtanapibarn are qualified with knowledge and experience to review the credibility of the Company's financial statements.

11.1.4 The Risk Management Committee

The thirteen Risk Management Committee are;

- (1) Mr. Chai Jroongtanapibarn
Chairman of the Risk Management Committees
- (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
Risk Management Committee
- (9) Mr. Thanee Pornphisutsak
Risk Management Committee
- (10) Mr. Kittti Vesyasirindra
Risk Management Committee
- (11) Ms. Jarunee Kungwanwongsakul
Risk Management Committee
- (12) Mr. Suraat Chaiwongse
Risk Management Committee
- (13) Ms. Chanatnuth Wongwan(1)
Risk Management Committee

The composition of Risk Management Committee

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

Roles, Authorities and Responsibilities of the Risk Management Committee

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 the 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 consider the sufficiency of the internal control system;
9. Report to the Company's Board of Directors regarding the risk factors and risk management.

11.1.5 The Nomination Committee

The three Nomination Committees are;

- (1) Mr. Vikrom Koopirochana
Chairman of the Nomination Committee
- (2) Mr. Prasit Kovilaiikool
Nomination Committee
- (3) Mr. Thapana Sirivadhanabhakdi
Nomination Committee

Roles, Authorities and Responsibilities of the Nomination Committee

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 onward
4. Carry out any other recruitment jobs as assigned by the Board of Directors and Shareholders' meeting

Remark

1. Ms. Chanatnuth Wongwan was appointed by the resolution of Board of Directors Meeting No.1/2016, which was held on 25 February 2016, as the Risk Management Committee, in replacement of Mr. Sanguan Pongswan who retired by the Company's regulations on work, effective from 25 February 2016 onward.

11.1.6 The Remuneration Committee

The five Remuneration Committees are;

- (1) Ms. Potjanee Thanavaranit
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

1. Set up remuneration rate and other benefits of the directors and all sub committees. The rate will be passed on the Board of Directors 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 level of Vice Presidents onward in order to submit to the Executive Committee or the Board of Directors for approval.
3. Perform any task with regard to setting up remuneration rate as 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 committee.

11.1.7 Good Corporate Governance Committee

The five Remuneration Committees are;

- (1) Ms.Potjanee Thanavaranit
Chairman of the Good Corporate Governance Committee
- (2) Mr. Vikrom Koopirochana
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

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

Roles and Responsibilities of the Good Corporate Governance Committees

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 the rules and regulations of The Securities and Exchange Commission, The Stock Exchange of Thailand or any other relevant regulator and propose to the Board of Directors.
4. Follow up on whether the Company's operation complies with the Corporate Governance policy or not and report to the Board of Directors

11.1.8 Company Secretary

As of 29 April 2013 Mrs. Chitkasem Moo-Ming was appointed to be the Company Secretary by the resolution of the Board of Directors Meeting No. 3/2013 which was held on 26 April 2013, effective from 1 May 2013

Roles and Responsibilities of the Company Secretary

- (1) Company Secretary is authorized to be the contact person and sign in documents related to SET.
- (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. Jesdakorn Ghosh⁽²⁾
Senior Vice President– Beverage Business
- (4) Mrs. Chitkasem Moo-Ming
Vice President– Finance and Accounting
- (5) Mrs. Paitoon Siribovornkiat
Vice President–Human Resources

Remarks:

- (1) The names are shown in accordance with the definition of executive by the Notification of The Securities and Exchange Commission as of 25 February 2016. The name of the Company's directors have already been shown in section 11.1.1
- (2) Mrs. Jesdakorn Ghosh was appointed as a Senior Vice President– Beverage Business effective on 1 May 2015.

Roles, Authorities and Responsibilities of the President

1. Determine the business strategies and supervise the Company's day to day operation and management in accordance with the goal set up by Company's policies as well as the Board of Directors or Executive Committee assignment and guidance.
2. Coordinate with the head of Internal Audit Department and the Risk Management Committee to ensure that the business operation and risks management of the Company be 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 the amendment of human resource management plan, manpower structure, remuneration structure, benefits and welfare for the Company's employee and Subsidiaries as well as setting up the procedure and criteria for the recruitment of employees whose positions are at level of Director or General Factory Manager or below. Moreover, such plan and structure should be in line with the Company's strategies and goals.
 - 3.2 Approve the annual performance evaluation method, transference improvement and succession plan for the employees.
 - 3.3 Approve the hiring, promotion, level adjustment, salary adjustment, disciplinary punishment, retirement, hiring contract renewal of the employees of the Company and subsidiaries except the employees whose position is above the level of Director or General Factory Manager.
 - 3.4 Approve the transference, alteration and rotation of employees within the Company itself and between the Company and its subsidiaries as well as the result of performance evaluation

of all employees with the position of Director or General Factory Manager or below.

3.5 Approve the employee training plan.

The hiring, transference, dismissal, and the performance evaluation of head of Internal Audit Department require concurrence from the Audit Committee.

4. Approve the payment for the Company's expenses within the amount as prescribe by the Board of Directors.
5. Assign one or more persons to act on his or her behalf as appropriate within the scope of authorities assigned to him or her by the Board of Directors and/or the Executive Committee.
6. Carry out any other tasks as prescribe by the work regulation as well as assigned by the Board of Directors and/or the Executive Committee.

The exercise of authority as described above may not be in such a way that would permit the President or his or her assignee to approve any transaction where such person or any other conflicted person has interest in or could incur conflict of interest with the Company or its subsidiaries in which these issues must be brought to the Audit Committee and/or the Board of Directors and/or the Shareholders' Meeting, depending on the circumstances, for approval in accordance with the Company's Regulation, its subsidiaries' regulation or any applicable law.

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 shall be interconnected with the Company's annual strategies and plan so that the remuneration will be appropriately set, upon the approval of the Executive Committee and the Board of Directors.

11.2 THE RECRUITMENT FOR DIRECTORS, INDEPENDENT DIRECTORS, AUDIT COMMITTEES AND EXECUTIVES

11.2.1 In the case that the Directors, Independent Directors, Audit Committees and Executives reach the end of their term, or their positions become vacant for any other reason:

For the purpose of the Company's efficient operation, the Nomination Committee shall consider and select those with capability, knowledge, ability and experience in related work to fulfill such vacancy. Moreover, their age, gender, the diversity of their professions, expertise and skills needed are also the criteria for selection. They must also have the qualifications required by the Public Company Limited Act B.E. 2535, Section 68 and the Notification of the Securities and Exchange Commission (SEC) or any other related law and regulation. The names of the selected candidates shall then be presented to the Board of Directors or the Shareholder's Meeting, depending on the circumstance, for consideration. The appointment by the Shareholder's Meeting shall be in accordance with the following criteria and procedures;

1. One shareholder has one right to vote.
2. A shareholder must use all of his or her right to vote for a person or many to be Director(s) but cannot allocate more or less vote to a particular person.
3. The person who receives the highest votes will be appointed as a Director. The number of Directors appointed must be equal to the number of available vacancy at the time. In the case that there are two or more persons gaining equal votes and the number of persons exceeds the available vacancy; the Chairman cast the deciding vote.

As for the selection of the candidates for the positions of Executives, the Nomination Committee shall be responsible for the recruitment of Executives at the level of Vice-President onward. The Nomination Committee shall propose the candidates to the Board of Directors for further approval and appointment. The Nomination Committee shall also be responsible for following up on the succession plan for the positions of President and other high ranking executives to ensure that the Company shall have executives with capability, knowledge and experience to succeed in 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 Directors and Audit Committees must possess qualifications and must comply with the independence definition as stipulated by the Capital Market Supervisory Board during their directorship, the details of the definition are as follows:

1. Holding shares not more than 1% of the paid-up capital of the Company, the parent company, any subsidiary company, any associated company or any legal entity that may have a conflict of interest including the shares held by connected persons as stipulated in section 258 of the Securities and Exchange Act B.E. 2535.
2. Not being and not used to be a director that takes part in the management, employees, advisors who receive regular salary from the Company, the parent company, any subsidiary company, any associate company, major shareholder of the Company, any legal entity that may have a conflict of interest, the controlling entity of the aforementioned entities. Or not being and not used to be the controlling person in the abovementioned entity except in the case that he or she remains free from the abovementioned characteristics for a period of not less than 2 years prior to the appointment.
3. Not being and not used to be a major shareholder, a director, an executive, a partner or a controlling person in the business which has or used to have business relationship with or provide professional services to the Company, the parent company, any subsidiary company, any associated company, any subsidiary company of the same level, major shareholder, any legal entity that may have a conflict of interest or a controlling person of the aforementioned entities in such a way which could potentially interfere with his or her discretion except in the case that he or she remains free from the abovementioned characteristics for a period of not less than 2 years prior to the appointment. Such relationship shall includes:
 - (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 with value starting from 20 million Baht or the equivalence of 3% of the Company's net tangible asset onward, whichever is lower.
 - (2) Being professional service provider (except auditor) i.e. legal or financial advising which transaction value exceeding 2 million Baht per year.

Such business relationship or the provision of professional service mentioned above must be unanimously approved by the Board of Directors to ensure the necessity and the appropriateness of such relationship or service. Information regarding such relationship with related Independent Director shall be disclosed in the annual information disclosure (Form 56-1) and the annual report (Form 56-2) and/or the Invitation Letters (in the case of the renewal term of such related Independent Director).
4. Not being and not used to be an auditor of the Company, the parent company, any subsidiary company, any subsidiary of the same level, associated company, major shareholder, person with conflict of interest and any controlling person of the abovementioned businesses including not

being a major shareholder, executive or partner of the audit firm to which the auditor of the Company belongs to except in the case that he or she remains free from the abovementioned characteristics for a period of not less than 2 years prior to the appointment.

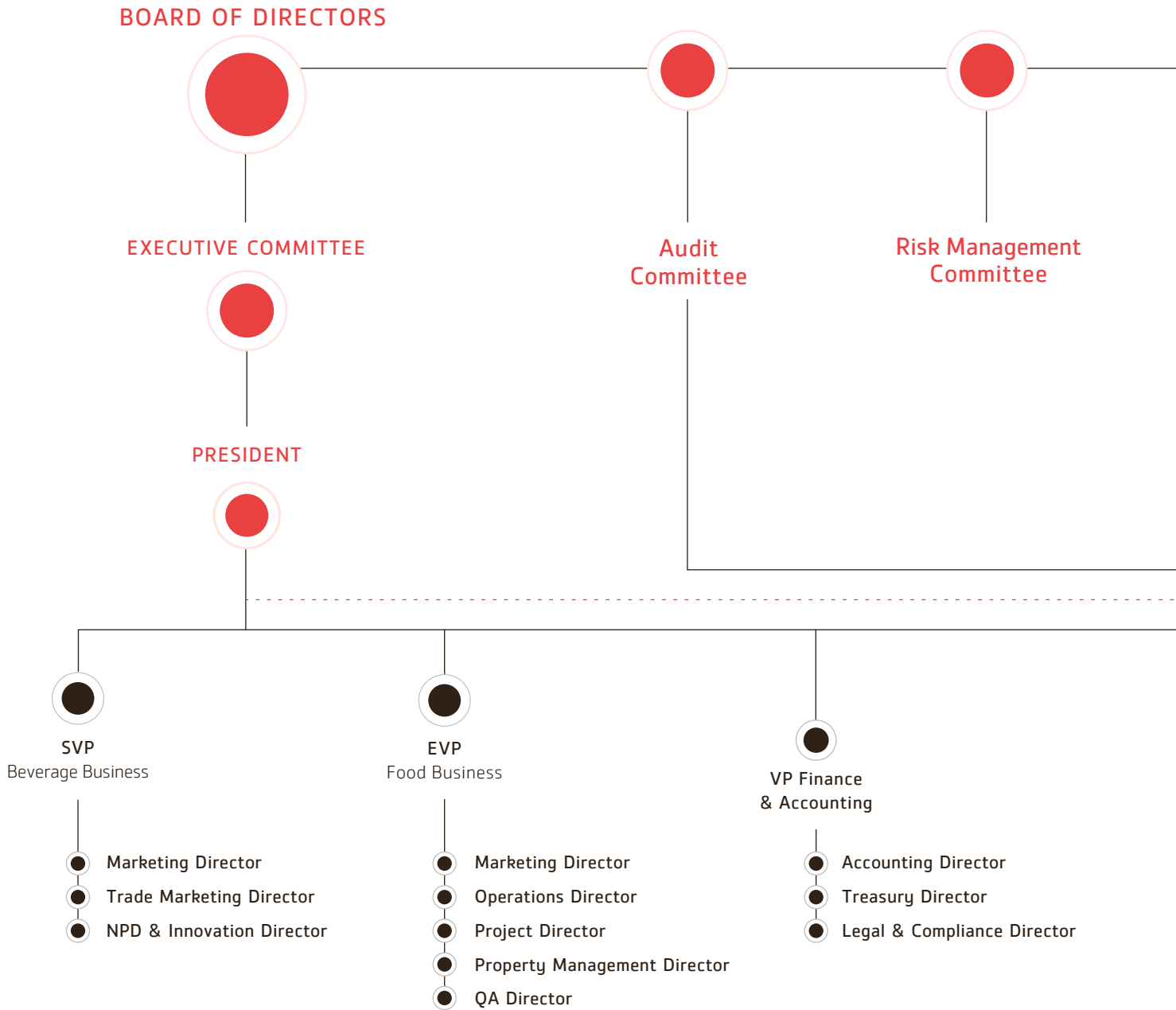
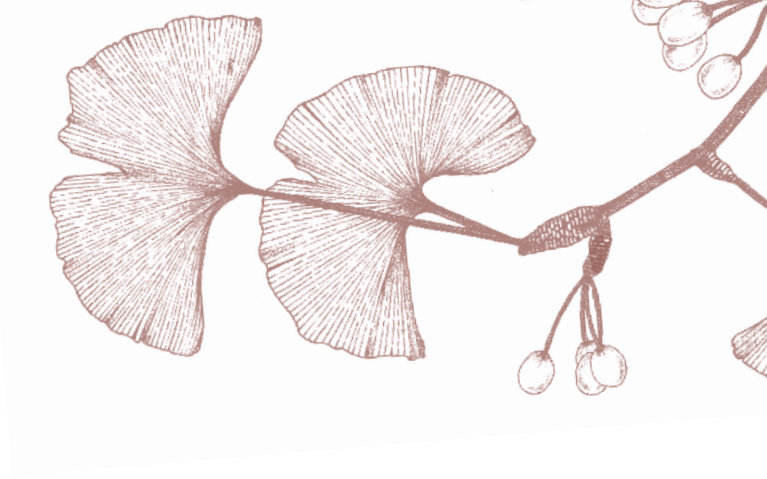
5. Not being related by blood or by legal registration as a father, mother, spouse, sibling, and child, including as a spouse of a child, of any management person, major shareholder, any controlling person or the person to be nominated for a management position or a controlling person of the Company or any of the Company's subsidiary.
6. Not being a director appointed as a representative of the Company, 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. In the case where the Independent Director has been assign the duty to make decisions regarding the operation of the Company, the parent company, any subsidiary company, any associated company and any subsidiary company of the same level or any legal entity that may have conflict of interest with the Company by making Collective Decision, the Independent Director can do so on the basis that he or she shall not hold the position of an Audit committee at the time.
9. An Independent Director may hold the position of Independent Director of the parent company, any subsidiary company and any subsidiary of the same level but is required to disclose information relating to the holding of the Independent Director position in the aforementioned entities as well as the remuneration received in an annual information disclosure (Form 56-1) and an annual report (Form 56-2).

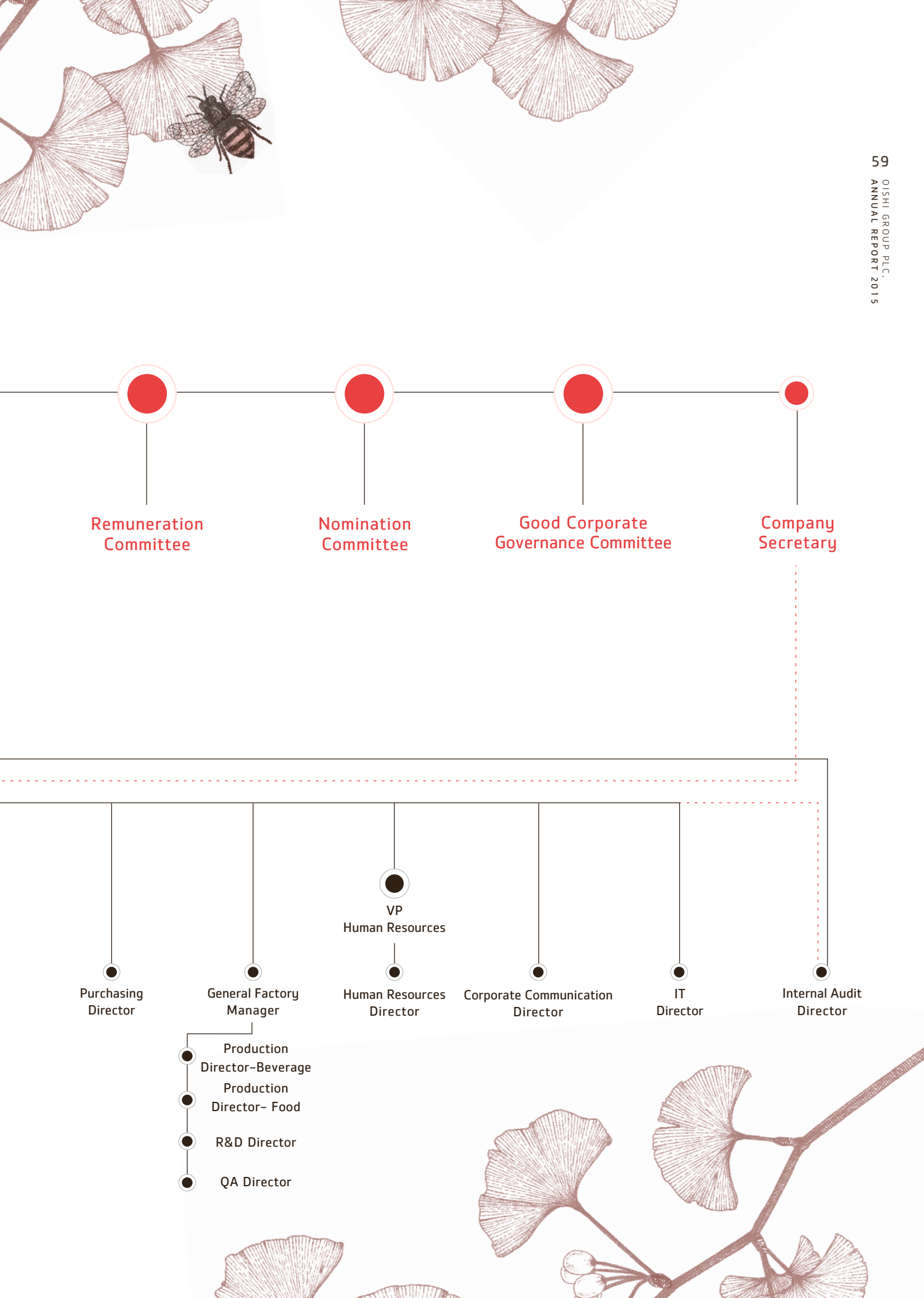
11.3 CORPORATE GOVERNANCE

The Board of Directors is aware of the importance of operating business with honesty and transparency. It strictly follows the Code of Best Practice issued by 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 are to achieve 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 Section 23, Page 112 of this Annual Report.

ORGANIZATION CHART





Remuneration
Committee



Nomination
Committee



Good Corporate
Governance Committee



Company
Secretary

Purchasing
Director

General Factory
Manager

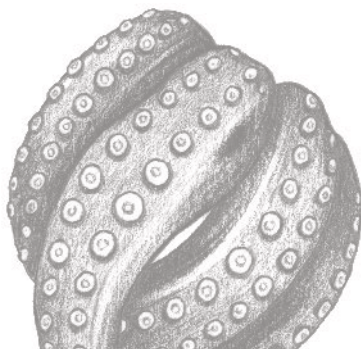
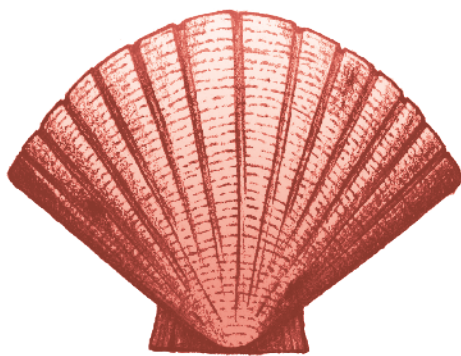
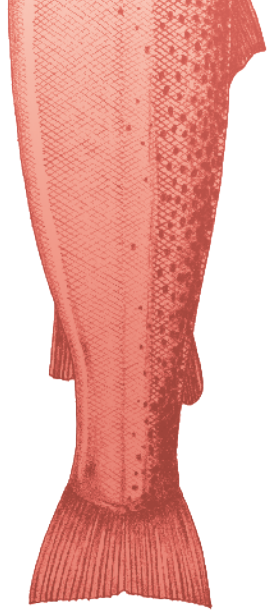
VP
Human Resources
Human Resources
Director

Corporate Communication
Director

IT
Director

Internal Audit
Director

- Production
Director-Beverage
- Production
Director- Food
- R&D Director
- QA Director



INFORMATION ON THE BOARD OF DIRECTORS — AND THE EXECUTIVES

1. MR. PRASIT KOVILAIKOOL

<p>Type of Director Independent Director</p> <p>Date of Appointment 20 April 2010</p> <p>Current Position Chairman of the Board of the Director, Remuneration Committee Member and Nomination Committee Member</p> <p>Date of Birth 22 June 1943</p> <p>Age 73</p> <p>Education</p> <ul style="list-style-type: none"> • LL.B (Second Class Honours), Chulalongkorn University • LL.M., Columbia University, New York, USA. • Doctor of Laws (Honorary Degree), Chulalongkorn University • Doctor of Laws (Honorary Degree), Eastern Asia University • Barrister-at-law, The Thai Bar Association <p>Training</p> <p>Thai Institute of Directors Association (IOD)</p> <ul style="list-style-type: none"> • Finance for Non-Finance Director (FND) 2004 • Board Failure and How to Improving the Quality of Finance Reporting 2004 • Director Accreditation Program (DAP) 2005 <p>Training (other Institutes) – None –</p> <p>No. of share(s) in the Company* – None –</p> <p>No. of years in position 6 years 10 months</p>	<p>Positions in other listed companies</p> <p>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</p> <p>Independent Director and Chairman of the Audit Committee Berli Jucker Public Company Limited</p> <p>Positions in other non-listed companies</p> <p>Present Independent Director, Chairman of the Audit Committee, Chairman of the Remuneration Committee and Nomination Committee Member Thai Beverage Public Company Limited</p> <p>Qualified Committee: Law Field The office of Agricultural Futures Trading Commission, Ministry of Commerce</p> <p>Lecturer, Legal Education Institute of Thai Bar Association The Thai Bar Association</p> <p>Advisor of Property Asset Management Office The Thai Red Cross Society</p> <p>Counselor, Council of State</p> <p>Director has direct & indirect in any contract entered into by company – None –</p> <p>Experiences</p> <p>2001 – 2015 Exclusive Lecturer (B.A), Faculty of Law Chulalongkorn University</p> <p>2009 – 2016 Chulalongkorn University Council Member Chulalongkorn University</p> <p>Legal Record in the past 10 years – None –</p>
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*including shares of spouse and minor

2. MR. THAPANA SIRIVADHANABHAKDI

Type of Director

Authorized Director

Date of Appointment

26 January 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

20 January 1975

Age

41

Education

- Bachelor of Business Administration (Finance), Boston University, USA.
- Master Degree in MBA, Banking & Financial, Economic, Boston University, USA.
- 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

10 years 1 month

Positions in other listed companies

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

Univentures Public Company Limited

Director

Berli Jucker Public Company Limited

3rd Vice Chairman, 1st Vice Chairman of the Executive Committee, Chairman of the Nominating and Corporate Governance Committee, Compensation Committee Member and Risk Management Committee Member

Sermsuk 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

C A C Company Limited

Horeca Management Company Limited

Chang International Company Limited

*including shares of spouse and minor

Positions in other non-listed companies

Present **Vice Chairman**

Cosmos Brewery (Thailand) Company Limited
Southeast Group of Companies
Red Bull Distillery Group of Companies
Dhospaak Company Limited
International Beverage Holding (China) Limited
Thai Beverage Logistics Company Limited
Nateechai Co., Ltd.
United Winery and Distillery Co., Ltd.
Luckchai Liquor Trading Co., Ltd.
Simathurakij Co., Ltd.

