

The Best | The Most | The One





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THE BEST
—
THE MOST
—
THE ONE

1 • Start

"1" can mean the start of so many things. To some, it's the first bite of food. To others, it's an idea sparked, into which all efforts go to ensure it's an optimal start.

1 • Goal

To a samurai, being No. 1 implies conquest of one mountain after another ... the audacity to achieve new feats with new customers and to go back to square one if the desired quality isn't there. Noble goal worthy of a bow.

1 • Uniqueness

At Oishi Group, '1' represents efforts to impress the very first bite with the finest taste. That's why we've come so far from '1' and onward to our goal. We've become the market leader of Japanese cuisine and green-tea drinks as well as the most popular brand in Thailand. And yet, we still strive to improve our uniqueness in every bite. *For each of our customers is our '1' target, today and tomorrow.*





1 • ALWAYS AIMING FOR 'EATERY OF CHOICE'

Uttered by Japanese before each meal, 'itadakimasu' represents appreciation not only to the chef, but to life-giving meat, fish, and vegetables. Each morning, Japanese chefs explore markets for the freshest fish. Oishi blends such Japanese custom with Thai delicacy, resulting in not only attention to ingredients*, carefully prepared for bites that impress**, but its being an eatery of choice.***

* Only the finest ingredients from the finest sources are handpicked by Oishi, including Norwegian salmon and pesticide-free farm-fresh vegetables that prove spotless and chemical-free

** Oishi received "The Outstanding Safety Enterprise Award", which is proof to its commitment of the highest quality product, sustaining the environment, providing its employees' with healthcare and a secure work place.

*** Oishi received an award for "Superbrands Thailand" is gauged from corporate reputation and brand image as well as product development.

MESSAGE FROM THE CHAIRMAN

The year 2017 is the year of many challenges in various aspects including social, economic and political situations. Especially for economic situation, Thailand's overall economic conditions remained stagnant which adversely affect domestic consumers' spending power. Moreover, competitive landscape in food and beverage business continued to be intense. These factors resulted in challenging operating conditions of the business in this year. Nevertheless, with strong team works, dedications and proactive approach in operating and managing the business by our management team and employees and the execution of our strategic roadmap "Vision 2020", a strategic plan of the Group which has been implemented since 2014 in order to become a strong and sustainable leading F&B company in ASEAN region with 5 core strategies per follow;

1. Growth: drive sustainable growth in revenue and profitability in food and beverage business
2. Diversity: create varieties of product portfolios, segments and price points while leveraging from professional team with diverse experiences, knowledge and expertise within the Group
3. Brands: build strong top of mind brands by maintaining leading market position in Japanese food, green tea and RTD tea in Thailand through innovative products, creative marketing campaigns, customers engagement and strong brand awareness buildings
4. Reach: expand and initiate distribution coverage to access new consumers in various segments both domestic and international while strengthening current existing distribution channels
5. Professionalism: develop and maintain professional team as well as build and support working infrastructure to realize full potentials of the professionals

The execution of the above core strategies has greatly improved our business competitive advantages, strengthen our platforms while leveraging the Group's scale and diversity and drive business directions toward synergetic achievements within the Group resulting in outstanding operating performances in this year.

In additions, the Company continues to build brands strength to sustain market leading position by building brand awareness and executing innovative marketing campaigns to effectively engage targeted customers group. The Company also develops and researches new products including "Oishi Green Tea Sakura Strawberry Flavor", first ever RTD tea with new innovative package that change its color according to the temperature which received very good feedbacks from consumers and was granted the "Thai Pack Awards 2017". Success from continuous focuses on brands building and researches & developments of new products has resulted in number one market share of the Company in RTD tea market and Pure RTD green tea market with market share of 45.8% and 48.0% respectively and resulted in the receipt of "Superbrands Thailand 2016". The award was granted by Superbrands, Thailand which is an independent organization that assess branding of goods by measuring reliability and trustworthy of those brands in consumers' mind. Moreover, the Company was awarded the "The Most Powerful Brands of Thailand 2016" from Faculty of Commerce and Accountancy, Chulalongkorn University. The two awards have proved us as number one brand in consumers' mind with products that continuously match evolving consumer trends and different needs.

Due to dedications and efforts of our management team and employees and the effective execution of business strategies, in 2017, the Company's net profit was Baht 1,443 million, an increase of Baht 563 million or 64% from the previous year.

This is mainly due to the fact that the comparison of the operating performances is the comparison of 12 months period of 2017 versus 9 months period of 2016 from the change in the Company's accounting period from 1 January and ending on 31 December of every year to 1 October and ending on 30 September of every year effective from 2016 onwards, in which 2016 fiscal year was consisted of 9 months, starting from 1 January 2016 and ending on 30 September 2016. In term of sales, the Company's total sales was Baht 13,551 million with net profit margin of 10.6% of total sales revenue increasing from 8.4% of total sales in previous year. As a result of improvement in operating performance in this year, the Company's credit rating is affirmed at "A+" from TRIS Rating which was assessed in October 2017. The rating reflects the Company's strong financial positions, robust business fundamentals and position as the leading producer of ready-to-drink (RTD) tea in Thailand with well-recognized brand and well perceived in consumers' mind, in which reflecting the Company's stability in financial profiles and market positions which serve as a strong foundation for future business expansions.

In terms of developing the quality and service standards to enhance long-term competitive advantages, the Company places importance on hygiene and food safety for the whole supply chain of restaurant business by applying for the international food practice qualification from the world's leading inspection, verification, testing and certification company. As a result, all 244 restaurants of Oishi Group in Thailand were granted certificates for achieving all the requirements of GMP, HACCP and ISO 9001:2015 in the catering and operation services of Japanese restaurant segment. These certificates are another guarantee of Oishi's commitments in maintaining consumer trusts and satisfaction as the Company

is the first restaurant operator in Thailand and Asia who passed all above three assessments in every single operating outlet.

On international expansions side, the Company continues to strive for success. Currently, Oishi green tea considered one of the leading RTD tea products distributed in Kingdom of Cambodia, Lao People's Democratic Republic and, Malaysia. Moreover, the Company's green tea products are also distributed in other 25 countries around the world. With the strong brand equity, the Company believes there are plenty of opportunities for international market expansion.

Regarding corporate social responsibilities, the Company continues to develop our identity and support CSR activities throughout our business processes and social, environmental activities with focus areas on supporting educations, sports, nourishment of Thai cultural heritage and build morals to Thai youth. All detailed explanation can be found in Corporate Social Responsibility Report section of this annual report.

On behalf of the Board of Directors, I would like to assure that management team and all employees are determined and dedicated to sustainably grow food and beverage business while maintaining 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. The results are well proven by our outstanding operating performances in 2017. Please be assured and put your kind trusts and supports to the Company's managements for the prosperity of the Company and shareholders.

-Signature-
(Mr. Prasit Kovilaiakool)
Chairman

MESSAGE FROM THE PRESIDENT

In 2017, the Thai economy expanded slightly due to different negative factors impeding the Thai economy from its expected growth rate, such as drought which affected the agricultural sector, low global economic growth and other risks resulting in an economic downturn and fluctuating financial market. In addition, Thailand experienced a great loss for the country in the passing of King Rama IX who was adored by all Thai citizens. However, there were some positive factors. For example, the growth of the tourism sector and economic stimulus of the government which substantially stimulated domestic consumption and economic expansion.

Under the challenging economic situation due to high economic pressure resulting from different factors, Oishi Group Public Company Limited (hereinafter referred to as "Company"), is still determined to operate the business in accordance with the company's vision in order to be a strong and sustainable leader in the Japanese food and beverage business. The Company endlessly and tirelessly expands business, optimizes its strategies to maintain the quality of the products and services and fortifies sustainable relationships with its customers.

With regard to the food business, the Company constantly maintains its champion status in the Japanese food business. It started 9 new branches in 2017 to better access and serve the customers. The Company adjusted the menus to attract the customers' interest by adding new menus and cutting out some menus according to the changing preferences of the customers.

It is another strategy to raise the profits in the food business. The strategy also affirms that Oishi prioritizes and pays attention to the changing demands of customers and the Company quickly responds to these demands accordingly.

Another pride of Oishi is that we deliver great taste in an authentic Japanese atmosphere. The Company offers quality and cares for all details. The Company has improved its service by adopting a barcode and touch screen system which facilitates orders of special menus in response to consumption behaviors in the digital 4.0 era. We offer a new definition of Japanese restaurant through the mixed concept of EAT – EXPLORE – PREMIUM under the name "Oishi Eaterium." The concept is widely recognized by the customers. At present, we have 3 Oishi Eaterium branches.

To raise the production efficiency and long-term competitiveness, the Company adheres to the policy emphasizing administration and quality management covering raw material selection, and production and delivery to customers. As a result, in 2017, the Company achieved the quality management systems certification from SGS (Thailand) Co., Ltd. which is a leading company in system monitoring, testing and certification. The obtained certification for all Oishi restaurants under the administration of the Company and subsidiaries covers 3 systems; GMP (Good Manufacturing Practice), HACCP (Hazard Analysis Critical Control Point) and ISO 9001:2015 standard. Oishi is the first company of Thailand and Asia to obtain this certification for all Oishi restaurant branches.

As for the beverage business, the Company continuously pursues the branding strategy to maintain its leading status in the market, focusing on brand awareness, creative sales activities which effectively access the target customers and new product research and development such as Oishi Green Tea Kyoho Grape Flavor, a ready-to drink tea which combines the delectable Nata de Coco into green tea. The new product enjoys a good reception from consumers and has become the best-selling product of the year. From the consistently successful marketing strategy of branding and new product research and development, the Company has won the highest market share in both RTD tea market and pure RTD green tea market of Thailand. In addition, the Company aims to grow in international markets, such as CLMV market (Cambodia Laos Myanmar Vietnam).

With regard to credibility, Tris Rating assigned a company rating for Oishi of A+ for 2 consecutive years. The rating affirms Oishi's leadership in the Japanese food and beverage business in Thailand. The rating results from Oishi's outstanding performance, renowned brand, growing operating cash flows and strong financial liquidity.

The Company continuously develops new projects. For example the marketing and sales project which applies digital technology in advertisement and public relations, and satisfaction survey of the service and communication between the Company, customers and third parties. Regarding human capital development, the Company realizes that personnel are a fundamental factor of organizational success and the employees are the organization's

driver for the future. Therefore, the Company emphasizes and supports the development of knowledge, skills and experience of employees in all levels. Furthermore, Oishi's employees receive equal opportunity to attain their career success.

The Company pursues social responsibility activities together with its business operations and determinations to contribute to the better living conditions of Thais. The Company's social responsibility policy is carried out through 2 projects; (1) "Hai" (Give) Project which supports and contributes to the society in many ways. For example, provision of urgent help for natural disaster victims, quality of life development among the underprivileged, environmental preservation and education supports (2) "Im Jung" (So full) Project which aims to share Oishi foods and beverages with the underprivileged and promotes good ethics through creative recreation activities with emphasis on honesty which is the main organizational value.

Lastly, I would like to express my gratitude to shareholders, business partners, customers and private and government agencies which have supported and cooperated with Oishi. I also feel thankful for the employees and executives' determination and dedication which contributed to the Company's success in the past year. We aim to develop the organization to achieve growth under good governance and become a stable and sustainable growing organization together with Thailand country's prosperity in accordance with the Company's vision.

-Signature-

(Mrs. Nongnuch Buranasetkul)
President and CEO



1 • FIRST IN POPULARITY

To most, “most popular”* means reaching the peak, but to Oishi, it means an all-new trek, starting at the peak and returning to the start—with an even better formula. This implies a search for new flavors** derived from new ingredients that meticulously aim for that “Yummy” reaction from the first sip. Such is our definition of “most popular”.

* Oishi Green Tea topped the sales of ready-to-drink tea market in 2016–2017 in Thailand

Remark: Oishi Trading Co., Ltd. calculation based in part on data reported by Nielsen through its Retail Index Service for the Ready To Drink Tea Category for the 52-week period ending October 2017, for the Thailand total grocery market. (Copyright © 2017, The Nielsen Company.)

** Oishi regularly concocts new-flavor drinks for its consumers, including Green Tea Sakura Strawberry Flavor, Green Tea Kyoho Grape Flavor and Green Tea Yuzu Flavor.

GENERAL INFORMATION

The Company Name:

Oishi Group Public Company Limited (the "Company")

Business Type:

Japanese restaurants and Green Tea beverage under the brands, "Oishi", "Chakulza", "Fruito" and "Kabusecha"

Company Registration Number:

0107547000150

Headquarter Location⁽¹⁾:

Unit B3601 36th Floor, CW TOWER,
90 Ratchadaphisek Rd., Huai Khwang, Bangkok 10310, Thailand

Homepage:

www.oishigroup.com

Telephone Number:

(02) 768-8888

Fax Number:

(02) 768-8889

Registered Capital:

Baht 375,000,000

Paid-up Capital:

Baht 375,000,000

Paid-up Common Stock:

187,500,000 ordinary shares, with par value of Baht 2 per a share

Trading Symbol on the Stock Exchange of Thailand:

OISHI for ordinary shares

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

1. OISHI18DA for Debentures No. 1/2015 due 2018
2. OISHI197A for Debentures No. 1/2016 due 2019

Company's Corporate Credit Rating

"A+" (Single A Plus) with "Stable" Outlook

Remark:

- (1) The Company has changed the registered office address from No. 57, PARK VENTURES ECOPLEX, 19th – 20th Floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 to Unit B3601 36th Floor, CW TOWER, 90 Ratchadaphisek Rd., Huai Khwang, Bangkok 10310, Thailand

Other Related Information

-None-

Reference

Share Registrar:

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

Debenture Registrar:

Debentures of Oishi Group Public Company Limited No. 1/2015 due 2018, and
Debentures of Oishi Group Public Company Limited No. 1/2016 due 2019
KrungThai Bank Public Company Limited
No. 35, Sukhumvit Road, Khlongtoey Nua,
Wattana, Bangkok 10110 Thailand
Tel. (02) 298-0821

External Auditor:

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

Legal Consultant:

Weerawong, Chinnavat & Partners 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:

Miss. Karnjaporn Kittiampanont
Unit B3601 36th Floor, CW TOWER,
90 Ratchadaphisek Rd., Huai Khwang, Bangkok 10310, Thailand
Tel. (02) 768-8888
E-mail : investorrelations@oishigroup.com



1 • ULTIMATE STANDARD

At Oishi Group, behind the number '1' are diligent teams that keep pushing our quality higher and higher*, not contented with higher quality as such, but the highest world-class quality**. Our teams are always ready to go back to square one rather than serving you food or drinks of mediocre quality***. For to them, any award isn't nearly as important as consumers, who actually decide their own ultimate standard.

** In 2016, Oishi launched Oishi Eaterium, an all-new definition of restaurants

** In 2017, all Oishi restaurant branches achieved the ISO 9001:2015, GMP (Good Manufacturing Practice), and HACCP (Hazard Analysis Critical Control Point) management certification by SGS (Thailand) Limited, a worldwide leader in audit, testing, and system certification. Oishi was the very first Asian restaurant to achieve certification of all branch operation.

*** In 2017, Oishi received "FDA Quality Award" from Thai FDA. This award reinforces that Oishi food and beverage are quality brands that consumers can trust. Receiving this award signifies that Oishi embodies a good model for a food and beverage business enterprise. It operates with good governance, manufacturing its products to the highest quality and safety standards in a socially-responsible manner.

FINANCIAL HIGHLIGHTS

(Baht'000)

CONSOLIDATED			
Summary of financial status and company's performance as at September 30, 2017	2017 (as of September 30, 2017)	2016 (as of September 30, 2016)	2015 (as of December 31, 2015)
Total assets	9,706,825	9,278,079	9,088,874
Total liabilities	4,116,247	4,669,136	5,005,645
Equities	5,590,579	4,608,943	4,083,229
Sales revenue	13,550,808	10,399,106	12,878,814
Total revenue	13,677,091	10,508,425	12,963,161
Net profit	1,443,200	880,257	703,735
Net profit attributable to owners of the Company	1,451,693	887,214	712,191

CONSOLIDATED			
Summary of Financial Ratios	2017 (as of September 30, 2017)	2016 (as of September 30, 2016)	2015 (as of December 31, 2015)
Net profit margin (%)	10.6%	8.4%	5.4%
Return to equities (%)	28.3%	20.3%	18.2%
Return to assets (%)	15.2%	9.6%	7.7%
Debt to equities ratio (times)	0.4	0.5	0.8
Earning per share (Baht)	7.74	4.73	3.80
Dividend per share (Baht)	3.40	2.50	2.00

The Company's has changed the accounting period from January 1 and ending on December 31 of every year to October 1 and ending on September 30 of every year, effective from 2016 onwards, in which the 2016 fiscal year will be starting on January 1, 2016 and ending on September 30, 2016, consisting of 9 months. And the 2017 fiscal year will be consisting of 12 months, starting from October 1, 2016 and ending on September 30, 2017.

In 2017, the Company had sales revenue of Baht 13,551 million, 30.3% increased from the previous year. Total sales revenue was contributed from beverage business of Baht 7,054 million or 28.4% increased from the previous year, and food business of Baht 6,497 million or 32.4% increased from the previous year. These are resulted from the differences of the accounting period between 12 months versus 9 months due to the change in the Company's accounting period as mentioned above.

For the same 12 months period, sales revenue of the Company in 2017 slightly decreased by 0.6% from the previous year. Sales revenue from beverage business slightly decreased by 0.4%, while sales revenue from food business slightly decreased by 0.8%. Main reasons were as follows;

1. For beverage business, due to shrink in both RTD tea market and Pure RTD green tea market by 10.8% and 5.7%, respectively, sales revenue of beverage business slightly decreased in 2017. However, the Company could maintain leadership position with the highest market share in both RTD tea market and Pure RTD green tea market of 45.8% and 48.0%, respectively.
2. For food business, even though the Company opened up 8 new restaurant outlets, the Company closed 11 non-performing outlets (total outlets was 240 as of September 30, 2017, including overseas outlets but excluding franchise outlet), together with the sluggish economic which adversely affect consumer's spending and consumption, sales revenue of food business slightly declined in 2017.

Net profit of the Company in 2017 was Baht 1,443 million, increased by 64.0% comparing to 9 months period of the 2016 fiscal year, and increased by 28.5% comparing to the same 12 months period of the previous year. This is mainly due to success from brand buildings, effective cost management, both cost of goods sold and selling and administrative expenses.

BOARD OF DIRECTORS 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 Honour),
Chulalongkorn University*
*LL.M., Columbia University,
New York, USA.*
*Doctor of Laws (Honorary Degree),
Eastern Asia University*
*Doctor of Laws (Honorary Degree),
Chulalongkorn 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.*
*Honorary Doctoral Degree of Philosophy
in General Management,
Ramkhamhaeng University*
*Honorary Doctoral Degree of Business
Administration in Strategic Logistic and
Supply Chain Management,
Suan Sunandha Rajabhat University*
*Honorary Doctoral Degree
in Community Development
Chiang Mai Rajabhat University*
*Honorary Doctoral Degree in Hospitality,
Rajamangala University
of Technology Krungthep*
*Honorary Doctoral Degree in Arts
Rajamangala University of Technology Phra Nakhon*



Mr. Vikrom Koopirochana

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
(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,
1st Vice Chairman of the
Executive Committee

Education

*B. Sc Accounting,
St. Louis University, Missouri, 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
Diploma in Computer Management, Chulalongkorn University
Certificate of the Mini MBA. (Leadership Management), Kasetsart University*



Mrs. Nongnuch Buranasetkul

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

Education

*Bachelor Degree in Communication Arts (First Class Honor), Chulalongkorn University
Master Degree in Business Administration (Honor), Cleveland State University, USA
Effective Business Communication, Harvard University, USA*



Mr. Pisanu Vichiensanth

Director, Executive Committee Member and Risk Management Committee Member

Education

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



THE EXECUTIVES



Mr. Paisarn Aowsathaporn

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

Education

*Bachelor Degree in Business
Administration,
Indiana Institute of Technology,
Fort Wayne, Indiana, 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.
Senior Executive Development
Program (SEDP),
National University of Singapore*



Mr. Thanee Pornphisutsak

Vice President and
Risk Management Committee
Member

Education

*Bachelor Degree in Food Science
and Technology
Kasetsart University
Senior Executive Development Program
(SEDP), National University of Singapore*



THE EXECUTIVES


**Mrs. Kodchacorn
Attarangsarn⁽¹⁾**

Vice President and
Risk Management Committee
Member

Education

*B.Sc. (Food Technology),
Khon Kaen University
MBA. (Marketing),
Sripatum University
Innovation for Growth Program
(Strategies & Best Practices)
The Wharton School Executive
Education, Philadelphia, USA
Senior Executive Development
Program (SEDP), National University
of Singapore*


**Mr. Ekbodin
Densutham**

Vice President

Education

*BBA Major in Marketing Management
MBA Major in International Business
Management
MA in Economics, Major in
International Economics
Wichita State University, USA.*

Remarks

- (1) Mrs. Kodchacorn Attarangsarn was appointed to the position of Vice President effective on February 1, 2017.
(2) Ms. Tientip Narach resigned from the position effective on August 1, 2017



COMPANY SECRETARY AND HEAD OF INTERNAL AUDIT DEPARTMENT⁽¹⁾
**Ms. Janthana
Ratanaamornchai⁽²⁾**

Company Secretary

Education

*Bachelor Degree in Law
Thammasat University
Master Degree in Law (Business Law)
Chulalongkorn University (English Program)
Company Secretary Program (CSP)
Board Reporting Program (BRP)
Effective Minutes Taking (EMT)
Company Reporting Program (CRP)
Thai Institute of Directors Association (IOD)
Fundamentals for Corporate Secretaries
Thai Listed Companies Association*


**Ms. Chanatnuth
Wongwan**

Internal Audit Director
Secretary of the Audit Committee,
Risk Management Committee Member and
Secretary of Risk Management Committee

Education

*Bachelor Degree in Accounting
Dhurakij Bandit University
Master Degree in Business Administration (Finance & Banking)
Ramkhamhaeng University
IIA's Endorsed Internal Auditing Program (EIAP)
The Institute of Internal Auditors of America with
Chulalongkorn University
Certified Professional Internal Auditor of Thailand (CPIAT)
The Institute of Internal Auditors of Thailand
Anti-Corruption: The Practical Guide (ACPG 30)
Thai Institute of Directors (IOD)*

Remarks

- (1) Appointment, Demotion and Rotation of the head of internal audit must be endorsed by the Audit Committee.
(2) Ms. Janthana Ratanaamornchai was appointed, by the resolution of the Board of Directors Meeting No. 5/2017 held on November 16 2017, to the Company Secretary replacing Mrs. Sasinee Hemthanon who resigned from the position.

BUSINESS POLICY AND OVERVIEW

The Board of Directors has set the vision and mission of the Company based on suitability and consistency with the business. They also keep reviewing the vision and mission for the alignment with the change in economic and other circumstances. These are disclosed on the Company's website as details below;

VISION

"To be the leader and innovator of the Japanese food and beverage business for the quality of life and wellness of consumers and create sustainable business growth."

MISSION

1. Maintain the quality of production and service of the restaurant, bakery and health beverage businesses; as well as maintaining the popularity of 'Oishi' products among the customers, and give priority to the standards of the product manufacturing and operation.
2. Select quality raw materials that bring the highest customer's satisfactory, in order to be well recognized in both local and overseas markets.
3. Continuously improve production process by using modern technology as well as the research and development of products.
4. Increase production efficiency and the Company's competitiveness, in terms of pricings and quality, against the competitors in both the local and overseas market. This will help contribute to Thai economic growth.
5. Conduct business in accordance with good governance principles while consider all stake holders' benefits in order to create sustainable business growth

GROUP LEVEL STRATEGIES AND VISIONS

Vision 2020

The Company has been implementing "Vision 2020" strategic roadmap which is a roadmap of ThaiBev Group and the Company ("The Group") to become a strong and sustainable leading food and beverage company in ASEAN region. From overall perspective, the Group has evolved into a leading food and beverage business group with high potential and strong foundation in terms of revenue growth, size of business, market positions, diversity of products and consumer groups, as well as the distribution coverage across ASEAN region.

In order to become a truly strong and sustainable leading food and beverage company in ASEAN region, the Company

needs to align vision and strategy within the Group to strengthen the business and prosper from the existing foundation, to increase efficiency from and harness on combined strengths within the Group as well as to operate its business in the same directions with the Group. Five key strategic imperatives including 1. Growth 2. Diversity 3. Brands 4. Reach 5. Professionalism. These key strategic imperatives are strategies of the Group which will be shaping overall directions and visions of the Group to achieve its target of becoming the sustainable leader of business in ASEAN region. The Company's business operation strategies are as follow;

6.1 BUSINESS OPERATION STRATEGIES

To conduct Japanese restaurant and beverages business under Oishi group of companies, the Company give priority to the business strategy which is a key factor contributing to business success. This could be summarized in 7 perspectives.

6.1.1 Brand strengthening strategy by offering quality and healthy products (Brands)

Since the business was launched, the Company determines clear business principles and practices of Japanese restaurants and beverages with the focus on quality, under the brand "Oishi". Therefore, "Oishi" has been widely recognized among health conscious and Japanese style loving consumers. In addition, the Company has also focused on brand strengthening to build "Oishi" as consumers' top of mind brand with new innovations to meet consumers' lifestyle, including innovations related to products, activities, and campaigns, as well as has developed various ways of reaching new generation of consumers with a state-of-the-art, fun, and widely recognized brand.

6.1.2 Growth strategy (Growth)

The Company focuses on the driving growths in revenue and operating performance for both food and beverage business, including the development of innovations and sales promotions that match consumer needs. For beverage business, the Company targets to maintain leading market position in RTD tea market in Thailand with highest market share while continues to grow in oversea markets, especially in ASEAN region. For food business, the Company plans to open new 15 stores per year for the next 3 years.

6.1.3 Diversity strategy (Diversity)

The Company responds to consumer's needs by offering variety of products in alignments with the demands of all consumer groups. Moreover, the Company thrives to expand food and beverage business overseas in order to diversify revenue streams and tap into high potentials markets both domestic and international by capitalizing on professional teams with diverse expertise and experiences in collaborations for the achievement of the Company's target.