Director and Vice Chairman of the Executive Committee

Beer Thai (1991) Public Company Limited

1st Vice Chairman 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

Positions in other non-listed companies

Present **Director**

Fraser and Neave, Limited
Times Publishing Limited
InterBev Investment Limited
Great Brands Limited
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
Food of Asia Co., Ltd

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

2007 – 2015 **Vice Chairman and Remuneration and Nominating Committee Member**
Siam Food Products Public company Limited

Legal Record in the past 10 years

- None -

3. MR. VIKROM KOOMPIROCHANA

Type of Director
Independent Director

Date of Appointment
10 November 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
23 January 1946

Age
70

Education

- B.A. (History), Chulalongkorn University (1966)
- M.A. (History of International Relations), Michigan State University, USA. (1968)
- Ph.D. (History of International Relations), Michigan State University, USA. (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
9 years 3 months

Positions in other listed companies

Present **Chairman**
Country Group Development Public Company Limited

Board of Director member and Chairman of Corporate Governance Committee
Bangchak Petroleum Public Company Limited

2014 – Present **Independent Director, Audit Committee Member
Nomination and Remuneration Committee Member**

2015 – Present **Chairman of Risk Management Committee**
MFC Asset Management Public Company Limited

Positions in other non-listed companies

Present **Honorary Advisor**
British Chamber of Commerce Thailand (BCCT)

Chairman
Sports and Recreation Management Company Limited

Director has direct & indirect in anycontract entered into by company
– None –

Experiences

2005 and 2007 – 2008 **Director**
Thai Airways International 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
Ambassador of Thailand to Ireland

2007 – 2009 **Chairman**
Dragon One Public Company Limited

2012 – Jan 2016 **Commissioner, Audit Committee Member and
Nomination and Remuneration Sub-Committee
Member**
The Securities and Exchange Commission

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

24 February 2009

Current Position

**Audit Committee Member,
Chairman of the Remuneration Committee and
Chairman of the Good Corporate Governance Committee**

Date of Birth

13 September 1946

Age

70

Education

- Bachelor Degree in Accounting, Chulalongkorn University
- Master of Business Administration (MBA.), Syracuse University, USA. (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 (AAP 10/2013) (Completed: ACP, MIA, MFM, MIR)
- Financial Institutions Governance Program (FGP 2/2011)
- Audit Committee Program (ACP 32/2010)
- Role of Compensation Committee Program (RCC 4/2007)
- 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)

Training (other Institutes)

- 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

7 years

Positions in other listed companies

Present **Independent Director, Audit Committee Member 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 Council of State**
Office of the Council of State

Qualified Member of the Committee

The Federation of Thai Insurance Organization

*including shares of spouse and minor

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

- None -

Experiences

2014 – 2015 **Member of National Reform Council**
National Reform Council

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

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

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

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

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

Experiences

2006 – 2008 **Vice President**
Nation 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

<p>Type of Director Independent Director</p> <p>Date of Appointment 8 February 2006</p> <p>Current Position Audit Committee Member, Chairman of the Risk Management Committee and Good Corporate Governance Committee Member</p> <p>Date of Birth 25 November 1954</p> <p>Age 62</p> <p>Education</p> <ul style="list-style-type: none"> • Bachelor Degree in Accounting, Chulalongkorn University • Master Degree in Accounting, Thammasat University <p>Training Thai Institute of Directors Association (IOD)</p> <ul style="list-style-type: none"> • Director Certification Program (DCP) class 29/2003 • Audit Committee Program (ACP) class 24/2005 <p>Training (other Associations) – None –</p> <p>No. of share(s) in the Company* – None –</p> <p>No. of years in position 10 years</p>	<p>Positions in other listed companies</p> <p>Present Independent Director, Audit Committee Member and Risk Management Committee Member Siam Food Products Public Company Limited</p> <p>Independent Director, Chairman of the Audit Committee Team Precision Public Company Limited</p> <p>Independent Director, Chairman of the Audit Committee and Chairman of the Remuneration Committee Major Cineplex Group Public Company Limited</p> <p>Independent Director, Chairman of the Board of Director and Chairman of the Audit Committee Thai Metal Trade Public Company Limited</p> <p>Independent Director Siam Future Development Public Company Limited</p> <p>Positions in other non-listed companies – None –</p> <p>Director has direct & indirect in any contract entered into by company – None –</p> <p>Experiences 1980 – 1997 Executive Director and Chief Finance Officer The Minor Group</p> <p>Legal Record in the past 10 years – None –</p>
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*including shares of spouse and minor

6. MR. UEYCHAI TANTHA-OBHAS

Type of Director

Authorized Director

Date of Appointment

26 January 2006

Current Position

Director and 1st Vice Chairman of Executive Committee

Date of Birth

17 May 1949

Age

67

Education

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

Training

Thai Institute of Directors Association (IOD)

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

Training (other Institutes)

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

No. of share(s) in the Company*

- None -

No. of years in position

10 years 1 month

Positions in other listed companies

- None -

Positions in other non-listed companies

Present **Director and Executive Vice President**

Thai Beverage Public Company Limited

Chairman

Cash Van Management Co., Ltd.

Vice Chairman

Oishi Trading Company Limited

Oishi Ramen Company Limited

Oishi Snack Company Limited

Horeca Management Company Limited

Modern Trade Management Company Limited

Red Bull Distillery (1988) Co., Ltd.

United Winery and Distillery Co., Ltd.

Simathurakij Co., Ltd.

Nateechai Co., Ltd.

Luckchai Liquor Trading Co., Ltd.

1st Vice Chairman

Thai Beverage Marketing Company Limited

2nd Vice Chairman

Thai Drinks 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

*including shares of spouse and minor

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 -

7. MR. SITHICHAJ CHAIKRIANGKRAI

Type of Director

Authorized Director

Date of Appointment

26 January 2006

Current Position

Director, 2nd Vice Chairman of Executive Committee and Remuneration Committee Member

Date of Birth

10 July 1954

Age

62

Education

- Bachelor Degree in Accounting (First Class Honors), 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

10 years 1 month

Positions in other listed companies

Present **Director**

Siam Food Products Public Company Limited
Golden Land Property Development Public Company Limited
Univentures Public Company Limited
Sermasuk Public Company Limited
Berli Jucker Public Company Limited

Positions in other non-listed companies

Present **Director and Executive Vice President**

Thai Beverage Public Company Limited

5th Vice Chairman

Pan International (Thailand) Company Limited

3rd Vice Chairman

International Beverage Holdings Limited

2nd Vice Chairman

Thai Cooperage Company Limited
Thai Beverage Recycle Company Limited
Thai Beverage Energy Company Limited
Thai Molasses Company Limited
Feed Addition Company Limited
Charun Business 52 Company Limited

Vice Chairman

Oishi Trading Company Limited
Oishi Ramen Company Limited
Oishi Snack Company Limited
Sura Bangyikhan Group of Companies
Athimart Co., Ltd.
S.S. Karnsura Co., Ltd.
Kankwan Co., Ltd.
Theparunothai Co., Ltd.

*including shares of spouse and minor

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

Beer Thip Brewery (1991) Company Limited

Oishi International Holdings Limited

Fraser and Neave Limited

Frasers Centrepoint Limited

InterBev Investment Limited

International Beverage Holdings (China) Limited

Blairmhor Distillers Limited

International Beverage Holdings (UK) Limited

Inver House Distillers Limited

Blairmhor Limited

Archa Beer Co., Ltd.

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

Wrangyer Beverage (2008) Company Limited

Serm Suk Holdings Company Limited

Serm Suk Training Company Limited

Great Brands 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 Beverages Public Company Limited

Legal Record in the past 10 years

- None -

8. MR. MARUT BURANASETKUL

Type of Director

Authorized Director

Date of Appointment

25 June 2013

Current Position

Director, President, Executive Committee Member,
Risk Management Committee Member and Good Corporate
Governance Committee Member

Date of Birth

6 March 1967

Age

49

Education

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

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

2 years 8 months

Positions in other listed companies

Present **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

Director and 2nd Vice Chairman of the Executive Committee

Thai Drinks Company Limited

Director and 1st Vice Chairman of the Executive Committee

Dhospaak 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

Cash Van Management Co., Ltd.

Vice Chairman and Vice Chairman of the Executive Committee

Modern Trade management Company Limited

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

So Water Co., Ltd.

Bev Co Co., Ltd.

*including shares of spouse and minor

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

- None -

Experiences

Aug 2013 – Feb 2015	Senior Vice President – Non alcohol Business Thai Beverage Public Company Limited
Sep 2012 – 2014	3rd Vice Chairman, Chairman of Executive Committee and President Thai Beverage Marketing Company Limited
Sep 2012 – 2013	Senior Vice President – Marketing Thai Beverage Public Company Limited
Dec 2011 – Jun 2014	Qualified Committee Small and Medium Enterprises Promotion Commission
2010 – 2012	Senior Vice President – Corporate Services Thai Beverage Public Company Limited

Experiences

Jan 2009 – Aug 2012	Vice President – Office of the President Thai Beverage Public Company Limited
May 2009 – Jan 2016	President Thai Drinks Company Limited
Jan 2009 – Jan 2011	Vice President Thai Beverage Marketing Company Limited
2007 – 2008	Director CAT Buzz TV Company Limited
2006 – 2008	Director Hutchison CAT Wireless Multimedia Company Limited
2001 – 2008	Senior Executive Vice President (Marketing and Sales) CAT Telecom Public Company Limited

Legal Record in the past 10 years

- None -

9. MR. PISANU VICHIE SANTH

Type of Director

Authorized Director

Date of Appointment

26 January 2006

Current Position

Director, Executive Committee Member and Risk Management Committee Member

Date of Birth

23 January 1956

Age

60

Education

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

10 years 1 month

Positions in other listed companies

- None -

Positions in other non-listed companies

Present **Director and Executive Vice President**

Thai Beverage Public Company Limited

Director and President

Cosmos Brewery (Thailand) Company Limited

President

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

1st Vice Chairman

Chang International Company Limited

Vice Chairman

Food of Asia Co., Ltd.

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

- None -

*including shares of spouse and minor

Experiences

- 2005 – 2014 **Director**
Vidhayathan Company Limited
- 2004 – 2014 **Senior Vice President**
Thai Beverage Public 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 -

10. MR. PAISARN AOWSATHAPORN

<p>Current Position Executive Vice President – Food Business, Executive Committee Member and Risk Management Committee Member</p>	<p>Director has direct & indirect in any contract entered into by company – None –</p>
<p>Age 51</p>	<p>Experiences 2002 – 2004 Operations & Training Director Global Kitchen Company Limited</p>
<p>Education</p> <ul style="list-style-type: none"> • Bachelor Degree in Business Administration, Indiana Institute of Technology, Fort Wayne, Indiana, USA. • Master Degree International Business Administration, Johnson & Wales University, Providence, Rhode Island, USA. 	<p>1999 – 2002 Area Manager Yum Brand Company Limited (Tricon Restaurant International)</p> <p>1992 – 1999 Restaurant Manager Siam Lotus Restaurant, USA.</p>
<p>Training Thai Institute of Directors Association (IOD) – None –</p>	<p>1991 – 1992 Accountant Alpha Omega Design Company Limited, USA.</p>
<p>Training (other Institutes)</p> <ul style="list-style-type: none"> • Certificate of Top Executive Program Class 19 Capital Market Academy 	<p>1991 Assistant Accountant John Hancock Insurance Company USA.</p>
<p>No. of share(s) in the Company* – None –</p>	<p>Legal Record in the past 10 years – None –</p>
<p>Positions in other listed companies – None –</p>	
<p>Positions in other non-listed companies</p> <p>Present Director and President Oishi Myanmar Limited</p> <p>Director SPM Foods and Beverages Company Limited Oishi F&B (Singapore) Pte. Ltd. Oishi Group Limited Liability Company</p>	

*including shares of spouse and minor

11. MRS. JESDAKORN GOSH

Current Position

Senior Vice President – Beverage Business and
Risk Management Committee Member

Age

47

Education

- BA Advertising,
Thammasat University
- MBA. (Marketing),
University of Dallas, Irvin, Texas, USA.

Training Thai Institute of Directors Association (IOD)

– None –

Training (other Institutes)

– 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
Oishi International Holdings Limited

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

– None –

Experiences

2006 – 2013 **Marketing Director – Beverage**
Pepsico (Thailand) Limited

2001 – 2006 **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

<p>Current Position Vice President – Finance & Accounting, Risk Management Committee Member and Company Secretary</p>	<p>Director has direct & indirect in any contract entered into by company – None –</p>
<p>Age 41</p>	<p>Experiences 2011 – 2013 Finance Director Oishi Group Public Company Limited</p>
<p>Education</p> <ul style="list-style-type: none"> • BBA – Finance & Banking, Chulalongkorn University • MBA. – Finance & Strategy, University of North Carolina at Chapel Hill, North Carolina, USA. • CEDI – Babson Entrepreneurial Leadership Program Babson College, Massachusetts, USA. 	<p>2008 – 2011 Project Manager, Business Development and Strategic Planning Thai Beverage Public Company Limited</p> <p>2006 – 2008 Europe and America Project Manager (Fuel Marketing) ExxonMobil Limited</p>
<p>Training Thai Institute of Directors Association (IOD)</p> <ul style="list-style-type: none"> • Company Secretary Program (CSP) 2012 • Director Certificate Program (DCP 184/2014) 	<p>2004 – 2006 Asia Pacific Business Advisor ExxonMobil Asia Pacific Pte. Ltd., Singapore</p>
<p>Training (other Institutes) – None –</p>	<p>Legal Record in the past 10 years – None –</p>
<p>No. of share(s) in the Company* – None –</p>	
<p>Positions in other listed companies – None –</p>	
<p>Positions in other non-listed companies</p> <p>Present Director</p> <ul style="list-style-type: none"> SPM Foods and Beverages Company Limited Oishi International Holdings Limited Oishi F&B (Singapore) Pte. Ltd. Oishi Myanmar Limited Oishi Group Limited Liability Company Food of Asia Co., Ltd. 	

*including shares of spouse and minor

13. MRS. PAITON SIRIBOVORNIAT

Current Position

Vice President – Human Resources and
Risk Management Committee Member

Age

60

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 –

Training (other Institutes)

– 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

REMUNERATION ON THE BOARD OF DIRECTORS — AND THE EXECUTIVES

13.1 REMUNERATION PAID AS MONEY

13.1.1 The remuneration paid to the members of the Board of Directors, consisting of monthly remuneration and bonus with the details as follows:

NAME/ POSITION	2015		
	RETAINER FEE (BAHT)	BONUS (BAHT)	TOTAL AMOUNT (BAHT)
1. Mr. Prasit Kovilaikool Chairman Independent Director Nomination Committee Remuneration Committee	720,000	2,660,000	3,380,000
2. Mr. Thapana Sirivadhanabhakdi Vice Chairman Chairman of the Executive Committee Remuneration Committee Nomination Committee Good Corporate Governance Committee	675,000	3,435,000	4,110,000
3. Mr. Vikrom Koopirochana Independent Director Chairman of the Audit Committee Chairman of the Nomination Committee Remuneration Committee Good Corporate Governance Committee	654,000	1,995,000	2,649,000
4. Ms. Potjane Thanavarant Independent Director Audit Committee Chairman of the Remuneration Committee Chairman of the Good Corporate Governance Committee	609,000	1,995,000	2,604,000
5. Mr. Chai Jroongtanapibarn ⁽⁶⁾ Independent Director Audit Committee Chairman of the Risk Management Committee Good Corporate Governance Committee	636,000	1,995,000	2,631,000
6. Mr. Ueychai Tantha-Obhas Director 1 st Vice Chairman of the Executive Committee	441,000	2,410,000	2,851,000
7. Mr. Sithichai Chaikriangkrai Director 2 nd Vice Chairman of the Executive Committee Remuneration Committee	516,000	2,410,000	2,926,000

NAME/ POSITION	2015		
	RETAINER FEE (BAHT)	BONUS (BAHT)	TOTAL AMOUNT (BAHT)
8. Mr. Marut Buranasetkul Director President Executive Committee Risk Management Committee Good Corporate Governance Committee	-	2,050,000	2,050,000
9. Mr. Pisanu Vichiensanth Director Executive Committee Risk Management Committee	552,000	2,050,000	2,602,000
Total	4,803,000	21,000,000	25,803,000

13.1.2 Remuneration of Executives, consisting of salary, bonus and others, are shown below⁽¹⁾:

	Unit : Baht	
	2015	2014
Salary	14,975	15,550
Employee Benefits	801	546
Provident Fund	566	496
Service fees under the Business Administrative Service Agreement	10,620	9,360
Others	3,770	5,642
Total	30,732	31,594

Remark:

(1) The remuneration of executives as of 31 December 2015 includes the remuneration of 5 executives, namely 1. Mr. Marut Buranasetkul 2. Mr. Paisarn Aowsathaporn 3. Mrs. Jesdakorn Ghosh 4. Mrs. Chitkasem Moo-Ming and 5. Mrs. Paitoon Siribovornkiat, excludes the remuneration of Mr. Marut Buranasetkul as director under Section 13.1.1

13.2 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 Kovilaiakool	-	DAP/2005	-	-	Quality of Financial Reporting/2004 FND/2004
2. Mr. Thapana Sirivadhanabhakdi	-	DAP/2004	-	-	-
3. Mr. Vikrom Koopirochana	-	Class of 63/2007	-	-	CMA Class 14 Anti-Corruption for Executive Program 7/2013 SFE 22/2014
4. Ms. Potjaneer 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. Ueychai Tantha-Obhas	DCP/2007	DAP/2004	-	Class of 29/2012	-
7. Mr. Sithichai Chaikriangkrai	Class of 26/2003 Refresher Course 2/2006	-	-	-	-
8. Mr. Marut Buranasetkul	DCP 180/2013	-	-	-	CMA Class 13 EDP 2
9. Mr. Pisanu Vichiensanth	-	DAP/2004	-	-	-

13.3 OTHER BENEFITS

- None -

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

NAME	POSITION	ORDINARY SHARES		
		28 FEB. 2015	29 FEB. 2016	INCREASE (DECREASE)
1. Mr. Prasit Kovilaikool	Chairman and Independent Director	-	-	-
2. Mr. Thapana Sirivadhanabhakdi	Vice Chairman	-	-	-
3. Mr. Vikrom Koopirochana	Independent Director/ Chairman of the Audit Committee	-	-	-
4. Ms. Potjanee Thanavaranit	Independent Director/ Audit Committee	-	-	-
5. Mr. Chai Jroongtanapibarn	Independent Director/ Audit Committee	-	-	-
6. Mr. Ueychai Tantha-Obhas	Director	-	-	-
7. Mr. Sithichai Chaikriangkrai	Director	-	-	-
8. Mr. Marut Buranasetkul	Director and President	-	-	-
9. Mr. Pisanu Vichiensanth	Director	-	-	-
10. Mr. Paisarn Aowsathaporn	Executive Vice President	-	-	-
11. Mrs. Jesdakorn Ghosh ⁽²⁾	Senior Vice President	-	-	-
12. Mrs. Chitkasem Moo-Ming	Vice President and Company Secretary	-	-	-
13. Mrs. Paitoon Siribovornkiat	Vice President	-	-	-

Remarks:

- (1) Executives are defined in the Announcement of the Securities and Exchange Commission
(2) Mrs. Jesdakorn Ghosh was appointed as Senior Vice President Beverage Business of the Company effective on 1 May 2015
(3) Shareownership of Directors and Executives as shown in the table above, included those of their spouses and minors,

HUMAN RESOURCES

15.1 HUMAN RESOURCES

As of 31 December 2015 the Company and subsidiaries have a total of 9,129 employees (excluding the Board of Directors and Management team as per Section 11. Management Structure), categorized into:

LINE OF COMMAND	NUMBER OF EMPLOYEES
Office	462
Restaurant	7,920 (excluding Joint Venture restaurant employees in Myanmar of 121 persons)
Factory	747
Total	9,129

In 2015 the total basic salary was 1,223 million Baht (excluding Joint Venture restaurant employees in Myanmar).

15.2 EMPLOYEE DEVELOPMENT POLICY

The focus on people development is one of Oishi group's key missions, to increase organization's effectiveness and competitive advantage to support the organization's expansion and growth both domestically and abroad as well as keeping abreast with the changing socio-economic conditions and consumers' behavior and life style. We believe that 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 is considered to be a long-term investment that must be done continuously to build future leaders fully equipped with the organization's specific capabilities and skill sets through knowledge and capabilities transfer via development of internal trainers who are knowledgeable and experienced in their own specific functional areas.

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

The Company 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 as well as providing internship programs for vocational students from various institutions to have on-the-job working experience with the Company as a part of the course studies. This program enables our employees to work and enhance their educational levels for future career advancement as well as providing an effective manpower planning requirements.

The Company also promotes the employment of people with disabilities to work in the restaurant outlets which related staff and management teams have been trained on basic sign language to be able to communicate effectively and create a warm and smooth working environment for disabled employees.

In 2015 Oishi group's invested approximately 16,103,050 million Baht on the Learning and Development of our people, which approximate 48,626 Baht per person has been allocated to the leadership skills development of managers and executives and approximately 12,223 Baht per person for employees with more than 15,520 hours of training for the whole company and totaling to 138 hours person.

15.3 WELFARE POLICY

The Company 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 2015, the Company still maintain and value its welfare policy continuously from the past years as follows:

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

15.4 SAFETY OF OCCUPATIONAL HEALTH AND WORKPLACE ENVIRONMENT POLICY

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

In 2015, the Company still maintain and value its Health and Workplace Environment Policy from the past years as follows:

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

15.5 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. In 2015, the Company has set policies on Human Resources management as follows:

1. All employees will be treated fairly and with dignity.
2. The employee recruitment and transfers will be fairly assessed with emphasis on the job qualification and specification.
3. Continuous support on employee learning and development.
4. Fair remuneration schemes to employees as appropriate with the job requirement and company performance.
5. Regularly share information with employees as relevant and appropriate.
6. Cultivates the understanding and the participation of employees in accordance with Oishi's Core Values, by embedding each of the core values into the performance evaluation process in order to create employees' behavioural change in alignment with the Company's vision and strategy.

15.6 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. In 2015, the Company still maintain and value its Administration Policy from the past years which can be summarized below:

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

15.7 EMPLOYEES COOPERATION WITH COMPANY'S BUSINESS ETHICS AND CORPORATE GOVERNANCE

The Company has a policy and encourages all employees to study and understand and assumes practice in compliance with the Company's Business Ethics and Corporate Governance policy. The Company's Business Ethics has been incorporated as a part of the Company's employees induction program, which details of the Company's Business Ethics is explained and given to all new employees to study for further understanding and practice. In addition, the Company's Corporate Governance policy as well as Business Ethics are communicated and reminded to all employees via various internal communication channels such as employees announcement boards at the production plants and restaurant outlets. No incident of non-compliance to the Business Ethics and Corporate Governance policies is reported in the last year.

In addition, the company issued regulations with regards to the Whistle Blower and Complaints and Protection as per the Company's Corporate Governance policy and communicated to employees with provisions for channels of Whistle Blower and Complaints established, which guidelines for the protection and managing whistle blower complaints is considered and managed by the Audit Committee consisting of independent directors to ensure that employees and all stakeholders who provide information or complaints will not be intimidated or treated unfairly by the Company.

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 laws 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 including the 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. Also, the appointment, rotation, dismiss and evaluation of the head of Internal Audit must be endorsed by the Audit Committee.

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

INTERNAL — INFORMATION USAGE

17.1 The Company prohibit the directors, management and those who get access to the significant 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.

17.2 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.

RELATED PARTIES TRANSACTIONS

18.1 RELATIONSHIPS WITH RELATED PARTIES

The Company and its subsidiaries have entered into related parties transactions in 2015 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	Republic of the Union of Myanmar	Indirect subsidiary and common directorship
Oishi Group Limited Liability Company	Socialist Republic of Vietnam	Indirect subsidiary and common directorship
Sangsom Co., Ltd.	Thailand	Direct subsidiary of parent company
Sura Bangyikhan Co., Ltd.	Thailand	Direct subsidiary of parent company
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
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

NAME OF ENTITIES	COUNTRY OF INCORPORATION / NATIONALITY	NATURE OF RELATIONSHIPS
Numkijjakarn Co., Ltd.	Thailand	Direct subsidiary of parent company
Numrungrad Co., Ltd.	Thailand	Direct subsidiary of parent company
Numthip Co., Ltd.	Thailand	Direct subsidiary of parent company
Cash Van Management Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Energy Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Logistics 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
Horeca Management Co., Ltd.	Thailand	Direct subsidiary of parent company
Food Of Asia 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
Chang International Co.,Ltd.	Thailand	Indirect subsidiary of parent company
International Beverage Holdings Limited	Hong Kong	Direct subsidiary of parent company
S P M Foods & Beverages Co., Ltd.	Thailand	Indirect subsidiary of parent company
Sermasuk PCL.	Thailand	Indirect subsidiary of parent company
InterBev Malaysia Sdn. Bhd.	Malaysia	Indirect subsidiary of parent company
InterBev Trading (Hong Kong) Limited	Hong Kong	Indirect subsidiary of parent company
Super Brands Company Pte. Ltd.	Singapore	Subsidiary of indirect subsidiary of parent company
Serm Suk Beverage Co., Ltd.	Thailand	Subsidiary of indirect subsidiary of parent company
Berli Jucker PCL.	Thailand	Common directorship
Berli Jucker Foods Co., Ltd.	Thailand	Common directorship
Berli Jucker Logistics Co., Ltd.	Thailand	Common directorship
The Southeast Insurance PCL.	Thailand	Common directorship
The Southeast Life Insurance PCL.	Thailand	Common directorship
Southeast Capital Co., Ltd.	Thailand	Common directorship
Thippatana Arcade Co., Ltd.	Thailand	Common directorship
T.C.C. Technology 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

NAME OF ENTITIES	COUNTRY OF INCORPORATION / NATIONALITY	NATURE OF RELATIONSHIPS
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
Lertrattakarn 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
The Street Retail Development Co., Ltd.	Thailand	Common directorship
Petform (Thailand) Co., Ltd.	Thailand	Associate of an indirect subsidiary of parent company
Crown Seal PCL.	Thailand	Indirect subsidiary of parent company holds shares
Thai Commercial Investment Freehold and Leasehold Fund	Thailand	Directors and controlling equity holders of parent company hold substantial units indirectly.
TCC Logistics and Warehouse Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly.
Pisetkij Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly.
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
F&N Foods Pte. Ltd.	Singapore	Associate of an indirect subsidiary of parent company
F&N Beverages Marketing Sdn. Bhd.	Malaysia	Associate of an indirect subsidiary of parent company
F&N Beverages Manufacturing 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
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
Revenue from rendering of services	Contractually agreed price
Purchase and sale of fixed assets	Net book value / mutually agreed price
Rental income and expense	Contractually agreed price
Management service income	Contractually agreed price
Management fee	Contractually agreed price
Interest income and expense	Interest rate close to interest of financial institution
Other income and expense	Mutually agreed price

Significant transactions for the year ended 31 December 2015 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	2,181,355	1,554,482
	Total		2,181,355	1,554,482

Sales to related companies

REF	NAME	RELATIONSHIP	AMOUNT	BALANCE DUE
1	Sura Bangyikhan Co., Ltd.	Direct subsidiary of parent company	696	-
2	Num Yuk Co., Ltd.	Direct subsidiary of parent company	(9,503,722)	2,234
3	Numthurakij Co., Ltd.	Direct subsidiary of parent company	(16,346,249)	-
4	Nummuang Co., Ltd.	Direct subsidiary of parent company	(8,952,307)	-
5	Numnakorn Co., Ltd.	Direct subsidiary of parent company	(12,691,846)	-
6	Num Palang Co., Ltd.	Direct subsidiary of parent company	(8,974,517)	-
7	Numkijjakarn Co., Ltd.	Direct subsidiary of parent company	(20,478,266)	-
8	Numrunrod Co., Ltd.	Direct subsidiary of parent company	(21,301,380)	-
9	Numthip Co., Ltd.	Direct subsidiary of parent company	(10,775,563)	-

REF	NAME	RELATIONSHIP	AMOUNT	BALANCE DUE
10	Cash Van Management Co., Ltd.	Direct subsidiary of parent company	(136,883)	-
11	Beer Thai (1991) Co., Ltd.	Direct subsidiary of parent company	240,241	-
12	Beer Thip Brewery (1991) Co., Ltd.	Direct subsidiary of parent company	29,154,772	1,567,143
13	Sangsom Co., Ltd.	Direct subsidiary of parent company	1,525	-
14	Thai Beverage Energy Co., Ltd.	Direct subsidiary of parent company	6,859	-
15	Krittayabun Co., Ltd.	Direct subsidiary of parent company	5,228,601,056	155,672,701
16	Modern Trade Management Co., Ltd.	Direct subsidiary of parent company	(334,510,124)	-
17	Pomcharoen Co., Ltd.	Direct subsidiary of parent company	388	-
18	Pompalang Co., Ltd.	Direct subsidiary of parent company	47,160	-
19	Dhospaak Co., Ltd.	Direct subsidiary of parent company	368,988	6,460
20	Thai Beverage Training Co., Ltd.	Direct subsidiary of parent company	430,458	63,562
21	Thai Beverage Logistic Co., Ltd.	Direct subsidiary of parent company	495,796	96,043
22	Super Brands Company Pte. Ltd.	Subsidiary of indirect subsidiary of parent company	605,838	-
23	Chang International Co., Ltd.	Indirect subsidiary of parent company	58,530	-
24	Thai Drinks Co., Ltd.	Direct subsidiary of parent company	(7,895,974)	10,506
25	Food Of Asia Co., Ltd.	Direct subsidiary of parent company	25,303	27,075
26	Sermasuk PCL.	Indirect subsidiary of parent company	921,122,792	108,346,838
27	North Park Golf And Sports Club Co., Ltd.	Common directorship	8,640	-
28	Serm Suk Beverage Co., Ltd.	Subsidiary of indirect subsidiary of parent company	13,944,375	3,785,794
29	F&N Beverages Marketing Sdn Bhd	Associate of an indirect subsidiary of parent company	6,861,270	-
30	F&N Beverages Manufacturing Sdn Bhd	Associate of an indirect subsidiary of parent company	28,122,168	6,280,027
31	F&N Foods Pte Ltd	Associate of an indirect subsidiary of parent company	1,702,438	611,040
32	F&N Dairies (Thailand) Limited	Associate of an indirect subsidiary of parent company	27,237,416	5,002,534
33	F&B International Co., Ltd.	Common directorship	(395,333)	67,410
34	TCC Logistics and Warehouse Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly.	295,516	117,687
Total			5,807,370,061	281,657,054

Management fee to parent company

REF	NAME	RELATIONSHIP	AMOUNT	BALANCE DUE
1	Thai Beverage PCL	Parent company and common directorship	9,360,000	1,669,200
	Total		9,360,000	1,669,200

Other incomes from related companies

REF	NAME	RELATIONSHIP	AMOUNT	BALANCE DUE
1	Cosmos Brewery (Thailand) Co., Ltd.	Direct subsidiary of parent company	-	139,688
2	Sermsuk PCL.	Indirect subsidiary of parent company	10,655,950	2,400,275
3	Pisetkij Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly.	29,475	-
4	The Southeast Insurance PCL.	Common directorship	-	13,947,124
5	Super Brands Company Pte. Ltd.	Subsidiary of indirect subsidiary of parent company	-	16,815
6	Thai Drinks Co., Ltd.	Direct subsidiary of parent company	4,051,450	1,621,451
7	T.C.C. Technology Co., Ltd.	Common directorship	-	1,515
8	F&N Beverages Marketing Sdn Bhd	Associate of an indirect subsidiary of parent company	6,211,360	-
9	F&N Dairies (Thailand) Limited	Associate of an indirect subsidiary of parent company	480,673	386,054
10	The Street Retail Development Co., Ltd.	Common directorship	2,000,000	2,000,000
11	Lertrattakarn Co., Ltd.	Common directorship	-	295,000
	Total		23,428,908	20,807,922

Purchases from related parties

REF	NAME	TYPE	AMOUNT	BALANCE DUE
1	Num Yuk Co., Ltd.	Finish Goods	2,064	-
2	Numthurakij Co., Ltd.	Finish Goods	579,694	148,436
3	Nummuang Co., Ltd.	Finish Goods	135,511	33,735
4	Numnakorn Co., Ltd.	Finish Goods	43,507	10,481
5	Num Palang Co., Ltd.	Finish Goods	217,853	47,323

REF	NAME	TYPE	AMOUNT	BALANCE DUE
6	Numkijjakarn Co., Ltd.	Finish Goods	159,786	23,834
7	Numrunrod Co., Ltd.	Finish Goods	176,444	23,172
8	Numthip Co., Ltd.	Finish Goods	35,149	5,364
9	Beer Thip Brewery (1991) Co., Ltd.	Raw materials	163,441,441	34,183,037
10	Cosmos Brewery (Thailand) Co., Ltd.	Supply	50,880	-
11	Pomkit Co., Ltd.	Raw materials	357,156	82,720
12	Pomklang Co., Ltd.	Raw materials	481,463	110,059
13	Pomchoke Co., Ltd.	Raw materials	222,076	50,565
14	Pomcharoen Co., Ltd.	Raw materials	362,783	81,950
15	Pomburapha Co., Ltd.	Raw materials	918,392	229,579
16	Pomphalang Co., Ltd.	Raw materials	485,181	110,535
17	Pomnakorn Co., Ltd.	Raw materials	159,087	43,975
18	Pomthip (2012) Co., Ltd.	Raw materials	2,556,793	684,315
19	Thai Drinks Co., Ltd.	Raw materials	278,170,726	17,534,990
20	Berli Jucker PCL.	Raw materials	9,122,050	1,148,591
21	Berli Jucker Foods Co., Ltd.	Finish Goods	-	30,501
22	Sermasuk PCL.	Raw materials	28,398,418	5,972,616
23	S P M Foods & Beverages Co., Ltd.	Raw materials	8,772,817	939,722
24	Petform (Thailand) Co., Ltd.	Packaging	379,893,115	69,799,879
25	Crown Seal PCL.	Packaging	14,666,100	1,550,430
26	F&N Interflavine Pte. Ltd.	Raw materials	67,281	-
27	F&N Dairies (Thailand) Limited	Raw materials	5,241,715	1,174,820
28	F&N United	Raw materials	13,906,186	6,783,487
Total			908,623,668	140,804,116

Purchase of assets from related parties

REF	NAME	TYPE	AMOUNT	BALANCE DUE
1	T.C.C. Technology Co., Ltd.	Computer	223,890	-
2	Berli Jucker PCL.	Folklift	10,839,330	-
3	Dhospaak Co., Ltd.	Learning Center	900,000	-
Total			11,963,220	-

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	3,848,275	498,151
3	Thai Drinks Co., Ltd.	Amatanakorn	1,000,000	-
4	The Street Retail Development Co., Ltd.	Ratchada	98,856	101,624
5	Lertrattakarn Co., Ltd.	Park Ventures	37,662,969	11,792
	Total		72,610,100	611,567

Promotion expenses paid to related parties

REF	NAME	TYPE	AMOUNT	BALANCE DUE
1	Modern Trade Management Co., Ltd.	Promotion Exps	-	58,062,800
2	Thai Drinks Co., Ltd.	Promotion Exps	-	112,704
3	Sermsuk PCL.	Promotion Exps	-	11,902,448
4	Numthurakij Co., Ltd.	Promotion Exps	-	3,320,631
5	Numkijjakarn Co., Ltd.	Promotion Exps	-	7,807,276
6	Numthip Co., Ltd.	Promotion Exps	-	4,090,731
7	Numnakorn Co., Ltd.	Promotion Exps	-	4,178,596
8	Num Palang Co., Ltd.	Promotion Exps	-	3,879,744
9	Nummuang Co., Ltd.	Promotion Exps	-	3,084,413
10	Num Yuk Co., Ltd.	Promotion Exps	-	3,560,363
11	Numrungrod Co., Ltd.	Promotion Exps	-	8,432,420
	Total		-	108,432,126

Other expenses paid to related parties

REF	NAME	TYPE	AMOUNT	BALANCE DUE
1	Num Yuk Co., Ltd.	Other exp	12,168	-
2	Numthurakij Co., Ltd.	Advertising	14,187	-
3	Nummuang Co., Ltd.	Advertising	17,521	-
4	Numnakorn Co., Ltd.	Advertising	474,692	-
5	Num Palang Co., Ltd.	Advertising	32,243	12,144

REF	NAME	TYPE	AMOUNT	BALANCE DUE
6	Numkijjakarn Co., Ltd.	Advertising	251,749	-
7	Numrunrod Co., Ltd.	Advertising	249,237	-
8	Numthip Co., Ltd.	Welfare	60,459	-
9	Cash Van Management Co., Ltd.	Promotion	-	136,883
10	Modern Trade Management Co., Ltd.	Advertising	-	1,649
11	Beer Thai (1991) PCL.	Transport	291,600	18,672
12	Beer Thip Brewery (1991) Co., Ltd.	Transport	11,759,285	10,779,989
13	Cosmos Brewery Co., Ltd.	Service fee	88,445	6,374
14	Pomburapa Co., Ltd.	Advertising	154,205	-
15	Pomnakorn Co., Ltd.	Welfare	217,336	-
16	Pomthip (2012) Co., Ltd.	Welfare	71,589	-
17	Dhospaak Co., Ltd.	Bounty	52,650,533	18,372,983
18	Thai Beverage Training Co., Ltd.	Training	834,500	32,100
19	Thai Beverage Logistic Co., Ltd.	Transport	7,634,008	2,340,531
20	Chang International Co., Ltd.	Fee	13,822	-
21	Thai Drinks Co., Ltd.	Advertising	1,610,234	726,812
22	Horeca Management Co., Ltd.	Service fee	105,533	-
23	Southeast Capital Co., Ltd.	Car lease	3,643,935	118,342
24	T.C.C. Technology Co., Ltd.	Equipment	3,179,136	464,671
25	Berli Jucker PCL	Promotion	1,164,615	-
26	Berli Jucker Logistics Co., Ltd.	Advertising	134,102	68,034
27	The Southeast Insurance PCL.	Insurance premiums	9,410,624	1,418,050
28	The Southeast Life Insurance PCL.	Insurance premiums	12,820,449	-
29	Berli Jucker Foods Co., Ltd.	Fee	28,506	-
30	North Park Golf And Sports Club Co., Ltd.	Advertising	40,000	-
31	TCC Hotel Collection Co., Ltd.	Accommodation	1,682	-
32	Thippatana Arcade Co., Ltd.	Utilities	1,649,573	149,134
33	F&N BEVERAGES MARKETING SDN BHD	Promotion	56,580,124	2,673,727
34	F&N Dairies (Thailand) Limited	Other exp	804,186	-
35	F&N Foods Pte Ltd	Advertising	18,153,830	1,160,572
36	Business Process Outsourcing Co., Ltd.	Service fee	240,600	-
37	Lertrattakarn Co., Ltd.	Utilities	3,798,081	221,697
38	Sermsuk PCL.	Promotion	52,355	289,257

REF	NAME	TYPE	AMOUNT	BALANCE DUE
39	Thai Commercial Investment Freehold and Leasehold Fund	Utilities	1,371,250	120,000
40	Pan Internaional (Thailand) Co., Ltd.	Utilities	1,121,161	133,030
41	The Street Retail Development Co.,Ltd.	Service fee	104,049	110,813
	Total		190,841,604	39,355,464

Other non-current assets

REF	NAME	AMOUNT
1	Sura Piset Phatra Lanna Co., Ltd.	2,500,000
2	The Chonburi Sugar Corp. Ltd.	620,000
3	The Street Retail Development Co., Ltd.	350,000
4	Thippatana Arcade Co., Ltd.	653,000
5	Thai Commercial Investment Freehold and Leasehold Fund	480,000
6	Lertrattakarn Co., Ltd.	9,842,236
	Total	14,445,236

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

The Company and subsidiaries sell to the related parties for example the direct/indirect subsidiary of parent company or common directorship where terms of trades is at arm length basis and at market price.

18.3.3 Purchases and expenses paid to related parties

The Company and subsidiaries purchase products and paid expenses to related parties for example the direct/indirect subsidiary of parent company or common directorship where terms of trades is at arm length basis and at market price.

Hence the aforesaid related parties transaction has been consider the necessity and appropriateness prior to enter into the transaction. However if there is further related parties transaction, the company shall sought the Audit Committee opinion and the director who has a common interest shall not be allowed to approve such transaction.

18.3.4 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.

In addition, the Board of Directors adopted rules for the Management to approve the Company or subsidiaries' transactions, purchases of goods and services, or rents of space or land, with directors, executives, and related parties, within the size of transaction of not more than 60 million Baht. Provided that the trade terms of those transactions are similar to which the reasonable normal terms to the party of contract under the same circumstance, without any influences on the bargaining power due to the status of a Company director, executive, or related parties. Such transaction shall bind the Company or subsidiaries for the period of not more than 5 years and shall not be required by any law, rules, regulations, or articles of association for prior approval by the meeting of the Board of Directors or shareholders.

18.3.5 Policy or tendency of related parties transactions in the future

The Company expects that the related parties transactions are part of the normal course of business which gives the maximum benefits to the Company. The Company adheres to the fair and at arms' length policy on the related parties transactions and also

concerns on the maximum benefits to the Company. In this regard, the Audit Committee, the auditor, or the independent advisor will review and give their opinion on the suitability in terms of prices and necessity of transactions. For the future related parties transactions, the Board of Director shall comply with the SET and SEC regulations and such transactions shall be properly disclosed according to the accounting standard.

As for the related parties transactions with the potential conflict of interest, the Company will provide proper agreements and seek for the Audit Committee's opinion on the necessity and suitability of the transactions. In case the Audit Committee is unable to give comments due to lack of expertise, 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. In this regard, the Company will disclose the related parties transactions in the notes to financial statement audited by the Company's auditor.

The policies on the related parties transactions are adopted to ensure that those transactions are free from diversion and manipulation of benefits among the related parties or shareholders of the Company. The Company will take into account the best interests of the shareholders, especially minority shareholders. Furthermore, any director or shareholder who has any common interest with such related parties transaction or acquisition or disposition of assets of the Company shall not be allowed to approve of such transaction.

FINANCIAL STATUS — AND THE COMPANY PERFORMANCE

19.1 FINANCIAL STATEMENTS

Summary of the auditor's report

The auditor's report in 2015 was audited by Mr. Nirand Lilamethwat from KPMG Phoomchai Audit Co., 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 fee

In 2015, 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 three subsidiary companies, Oishi Trading Co., Ltd., Oishi Remen Co., Ltd. and Oishi Snack Co., Ltd. of Baht 2,126,000.
- Other related business to KPMG Phoomchai Audit Co., Ltd. include:
 - (1) KPMG China as auditors of Oishi International Holdings Limited of HKD 31,500.
 - (2) KPMG LLP as auditors of Oishi F&B (Singapore) Pte. Ltd. SGD 3,500.
- Other audit firm include:
 - (1) YES Financial Consultant Group as auditors of Oishi Myanmar Limited of MMK 2,000,000
 - (2) Polaris Auditing Company Ltd. as auditors of Oishi Group Limited Liability Company of USD 500

19.2.2 Non-audit fee

In 2015, 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 -
- Other related
 - None -

Due to the limitation of law and regulation, the subsidiary companies are not audited by KPMG or its related party. However, the subsidiaries are able to provide the financial information for preparing the consolidated financial statement completely.