6.1.4 Leverage throughout distribution channels and network for maximum benefit strategy (Reach)

The Company's major distributors with full of experiences, together with our marketing team, are chosen to implement marketing strategy. This results in wide distribution coverage of our products to consumers. As for the food business, the Company also implements a strategy to expand new branches around Bangkok and other provinces continuously.

6.1.5 Professionalism build up strategy (Professionalism)

The Company continuously develops human resources functions and implements good working environment to build up professional teamwork and strengthen collaborations.

6.1.6 Customer analysis strategy and continuous marketing strategy

The target customers of Oishi products cover consumers of all ages and genders who are health conscious and have modern lifestyles, with preference in healthy foods and beverages. Japanese foods and beverages can directly satisfy the need of this group of customers. During the past, the Company has continuously implemented marketing and PR strategy of Oishi products among these customers through several media, including TV, radio, and printings. Currently the Company focuses on the new online digital media and alternative media, and gives priority to follow-up the customers' feedbacks to improve our products and services in order to consistently maintain our standard.

6.1.7 Efficient cost management strategy

The Company focuses on the raw material cost management and leveraging its bargaining power against distributors in order to maintain production costs and business performances. In addition, with efficient production management system and delivery through the Central Kitchen, which is foods production unit, the Company is able to manage purchases and production costs efficiently, resulting in savings from economy of scale.

6.2 MARKETING STRATEGIES FOR FOOD BUSINESS

6.2.1 Marketing Strategies for Restaurant Business

6.2.1.1 Products and services for the restaurant business

The Company devoted much attention to provide a fresh, safe and proper food to consumers both in quality and quantity, in order to deliver maximum pleasure to the consumers, as can be seen in the Company's buffet style restaurant, various kind of food with unlimited amount, for an appropriate price.

6.2.1.2 A wide range of products and services.

The Company divided the customer into 3 main groups based on characteristic of food, service and trademark with the target group as follows;

1. Oishi Grand, Oishi Eaterium, Oishi Buffet and Nikuya are focused on middle to high income target groups.
2. Shabushi is focused on middle income groups.
3. Oishi Ramen and Kakashi are focused on young working group, teenagers, university students and customer who wants quick casual dining food.

6.2.1.3 Food Presentation & New menu Strategy

Various strategic food presentations are one of the key elements to draw customers and urge the customers not to stick with consuming any specific kind of food. Moreover, such strategy not only provide

satisfaction to customers but also help control raw material cost. For example some of the menu of Oishi Buffet is changed every 3 months.

6.2.1.4 Outlet Expansion Strategy

Oishi group of companies opens, operates and expands its branches to cover all area around Bangkok and other provinces especially in myriad main department stores in order to provide a more convenience and accessible branch to target customers.

6.2.1.5 Promotions, Communications and Media Strategy

The Company has continuously organized special promotional event for restaurant business in order to boost the sales volume, respond to the demands of consumers and impress the customers. In addition, the Company has effectively done the marketing activities and marketing communications through many channels which match the target groups. Lifestyle of new generation customers is changing rapidly causing the food business to adapt according to the consumers demand which is challenging for the Company to swiftly and effectively adjust its business to keep up with the trend and the demand of customers.

6.2.1.6 Pricing Strategy

The Company has a variety of food, service and brand which can effectively respond to all demands of consumers with purchasing power such as teenager, student, working, family and health conscious group.

6.2.2 Marketing strategies for Ready to Cook and Ready to Eat business

6.2.2.1 Quality and value for money of the products

For ready to cook and ready to eat business, the Company has emphasized on product and packaging selection in order to produce the quality, clean, and safe product. Also, with the consistency in product development and quality control, the consumers therefor could trust in the quality of the Company's product as truly reasonable and value for money.

6.2.2.2 Variety of products and service

For ready to cook and ready to eat business, besides quality and value for money, the Company has launched various products and planned for the research and development of new product consistently in response to the consumers' needs and behaviors. At present, the products in ready to cook and ready to eat business are categorized into two main segments as follows:

1. Chilled Ready to Eat Products
 - 1.1 Bread and Sandwich Products
 - 1.2 Chilled Gyoza Products
 - 1.3 Seasoning Sauces e.g. gyoza sauce, barbecue sauce, and teriyaki sauce etc.

The main target group of products under this segment is the city-living people with dynamic lifestyle, for instance, office employees and university students. The major distribution channel is the convenience store.

2. Frozen Ready to Eat products
 - 2.1 frozen between-the-meal and snack product such as gyoza, takoyaki, kamaboko (crab stick), tamagoyaki, chuka wakame, and kimchi etc.
 - 2.2 frozen ready to eat main meal products e.g. Japanese rice with various toppings and ramen in various flavors
 - 2.3 frozen ready to cook products such as sliced salmon, sliced saba etc.

The main target group of products under this segment is the people who has limited time for cooking, for instance, office employees and housewives. The main distribution channels are hypermarket and supermarket.

6.2.2.3 Development of Products Strategy

The Company uses the research conducted on consumer behavior of the target group as the guideline for developing the type of foods, tastes, and variety of products. Taking into account that the consumers' need is consistently changing, the Company is driven to present variety of products being types, tastes, labeling or packaging. On top of that, it has to be very dynamic in order to truly respond to customer's need.

6.2.2.4 Expanding distribution channel strategy

Despite of the current distribution channels, i.e. convenient stores, supermarkets, hypermarket, pop up booths and food truck in various events or exhibitions all year round, the Company also has kept expanding into new distribution channels e.g. the food service for hotel and other potential groups (e.g. airlines) that has dedicated team to oversee.

As for the distribution to foreign market, besides the exporting to AEC countries that has been operated since previous year, in 2017, the Company also expanded to the market in European Community. As a result, the total export sales have thus achieved the target. Moreover, the Company planned to develop and expand its distribution channels as well as the new projects in order to grow its market base and accessibility to wider target customers.

6.2.2.5 Promotions and Advertising Strategy

The Company has constantly organized marketing activities via online and offline channels to promote brand recognition in order to achieve its target objectives being the brand recognition, online marketing and point-of-purchase display, as well as the sale promotion in each channel to increase the growth of sales volume.

6.3 MARKETING STRATEGIES FOR THE BEVERAGE BUSINESS

6.3.1 The quality of products and services

Green tea production process is focused on its production quality commencing from clean and hygienic water filtered through Reverse Osmosis (RO) process, selection of high quality tea leaves and the use of fructose syrup in the product for the highest benefits and the best quality of products. Moreover, the Company also focuses on customer care and after-sales services in order to respond to the consumers' need and their greatest benefits.

6.3.2 Variety of products

Oishi group of companies have variety of products to fit with different consumer needs. The company continues to create new flavors of green tea under different package designs with unique style for consumer's choices and suitability for each target consumers' preferences. In

2018, the Company is still having plans on launching new and product innovation to serve the consumers with new and special experience of consumption whilst maintaining the originality of flavor and distinctiveness with other ready to drink tea in the market.

6.3.3 Pricing strategy to expand the customer base

Oishi group of companies continue to develop products and innovation in different packaging sizes and various price ranges e.g. 250 ml., 380 ml., 500 ml. and 800 ml. in order to reach new groups of customer and respond all customer's purchasing power thoroughly and continuously.

6.3.4 Distribution channel strategy

For the effective reach to target customers, Oishi group of companies have managed the distribution through various channels e.g. 1) through the main distributor, Thai Beverage PCL. and Serm Suk PCL., 2) through Oishi restaurant outlets and 3) through the export. This is also beneficial to the inventory control and management as well as the synergy of distribution through all channels within the group of companies for the maximum benefit.

6.3.5 Promotional and Advertising Strategy

The Company has advertised its products in accordance with the plan and systematic promotional and marketing strategy in order to continuously promote the sales growth. In addition to the use of various media channels i.e. broadcast media, radio, newspaper, magazines, the Company also focuses on new alternative media such as online advertising and social media network so that the Company's communications can reach all consumers evenly and effectively. Moreover, the sales promotion is conducted throughout the year with all trade partners in the group of companies.

6.4 INDUSTRY AND COMPETITION SITUATION

6.4.1 Market condition of Japanese food

Restaurant Business

Nowadays, Japanese restaurant market is rapidly growing and expanding which lead to an emerging of myriad Japanese restaurants and result in high competition in the market. As a result, the Company decide to provide various kind of restaurant, develop the restaurant service system and design new products in order to keep up with customer's demand, maintain the Company's leading

position in the Japanese restaurant business and be able to respond to current intense competition.

Ready to cook and Ready to eat Business

The growth rate of ready to cook and ready to eat market in 2017 grew at the rate around 10%, slightly slow down comparing to that of previous year (11%). This was possibly due to the decrease in purchasing power caused by the not fully recovered economic condition, more health concern behavior of the consumers, and the taste of the chilled and frozen food that was still far behind that of the freshly cooked one. However, with the new way of living and consumption behavior that changes in accordance with the country’s population structure, the level of the urbanization, the wider expansion of distribution channels, the research and development of chilled and frozen food (more types and flavors), also the more capability in nutritious preservation, there is a high possibility that market for ready to cook and ready to eat will highly expand and be more competitive. Thus, the Company has to increase its capability in quickly developing the products to serve the consumer needs. In addition, the future marketing plan will still focus on the innovation of the Company’s products to be different from the competitors. This includes promoting the brand recognition on ready to cook and ready to eat products using the marketing strategy via online media and social media and other media consistently.

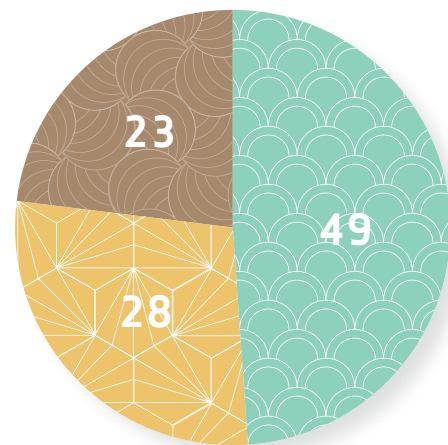
6.4.2 Market condition of beverage

Oishi Green Tea’s goal and marketing activities in the previous year was focusing on its branding to be original and different. The Company continued its successful brand proposition under the concept “Mee Oishi Chevit O jung”. In 2017, the Company maintained its success in being the leader of ready to drink tea business by focusing on the creation of product innovation and the launch of marketing activities throughout the year started from the launch of new innovative product “Oishi Green Tea Sakura Strawberry Flavor” at the beginning of the year. The launch of this new product offered the new and exciting experiences in consuming green tea beverage, as the color on package label can change with the different temperature. Oishi Sakura Strawberry also received The Thai Pack Award 2017 from the Thai Packaging Association. Followed by the summer promotion activity “The Golden Sumo Lucky Draw Campaign” which receives positive feedback from

the consumers. At the end of 2017, the Company set up the distribution plan and arranged promotional activities consistently including the winter promotion and the launch of new product to create new and exciting experience for ready to drink tea market.

The condition of ready to drink green tea market in 2017 still faced intense competition resulted from several factors including pricing, promotional activities, and the decline of consumer spending. This is exhibited in the reduction of ready to drink tea market’s growth rate. However, Oishi green tea products was able to grow in the opposite direction of market’s growth and maintain its leadership position in the market with the market share of 49.0% referenced by Nielsen Company (Thailand) Co., LTD.

TH-Val% Share to Green Tea (YTD Aug 17)



● Oishi GT ● Ichitan GT ● All others

From the increase of the competition in the industry, the Company focused on researching and developing new products to meet the needs of consumers and created products distinctiveness to expand its market base into new consumer groups as well as increased its capability and competitive advantage. For instance, the launch of “Oishi Green Tea Yuzu Orange Flavor”, the second leg of chewable green tea, in which to continue and further increment the success of Oishi Kyoho Grape

with new packaging design to create new excitement and attract consumers' attention. There was also an attempt to determine the right sizing and flavors for each individual distribution channel to maximize the sale in each channel.

Moreover, the Company focused on building brand awareness and consumer engagement through various advertising media channels, particularly digital media which is increasingly important these days as current consumers spend more and more time on online and on social media. Oishi Green Tea successfully expanded its facebook fanpage to more than 4 million fans, ranked one of top 3 brands in FMCG with highest number of facebook fans in Thailand.

6.5 INVESTMENT PROMOTION CERTIFICATES

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

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

Key privileges are summarized as follows;

- Allowed to recruit foreign 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 116 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.

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

Key privileges are summarized as follows;

- Allowed to recruit foreign technician to the country according to the approved number and period. However they have to work in specified tasks as the BOI board's agreement.
- Tariff exemption for machinery according the BOI board's agreement.
- Corporate income tax exemption is allowed for 8 years since the first day with income flow from business. In the case that there is some loss during the exemption period, Oishi Trading is allowed to choose to deduct for only 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 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.

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

Key privileges are summarized as follows;

- Allowed to recruit foreign 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.

6.5.4 On August 6, 2013, Oishi Trading Company Limited was granted the investment promotion certificate for fruit and vegetable juice production in sealed box for the factory operated in Navanakorn industrial Zone, 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.

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

Key privileges are summarized as follows;

- Allowed to recruit foreign 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.

6.5.6 On August 6, 2013, Oishi Trading Company Limited was granted the investment promotion certificate for fruit and vegetable juice production in sealed bottle for the 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.

6.6 PRODUCT AND SERVICE PROCUREMENT

6.6.1 Raw Material Procurement.

The Company is committed to offer highest quality Japanese food and beverage products to customers. Therefore, the Company highly focuses in raw materials sourcing being from within the country or from oversea. Nevertheless, most of the raw materials are sourced in Thailand. As for the selection of suppliers, the Company set up the 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 comply with international standards of production. 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 capacities and products to serve and match the Company's changing and growing business accordingly.

Despite of the quality aspects, the Company also considers pricings of the raw materials and supplies as these are relevant to the Company's costs. Therefore, procurement process requires 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 align 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 considers 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 executes long-term contracts with the farmers to control risks from raw material shortage and generate sustainable income to local farmers.

Where some raw materials are produced from only few suppliers, the Company continues to search and open for any new suppliers in order to mitigate risks from raw materials shortage. The Company also does not support any suppliers whom are involved in all forms of corruptions, human trafficking and violations of human rights. It has been part of the annual suppliers audit to ensure that our suppliers fully comply with this policy.

6.6.2 Procurement and Production

Oishi Trading Company Limited, a subsidiary, is considered as the Central Kitchen for Oishi group of companies and responsible for sourcing, purchasing, distributing of raw materials, as well as processing the raw materials, of which quality and standard must be maintained, and delivered to various outlets. The Central Kitchen also produces the Company's bakeries and sushi in order to deliver to all the restaurants in Oishi group of companies. In addition, Oishi Trading Company Limited produces all the beverage products under the brand "Oishi" for Oishi group of companies.

As at September 30, 2017 Oishi Trading Company Limited has 6 production plants as detailed below;

1. Oishi Trading, No. 60/1120 M.19 Navanakorn Industrial Estate Klongluang Phatumthani 12120 (Cold Aseptic Filling in PET)
2. Oishi Trading, No. 60/68 M.19 Navanakorn Industrial Estate Klongluang Phatumthani 12120 (Hot Filling and Drinking Water in PET)
3. Oishi Trading, No. 60/68 M.19 Navanakorn Industrial Estate Klongluang Phatumthani 12120 (Cold Aseptic Filling in paper brick)
4. Oishi Trading, No. 700/635 M.3 Amatanakorn Industrial Estate Bankoa Phanthon Chonburi 20160 (Hot Filling and Drinking Water in PET)

5. Oishi Trading, No. 333 M.1 Salangphan Saraburi (Cold Aseptic Filling in PET)
6. Oishi Trading, No. 283/2 M.3 Nongchak Banbueng Chonburi (Central kitchen)

Production Capacity

The Company and Oishi Trading Company Limited has total production capacity in PET of 1,370 million bottles per year, factory at Navanakorn Industrial Estate has capacity in Drinking Water of 240 million bottles per year where the Company use for OEM Chang and Crystal Drinking Water for the related company. For the capacity in UHT Paper Brick is 560 million bricks per year. The Cold Aseptic Filling in paper brick also able to suffice the OEM for dairies products of totaling 350 million bottles per year, under the brand Nestle and Magnolia.

For food business, the Central Kitchen has total capacity for catering is 12,000 tons per year, Chilled Gyoza is 4,000 tons per years and sandwich is 20 million pieces per year.

With the above mentioned capacity, in the year 2017, the Company is well positioned to serve domestic and international demands.

Environmental impact from manufacturing process and wastes

The Company realizes the importance of environmental conservation thus the environmental procedures has been executed legally and systematically i.e. production wastes, disposed materials from the process or any work-in-process, in order to ensure 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 from the very first production process by using energy-saving technology and reduces 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 beverage plants have already been accredited. Hence, with all the procedures execution, the company believes firmly that the environmental management was accurate, reliable and complied with the international standard.

Furthermore, to be sustainable in environmental management, the company has provided the environmental personnel who are trained follow the applicable legal requirements and located in factory as follows:

1. Environmental Manager
2. Water Pollution Supervisor
3. Air Pollution Supervisor

4. Industrial Waste Management Supervisor
5. Water Pollution Operator
6. Air Pollution Operator
7. Industrial Waste Management Operator

Besides, the certificated in environmental management system and provided the environmental personnel as above mentioned. The company could ensure that the environmental management of company is reliable and comply with International standard.

During the past 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. In addition, the company has implemented the Carbon Footprint for Organization (CFO) to understanding on the concept and Carbon Footprint for Organization assessment to exactly calculate the amount of Carbon Footprint that is produced through the organizational operation. This will affect to the management approach for more suitable and high efficiency of greenhouse gas reduction.

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

Practice on Efficient Use of Resource

In 2017, Oishi group of companies enhanced its efficiency in utilizing resources and chemicals in production process to reduce environmental impact as follows:

1. For energy usage, Oishi group of companies established committee and auditors for energy usage controlling who have been trained by an agency registered by ministry of energy. This can ensure that Oishi group of companies have used energy effectively and properly to the production process. In addition, Oishi group of companies also established a lot of energy saving projects which affecting to energy usage reduction, for instances,
 - Variable Speed Drive Project: VSD, to improve efficiency of motor and reduce energy usage during production
 - Replacing high-bay lights to LED lights, to reduce electrical usage for 597,000 units per year
 - Waste water recovering system at utility plant, to safe the water usage for 31,500 cubic meters per year
2. For the production of Hot Filling beverage in PET, the Company has improved the prevention of contamination before closure by using aseptic air instead of aseptic water. This can reduce the water usage in the production process for approximately 60 cubic meters per day.
3. For the production of Cold Aseptic Filling beverage in PET within the production plant located in Wang Muang District in Saraburi Province, the Company develops the beverage formula to reduce the use of sweetener in the product, of which its quality is still maintained. Besides the reduction of the resource used, it is also beneficial to the consumers' health.
4. For the production of Cold Aseptic Filling beverage in PET within the production plant located in Navanakorn Industrial Estate, Oishi group of companies used modern technology for the production of products' labels which helps reduce its thickness of 5 micron approximately. This technology is also initiated in the production plant located in Wang Muang District, Saraburi Province. Moreover, the modern technology used for beverage-filling process results in the great reduction of plastic used as the initial substance for PET bottles, this can reduce environmental impact and be beneficial to the environment as a whole.
5. For production of Cold Aseptic Filling beverage in UHT laminated paper brik, Oishi group of companies have conducted the modification of machines for controlling product forming process to be more precise. This can reduce the product volume which was filled over standard for 1.95 gram per brik, and lower raw material usage for 1.5 million Baht per year.
6. For Central Kitchen, the production system for Oishi Gyoza products by reducing the temperature of products before sending into the Chiller which benefits in reducing Nitrogen used in chilling process. This also reduces pollution from the release of wasted Nitrogen. Oishi group of companies also improved its production process by reducing the use of supplies e.g. paper net and sponge net. This can support to the highest capacity of the machine and can reduce Nitrogen gas usage for 0.1 kilogram of Nitrogen per kilogram of product.

Moreover, Oishi group focus on resource management and development in order to gain the highest efficiency continuously, and to reduce energy usage which will affect to the sustainability of environmental impact as Oishi group's intention.

6.7 BUSINESS OPERATING LIMITATIONS

-None-

OISHI BEVERAGE PRODUCTS



Oishi Green Tea (500 ml.)



Oishi Green Tea (380 ml.)



Oishi Green Tea UHT (250 ml.)



Oishi Green Tea (800 ml.)



Oishi Kabusecha (500 ml.)



Oishi Fruito (380 ml.)

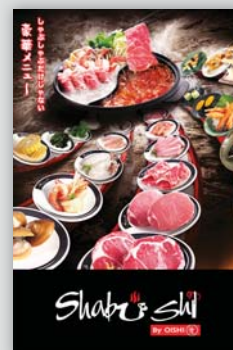
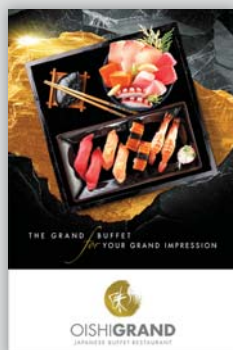


Oishi Green Tea Returnable Bottle (400 ml.)



Oishi Chakulza (320 ml.)

JAPANESE RESTAURANTS





Oishi Gyoza Chilled

CHILLED & FROZEN PRODUCTS



Oishi Gyoza Frozen



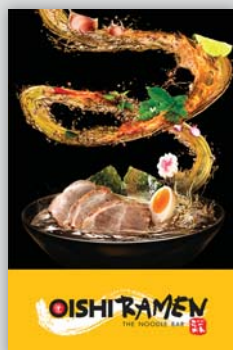
Oishi Trendy Sandwich



Oishi Kani



Oishi Trendy Ready Meal



BUSINESS NATURE

7.1 HISTORY AND SIGNIFICANT DEVELOPMENTS

The history and significant developments are set forth below:

- 1999 • Started Japanese restaurant operation under the brand "Oishi" on 9 September 1999
- 2001 • Started Japanese noodle restaurant under the name "Oishi Ramen"
- 2002 • Started Japanese buffet shabu in kaiten style under the brand "Shabushi"
- 2003 • Operated new Central Kitchen at Navanakorn factory producing food and beverage products to support sales at Oishi restaurants
 - "Oishi Green Tea" was launched
- 2004 • Started trading in SET under the name "OISHI" on 25 August 2004
 - "Oishi Grand" was opened at Siam Discovery
- 2005 • Produced and distributed fruit juice with Amino under the name "Amino OK"
- 2006 • Amata Nakorn plant started its operation.
- 2007 • Oishi Black Tea was launched
- 2008 • Oishi launched a new RTD product, namely "Coffio".
 - Thai Beverage PCL became Oishi's major shareholder
- 2009 • Opened Kazokutei, the Udon and Soba franchise restaurant from Osaka
 - Amino OK was rebranded as Amino Plus
- 2010 • New Green Tea flavor 'Goji Berry' was launched.
 - Additional lands at Navanakorn factory were acquired, now the Company owns 61.5 rais
 - The Company received two additional BOI privileges, one for the Cold Aseptic Filling project and another one for the UHT project.
- 2011 • Launched new green tea with juices "Oishi Fruito"
 - Launched first ever sparkling green tea in can "Oishi Chakulza"
 - Opened new restaurant brand "Nikuya", Japanese-style yakiniku buffet.
- 2012 • Launched crispy fried seaweed "Onori"
 - New packaging design of green tea UHT with "One Piece" characters
- Opened up new restaurant brand "Kakashi" under QSR format (Quick Service Restaurant), serving Japanese rice with various toppings
- The Company received an additional BOI privilege for Cold Aseptic Filling project line 2
- Launched green tea in returnable bottle glass.
- 2013 • Cold Aseptic Filling project line 2 at Wang-Muang disctrict, Saraburi province was commercial ran in March
 - Opened new central kitchen at Ban-Bueng district, Saraburi province
 - Re-launched "Oishi Fruito" with 3 new flavors "Strawberry and Melon", "Lemon and Berry" and "Green apple and White grape"
 - Launched new flavor of Oishi green tea "Lychee"
 - Launched new flavor of sandwich break and fast "Japanese Roast Pork and Cheese"
 - Launched new product of gyoza "Pork Tagoyaki"
 - Received BOI privileges for four projects at Navanakorn Industrial Estate and Wuang – Muang district, Saraburi province.
- 2014 • Established domestic and international subsidiaries to support business expansion plans as follows; Oishi Snack Co., Ltd.in Thailand, Oishi F&B (Singapore) Pte. Ltd. ("OSPL") in Singapore, Oishi Myanmar Limited ("OML") in the Republic of the Union of Myanmar ("Myanmar")
 - Opened new Shabushi branch at Yangon and Mandalay in 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 premium sugar-free green tea "Oishi Kabusecha".
 - Cold Aseptic Filling project line 3 at Navanakorn Industrial Estate started commercial run in December.

- 2015
- Established Oishi Group Limited Liability Company in the Socialist Republic of Vietnam to support international expansion opportunities
 - Opened additional Shabushi restaurant in Yangon, Myanmar at Junction Square Shopping Centre
 - Launched new product flavor "Oishi Kabusecha Low Sugar" targeting health conscious consumers who also enjoys premium tea
 - Launched "Oishi Watermelon 380 ml." as limited edition during summer period only
 - Added new RTD tea SKU size "Oishi Green Tea in 800 ml"
 - Upgraded size and package of "Oishi Fuito" from 350 ml to 380 ml
 - Invited special guest, "Hiroyuki Sakai", the famous Iron Chef from Japan to create special menus for customers at "Oishi Buffet" throughout the year
 - Launched new sandwich products "Oishi Trendy Roll" available in convenient stores channel
 - Launched new flavors of "Oishi Gyoza" including Spicy Seafood, Pork & Basil, Yakiniku Pork
 - Launched new product line of frozen food "Oishi Bento" in different flavors to explore new markets including Spicy Pork with rice, Pork in Japanese sauce, Teriyaki Chicken distributed in hypermarket and supermarket
- 2016
- Increased capital of international subsidiaries, Oishi International Holdings Limited and Oishi F&B (Singapore) Pte. Ltd., with main objectives to invest in newly issued shares in Oishi Myanmar Limited ("OML"), a subsidiary in Myanmar. The proceeds will strengthen OML's working capital and serve as a solid platform for any future business opportunities
 - Organized a special food festival "Phuket Lobster Festival 2016" by Oishi Grand restaurant during the National Mother Day's festival
 - Organized special food festivals throughout the year by Oishi Buffet restaurants. For instance, "Maki Festival"
 - Implemented "Shabushi and So Much More" idea, the new service concept in Shabushi restaurants which focuses more on the quality of products, varieties of menus and impressive services.
- Launched the new menu "Nabe" or the Japanese hot pot by Oishi Ramen with the rotation of the dish's flavors and toppings every 2 months to create diverse customer experiences
 - Launched the new line of sandwich products i.e. hot baked sandwiches distributed via Family Mart outlets
 - Launched "Oishi Gyoza Assorted Flavors", the innovative sell of gyoza consisting of 5 flavors in one package distributed via 7-Eleven
 - Launched "Oishi OPAN", the panda-shaped bread with sauce in the package for the consumers to decorate the panda bread as imagined, having children as the target group and distributed via 7-Eleven
 - Expanded product line of frozen food i.e. ramen products to distribute via hypermarket and supermarket channels
 - Launched "Oishi Green Tea Kyoho Grape Flavor", the innovative chewable green tea and "Oishi Green Tea Sakura Strawberry Flavor", green tea with new innovative package that change its color according to the temperature in response to green tea lover consumers who enjoy fun and innovative experience
 - Expanded distribution coverages to include new countries i.e. France and the United Arab Emirates

7.2 IMPORTANT EVENTS IN 2017

The Company continues to value the importance of hygiene and food safety for the whole supply chain from upstream to downstream of restaurant business. Consequently, the Company has been continuously improving the quality and services offered in order to reach an international standard as well as applying for the international food practice qualification from the world's leading inspection, verification, testing and certification company. As a result, all 244 restaurants of Oishi Group in Thailand were granted certificates for achieving all the requirements of GMP, HACCP and ISO 9001:2015 in the catering and operation services of Japanese restaurant segment. These certificates are another guarantee of Oishi's commitments in maintaining consumer trusts and satisfaction as the Company is the first restaurant operator in Thailand and Asia who passed all above three assessments in every single operating outlet.

In additions, the Company is recognized as a leading company in Food and Beverage and has been granted a number of prizes and awards as a result. For example, the “Superbrands Thailand 2016” prize from Superbrands Thailand which shows the success of Oishi as a leading brand in consumers’ mind. “The Most Powerful Brands of Thailand 2016” is another award the Company received as a strong and impactful brand in RTD tea market for 2016.

For credit rating perspective, Tris Rating Co., Ltd. affirms the Company rating at “A+” which reflects the company’s market position as the leading producer of RTD tea in Thailand with growing cash flow and good liquidity level. The outlook is rated as “stable” based on the expectation that the Company will remain a strategically important subsidiary of Thai Beverage Public Company Limited, maintain competitive position in the RTD tea market and deliver sound operating performance going forward.

In additions, the Company also had important developments in each business segment as follow;

Food Business

1. Restaurant Business

In 2017, the Company has developed and elevated the products and services of the restaurant brands operated by Oishi group of companies. These significant developments include:

1. **OISHI EATERIUM** has launched new store concept under “EAT – EXPLORE – PREMIUM” presenting various delicious Japanese foods producing from high quality ingredients and creative merging of Japanese eating culture through sound touch, taste and smell. Oishi Eaterium is fully equipped with the first experience of wonderful Japan, opening its first outlet at Central Grand Plaza Rama 9 followed by Seacon Square Srinakarin and Future Park Rangsit.
2. **OISHI BUFFET** has launched new thematic TVC “EAT LIKE A KING”, new concept elaborated the King-level experience of eating Japanese food. Together with this new thematic TVC concept, the brand also revamps over 30 new recipes, to create various experience, as well as flavor. Japanese cuisine lovers must try out this new menu launch at Oishi Buffet.
3. **OISHI GRAND** has organized a special food festival “Phuket Lobster Festival 2016” during the National Mother Day’s festival using the Phuket Lobsters as ingredients in variety dishes served at special prices. Since Phuket Lobster is a very popular ingredient in Phuket province, this campaign got positive feedback from customers. This festival is also beneficial in broadly promoting and advertising Phuket Lobster among consumers.
4. **SHABUSHI** has implemented the plan for the improvement of services in Shabushi restaurants under the concept “Shabushi and So Much More” which focused on the quality and variety of menus and impressive services.
5. **OISHI RAMEN** has presented the new food items such as Yakisoba Tokyo Cheese and other items, and changed its new menu every 2 months to create a wide variety of experiences which received a good response from consumers.
6. **NIKUYA**, the Japanese style yakiniku shop has a new marketing strategy such as à la carte service which add new service other than the buffet service because of its need to respond and provide service to a variety of customer groups. The brand also changing its slogan to “NIKUYA the yakiniku in Osaka style” which its key strategy is to add à la carte meals served by the consumption which can be selected as a single batch or a set. The buffet service has also changed to 2 buffet price tier 399.- (excluded beverage) and 539.- (excluded beverage) and also added more than 50 new items for variety selections.
7. **KAKASHI**, a new brand concept of Japanese style Quick Service Restaurant “QSR” focused on fast casual Japanese rice bowl with a value for money price setting. The service provided is self-service model with (1) easy order meal via counter then (2) received beeper from the staff and wait for food to be ready at table (3) when the beeper vibrate, the customer can pick up food at the counter (4) self-service on folks, spoons and chopsticks. By improving the image of “Kakashi”, this is the way to conduct strategic inbound business development together with creatively added value of goods and services of all time. Although Japanese restaurant market is an intensifying competition that are strong and growing. This strategy response to the supreme goal to be an “EXPERT OF JAPANESE FOOD,” within the year 2020

2. Ready to Cook and Ready to Eat Business

Since Oishi Group Company is deemed as one of the leaders in Japanese food and development of product innovation in Thailand, the Company has thus developed and offered new quality products in various types, tastes, and packaging to continuously satisfy consumer needs. At the same time, the Company has also expanded its market base and organized marketing activities to boost up the sale as well as build up the brand awareness. For the past 2017, significant events related to products and activities are as follows.

1. Developed and launched healthy sandwich "Oishi Sandwich Plus" in 2 flavors: Tuna with Egg Salad Sandwich, and Chicken Breast Salad Sandwich. These new categories responded to the need and the life style of the new generation who put more concern on their health.
2. Developed and relaunched Oishi gyoza (pork) by adding more value for customers. With this new launching, customers would find Oishi gyoza with more filling in a skinnier wrap, and contained in newly attractive package. Besides, during the initial launching period, promotion activities creating engagement from people and building brand awareness in key areas of Bangkok Metropolitan had been conducted widely.

Furthermore, in response to those health concern consumers, the Company had developed and launched Oishi rice berry gyoza with Japanese sesame sauce. This product development has added up variety to the existing gyoza category with several key characters: the rice berry gyoza wrap was good for those prefer low sugar product and wish to control weight, while the Japanese sesame sauce formula helped endorsing the Japanese image of Oishi product. This rice berry gyoza were on self at 7-Eleven nationwide.

3. The launch of 2 new flavors of frozen ramen: Frozen Stir-fried Ramen with Pork and Basil and Frozen Stir-fried Ramen with Chili Chicken and Sweet Basil, in supermarket and hypermarket nationwide. These two additional flavors would add up to the existing 2 flavors that are popular and received warm welcome from the customers. Customers would then conveniently find more variety of Oishi Ready Meal Ramen in accessible channels.
4. Participated in THAIFEX-World of Food Asia 2017 at IMPACT Arena, Exhibition & convention Center. This event deemed as the biggest food & beverage exhibition in Thailand. It was expected to help expanding the Company's market and finding new partners for export as well as food service channels. Also, this was another good opportunity for the Company to strengthen awareness for Oishi brand.

Beverage Business

In 2017, the Company has continually developed and launched new products, including the launch of new flavors and refreshed packaging design to attract teen target and expanded distribution coverages into new countries as following;

1. Launching of new products "Oishi Green Tea Sakura Strawberry Flavor", started being distributed since November 2016 with the new packaging innovation that change its color according to the temperature in response to the need of the green tea lover consumers to enjoy the new innovative experience. Moreover, the company also plans to launch the new Oishi Green Tea Yuzu Orange Flavor in November 2017 to continue and further increment the success of Oishi Green Tea Kyoho Grape Flavor.
2. Expanding the distribution coverages into new countries e.g. France, Sweden and India.

7.3 OVERALL BUSINESS OPERATIONS OF THE COMPANY AND ITS SUBSIDIARIES

Business operations of the Company and its subsidiaries consist of two segments

7.3.1 Food Business:

7.3.1.1 Restaurant Business: 8 Japanese restaurant brands

1. Oishi Grand (1 store)

A distinctive and luxurious atmosphere of all-day dining buffet at Siam Paragon, 4th Floor, serving various and delicate food with a limited time of 2 hours and 30 minutes at the price per head of Baht 895.

2. Oishi Eaterium (3 Stores)

A unique style Japanese Buffet "EAT-EXPLORE-PREMIUM" with a limited time of 1 hour and 45 minutes at the price per head of Baht 659 excluded VAT..

3. Oishi Buffet (12 stores)

The all-day dining Japanese food buffet style with a limited time of 1 hour and 45 minutes at the price per head of Baht 569 excluded VAT in Bangkok areas and Baht 589 excluded VAT in provincial areas.

4. Shabushi (128 stores) Domestic 126 stores

The all-day dining Shabu buffet style with the moderate price. The ingredients are served along a conveyor (kaiten). Shabushi offers 2 kinds of Asian favorite foods i.e. Shabu-Shabu and Sushi. The Price per head is Baht 399 included VAT in Bangkok areas and Baht 419 or 469 included VAT in provincial areas with a limited time of 1 hour and 15 minutes.

Overseas 2 stores

The Company's subsidiary has operated Shabushi restaurants in Myanmar with two branches in Yangon.

5. Oishi Ramen (50 stores)

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

6. Oishi Delivery (5 Stores)

Home delivery service (call number 1773) in Bangkok and its vicinity and over 21 provinces nationwide. The service is available during 10 a.m. – 9 p.m. with Baht 40 delivery fee per an order. Credit card is acceptable for customer's convenience at minimum order of Baht 500.

7. Nikuya (18 Stores)

Specialized in Yakiniiku buffet style under the slogan "NIKUYA the yakiniku in Osaka style" with high quality products at 2 buffet prices tier Baht 399 (excluded beverage) with 40 variety selections and Baht 539 (excluded beverage) and also an à la carte (à la carte) service .

8. Kakashi (23 Stores)

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

9. Snack Shop (2 Stores)

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

As at September 30, 2017, the Company and its subsidiaries operate total restaurants of up to 242 stores of which 238 domestic stores are operating in Bangkok and key provinces and 2 overseas stores are operating in Myanmar. In addition, another 2 stores are operating in form of franchise restaurants i.e. Shabushi MM Mega Market, Aranyaprathet, Sa Kaeo province, and Nikuya Buriram Castle, Buriram province

7.3.1.2 Ready to Cook and Ready to Eat Business

In 2017, the Company has further developed and launched ready to cook and ready to eat products, both chilled and frozen i.e. sandwich in new flavors, gyoza that has been improved both product itself and the packaging design to response to the need of the customers, and ready to eat ramen also witnessed the new flavors as well. In addition, the Company has set the strategy to push up and increase the amount of product in each existing product.

As a result, the revenue from this business has increased approximately 8% more than 2016. In this connection, the Company will continue to develop variety of products in alignment with consumer needs and potential growth of ready to eat products market due to the change of life styles and consumption behavior of consumers who prefer quick and easy meal. The ready to eat products are, therefore, suitable in response to such life styles and consumption behavior.

7.3.2 Beverage Business:

The Company and its subsidiaries produce and distribute the following beverage products with various flavors and 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					•	
	Lychee			•	•	•	
	Kyoho Grape			•			
	Sakura Strawberry			•			
	Watermelon		•	•			
	Yuzu Orange			•			
Oishi Kabusecha	No sugar		•				
	Less Sugar		•				
Oishi Black Tea	Black Tea Lemon		•				
Oishi Fruto	Green Apple White grape			•			
Oishi Chakulza	Honey Lemon						•

7.4 REVENUE STRUCTURE

		CONSOLIDATED FINANCIAL STATEMENTS					
Income by business type	Operated by	2017 (as of September 30, 2017)		2016 (as of September 30, 2016)		2015 (as of December 31, 2015)	
		Million Baht	%	Million Baht	%	Million Baht	%
Beverage business	The Company and Oishi Trading Co., Ltd	7,147	52%	5,576	53%	6,351	49%
Food business	The Company, Oishi Ramen Co., and Oishi Myanmar Limited	6,530	48%	4,933	47%	6,612	51%
	Total	13,677	100%	10,509	100%	12,963	100%

7.5 TARGET CUSTOMERS

Food Business

Restaurant Business:

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

Ready to Cook and Ready to Eat Business

In general, customers of ready to cook and ready to eat products are those preferring convenience due to their time limitation, still they do concern about quality and value for money. Base on product type, they could be classified into 2 groups: (1) The chilled products target young generations such as working age consumers, students and housewives who have quick lifestyles. Thus, ready to eat products are the suitable choice for this group of consumers. (2) As for the frozen products, the target consumers are working age consumers and families living in big cities. However, the Company is well aware of the change in population structure that move toward aging society. Since senior group

would most likely be the potential customers for ready to cook and ready to eat in the coming future, thus in the product development and packaging design process, the Company has taken this crucial factor into consideration as well. As the Company's business is in fast-moving consumer goods segment, the Company will continue to develop variety of products in alignment with consumer needs and the growth of ready to cook and ready to eat market.

Beverage Business

The Company focuses on developing its products to cover all consumer's genders, ages and serving occasions. For Oishi Green Tea products, the target customers are young generations such as teenagers, college students and working age consumers who are trendy and living with modern and healthy lifestyle.

7.6 DISTRIBUTION CHANNELS AND DISTRIBUTORS

Food Business

The Company is a leading Japanese restaurant operator in Thailand with diverse styles of restaurants located nationwide. Currently, the Company is operating over 240 domestic stores covering Bangkok and provincial areas.

Ready to Cook and Ready to Eat Business:

In 2017, the main distribution channels of chilled and frozen Ready to Cook and Ready to Eat products are the convenience stores, especially 7-Eleven, and supermarkets. At the same time, the Company has also domestically distributed Ready to Cook and Ready to Eat products through hotels, restaurants, dormitories, condominiums, golf court etc. So as to maximize the distribution coverage. As for the international market, beside distributing frozen Gyoza to other AEC countries e.g. Cambodia and Myanmar, the Company has also started exporting to European Community as well.

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.

7.7 BUSINESS TARGETS**Food Business****Restaurant Business**

The Company and its subsidiaries aims to open approximately 15 new stores annually focusing on popular brands such as Shabushi to cover areas in Bangkok and upcountry provinces with potentials and high purchasing powers. In 2017, stores expansion plans remain in the same directions. The Company also plans to continuously expand Shabushi restaurants in Myanmar. For the past year, the Company and its subsidiaries has achieved its target in expansion of business.

Ready to Cook and Ready to Eat Business

In 2017, besides continue developing and launching various Ready to Cook and Ready to Eat products, both chilled and frozen, the Company has planned marketing and sales promotions to grow more sales and offered the customers with new variety of products. The Company's business growth this year for ready to cook and ready to eat business was approximately 8%, and about 11% behind the target. As for 2018, The Company has set the target growth for this business category 20% from the year 2017 based on the strategy to expand the new product groups e.g. ready to eat products, snacks, ready to cook products, and the increase of new distribution channels continually i.e. Food Service channels, export channel, kiosk offering gyoza and those Japanese snacks etc. The growth of convenience stores business is also one of the factors that increase the growth of Ready to Cook and Ready to Eat business since the convenience stores are considered as the main distribution channel for these product group. As for the marketing activities, the Company highlights on using more marketing communications via online media, social media, and other communication channels to build up the Company's Ready to Eat brands.

Beverage Business

According to the business result of the year 2017, the Company has succeeded in achieving its business targets, both in the growth of sales volume and in maintaining its market leading position in Ready to Drink green tea products through all distribution channels. As for the year 2018, the Company will maintain its leading position in Ready to Drink green tea market by creating innovations for Ready to Drink green tea in terms of taste and packaging, as well as launching new innovative marketing campaigns to induce demands all year long. This is in response to the diverse and dynamic demands of the target consumers as well as expanding the consumers' base, domestically and internationally.

7.8 EXPORT MARKET

Food Business

Restaurant Business

OML, an indirect subsidiary opened Shabushi restaurant branch in Yangon accumulating to 2 branches in Myanmar which consider to be a significant milestone in expanding restaurants business overseas.

Ready to Cook and Ready to Eat Bushiness

The Company are well-prepared to obtain relevant certifications and standards to enhance products images and creditability for overseas customers. The Company received standard accreditations for food industry including BRC, HACCP and GMP. The Company has also done researches on consumer behavior and distribution channels in various countries in order to deliver products that match consumers' preferences. This helps strengthening the Company's positions to manufacture its products, focusing on frozen food, for overseas distribution. The Company has also started to export Oishi Gyoza in AEC countries e.g. Cambodia and Myanmar since 2016.

In 2017, the Company has expanded its market base for Oishi gyoza product to cover European Community. This could be deemed as another successful milestone that helped the target for export channel met the target. Moreover, this could be regarded as a base to further expand the market and build up brand awareness in the coming future. Last but not least, the Company has also collaborated with the sales partners to offer various product's flavors that meet with each country's culture and consumption behavior as well.

Beverage Business

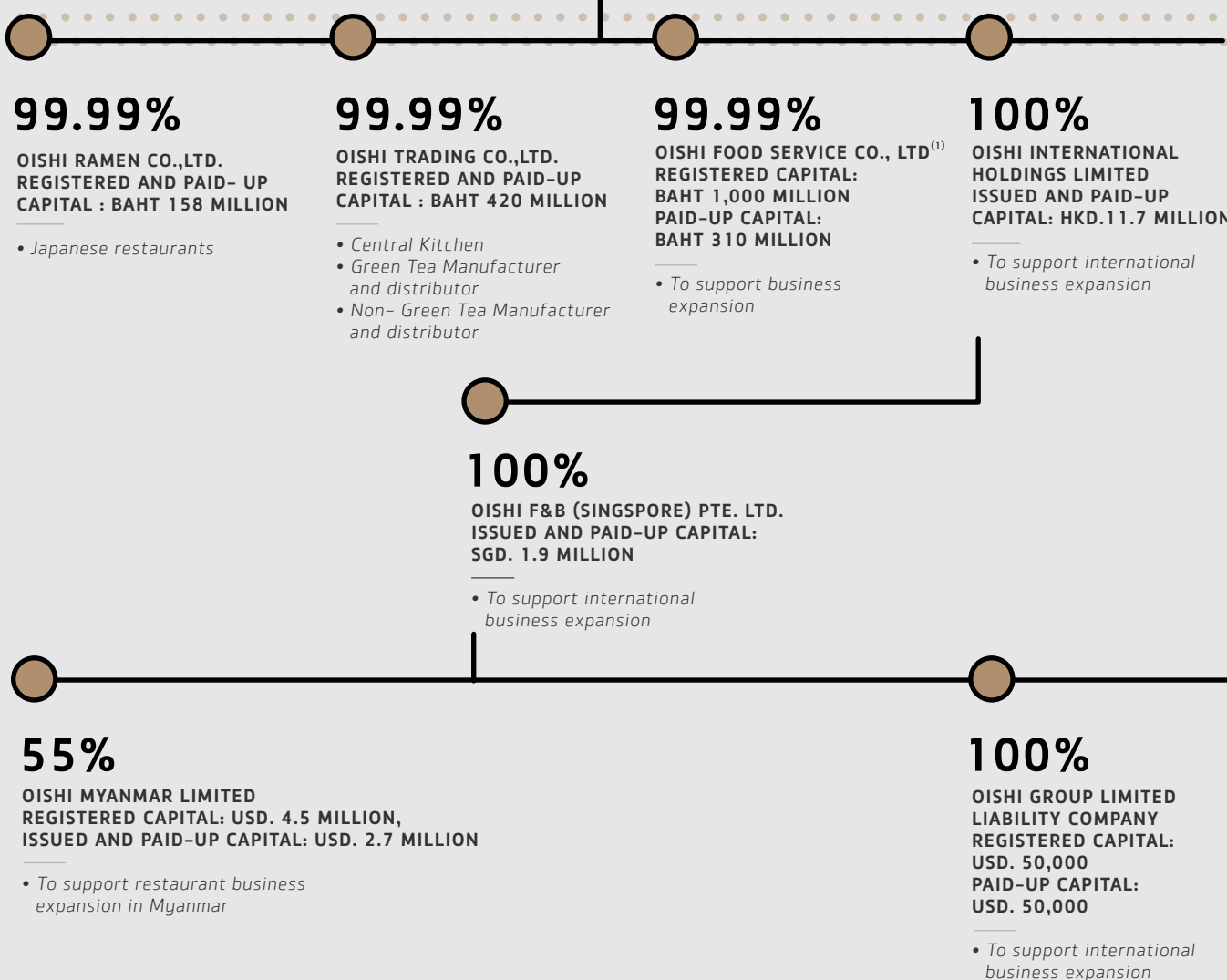
Oishi Green Tea products hold approximately 10% of export revenue with the potential to grow rapidly and continually. The products are distributed into various countries such as Laos, Cambodia, Myanmar, Malaysia, Negara Brunei Darussalam (Brunei), People's Republic of China, the Republic of Korea, the Russian Federation (Russia), Israel, Australia, New Zealand, the Swiss Confederation, Barbados, Hungary, Netherlands, Saint Maarten, the Republic of Poland, the Federal Republic of Germany (Germany), the Republic of Finland and Great Britain.

In 2017, the Company increased the sales revenue of Oishi beverage and expanded into new overseas markets e.g. Italy, France, Sweden and India through the distribution of the subsidiaries companies' network e.g. F&N Beverage Marketing Sdn. Bhd. and Oishi International Holdings Ltd.

In 2018, the Company aims to continuously expand its export business across ASEAN markets e.g. Myanmar and several more like markets in Eastern Europe and with the focus on marketing activities to drive more sales performance in Lao and Cambodia too.

Oishi Group Structure
as at November 17, 2017

OISHI GROUP
PUBLIC COMPANY LIMITED
REGISTERED AND PAID-UP CAPITAL
BAHT
375
MILLION
Japanese Food and Restaurant
Oishi Beverage



Remark

(1) Oishi Snack Company Limited had a fully paid up capital of Baht 80 million on September 7, 2017. On October 5, 2017, it has registered the change of company name to Oishi Food Service Company Limited and increased the registered capital from Baht 80 million to Baht 1,000 million with call for paid up of capital of Baht 230 million, resulting in total paid up capital of Baht 310 million.

RISK FACTORS

8.1 BEVERAGE BUSINESS

8.1.1 The risks in new product development

Although it is common practice that all new products must pass various processes of quality testing during production, including manufacturing, packaging design, tasting, advertising and promotions, which cost substantial amount of money, some new products were unable to penetrate the market due to the intense competition in beverage market. As a result, the Company has increased the level of strictness in the preparation for launching new products in terms of quality control, the alignment of the consumer's demand, as well as marketing activities in order to ensure that new products will be able to successfully penetrate the beverage market.

8.1.2 The limitation in raw material sourcing

Due to Company's commitment to produce only quality products made from premium raw materials, the Company has no policy to purchase the raw materials from only one supplier which may cause the risk on shortage or disadvantage in price negotiation. Hence, the Company's R&D and Purchasing Departments are obligated to continue looking for more qualified suppliers to maximize our ability in raw material sourcing.

8.1.3 Fluctuation in raw material costs

Certain factors may cause the rise in production cost i.e. fuel, transportation, paper pulp, and petroleum packaging which are fluctuated according to the demand and supply in the market. The Company, therefore, has secured medium to long term contracts with the suppliers to ensure the mitigation of possible difficulties and impacts.

8.1.4 Competition risks

Competition in the beverage business is quite intense. There have always been high potential entrants to the market with aggressive marketing activities to penetrate the market. However, the Company has strengthened its competitiveness through building the Company's brand and image by means of effective advertising, marketing and promotional activities. The Company believes that the competition is beneficial to consumers and beverage industry since the growth of market will eventually help improving the Company's performance in the business.

8.1.5 Natural disaster risks

The 2011 great flood in Thailand was the most severe disaster which caused serious damages to the Company. As a result, the Company realizes the need to divert and prevent the risks of natural disaster. For example, the construction of new production plant at Wang-Muang district, Saraburi province, the construction of a flood wall for the production plant in Navanakorn Industrial Estate and the implementation of contingency plans to ensure the business continuity of operations in the event of a natural disaster or emergency.

8.2 FOOD BUSINESS

8.2.1 Restaurant Business

8.2.1.1 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 considered a limitation for those who aim to increase the new outlet especially in department stores or urban area. Normally, short-term rental contracts last for 3 years and could be renewed for another 3 years. There is a high risk that some of the rental contracts could not be renewed, or the rental fee might be increased; however, the Company has planned to maintain those rentals by maintaining and building good relationship with the lessor. We also keep looking for other good new locations to ensure that the Company will have the places to support the expansion of outlets.

8.2.1.2 Raw materials and products obsolescence

In operating restaurant business, the Company highly focuses on good quality and freshness of raw materials and products. Over 50% of raw materials and products are meat, seafood, vegetables, fruits and bread, which are perishable. In this connection, lacks of effective raw material management could result in the increase of production cost. In order to avoid such risk, the Company has adopted policies to make purchase

of raw materials on a daily basis and store in temperature-controlled rooms to preserve quality and freshness with the First-In-First-Out (FIFO) inventory control scheme being used.

8.2.1.3 The limitation in raw material sourcing

Due to Company's commitment to produce only quality products made from premium raw materials, the Company has no policy to purchase those raw materials from only one supplier which may cause shortage or disadvantage in price negotiation. Thus, the Company's R&D and Purchasing Departments have been looking for more qualified suppliers to maximize our ability in raw material sourcing.