Summary of Financial Statements

ITEMS	CONSOLIDATED ('000 BAHT)		
	2015	2014	2013
Cash and cash equivalents	595,204	141,996	122,251
Short term investment	3,660	-	6,500
Trade accounts receivable	534,440	511,363	542,824
Inventories	392,815	441,920	370,922
Other current assets	112,070	212,727	171,369
Current assets	1,638,189	1,308,006	1,213,866
Other long-term investments	-	3,660	3,660
Property, plant and equipment	7,003,043	7,376,017	6,144,822
Intangible assets	27,981	26,691	33,795
Leasehold rights	51,335	57,682	64,954
Other non-current assets	368,326	359,493	446,674
Total assets	9,088,874	9,131,549	7,907,771
Short term loans from financial institutions	-	873,000	63,000
Current portion of long term loan from financial institutions and debentures	1,600,000	400,000	-
Trade accounts payable	1,003,950	1,179,113	1,321,593
Other payables	561,003	909,784	692,812
Accounts payable-assets acquisition	179,631	313,783	283,332
Other current liabilities	71,525	70,638	42,628
Current liabilities	3,416,109	3,746,317	2,403,365
Deferred Income	-	-	20
Accrued employee benefit	53,311	72,051	51,141
Long term loan and debentures	1,500,000	1,600,000	2,000,000
Other non-current liabilities	36,225	78,981	44,817
Total liabilities	5,005,645	5,497,349	4,499,343
Registered capital	375,000	375,000	375,000
Paid up capital	375,000	375,000	375,000
Premium on share capital	609,402	609,402	609,402
Legal reserve	37,500	37,500	37,500
Unappropriated retained earnings	3,007,913	2,570,341	2,349,668
Other components of equity	35,128	34,686	36,858
Non-controlling interests	18,286	7,271	-
Total equity	4,083,229	3,634,200	3,408,428
Total liabilities and equity	9,088,874	9,131,549	7,907,771

Summary of the Company's Financial Statements

ITEMS	CONSOLIDATED ('000 BAHT)		
	2015	2014	2013
Revenue from sale of goods	12,793,312	12,404,500	12,208,112
Revenue from rendering of services	85,502		
Other Income	84,347	111,846	61,126
Total income	12,963,161	12,516,346	12,269,238
Cost of sale of goods	8,370,058	8,198,527	8,209,097
Cost of rendering of services	76,757		
Selling and administrative expenses	3,704,295	3,721,955	3,547,723
Profit before finance costs and income tax	812,051	595,864	512,418
Finance costs	105,535	97,100	87,085
Income tax	2,781	(21,996)	(30,239)
Consolidated net profit	703,735	520,760	455,572
Net profit attributable to owners of the Company	712,191	524,935	455,572
Number of shares ('000 shares)	187,500	187,500	187,500
Basic earnings per share (par value 2 baht per share)	3.80	2.80	2.43

Financial Status and the Company Performance

ITEMS	CONSOLIDATED ('000 BAHT)		
	2015	2014	2013
Net cash from operating activities	1,394,175	1,374,598	2,177,323
Net cash used in investing activities	(747,756)	(1,841,640)	(2,132,995)
Net cash provided (used in) by financing activities	(193,611)	489,155	(15,730)
Net increase in cash and cash equivalents	452,808	22,113	28,598

Significant Financial Ratio

ITEMS	CONSOLIDATED		
	2015	2014	2013
Liquidity ratios			
Liquidity ratio (times)	0.5	0.3	0.5
Quick ratio (times)	0.3	0.2	0.3
Cash ratio (times)	0.4	0.4	0.7
Account receivable turnover (times)	24.6	23.5	19.5
Average collection period (days)	14.6	15.3	18.5
Inventory turnover (times)	20.2	20.2	24.1
Days sale outstanding (days)	17.8	17.8	14.9
Account payable Turnover (times)	7.7	6.6	7.3
Average payment Period (days)	46.5	54.9	49.4
Cash cycle (days)	-14.1	-21.8	-16.1
Profitability ratios			
Gross margin	34.4%	33.9%	32.8%
Operating profit margin	5.7%	3.9%	3.7%
Cash to profit ratio	191.6%	284.0%	482.5%
Net profit margin	5.5%	4.2%	3.7%
Return on equities	18.5%	14.9%	14.0%
Efficiency ratios			
Return on assets	7.8%	6.2%	6.0%
Return on fixed assets	23.6%	20.0%	21.3%
Asset turnover (times)	1.4	1.5	1.6
Financial policy ratios			
Total liabilities to equities ratio (times)	1.2	1.5	1.3
Debt to equities ratio (times)	0.8	0.8	0.6
Dividend payout	52.7%	57.1%	53.5%

19.3 MANAGEMENT'S DISCUSSION AND ANALYSTS ON OPERATING RESULTS

In 2015, despite the sluggish domestic economy and weak consumer confidence together with the explosion incident at Ratchaprasong Junction in August which adversely affected food and beverage industry, the Company could successfully manage to achieve good operating performance due to implementation of strategic plan according to "Vision 2020".

Sales

Overview

For the year 2015, total sales revenue of the Company was Baht 12,879 million, an increase of 3.8% or Baht 475 million, from Baht 12,404 million of last year, due to an increase in beverage business sales revenue of 8.7%,

netted with 0.5% decrease in food business sales revenue. The proportion of beverage business sales revenue to food business sales revenue was equal to 49:51.

Beverage business

Sales revenue of beverage business in 2015 was Baht 6,307 million, increased by 8.7%, or Baht 505 million, from Baht 5,802 million of last year eventhough RTD tea market and pure RTD green tea market declined by 2.5% and 3.8%, respectively. The successful of brand building strategies and marketing and promotional campaigns, together with sales revenue growth from the Original Equipment Manufacturer (OEM) business were the key contributions for the Company to successfully manage to have number one market share in both RTD tea market and pure RTD green tea market at 44.7% and 48% respectively.

Food business

Sales revenue of food business in 2015 was Baht 6,572 million, a decrease of 0.5%, or Baht 30 million, from Baht 6,602 million of last year, mainly due to sluggish economic which affect consumer's spending and negative effect from the explosion incident at Ratchaprasong Junction in August 2015.

Cost of sales

Overview

Total cost of sales of the year 2015 was Baht 8,447 million or equivalent to 65.6% of total sales which is lower than total cost of sales in 2014 or equivalent to 66.1% of total sales due to better cost efficiency from both beverage and food businesses.

Beverage business

Cost of sales of beverage business in 2015 was Baht 4,506 million or equivalent to 71.4% of total sales which is slightly lower than cost of sales of beverage business in 2014 or equivalent to 71.9% of total sales due to better utilization of production capacity, partly from sales revenue growth of Original Equipment Manufacturer (OEM) business.

Food business

Cost of sales of food business in 2015 was Baht 3,941 million or equivalent to 60.0% of total sales which is lower than cost of sales of food business in 2014 or equivalent to 61.0% of total sales due to better cost efficiency.

Selling Expenses

Overview

Total selling expenses of the year 2015 was Baht 1,546 million, decreased by 8.8% or Baht 149 million, from Baht 1,695 million of last year. In terms of percentage, selling expense in 2015 was 12.0% of total sales, decreased from 13.7% in 2014 due to effective and efficient cost management on marketing and promotional campaigns of beverage business.

Beverage business

Selling expenses of beverage business in 2015 was Baht 786 million, decreased by 16.7% or Baht 158 million, from Baht 944 million of last year. In terms of percentage, selling expense of beverage business in 2015 was 12.5% of total sales, decreased from 16.3% in 2014 due to effective spending on marketing and promotional campaigns.

Food business

Selling expenses of food business in 2015 was Baht 760 million, increased by 1.3% or Baht 9 million, from Baht 751 million of last year. In terms of percentage, selling expense of food business in 2015 was 11.6% of total sales, closed to 11.4% in 2014.

Administrative Expenses

Overview

Total administrative expense of the year 2015 was Baht 2,158 million, an increase of 6.5% or Baht 131 million, from Baht 2,027 million of last year, mainly due to an increase in employee expense of both beverage and food businesses, and rental expense of food business.

Beverage business

Administrative expense of beverage business in 2015 was Baht 322 million, an increase of 25.9% or Baht 67 million, from Baht 255 million of last year, mainly due to an increase in employee expense.

Food business

Administrative expense of food business in 2015 was Baht 1,836 million, an increase of 3.6% or Baht 64 million, from Baht 1,772 million of last year, mainly due to an increase in employee and rental expenses to support restaurant outlets expansion.

Net Profit

Overview

Total net profit of the year 2015 was Baht 712 million, increased by 35.7% or Baht 187 million, from Baht 525 million of last year. In terms of percentage, net profit in 2015 was 5.5% of total sales, increased from 4.2% of total sales in 2014. The profitability improvement was mainly due to better cost management in terms of cost of goods sold from both beverage and food businesses, and selling expenses of beverage business.

Beverage business

Net profit of beverage business in 2015 was Baht 641 million, increased by 43.3% or Baht 194 million, from

Baht 447 million of last year. In terms of percentage, net profit of beverage business in 2015 was 10.2% of total sales, increased from 7.7% of total sales in 2014. The profitability improvement was mainly due to better cost management from better utilization of production capacity and effective use of marketing expenses.

Food business

Net profit of food business in 2015 was Baht 71 million, decreased by 8.3% or Baht 7 million, from Baht 78 million of last year. In terms of percentage, net profit of food business in 2015 was 1.1% of total sales, which is closed to 1.2% of total sales in 2014.

in million Baht

	2015	2014	2013	2015 vs 2014	2014 vs 2013
Revenue from sale of goods and rendering of services–Beverages	6,307	5,802	6,232	8.7%	-6.9%
Revenue from sale of goods and rendering of services–Foods	6,572	6,602	5,976	-0.5%	10.5%
Total Revenue from sale of goods and rendering of services	12,879	12,404	12,208	3.8%	1.6%
Cost of sales–Beverages	4,506	4,174	4,631	8.0%	-9.9%
Cost of sales–Foods	3,941	4,025	3,578	-2.1%	12.5%
Total Cost of sales	8,447	8,199	8,209	3.0%	-0.1%
Selling expense–Beverages	786	944	1,027	-16.7%	-8.0%
Selling expense–Foods	760	751	653	1.3%	15.1%
Total Selling expense	1,546	1,695	1,679	-8.8%	0.9%
Administrative expense–Beverages	322	255	306	25.9%	-16.5%
Administrative expense–Foods	1,836	1,772	1,563	3.6%	13.4%
Total Administrative expense	2,158	2,027	1,869	6.5%	8.5%
Net profit attributable to owners of the Company–Beverages	641	447	283	43.3%	58.2%
Net profit attributable to owners of the Company–Foods	71	78	173	-8.3%	-55.0%
Total Net profit attributable to owners of the Company	712	525	456	35.7%	15.2%

FINANCIAL STATUS

Assets

Total assets as at the end of December 2015 was Baht 9,089 million, decreased by Baht 43 million or 0.5% from the year end of 2014. Current assets increased by Baht 330 million, mainly due to an increase in cash or cash equivalents. Non-current assets decreased by Baht 373 million, mainly due to a decrease in property, plant and equipment.

Liabilities

Total liabilities as at the end of December 2015 was Baht 5,006 million, comprised of interest bearing debts Baht 3,100 million, which were bond Baht 2,000 million and long-term loans from financial institutions Baht 1,100 million, and non-interest bearing debts Baht 1,906 million. Total liabilities decreased by Baht 492 million or 8.9% from the year end of 2014 mainly due to decrease of other current payables.

Shareholders' Equity

Total equity as at the end of December 2015 was Baht 4,083 million, an increase of Baht 449 million or 12.4% from the year end of 2014, due to an increase in net profit for the period, netted with dividend payment.

Cash flows

In 2015, net cash and cash equivalents of the Company increased by Baht 453 million from 2014. Details are as follows.

Cash flow from operating activities

Net cash from operating activities of the Company in 2015 was Baht 1,394 million, increased by Baht 19 million or 1.4% from 2014 mainly due to decrease of inventory and other account receivables.

Cash flow from investing activities

Net cash used in investing activities of the Company in 2015 was Baht 748 million, decreased by Baht 1,094 million or 59.4% from 2014. This is because in 2014, the Company used cash to invest in PET Cold Aseptic Filling Line 3 at Navanakorn industrial estate, Pathumthani province.

Cash flow from financing activities

Net cash used in financing activities of the Company in 2015 was Baht 194 million, mainly due to the Company fully repaid short-term loans from financial institutions and partially repaid due-dated long-term loans from financial institutions, together with dividend payment, netted with an increase in current portion of long term loan from financial institutions and bond.

FINANCIAL RATIO ANALYSIS

Liquidity

In 2015, the liquidity ratio was 0.5 times which was increased comparing to 2014 due to an increase in current asset, mainly from cash or cash equivalent while current liability decreased as a result of lower amount of short-term loans from financial institutions, trade account payables and other current liabilities, netted with higher amount of current portion of long-term loans from financial institutions due to reclassification of long-terms loans and bond.

The Company's liquidity was strong. Cash cycle of 2015 was negative 14 days which reflected the efficient working capital management of the Company.

Profitability

All profitability ratios of the year 2015 were improving from last year, from gross margin level down to net profit margin, as well as return on equity, which was 18.5% in 2015, increased from 14.9% in 2014. This was a result of better cost management, both cost of goods sold level and selling expenses level as mentioned above.

Efficiency

In 2015, return on assets and return on fixed assets was 7.8% and 23.6%, respectively. Both were increased from last year due to an increase in net profit, together with no new investment in production line. Asset turnover was 1.4 times, which was similar to last year.

Financing

Debt to equity ratio of 2015 was 0.8 times, which was close to the ratio of 2014. The bond issued during the year was used to repay long-term loans from financial institutions, as a result, total debt was just slightly increased. Moreover, 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.

Change in Significant Accounting Policies

In 2015, the Company has not changed any significant accounting policy.

Key drivers which could affect future operations and financial status

- The Company and its subsidiaries are planning to install New Cold Aseptic Filling Line 4 of PET bottling production at the factory which is located in Wang-Muang district, Saraburi province. The budget of this project is Baht 1,050 million and the commercial run is expected to be in late 2016. This project will help increase PET capacity by 17% and at the same time reduce production costs.
- Efficient operational management of new Central Kitchen at Banbueng district, Chonburi province, will help support the branch expansion which is planned at around 270 stores in 2016.
- The success and expansion plan of Shabushi restaurants in Myanmar operated and controlled by Oishi Myanmar Ltd., This would help increase international footprint of restaurant business which is a significant key milestone for international market expansion. As of 2015, there are 3 branches of Shabushi restaurants in Myanmar, 2 branches in Yangon and 1 branch in Mandalay. In 2016, the Company plan to open another 2 branches in Yangon.
- 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 realize 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 Directors is responsible for financial statements of the Company and its subsidiaries, and the financial information in the Annual Report. The said financial statements have been prepared in conformity with generally accepted international financial reporting standard and on a consistent basis. Where judgment and estimates were required, these were made with careful and reasonable consideration. The practice ensures sufficient information disclosure for the benefit of all shareholders and investors.

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

The Board of Directors has appointed an Audit Committee which comprises three independent directors who are responsible for

reviewing the financial reports and for maintaining the adequacy of the internal control and internal audit systems of the Company. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee in this Annual Report.

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

The Board of Directors agrees that the 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 31 December 2015 are reliable under generally accepted accounting standards, and also acceptable to relevant laws and regulations.

- Signature -
(Mr. Prasit Kovilaiakool)
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. Potjane Thanavarant and Mr. Chai Jroongtanapibarn, Audit Committee members. The Audit Committee members are considered by the Company to be qualified, knowledgeable and experienced persons. Their qualifications fully comply with the requirements of the Company’s Charter of Audit Committee. They are truly independent persons who neither are involved in the management of nor hold any positions in the Company, its subsidiaries and other affiliates.

During 2015, the Audit Committee performed its duties within the scope of responsibilities in accordance with the Code of Best Practice of the Stock Exchange of Thailand and the regulations set out in the Charter of Audit Committee approved by the Board of Directors. The Audit Committee made the review of the good corporate governance, the financial statements and the adequacy for disclosures of information regarding transactions between the Company, its subsidiaries and other affiliates, and transactions with tendency to cause conflict of interests, and the adequacy of the internal control systems. The Committee made recommendations for the development of internal control systems, strict monitoring of the Company’s internal audit and the selection and the proposed appointment of the Company’s statutory auditors to the Board of Directors. The Audit Committee also evaluated the performances of the Statutory Auditors, particularly in the area relating to the quality of services and their remuneration.

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

In 2015, 8 meetings were held by the Audit Committee and all 3 members of the Committee attended the meetings without any absence. Relevant executives were invited to the meetings to make clarifications on certain issues appeared in the course of internal audit. Corrections and improvements can accordingly be made and discrepancies can thus be prevented from recurrence.

The followings are principal performances carried out by the Audit Committee in 2015:

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. In addition, the Committee has reviewed the handling process of complaints lodged against Directors of the Board or the Company's employees or the Company's operations, should there be, which may be associating with fraud or unfair treatments. The process is prepared to ensure that proper measures will be taken to resolve such issues with transparency.

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 2015. In addition, 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 staff to attend annual trainings from the Institute of Internal Auditors of Thailand to enhance their technical knowledge and the newly developed standards. The new experiences gained therefrom are beneficial for the improvements of their performances and 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, including those relating to fraud or risk of fraud, 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 risk management system, internal control systems and the monitoring and prevention of corruption 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 2015 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**

During the year 2015, the Risk Management Committee has regularly reported significant risks as well as their development progress to the Board of Directors. In addition, independent views and advices were given to the Company's management in order to ensure highest benefits of all shareholders and stakeholders. 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.

On behalf of the Risk Management Committee

- Signature -

(Mr. Chai Jroongtanapibarn)

Chairman of the Risk Management Committee

CORPORATE GOVERNANCE — AND COMPLIANCE REPORT

Oishi Group Public Company Limited (the “Company”) sees the 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 the 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 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 11 November 2014 approved the revised corporate governance policy, which had been reviewed and proposed to the Board for approval, effective from 11 November 2014 onwards. Moreover, The Board of Directors Meeting No. 1/2015 held on 25 February 2015 approved the regulation on the receiving of complaint and whistleblowing as well as the provision of protection in accordance with the Good Governance policy of the Company’s and its subsidiaries, effective from 25 February 2015 onwards. The purposes of the regulation are to ensure the appropriateness, the effectiveness and the flexibility of the methods of complaints and whistleblowing handling by the Company and its subsidiaries, to meet the same international standard as to other leading companies, and to create confidence among all interested parties that they shall be protected from persecution or mistreatment as a result of filing a complaint or whistleblowing made to the Group of companies.

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 increased value and sustainable growth of the Company.

CORPORATE GOVERNANCE POLICY

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 strict 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 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 2015, 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 to protect and encourage 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, among others, purchasing, selling, and transferring of shares, gaining from profit sharing of the Company, receiving 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 of 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 meeting of shareholders 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 queries 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 2015, the Company organized the Annual General Meeting of Shareholders on 27 April 2015 at 14.00 hr. at Grand Ball Room on the 3rd floor of Hilton Sukhumvit Bangkok located at 11 Sukhumvit 24 Street, Sukhumvit Road, Khlong Tan sub-district, Khlong Toei district, Bangkok 10110 while no extraordinary meetings of shareholders were held during the year.

The Company made the following arrangements for the annual general meeting of shareholders for the year 2015.

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 agendas, rationale, opinions of the Board of Directors, and related detailed information of each agenda were submitted to shareholders via post not less than 21 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 laws.
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. For the appointment of Director, information on education, experience, the number of companies that he or she held the position of director, the number of year in office, the type of the proposed director position and the meeting attendance record in the past was disclosed fully. In addition, the policies, principles and methods of the Director nominating process was also disclosed to provide adequate information for shareholders to make decision effectively.
7. 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.
8. 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.
9. 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 Tel. 02-785-8889.

On Shareholders' meeting date

The Company 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 2015 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 Inventech Systems (Thailand) Co., Ltd. ("Inventech") 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. All Directors and senior executives together with the Chairman of the Board of Directors as well as Chairmans of all sub-committees attended the Shareholders' meeting for the year 2015 to provide clarifications to any queries; and to receive feedbacks and recommendations from shareholders. In addition, the auditors had also attended the Shareholders' meeting as well.
10. No additional agenda is considered in the meeting and no change has been made to the significant information without prior notification to the shareholders.
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, and vote counting and result thereof 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 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, the Board of 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. The Board of 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 2015, 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 the Board of Directors have ensured proper management on the subject matter.

EQUAL TREATMENTS TO SHAREHOLDERS

The Board of Directors sees significance in equal and fair treatments for all shareholders, whether they are major shareholders, institutional shareholders, foreign investors, and 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. Result of additional meeting agenda proposition and additional candidates nomination was also reported to the shareholders as well.

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 provides 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 to disclose 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 14. on page 83 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. The Board of Directors has determined policy whereby the directors and senior executives must inform the Company Secretary of any sale or purchase of the Company's share 1 day prior to the date of the transaction.
10. Related party 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 2015, the Board of Directors neither received any complaints with regards to unfair 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 Oishi 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 2015, 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. 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 any record of frauds and/or violation of human rights. The Company honors terms and conditions of trade deals and agreements on its ends; and is determined to treat our trade partners with equality and fairness, taking into account mutual benefits. To prevent any frauds by trade partners and related employees, the Company shall terminate relationship with trade partners whom are found to have committed 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 dishonest 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 2015, the Company organized a total of 19 training courses on the environment hosted by internal and external personnel, the average of 6 hours of training per employee.

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 2015, 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.

In 2015, the Company was assessed by Thaipat Institute as a rank 3, Established, on the development level of sustainable anti-corruption within a registered company. The Company remains determine to improve on its anti-corruption work in a continual manner through processes review by the Audit Committee.

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" segment 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 informer 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 Board of Directors meeting No, 1/2558, held on 25 February 2015, had also approved the guideline on the receive of complaint and whistleblower as well as the protection of such person in accordance with the good corporate governace policy of the Company and its subsidiaries, effective from 25 February 2015 onward. The goal of the guideline is to ensure the Company's and its subsidiaries' appropriate, effective, flexible and standardize complaint filing and whistle-blowing process on par with other leading Companies as well as creating confidence among all stakeholders, including the employees, that all will be protected from persecution, penalization and mistreatment as a result of informing or whistle-blowing to the Oishi group, except where such action was done with malintent or with the intention of destroying the Company or other person, illegal or contradicting with the Company's discipline.

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 2015, there were no complaints via the channels provided by 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 of 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 information report (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 146 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 2015, KPMG Phoomchai Audit Ltd. was appointed by the Annual General Meeting of Shareholders for the year 2015 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. As for some of the Company's subsidiaries overseas which does not nominate an auditor from the same audit company as the Company, whether due to some legal requirements or regulations, the Company has determined appropriate measure to ensure that the consolidated financial statements can be prepared on time. In the past year, the Company was able to prepared and filed the consolidated financial statements as well as the financial statements to the related supervising agencies in a complete and timely manner.

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 108 of the annual report, stating that the financial statements of the Company and subsidiaries as at 31 December 2015 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 2015, the Company organized a press conference on performance and business direction and its attendance in the Opportunity Day event held by the Stock Exchange of Thailand while the meetings 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 the 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 2015, no action was taken by any related supervising agency against the Company with regard to the announcement or disclosure of incorrect significant information and instruction to amend the financial statement. In addition, all financial reports, both quarterly and annually, have been filed in a timely manner and no complaints regarding wrongdoings involving the abuse of insider information by Directors and executives nor any malpractice regarding the conflict of interest were made. This reflected that the policies and guideline for conflict of interest determined by the Board of Directors of the Company were duly.

RESPONSIBILITY 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 Articles of Association of the Company.