8.2.1.4 Fluctuation in raw material costs and production costs

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

8.2.1.5 Competition risks

Due to the popularity of Japanese food in Thailand, many Japanese restaurant operators emerge constantly. Some competitors open their stores with the same menu and at nearby locations. The Company, however, has no policy to compete in pricing but rather maintaining high quality of products and services as well as enhancing the product images using effective advertising, marketing and promotional activities. We believe the competition is beneficial to consumers and food industry since the growth of market will eventually help the Company's performance in the business.

8.2.1.6 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 convenient for transportation. We also set up the contingency plans to ensure the business continuity of operations in the event of a natural disaster or emergency.

8.2.1.7 Political and Economic Risk

In 2017, the political situation in Thailand appeared to show improvements. Nonetheless, the Company is affected by the economic status, 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.

Despite of the abovementioned risk, as we have been closely monitored and set up the appropriate strategy and marketing plan to cope with the uncertain situation, the Company's business is not significantly affected by this factor.

8.2.2 Ready to Cook and Ready to Eat Business

8.2.2.1 Fluctuation in raw material costs and production costs

At present, the sales volume of Ready to Cook and Ready to Eat products is not quite high compared to the size of the overall market. Thus, the production management in the manufacturing plants of Oishi Group is not utilized to its full capacity resulting in the rise of production costs. The Company therefore set up guidelines for all the relevant units e.g. Purchasing, Research and Development, Production, and Sales to cooperate in managing the production capacity and budget control effectively. Moreover, the Company emphasizes on expanding distribution channels to generate more sales volume which may result in the reduction of production cost and other expenses.

8.2.2.2 Competition risks

The competition in Ready to Cook and Ready to Eat Business is very competitive. The distributors from our distribution channels were starting to produce the products under their own brands. Inevitably, for the business owner, not only they have to perform research and development to be able to compete in term of the product, they must also have the bargaining power in negotiation. To reduce and prevent such risk, the Company gives priority to the development and maintaining quality of products as well as promoting our brands' popularity and credibility.

8.2.2.3 The risks in new product development

As the convenience stores are still the main channel of distribution for Ready to Cook and Ready to Eat product, there is a need to develop the products continuously. Despite such awareness, the consumer's consumption behavior is very dynamic, certain products or flavors 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.

8.2.2.4 Risk of the limitation of distribution channel

Since the present distribution channel of the Company's product mainly relies on the convenient stores, negotiation power and benefit are thus limited. The Company has attempted to lessen this limitation by expanding the distribution base and increasing sales in other channels such as modern trade stores: supermarket, department store or hypermarket, included other potential channels e.g. food service and exporting. Moreover, the Company has sought for new distribution channels to increase customer diversity e.g. participation in trade fairs, festivals or events, food truck showcase, department store kiosk and OEM service.

8.2.2.5 Risk of logistics

According to the nature of the Company's products which is in either chilled or frozen condition, the storage after production and logistics management to maintain the product's quality and taste are highly important. As the business growth has constantly increased, the logistics infrastructure e.g. the expansion of the cold storage to preserve the products properly for domestic and international distribution should be carefully considered. As the cold chain logistics system and its efficiency should support the company's growth, prevent and reduce unforeseeable risks in the future.

8.3 STRATEGIC RISKS

The Company has initiated "Vision 2020" strategic roadmap to become one of the leading food and beverage business operators 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 strategies and cause the Company's operating performances to miss the set targets.

However, to manage such risks, annual business plans are conducted in alignment with the long-term strategies of the Company. The Board of Directors take major roles in reviewing and adjusting such strategies. In addition, implementation of the strategies will be constantly monitored and reviewed to ensure that strategies and business operations are keeping up with the change of business conditions.

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

The Company has estimated distribution proportion to companies within Thai Beverage Public Company Limited group of companies ("ThaiBev Group") of around 90% of total sales revenue in beverage business which is one of the most efficient channel with the most areas coverage. However, ThaiBev is the major shareholder of the Company holding 79.66 % shares. Hence, distribution of beverage products segment is inevitably dependent on channels of the major shareholder's group which may possess some risks and affect the Company's operation in case there are changes in shareholding structure by the major shareholder or refusal in distributing the Company's products.

However, there have always been good business cooperation between the Company and the major shareholder's group for very long time and the Company's operation is in alignment with the international standard. In addition, the distribution of Company's products through the companies within ThaiBev Group is considered as very efficient in terms of managing and utilizing resources for the best interests of the Company and all our shareholders. In this connection, the Company has secured medium term distribution agreements with the major shareholder. Should there be any restructures within the shareholder's organizations, they will be obligated to be our distributors throughout the agreements' term. Therefore, there will be a time period for the Company to prepare and assign other new distributors to avoid business disruption.

8.5 RISKS OF INVESTORS IN THE COMPANY'S SECURITIES

8.5.1 Risks from the control of major shareholder

As of 2 October 2017, ThaiBev is the major shareholder of the Company with 79.66% shareholding in the paid-up capital. Therefore, ThaiBev can control the resolutions of the shareholders' meeting including the appointment of Directors, 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 set an organization structures consisting of personnel with knowledge and capability. The role and responsibility are clearly set. Moreover, The Company has appointed the Audit Committees consisting of 3 independent directors, which have no interests in the Company in order to review Company's operations and protect the interests of minority shareholders. This results in appropriate check and balance and verifiable system.

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

As of 2 October 2017, the Company has free float of 20.34% which results in relatively low liquidity transaction of the securities listed in The Stock Exchange of Thailand. Shareholders may have some risks of unable 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.

8.6 THE SECURITY RISK OF INFORMATION TECHNOLOGY SYSTEMS.

Information technology is an important factor for business operations. Currently, the risks of the Company's information security may arise from the damage caused by IT ordinary use or damage due to force majeure, Virus infection, cyber espionage which may impact or cause business disruption. In this regard, the Company has provided the security protection of information and scheduled maintenance of computers and software on a regular basis as well as setting up a firewall as the basic preventive measures and only authorized user will be able to log on to the Company's information technology. The Company has also installed computer anti-virus program on every computer, and require employees using their own password to log in to the system. In addition, the Company has set up different access levels to prevent cyber espionage, damage due to force majeure and other risks. The Data Center Backup Site has been provided to restore the system and ensure the continuity of business operations. Along with the testing system recovery, in the case that the original system is damaged, the Data Center Backup Site ensures that the data in the system is truly recovered.

BUSINESS ASSETS

Business operation assets of the Company and its subsidiaries are consisting of both tangible and intangible assets. As of September 30, 2017 the detailed net book values are as follows:

9.1 LAND AND LAND IMPROVEMENTS

The OISHI group of companies owns certian pieces of land and land improvements which it uses in its business operation. As of September 30, 2017 the book value of which are as follows:

Land and Land improvements	Type of possession	Net book value (million baht)	Collateral for Loans
Land with 61-2-70.5 rais with improvements at Navanakorn Industrial Zone 2, Klong Nueng, Klong Luang, Pathumthanee province	Owner	454.79	None
Land with 182-2-19 rais with improvements at Nong Chak, Banbueng (Muang), Chonburi province	Owner	220.07	None
Total		674.86	

9.2 BUILDINGS AND BUILDING IMPROVEMENTS

The OISHI group of companies owns certian buildings and building improvements which it uses in its business operation. As of September 30, 2017 the book value of which are 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 Nueng, Klong Luang, Pathumthanee province	Owner	951.63	None
Building and structure at Amata Nakorn Industrial Estate, Bankao, Panthong, Chonburi province.	Leased	90.21	None
Building Improvements No.333 Moo 1 Highway 2089 (Muak Lek-Wang Muang) Salaeng Phan, Wang Muang, Saraburi province	Leased	54.64	None
Central Kitchen at Nong Chak, Banbueng, Chonburi province	Owner	334.81	None
Other bulding improvements	Leased	9.09	None
Total		1,440.38	

9.3 RENTAL AGREEMENT

As of September 30, 2017 the Company has 238 rental agreements with retailers for Japanese food restaurant businesses. Most of which are short-term rental agreements with a period of three years, with the option to extend the term for another three years. Most of the agreements will expire in 2017 – 2019

In addition, the Company has entered into short – term property lease agreements for operation of the Cold Aseptic Filling Line 2 and Line 4 at Saraburi Province which are the most suitable locations for logistic and risk management purposes. The leasing term of such agreements are less than 3 years and the lessor commits to provide a right of first refusal to the Company if it decides to sell the land.

9.4 LEASEHOLD RIGHTS

The majority of locations for Oishi restaurant businesses are under the short-term lease agreement of 3 years term with the option to extend the term for another three years. This is to lessen the risk of engagement and fluctuation from economic change. Only some of the locations in department stores are under long-term lease agreements. Net book value of which, as of September 30, 2017 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	8.12	None
The Mall Ngamwongwan, Unit no. GFC1A in 220 sq.m.area and GFC1B in 101sq.m. area	17 years and 9 months 10 days / Expire 2019	1.84	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	9.47	None
Future Park Rangsit, Unit no. B 56 in 134 sq.m area	15 years and 6 months/ Expire 2021	3.40	None
Esplanade Ratchada, Unit no. B 41 in 288 sq.m area	24 years and 2 months 4 days/ Expire 2031	17.97	None
Total		40.80	

9.5 TOOLS AND MACHINERY FOR MANUFACTURING

As of September 30, 2017 tools and machinery for manufacturing which the Company uses in its operation and production consist of the following;

Type of tools and machinery for manufacturing	Net book value (million baht)	Collateral for Loans
Machinery-Beverage	2,620.75	None
Machinery-Food	323.74	None
Total	2,944.49	

9.6 DECORATION AND INTERNAL SYSTEMS

As of September 30, 2017 decoration and internal systems which the Company uses in its business operation consist of the following;

Type of decoration and internal systems	Net book value (million)	Collateral for Loans
Decoration	335.48	None
Internal systems	929.81	None
Total	1,265.29	

9.7 CONSTRUCTION IN PROGRESS AND INSTALLATION

Net book value of construction in progress and installation of the OISHI group of companies, as of September 30, 2017 consist of the following;

Type of construction in progress and installation	Net book value (million)	Collateral for Loans
Project Cold Aseptic Filling Line 4, Saraburi	14.33	None
Machinery of Cold Aseptic Filling Line 2	3.56	None
Machinery of Cold Aseptic Filling Line 3	1.42	None
Project OEM UHT Nava Nakorn	1.66	None
Project Central Kitchen	0.86	None
Oishi Knowledge Center	13.85	None
Others	11.74	None
Total	47.42	

9.8 OTHER ASSETS

Other assets were included office equipment, furniture and fixtures, restaurant utensils and vehicles. Net book value as of September 30, 2017 is 233.44 million Baht.

9.9 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 has also submitted other trademarks and service marks, both together with and separate from "Oishi" mark such as "Shabushi", "Ramen", "Nikuya", "Kakashi", "Green tea", "Chakulza", "Fruito", "Amino OK", "Nekko" "Fruitza" and "Oyoshi".

The Company also registered copyright for animation character "Oishi Neko" and other characters used with Chakulza products. Moreover in 2016, the Company was awarded "Superbrands Thailand" which is granted by Superbands Thailand, an independent organization that assesses branding at goods by measuring reliability and trust worthy of those brands in customers' mind and also awarded the "Most Powerful Brand of Thailand" from the Faculty of Commerce and Accountancy, Chulalongkorn University. The awards emphasize the Oishi brand's position as the leading brand in the mind of the consumer in all aspects. It is ensuring that the Company's trademarks are well recognized 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.

9.10 INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

As of November 17, 2017, the list of 7 companies that the Company directly or indirectly hold shares for more than 50% of the issued shares, both in Thailand and overseas are as follows:

9.10.1 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) ⁽¹⁾ Unit B3601 36th Floor, CW TOWER, 90 Ratchadaphisek Rd., Huai Khwang, Bangkok 10310, Thailand	Production and distribution of beverages 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. Mrs. Nongnuch Buranasetkul ⁽²⁾ 6. Mrs. Sureeporn Pradittasnee
2. Oishi Ramen Co., Ltd. (Oishi Ramen) ⁽¹⁾ Unit B3601 36th Floor, CW TOWER, 90 Ratchadaphisek Rd., Huai Khwang, Bangkok 10310, Thailand	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. Mrs. Nongnuch Buranasetkul ⁽²⁾ 6. Mrs. Sureeporn Pradittasnee
Company name	Business Types	Share Type	Issued and Paid-up Capital		Number of Issue Share	Number of Shares Held	Investment Ratio %	Director
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 11,700,000		11,700,000	11,700,000	100	1. Mr. Sithichai Chaikriangkrai 2. Mrs. Nongnuch Buranasetkul ⁽²⁾ 3. Mr. Lee Man Kong 4. Mr. Jesdakorn Ghosh
Company name	Business Types	Share Type	Registered Capital	Paid-up Capital	Number of Issue Share	Number of Shares Held	Investment Ratio %	Director
4. Oishi Food Service Co., Ltd. (Oishi Food Service) ⁽¹⁾⁽⁴⁾ Unit B3601 36th Floor, CW TOWER, 90 Ratchadaphisek Rd., Huai Khwang, Bangkok 10310, Thailand	To support business expansion	Ordinary	Baht 1,000,000,000	Baht 310,000,000	9,999,976	10,000,000	99.99	1. Mr. Thapana Sirivadhanabhakdi 2. Mr. Sithichai Chaikriangkrai 3. Mr. Ueychai Tantha-Obhas 4. Mr. Pisanu Vichiensanth 5. Mrs. Nongnuch Buranasetkul ⁽²⁾ 6. Mrs. Sureeporn Pradittasnee

9.10.2 Indirect subsidiaries

Company name	Business Types	Share Type	Issued and 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 1,900,000	1,900,000	1,900,000	Oishi International Holdings Limited	100	1. Mr. Paisarn Aowsathaporn 2. Ms. Tan Yen Hoon 3. Ms. Ong Hwee Lin Gene 4. Mr. Ng How Hwan Kevin

Company name	Business Types	Share Type	Registered Capital	Paid-up Capital	Number of Issue Share	Number of Shares Held	Shareholder	Investment Ratio %	Directors
2. Oishi Myanmar Ltd. (OML) No. 1-11 Padonmar Stadium (East Wing), Bargayar Street, Sanchaung Township, Yangon, Myanmar	Japanese Restaurant	Ordinary	USD 4,500,000	USD 2,700,000	2,700,000	1,485,000	Oishi F&B (Singapore) Pte. Ltd.	55	1. Mrs. Nongnuch Buranasetkul ⁽²⁾ 2. Mr. Paisarn Aowsathaporn 3. Mrs. Daw Win Win Tint 4. Mr. U Soe Moe Thu
3. Oishi Group Limited Liability Company ("OGLLC") 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. Mrs. Nongnuch Buranasetkul ⁽²⁾ 2. Mr. Paisarn Aowsathaporn 3. Mrs. Jesdakorn Ghosh 4. Ms. Tientip Narach ⁽³⁾

Remarks

- (1) On May 23, 2017 the Company and its subsidiaries has changed the registered office address from No. 57, PARK VENTURES ECOPLEX, 19th – 20th Floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 to Unit B3601 36th Floor, CW TOWER, 90 Ratchadaphisek Rd., Huai Khwang, Bangkok 10310, Thailand
- (2) The Board of Directors Meeting No. 2/2017 which was held on February 9, 2017 resolved in principle to appoint Mrs. Nongnuch Buranasetkul replacing Mr. Marut Buranasetkul, who resigned, to be the Director of the Company's subsidiaries and Managing Directors namely, Oishi Trading, Oishi Ramen, Oishi Food Service, and to be Director of OIHL, OML and OGLLC.
- (3) The Board of Directors Meeting No. 6/2016 which was held on November 16, 2016 resolved in principle to appoint Ms. Tientip Narach replacing Mrs. Chitkasem Moo-Ming, who resigned, to be the Director of 4 subsidiaries of Oishi Group Public Company Limited namely, OIHL, OSPL, OML and OGLLC. Ms. Tientip Narach has resigned from the directorship since August 1, 2017.
- (4) On September 7, 2017, Oishi Snack Company Limited had a fully paid up capital and on October 5, 2017, registered the change of company name to Oishi Food Service Company Limited and increased the registered capital upto Baht1,000 million by call for paid up capital at Baht 230 million, totally paid up capital Baht 310 million.

LEGAL DISPUTES

As at the fiscal year ended September 30, 2017, the Company and its subsidiaries do not have any legal disputes or lawsuits related to the followings:

- (1) Legal disputes that may cause negative effect on the assets of the Company and its subsidiaries of higher than 5% of the total shareholders' equities.
- (2) Legal disputes that have material effect on the Company's business operation which cannot be assessed in numbers.
- (3) Legal disputes which are not related to normal course of business of the Company.

CAPITAL STRUCTURE

11.1 ORDINARY SHARES

As of September 30, 2017 the Company has Baht 375 million of registered and paid-up capital. It can be categorized into 187.5 million common stocks, with the par value of Baht 2 per share. All shares are registered in the Stock Exchange of Thailand.

11.2 DEBENTURES

The Company issued the Debentures as per the following details;

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 (One million units)
Par Value per Unit	:	Baht 1,000 (One thousand Baht)
Total Value of Debentures	:	Baht 1,000,000,000 (One thousand million Baht)
Issue Date of Debentures	:	December 9, 2015
Maturity	:	3 years
Interest	:	2.51% per annum
Maturity Date	:	December 9, 2018
Debenture Registrar	:	KrungThai Bank Public Company Limited

Debentures of Oishi Group Public Company Limited No. 1/2016 Due 2019

Type of Debentures	: Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative
Number of Debentures	: 1,000,000 units (One million units)
Par Value per Unit	: Baht 1,000 (One thousand Baht)
Total Value of Debentures	: Baht 1,000,000,000 (One thousand million Baht)
Issue Date of Debentures	: July 6, 2016
Maturity	: 3 years
Interest	: 2.20% per annum
Maturity Date	: July 6, 2019
Debenture Registrar	: KrungThai Bank Public Company Limited

11.3 SHAREHOLDERS

11.3.1 As of October 2, 2017, top ten 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	79.66
2.	UOB KAY HIAN PRIVATE LIMITED	9,000,000	4.80
3.	DBS BANK LTD.	9,000,000	4.80
4.	Mr. Thaweecat Jurangkool	7,885,000	4.21
5.	UBS AG SINGAPORE BRANCH	4,678,700	2.50
6.	Mr. Ayuth Charnsethikul	942,600	0.50
7.	Thai NVDR Company Limited	590,003	0.31
8.	Mrs. Hatairatn Jurangkool	552,000	0.29
9.	Ms. Orapan Assamongkol	400,000	0.21
10.	Mrs. Nipaporn Siripong	349,200	0.19
11.	Minor shareholders	4,742,298	2.53
	Total	187,500,000	100

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

- 1) Thai Beverage Public Company Limited which operates via its subsidiaries regarding to production and distribution of alcoholic and non-alcoholic beverages and Japanese restaurants.
- 2) As of October 21, 2016 the companies that are related to Mr. Charoen Sirivadhakdi and Khunying Wanna Sirivadhakdi held shares in Thai Beverage Public Company Limited totally 65.89% of the paid-up capital.

As of December 6, 2016, 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	9,554,248,444	38.05
3.	Maxtop Management Corp.	2,749,660,000	10.95
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.	Mr. Natthavat Tejapaibul	92,377,500	0.37
9.	Mrs. Atinant Bijananda	88,000,000	0.35
10.	Mrs. Chompoonuch Tejapaibul	70,000,000	0.28

11.4 LONG-TERM LOAN

-None-

11.5 DIVIDEND PAYMENT POLICY

The Company and its subsidiaries have policy to pay dividend of not less than 40% of net profit after deduction of tax and legal reserves 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

Financial Ratio	2015	2016	2017 ⁽¹⁾
Dividend per share	2.00	2.50	3.40
Total amount	Baht 375 million	Baht 468.75 million	Baht 637.5 million
% of dividend payment	52.65	52.83	43.91

The dividend payment historical are conform to the dividend policy, where the company 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 2017 is subjected to the shareholders' approval in the 2018 Annual General Shareholder Meeting.

MANAGEMENT STRUCTURE

12.1 BOARD OF DIRECTORS STRUCTURE

As of November 17, 2017, 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:

12.1.1 Board of Directors

The Board of Directors comprises of 9 members

1. Mr. Prasit Kovilakool
Chairman and Independent Director
2. Mr. Thapana Sirivadhanabhakdi
Vice Chairman
3. Mr. Vikrom Koopirochana
Independent Director
4. Ms. Potjaneer Thanavarani
Independent Director
5. Mr. Chai Jroongtanapibarn
Independent Director
6. Mr. Ueychai Tantha-Obhas
Director
7. Mr. Sithichai Chaikriangkrai
Director
8. Mrs. Nongnuch Buranasetkul⁽¹⁾
Director and President & CEO
9. Mr. Pisanu Vichiensanth
Director

Remark

- (1) Mrs. Nongnuch Buranasetkul was appointed by the resolution of the Board of Directors Meeting No. 2/2017, which was held on February 9, 2017, as Director and President & CEO, replacing Mr. Marut Buranasetkul who resigned from the positions. The Company has registered the change of its Director with the Department of Business Development, Ministry of Commerce, on February 10, 2017.

Authorized Directors are as follow;

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

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, strategies, 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 Thailand 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 important roles and responsibilities including the followings;

- (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.

In 2017, the following directors of the Company had attended the training courses held by the IOD;

Name	Positions	Courses
Mrs. Nongnuch Buranasetkul	Director President & CEO Executive Committee Risk Management Committee Good Corporate Governance Committee	DAP Class 135/2017

12.1.2 The Executive Committee

The eight members of the Executive Committees are;

1. Mr. Thapana Sirivadhanabhakdi
Chairman of the Executive Committee
2. Mr. Ueychai Tantha-Obhas
1st Executive Vice Chairman
3. Mr. Sithichai Chai kriangkrai
2nd Executive Vice Chairman
4. Mr. Lee Meng Tat
3rd Executive Vice Chairman
5. Mrs. Nongnuch Buranasetkul ⁽¹⁾
Executive Committee
6. Mr. Pisanu Vichiensanth
Executive Committee
7. Mrs. Sureeporn Pradittasnee
Executive Committee
8. Mr. Paisarn Aowsathaporn
Executive Committee

Remark

- (1) Mrs. Nongnuch Buranasetkul was appointed by the resolution of the Board of Directors Meeting No. 2/2017, which was held on February 9, 2017, as an Executive Committee member, replacing Mr. Marut Buranasetkul who resigned from the position.

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 of 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 Baht 1,000 million per purchase.
- 2. To approve other payment of not exceed Baht 100 million 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 Baht 10 million or the payment of entertainment expense, charity and promotional products, where the Executive Committee can authorize an amount not exceeding Baht 3 million.
- 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 & CEO 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 committee who is an interested person to such transaction cannot vote in that matter. The Board of Directors can amend the scope of responsibility of Executive Committee as necessary or appropriate.

12.1.3 The Audit Committee

The three audit committees⁽¹⁾ are;

1. Mr. Vikrom Koopirochana
Chairman of the Audit Committee
2. Ms. Potjanee Thanavaranit
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 of the Board of Directors 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 Charter and Notification 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 SET 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 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. Potjanee Thanavaranit and Mr. Chai Jroongtanapibarn are qualified with knowledge and experience to review the credibility of the Company's financial statements.

12.1.4 The Risk Management Committee

The thirteen Risk Management Committee are;

1. Mr. Chai Jroongtanapibarn
Chairman of the Risk Management Committee
2. Mr. Pisanu Vichiensanth
Risk Management Committee
3. Mrs. Sureeporn Pradittasnee
Risk Management Committee
4. Mrs. Nongnuch Buranasetkul ⁽¹⁾
Risk Management Committee
5. Mr. Paisarn Aowsathaporn
Risk Management Committee
6. Mrs. Jesdakorn Ghosh
Risk Management Committee
7. Mr. Thanee Pornphisutsak
Risk Management Committee
8. Ms. Jarunee Kungwanwongsakul
Risk Management Committee
9. Mr. Suraat Chaiwongse
Risk Management Committee
10. Mrs. Kodchacorn Attarangsana ⁽²⁾
Risk Management Committee
11. Mr. Chaiwuth Jirundorn ⁽³⁾
Risk Management Committee
12. Mr. Jakravan Maensuwan ⁽⁴⁾
Risk Management Committee
13. Ms. Chanatnuth Wongwan
Risk Management Committee

Remarks

- (1) Mrs. Nongnuch Buranasetkul was appointed by the resolution of the Board of Directors Meeting No. 2/2017, which was held on February 9, 2017, as a Risk Management Committee member, replacing Mr. Marut Buranasetkul who resigned from the position.
- (2) Mrs. Kodchacorn Attarangsana was appointed by the resolution of the Board of Directors Meeting No. 2/2017, which was held on February 9, 2017, as a Risk Management Committee member, replacing Mr. Pakorn Tiewcharoen who resigned from the position.
- (3) Mr. Chaiwuth Jirundorn was appointed by the resolution of the Board of Directors Meeting No. 2/2017, which was held on February 9, 2017, as a Risk Management Committee member.
- (4) Mr. Jakravan Maensuwan was appointed by the resolution of the Board of Directors Meeting No. 2/2017, which was held on February 9, 2017, as a Risk Management Committee member.
- (5) Mrs. Paitoon Siribovornkiat, a Risk Management Committee member, retired effectively on January 1, 2017.

- (6) Ms. Tientip Narach was appointed by the resolution of the Board of Directors Meeting No. 6/2016, which was held on November 16, 2017, as a Risk Management Committee member effectively from November 16, 2017, onward, replacing Mrs. Chitkasem Moo-Ming who resigned from the position. Ms. Tientip Narach has since resigned from the position effectively on August 1, 2017.

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 & CEO 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.

12.1.5 The Nomination Committee

The three Nomination Committees are;

1. Mr. Vikrom Koopirochana
Chairman of the Nomination Committee
2. Mr. Prasit Kovilaikool
Nomination Committee
3. Mr. Thapana Sirivadhanabhakdi
Nomination Committee

Roles, Authorities and Responsibilities of the Nomination Committee

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

12.1.6 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, as the case may be, 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.

12.1.7 Good Corporate Governance Committee

The five Remuneration Committees are;

1. Ms. Potjane 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. Mrs. Nongnuch Buranasetkul⁽¹⁾
Good Corporate Governance Committee

Remark

- (1) Mrs. Nongnuch Buranasetkul was appointed by the resolution of the Board of Directors Meeting No. 2/2017, which was held on February 9, 2017, as a Good Corporate Governance Committee member, replacing Mr. Marut Buranasetkul who resigned from the position.