As of 25 February 2016, 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 Section 11. Management structure in the page 47 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 Section 11. Management structure in the page 56 of this annual report.

2. Nomination of Directors

The Board of Directors assigned the Nomination Committee to consider candidates for director position through consideration of persons whose qualifications, knowledge, ability, experience, age, gender, multi-disciplinary knowledge, professions, speciality, 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 the Articles of Association of the Company shall also be taken into account for consideration.

The shortlist candidates will be proposed by the Nomination Committee to the meeting of the 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 Articles 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.

Directors are 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 Articles 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 Committee 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 and 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 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 the Board of Directors and meeting of shareholders;
3. To be the deciding vote in case of equal voting results; and
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 the 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, the Vice Chairman is to chair the meeting. If there is no the 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 the 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 2015, the Company held the Board of Directors and sub-committees meetings where by the numbers of meetings and details of attendance of each director are summarized below

Details of meeting 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. Prasit Kovilaikool	7/7	-	-	3/3	5/5	-	-	1/1
Mr. Thapana Sirivadhanabhakdi	6/7	-	9/12	3/3	5/5	-	1/2	-
Mr. Vikrom Koompirochana	7/7	8/8	-	3/3	5/5	-	2/2	1/1
Ms. Potjanee Thanavaranit	7/7	8/8	-	-	5/5	-	2/2	1/1
Mr. Chai Jroongtanapibarn	7/7	8/8	-	-	-	7/7	2/2	1/1
Mr. Ueychai Tantha-Obhas	7/7	-	12/12	-	-	-	-	-
Mr. Sithichai Chaikriangkrai	7/7	-	8/12	-	5/5	-	-	-
Mr. Marut Buranasetkul	7/7	-	12/12	-	-	2/7	2/2	-
Mr. Pisanu Vichiensanth	7/7	-	12/12	-	-	5/7	-	-

Remark

⁽¹⁾ In case of absence from the meeting of the Board of Directors and sub-committees as per the above table due to inevitable matter, directors shall notify their absence in advance.

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.

The Company 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 the leader of Japanese food and beverages for better quality of new generations' life."

Mission

1. To maintain quality production and business services on healthy food and beverages, to build and maintain popularity of the "Oishi" brand among consumers, and to place importance on production of quality products with sound hygienic management;
2. To use safe raw materials and achieve ultimate satisfaction of customers for our brands to be recognized in Thailand and overseas; and
3. To improve the production process on a continual basis by opting for modern technology in production process and product development, and to increase production and competition efficiency in terms of price and quality to outperform competitors in Thailand and overseas, which will drive the Thai economy and the nation's economic growth.

The Board of Directors meeting No. 1/2016 held on 25 February 2016 considered and resolved that those vision and mission remain appropriate and in alignment with the business operation of the Company.

In addition, Thai Beverage Public Company Limited (“ThaiBev”) has determined the “2020 Vision” 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 2015, the Non-Executive Directors organized one meeting without attendance of the management and Executive Directors on 10 November 2015.

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 Articles 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 entitle 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 and all of the sub-committees 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. 7/2015 held on 10 November 2015, had a resolution approving the revised self-assessment form, both for each committee as well as individual director, the principle of which was in accordance with the self-assessment form of SET. The form was to be used by the directors to assess the performance of the Board of Directors all sub-committee for the year 2015 and onward.

In 2015, the Board of Director as well as all of the sub-committee had completed the self-assessment form, both for each individual director as well as a committee.

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 and lump sum remuneration 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 different operations 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.

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 for its 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 of listed companies, which enhance their readiness and benefit executives in terms of working to support the Board of Directors.

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; and
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 signatory Directors are to be described in Section 11. Management structure on page 47 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 Section 7. Risk factors on page 36 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 11 November 2014 onwards and was disclosed in the Company's website under the topic of corporate governance.

In 2015, 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 and was rated by Thai Institute of Directors Association as "Very Good" with regard to good corporate governance of listed company for the year 2015, an improvement from the rating "Good" which the Company received in 2014.



**CORPORATE
SOCIAL RESPONSIBILITY
REPORT**

CORPORATE SOCIAL — RESPONSIBILITY REPORT

Corporate social and environmental responsibility policy and performance for business and social sustainability (CSR-IN-PROCESS)

Oishi Group Public Company Limited is dedicated to incorporate various kinds of social responsibility into our business model, including social and environmental activities, and community development for a sustainable growth. This creates not only pride to our Oishi family, but also drive to improve our CSR activities for the optimum benefits of the communities and society. The Company has incorporated the corporate social and environmental responsibility guidelines into our business management (CSR-IN-PROCESS) by setting up the following policy and performance.

1. Fair operations

The Company and our subsidiaries operate the business by complying with related law and regulations and maintaining transparency, disclosure of information, and accountability. We strictly follow the corporate governance policy that is based on good governance, code of conduct, and social and environmental responsibility, as well. Our strategies focus on fair business competition and creating high-quality products that meet international standards. In addition to our products' quality and price, the Company also strives to build trust and a good image among consumers. We treat all stakeholders fairly by taking into account the benefits and consequences that will happen to shareholders, employees, community, society, business partners, customers, the public, government agencies, and other stakeholders. These stakeholders play an important role in supporting and promoting the company's achievement and sustainable growth.

Moreover, the Company has established clear anti-corruption policies both internally and externally by incorporating them into our business ethics and corporate governance policies. The Company has set practice guidelines to prevent corruption through the efficient internal control system and internal audit process.

2. Respecting human rights

The Company adheres to our culture in supporting and respecting the protection of human rights. We do not support or do business with entrepreneurs who are involved in human rights violations. Our employees are treated equally and fairly. The Company promotes equality by providing appropriate welfare, safety, and workplace hygiene. We employ no child labor and prevent all forms of corruption.

3. Fair treatment of labor

The Company treats all employees fairly to maintain good governance of the business and comply with related laws and regulations. We respect employees' right to work according to human rights and ensure there is no discrimination in the Company. Our screening process and allocation of personnel to the jobs are carried out with equality. The employees are provided with proper benefits – both income and welfare, including learning and professional development opportunities for employees.

4. Responsibility to consumers

The Company focuses on developing high-standard products and services that safe for consumers and environment. We emphasize on manufacturing management and services in every step.

Our "central kitchen" is a food-processing plant that meets global goods and services quality management standard, which are the same standards as those of other export products in the global market. The Company's entire production processes are accredited with the international food safety and quality systems including GMP/HACCP and BRC (British Retail Consortium) with excellent performance (Grade A). We are also registered as an export establishment by the Department of Fisheries with excellent performance (Level 1 Plant). Moreover, we employ the "QSC+2Vs" strategy, which ensures that our food is prepared with clean, safe, and fresh ingredients, and cooked in the most healthy and hygienic condition. Oishi is the first company in Southeast Asia which utilizes the "IQHSM" (Integrated Quality Hygiene Safety Management) goods and services quality management in our leading Oishi Japanese restaurants since 2008. As a result, the Company is certified with international



Integrated Quality Hygiene Safety Management

standards including ISO 9001 (2008), Codex GMP/GHP 2003, and Codex HACCP 2003.

As for our beverage business, the Company is a pioneer of Thailand who incorporates the “Cold Aseptic Filling” technology from Japan into our “Oishi Green Tea” production process. The new technology ensures authentic real brew Japanese green tea taste from high-quality natural green tea leaves. Moreover, the Company’s plants are also the first in Thailand to be equipped with the double clean room, which yields optimum hygienic standards equaling those of hospital operating rooms.

In addition, Oishi beverage manufacturing plants in Navanakorn Industrial Estate, PhatumThani, and in Saraburi are certified with Good Manufacturing Practice – TAS 9023–2007 GMP Codex Alimentarius and other international standards including TAS 9024–2007 HACCP Codex Alimentarius (Hazard Analysis and Critical Control Point), ISO9001: 2008 (Quality Management System), ISO22000:2005 (Food Safety Management System), ISO14001:2004 (Environment Management System), HALAL Food Standards, and Level 3 Green Industry. Also, our products are certified by LACF USFDA (Food and

Drug Administration, United States) due to low-acid closed containers of the food. Oishi beverage-manufacturing plant in Saraburi is accredited with BRC Issue 6 Global Standard for Food Safety. These international standards ensure that the Company’s products and services are safe with high quality.

5. Environmental care

In addition to production development for maximum efficiency, one of the key policies of the Company is environmental management for sustainability. We focus on preventing pollution, reducing energy and resource consumption for optimum benefits and efficiency. Such policies are not only environmental-friendly, but also reducing the Company’s costs as follows

- Oishi Green Tea Manufacturing Plant in Navanakorn Industrial Estate has been designed to be a world class “Green Factory”, incorporating energy-saving technology into a building structure such as Econo-Pilot Cooling system, which is the same air conditioning system as that utilized in Japanese industry, lightweight walls that reduce outside heat absorption, which can decrease energy consumption up to 50%. In addition, some buildings have been designed to use transparent materials to allow for maximum natural light usage. These factors can reduce electricity consumption efficiently. Improvement concept, so-called “Kaizen” is also employed in the production process as follows
 - Change of an air power unit, which is used in blowing green tea bottles after a filling process, from an air compressor to a hi-speed motor blower. This helps reduce electricity loss valued more than 100,000 Baht per year.
 - Installation of an equipment that takes condensated water from a tea boiling process and reuses it in a boiler system in a form of steam in a production process. This condensated water meets quality standard and also helps reduce energy consumption from pre-heating the water before entering the boiler.
- Installation of VSD equipment to control power distribution of a high pressure pump in accordance with RO water production. This results in power reduction in RO water production process and still maintaining quality standard of the water.
- Change of T8 light bulbs to LED bulbs, which can reduce power consumption for more than 60%.
- **Oishi Central Kitchen** in Ban Bueng, Chonburi this world class plant and raw material manufacturing factory supply fresh food to the Company’s Japanese restaurants. The plant also produces gyoza, sandwiches, and other condiment products such as sauce, dipping, soup, etc. Due to its high demand for water, the central kitchen focuses on “sewage management system”. All waste are transferred to the plant’s sewage tank, so called “equalization tank,” to adjust pH and the overall condition of the sewage. Then it is transferred to an oxygen lagoon or an “aerated lagoon”. A floating aerator add oxygen to wastewater for decomposing organic matter naturally. After that, it is moved to a “polishing pond” for adjusting the wastewater condition and impurity sedimentation. The treated water is recycled to water trees inside the factory. Moreover, boiler operation has been adjusted to reduce LPG gas usage from importing 4 rounds monthly to 3 rounds monthly.



The above process can save large amount of energy and reduce the Company's cost for several hundred thousand Baht per year.

6. Community and social development participation

The Company has operated within Navanakorn Industrial Estate, PathumThani, and Amata City Industrial Estate, Chonburi, including Ta Muang District, Saraburi, and Banbueng District, Chonburi, for over 10 years. The operation has created great amount of employment in the areas, giving career and income opportunities, including creating stability to the local communities. In addition, the Company also created a unified organization to participate in Corporate Social Responsibility activities by raising awareness among the employees of Oishi Trading Co., Ltd, a subsidiary located in the area around the plant. The employees participated in developing the local community environment through various activities such as "Oishi Go Green" reforestation project in Paichareon community, Tambon Salangpan, Wang Muang District, Saraburi. This activity encourages participation and implementation of CSR and create a network to push forward sustainable social and environmental development of the communities.

7. Innovations and dissemination of CSR innovations

The Company supports development of new knowledge, both economically and socially, for innovation and dissemination of innovation from CSR activities, especially those related to environment. One example is packaging products with PET bottles, which uses modern manufacturing and cool packaging technology. This results in a reduction of up to 30 percent less plastic compared with hot filling packaging, reducing use of resources effectively. In addition, by using less plastic, the packaging is lighter. This results in reducing energy and fuel in transportation dramatically. Such innovation has contributed to social responsibility, the Company believes that innovation development will help create a balance between communities, society, and environment, coupled with sustainable growth of the business.

Donations and social assistance in various forms, in addition to normal business operations (CSR- AFTER- PROCESS)

In 2015, the Company was recognized as an innovative organization that is as an innovative organization and a good example of corporate governance operation. Throughout the 16 years of experiences, the Company not only is a leading Japanese-style food and beverage manufacturer, who has created valuable products with international standards using innovation, advanced manufacturing with Japanese delicacy, but also committed to promote social activities and focus on the brand DNA originated from a "Japanese" model and upheld by beautiful Japan "ethics". In particular, integrity and discipline are reflected in the organization's transparency and ethics. The Company also continuously and consistently provides support to the society in various forms. We provide urgent assistance during the time of disasters domestically and abroad to push forward Thailand sustainable development. In summary, the Company has undertaken the following activities in the past year



Oishi cultivates honesty among Thai youth through "Virtue and Honesty Tale By OISHI"



1) Development activities for children and youth

1.1) "Oishi" cultivates honesty among Thai youth through "Virtue and Honesty Tale By OISHI"

Children are seeds of the nation's future. Families, schools and society play an important role in nurturing children to become good adults. These social units can help instill ethics to children starting from a young age. As a good governance company, we are dedicated to be a part of instilling integrity to Thai through the "Virtue and Honesty Tale By OISHI" project, which produces books of 3 morality tales for children in 3 age ranges. The core concept of these books is to support learning and instill "integrity" among young readers. The books are created by four famous and creative writers and illustrators of Thailand, including Dow - Napaporn Songsiwilai, whose pen name is "Raksita" and Pang - Patreeda Prasarnthong, an owner of "Flowers of Ai-Jung" for preschool children younger than 6 years old. The second book is called "Normal" for children aged 7-12 years old, which is written and illustrated by "The Duang" or Veerachai Duangpala, a famous cartoonist who achieved a Silver Award from the 4th International MANGA Award in Japan. The last book is called "Three" for children aged 13 -15 years old, written and illustrated by Tum - Wisuth Pornnimit, the first Thai manga illustrator whose works have been published in Japan. More than 10,000 copies of these books have been distributed to schools, libraries, institutions, and foundations across the country.



1.2) "Oishi" holds special "Shabulympics" to raise donations for children lunch

The Company provides support to endless giving society. We have delivered an impressive experience to socially disadvantaged children and young people through the special "Shabulympic 2015" event, with an episode "Let" the Kids Eat Non-Stop! at Oishi Japanese restaurant, Gateway Ekamai branch. This event raised fund to provide lunch for "Rajvithi Home for Girls" and "Pakkred Home for Boys". The event was joined with celebrities, actresses, and actors who created fun and joyful moments for the kids. The two teams tried their best in competing to eat non-stop, so finally the Company realized their commitment and donated 20,000 Baht for each of the two houses and also gave away cute "Hotto" dolls to the kids.



1.3) Support limitless creativity via "OISHI COSPLAY 8, Episode: INFINITY WAR"

The Company held a Cosplay Competition called "OISHI COSPLAY 8, Episode: INFINITY WAR" to promote creativity among Thai youth through Japanese-style activity. This event also searched for a Thai representative to compete in a global cosplay competition "WORLD COSPLAY SUMMIT 2016" in

Nagoya, Japan. The winning team was the "Bio Hazzard", who won a prize of 100,000 Baht and other special awards. In addition, the event featured an auction of model toys, collectibles, and games. The Company under the "Give" project donated money from the auction of the total 48,500 Baht to needy patients with congestive cleft lip and palate and abnormalities of the face through the Smile Foundation of Thailand.



OISHI COSPLAY 8
Episode : INFINITY WAR



Oishi Group donated for renovation of Wat Pa Buddharangsee



2) Activities promoting quality of lives in the society

2.1) "Oishi Group" donated for renovation of Wat Pa Buddharangsee Tokyo, under the Patriarch Patronage, which was burned down

With a full Japanese heart of the "Oishi Group", the Company in Japanese-style food and beverage business, when Wat Pa Buddharangsee Tokyo, under the Patriarch Patronage was destroyed by fire early in 2015, "Oishi Group" immediately provided support under the project "HAI" (Give). The Company

executives themselves travelled to Wat Pa Buddharangsee Tokyo, under the Patriarch Patronage, to offer the necessities collected from Sirivadhanabhakdi Foundation, Thai Beverage PLC, and Oishi Group PLC for 1 million Baht each, together with donations from the executives and employees of our subsidiaries, and those who donated via donation boxes put in our restaurants for 3,176,122 Baht. Such support lets the Company be a part of renovation of the Thai temple, which is a moral center of Buddhists in Japan. This reflects a good image of the Company and also properly creates close relationship between the Company and Japan.



**Oishi support
Nepali earthquake
victims**

1.2) “Oishi” support Nepali earthquake victims

“Oishi Group” volunteered as another channel to pass forward generosity of Thai people to help the Nepali earthquake victims via the project “Oishi Give 1 bottled drink in return for one kindness to Nepal” by setting up a booth “Oishi Gives to NEPAL” at Park Venture Building and subsidiaries including SangSom Building, Berli Jucker Building, Lao Peng Nguan Tower, and Muang Thai Phatra Building. Each bottle of Oishi drink giveaway can be matched with any desirable amount of donation. Then the collected donations with money donated by Oishi Group for a total amount of 100,000 Baht is donated to the Thai Red Cross to help the victims to Nepal.



1.3) Raising awareness of safe drive during Songkran festival via "Oishi Give" freshness to travellers

Oishi Group took part in supporting a safe driving campaign during Songkran festival by offering more than ten thousand bottles of Oishi drinks to of the Highway Police. The drinks were distributed among travellers as refreshments at 4 main police service units such as Wang Noi Highway Patrol Unit, Ayutthaya, and Wang Manao Highway Patrol Unit, Phetchaburi.

Raising awareness of safe drive during Songkran festival via "Oishi Give" freshness to travellers





Music For Giving By OISHI



1.4) "MUSIC FOR GIVING" By OISHI

The Company supports creative activities for the society via a charity concert "MUSIC FOR GIVING" By OISHI (Episode: Because Giving is Happiness). This event aimed to raise funds to help patients with kidney disease, heart disease and cancer. The concert was generously supported AF artists led by Kacha, Bright, Por, Nim, Aim, and Nam, featuring Tattoo Colour, Mind, and many more. The concert was held at activity court of Central World Square. Then the donations were given to needy patient department, Vajira Hospital and Siriraj Hospital Foundation, Siriraj Hospital.

3) Educational activities

1.1) Grant for rural development camp

Youth activities for society are laudable. The Company recognizes the value of these activities, so we granted financial supports and Oishi drinks to a rural development camp of Chulalongkorn University students. The Company also presented special awards to undergraduates of Faculty of Journalism and Mass Communication, Thammasat University, who won an Excellence Research for "Consumer Behavior : A Case Study of Oishi Ready-to-Eat Gyoza". We support those who are committed to both learning and doing good for the society.



Grant for rural development camp



Oishi co-organized honorable charity walk “2nd Step for the Young”



1.2) Oishi co-organized honorable charity walk “2nd Step for the Young”

Health is one of the key factors that support good learning. The Company put importance on activities that promote both health and education – honorable charity walk “2nd Step for the Young” organized by the Ruamchit–Normklat for Youth Foundation under the Royal Patronage of Her Royal Highness Princess Soamsawali Phravrarajatinuddamat. Her Highness presided over the ceremony and the charity walk at the area around the Grand Palace. The purpose of the event is to honor His Majesty the King on the occasion of his 88th birthday and to raise funds to support youth education throughout the country. The Company provided both funding and more than 10,000 bottles of Oishi drinks and beverage products to all participants.



1.3) Shabushi “conveyors of knowledge to university”

The Company supports education by organizing the Social Marketing Project with Shabushi “conveyors of knowledge to university” to provides both knowledge and entertainment. The event featured special lecture under a topic: GAT (connecting ideas) PAT2 (aptitude in science) by top tutors, including Arjan Jackie Nitat Yodtasan and Arjan Coffee Ampol Kwanpak from Cre-Ed Tutoring Center. There was also a mini concert from AF and other great bands to help students prepare for the admission exam. The event was held at 20 schools around Bangkok and the Metropolitan during September to December 2013.



1.4) Promotion of youth education “Oishi Group” grants scholarship to employees’ children

Apart from continuous social activities, the Company also recognizes the importance of our personnel’s quality of life. We have been offering scholarships to Oishi employees’ children for more than 80 scholarships each year. This is intended to promote education and pave for the children’s better future. It also increases morale among the staff as well.



4) Environmental activities

4.1) "Oishi Go Green" Save Trees, Show Kindness

Forestry is an important resource of the country. Oishi Trading Co., Ltd., a subsidiary of Oishi Group, organized "Oishi Go Green, Save Trees, Show Kindness". The project aimed to develop infrastructure of a 13th water system of Thap Lan National Park, Tambon Wang Nam Kiew, Wang Nam Kiew District, Nakhon Ratchasima. Participants were those who attended the Oishi Leadership Development Program, Batch 2. This project facilitated the park staff and visitors to have a better and more convenient access to water use.



OISHI Go Green





**FINANCIAL
STATEMENTS**

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 2015, 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 2015 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 2016

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	
Assets		2015	2014	2015	2014
Current assets					
Cash and cash equivalents	5	595,203,961	141,995,990	543,349,414	45,606,997
Current investment		3,660,000	-	-	-
Trade accounts receivable	4, 6	534,440,367	511,362,550	34,907,364	54,522,407
Other receivables	4	79,764,748	157,393,163	60,198,627	57,160,680
Dividend receivable from a subsidiary	4	-	-	167,999,600	-
Short-term loans to subsidiaries	4	-	-	2,222,000,000	2,214,000,000
Inventories	7	392,815,488	441,919,679	49,692,399	73,860,950
Advance payment for corporate tax		4,800,650	6,781,392	2,071,393	6,062,257
Other current assets		27,503,513	48,552,926	6,440,867	11,305,349
Total current assets		1,638,188,727	1,308,005,700	3,086,659,664	2,462,518,640
Non-current assets					
Investments in subsidiaries	8	-	-	669,772,780	669,772,780
Other long-term investment		-	3,660,000	-	-
Property, plant and equipment	9	7,003,042,563	7,376,017,068	675,470,996	978,840,410
Intangible assets		27,981,567	26,691,027	14,633,423	15,373,062
Leasehold rights		51,335,400	57,682,485	30,429,851	32,894,353
Deferred tax assets	10	106,087,440	112,585,551	17,485,011	10,918,340
Other non-current assets	4, 11	262,238,191	246,907,055	189,244,200	195,334,335
Total non-current assets		7,450,685,161	7,823,543,186	1,597,036,261	1,903,133,280
Total assets		9,088,873,888	9,131,548,886	4,683,695,925	4,365,651,920

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		2015	2014	2015	2014
Current liabilities					
Short-term loans from financial institutions	12	-	873,000,000	-	-
Trade accounts payable	4, 13	1,003,950,281	1,179,113,072	290,272,421	476,469,053
Current portion of long-term loan from financial institutions	12	600,000,000	400,000,000	600,000,000	400,000,000
Current portion of debentures	12	1,000,000,000	-	1,000,000,000	-
Payables for acquisition of assets	4	179,630,746	313,782,555	12,614,543	19,415,243
Short-term loans from subsidiaries	4, 12	-	-	51,000,000	89,000,000
Current portion of finance lease liabilities	12	19,813,943	16,753,313	-	-
Other payables	4, 14	561,003,174	909,783,796	241,588,970	409,719,036
Income tax payable		5,183	532,451	-	-
Other current liabilities		51,705,914	53,352,006	21,842,775	20,823,361
Total current liabilities		3,416,109,241	3,746,317,193	2,217,318,709	1,415,426,693
Non-current liabilities					
Long-term loan from financial institutions	12	500,000,000	600,000,000	-	600,000,000
Debentures	12	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Finance lease liabilities	12	30,261,296	49,833,547	-	-
Employee benefit obligations	15	53,310,772	72,050,509	36,785,499	51,616,959
Other non-current liabilities		5,963,795	29,147,506	-	-
Total non-current liabilities		1,589,535,863	1,751,031,562	1,036,785,499	1,651,616,959
Total liabilities		5,005,645,104	5,497,348,755	3,254,104,208	3,067,043,652

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	
		2015	2014	2015	2014
Liabilities and equity					
Equity					
Share capital:	16				
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	16	609,402,184	609,402,184	609,402,184	609,402,184
Retained earnings					
Appropriated to legal reserve	17	37,500,000	37,500,000	37,500,000	37,500,000
Unappropriated		3,007,913,342	2,570,340,984	407,689,533	276,706,084
Other components of equity	17				
Currency translation differences		(1,731,036)	(2,173,748)	-	-
Revaluation surplus on land		36,859,415	36,859,415	-	-
Equity attributable to owners of the Company		4,064,943,905	3,626,928,835	1,429,591,717	1,298,608,268
Non-controlling interests		18,284,879	7,271,296	-	-
Total equity		4,083,228,784	3,634,200,131	1,429,591,717	1,298,608,268
Total liabilities and equity		9,088,873,888	9,131,548,886	4,683,695,925	4,365,651,920

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	
		2015	2014	2015	2014
Income	18				
Revenue from sale of goods	4, 25	12,793,312,277	12,404,500,202	5,449,378,661	6,268,947,303
Revenue from rendering of services	4, 25	85,501,446	-	-	-
Dividend income from subsidiaries	4, 8	-	-	461,998,900	258,319,376
Interest income	4	1,040,259	1,588,193	84,389,451	80,916,072
Net gain on foreign exchange		1,219,698	28,495,825	1,091,019	109,265
Other income	4	82,086,936	81,762,365	58,335,138	61,394,059
Total income		12,963,160,616	12,516,346,585	6,055,193,169	6,669,686,075
Expenses	4, 18, 22				
Cost of sale of goods	7	8,370,058,241	8,198,527,235	3,266,249,614	3,830,786,593
Cost of rendering of services		76,756,570	-	-	-
Selling expenses	19	1,546,437,753	1,694,919,326	666,112,173	772,928,495
Administrative expenses	20	2,157,857,123	2,027,035,884	1,637,928,003	1,717,146,882
Finance costs	23	105,534,748	97,099,595	80,170,104	81,662,238
Total expenses		12,256,644,435	12,017,582,040	5,650,459,894	6,402,524,208
Profit before income tax expense		706,516,181	498,764,545	404,733,275	267,161,867
Income tax benefit (expense)	24	(2,780,722)	21,995,788	10,500,013	(4,900,548)
Profit for the year		703,735,459	520,760,333	415,233,288	262,261,319

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	
		2015	2014	2015	2014
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss</i>					
Defined benefit plan actuarial gains (losses)	15	30,172,161	(15,583,184)	19,683,503	(7,404,908)
Income tax on other comprehensive income	24	(4,790,816)	1,946,000	(3,933,342)	1,484,312
		<u>25,381,345</u>	<u>(13,637,184)</u>	<u>15,750,161</u>	<u>(5,920,596)</u>
<i>Items that are or may be reclassified to profit or loss</i>					
Foreign currency translation differences for foreign operations		399,759	(2,368,415)	-	-
Other comprehensive income for the year, net of income tax		<u>25,781,104</u>	<u>(16,005,599)</u>	<u>15,750,161</u>	<u>(5,920,596)</u>
Total comprehensive income for the year		<u>729,516,563</u>	<u>504,754,734</u>	<u>430,983,449</u>	<u>256,340,723</u>
Profit (loss) attributable to:					
Owners of the Company		712,191,013	524,935,152	415,233,288	262,261,319
Non-controlling interests		(8,455,554)	(4,174,819)	-	-
Profit for the year		<u>703,735,459</u>	<u>520,760,333</u>	<u>415,233,288</u>	<u>262,261,319</u>
Total comprehensive income attributable to:					
Owners of the Company		738,015,070	509,125,881	430,983,449	256,340,723
Non-controlling interests		(8,498,507)	(4,371,147)	-	-
Total comprehensive income for the year		<u>729,516,563</u>	<u>504,754,734</u>	<u>430,983,449</u>	<u>256,340,723</u>
Basic earnings per share	26	<u>3.80</u>	<u>2.80</u>	<u>2.21</u>	<u>1.40</u>

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

STATEMENT OF CHANGES IN EQUITY

Oishi Group Public Company Limited and its Subsidiaries

(in Baht)

CONSOLIDATED FINANCIAL STATEMENTS

	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings			Other components of equity			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	27	-	-	-	(290,625,000)	-	-	-	(290,625,000)	-	(290,625,000)	
Acquisition of non-controlling interests		-	-	-	-	-	-	-	-	11,642,443	11,642,443	
Total transaction with owners, recorded directly in equity		-	-	-	(290,625,000)	-	-	-	(290,625,000)	11,642,443	(278,982,557)	
Comprehensive income for the year												
Profit		-	-	-	524,935,152	-	-	-	524,935,152	(4,174,819)	520,760,333	
Other comprehensive income		-	-	-	(13,637,184)	(2,172,087)	-	(2,172,087)	(15,809,271)	(196,328)	(16,005,599)	
Total comprehensive income for the year		-	-	-	511,297,968	(2,172,087)	-	(2,172,087)	509,125,881	(4,371,147)	504,754,734	
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

(in Baht)

CONSOLIDATED FINANCIAL STATEMENTS

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	Currency translation differences	Revaluation surplus on land	Total other components of equity			
Year ended 31 December 2015										
	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
Balance at 1 January 2015										
Transaction with owners, recorded directly in equity										
Dividends to owners of the Company	-	-	-	(300,000,000)	-	-	-	(300,000,000)	-	(300,000,000)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	19,512,090	19,512,090
Total transaction with owners, recorded directly in equity	-	-	-	(300,000,000)	-	-	-	(300,000,000)	19,512,090	(280,487,910)
Comprehensive income for the year										
Profit	-	-	-	712,191,013	-	-	-	712,191,013	(8,455,554)	703,735,459
Other comprehensive income	-	-	-	25,381,345	442,712	-	442,712	25,824,057	(42,953)	25,781,104
Total comprehensive income for the year	-	-	-	737,572,358	442,712	-	442,712	738,015,070	(8,498,507)	729,516,563
Balance at 31 December 2015										
	375,000,000	609,402,184	37,500,000	3,007,913,342	(1,731,036)	36,859,415	35,128,379	4,064,943,905	18,284,879	4,083,228,784

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

STATEMENT OF CHANGES IN EQUITY

Oishi Group Public Company Limited and its Subsidiaries

	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total equity
				Appropriated to legal reserve	Unappropriated	
SEPARATE FINANCIAL STATEMENTS						
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	27	-	-	-	(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

(in Baht)

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

STATEMENT OF CHANGES IN EQUITY

Oishi Group Public Company Limited and its Subsidiaries

(in Baht)

SEPARATE FINANCIAL STATEMENTS

	Note	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total equity
				Appropriated to legal reserve	Unappropriated	
Year ended 31 December 2015						
Balance at 1 January 2015		375,000,000	609,402,184	37,500,000	276,706,084	1,298,608,268
Transaction with owners, recorded directly in equity						
Dividends to owners of the Company	27	-	-	-	(300,000,000)	(300,000,000)
Total transaction with owners, recorded directly in equity		-	-	-	(300,000,000)	(300,000,000)
Comprehensive income for the year						
Profit		-	-	-	415,233,288	415,233,288
Other comprehensive loss		-	-	-	15,750,161	15,750,161
Total comprehensive income for the year		-	-	-	430,983,449	430,983,449
Balance at 31 December 2015		375,000,000	609,402,184	37,500,000	407,689,533	1,429,591,717

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)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		For the year ended 31 December		For the year ended 31 December	
		2015	2014	2015	2014
Cash flows from operating activities					
Profit for the year		703,735,459	520,760,333	415,233,288	262,261,319
<i>Adjustments for</i>					
Depreciation and amortisation	9	983,453,241	824,709,689	349,331,580	378,221,347
(Reversal of) Allowance for obsolete and deteriorated inventories		(2,569,381)	13,698,050	(3,714,080)	6,016,440
Write-off of obsolete and deteriorated inventories		18,679,869	37,098,742	6,024,248	3,733,809
Write-off of other current assets		-	44,634	-	-
Interest income		(1,040,259)	(1,588,193)	(84,389,451)	(80,916,072)
Dividend income from subsidiaries	8	-	-	(461,998,900)	(258,319,376)
Finance costs	23	105,534,748	97,099,595	80,170,104	81,662,238
Unrealised (gain) loss on exchange		4,682,633	(21,512,083)	(3,499)	-
Loss on disposal of and write-off of plant and equipment		29,561,069	19,666,990	28,596,494	15,123,239
Loss on disposal of and write-off of intangible assets		25,318	5,475,151	-	5,474,552
Reversal of income tax payable		532,451	-	-	-
Employee benefit expenses	15	14,382,748	11,123,159	10,341,133	8,698,709
Deferred income		-	(19,935)	-	-
Income tax (benefit) expense	24	2,780,722	(21,995,788)	(10,500,013)	4,900,548
		<u>1,859,758,618</u>	<u>1,484,560,344</u>	<u>329,090,904</u>	<u>426,856,753</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(23,016,488)	31,059,452	19,615,043	17,169,768
Other receivables		77,628,415	(40,033,773)	(6,071,598)	(34,685,710)
Inventories		32,993,703	(121,794,060)	21,858,383	(17,321,762)
Other current assets		22,841,427	(10,951,129)	4,864,482	3,809,304
Other non-current assets		(15,799,609)	(22,411,480)	12,152,392	(9,841,819)
Trade accounts payable		(175,162,791)	(142,479,711)	(186,196,632)	3,534,209
Other payables		(350,357,384)	216,679,222	(169,436,081)	59,752,219
Other current liabilities		(1,645,692)	10,724,182	1,019,414	6,587,245
Other non-current liabilities		(23,183,711)	(15,669,603)	-	-
Cash generated from operating activities		<u>1,404,056,488</u>	<u>1,389,683,444</u>	<u>26,896,307</u>	<u>455,860,207</u>
Transfer in of employee benefit obligations	15	139,688	1,242,770	576,418	677,011
Transfer out of employee benefit obligations	15	(861,490)	(1,176,302)	(5,268,528)	(550,057)
Employee benefit paid	15	(2,228,521)	(5,863,364)	(796,980)	(1,787,574)
Income tax paid		(6,930,643)	(9,287,858)	(2,071,393)	(8,560,153)
Net cash from operating activities		<u>1,394,175,522</u>	<u>1,374,598,690</u>	<u>19,335,824</u>	<u>445,639,434</u>

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)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		For the year ended 31 December		For the year ended 31 December	
		2015	2014	2015	2014
Cash flows from investing activities					
Interest received		1,040,259	1,696,900	87,426,601	94,778,976
Dividends received		-	-	293,999,300	678,318,376
Increase in short-term loans to subsidiaries	4	-	-	(4,870,427,000)	(3,671,035,000)
Repayment of short-term loans from subsidiaries	4	-	-	4,862,427,000	3,262,035,000
Net cash outflow on investment in a subsidiary	8	-	-	-	(91,376,005)
Proceeds from capital increase in non-controlling interests in a subsidiary		19,512,090	11,642,443	-	-
Redemption of investments in government bond		-	6,500,000	-	-
Purchase of plant and equipment		(769,355,962)	(1,858,767,875)	(84,070,918)	(349,724,905)
Sale of plant and equipment		8,676,925	1,958,090	8,285,732	1,343,051
Purchase of intangible assets		(7,629,764)	(4,755,026)	(2,612,807)	(2,461,814)
Sale of intangible assets		-	85,128	242,774	81,556
Net cash from (used in) investing activities		(747,756,452)	(1,841,640,340)	295,270,682	(78,040,765)
Cash flows from financing activities					
Interest paid		(100,659,174)	(95,467,196)	(78,864,089)	(81,572,560)
Dividends paid to owners of the Company	27	(300,000,000)	(290,625,000)	(300,000,000)	(290,625,000)
Proceeds from short-term loans from financial institutions		8,370,000,000	8,654,000,000	-	-
Repayment of short-term loans from financial institutions		(9,243,000,000)	(7,844,000,000)	-	-
Proceeds from short-term loans from subsidiaries	4	-	-	24,783,000	261,323,000
Repayment of short-term loans from subsidiaries	4	-	-	(62,783,000)	(313,323,000)
Proceeds from long-term loan from financial institutions		500,000,000	-	-	-
Repayment of long-term loan from financial institutions		(400,000,000)	-	(400,000,000)	-
Proceeds from issuance of debentures		1,000,000,000	-	1,000,000,000	-
Increase in finance lease liabilities		-	70,000,000	-	-
Finance lease payments		(19,951,684)	(4,753,027)	-	-
Net cash from (used in) financing activities		(193,610,858)	489,154,777	183,135,911	(424,197,560)
Net increase (decrease) in cash and cash equivalents		452,808,212	22,113,127	497,742,417	(56,598,891)
Cash and cash equivalents at 1 January		141,995,990	122,251,278	45,606,997	102,205,888
Effect of exchange rate changes on balances held in foreign currencies		399,759	(2,368,415)	-	-
Cash and cash equivalents at 31 December	5	595,203,961	141,995,990	543,349,414	45,606,997
Non-cash transactions					
Payables for acquisition of assets		179,630,746	313,782,555	12,614,543	19,415,243

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

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

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NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 25 February 2016.

1. GENERAL INFORMATION

Oishi Group Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 57 Park Ventures Ecoplex, 19–20th Floor, Wireless Road, Kwang Lumpini, Khet Patumwan, Bangkok, Thailand.

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. The principal activities of the Group are production and distribution of food and beverage, and Japanese restaurant and snack. Details of the Company’s subsidiaries as at 31 December 2015 and 2014 were as explained in Note 8.

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 effective for annual accounting periods beginning on or after 1 January 2015. 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 2016 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 31.

(b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

<i>Items</i>	<i>Measurement bases</i>
Derivative financial instruments	Fair value
Land	Fair value
Employee benefit obligations	Present value of employee benefit obligation, as explained in Note 3 (n)

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to financial statements to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 3 (s)	Current and deferred taxation
Note 9	Valuation of land
Note 10	Utilisation of tax losses
Note 15	Measurement of employee benefit obligations
Note 28	Valuation of financial instruments

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Finance Officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

If there are some significant valuation issues, they will be reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 9 Property, plant and equipment
- Note 28 Financial instruments

3. 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. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated.

(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 are generally recognised in profit or loss.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

Foreign operations

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

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

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, 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 risk 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.

(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.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

(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 less any impairment losses. 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.

Disposal of investments

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

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

(h) Property, plant and equipment

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 its revalued amount. 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 impairment losses.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

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

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

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

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. The Group's policy requires an appraisal to be conducted every five years or when there are factors that might materially impact the value of the land, 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.

Subsequent costs

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

Depreciation

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

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

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.

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 and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

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

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

Software licences	10 years
Operation rights	10 years

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

(j) *Leasehold rights*

Leasehold rights of building area are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised as an expense in profit or loss on a straight-line basis over the term of the agreements.

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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. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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

(l) Interest-bearing liabilities

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

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is 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. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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.

(o) Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

(p) Revenue

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

Sale of goods and services rendered

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

Rental income

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

Dividend income

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

Interest income and other income

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

(q) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

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

(r) Lease payments

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

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

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

(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.

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) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(u) *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.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

4. 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 Note 8. 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
Sura Bangyikhan Co., Ltd.	Thailand	Direct subsidiary of parent company
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
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

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

Name of entities	Country of incorporation/ nationality	Nature of relationships
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
Numrungrad Co., Ltd.	Thailand	Direct subsidiary of parent company
Numthip Co., Ltd.	Thailand	Direct subsidiary of parent company
Cash Van Management Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Energy Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Logistics 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
Horeca Management Co., Ltd.	Thailand	Direct subsidiary of parent company
Food Of Asia 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
Chang International Co., Ltd.	Thailand	Direct subsidiary of parent company
International Beverage Holdings Limited	Hong Kong	Direct subsidiary of parent company
S P M Foods & Beverages Co., Ltd.	Thailand	Indirect subsidiary of parent company
Sermsuk PCL.	Thailand	Indirect subsidiary of parent company
InterBev Malaysia Sdn. Bhd.	Malaysia	Indirect subsidiary of parent company
InterBev Trading (Hong Kong) Limited	Hong Kong	Indirect subsidiary of parent company
Super Brands Company Pte. Ltd.	Singapore	Subsidiary of indirect subsidiary of parent company
Serm Suk Beverage Co., Ltd.	Thailand	Subsidiary of indirect subsidiary of parent company
Berli Jucker PCL.	Thailand	Common directorship
Berli Jucker Foods Co., Ltd.	Thailand	Common directorship
Berli Jucker Logistics Co., Ltd.	Thailand	Common directorship
The Southeast Insurance PCL.	Thailand	Common directorship
The Southeast Life Insurance PCL.	Thailand	Common directorship
Southeast Capital Co., Ltd.	Thailand	Common directorship
Thippatana Arcade Co., Ltd.	Thailand	Common directorship
T.C.C. Technology Co., Ltd.	Thailand	Common directorship

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

Name of entities	Country of incorporation/ nationality	Nature of relationships
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
Lertrattakarn 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
The Street Retail Development 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
Thai Commercial Investment Freehold and Leasehold Fund	Thailand	Directors and controlling equity holders of parent company hold substantial units indirectly.
TCC Logistics and Warehouse Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly.
Pisetkij Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly.
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
F&N Foods Pte. Ltd.	Singapore	Associate of an indirect subsidiary of parent company
F&N Beverages Marketing Sdn. Bhd.	Malaysia	Associate of an indirect subsidiary of parent company
F&N Beverages Manufacturing 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

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

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
Revenue from rendering of services	Contractually agreed price
Purchase and sale of fixed assets	Net book value / mutually agreed price
Rental income and expense	Contractually agreed price
Management service income	Contractually agreed price
Management fee	Contractually agreed price
Interest income and expense	Interest rate close to interest of financial institution
Other income and expense	Mutually agreed price

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

	(in thousand Baht)			
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
<i>Year ended 31 December</i>	2015	2014	2015	2014
Parent				
Revenue from sale of goods	2,181	1,085	523	845
Management fee	9,360	9,360	9,360	9,360
Subsidiaries				
Revenue from sale of goods	-	-	7,041	2,270
Dividend income	-	-	461,999	258,319
Interest income	-	-	83,993	80,347
Management service income	-	-	20,317	18,197
Other income	-	-	17,753	15,627
Sale of equipment	-	-	3,646	535
Purchase of goods	-	-	121,814	153,317
Purchase of equipment	-	-	1,528	6,507
Rental expenses	-	-	5,558	5,695
Interest expenses	-	-	821	2,630
Other expenses	-	-	14,601	20,900

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

(in thousand Baht)

<i>Year ended 31 December</i>	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	20,156	48,263	18,961	42,424
Post-employment benefits	739	546	676	546
Total key management personnel compensation	<u>20,895</u>	<u>48,809</u>	<u>19,637</u>	<u>42,970</u>
Other related parties				
Revenue from sale of goods	5,777,333	5,579,322	382,770	436,015
Revenue from rendering of services	30,037	-	-	-
Other income	23,429	11,404	10,945	9,466
Purchase of goods	908,624	591,641	207,522	254,997
Purchase of equipment	11,963	29,091	502	1,501
Rental expenses	72,610	69,859	35,749	32,829
Other expenses	190,842	79,239	37,641	21,942

Directors' remuneration

At the annual general meeting of the shareholders of the Company held on 27 April 2015, the shareholders approved the directors' remuneration and bonus for the year 2015 in the amount not exceeding Baht 10 million and Baht 21 million, respectively.

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.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

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

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
<i>Trade accounts receivable – related parties</i>				
Parent	1,554	43	39	41
Subsidiaries	-	-	572	838
Other related parties	281,657	266,344	26,835	41,687
Total	283,211	266,387	27,446	42,566

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
<i>Other receivables – related parties</i>				
Parent	-	3	-	3
Subsidiaries	-	-	42,152	29,886
Other related parties	20,808	8,524	3,268	6,618
Total	20,808	8,527	45,420	36,507

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
<i>Dividends receivable from a subsidiary</i>				
Subsidiaries	-	-	168,000	-

(% per annum)

(in thousand Baht)

	INTEREST RATE		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014	2015	2014
<i>Short-term loans to subsidiaries</i>						
Oishi Trading Co., Ltd.	4.00	4.00	-	-	2,029,000	2,214,000
Oishi Ramen Co., Ltd.	4.00	-	-	-	193,000	-
Total			-	-	2,222,000	2,214,000

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

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

(in thousand Baht)

<i>Year ended 31 December</i>	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
At 1 January	-	-	2,214,000	1,805,000
Increase	-	-	4,870,427	3,671,035
Decrease	-	-	(4,862,427)	(3,262,035)
At 31 December	-	-	2,222,000	2,214,000

(in thousand Baht)

<i>Other non-current assets</i>	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Other related parties	14,445	8,910	9,334	4,832

(in thousand Baht)

<i>Trade accounts payable – related parties</i>	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Subsidiaries	-	-	13,320	17,740
Other related parties	140,804	117,253	46,487	53,695
Total	140,804	117,253	59,807	71,435

(in thousand Baht)

<i>Payables for purchase of assets – related parties</i>	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Other related parties	-	1,606	-	1,606

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

	(% per annum)		(in thousand Baht)			
	INTEREST RATE		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
<i>Short-term loans from subsidiaries</i>	2015	2014	2015	2014	2015	2014
Oishi Ramen Co., Ltd.	1.75	1.75	-	-	-	38,000
Oishi Snack Co., Ltd.	1.375	1.75	-	-	51,000	51,000
Total			-	-	51,000	89,000

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

<i>Year ended 31 December</i>	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
At 1 January	-	-	89,000	141,000
Increase	-	-	24,783	261,323
Decrease	-	-	(62,783)	(313,323)
At 31 December	-	-	51,000	89,000

<i>Other payables – related parties</i>	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Parent	1,669	835	1,669	835
Subsidiaries	-	-	42,853	22,556
Other related parties	148,399	262,929	23,019	31,172
Total	150,068	263,764	67,541	54,563

NOTES TO THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Commitments with related parties				
Capital Commitments				
<i>Contracted but not provided for:</i>				
Purchase orders for goods and supplies	295	9,300	-	-
Non-cancellable operating lease commitments				
Within one year	28,755	20,859	20,814	16,957
After one year but within five years	48,102	9,668	41,224	16,766
After five years	-	-	3,214	5,230
Total	76,857	30,527	65,252	38,953
Other commitments				
Service agreements	136,048	42,708	47,860	18,709
Purchase orders for goods and supplies	20,020	2,436	1	1
Others	50	39	3	-
Total	156,118	45,183	47,864	18,710

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. Later on 24 October 2015, the Company and its subsidiaries have renewed the aforesaid agreements for another three years from 1 October 2015 to 30 September 2018.