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

12.1.8 Company Secretary

Ms. Janthana Ratanaamornchai was appointed by the resolution of the Board of Directors Meeting No. 5/2017 which was held on November 16, 2017, to be the Company Secretary, replacing Mrs. Sasinee Hemthanon, effective from November 17, 2017 onward.

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.

12.1.9 The Executives⁽¹⁾

The Executive of the Company are

1. Mrs. Nongnuch Buranasetkul⁽²⁾
President & CEO
2. Mr. Paisarn Aowsathaporn
Executive Vice President – Food Business
3. Mrs. Jesdakorn Ghosh
Senior Vice President – Beverage Business
4. Mr. Thanee Pornphisutsak
Vice President – Production
5. Mr. Ekbodin Densutham
Vice President Marketing – Ready to Drink Tea
6. Mrs. Kodchacorn Attarangsana⁽³⁾
Vice President – Food Product Business Development

Remarks

- (1) The names are shown in accordance with the definition of executive by the Notification of the Securities and Exchange Commission as of November 17, 2017. The name of the Company's directors have already been shown in section 12.1.1
- (2) Mrs. Nongnuch Buranasetkul was appointed as President & CEO, effective from February 9, 2017, replacing Mr. Marut Buranasetkul who resigned from the position.
- (3) Mrs. Kodchacorn Attarangsana was appointed as Vice President effective from February 1, 2017, replacing Mr. Pakorn Tiewcharoen who resigned from the position effectively on November 21, 2016.
- (4) Mrs. Chitkasem Moo-Ming resigned from the position of Senior Vice President effectively on October 16, 2016.
- (5) Mrs. Paitoon Siribovornkiat, Vice President, retired effectively on January 1, 2017.

- (6) Ms. Tientip Narach was appointed as a Senior Vice President effectively on November 16, 2016, replacing Mrs. Chitkasem Moo-Ming who resigned from the position. Ms. Tientip Narach has since resigned from the position effectively on August 1, 2017.

Roles, Authorities and Responsibilities of the President & CEO

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.

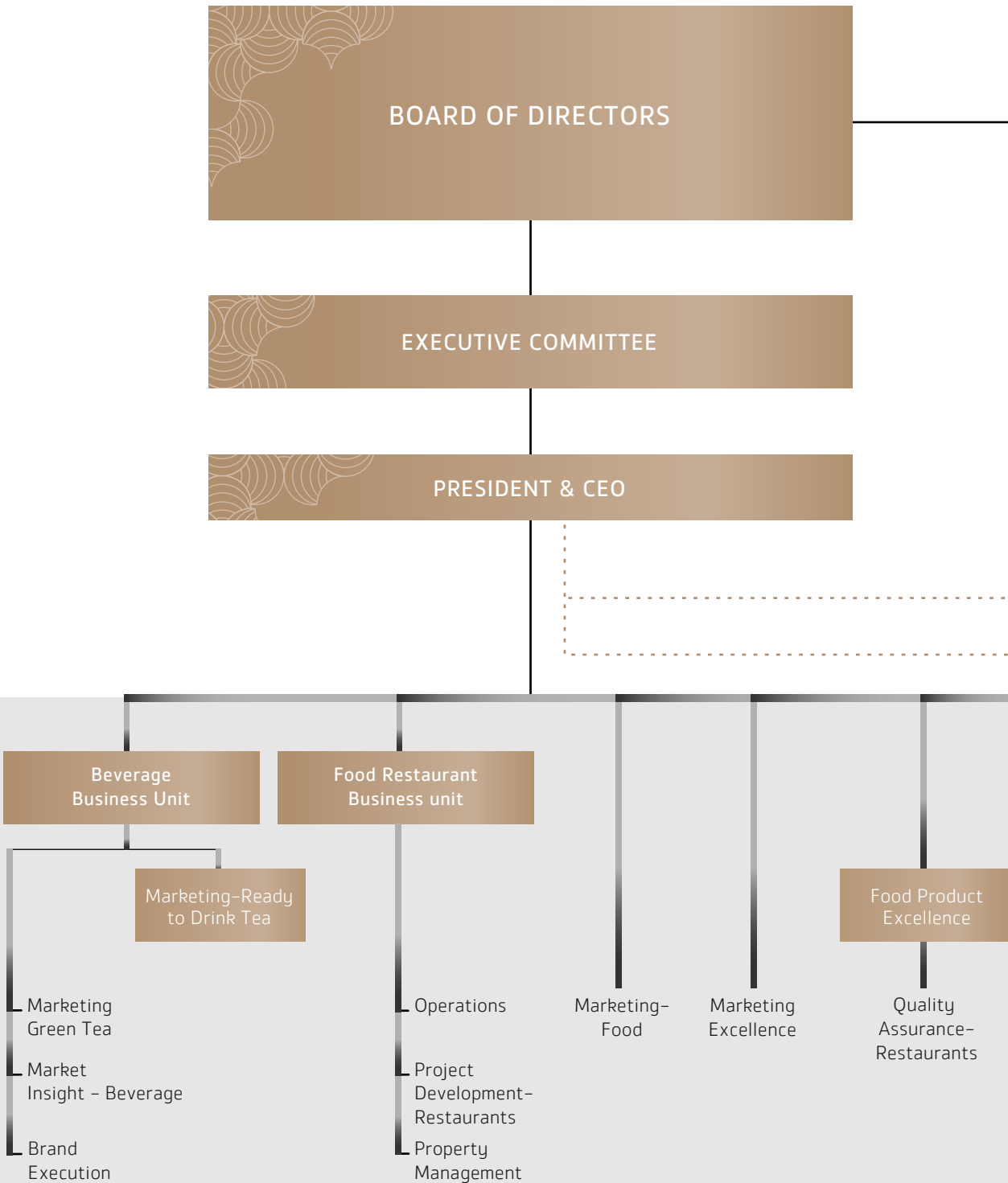
The hiring, transference, dismissal, and the performance evaluation of head of Internal Audit Department require concurrence from the Audit Committee.

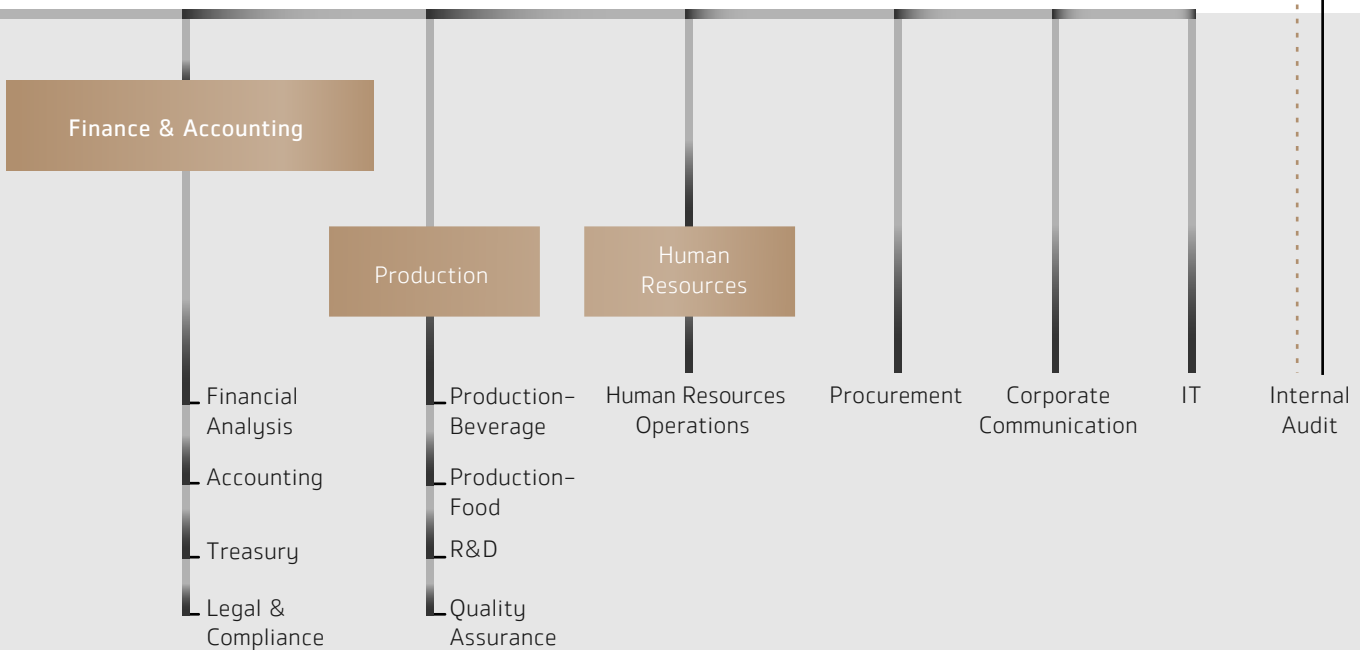
4. Approve the payment for the Company's expenses within the amount as prescribe by the Board of Directors.
5. Assign one or more persons to act on his or her behalf as appropriate within the scope of authorities assigned to him or her by the Board of Directors and/or the Executive Committee.
6. Carry 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 & CEO 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 & CEO and the management team. In addition, performance evaluation of the President & CEO and the management team will be done annually. The President & CEO 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/or the Board of Directors, as the case may be.

ORGANIZATION CHART





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

12.2.1 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, skills needed and the Company's goals or strategies are also the criteria for selection. They must also have the qualifications required by the Public Company Limited Act, the Securities and Exchange Act and the Notification of the Securities and Exchange Commission (SEC), the Notification of the Stock Exchange of Thailand (SET) 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 equaled 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 & CEO 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.

12.2.2 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 Securities and Exchange Act, Notification of the Securities and Exchange Commission, Notification of

the Capital Market Supervisory Board and Notification of the Stock Exchange of Thailand or other related law, rule or regulation during their directorship, the details of the definition are as follows:

1. Do not hold more than 1% of the total voting share of the Company, the parent company, any subsidiary company, any associated company the Company's major shareholder or controlling entity including the shares held by related persons of such Independent Director.
2. Is not nor used to be a director that takes part in the management, employees, advisors who receive regular salary from or controlling entity of the Company, the parent company, any subsidiary company, any associate company, major shareholder of the Company or its controlling entity, except in the case that he or she remains free from the abovementioned characteristics for a period not less than 2 years prior to the appointment. However, the aforementioned restriction shall not include the case where an Independent Director used to be a government official or an advisor to any government agency which is the Company's major shareholder or controlling entity.
3. Do not have nor used to have business relationship with the Company, the parent company, any subsidiary company, any associated company, major shareholder or the Company's controlling entity in such a way which could potentially interfere with his or her discretion. Is not and have never been a significant shareholder or the controlling person of any entities who has a business relationship with the Company, the parent company, any subsidiary company, any associated company, major shareholder or the Company's controlling entity, except in the case that he or she remains free from the abovementioned characteristics for a period not less than 2 years prior to the date of appointment.

Such relationship shall include 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 by providing loan, became such person guarantor, giving asset as debt collateral or any other similar action which would results in the Company's or the other party's obligation to one another that worth up to 3 per cent of the Company's net tangible asset or up to Baht 20 million, whichever is lower. The aforementioned debt obligation calculation of the value of related transaction is in accordance with the Notification of the Capital Market Supervisory Board regarding related transaction mutatis mutandis. However, in the process of consideration of the debt obligation, debt obligation of incurred during the period on 1 year before the date of the business relationship with such person.

4. Have not been nor used to provide professional service which includes legal or financial advisory service for compensation value over Baht 2 million a year to the Company, the parent company, any subsidiary company, any associated company, major shareholder or the Company's controlling entity and is not a significant shareholder, the controlling person or partner to such service provider, except in the case that he or she remains free from the abovementioned characteristics for a period not less than 2 years prior to the date of appointment.
5. Is not nor used to be an auditor of the Company, the parent company, any subsidiary company, associated company, major shareholder or the Company's controlling entity and is not a significant shareholder, the controlling person or partner to such audit firm to which the auditor of the Company, the parent company, any subsidiary company, associated company, major shareholder or the Company's controlling entity 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.
6. Is not related by blood or by legal registration as a father, mother, spouse, sibling, and child, including as a spouse of a child, of any other director, management person, major shareholder, any controlling person or the person to be nominated for a director or management position or a controlling person of the Company or any of the Company's subsidiary.
7. Is not 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.
8. Have not been conducting any business that is similar to and significantly competing with the business of the Company or its subsidiaries nor being a significant partner in a partnership or a director that takes part in the management, an employee, an officer or an advisor who received regular pay from or holding more than 1 percent of total voting share of another company whose business is similar to and significantly competing with the business of the Company or its subsidiaries.
9. Not having any other characteristics that prevent the exertion of independent opinion with regard to the Company's business.
10. Is not a director of the Company's parent company, its subsidiary company or any subsidiary company of the same level which is a listed company (only in the case where such Independent Director is an Audit Committee member)
11. In the case where such person that the Company appointed to the position of Independent Director has or used to have business relationship or has provided professional service with value over the

limit stipulated in item 3 or 4 above, the Company shall only be relieved of such restrictions upon having the Board of Director opinion that sufficiently indicate that, after the consideration as per the regulation of the Securities and Exchange Act B.E. 2535 section 89/7, the appointment of such person shall not have any impact on his or her performance as an Independent Director nor does it hinder his or her ability to exert independent opinion as well as disclose any related information, such as the nature of the business relationship or the professional service provided that render such person unqualify as per regulation, the reason and necessity to retain or appoint such person as Independent Director and the Board of Director's opinion regarding the nomination of such individual to the position of Independent Director, in the specific agenda concerning the retention or nomination of such person as Independent Director within the invitation to the shareholder's meeting.

12. 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.
13. 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).

12.3 CORPORATE GOVERNANCE

The Board of Directors is aware of the importance of operating business with honesty and transparency. It strictly follows the 2017 Good Governance of Listed Companies issued by the SEC and 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 27, Page 129-146 of this Annual Report.

INFORMATION ON THE BOARD OF DIRECTORS AND THE EXECUTIVES

1. MR. PRASIT KOVILAIKOOL

Type of Director

Independent Director

Tenure

7 years 8 months

Date of Appointment

April 20, 2010

Positions in other listed companies

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

Current Position

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

Date of Birth

June 22, 1943

Positions in other non-listed companies

Present Independent Director, Chairman of the Audit Committee, Chairman of the Remuneration Committee and Nomination Committee
Thai Beverage Public Company Limited
Lecturer of Legal Education Institute
The Thai Bar Association
Advisor of Property Asset Management Office
The Thai Red Cross Society
Counselor, (7th Law Committee)
Office of the Council of State

Age

74

Education

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

Training

Thai Institute of Directors Association (IOD)

- Finance for Non-Finance Director (FND) 2004
- Board Failure and How to Fix it, Improving the Quality of Finance Reporting 2004
- Director Accreditation Program (DAP) 2005

Training (other Institutes)

- Certificate of Property Valuation Assessment
Land Reform Institute, Taiwan and associated with
Lincoln Land Institute, Massachusetts, USA.
- Certificate in Human Rights Teaching
University of Strasbourg, France

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

None

Experiences during the past 5 years

2001 – 2015 Exclusive Lecturer (B.A), Faculty of Law
Chulalongkorn University
2009 – 2016 Chulalongkorn University Council Member
Chulalongkorn University

Legal Record in the past 10 years

None

No. of share(s) in the Company included holding by spouse and minor children

None

2. MR. THAPANA SIRIVADHANABHAKDI

Type of Director

Authorized Director

Training (other Institutes)

None

Date of first appointment

January 26, 2006

No. of share(s) held in the Company

included holding by spouse and minor children

None

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

Tenure

11 years 11 month

Positions in other listed companies

Present **Vice Chairman**
Univentures Public Company Limited
Vice Chairman and Chairman of the Executive Committee
Sermsuk Public Company Limited
Director
Golden Land Property Development
Public Company Limited
Vice Chairperson and President
Amarin Printing and Publishing Public Company Limited

Date of Birth

January 20, 1975

Age

42

Education

- Bachelor of Business Administration (Finance), Boston University, USA.
- Master of Science Administration in Finance Economics, Boston University, USA.
- Honorary Doctoral Degree of Philosophy in General Management, Ramkhamhaeng University
- Honorary Doctoral Degree of Business Administration in Strategic Logistic and Supply Chain Management, Suan Sunandha Rajabhat University
- Honorary Doctoral Degree in Community Development Chiang Mai Rajabhat University
- Honorary Doctoral Degree in Hospitality, Rajamangala University of Technology Krungthep
- Honorary Doctoral Degree in Arts Rajamangala University of Technology Phra Nakhon

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 Food Service 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

Training

Thai Institute of Directors Association (IOD)

- Directors Accreditation Program (DAP) 2004

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

SPM Foods and Beverages Company Limited
 C A C Company Limited
 Horeca Management Company Limited
 Chang International Company Limited
 Food of Asia Co., Ltd

Vice Chairman

The QSR of Asia Co., Ltd
 Foods Company Holdings Co, Ltd.
 Cosmos Brewery (Thailand) Company Limited
 Red Bull Distillery Group of Companies
 Dhospaak Company Limited
 Natechai Co., Ltd.
 United Winery and Distillery Co., Ltd.
 Luckchai Liquor Trading Co., Ltd.
 Simathurakij Co.,Ltd.
 International Beverage Holding (China) Ltd.
 Times Publishing Limited
 Southeast Group of Companies

1st Vice Chairman

Thai Beverage Logistics Company Limited
Director and Vice Chairman of the Executive Committee
 Beer Thai (1991) Public Company Limited
Director and Chairman of the Executive Committee
 International Beverage Holdings Limited
Director
 Beer Chang Company Limited
 Max Asia Company Limited
 Serm Suk Holdings Company Limited
 Serm Suk Beverage Company Limited
 Serm Suk Training Company Limited
 Wrangyer Beverage (2008) Company Limited
 Fraser and Neave, Limited
 InterBev Investment Limited
 Best Spirits Company Limited
 Super Brands Company Pte. Ltd.
 InterBev Malaysia Sdn. Bhd.

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

InterBev (Singapore) Limited
 Blairmhor Distillers Limited
 Blairmhor Limited
 International Beverage Holding (UK) Limited
 Inver House Distillers Limited
 Great Brands Limited
 Thai Beverage Brand Company Limited
 T.C.C. Technology Company Limited
 Chula United Company Limited
 Adelfos Company Limited
 Pathombnakdi Company Limited

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

None

Experiences during the past 5 years

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
 2006 – 2011 **Vice Chairman**
 Oishi Group of Companies
 2001 – 2017 **Director**
 Berli Jucker Public Company Limited

Legal Record during the past 10 years

None

3. MR. VIKROM KOOMPIROCHANA

<p>Type of Director Independent Director</p> <p>Date of first appointment November 10, 2006</p> <p>Current Position Chairman of the Audit Committee, Chairman of the Nomination Committee, Remuneration Committee Member and Good Corporate Governance Committee Member</p> <p>Date of Birth January 23, 1946</p> <p>Age 71</p> <p>Education</p> <ul style="list-style-type: none"> • 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 Doctoral Degree in Humanities, Schiller International University, London, UK. (2003) <p>Training Thai Institute of Directors Association (IOD)</p> <ul style="list-style-type: none"> • 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 • Role of the Chairman Program 39/2559 • Advanced Audit Committee Program 23/2559 <p>Training (other Institutes)</p> <ul style="list-style-type: none"> • Certificate of Top Executive Program, Class 14/2012 Capital Market Academy <p>No. of share(s) held in the Company included holding by spouse and minor children None</p>	<p>Tenure 11 years 1 months</p> <p>Positions in other listed companies Present Chairman Country Group Development Public Company Limited Independent Director, Audit Committee Member Nomination and Remuneration Committee Member Chairman of Risk Management Committee MFC Asset Management Public Company Limited</p> <p>Positions in other non-listed companies Present Honorary Advisor British Chamber of Commerce Thailand (BCCT) Chairman Sports and Recreation Management Company Limited</p> <p>Director has direct & indirect in any contract entered into by company None</p> <p>Experiences during the past 5 years</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">2005 and</td> <td>Director</td> </tr> <tr> <td>2007 – 2008</td> <td>Thai Airways International Public Company Limited</td> </tr> <tr> <td>2000 – 2001</td> <td>Deputy Permanent Secretary, Office of the Permanent Secretary, Ministry of Foreign Affairs</td> </tr> <tr> <td>2002</td> <td>Ambassador of Thailand to the Republic of Italy</td> </tr> <tr> <td>2003 – 2006</td> <td>Ambassador of Thailand to the United Kingdom of Great Britain</td> </tr> <tr> <td>2007 – 2009</td> <td>Ambassador of Thailand to Ireland Chairman Dragon One Public Company Limited</td> </tr> <tr> <td>2012 – Jan 2016</td> <td>Commissioner, Audit Committee Member and Nomination and Remuneration Committee Member The Securities and Exchange Commission (SEC)</td> </tr> <tr> <td>2013 – Apr 2016</td> <td>Independent Director and Corporate Governance Committee Member Bangchak Petroleum Public Company Limited</td> </tr> </table> <p>Legal Record during the past 10 years None</p>	2005 and	Director	2007 – 2008	Thai Airways International Public Company Limited	2000 – 2001	Deputy Permanent Secretary, Office of the Permanent Secretary, Ministry of Foreign Affairs	2002	Ambassador of Thailand to the Republic of Italy	2003 – 2006	Ambassador of Thailand to the United Kingdom of Great Britain	2007 – 2009	Ambassador of Thailand to Ireland Chairman Dragon One Public Company Limited	2012 – Jan 2016	Commissioner, Audit Committee Member and Nomination and Remuneration Committee Member The Securities and Exchange Commission (SEC)	2013 – Apr 2016	Independent Director and Corporate Governance Committee Member Bangchak Petroleum Public Company Limited
2005 and	Director																
2007 – 2008	Thai Airways International Public Company Limited																
2000 – 2001	Deputy Permanent Secretary, Office of the Permanent Secretary, Ministry of Foreign Affairs																
2002	Ambassador of Thailand to the Republic of Italy																
2003 – 2006	Ambassador of Thailand to the United Kingdom of Great Britain																
2007 – 2009	Ambassador of Thailand to Ireland Chairman Dragon One Public Company Limited																
2012 – Jan 2016	Commissioner, Audit Committee Member and Nomination and Remuneration Committee Member The Securities and Exchange Commission (SEC)																
2013 – Apr 2016	Independent Director and Corporate Governance Committee Member Bangchak Petroleum Public Company Limited																

4. MS. POTJANEE THANAVARANIT

Type of Director

Independent Director

Date of first appointment

February 24, 2009

Current Position

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

Date of Birth

September 13, 1946

Age

71

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)

- Driving Company Success with IT Governance (ITG 2/2559)
- Director Certification Program Update (DCPU 1/2014)
- Anti-Corruption for Executive Program (ACEP 7/2013)
- Advanced Audit Committee Program (AACP 10/2013) (Completed: ACP, MIA, MFM, MIR)
- Financial Institutions Governance Program (FGP 2/2011)
- Audit Committee Program (ACP 32/2010)
- 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)
- 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) held in the Company

included holding by spouse and minor children

None

Tenure

8 years 10 months

Positions in other listed companies

Present Independent Director, Audit Committee Member and Chairman of the Audit Committee
Bank of Ayudhya 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
Independent Director and Chairman of the Risk Management Committee
Berli Jucker Public Company Limited

Positions in other non-listed companies

Present	Council of State Office of the Council of State
	Qualified Member of the Committee The Federation of Thai Insurance Organization
	Honorary Director Thai Investors Association
	Vice Chairman and Chairman of the Audit Committee Thai Institute of Directors (IOD)

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

None

Experiences during the past 5 years

Apr 2016 –	Independent Director
Nov 2017	Big C Supercenter Public Company Limited
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
2009 – 2016	Independent Director Berli Jucker Public Company Limited
2008 –	Chairperson of the Public Sector Audit and Evaluation Committee
March 2013	Ministry of Commerce
2007 – 2012	Member and Treasurer Bhumiratchanakarin Kidney Institute Foundation

Experiences during the past 5 years

2006 – 2008	Advisor Council of National Security
	Vice President Nation Legislative Assembly of Thailand
2006 – 2008	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
	Chairman Thailand Insurance Institute
	Member of the Monetary Policy Board Bank of Thailand
	Director – General Department of Insurance, Ministry of Commerce

Legal Record during the past 10 years

None

5. MR. CHAI JROONGTANAPIBARN

Type of Director

Independent Director

Date of first appointment

February 8, 2006

Current Position

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

Date of Birth

November 25, 1954

Age

63

Education

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

Training

Thai Institute of Directors Association (IOD)

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

Training (other Institutes)

None

No. of share(s) held in the Company

included holding by spouse and minor children

None

Tenure

11 years 10 months

Positions in other listed companies

Present Independent Director, Audit Committee Member and
Risk Management Committee Member
Siam Food Products Public Company Limited
Independent Director and Chairman of the
Audit Committee
Team Precision Public Company Limited
Independent Director, Chairman of the Audit
Committee and Chairman of the Remuneration
Committee
Major Cineplex Group Public Company Limited
Independent Director, Chairman of the Board of
Director and Chairman of the Audit Committee
Thai Metal Trade Public Company Limited
Independent Director
Siam Future Development Public Company Limited

Positions in other non-listed companies

None

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

None

Experiences during the past 5 years

1980 – 1997 Executive Director and Chief Finance Officer
The Minor Group

Legal Record during the past 10 years

None

6. MR. UEYCHAI TANTHA-OBHAS

Type of Director

Authorized Director

Date of first appointment

January 26, 2006

Current Position

Director and 1st Vice Chairman of Executive Committee

Date of Birth

May 17, 1949

Age

68

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
- Directors 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) held in the Company

included holding by spouse and minor children

None

Tenure

11 years 11 month

Positions in other listed companies

None

Positions in other non-listed companies

Present **Director and Senior 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 Food Service 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
Thai Beverage Logistics Company Limited

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

Num Yuk Company Limited
Num Muang Company Limited
Num Thip Company Limited
Num Nakorn 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
Myanmar Distillery Co., Ltd.
Myanmar Supply Chain and Marketing Services Co., Ltd.