In 2012, the Company entered into a building area lease agreement with a related company. The agreement is for three years, ending in May 2015 with monthly rental fees based on percentage of sale as conditions stipulated in the agreement. This agreement will be automatically renewed two times for additional term of three years each, unless there is written notice not to renew this agreement at least three months prior to the expiry date. Subsequently in January 2015, the Company renewed the agreement for an additional three years, which will end in May 2018.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

On 29 August 2014, 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 one year from 1 September 2014 to 31 August 2015. Subsequently on 31 August 2015, the said subsidiary renewed the agreement for an additional three years, effective from 1 September 2015 to 31 August 2018. 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 constructions rental for an additional period two years at a time, starting from the contract termination or the end of the renewal period.

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 2016 to 2020 with monthly rental fee totaling Baht 286,120.

On 1 September 2015, Oishi Trading Co., Ltd. (“lessee”), the Company’s subsidiary, entered into a factory building lease agreement in Chonburi province with a related company (“lessor”) with monthly rental fee totaling Baht 200,000. The agreement is for three years from 1 September 2015 to 31 August 2018. If the lessee wishes to renew the agreement, it shall give written notice to the lessor not less than 30 days prior to the contract termination. The lessor shall grant the lessee building lease for an additional period of one year at a time, starting from the contract termination or the end of the renewal period.

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 totaling Baht 240,000.

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 terms of six months each. The last extension was on 1 December 2014, which is from 1 January 2015 to 30 June 2015. In this regard, the Company’s subsidiary and the related company did not renew the said agreement.

On 30 December 2013, the Company and Oishi Trading Co., Ltd., the Company’s subsidiary, entered into appointment agreements with related companies 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 2014 to 31 December 2016. The renewals are subject to receipt of written notice to renew the agreements at least six months prior to the expiry date.

On 1 March 2015, 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 1 March 2015 to 28 February 2018. This agreement shall be automatically renewed for additional terms of one year each, unless there is a written notice not to renew this agreement at least 90 days prior to the expiration of the initial term or any renewal term.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

Production and distribution of goods agreement

On 1 August 2012, the Company entered into an appointment agreement with related company 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 terms of five years each if not less than 90 days prior written notice is given by any one party to the other.

On 1 July 2015, Oishi Trading Co., Ltd., the Company's subsidiary, entered into a manufacturing and distribution agreement for herbal beverage with a related company at the price and conditions as specified in the agreement. The agreement is three years from 1 July 2015 to 30 June 2018. This agreement shall be automatically renewed for additional terms of three years each, unless there is a written notice not to renew this agreement at least six months prior to the expiry date.

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 terms of one 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.

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 agrees to terminate this agreement or as stipulated in the agreement.

On 29 April 2015, Oishi Trading Co., Ltd., the Company's subsidiary, entered into a management service agreement with a related company for providing management administration service with monthly service fee as specified in the agreement. The agreement shall be in effect from 1 May 2015 onwards, unless terminated by either party upon two months written notice to the other party.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

Sale and purchase agreements

On 19 May 2011, the Company entered into a sale and purchase of canned green tea soda beverage agreement with a related company according to the quantity required from the Company at the price specified in the agreement. The agreement is for a period of five years, from 19 May 2011 to 19 May 2016. This agreement shall be automatically renewed for additional terms of one year each, unless there is a written notice not to renew this agreement at least three months prior to the expiration of the initial term or any renewal term.

On 12 May 2015, the Company entered into a sale and purchase of ice cream agreement with a related company at the price and conditions specified in the agreement. The agreement is for a period of three years, from 16 June 2015 to 15 June 2018.

On 1 September 2015, Oishi Trading Co., Ltd., the Company's subsidiary, entered into a purchase of hot-fill PET bottle agreement with a related company according to the quantity required from the subsidiary at the price specified in the agreement. The agreement is for a period of three years, from 1 September 2015 to 31 August 2018.

Warehouse management service agreement

On 28 January 2015, Oishi Trading Co., Ltd., the Company's subsidiary, entered into a warehouse management service agreement with monthly service fee as specified in the agreement. The agreement is for a period of three years, from 1 December 2014 to 30 November 2017. This agreement shall be renewed for additional terms of one year each, unless there is a written notice not to renew this agreement at least 30 days prior to the expiration of the initial term or any renewal term.

Management service agreement

On 1 September 2015, Oishi Trading Co., Ltd., the Company's subsidiary, entered into a management service agreement with a related company for providing provides operation management services in PET bottle factory with monthly service fee as specified in the agreement. The agreement is for a period of one year, from 1 September 2015 to 31 August 2016.

Service agreement

The Company entered into a management service agreement with Oishi Ramen Co., Ltd., the Company's subsidiary, for providing management administration service in restaurant business with total service fee totaling not exceeding Baht 18,000,000 over the term of the agreement. The agreement is for a period of one year from 1 January 2015 to 31 December 2015. Subsequently on 1 January 2016, the counterparty renewed the agreement for an another one year with the conditions as specified in the original agreement.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

5. CASH AND CASH EQUIVALENTS

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Cash on hand	26,232	24,478	19,538	20,423
Cash at banks – current accounts	13,546	45,855	525	150
Cash at banks – savings accounts	555,426	71,663	523,286	25,034
Total	595,204	141,996	543,349	45,607

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

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Thai Baht (THB)	582,311	96,339	543,349	45,607
Singapore Dollars (SGD)	5,350	32,812	–	–
United States Dollars (USD)	3,714	3,851	–	–
Myanmar Kyat (MMK)	3,047	8,981	–	–
Hong Kong Dollars (HKD)	772	13	–	–
Vietnam Dong (VND)	10	–	–	–
Total	595,204	141,996	543,349	45,607

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

6. TRADE ACCOUNTS RECEIVABLE

(in thousand Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2015	2014	2015	2014
Related parties	4	283,211	266,387	27,446	42,566
Other parties		251,229	244,976	7,461	11,956
Total		534,440	511,363	34,907	54,522

Aging analyses for trade accounts receivable were as follows:

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Related parties				
Within credit terms	283,041	263,899	27,446	42,566
Overdue:				
Less than 3 months	163	2,488	-	-
3 - 6 months	3	-	-	-
6 - 12 months	4	-	-	-
Total	283,211	266,387	27,446	42,566
Other parties				
Within credit terms	141,501	160,174	7,461	9,776
Overdue:				
Less than 3 months	108,577	83,867	-	2,180
3 - 6 months	46	229	-	-
6 - 12 months	558	706	-	-
Over than 12 months	547	-	-	-
Total	251,229	244,976	7,461	11,956
Grand total	534,440	511,363	34,907	54,522

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

NOTES TO THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

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

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Thai Baht (THB)	525,691	491,776	34,907	54,522
Malaysian Ringgit (MYR)	6,280	15,663	-	-
United States Dollars (USD)	2,469	3,924	-	-
Total	534,440	511,363	34,907	54,522

7. INVENTORIES

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Finished goods	103,777	107,410	1,257	9,287
Raw materials	264,989	314,489	45,216	62,559
Production supplies	37,254	35,795	5,521	8,031
	406,020	457,694	51,994	79,877
Less allowance for obsolete and deteriorated inventories	(13,205)	(15,774)	(2,302)	(6,016)
Net	392,815	441,920	49,692	73,861
Inventories recognised as an expense in `cost of sale of goods':				
- Cost	8,353,947	8,147,730	3,263,940	3,821,037
- Write-off of obsolete and deteriorated inventories	18,680	50,797	6,024	9,750
- Reversal of allowance for obsolete and deteriorated inventories	(2,569)	-	(3,714)	-
Net	8,370,058	8,198,527	3,266,250	3,830,787

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

8. INVESTMENTS IN SUBSIDIARIES

(in thousand Baht)

<i>Year ended 31 December</i>	SEPARATE FINANCIAL STATEMENTS	
	2015	2014
At 1 January	669,773	578,397
Investment in a subsidiary	–	52,000
Increase in subsidiary's share capital	–	39,376
At 31 December	669,773	669,773

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 by issuing USD 1.3 million (1,300,000 ordinary shares with a USD 1 par value) from USD 0.8 million (800,000 ordinary shares with a USD 1 par value) to be USD 2.1 million (2,100,000 ordinary shares with a USD 1 par value). The payment of additional called-up share capital was made in April 2015.

On 14 February 2015, Oishi Group Limited Liability Company, a subsidiary of Oishi F&B (Singapore) Pte. Ltd., an indirect subsidiary of the Company, was incorporated in the Socialist Republic of Vietnam to support the expansion of business in the Socialist Republic of Vietnam. The authorised share capital is USD 50,000. The payment of called-up share capital was made in June 2015.

NOTES TO THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

Investments in subsidiaries as at 31 December 2015 and 2014, and dividend income from those investments for the years then ended, were as follows:

SEPARATE FINANCIAL STATEMENTS

Type of business	Ownership interest (%)		Paid-up capital (in thousands)		Cost		Dividend income (in thousand Baht)	
	2015	2014	2015	2014	2015	2014	2015	2014
Direct subsidiaries								
Oishi Trading Co., Ltd.	99.99	99.99	Baht 420,000	Baht 420,000	420,000	420,000	461,999	251,999
Oishi Ramen Co., Ltd.	99.99	99.99	Baht 158,000	Baht 158,000	158,000	158,000	-	6,320
Oishi Snack Co., Ltd.	99.99	99.99	Baht 52,000	Baht 52,000	52,000	52,000	-	-
Oishi International Holdings Limited	100.00	100.00	HKD 9,400	HKD 9,400	39,773	39,773	-	-
Indirect subsidiaries								
Oishi F&B (Singapore) Pte. Ltd.	100.00	100.00	SGD 1,520	SGD 1,520	-	-	-	-
Oishi Myanmar Limited	55.00	55.00	USD 2,100	USD 800	-	-	-	-
Oishi Group Limited Liability Company	100.00	-	USD 50	-	-	-	-	-
Total			669,773	669,773	669,773	669,773	461,999	258,319

All subsidiaries operate in Thailand, except Oishi International Holdings Limited which 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, and Oishi Group Limited Liability Company operates in the Socialist Republic of Vietnam.

None of the Group's subsidiaries are publicly listed and consequently do not have published price quotations.

NOTES TO THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

9. PROPERTY, PLANT AND EQUIPMENT

(in thousand Baht)

Cost/ revaluation	CONSOLIDATED FINANCIAL STATEMENTS										Total
	Land improvements	Land	Buildings and building improvements	Decoration	Internal systems	Tools and machinery for manufacturing	Office equipment, furniture and fixtures	Restaurant utensils	Vehicles	Assets under construction and installation	
At 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	14,1209	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 and 1 January 2015	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
Additions	-	-	20,143	70,346	79,227	126,755	38,388	27,100	15	275,874	637,848
Transfers	-	-	61,331	54,916	207,581	215,743	40,366	2,116	-	(609,195)	(27,142)
Disposals	-	-	(201)	(75,811)	(50,942)	(86,449)	(30,567)	(30,167)	(540)	-	(274,677)
At 31 December 2015	503,281	24,623	1,945,214	877,021	1,723,108	5,213,284	443,438	146,274	3,932	102,208	10,982,383

NOTES TO THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS

	Land improvements	Land	Buildings and building improvements	Decoration	Internal systems	Tools and machinery for manufacturing	Office equipment, furniture and fixtures	Restaurant utensils	Vehicles	Assets under construction and installation	Total
Depreciation											
At 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 and 1 January 2015	-	8,831	369,006	386,542	553,130	1,662,176	206,315	80,862	3,475	-	3,270,337
Depreciation charge for the year	-	2,565	95,373	138,202	197,350	445,636	69,209	22,194	193	-	970,722
Transfers	-	-	(365)	(316)	(3,824)	(17,981)	(2,785)	(9)	-	-	(25,280)
Disposals	-	-	(84)	(60,481)	(41,433)	(79,381)	(26,508)	(28,013)	(539)	-	(236,439)
At 31 December 2015	-	11,396	463,930	463,947	705,223	2,010,450	246,231	75,034	3,129	-	3,979,340

NOTES TO THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS

	Land	Land improvements	Buildings and building improvements	Decoration	Internal systems	Tools and machinery for manufacturing	Office equipment, furniture and fixtures	Restaurant utensils	Vehicles	Assets under construction and installation	Total
<i>Net book value</i>											
At 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 and 1 January 2015											
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
At 31 December 2015											
Owned assets	503,281	13,227	1,481,284	413,074	1,017,885	3,136,452	197,207	71,240	803	102,208	6,936,661
Assets under finance leases	-	-	-	-	-	66,382	-	-	-	-	66,382
	503,281	13,227	1,481,284	413,074	1,017,885	3,202,834	197,207	71,240	803	102,208	7,003,043

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2015 amounted to Baht 1,146.53 million (2014: Baht 1,073.94 million).

NOTES TO THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

(in thousand Baht)

SEPARATE FINANCIAL STATEMENTS

	Decoration	Internal systems	Tools and machinery for manufacturing	Office equipment, furniture and fixtures	Restaurant utensils	Vehicles	Assets under construction and installation	Total
<i>Cost</i>								
At 1 January 2014	621,362	565,608	554,029	240,661	111,981	860	111,167	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 and 1 January 2015	667,231	602,611	581,206	259,143	118,086	860	-	2,229,137
Additions	8,878	7,101	19,071	11,756	8,550	-	21,914	77,270
Transfers	10,758	7,507	1,651	1,262	304	-	(21,482)	-
Disposals	(72,247)	(48,302)	(61,647)	(26,832)	(28,299)	(540)	-	(237,867)
At 31 December 2015	614,620	568,917	540,281	245,329	98,641	320	432	2,068,540

NOTES TO THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

(in thousand Baht)

SEPARATE FINANCIAL STATEMENTS

	Decoration	Internal systems	Tools and machinery for manufacturing	Office equipment, furniture and fixtures	Restaurant utensils	Vehicles	Assets under construction and installation	Total
<i>Depreciation and impairment losses</i>								
At 1 January 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 and 1 January 2015	358,298	335,833	337,365	143,268	74,673	860	-	1,250,297
Depreciation charge for the year	105,122	94,572	87,082	41,766	15,216	-	-	343,758
Disposals	(56,959)	(38,855)	(55,239)	(23,015)	(26,378)	(540)	-	(200,986)
At 31 December 2015	406,461	391,550	369,208	162,019	63,511	320	-	1,393,069
<i>Net book value</i>								
<i>Owned assets</i>								
At 1 January 2014	360,569	315,596	285,687	131,436	47,639	-	11,167	1,152,094
At 31 December 2014 and 1 January 2015	308,933	266,778	243,841	115,875	43,413	-	-	978,840
At 31 December 2015	208,159	177,367	171,073	83,310	35,130	-	432	675,471

The gross amount of the Company's fully depreciated equipment that was still in use as at 31 December 2015 amounted to Baht 392.51 million (2014: Baht 325.95 million).

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

Measurement of fair value

Fair value hierarchy

The fair value of land was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for land of Baht 503 million in consolidated financial statements has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of land, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Comparison market approach	Recent sales and listings of comparable lands and made adjustments for differences between the subject land and those actual sales and listings regard as comparable	The estimated fair value increase (decrease) if the price per area increase (decrease).

10. DEFERRED TAX

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

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS				
	2015	Assets 2014	2015	Liabilities 2014
Total	115,302	121,801	(9,215)	(9,215)
Set off of tax	(9,215)	(9,215)	9,215	9,215
Net deferred tax assets	<u>106,087</u>	<u>112,586</u>	<u>-</u>	<u>-</u>

(in thousand Baht)

SEPARATE FINANCIAL STATEMENTS				
	2015	Assets 2014	2015	Liabilities 2014
Deferred tax assets	<u>17,485</u>	<u>10,918</u>	<u>-</u>	<u>-</u>

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

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

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS				
	(Charged) / credited to:			At 31 December 2015
	At 1 January 2015	Profit or loss (Note 24)	Other comprehensive income	
Deferred tax assets				
Inventories	1,224	(760)	-	464
Employee benefit obligations	12,447	834	(4,791)	8,490
Tax loss carry forward	108,130	(1,782)	-	106,348
Total	121,801	(1,708)	(4,791)	115,302
Deferred tax liability				
Revaluation surplus on land	(9,215)	-	-	(9,215)
Net	112,586	(1,708)	(4,791)	106,087

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS				
	(Charged) / credited to:			At 31 December 2014
	At 1 January 2014	Profit or loss (Note 24)	Other comprehensive income	
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

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

(in thousand Baht)

SEPARATE FINANCIAL STATEMENTS

	(Charged) / credited to:			
	At 1 January 2015	Profit or loss (Note 24)	Other comprehensive income	At 31 December 2015
<i>Deferred tax assets</i>				
Inventories	1,203	(743)	-	460
Employee benefit obligations	9,715	867	(3,933)	6,649
Tax loss carry forward	-	10,376	-	10,376
Total	10,918	10,500	(3,933)	17,485

(in thousand Baht)

SEPARATE FINANCIAL STATEMENTS

	(Charged) / credited to:			
	At 1 January 2014	Profit or loss (Note 24)	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

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

11. OTHER NON-CURRENT ASSETS

(in thousand Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2015	2014	2015	2014
Related parties	4	14,445	8,910	9,334	4,832
Other parties					
Rental deposit		212,484	198,661	158,507	172,239
Receivable from Revenue Department		23,293	16,515	13,322	7,260
Advance payment for purchase of assets		-	7,247	-	-
Others		12,016	15,574	8,081	11,003
Total		262,238	246,907	189,244	195,334

12. INTEREST-BEARING LIABILITIES

(in thousand Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2015	2014	2015	2014
Current					
Short-term loans from financial Institutions - Unsecured					
- Promissory note		-	873,000	-	-
Short-term loans from subsidiaries - Unsecured	4	-	-	51,000	89,000
Short-term loans		-	873,000	51,000	89,000
Current portion of long-term loan from a financial institution		600,000	400,000	600,000	400,000
Current portion of debentures		1,000,000	-	1,000,000	-
Current portion of finance lease liabilities		19,814	16,753	-	-
Total current interest-bearing liabilities		1,619,814	1,289,753	1,651,000	489,000

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Non-current				
Long-term loans from financial institutions – Unsecured	500,000	600,000	–	600,000
Debentures – Unsecured	1,000,000	1,000,000	1,000,000	1,000,000
Long-term loans	1,500,000	1,600,000	1,000,000	1,600,000
Finance lease liabilities	30,261	49,834	–	–
Total non-current interest-bearing liabilities	1,530,261	1,649,834	1,000,000	1,600,000
Grand total	3,150,075	2,939,587	2,651,000	2,089,000

As at 31 December 2015, the principal features and details of the loans of the Group were as follows:

Long-term loans from financial institutions

(a) Long-term loans from financial institutions

The Company had a long-term loan agreement with a financial institution with the principal of Baht 1,000 million which is to be monthly repaid in five installments of Baht 200 million each, commencing in November 2015. Interest is payable monthly at the fixed rate of 3.85% per annum. The Company must comply with certain covenants and restrictions as specified in the loan agreement.

The Company's subsidiary had a long-term loan agreement with a financial institution with the principal of Baht 500 million which is to be monthly repaid in five installments of Baht 100 million each, commencing in February 2017. Interest is payable monthly at the fixed rate of 2.25% per annum. The subsidiary must comply with certain covenants and restrictions as specified in the loan agreement.

(b) Debentures

In 2012, the shareholders of the Company approved the Company to issue debentures not exceeding Baht 3,000 million with period not exceeding 10 years. In case, the Company redeems or repays the said debentures, the Company can issue additional debentures as substitute under the conditions and limits (Revolving). In 2013, the Company had issued outstanding unsubordinated, unsecured debentures and without a share holder representative with the name registered in the amount of Baht 1,000 million (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. The debentures have a three-year term and mature on 7 August 2016. In this regard, the remaining facility after such issuance was Baht 2,000 million.

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Oishi Group Public Company Limited and its Subsidiaries

Subsequently, at the Board of Directors of the Company's meeting held on 10 November 2015, the Board of Directors agreed to approve the additional issuance of the debentures not exceeding Baht 1,000 million (1,000,000 units at par value of Baht 1,000 each). The debentures are unsubordinated, unsecured and without a share holder representative with the name registered. The debentures have a three-year term and mature on 9 December 2018. The debentures have a fixed coupon rate of 2.51% per annum, payable every six-month period.

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

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

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Within one year	1,600,000	1,273,000	1,651,000	489,000
After one year but within five years	1,500,000	1,600,000	1,000,000	1,600,000
Total	3,100,000	2,873,000	2,651,000	2,089,000

As at 31 December 2015, the Group and the Company had unutilised facilities totaling Baht 4,380.94 million and USD 19.65 million, and Baht 50 million respectively (2014: Baht 3,711.37 million and USD 88.82 million, and Baht 50 million respectively).

Finance lease liabilities

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

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS					
	2015			2014		
	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	22,214	(2,400)	19,814	19,951	(3,198)	16,753
After one year but within five years	31,477	(1,216)	30,261	53,691	(3,857)	49,834
Total	53,691	(3,616)	50,075	73,642	(7,055)	66,587

Interest-bearing liabilities of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

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13. TRADE ACCOUNTS PAYABLE

(in thousand Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2015	2014	2015	2014
Related parties	4	140,804	117,253	59,807	71,435
Other parties		863,146	1,061,860	230,465	405,034
Total		1,003,950	1,179,113	290,272	476,469

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

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Thai Baht (THB)	1,002,568	1,178,141	290,272	476,469
Myanmar Kyat (MMK)	1,290	-	-	-
United States Dollars (USD)	92	972	-	-
Total	1,003,950	1,179,113	290,272	476,469

14. OTHER PAYABLES

(in thousand Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2015	2014	2015	2014
Related parties	4	150,068	263,764	67,541	54,563
Other parties					
Personnel expenses		86,712	89,589	64,981	77,328
Marketing expenses		78,524	178,754	5,438	50,199
Utilities expenses		45,208	44,619	17,213	20,600
Retention		34,832	43,192	9,989	31,869
Advances received		13,746	29,036	13,676	19,024
Cheque in transit		-	97,765	-	86,839
Others		151,913	163,065	62,751	69,297
Total		561,003	909,784	241,589	409,719

NOTES TO — THE FINANCIAL STATEMENTS

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

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Thai Baht (THB)	555,558	893,247	241,589	409,719
Malaysia Ringgit (MYR)	2,896	16,537	–	–
Myanmar Kyat (MMK)	1,345	–	–	–
Singapore Dollars (SGD)	969	–	–	–
Hong Kong Dollars (HKD)	199	–	–	–
Vietnam Dong (VND)	36	–	–	–
Total	561,003	909,784	241,589	409,719

15. EMPLOYEE BENEFIT OBLIGATIONS

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Statement of financial position:				
Obligations for:				
Post-employment benefits				
– Compensation plan based on Thai Labour law	53,311	72,051	36,785	51,617

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
<i>Year ended 31 December</i>				
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits				
- Compensation plan based on Thai Labour law	<u>14,383</u>	<u>11,123</u>	<u>10,341</u>	<u>8,699</u>
Recognised in other comprehensive income:				
Actuarial (gains) losses recognised in the year	<u>(30,172)</u>	<u>15,583</u>	<u>(19,684)</u>	<u>7,405</u>
Cumulative actuarial (gains) losses recognised	<u>2,180</u>	<u>32,352</u>	<u>(4,475)</u>	<u>15,209</u>

Compensation plan based on Thai Labour law

The Group and the Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

NOTES TO — THE FINANCIAL STATEMENTS

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Movement in the present value of the defined benefit obligations:

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Defined benefit obligations at 1 January	72,051	51,141	51,617	37,174
Include in profit or loss				
Current service cost	12,005	8,950	8,638	7,119
Interest on obligation	2,378	2,173	1,703	1,580
	14,383	11,123	10,341	8,699
Include in other comprehensive income				
Actuarial (gains) losses	(30,172)	15,583	(19,684)	7,405
	(30,172)	15,583	(19,684)	7,405
Other				
Transfer from related companies	140	1,243	576	677
Transfer to related companies	(862)	(1,176)	(5,268)	(550)
Benefit paid	(2,229)	(5,863)	(797)	(1,788)
	(2,951)	(5,796)	(5,489)	(1,661)
Defined benefit obligations at 31 December	53,311	72,051	36,785	51,617

NOTES TO — THE FINANCIAL STATEMENTS

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Actuarial (gains) losses recognised in other comprehensive income arising from:

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Demographic assumptions	(32,648)	-	(20,092)	-
Financial assumptions	(3,568)	8,873	(2,268)	5,974
Experience adjustment	6,044	6,710	2,676	1,431
Total	(30,172)	15,583	(19,684)	7,405

Actuarial assumptions

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

(%)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Discount rate	2.90	3.30	2.90	3.30
Future salary growth	5.00	6.00	5.00	6.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2015, the weighted-average duration of the defined benefit obligation was 15 years (2014 : 15 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(in thousand Baht)

Defined benefit obligation 31 December 2015	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(2,845)	3,086	(1,812)	1,961
Future salary growth (0.5% movement)	3,007	(2,804)	1,911	(1,785)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

16. SHARE CAPITAL

	(in Baht)	(thousand shares/thousand Baht)			
		2015		2014	
		Par value per share	Number	Baht	Number
Authorised					
At 1 January					
- ordinary shares	2	187,500	375,000	187,500	375,000
At 31 December					
- ordinary shares	2	<u>187,500</u>	<u>375,000</u>	<u>187,500</u>	<u>375,000</u>
Issued and paid-up					
At 1 January					
- ordinary shares	2	187,500	375,000	187,500	375,000
At 31 December					
- ordinary shares	2	<u>187,500</u>	<u>375,000</u>	<u>187,500</u>	<u>375,000</u>

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.

17. RESERVES

Reserves comprise:

Appropriations of profit and/or retained earnings

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.

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

18. 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, ramen, snack and frozen foods
- Beverage segment Production and distribution of green tea, fruit juice flavoured drinks, herbal drinks and drinking water

Information regarding the results of each reportable segment is included below. Performance is measured based on segment net profit, as included in the internal management reports that are reviewed by the Group's chief operating decision maker. Segment net profit 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.

Information about reportable segments:

(in million Baht)

	FOOD SEGMENT		BEVERAGE SEGMENT		TOTAL	
	2015	2014	2015	2014	2015	2014
Revenue from sale of goods						
– Other parties	6,570	6,594	444	230	7,014	6,824
– Related parties	2	8	5,777	5,572	5,779	5,580
Revenue from rendering of services						
– Other parties	–	–	56	–	56	–
– Related parties	–	–	30	–	30	–
Interest income	1	1	–	1	1	2
Other income	39	36	44	74	83	110
Total income	6,612	6,639	6,351	5,877	12,963	12,516
Cost of sale of goods	3,941	4,024	4,429	4,174	8,370	8,198
Cost of rendering of services	–	–	77	–	77	–
Selling expenses	760	751	786	944	1,546	1,695
Administrative expenses	1,836	1,772	322	255	2,158	2,027
Finance costs	–	–	105	97	105	97
Total expenses	6,537	6,547	5,719	5,470	12,256	12,017
Profit before income tax expense	75	92	632	407	707	499
Income tax (expense) benefit	(12)	(18)	9	40	(3)	22
Profit for the year	63	74	641	447	704	521

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

(in million Baht)

	FOOD SEGMENT		BEVERAGE SEGMENT		TOTAL	
	2015	2014	2015	2014	2015	2014
Profit (loss) attributable to:						
Owners of the Company	71	78	641	447	712	525
Non-controlling interests	(8)	(4)	-	-	(8)	(4)
Profit for the year	63	74	641	447	704	521
Capital expenditure	445	632	200	1,437	645	2,069
Depreciation and amortisation	508	456	475	369	983	825
Assets and liabilities						
Inventories	208	252	185	190	393	442
Property, plant and equipment	2,013	2,179	4,990	5,197	7,003	7,376
Other assets	804	666	889	648	1,693	1,314
Total assets	3,025	3,097	6,064	6,035	9,089	9,132
Trade accounts payable	512	625	492	554	1,004	1,179
Interest-bearing liabilities	-	-	3,150	2,940	3,150	2,940
Other liabilities	420	626	432	752	852	1,378
Total liabilities	932	1,251	4,074	4,246	5,006	5,497

Geographic segments

Operating units of the Group are mainly located in Thailand. Portions of product produced from these units are exported directly or indirectly through foreign subsidiaries to external customers. Certain operating units of subsidiaries are located in foreign countries.

In presenting information on the basis of geographical segments, revenue is based on the geographical location of customers. Assets are based on the geographical location of the assets.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

Geographical information

The geographical financial information of the Group in the consolidated financial statements as at 31 December and for the years ended 31 December was as follows:

(in million Baht)

	CONSOLIDATED FINANCIAL STATEMENTS			
	Revenue		Property, plant and equipment	
	2015	2014	2015	2014
Thailand	12,894	12,491	6,966	7,347
Overseas	69	25	37	29
Total	12,963	12,516	7,003	7,376

19. SELLING EXPENSES

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Advertising and promotion expenses	941,697	1,148,251	217,476
Rental expenses	549,118	508,301	447,985	480,146
Others	55,623	38,367	651	472
Total	1,546,438	1,694,919	666,112	772,928

20. ADMINISTRATIVE EXPENSES

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Personnel expenses	1,139,825	1,062,493	889,806
Depreciation and amortisation	366,733	312,795	262,250	282,204
Office expenses	309,386	302,092	259,700	283,150
Others	341,913	349,656	226,172	218,956
Total	2,157,857	2,027,036	1,637,928	1,717,147

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

21. EMPLOYEE BENEFIT EXPENSES

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Salaries and wages	1,326,546	1,272,915	863,191	930,765
Remuneration	21,000	22,000	21,000	22,000
Pension costs – defined benefit plans	14,383	11,123	10,341	8,699
Pension costs – contribution plans	12,334	12,083	8,714	8,854
Others	436,300	392,744	181,245	175,341
Total	1,810,563	1,710,865	1,084,491	1,145,659

Defined benefit plan

Details of the defined benefit plans are given in Note 15.

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.

22. EXPENSES BY NATURE

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

(in thousand Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2015	2014	2015	2014
Changes in inventories of finished goods		3,633	9,286	8,030	2,709
Raw materials and consumables used		6,395,635	6,141,392	2,868,782	3,393,755
Employee benefit expenses	21	1,810,563	1,710,865	1,084,491	1,145,659
Advertising and promotion expenses	19	941,697	1,148,251	217,476	292,310
Depreciation and amortisation		983,453	824,709	349,332	378,221
Rental expenses		594,402	559,369	482,888	513,316
Finance costs	23	105,535	97,100	80,170	81,662
Others		1,421,726	1,526,610	559,291	594,892
Total expenses		12,256,644	12,017,582	5,650,460	6,402,524

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

23. FINANCE COSTS

(in thousand Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2015	2014	2015	2014
Interest expense					
Subsidiaries	4	–	–	821	2,630
Financial institutions		105,535	97,100	79,349	79,032
Total		105,535	97,100	80,170	81,662

24. INCOME TAX EXPENSE

Income tax recognised in profit or loss

(in thousand Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2015	2014	2015	2014
Current tax expense					
Current year		1,073	3,039	–	2,498
Deferred tax expense					
Movements in temporary differences	10	(74)	(2,070)	(124)	(2,582)
Benefit of tax losses recognised		1,782	(22,965)	(10,376)	4,985
		1,708	(25,035)	(10,500)	2,403
Total income tax expense (benefit)		2,781	(21,996)	(10,500)	4,901

NOTES TO — THE FINANCIAL STATEMENTS

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Income tax recognised in other comprehensive income

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS						
	2015			2014		
	Before tax	2015 Tax expense	Net of tax	Before tax	2014 Tax benefit	Net of tax
Defined benefit plan actuarial gains (losses)	<u>30,172</u>	<u>(4,791)</u>	<u>25,381</u>	<u>(15,583)</u>	<u>1,946</u>	<u>(13,637)</u>

(in thousand Baht)

SEPARATE FINANCIAL STATEMENTS						
	2015			2014		
	Before tax	2015 Tax expense	Net of tax	Before tax	2014 Tax benefit	Net of tax
Defined benefit plan actuarial gains (losses)	<u>19,684</u>	<u>(3,933)</u>	<u>15,751</u>	<u>(7,405)</u>	<u>1,484</u>	<u>(5,921)</u>

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

Reconciliation of effective tax rate

	CONSOLIDATED FINANCIAL STATEMENTS			
	2015		2014	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before total income tax expense		706,516		498,765
Income tax using the Thai corporation tax rate	20.00	141,303	20.00	99,753
Income not subject to tax		(142,590)		(127,415)
Expenses for tax incentive		(1,005)		(460)
Expenses not deductible for tax purposes		2,421		6,126
Current year losses for which no deferred tax asset was recognised		2,652		-
Total	0.39	2,781	(4.41)	(21,996)

	SEPARATE FINANCIAL STATEMENTS			
	2015		2014	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before total income tax expense		404,733		267,162
Income tax using the Thai corporation tax rate	20.00	80,947	20.00	53,432
Income not subject to tax		(92,400)		(50,887)
Expenses for tax incentive		(1,005)		(459)
Expenses not deductible for tax purposes		1,958		2,815
Total	(2.59)	(10,500)	1.83	4,901

NOTES TO — THE FINANCIAL STATEMENTS

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Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants the reduction of the corporate income tax rate to 20% of net taxable profit for the accounting period 2015 which begins on or after 1 January 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the statutory corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

The Group has applied the tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

25. PROMOTIONAL PRIVILEGES

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

- (a) exemption from import duties on machinery used for production which has been granted privileges by the Board of Investment;
- (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; and
- (c) exemption from the inclusion of dividend income derived under the promotional privileges for computation of corporate income tax.

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

Summary of revenue from promoted and non-promoted businesses:

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS						
	2015			2014		
	Promoted business	Non- promoted business	Total	Promoted business	Non- promoted business	Total
Local sales and rendering of services	4,356,971	8,094,495	12,451,466	4,586,963	7,524,522	12,111,485
Export sales and rendering of services	220,577	206,771	427,348	253,415	39,600	293,015
Total	<u>4,577,548</u>	<u>8,301,266</u>	<u>12,878,814</u>	<u>4,840,378</u>	<u>7,564,122</u>	<u>12,404,500</u>

NOTES TO — THE FINANCIAL STATEMENTS

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(in thousand Baht)

SEPARATE FINANCIAL STATEMENTS						
	2015			2014		
	Promoted business	Non- promoted business	Total	Promoted business	Non- promoted business	Total
Local sales	-	5,449,379	5,449,379	-	6,268,947	6,268,947

26. EARNINGS PER SHARE

The calculations of basic earnings per share for the years ended 31 December 2015 and 2014 were based on the profit for the years attributable to ordinary shareholders 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	
	2015	2014	2015	2014
Profit attributable to ordinary shareholders of the Company (basic)	712.19	524.94	415.23	262.26
Number of ordinary shares outstanding	187.50	187.50	187.50	187.50
Earnings per share (basic) (in Baht)	3.80	2.80	2.21	1.40

27. DIVIDENDS

At the Board of Directors of the Company's meeting held on 11 August 2015, the Board of Directors approved the appropriation of interim dividend of Baht 0.55 per share, totaling Baht 103.13 million, which was paid to the shareholders in September 2015.

At the annual general meeting of the shareholders of the Company held on 27 April 2015, the shareholders approved the appropriation of dividend of Baht 1.60 per share, totaling Baht 300 million. In September 2014, the Company paid an interim dividend of Baht 0.55 per share, totaling Baht 103.13 million. The remaining payment shall be Baht 1.05 per share, totaling Baht 196.88 million, which was paid to the shareholders in May 2015.

At the Board of Directors of the Company's meeting held on 13 August 2014, the Board of Directors approved the appropriation of interim dividend of Baht 0.55 per share, totaling Baht 103.13 million, which 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. In September 2013, the Company paid an interim dividend of Baht 0.30 per share, totaling Baht 56.25 million. The remaining dividend payment shall be Baht 1 per share, totaling Baht 187.50 million, which was paid to the shareholders in May 2014.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

28. 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 of Directors' 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 securities and loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (Note 12). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

NOTES TO THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

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

CONSOLIDATED FINANCIAL STATEMENTS				
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2015				
Current				
Current portion of long-term loan from financial institutions	3.85	600,000	-	600,000
Current portion of debentures	4.00	1,000,000	-	1,000,000
Current portion of finance lease liabilities	5.82	19,814	-	19,814
Non-current				
Long-term loan from financial institutions	2.25	-	500,000	500,000
Debentures	2.51	-	1,000,000	1,000,000
Financial lease liabilities	5.82	-	30,261	30,261
Total		<u>1,619,814</u>	<u>1,530,261</u>	<u>3,150,075</u>
2014				
Current				
Short-term loans from financial institutions	2.13 – 2.15	873,000	-	873,000
Current portion of long-term loan from financial institutions	3.85	400,000	-	400,000
Current portion of finance lease liabilities	5.82	16,753	-	16,753
Non-current				
Long-term loan from financial institution	3.85	-	600,000	600,000
Debentures	4.00	-	1,000,000	1,000,000
Finance lease liabilities	5.82	-	49,834	49,834
Total		<u>1,289,753</u>	<u>1,649,834</u>	<u>2,939,587</u>

NOTES TO — THE FINANCIAL STATEMENTS

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
2015				
Current				
Current portion of long-term loan from financial institutions	3.85	600,000	–	600,000
Current portion of debentures	4.00	1,000,000	–	1,000,000
Short-term loans from subsidiaries	1.375	51,000	–	51,000
Non-current				
Debentures	2.51	–	1,000,000	1,000,000
Total		1,651,000	1,000,000	2,651,000
2014				
Current				
Current portion of long-term loan from financial institutions	3.85	400,000	–	400,000
Short-term loans from subsidiaries	1.75	89,000	–	89,000
Non-current				
Long-term loan from financial institutions	3.85	–	600,000	600,000
Debentures	4.00	–	1,000,000	1,000,000
Total		489,000	1,600,000	2,089,000

Foreign currency risk

The Group is exposed to 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.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

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

(in thousand Baht)

		CONSOLIDATED FINANCIAL STATEMENTS	
	Note	2015	2014
Japanese Yen			
Payables for acquisition of assets		(55,707)	(113,018)
Gross balance in statement of financial position exposure		(55,707)	(113,018)
Currency forwards		54,886	-
Net exposure		(821)	(113,018)
Euro			
Payables for acquisition of assets		(16,143)	(32,736)
Gross balance in statement of financial position exposure		(16,143)	(32,736)
Currency forwards		16,040	-
Net exposure		(103)	(32,736)
United States Dollars			
Cash and cash equivalents	5	3,714	3,851
Trade accounts receivable	6	2,469	3,924
Other receivables		1,240	16,197
Trade accounts payable	13	(92)	(972)
Gross balance in statement of financial position exposure		7,331	23,000
Singapore Dollars			
Other payables	14	(824)	-
Gross balance in statement of financial position exposure		(824)	-
Malaysian Ringgit			
Trade accounts receivable	6	6,280	15,663
Other payables	14	(2,896)	(16,537)
Gross balance in statement of financial position exposure		3,384	(874)

NOTES TO — THE FINANCIAL STATEMENTS

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Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or 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 statement of financial position. 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.

Fair values of financial assets and liabilities

As at 31 December 2015 and 2014, fair values of financial asset and liabilities is taken to approximate the carrying value, except the following items:

(in million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

	Carrying value			Fair value			Total
	Current	Non- current	Total	Level 1	Level 2	Level 3	
31 December 2015							
<i>Financial liabilities</i>							
Long-term loan from financial institutions	600	500	1,100	-	1,099	-	1,099
Debentures	1,000	1,000	2,000	-	2,014	-	2,014
Finance lease liabilities	20	30	50	-	-	52	52
Foreign currency forwards contracts in liability position	0.1	-	0.1	-	0.1	-	0.1

(in million Baht)

SEPARATE FINANCIAL STATEMENTS

	Carrying value			Fair value			Total
	Current	Non- current	Total	Level 1	Level 2	Level 3	
31 December 2015							
<i>Financial liabilities</i>							
Long-term loan from financial institutions	600	-	600	-	600	-	600
Debentures	1,000	1,000	2,000	-	2,014	-	2,014

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

Fair values of current portion of financial assets and liabilities are taken to approximate the carrying value due to the relatively short-term maturity.

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Foreign currency forwards contracts	Broker quotes	Not applicable
Debentures	Based on broker quotes	Not applicable
Loans	Discounted cash flows	Discount rate

29. COMMITMENTS WITH NON-RELATED PARTIES

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Capital commitments				
Contracted but not provided for:				
Cold-Aseptic-Filling Line 3 beverage and PET bottling production project				
– Machinery and equipment	12,969	39,255	–	–
New central kitchen project				
– Buildings and other constructions	265	–	–	–
– Machinery and equipment	8,092	11,200	–	–
Other projects				
– Buildings and other constructions	1,970	–	–	–
– Machinery and equipment	75,897	14,477	3,717	39
Total	99,193	64,932	3,717	39

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

In August 2013, the directors approved an 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. The said project has been operated under Oishi Trading Co., Ltd., the Company's subsidiary. Currently, the majority of the construction of the plant and the installation of the machinery have been completed and the production of the beverage and bottling has been started.

NOTES TO — THE FINANCIAL STATEMENTS

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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 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 in amount of 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 project is Baht 617 million. Currently, the majority of the project has been completed and started.

PET Cold Aseptic Filling Line 4 Project

In September 2015, the Board of Directors has resolved to approve the investment in new PET bottling Cold Aseptic Filling Line 4 of Oishi Trading Co., Ltd., the Company's subsidiary, with the budget not exceeding Baht 1,050 million.

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
<i>Non-cancellable operating lease commitments</i>				
Within one year	231,075	219,472	170,555	184,846
After one year but within five years	194,187	234,329	120,387	177,977
After five years	8,150	11,203	8,150	8,603
Total	433,412	465,004	299,092	371,426

Significant agreements under non-cancellable operating lease commitments

Area lease agreements

The Company entered into area lease agreements with local companies for restaurant business operation. The agreements are for one year to three years, due within 2015 to 2017. The Company agreed to pay monthly rental fees based on fixed rates or percentage of sale as conditions 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 had the memorandum of understanding to terminate the said 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 periods of the agreements are less than three years, ending between 2015 to 2017 with the monthly rental rates as specified in the agreements.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

Store lease agreements

Oishi Trading Co., Ltd., the Company's subsidiary, entered into store lease agreement with a local company. The agreement is for three years which will expire in 2015 to 2016 with the monthly rental rate as specified in the agreement.

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
<i>Other Commitments</i>				
Service agreements	499,481	404,076	339,115	330,352
Letters of credit	73,177	140,928	-	-
Forward contracts	70,927	-	-	-
Bank guarantees	35,880	34,700	-	-
Purchase orders for goods and supplies	15,177	35,558	-	-
Advertisement contracts	2,052	11,119	-	-
Others	14,243	17,121	438	-
Total	710,937	643,502	339,553	330,352

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 had made the memorandum of understanding to terminate the hot-fill PET Bottle trading agreement.

Sale and purchase of material and package trading agreement

On 19 November 2014, the Company and Oishi Ramen Co., Ltd., the Company's subsidiary, entered into sale and purchase of material and package trading agreement 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. The agreements will expire on 31 December 2016.

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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 as stipulated 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 one year term if no prior written notices are given by any one party to the other.

Consulting agreement

In December 2013, the Company entered into a consulting agreement with a local company with the quarterly fee totaling Baht 200,000. The agreement is for a period of one year from 1 January 2014 to 31 December 2014, without renewal of the agreement.

Purchase natural gas agreement

On 30 September 2009, Oishi Trading Co., Ltd., the Company's subsidiary, entered into a purchase natural gas agreement with a local company. The subsidiary agreed to pay the fee and complied with the 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. Subsequently on 30 December 2014, the said subsidiary renewed the second agreement for another one year from 1 January 2015 to 31 December 2015.

Contract manufacturing agreement

On 1 May 2015, Oishi Trading Co., Ltd., the Company's subsidiary, entered into a contract manufacturing agreement with a local company at the price and conditions as specified in the agreement. The agreement is for five years period from 1 May 2015 to 30 April 2020.

NOTES TO — THE FINANCIAL STATEMENTS

Oishi Group Public Company Limited and its Subsidiaries

30. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors of the Company's meeting held on 25 February 2016, the Board of Directors agreed the following:

- (a) to concur a dividend payment of Baht 2 per share, totaling Baht 375 million, In September 2015, the Company paid an interim dividend of Baht 0.55 per share, totaling Baht 103.13 million. The remaining dividend payment shall be Baht 1.45 per share, totaling Baht 271.88 million, which will be paid to the shareholders in 2016.
- (b) to approve the change of annual accounting period from the start on 1 January and the end on 31 December of each year to the start on 1 October and the end on 30 September of each year.

31. 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 2016, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets

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TFRS	Topic
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TFRS 3 (revised 2015)	Business Combinations
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 15 (revised 2015)	Operating Leases – Incentive
TSIC 25 (revised 2015)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 21	Levies

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 application.



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



OISHI GROUP PUBLIC COMPANY LIMITED
Registration No. 0107547000150

19-20th Floor, Park Ventures Ecoplex,
57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Tel : 66(0) 2785-8888 Fax : 66(0) 2785-8889
www.oishigroup.com