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

None

Experiences during the past 5 years

2011 – 2014 **Vice Chairman**
SPM Foods and Beverages Company Limited

2010 – 2016 **Executive Vice President**
Thai Beverage Public Company Limited

2005 – 2010 **Senior Vice President**
Thai Beverage Public Company Limited

2005 – 2010 **Director**
Red Bull Distillery (1988) Company Limited

Legal Record during the past 10 years

None

7. MR. SITHICHAJ CHAIKRIANGKRAI

Type of Director

Authorized Director

Date of first appointment

January 26, 2006

Current Position

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

Date of Birth

July 10, 1954

Age

63

Education

- Bachelor Degree in Accounting (First Class Honor), Thammasat University
- Diploma in Computer Management, Chulalongkorn University
- Certificate of the Mini MBA. (Leadership Management), Kasetsart 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) held in the Company

included holding by spouse and minor children

None

Tenure

11 years 11 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
Sermsuk Public Company Limited
Berli Jucker Public Company Limited

Positions in other non-listed companies

Present **Director and Senior Executive Vice President**

Thai Beverage Public Company Limited
5th Vice Chairman
Pan International (Thailand) Company Limited
2rd 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 Food Service Company Limited

Positions in other non-listed companies
Present **Vice Chairman**

Sura Bangyikhan Group of Companies
 Athimart Co., Ltd.
 S.S. Karnsura Co., Ltd.
 Kankwan Co., Ltd.
 Theparunothai Co., Ltd.
 International Beverage Holdings (China) Limited
Director
 Thai Beverage Training Company Limited
 Beer Thip Brewery (1991) Company Limited
 Thai Beverage Logistic Company Limited
 Archa Beer Co., Ltd.
 Wrangyer Beverage (2008) Company Limited
 Serm Suk Holdings Company Limited
 Serm Suk Training Company Limited
 Sermsuk Beverage Limited
 Petform (Thailand) Co., Ltd.
 International Beverage Holdings Limited
 InterBev Investment Limited
 Blairmhor Distrillers Limited
 International Beverage Holdings (UK) Limited
 Inver House Distrillers Limited
 Blairmhor Limited
 Fraser and Neave Limited
 Frasers Centrepoint Limited
 Oishi International Holdings Limited
 Great Brands Limited
 Eastern Seaboard Industrial Real Estate (Rayong)
 Company Limited
 Big S Supercenter Company Limited

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

None

Experiences during the past 5 years

2010 – 2016 **Executive Vice President**
 Thai Beverages Public Company Limited
 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 during the past 10 years

None

8. MRS. NONGNUCH BURANASETKUL

Type of Director

Authorized Director

Date of first appointment

February 9, 2017

Current Position

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

Date of Birth

March 25, 1968

Age

49

Education

- Bachelor Degree in Communication Arts (First Class Honor), Chulalongkorn University
- Master Degree in Business Administration (Honor), Cleveland State University, USA.
- Certificate of Effective Business Communication, Harvard University, USA.

Training

Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) class 135/2017

Training (other Institutes)

- Coaching Training & Trainer
- Achieve Breakthrough Result training & trainer (ABR)
- Advance Media training
- Decision Making
- Strategic Marketing Training
- Business Beyond the Box (BBB)
- Brand Mania
- 7 Habits for highly effective people by PacRim
- 4 Roles of Leadership for highly effective leaders by Franklin Covey; Bangkok
- Consumer Insight Course
- Train the trainer for Promo Power course
- Presentation skills
- Local Store Marketing workshop (LSM)
- Advance Media course
- Marketing Strategies and Planning; Oakbrook, Chicago, USA

No. of share(s) held in the Company

included holding by spouse and minor children

None

Tenure

11 months

Positions in other listed companies

None

Positions in other non-listed companies

Present **Senior Vice President – Food Business (Thailand) and Japanese Food and Beverage Business**
Vice President – Office of Food Development
 Thai Beverage Public Company Limited
Director and President
 Food of Asia Co., Ltd.
 Oishi Trading Company Limited
 Oishi Ramen Company Limited
 Oishi Food Service Company Limited
 Bistro Asia Co., Ltd.
Director
 Koykiao Co., Ltd.
 Max Asia Co., Ltd.
 Thai Drinks Company Limited
 Oishi International Holdings Limited
 Oishi Myanmar Limited
 Oishi Group Limited Liability Company
 Foods Company Holdings Co, Ltd.
 The QSR of Asia Co., Ltd.
 Spice of Asia Co., Ltd.

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

None

Experiences during the past 5 years

2012 – 2014 **General Manager**
 Yum Restaurants International
 (Thailand) Co., Ltd.
 2010 – 2012 **Pizza Hut Business Director**
 Yum Restaurants International
 (Thailand) Co., Ltd.

Legal Record during the past 10 years

None

9. MR. PISANU VICHIENTSANTH

Type of Director

Authorized Director

Date of first appointment

January 26, 2006

Current Position

Director, Executive Committee Member and Risk Management Committee Member

Date of Birth

January 23, 1956

Age

61

Education

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

Training

Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 2004

Training (other Institutes)

None

No. of share(s) held in the Company

included holding by spouse and minor children

None

Tenure

11 years 11 month

Positions in other listed companies

None

Positions in other non-listed companies

Present **Director and Senior Executive Vice President**
 Thai Beverage Public Company Limited
Director and President
 Cosmos Brewery (Thailand) Company Limited
 Beer Thai (1991) Public Company Limited
Director
 Oishi Trading Company Limited
 Oishi Ramen Company Limited
 Oishi Food Service 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
 Thai Drinks Company Limited
 Petform (Thailand) Company Limited
 Great Brands Limited
 Foods Company Holdings Co, Ltd.

Positions in other non-listed companies

Present **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

Experiences during the past 5 years

2014 – 2016 **Executive Vice President**

Thai Beverage Public Company Limited

2005 – 2014 **Director**

Vidhayathan Company Limited

2004 – 2014 **Senior Vice President**

Thai Beverage Public Company Limited

Legal Record during the past 10 years

None

10. MR. PAISARN AOWSATHAPORN

Current Position

Executive Vice President – Food Business,
Executive Committee Member and Risk Management
Committee Member

Date of Birth

April 1, 1965

Age

52

Education

- 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.
- CEDI – Babson Entrepreneurial Leadership Program Babson College, Massachusetts, USA.

Training

Thai Institute of Directors Association (IOD)

None

Training (other Institutes)

- Certificate of Top Executive Program Class 19 Capital Market Academy
- Senior Executive Development Program (SEDP) National University of Singapore

No. of share(s) held in the Company included holding by spouse and minor children
None

Positions in other listed companies

None

Positions in other non-listed companies

Present **Director and President**
Oishi Myanmar Limited
Director
SPM Foods and Beverages Company Limited
Oishi F&B (Singapore) Pte. Ltd.
Oishi Group Limited Liability Company

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

None

Experiences during the past 5 years

2002 – 2004 **Operations & Training Director**
Global Kitchen Company Limited
1999 – 2002 **Area Manager**
Yum Brand Company Limited
(Tricon Restaurant International)

Legal Record during the past 10 years

None

11. MRS. JESDAKORN GHOSH

Current Position

Senior Vice President – Beverage Business and Risk Management Committee Member

Date of Birth

June 6, 1969

Age

48

Education

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

Training

Thai Institute of Directors Association (IOD)
None

Training (other Institutes)

- Senior Executive Development Program (SEDP), National University of Singapore

No. of share(s) held in the Company

included holding by spouse and minor children
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 during the past 5 years

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

Legal Record during the past 10 years

None

12. MR. THANEE PORNPISUTSAK

Current Position Vice President – Production and Risk Management Committee Member	No. of share(s) held in the Company included holding by spouse and minor children None
Date of Birth November 30, 1969	Positions in other listed companies None
Age 48	Positions in other non-listed companies None
Education <ul style="list-style-type: none"> Bachelor Degree in Food Sciences and Technology Kasetsart University 	Director has direct & indirect in any contract entered into by company None
Training Thai Institute of Directors Association (IOD) None	Experiences during the past 5 years 2011 – April 2016 General Factory Manager Oishi Group Public Company Limited
Training (other Institutes) <ul style="list-style-type: none"> Senior Executive Development Program (SEDP), National University of Singapore 	Legal Record during the past 10 years None

13. MRS. KODCHACORN ATTARANGSAN

Current Position

Vice President – Food Products Business Development and Risk Management Committee Member

Date of Birth

July 8, 1968

Age

49

Education

- B.Sc. (Food Technology), Khon Kaen University
- MBA. (Marketing), Sripatum University
- Innovation for Growth Program (Strategies & Best Practices) The Wharton School Executive Education, Philadelphia, USA

Training

Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 138/2017

Training (other Institutes)

- Senior Executive Development Program (SEDP), National University of Singapore

No. of share(s) held in the Company

included holding by spouse and minor children

None

Positions in other listed companies

None

Positions in other non-listed companies

Present **HOP Excellence**
Food of Asia Co., Ltd.

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

None

Experiences during the past 5 years

2006 – 2015 **Food Innovation & Quality Assurance Director**
Yum Restaurant International (Thailand) Co., Ltd.

2015 – 2017 **Vice President (Product Excellence)**
Food of Asia Co., Ltd.

Legal Record during the past 10 years

None

14. MR. EKBODIN DENSUTHAM

Current Position

Vice President – Marketing – Ready to Drink Tea

Date of Birth

December 8, 1976

Age

41

Education

- BBA Major: Marketing Management
- MBA Major: International Business Management
- MA in Economics, Major: International Economics
Wichita State University, USA

Training

Thai Institute of Directors Association (IOD)

None

Training (other Institutes)

- Senior Executive Development Program (SEDP),
National University of Singapore

No. of share(s) held in the Company
included holding by spouse and minor children

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 during the past 5 years

2013 – 2014 **Head of Insight**
Tesco Lotus

2007 – 2012 **Regional Consumer and Customer Insight**
Pepsi-Cola (Thailand)

Legal Record during the past 10 years

None

REMUNERATION OF THE BOARD OF DIRECTORS AND EXECUTIVES

14.1 MONETARY REMUNERATION

14.1.1 The monetary remuneration paid to members of the Board of Directors, in the form of monthly retainer fee and bonus as follows;

Name-Surname / Position	2017 (Oct. 2016 - Sep. 2017)		
	Retainer fee (Baht)	Bonus (Baht)	Total amount (Baht)
1. Mr. Prasit Kovilaikool ⁽¹⁾ Chairman Independent Director Nomination Committee Remuneration Committee	720,000	3,800,000	4,520,000
2. Mr. Thapana Sirivadhanabhakdi Vice Chairman Chairman of the Executive Committee Nomination Committee Remuneration Committee Good Corporate Governance Committee	720,000	4,907,000	5,627,000
3. Mr. Vikrom Koopirochana Independent Director Chairman of the Audit Committee Chairman of the Nomination Committee Remuneration Committee Good Corporate Governance Committee	672,000	2,850,000	3,522,000
4. Ms. Potjane Thanavarant Independent Director Audit Committee Chairman of the Remuneration Committee Chairman of the Good Corporate Governance Committee	612,000	2,850,000	3,462,000
5. Mr. Chai Jroongtanapibarn Independent Director Audit Committee Chairman of the Risk Management Committee Good Corporate Governance Committee	648,000	2,850,000	3,498,000
6. Mr. Ueychai Tantha-Obhas Director 1 st Vice Chairman of the Executive Committee	468,000	3,442,900	3,910,900
7. Mr. Sithichai Chaikriangkrai Director 2 nd Vice Chairman of the Executive Committee Remuneration Committee	528,000	3,442,900	3,970,900

Name-Surname / Position	2017 (Oct. 2016 – Sep. 2017)		
	Retainer fee (Baht)	Bonus (Baht)	Total amount (Baht)
8. Mr. Marut Buranasetkul ⁽²⁾ Director President & CEO Executive Committee Risk Management Committee Good Corporate Governance Committee	–	2,928,600	2,928,600
9. Mr. Pisanu Vichiensanth Director Executive Committee Risk Management Committee	576,000	2,928,600	3,504,600
Total	4,944,000	30,000,000	34,944,000

Remarks:

- (1) Mr. Prasit Kovilaikool, Chairman and Independent Director, holding the position of Independent Director and Chairman of the Audit Committee at Thai Beverage Public Company Limited (“Thai Bev”), the Company’s parent company. His remuneration from ThaiBev from the period of October 1, 2016 to September 30, 2017 was Baht 6,600,000.
- (2) Mr. Marut Buranasetkul has resigned from the position of President & CEO and all other positions effective from February 9, 2017

14.1.2 Monetary remuneration of Company executives in the form of salaries and other payments are detailed below⁽¹⁾

Unit : Thousand Baht

	2017 (October 2016 – September 2017)	2016 (October 2015 – September 2016)
Salary	14,405.24	13,399.18
Employee Benefits	3,580.78	613.01
Provident Fund	550.03	597.61
Service fees under the Business Administrative Service Agreement	16,594.34	14,246.97
Others	4,040.41	5,080.43
Total	39,170.80	33,937.20

Remarks:

- (1) Executives remuneration in 2017 (October 1, 2016 – September 30, 2017) consisted of the following 11 executives:
1. Mr. Marut Buranasetkul 2. Mrs. Nongnuch Buranasetkul 3. Mr. Paisarn Aowsathaporn 4. Mrs. Jesdakorn Ghosh 5. Mrs. Chitkasem Moo-Ming 6. Ms. Tientip Narach 7. Mrs. Paitoon Siribovornkiat 8. Mr. Thane Pornphisutsak 9. Mr. Pakorn Tiewcharoen 10. Mrs. Kodchacorn Attarangsang and 11. Mr. Ekbodin Densutham which does not include the director’s monetary remuneration made to Mr. Marut Buranasetkul under Section 14.1.1
- (2) The 2017 remuneration of the Company’s President & CEO (Mr. Marut Buranasetkul and Mrs. Nongnuch Buranasetkul) from the period of October 1, 2016 – September 30, 2017 was Baht 7,020,000 which was under the Business Administrative Service Agreement between the Company and Thai Beverage Public Company Limited.
- (3) Mrs. Nongnuch Buranasetkul was appointed as the Company’s President & CEO, effective from February 9, 2017 replacing Mr. Marut Buranasetkul who resigned from the Company.
- (4) Mrs. Chitkasem Moo-Ming was appointed to the position of Senior Vice President effective from May 1, 2016 and resigned from the Company effective on October 16, 2016.

- (5) Ms. Tientip Narach was appointed to the position of Senior Vice President effective from November 16, 2016 following Mrs. Chitkasem Moo-Ming's resignation and resigned from the Company effective on August 1, 2017
- (6) Mr. Pakorn Tiewcharoen was appointed to the position of Vice President effective from June 1, 2016 and resigned from the Company on November 21, 2016.
- (7) Mrs. Kodchacorn Attarangsarn was appointed to the position of Vice President effective from February 1, 2017 replacing Mr. Pakorn Tiewcharoen.
- (8) Mrs. Paitoon Siribovornkiat, Vice President, retired on January 1, 2017 and the retirement payment is included in the Executives remuneration under Section 14.1.2

14.2 TRAINING COURSES ORGANIZED BY THAILAND INSTITUTE OF DIRECTORS (IOD) AND OTHER INSTITUTES ATTENDED BY EACH DIRECTOR INCLUDING THE TRAINING OF THE INDEPENDENT DIRECTORS AS ADVISED BY THE SECURITIES EXCHANGE COMMISSION AND THE STOCK EXCHANGE OF THAILAND

Name	Directors Certification Program (DCP)	Directors Accreditation Program (DAP)	Audit Committee Program (ACP)	Role of the Chairman Program (RCP)	Others
1. Mr. Prasit Kovilaikool	-	DAP/2005	-	-	Quality of Financial Reporting/2004 FND/2004
2. Mr. Thapana Sirivadhanabhakdi	-	DAP/2004	-	-	-
3. Mr. Vikrom Koompirochana	-	Class of 63/2007	-	Class of 39/2016	CMA Class 14 Anti-Corruption for Executive Program Class of 7/2013 SFE Class of 22/2014 AAP Class of 23/2016
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 AAP Class of 10/2013 ACEP Class of 7/2013 ITG Class of 2/2016
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. Mrs. Nongnuch Buranasetkul ⁽¹⁾	-	DAP 135/2017	-	-	-
9. Mr. Pisanu Vichiensanth	-	DAP/2004	-	-	-

Remark:

- (1) Mrs. Nongnuch Buranasetkul was appointed at the Board of Directors Meeting No. 2/2017 held on February 9, 2017 to the position of Director and President replacing Mr. Marut Buranasetkul, Director and President & CEO who resigned from the Company.

14.3 OTHER BENEFITS

- None -

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

Name	Position	Ordinary Shares		
		30 Sep. 2016	30 Sep. 2017	Increase (Decrease)
1. Mr. Prasit Kovilaiakool Spouse and minor child	Chairman and Independent Director	-	-	-
2. Mr. Thapana Sirivadhanabhakdi Spouse and minor child	Vice Chairman	-	-	-
3. Mr. Vikrom Koopirochana Spouse and minor child	Independent Director and Chairman of the Audit Committee	-	-	-
4. Ms. Potjaneer Thanavarani Spouse and minor child	Independent Director and Audit Committee	-	-	-
5. Mr. Chai Jroongtanapibarn Spouse and minor child	Independent Director and Audit Committee	-	-	-
6. Mr. Ueychai Tantha-Obhas Spouse and minor child	Director	-	-	-
7. Mr. Sithichai Chaikriangkrai Spouse and minor child	Director	-	-	-
8. Mrs. Nongnuch Buranasetkul ⁽²⁾ Spouse and minor child	Director and President & CEO	-	-	-
9. Mr. Pisanu Vichiensanth Spouse and minor child	Director	-	-	-
10. Mr. Paisarn Aowsathaporn Spouse and minor child	Executive Vice President	-	-	-
11. Mrs. Jesdakorn Ghosh Spouse and minor child	Senior Vice President	-	-	-
12. Ms. Tientip Narach ⁽³⁾ Spouse and minor child	Senior Vice President	-	-	-
13. Mr. Thanee Pornphisutsak Spouse and minor child	Vice President	-	-	-
14. Mr. Ekbodin Densutham Spouse and minor child	Vice President	-	-	-
15. Mrs. Kodchacorn Attarangsana ⁽⁴⁾ Spouse and minor child	Vice President	-	-	-

Remarks:

- (1) Executives are defined in the Notification of the Securities and Exchange Commission.
- (2) Mrs. Nongnuch Buranasetkul was appointed as Director and President & CEO effective on February 9, 2017 in replacement of Mr. Marut Buranasetkul who resigned from the position. The Company has registered the change for new director at Department of Business Development, Ministry of Commerce effective on February 10, 2017.
- (3) Ms. Tientip Narach was appointed as Senior Vice President effective on November 16, 2016 in replacement of Mrs. Chitkasem Moo-Ming who resigned from the position and Ms. Tientip Narach resigned from the position effective on August 1, 2016.
- (4) Mrs. Kodchacorn Attarangsana was appointed as Vice President effective on February 1, 2017 in replacement of Mr. Pakorn Tiewcharoen who resigned from the position.
- (5) Mr. Marut Buranasetkul, who resigned from Director and President & CEO effective on February 9, 2017, including his spouse and minor child had not held any securities in the Company from September 30, 2016 to February 9, 2017.
- (6) Mrs. Chitkasem Moo-Ming, who resigned from Senior Vice President effective on October 16, 2016, including her spouse and minor child had not held any securities in the Company from September 30, 2016 to October 16, 2016.
- (7) Mr. Pakorn Tiewcharoen, who resigned from Vice President effective on November 21, 2017, including his spouse and minor child had not held any securities in the Company from September 30, 2016 to November 21, 2016.
- (8) Mrs. Paitoon Siribovornkiat, who retired as Vice President effective on January 1, 2017, including her spouse and minor child had not held any securities in the Company from September 30, 2016 to January 1, 2017.

HUMAN CAPITAL AND HUMAN RESOURCES DEVELOPMENT POLICY

16.1 EMPLOYEES

As of September 30, 2017, the Company and its subsidiaries have a total of 8,410 employees (excluding the Board of Directors and Management team as per details under section 12) which are separated under the following core functions:

Function	No. of Employees
Corporate Functions	485
Restaurant Operations	7,075 (Excluding 63 employees under Joint Venture Restaurant Operations in Myanmar)
Production	850
Total	8,410

The proportion of employees divided by gender, age and level are as follows:

By Gender	No. of Employees	% Proportion by Gender
Male	3,580	42.57%
Female	4,830	57.43%
Total	8,410	100%

By Age	No. of Employees	% Proportion by Age
Less than 30 Years Old	5,908	70.25%
Between 30-50 Years Old	2,191	26.05%
More than 50 Years Old	311	3.70%
Total	8,410	100%

By Level	No. of Employees	% Proportion by Levels
Staff-Supervisory	8,180	97.27%
Assistant Manager – Manager	202	2.40%
Assistant Director – Deputy Director	11	0.13%
Director – Senior Director	17	0.20%
Total	8,410	100%

As of September 30, 2017, total remuneration in term of salaries paid to employees are totaled 1,199 Million Baht (excluding salaries paid to employees in Myanmar)

16.2 HUMAN CAPITAL TRAINING AND DEVELOPMENT POLICY

Oishi Group of Companies focused on enhancing the Company's capabilities by turning all Human Capital management and processes to digital platforms to increase efficiency transparency and decrease risk on Human Capital management's decision in making business strategic by using the quick and reliable employee information. In 2017 Oishi Group rolled out various change management development programs as an enabler for employees to effectively perform and adapt to the digital transformation era, where technology can support business operations and ensure long-term sustainable business results.

Oishi Group strive to build and strengthen the capabilities and potential of the management and team with specific individual development plans in order to effectively drive sustainable growth and achieve the planned strategic goals. In 2017 people managers have been trained on various core leadership skills development program, including "Coaching Techniques for Break Through Results" and "Systematic & Creative Thinking".

Employees at all levels have been regularly trained on the various functional training programs specific to each Business Unit's needs, to enhance our people skills and capabilities such as courses specific to production, marketing, restaurant management, service excellence, food safety etc. Furthermore, as part of Oishi Culture drive, the Company's Code of Business Ethics with comprehensive content covering compliance with ethical and corporate governance policies, is an integral part of our new employees' orientation program to create common understanding and practice across the organization. In 2017 Oishi group also conducted an Anti-Corruption training course "Joining Forces to Combat Corruption" for our employees' and managements' awareness and understanding of our Company's policies and intentions on Anti-Corruption of all forms and all levels.

As of September 30, 2017, Oishi Group's total training and development expenses totaled approximately 28,136,500 Baht, with average training costs per person and comparative to 2016 as follows:

Employees Training & Development Expenses	2017	2016
Total Training Expenses (Baht)	28,136,500	15,351,718
Average Training Cost/ Management (Baht/person)	63,954	53,489
Average Training Cost/ Non-Management (Baht/person)	3,037	2,868
Average Training Hours/person	20	13

16.3 WELFARE POLICY

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

In 2017 Oishi Group still continued the welfare policy from last year which can be concluded 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.

16.4 SAFETY OF OCCUPATIONAL HEALTH AND WORKPLACE ENVIRONMENT POLICY

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

1. Safety in the workplace is the responsibility of all employees.
2. Improving working conditions for the safety of all employees and everyone.
3. Organize activities to promote and create awareness of safety in the workplace.
4. Act as a role model of good supervisors at all levels, abiding 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.

16.5 HUMAN RESOURCES POLICY

In order to achieve the Company's 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 2017 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 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.

16.6 ADMINISTRATION POLICY

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

1. Improves the working environment to be orderly, clean and friendly.
2. Provision of employee cafeteria service, security system, lockers, clean toilets, employees shuttle buses and nursing facilities (factory locations).
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.

16.7 EMPLOYEE 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 employee's induction program, whereby all new employees will receive the "Oishi Business Ethics" handbook with clear explanations on the first day of joining the Company. In addition, the Company's Corporate Governance policy as well as Business Ethics are regularly communicated and reminded to all employees via various internal communication tools, such as intranet and employees announcement boards at production plants and restaurant outlets, to ensure common understanding and practice by all employees. In previous year, no incidents of employees' non-compliance to the Business Ethics and Corporate Governance policies were reported.

Furthermore, provision for the Whistle Blowing Protection in accordance with Corporate Governance policy has been established and communicated on Company's website as well as internal communication to all employees for understanding and awareness of the policies, guidelines and Whistle Blowing channels. The Audit Committee, consisting of independent directors, considers and manages the information received through the Whistle Blowing channels to ensure that employees and all stakeholders who passes on the information or complaints will not be intimidated or treated unfairly by the Company. Reports of such information and complaints are made to the Board of Directors as per the Whistle Blowing Protection guidelines.

To emphasize the company's intentions and policies on anti-corruption and fraud, announcements and notices on anti-fraudulent actions and rewards for Whistle Blowers have been widely and regularly communicated, as well as an anti-corruption training conducted to the Company's management and employees to create awareness and adherence to the importance of integrity, honesty, and prudent in the performance of duties. Such negligence performance of duties is conducive to potential fraudulent actions which may cause serious damage and severe impact to 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 including the Company's corporate governance policy which covers all aspects, including the accounting, finance, operation and Information Technology that abides by the law and other related rules and regulations; as well as having efficient checks and balances system that can protect the investment and capital of the shareholders and the Company's assets.

In addition, the Company has set up Internal Audit department to inspect the operations of every department and division of the Company and its supporting organizations, including providing advices regarding the internal control system that concerns crucial risks of the Company; as well as evaluate the efficiency and sufficiency of the internal control, and closely monitor the internal control for the management. Moreover, the Company encourages the department to follow the universal standards based on International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors (IIA). The Board of Directors will support and supervise the Internal Audit Department so that it can perform its duty freely through the checks and balances system 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 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 eight aspects.

1. Internal Environment
2. Objective Setting
3. Event Identification
4. Risk Assessment
5. Risk Response
6. Control Activities
7. Information & Communication
8. Monitoring & Evaluation

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

For the internal control of the Company's direct and indirect subsidiaries, the Company determined of their systems to consistent with the Company's internal control framework. Besides, the Company has regularly sent authorities to inspect their performance; therefore, all its 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 Policy. Eventually, the Anti-Corruption policy has been communicated through all the employees with the fully support by the Board of Directors and the Executives to ensure the Company's sustainability growth.

INTERNAL INFORMATION USAGE

- 18.1 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.
- 18.2 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

19.1 RELATIONSHIPS WITH RELATED PARTIES

The Company and its subsidiaries have entered into related parties transactions in 2017 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
Red Bull Distillery (1988) Co., Ltd.	Thailand	Direct subsidiary of parent company
Kanchanasingkorn Co., Ltd.	Thailand	Direct subsidiary of parent company
Sura Piset Pattharalanna 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
Num Thurakij Co., Ltd.	Thailand	Direct subsidiary of parent company
Num Muang Co., Ltd.	Thailand	Direct subsidiary of parent company
Num Nakorn Co., Ltd.	Thailand	Direct subsidiary of parent company
Num Palang Co., Ltd.	Thailand	Direct subsidiary of parent company
Num Kijjakarn Co., Ltd.	Thailand	Direct subsidiary of parent company
Numrungrud Co., Ltd.	Thailand	Direct subsidiary of parent company

Name of entities	Country of incorporation / nationality	Nature of relationships
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
Thai Beverage Marketing 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
Chang International Co., Ltd.	Thailand	Direct subsidiary of parent company
SPM Foods & Beverages Co., Ltd.	Thailand	Indirect subsidiary of parent company
Sermsuk PCL.	Thailand	Indirect subsidiary of parent company
Sermsuk Beverage Co., Ltd.	Thailand	Indirect subsidiary of parent company
Max Asia Co., Ltd.	Thailand	Indirect subsidiary of parent company
Petform (Thailand) Co., Ltd.	Thailand	Associate of an indirect subsidiary of parent company
F&N Dairies (Thailand) Limited	Thailand	Associate of an indirect subsidiary of parent company
F&N United Ltd.	Thailand	Associate of an indirect subsidiary of parent company
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 Foods Pte. Ltd.	Singapore	Associate of an indirect subsidiary of parent company
F&N Interflavine Pte. Ltd.	Singapore	Associate of an indirect subsidiary of parent company
Fraser and Neave Pte. Limited	Singapore	Subsidiary of an indirect associate of parent company
North Park Golf And Sports Club Co., Ltd.	Thailand	Directors and controlling equity holders of parent company are directors and hold substantial shares indirectly
Berli Jucker PCL.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Berli Jucker Foods Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Berli Jucker Logistics Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
The Southeast Insurance PCL.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
The Southeast Life Insurance PCL.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly

Name of entities	Country of incorporation / nationality	Nature of relationships
Southeast Capital Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Thippatana Arcade Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
T.C.C. Technology Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
F&B International Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Business Process Outsourcing Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
The Street Retail Development Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Bang Pa-In Paper Mill Industry Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Big C Supercenter PCL.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Phitsanulok Big C Limited	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
The Chonburi Sugar Corp. Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
TCC Logistics and Warehouse Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
TCC Hotel Asset Management Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Pacific Leisure (Thailand) Limited	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Thai Retail Investment Fund	Thailand	Directors and controlling equity holders of parent company hold substantial units indirectly
Thai Commercial Investment Freehold and Leasehold Fund	Thailand	Directors and controlling equity holders of parent company hold units indirectly
Golden Ventures Leasehold Real Estate Investment Trust	Thailand	Directors and controlling equity holders of parent company hold units indirectly
BevTech Co., Ltd.	Thailand	Direct subsidiary of parent company
Agent Management Co., Ltd.	Thailand	Direct subsidiary of parent company
ASM Management Co., Ltd.	Thailand	Direct subsidiary of parent company
Dhamma Land Property Development Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Asset World Retail Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly

Name of entities	Country of incorporation / nationality	Nature of relationships
Thai Molasses Co., Ltd	Thailand	Direct subsidiary of parent company
C A C Co., Ltd.	Thailand	Direct subsidiary of parent company
CW Tower Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Taradatoryod AEC Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Plantheon Trading Co.,Ltd	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Rubia Industry Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Inter Horeca Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Univentures PCL.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Lertrattakarn Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
TCCCL Ladphao Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
BJC Specialties Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Group (whether executive or otherwise)

19.2 PRICING POLICIES

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

Transactions	Pricing policies
Purchase and sale of goods	Cost plus margin / contractually agreed price
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
Dividend income	Right to receive dividends
Other income and expense	Mutually agreed price

Significant transactions for the year ended 30 September 2017 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	2,177,468	258,082
	Total		2,177,468	258,082

Sales to related companies

Ref	Name	Relationship	Amount	Balance due
1	Univentures PCL.	Directors and controlling equity holders of parent company hold substantial shares indirectly	7,478	10,301
2	Red Bull Distillery (1988) Co., Ltd.	Direct subsidiary of parent company	-	-
3	Num Yuk Co., Ltd.	Direct subsidiary of parent company	(11,747,238)	-
4	Num Thurakij Co., Ltd.	Direct subsidiary of parent company	(37,286,293)	-
5	Num Muang Co., Ltd.	Direct subsidiary of parent company	(7,880,654)	-
6	Num Nakorn Co., Ltd.	Direct subsidiary of parent company	(13,267,682)	-
7	Num Palang Co., Ltd.	Direct subsidiary of parent company	(4,771,701)	-
8	Num Kijjakarn Co., Ltd.	Direct subsidiary of parent company	(14,939,739)	-
9	Numrunrod Co., Ltd.	Direct subsidiary of parent company	(27,820,655)	-
10	Numthip Co., Ltd.	Direct subsidiary of parent company	(13,719,029)	-
11	Cash Van Management Co., Ltd.	Direct subsidiary of parent company	(55,660,967)	-
12	Beer Thai (1991) PCL.	Direct subsidiary of parent company	23,418	-
13	Beer Thip Brewery (1991) Co., Ltd.	Direct subsidiary of parent company	15,949,561	1,523,083
14	Cosmos Brewery (Thailand) Co., Ltd.	Direct subsidiary of parent company	13,694	-
15	Sangsom Co., Ltd.	Direct subsidiary of parent company	65,467	3,016
16	Thai Beverage Energy Co., Ltd.	Direct subsidiary of parent company	10,532	-
17	Thai Molasses Co., Ltd.	Direct subsidiary of parent company	1,868	-
18	Krittayabun Co., Ltd.	Direct subsidiary of parent company	5,282,440,456	293,533,111
19	Modern Trade Management Co., Ltd.	Direct subsidiary of parent company	(397,995,315)	-
20	Pomkit Co., Ltd.	Direct subsidiary of parent company	11,041	-
21	Pomchok Co., Ltd.	Direct subsidiary of parent company	4,229	-
22	Pomcharoen Co., Ltd.	Direct subsidiary of parent company	-	-
23	Pomthip (2012) Co., Ltd.	Direct subsidiary of parent company	18,062	15,525
24	Pan International (Thailand) Co., Ltd.	Direct subsidiary of parent company	30,176	-
25	Dhospaak Co., Ltd.	Direct subsidiary of parent company	329,387	-
26	Thai Beverage Training Co., Ltd.	Direct subsidiary of parent company	99,569	-

Ref	Name	Relationship	Amount	Balance due
27	Thai Beverage Logistic Co., Ltd.	Direct subsidiary of parent company	91,343	-
28	Thai Beverage Marketing Co., Ltd.	Direct subsidiary of parent company	10,221	-
29	Agent Management Co., Ltd.	Direct subsidiary of parent company	26,395,064	8,968,276
30	Chang International Co., Ltd.	Direct subsidiary of parent company	95,448	-
31	Thai Drink Co., Ltd.	Direct subsidiary of parent company	5,910,292	1,314,966
32	Food of Asia Co., Ltd.	Direct subsidiary of parent company	347,965	82,905
33	TCC Technology Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	10,825	-
34	Berli Jucker PCL.	Directors and controlling equity holders of parent company hold substantial shares indirectly	246,874	-
35	Berli Jucker Logistics Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	6,922	-
36	North Park Golf And Sports Club Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	16,680	8,218
37	The Southeast Insurance PCL.	Directors and controlling equity holders of parent company hold substantial shares indirectly	218,186	-
38	The Southeast Life Insurance PCL.	Directors and controlling equity holders of parent company hold substantial shares indirectly	76,037	-
39	Serm Suk PCL.	Indirect subsidiary of parent company	1,266,063,941	161,400,315
40	Serm Suk Beverage Co., Ltd.	Indirect subsidiary of parent company	14,221,875	-
41	F&N Beverages Manufacturing Sdn Bhd	Associate of an indirect subsidiary of parent company	11,642,855	1,253,988
42	F&N Foods Pte. Ltd.	Associate of an indirect subsidiary of parent company	6,215,296	774,599
43	F&N Dairies (Thailand) Limited	Associate of an indirect subsidiary of parent company	40,052,406	3,900,348
44	F&B International Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly.	314,325	57,831
45	Thippatana Arcade Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly.	8,775	-
46	Rubia Industry Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly.	9,142	-

Ref	Name	Relationship	Amount	Balance due
47	TCC Logistics and Warehouse Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	9,944	-
48	TCC Hotel Asset Management Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	3,472	-
49	Horeca Management Co., Ltd.	Direct subsidiary of parent company	(1,046,518)	-
50	The Street Retail Development Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	35,100	-
51	Big C Supercenter PCL.	Directors and controlling equity holders of parent company hold substantial shares indirectly	40,013,714	8,292,116
52	Taradatoryod AEC Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	4,486	-
53	Max Asia Co., Ltd.	Indirect subsidiary of parent company	33,569,212	20,662,114
Total			6,158,459,547	501,800,712

Management fee to parent company

Ref	Name	Relationship	Amount	Balance due
1	Thai Beverage PCL.	Parent company and common directorship	9,360,000	834,600
Total			9,360,000	834,600

Other expenses paid to parent company

Ref	Name	Relationship	Amount	Balance due
1	Thai Beverage PCL.	Parent company and common directorship	1,687,260	3,394,598
Total			1,687,260	3,394,598

Other incomes from related companies

Ref	Name	Relationship	Amount	Balance due
1	Modern Trade Management Co., Ltd.	Direct subsidiary of parent company	138,513	-
2	Thai Beverage Logistics Co., Ltd.	Direct subsidiary of parent company	90,665	5,136
3	Sermsuk PCL.	Indirect subsidiary of parent company	8,187,966	1,652,775
4	Food of Asia Co., Ltd.	Direct subsidiary of parent company	27,900	-

Ref	Name	Relationship	Amount	Balance due
5	The Southeast Insurance PCL.	Directors and controlling equity holders of parent company hold substantial shares indirectly	11,488,304	-
6	Beer Thip Brewery (1991) Co., Ltd.	Direct subsidiary of parent company	9,681	-
7	Pan International (Thailand) Co., Ltd.	Direct subsidiary of parent company	2,467	-
8	Dhospaak Co., Ltd.	Direct subsidiary of parent company	-	251
9	Bevtech Co., Ltd.	Direct subsidiary of parent company	149,058	-
10	ASM Management Co., Ltd.	Direct subsidiary of parent company	4,447,786	4,759,132
11	Num Yuk Co., Ltd.	Direct subsidiary of parent company	18,000	-
12	Num Thurakij Co., Ltd.	Direct subsidiary of parent company	26,800	-
13	Thai Drinks Co., Ltd.	Direct subsidiary of parent company	13,766,555	5,119,822
14	Univentures PCL.	Directors and controlling equity holders of parent company hold substantial shares indirectly	2,150	-
15	F&N Beverages Marketing Sdn. Bhd.	Associate of an indirect subsidiary of parent company	3,521,798	-
16	F&N Dairies (Thailand) Limited	Associate of an indirect subsidiary of parent company	927,435	136,732
17	Max Asia Co., Ltd.	Indirect subsidiary of parent company	4,005,529	-
18	Taradatoryod AEC Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	3,738	-
19	Golden Ventures Leasehold Real Estate Investment Trust	Directors and controlling equity holders of parent company hold units indirectly	-	9,481,330
20	Big C Supercenter PCL.	Directors and controlling equity holders of parent company hold substantial shares indirectly	-	15,396
Total			46,814,345	21,170,574

Purchases goods from related parties

Ref	Name	Relationship	Amount	Balance due
1	Num Thurakij Co., Ltd.	Finish Goods	743,069	155,912
2	Num Muang Co., Ltd.	Finish Goods	112,558	22,941
3	Num Nakorn Co., Ltd.	Finish Goods	70,306	17,652
4	Num Palang Co., Ltd.	Finish Goods	262,174	57,198
5	Num Kijjakarn Co., Ltd.	Finish Goods	140,310	33,486
6	Numrungrud Co., Ltd.	Finish Goods	187,939	33,144
7	Numthip Co., Ltd.	Finish Goods	22,803	3,120

Ref	Name	Relationship	Amount	Balance due
8	Beer Thip Brewery (1991) Co., Ltd.	Raw materials	84,772,279	5,464,983
9	BevTech Co., Ltd.	Raw materials	2,069,167	2,214,009
10	Pomkit Co., Ltd.	Raw materials	338,810	52,880
11	Pomklung Co., Ltd.	Raw materials	470,180	88,190
12	Pomchok Co., Ltd.	Raw materials	225,428	45,440
13	Pomcharoen Co., Ltd.	Raw materials	530,957	113,676
14	Pomburapa Co., Ltd.	Raw materials	944,133	148,062
15	Pompalang Co., Ltd.	Raw materials	462,691	83,923
16	Pomnakorn Co., Ltd.	Raw materials	166,572	30,992
17	Pomthip (2012) Co., Ltd.	Raw materials	2,602,927	498,055
18	Horeca Management Co., Ltd.	Freight	-	24,090
19	Pan International (Thailand) Co., Ltd.	Supply	365,675	104,603
20	Thai Drinks Co., Ltd.	Raw materials	303,529,977	21,958,899
21	Berli Jucker PCL.	Raw materials	10,289,278	29,588
22	Berli Jucker Foods Co., Ltd.	Finish Goods	-	30,501
23	Bang Pa-In Paper Mill Industry Co., Ltd.	Stationery	323,750	-
24	Plantheon Trading Co.,Ltd	Raw materials	105,099,612	24,504,342
25	Sermsuk PCL.	Raw materials	26,409,941	5,411,905
26	SPM Foods & Beverages Co., Ltd.	Raw materials	7,848,988	621,785
27	Petform (Thailand) Co., Ltd.	Packaging	446,406,529	73,157,344
28	BJC Specialties Co., Ltd.	Raw materials	1,787,374	597,578
29	F&N Dairies (Thailand) Limited	Raw materials	6,856,439	1,340,849
30	F&N United Limited	Raw materials	28,617,814	5,701,058
	Total		1,031,657,680	142,546,205

Purchase of assets from related parties

Ref	Name	Relationship	Amount	Balance due
1	TCC Technology Co. Ltd.	Computer equipment	1,480,250	-
2	Berli Jucker PCL.	Shelves	24,271	1,182,350
3	Big C Supercenter PCL.	Office equipment and machinery	39,350	-
4	Thai Commercial Investment Freehold and Leasehold Fund	Communication system	17,120	-
5	Beer Thai (1991) PCL.	Machinery	7,500,000	-
6	Inter Horeca Co., Ltd.	Office equipment	554,012	-
	Total		9,615,003	-

Rental paid to related parties

Ref	Name	Relationship	Amount	Balance due
1	Sura Piset Phatharalanna Co., Ltd.	Wang Muang, Saraburi	30,000,000	-
2	Thippatana Arcade Co., Ltd.	Gateway Ekamai	4,153,731	-
3	Thai Commercial Investment Freehold and Leasehold Fund	Parking area	1,323,939	-
4	Thai Retail Investment Fund	Pantip Chiangmai, Ngamwongwan, and Asiatique	2,500,192	-
5	ASM Management Co., Ltd.	Head Office	10,872,283	-
6	Southeast Capital Co., Ltd.	Car Rental	867,829	-
7	The Street Retail Development Co., Ltd.	Rental	1,478,160	-
8	Golden Ventures Leasehold Real Estate Investment Trust	Head Office	27,137,205	-
9	Asset World Retail Co., Ltd.	Rental	1,128,028	-
10	Big C Supercenter PCL.	Rental	39,562,665	-
11	Phisanulok Big C Limited	Rental	3,252,633	-
12	CW Tower Co., Ltd.	Rental	361,383	-
	Total		122,638,048	-

Management fee to related parties

Ref	Name	Relationship	Amount	Balance due
1	Food of Asia Co., Ltd.	Management fee	662,488	-
2	Thai Drinks Co., Ltd.	Management fee	1,680,000	149,800
	Total		2,342,488	149,800

Other expenses paid to related parties

Ref	Name	Relationship	Amount	Balance due
1	Num Yuk Co., Ltd.	Advertising	-	1,336,143
2	Num Thurakij Co., Ltd.	Advertising	-	2,196,602
3	Num Muang Co., Ltd.	Advertising	21,327	567,693
4	Num Nakorn Co., Ltd.	Advertising	24,126	1,249,825
5	Num Palang Co., Ltd.	Advertising	18,446	288,213
6	Num Kijjakarn Co., Ltd.	Advertising	29,875	1,304,858
7	Numrungrud Co., Ltd.	Advertising	45,025	1,860,180
8	Numthip Co., Ltd.	Advertising	27,772	1,174,472
9	Cash Van Management Co., Ltd.	Promotion	2,334,700	3,573,238
10	Modern Trade Management Co., Ltd.	Advertising	-	83,283,580

Ref	Name	Relationship	Amount	Balance due
11	Beer Thai (1991) PCL.	Transport	490,908	34,240
12	Beer Thip Brewery (1991) Co., Ltd.	Transport	745,452	50,210
13	Cosmos Brewery (Thailand) Co., Ltd.	Service fee	3,596	369,509
14	Inter Horeca Co., Ltd.	Other	-	43,870
15	Pomthip (2012) Co., Ltd.	Welfare	94,579	-
16	Dhospaak Co., Ltd.	Advertising	325,699,872	34,931,137
17	Thai Beverage Training Co., Ltd.	Training	3,000	-
18	CAC Co., Ltd.	Service fee	86,235	11,235
19	ASM Management Co., Ltd.	Service fee	745,289	11,914,227
20	Thai Beverage Logistics Co., Ltd.	Transport	10,773,370	1,213,524
21	Thai Beverage Marketing Co., Ltd.	Welfare	-	126,918
22	Chang International Co., Ltd.	Fee	-	211,215
23	Thai Drinks Co., Ltd.	Advertising	-	2,252,064
24	Horeca Management Co., Ltd.	Service fee	502,145	28,955
25	Southeast Capital Co., Ltd.	Car Rental	2,782,330	139,852
26	T.C.C. Technology Co., Ltd.	Equipment	12,333,176	3,871,112
27	Berli Jucker PCL.	Promotion	79,520	-
28	The Southeast Insurance PCL.	Insurance premiums	24,150,634	2,669
29	The Southeast Life Insurance PCL.	Insurance premiums	11,337,735	1,225
30	North Park Golf And Sports Club Co., Ltd.	Advertising	144,159	149,250
31	F&B International Co., Ltd.	Other Fee	252,664	2,850
32	Asset World Retail Co., Ltd.	Service Fee	1,330,914	847,890
33	Thippatana Arcade Co., Ltd.	Utilities	1,731,860	588,050
34	F&N BEVERAGES MARKETING SDN BHD	Promotion	11,323,091	1,057,574
35	F&N Beverages Manufacturing Sdn. Bhd.	Promotion	616	-
36	F&N Dairies (Thailand) Limited	Other Expenses	4,560,260	-
37	F&N Foods Pte Ltd	Advertising	2,953,680	2,682,910
38	F&N Interflavine Pte Ltd	Fee	351	-
39	Business Process Outsourcing Co., Ltd.	Service fee	250,800	-
40	Sermsuk PCL.	Promotion	204,749	15,579,054
41	Agent Management Co., Ltd.	Promotion	-	3,495,041
42	Fraser and Neave (Singapore) Pte. Limited.	Other Expenses	239,004	239,004
43	Bang Pa-In Paper Mill Industry Co., Ltd.	Supplies	111,000	135,890
44	Thai Commercial Investment Freehold and Leasehold Fund	Utilities	233,961	-
45	Petform (Thailand) Co., Ltd.	Other Expenses	349,579	-
46	The Street Retail Development Co.,Ltd.	Service Fee	1,345,737	225,305
47	Pacific Leisure (Thailand) Limited	Supplies	74,900	-

Ref	Name	Relationship	Amount	Balance due
48	TCC Hotel Asset Management Co.,Ltd.	Meeting Fee	734,584	-
49	Thai Retail Investment Fund	Utilities	2,747,605	-
50	Food of Asia Co., Ltd.	Service fee	194,900	141,255
51	Max Asia Co., Ltd.	Food	68,557	2,136,176
52	Dhamma Land Property Development Co., Ltd.	Other Expenses	12,227	-
53	Golden Ventures Leasehold Real Estate Investment Trust	Service fee	1,985,027	-
54	Big C Supercenter PCL.	Service fee	28,526,880	6,950,362
55	CW Tower Co., Ltd.	Service fee	172,813	175,144
56	Phitsanulok Big C Limited	Service fee	2,017,683	434,789
	Total		453,896,713	186,877,310

Other non-current assets

Ref	Name	Amount
1	Sura Piset Pattharalanna Co., Ltd.	2,500,000
2	ASM Management Co., Ltd.	11,069,447
3	The Chonburi Sugar Corp. Ltd.	620,000
4	The Street Retail Development Co., Ltd.	360,000
5	Thai Commercial Investment Freehold and Leasehold Fund	717,600
6	Thai Retail Investment Fund	1,582,509
7	Thippatana Arcade Co., Ltd.	653,000
8	Big C Supercenter PCL.	9,503,697
9	Phitsanulok Big C Limited	1,133,697
10	T.C.C. Technology Co., Ltd.	1,444,130
	Total	29,584,080

19.3 NECESSITY OF RELATED PARTIES TRANSACTIONS

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

19.3.1 Rental

The company rents space and/or land, which may belong to related-company, to build offices, restaurants, factories and/or warehouses. We consider that the space and/or land are convenient for transportation and distribution. Moreover, the rental and service fee

are based on market price and/or cost appraisal of independent appraiser.

19.3.2 Sales to related parties

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's length basis and at market price.

19.3.3 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's length basis and at market price and/or cost appraisal of independent appraiser.

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 take necessary process according to rules and regulations regarding the enter into related parties transaction and shall sought the Audit Committee opinion and the director who has a common interest shall not be allowed to approval of such transaction.

19.3.4 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, executives, 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.

19.3.5 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 approval of such transaction.

FINANCIAL STATUS AND THE COMPANY'S PERFORMANCE

20.1 FINANCIAL STATEMENTS

Summary of the auditor's report

The auditor's report for the year ended 30 September 2017 was audited by Ms. Nittaya Chetchotiros from KPMG Phoomchai Audit Ltd. who gave an opinion that the Company's financial statement is fairly stated, in all material respects and in accordance with Thai Financial Reporting Standards.

20.2 THE AUDITOR REMUNERATION

20.2.1 Audit fee

As at September 30, 2017 the Company and its subsidiaries paid the audit fees to

- KPMG Phoomchai Audit Ltd. in the total amount of Baht 4,864,300 consisting of auditor's fee for the Company at Baht 2,519,300 and for the three subsidiary companies, Oishi Trading Co.,Ltd., Oishi Remen Co., Ltd. and Oishi Snack Co.,Ltd. of Baht 2,345,000.
- Other related business to KPMG Phoomchai Audit Ltd. include:
 - (1) **KMPG China** as auditors of Oishi International Holdings Limited of HKD 39,300.
 - (2) **KPMG LLP** as auditors of Oishi F&B (Singapore) Pte. Ltd. of SGD 5,500.
- Other audit firm include:
 - (1) **YES Finance 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 1,000

20.2.2 Non-audit fee

As at September 30, 2017 the Company and its subsidiaries paid the service fees to

- KPMG Phoomchai Audit Ltd. in the total amount of Baht 400,000
- Other related business to KPMG Phoomchai Audit Ltd.
 - None -
- Other related
 - None -

In this regard, the Company and its subsidiaries have changed accounting period, which result in 2016 fiscal year only have 9 months, starting from January 1, 2016 ending on September 30, 2016. Though, some of the overseas subsidiaries companies such as OML, OGLLC, etc. cannot change their fiscal year to align with the Company's fiscal year due to the limitation of laws and regulations in connection with such 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 duly and completely.

Summary of Financial Statements

(in thousand Baht)

Items	CONSOLIDATED		
	2017 as of September 30, 2017	2016 as of September 30, 2016	2015 as of December 31, 2015
Cash and cash equivalents	1,446,506	593,643	595,204
Short term investment	-	3,660	3,660
Trade accounts receivable	709,389	424,361	534,440
Inventories	319,248	490,478	392,815
Other current assets	165,734	205,399	107,269
Current assets	2,640,877	1,717,541	1,633,388
Property, plant and equipment	6,676,134	7,154,977	7,003,043
Intangible assets	36,572	39,101	27,981
Leasehold rights	40,797	46,817	51,335
Other non-current assets	312,445	319,643	373,127
Total assets	9,706,825	9,278,079	9,088,874
Short term loans from financial institutions	-	-	-
Current portion of long term loan from financial institutions and debentures	-	500,000	1,600,000
Trade accounts payable	977,087	970,381	1,003,950
Other payables	821,992	942,155	561,003
Accounts payable-assets acquisition	135,103	92,805	179,631
Other current liabilities	96,133	70,424	71,525
Current liabilities	2,030,315	2,575,765	3,416,109
Accrued employee benefit	71,794	66,178	53,311
Long term loan and debentures	2,000,000	2,000,000	1,500,000
Other non-current liabilities	14,138	27,193	36,225
Total liabilities	4,116,247	4,669,136	5,005,645
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	4,393,710	3,412,897	3,007,913
Other components of equity	162,866	162,684	35,128
Non-controlling interests	12,100	11,460	18,286
Total equity	5,590,578	4,608,943	4,083,229
Total liabilities and equity	9,706,825	9,278,079	9,088,874

Summary of the Company's Financial Statements

(in thousand Baht)

Items	CONSOLIDATED		
	2017	2016	2015
	as of September 30, 2017	as of September 30, 2016	as of December 31, 2015
Revenue from sale of goods	13,370,759	10,284,233	12,793,312
Revenue from rendering of services	180,049	114,873	85,502
Other Income	126,283	109,319	84,347
Total income	13,677,091	10,508,425	12,963,161
Cost of sale of goods	8,264,626	6,499,422	8,370,058
Cost of rendering of services	122,844	107,778	76,757
Selling and administrative expenses	3,744,835	2,920,567	3,704,295
Profit before finance costs and income tax	1,544,786	980,658	812,051
Finance costs	53,673	60,850	105,535
Income tax	47,913	39,551	2,781
Consolidated net profit	1,443,200	880,257	703,735
Net profit attributable to owners of the Company	1,451,693	887,214	712,191
Number of shares ('000 shares)	187,500	187,500	187,500
Basic earnings per share (par value 2 baht per share)	7.74	4.73	3.80

Financial Status and the Company Performance

(in thousand Baht)

Items	CONSOLIDATED		
	2017	2016	2015
	as of September 30, 2017	as of September 30, 2016	as of December 31, 2015
Net cash from operating activities	2,388,621	2,009,576	1,394,175
Net cash used in investing activities	(499,923)	(852,925)	(747,756)
Net cash provided (used in) by financing activities	(1,035,683)	(1,158,024)	(193,611)
Net increase (decrease) in cash and cash equivalents	853,015	(1,373)	452,808

Significant Financial Ratios

(in thousand Baht)

Items	CONSOLIDATED		
	2017 as of September 30, 2017	2016 as of September 30, 2016	2015 as of December 31, 2015
Liquidity ratios			
Liquidity ratio (times)	1.3	0.7	0.5
Quick ratio (times)	1.1	0.4	0.3
Cash ratio (times)	1.0	0.7	0.4
Account receivable turnover (times)	23.9	21.7	24.6
Average collection period (days)	15.1	16.6	14.6
Inventory turnover (times)	20.7	15.0	20.2
Days sale outstanding (days)	17.4	24.1	17.8
Account payable Turnover (times)	8.6	6.7	7.7
Average payment Period (days)	41.8	53.8	46.5
Cash cycle (days)	-9.4	-13.1	-14.1
Profitability ratios			
Gross margin	38.1%	36.5%	34.4%
Operating profit margin	10.5%	8.4%	5.7%
Cash to profit ratio	168.4%	230.6%	191.6%
Net profit margin	10.6%	8.4%	5.4%
Return on equities	28.3%	20.3%	18.2%
Efficiency ratios			
Return on assets	15.2%	9.6%	7.7%
Return on fixed assets	35.6%	23.3%	23.5%
Asset turnover	1.4	1.1	1.4
Financial policy ratios			
Total liabilities to equities ratio (times)	0.7	1.0	1.2
Debt to equities ratio (times)	0.4	0.5	0.8
Dividend payout	43.9%	52.8%	52.7%

20.3 MANAGEMENT'S DISCUSSION AND ANALYSTS ON OPERATING RESULTS

According to the Board of Directors' Meeting of Oishi Group Public Company Limited No. 1/2016, which was held on February 25, 2016, the change in the Company's accounting period from January 1 and ending on December 31 of every year to October 1 and ending on September 30 of every year has been approved, effective from 2016 onwards, in which the 2016 accounting period will be starting on January 1, 2016 and ending on September 30, 2016, consisting of 9 months. And from 2017 fiscal year onwards, the accounting period will be consisting of 12 months, starting from October 1 and ending on September 30 of every year. By doing so, the Company's performance will be comply with the nature of food and beverage business, seasonal-related business. The new accounting period will also benefit to the Company in terms of both financial and human resources managements, as well as the preparation of the group consolidated financial statements.

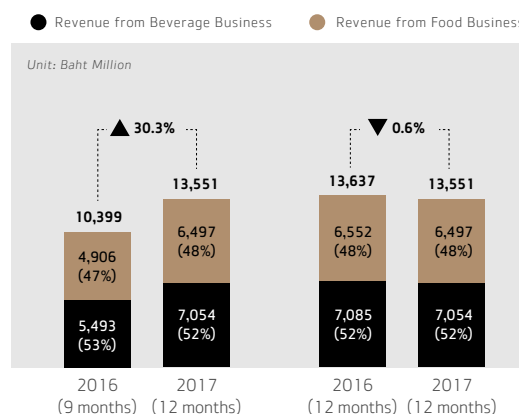
For easy reference and clear understanding of the Company's performance, the report is prepared into two perspective comparisons. First, the comparison based on audited financial statements, which is comparing between the period of October 1, 2016 to September 30, 2017 with the period of January 1 to September 30, 2016. Second, the comparison of the same 12 months period, which is comparing between the period of October 1, 2016 to September 30, 2017 with the period of October 1, 2015 to September 30, 2016.

Sales

Overview

For the period of October 1, 2016 to September 30, 2017, total sales revenue of the Company was Baht 13,551 million, increased by 30.3% or Baht 3,152 million, from Baht 10,399 million of the period of January 1 to September 30, 2016, due to difference accounting period between 12 months versus 9 months.

For the same 12 months period, total sales revenue of the Company slightly decreased by 0.6% or Baht 86 million from last year, which had total sales revenue of Baht 13,637 million. Beverage business sales revenue decreased by 0.4% and food business sales revenue decreased by 0.8%. The proportion of beverage business sales revenue to food business sales revenue was equal to 52:48.



Beverage business

For the period of October 1, 2016 to September 30, 2017, sales revenue of beverage business was Baht 7,054 million, increased by 28.4%, or Baht 1,561 million, from Baht 5,493 million of the period of January 1 to September 30, 2016, due to difference accounting period between 12 months versus 9 months.

For the same 12 months period, sales revenue of beverage business in 2017 slightly decreased by 0.4% or Baht 31 million from 2016, which had sales revenue of beverage business of Baht 7,085 million. The main reason is from negative growth in both RTD tea market and Pure RTD tea market by 10.8% and 5.7%, respectively. However, the company could maintain leadership position with the highest market share in both RTD tea market and pure RTD green tea market of 45.8% and 48.0%, respectively.

Food business

For the period of October 1, 2016 to September 30, 2017, sales revenue of food business was Baht 6,497 million, increased by 32.4%, or Baht 1,591 million, from Baht 4,906 million of the period of January 1 to September 30, 2016, due to difference accounting period between 12 months versus 9 months.

For the same 12 months period, sales revenue of food business in 2017 slightly decreased by 0.8% or Baht 55 million from 2016, which had sales revenue of food business of Baht 6,552 million, mainly due to sluggish economic which adversely affect consumer's spending and closing of non-performing restaurant branches.

Cost of sales

Overview

For the period of October 1, 2016 to September 30, 2017, total cost of sales was Baht 8,388 million or equivalent to 61.9% of total sales, lower than the period of January 1 to September 30, 2016, which was 63.5% of total sales, due to improving cost efficiency from both beverage and food businesses.

For the same 12 months period, total cost of sales in 2017 was also lower than 2016, which was 63.7% due to improving on cost efficiency from both beverage and food businesses.

Beverage business

For the period of October 1, 2016 to September 30, 2017, cost of sales of beverage business was Baht 4,824 million or equivalent to 68.4% of total sales, lower than the period of January 1 to September 30, 2016, which was 69.2% of total sales, due to better utilization of production capacity, partly from sales revenue growth in export channel.

For the same 12 months period, cost of sales of beverage business in 2017 was also lower than 2016, which was 69.3% due to better utilization of production capacity, partly from sales revenue growth in export channel.

Food business

For the period of October 1, 2016 to September 30, 2017, cost of sales of food business was Baht 3,564 million or equivalent to 54.9% of total sales, lower than the period of January 1 to September 30, 2016, which was 57.2% of total sales due to better cost efficiency, both in terms of discount and cost of sales.

For the same 12 months period, cost of sales of food business in 2017 was also lower than 2016, which was 57.6% due to better cost efficiency, both in terms of discount and cost of sales.

Selling Expenses

Overview

For the period of October 1, 2016 to September 30, 2017, total selling expenses was Baht 1,650 million, increased by 30.5% or Baht 386 million, from Baht 1,264 million of the period of January 1 to September 30, 2016. In terms of percentage, selling expense in 2017 was 12.2% of total sales, same as 2016.

For the same 12 months period, total selling expense in 2017 decreased by 0.8% or Baht 13 million from 2016, which was Baht 1,663 million. In terms of percentage, selling expense in 2017 was on par with 2016.

Beverage business

For the period of October 1, 2016 to September 30, 2017, selling expenses of beverage business was Baht 809 million, increased by 18.5% or Baht 126 million, from Baht 683 million of the period of January 1 to September 30, 2016. In terms of percentage, selling expense of beverage business in 2017 was 11.5% of total sales, decreased from 12.4% of total sales in 2016 due to effective spending on marketing and promotional campaigns.

For the same 12 months period, selling expenses of beverage business in 2017 decreased by 8.8% or Baht 78 million from 2016, which was Baht 887 million. In terms of percentage, selling expenses of beverage business in 2017 was also lower than 2016, which was 12.5% of total sales due to effective spending on marketing and promotional campaigns.

Food business

For the period of October 1, 2016 to September 30, 2017, selling expenses of food business was Baht 841 million, increased by 44.6% or Baht 260 million, from Baht 581 million of the period of January 1 to September 30, 2016. In terms of percentage, selling expense of food business in 2017 was 12.9% of total sales, higher than 2016 which was 11.8% of total sales, due to difference accounting period between 12 months versus 9 months, and spending on brand revitalization through new menus and more variety of products to serve to the customers.

For the same 12 months period, selling expenses of food business in 2017 increased by 8.4% or Baht 65 million from 2016, which was Baht 776 million. In terms of percentage, selling expenses of food business in 2017 was also higher than 2016, which was 11.8% of total sales with the same reason as mentioned above.

Administrative Expenses

Overview

For the period of October 1, 2016 to September 30, 2017, total administrative expense was Baht 2,095 million, increased by 26.4% or Baht 438 million, from Baht 1,657 million of the period of January 1 to September 30, 2016, due to difference accounting period between 12 months versus 9 months.

For the same 12 months period, total administrative expense in 2017 decreased by 3.3% or Baht 71 million from 2016, which was Baht 2,166 million, mainly from good controlling on fixed expenses.

Beverage business

For the period of October 1, 2016 to September 30, 2017, administrative expense of beverage business was Baht 233 million, increased by 9.7% or Baht 20 million, from Baht 213 million of the period of January 1 to September 30, 2016, due to difference accounting period between 12 months versus 9 months.

For the same 12 months period, administrative expense of beverage business in 2017 decreased by 16.4% or Baht 46 million from 2016, which was Baht 279 million, mainly from good controlling on fixed expenses.

Food business

For the period of October 1, 2016 to September 30, 2017, administrative expense of food business was Baht 1,862 million, increased by 28.9% or Baht 418 million, from Baht 1,444 million of the period of January 1 to September 30, 2016, due to different accounting period between 12 months versus 9 months.

For the same 12 months period, administrative expense of food business in 2017 decreased by 1.3% or Baht 25 million from 2016 which was Baht 1,887 million, mainly from good controlling on fixed expenses.

Net Profit

Overview

For the period of October 1, 2016 to September 30, 2017, total net profit was Baht 1,443 million, increased by 64.0% or Baht 563 million, from Baht 880 million of the period of January 1 to September 30, 2016. In terms of percentage, net profit in 2017 was 10.6% of total sales, increased from 8.5% of total sales in 2016. The profitability improvement was mainly due to better cost management, in terms of cost of goods sold and administrative expense, from both beverage and food businesses.

For the same 12 months period, total net profit in 2017 increased by 28.5% or Baht 320 million from 2016, which was Baht 1,123 million. In terms of percentage, net profit in 2017 was also increased from 2016, which was 8.2% of total sales mainly due to better cost management, in terms of cost of goods sold and administrative expense, from both beverage and food businesses.

Beverage business

For the period of October 1, 2016 to September 30, 2017, net profit of beverage business was Baht 1,233 million, increased by 54.3% or Baht 434 million, from Baht 799 million of the period of January 1 to September 30, 2016. In terms of percentage, net profit of beverage business in 2017 was 17.5% of total sales, increased from 14.5% of total sales in 2016. The profitability improvement was mainly due to improving on cost of sales and selling and administrative expenses.

For the same 12 months period, net profit of beverage business in 2017 increased by 22.8% or Baht 229 million from 2016 which was Baht 1,004 million. In terms of percentage, net profit of beverage business in 2017 was also increased from 2016, which was 14.2% of total sales mainly due to improving on cost of sales and selling and administrative expenses.

Food business

For the period of October 1, 2016 to September 30, 2017, net profit of food business was Baht 210 million, increased by 159.3% or Baht 129 million, from Baht 81 million of the period of January 1 to September 30, 2016. In terms of percentage, net profit of food business in 2017 was 3.2% of total sales, increased from 1.7% of total sales in 2016, mainly due to effective management of cost of sales and administrative expense.

For the same 12 months period, net profit of food business in 2017 increased by 76.5% or Baht 91 million from 2016, which was Baht 119 million. In terms of percentage, net profit of food

business in 2017 was also increased from 1.8% of total sales in 2016, mainly due to effective management of cost of sales and administrative expense.

in million Baht	12M 2017	% to Sales	9M 2016	% to Sales	Increase (Decrease)	Percentage
Revenue from sale of goods and rendering of services–Beverages	7,054	100%	5,493	100%	1,561	28
Revenue from sale of goods and rendering of services–Foods	6,497	100%	4,906	100%	1,591	32
Total Revenue from sale of goods and rendering of services	13,551	100%	10,399	100%	3,152	30
Cost of sales–Beverages	4,824	68%	3,801	69%	1,023	27
Cost of sales–Foods	3,564	55%	2,806	57%	758	27
Total Cost of sales	8,388	62%	6,607	64%	1,781	27
Selling expense–Beverages	809	11%	683	12%	126	18
Selling expense–Foods	841	13%	581	12%	260	45
Total Selling expense	1,650	12%	1,264	12%	386	30
Administrative expense–Beverages	233	3%	213	4%	21	10
Administrative expense–Foods	1,862	29%	1,444	29%	417	29
Total Administrative expense	2,095	15%	1,657	16%	438	26
Net profit–Beverages	1,233	17%	799	15%	434	54
Net profit–Foods	210	3%	81	2%	129	159
Total Net profit	1,443	11%	880	8%	563	64

in million Baht	12M 2017	% to Sales	12M 2016	% to Sales	Increase (Decrease)	Percentage
Revenue from sale of goods and rendering of services–Beverages	7,054	100%	7,085	100%	(31)	(0)
Revenue from sale of goods and rendering of services–Foods	6,497	100%	6,552	100%	(55)	(1)
Total Revenue from sale of goods and rendering of services	13,551	100%	13,637	100%	(86)	(1)
Cost of sales–Beverages	4,824	68%	4,913	69%	(89)	(2)
Cost of sales–Foods	3,564	55%	3,777	58%	(213)	(6)
Total Cost of sales	8,388	62%	8,690	64%	(302)	(3)
Selling expense–Beverages	809	11%	887	13%	(78)	(9)
Selling expense–Foods	841	13%	776	12%	65	8
Total Selling expense	1,650	12%	1,663	12%	(13)	(1)
Administrative expense–Beverages	233	3%	279	4%	(46)	(16)
Administrative expense–Foods	1,862	29%	1,887	29%	(25)	(1)
Total Administrative expense	2,095	15%	2,166	16%	(71)	(3)
Net profit–Beverages	1,233	17%	1,004	14%	229	23
Net profit–Foods	210	3%	119	2%	91	76
Total Net profit	1,443	11%	1,123	8%	320	28

FINANCIAL STATUS

Assets

Total assets as at the end of September 2017 was Baht 9,707 million, increased by Baht 429 million or 4.4% from the year end of 2016. Current assets increased by Baht 923 million, mainly due to increase in cash and cash equivalents and trade accounts receivable, netted with decrease in inventories and other current assets. Non-current assets decreased by Baht 495 million, mainly due to decrease in property, plant and equipment.

Liabilities

Total liabilities as at the end of September 2017 was Baht 4,116 million, comprised of interest bearing debts Baht 2,013 million, which are bond Baht 2,000 million and finance lease liabilities Baht 13 million, and non-interest bearing debts Baht 2,103 million. Total liabilities decreased by Baht 553 million or 13.4% from the year end of 2016, mainly due to decrease in current portion of long term loan from financial institutions.

Shareholders' Equity

Total equity as at the end of September 2017 was Baht 5,591 million, increased by Baht 982 million or 17.7% from the year end of 2016, due to increase in net profit for the period, netted with dividend payment.

Cash flows

In 2017, net cash and cash equivalents of the Company increased by Baht 853 million from 2016. Details are as follows.

Cash flow from operating activities

Net cash from operating activities of the Company in 2017 was Baht 2,389 million, increased by Baht 379 million or 18.9% from 2016, mainly due to increase in net profit and depreciation and amortization expenses, as well as decrease in inventories and other accounts payable, netted with increase in trade accounts receivable.

Cash flow from investing activities

Net cash used in investing activities of the Company in 2017 was Baht 500 million, decreased by Baht 353 million or 41.4% from 2016. This is because the Company have not invested in new machine in this year while in 2016, the Company used cash to invest in PET Cold Aseptic Filling Line 4 at the factory which is located in Wangmuang district, Saraburi province.

Cash flow from financing activities

Net cash used in financing activities of the Company in 2017 was Baht 1,036 million, decreased by Baht 122 million or 10.6% from 2016, mainly due to decrease in repayment of current portion of long-term loans from financial institutions, together with less interest expense.

FINANCIAL RATIO ANALYSIS

Liquidity

In 2017, the liquidity ratio was 1.3 times, which was increased comparing to 2016 due to increase in current asset, mainly from cash and cash equivalents, as well as decrease in current liabilities, mainly from current portion of long-term loans from financial institutions.

The Company's liquidity was strong. Cash cycle of 2017 was negative 9 days which reflected the efficient working capital management of the Company.

Profitability

All profitability ratios of the year 2017 were improving from last year, from gross margin level down to net profit margin, as well as return on equity, which was 28.3% in 2017, increased from 20.3% in 2016. This was a result of better cost management, both cost of goods sold level and administrative expenses level as mentioned above.

Efficiency

In 2017, return on assets was 15.2%, increased from 2016 due to increase in net profit. Return on fixed assets and asset turnover were 35.6% and 1.4 times, respectively, which were increased from 2016 mainly due to increase in sales revenue and net profit for the period while property, plant and equipment decreased.

Financing

Debt to equity ratio of 2017 was 0.4 times, decreased from the ratio of 2016 which was 0.5 times due to decrease in current portion of long-term loans from financial institutions. Though the Company is currently in an expansion stage, given the debt to equity ratio of less than 1 times, the balance sheet is considered to be strong with certain amount of room for future financing.

KEY DRIVERS WHICH COULD AFFECT FUTURE OPERATIONS AND FINANCIAL STATUS

- Excise tax imposed to RTD green tea category impact to beverage business of the Company. However, the Company has solid plans and strategies to mitigate risks and secure the Company's business operations consistency and sustainability growth.
- Food and beverage business has correlated relationship with consumers purchasing power, which was directly connected with the economic situation. As a result, the growth of food and beverage business will be higher when the economic situation is in upside trend.
- The success 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 Director is responsible for financial statements of the Company and its subsidiaries, and the financial information in the Annual Report. The said financial statements have been prepared in conformity with generally accepted international financial reporting standard and on a consistent basis. Where judgment and estimates were required, these were made with careful and reasonable consideration. The practice ensures sufficient information disclosure for the benefit of all shareholders and investors.

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

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

The financial statements of the Company and subsidiaries were audited by KPMG Phoomchai Audit Company Limited. During the auditing process, the Company gave full supports 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 reasonably insure that the financial statements of the Company and its subsidiaries as of September 30, 2017 are reliable under generally accepted accounting standards, and also in complianaces with relevant laws and regulations.

-Signature-
(Mr. Prasit Kovilaikool)
Chairman

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Oishi Group Public Company Limited (“the Company”) is composed of three independent members, namely, Mr. Vikrom Koompirochana, Chairman of the Audit Committee, Ms. Potjanee Thanavaranit 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 2017, 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 which is an important part to push the Company sustainably and stably grow.

In 2017, 6 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 2017:

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.

The Audit Committee has arranged the meeting among 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. Related transactions

The Audit Committee has given careful consideration to the related transactions of the Oishi Group of Companies

by strictly adhering to the principles of rationality, transparency, and sufficient information disclosure.

4. 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.

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

- 5.1 The Audit Committee approved the scope of work and the annual audit plan of the Company's internal audit for the year 2017. 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.
- 5.2 The Audit Committee has given full support to the internal audit for its works relating to the Company's policy on the prevention of corruption. Importance has also been given not only to whistle blowers but also information provided through the Company's website. Sources of information are strictly kept confidential.
- 5.3 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.

6. 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.

7. Roles of the Audit Committee

- 7.1 The Audit Committee performed its duties independently from the Board of 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.
- 7.2 The Audit Committee's yearly self-assessment has been implemented in order to ensure 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 and was confident that the Company can achieve the strategic goals in order to maximize the benefit to all shareholders.

–Signature–
(Mr. Vikrom Koopirochana)
 Chairman of the Audit Committee

REPORT OF RISK MANAGEMENT COMMITTEE

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 Committee Charter so as to ensure effectiveness and efficiency of overall risk management activities of the Company.

6 Risk Management Committee meetings were held in 2017 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**
- 8) **Anti-corruption activities**
- 9) **Information Technology and Digital risk factors assessment**

During the year 2017, 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, so as to ensure that the company has continued with the stable and sustainable growth.

On behalf of the Risk Management Committee

-Signature-

(Mr. Chai Jroongtanapibarn)

Chairman of the Risk Management Committee

REPORT OF THE NOMINATION COMMITTEE

The Nomination Committee of Oishi Group Public Company Limited (the Company) of 3 directors, 2 of which are independent directors. Mr. Vikrom Koopirochana served as the Chairman of the Nomination Committee, Mr. Prasit Kovilaikool and Mr. Thapana Sirivadhanabhakdi as the member of the Committee.

The Nomination Committee performed its duties and responsibilities within the framework assigned by the Board of Directors to recruit and nominate qualified and knowledgeable candidates with no characteristics prohibited by law and the Company's Articles of Association, whose experiences and expertise is in line with the Company's succession planning considerations, business strategy and needs for the Board of Directors appointment as Company directors and executive positions at the level from the Company's Vice President.

In 2017 the Nomination Committee held 3 meetings as planned and attended by all Committee members. The results of the meetings has been regularly reported to the Board of Directors, with the following summary of key actions:

1. Consideration the nomination of a candidate with qualifications, experience and expertise appropriate to the Company's business needs, for the Board of Directors consideration and appointment in replacement of the Company's Director and President & CEO who resigned from the position.
2. Consideration the nomination of a qualified person for the Vice President position for the Board of Directors consideration and appointment.
3. Consideration the nomination of a qualified person to be appointed as the Company's Secretary for the Board of Directors consideration and appointment.
4. Consideration the nomination of persons with qualifications and expertise appropriate to the Company's business to be appointed in replacement of the Company Directors who retire by rotation, for the Board of Directors consideration and propose to the 2018 Annual General Meeting of Shareholders for further consideration and appointment.

The Nomination Committee has performed in accordance with the scope of duties and responsibilities independently with high thoroughness, taking into consideration the maximum benefits to the company and all stakeholders.

-Signature-

(Mr. Vikrom Koopirochana)

Chairman of the Nomination Committee

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee of Oishi Group Public Company Limited (the Company) consists of 5 members, of which 3 members are independent directors. Ms. Potjaneer Thanavarant served as the Chairman of the Committee and Mr. Prasit Kovilaikool, Mr. Vikrom Koompirochana, Mr. Thapana Sirivadhanabhakdi and Mr. Sithichai Chaikriangkrai as the member of the Committee.

The Remuneration Committee has carried out duties under the framework and responsibilities assigned by the Board of Directors in considering remuneration and other benefits of all directors and senior executives for proposal to the Board of Directors and/or Shareholders, as the case may be.

In 2017, the Remuneration Committee held 3 meetings in accordance with the plan. All Committee members attended every meeting and the result of the meetings has consistently been reported to the Board of Directors. Summary of key actions are as follows:

1. Consideration the appropriation of Company Directors' 2017 bonus as approved by the 2017 Annual General Meeting of Shareholders
2. Consideration and opinionated the 2018 Company Directors' remuneration and bonus to the Board of Directors for consideration and proposal to the 2018 Annual General Meeting of Shareholders
3. Consideration and proposal for the Board of Directors' approval of the Company and its subsidiaries 2017 bonus and 2018 annual merit increase to Senior Executives and overall budget for management and employees

The Remuneration Committee performed its duties in full scope of responsibilities with careful considerations, taking into account of guidelines and referencing to other companies of similar business size in the same and/or similar industry with suitability and alignment to the economic situation, performance and assigned responsibilities for stakeholders' confidence that the Company's remuneration practice has been properly and equitably implemented.

-Signature-

(Ms. Potjaneer Thanavarant)

Chairman of the Remuneration Committee

REPORT OF THE GOOD CORPORATE GOVERNANCE COMMITTEE

The Board of Directors of Oishi Group Public Company Limited (the "Company") realize the importance of good corporate governance as the foundation upon which to create sustainable growth of the Company. In 2014, the Board of Directors has appointed the Good Corporate Governance Committee consisting of 5 directors, 3 of which are independent directors. Ms. Potjaneer Thanavarani served as the Chairman of the Committee and Mr. Vikrom Koopirochana, Mr. Chai Jroongtanapibarn, Mr. Thapana Sirivadhanabhakdi and Mrs. Nongnuch Buranasetkul as the member of the Committee. The objective of the committee is to support the Board of Directors function with regard to good corporate governance, including to promote and develop the Company's conduct in that regard in order for the Company to have good and efficient corporate governance and in line with the good corporate governance principle issued by Thailand Securities and Exchange Commission and the Stock Exchange of Thailand, which referred to the international principle of good corporate and governance. The Committee also aims to provide advice and encourage the practical implementation of the good corporate governance and incorporated in as part the Company's culture and value, which will in turn enhance the Company's creditability in the eyes of and gaining confidence from all stakeholders.

In 2017, the Good Corporate Governance Committee held 2 meetings in accordance with the Charter and plan. All committee member attended every meeting and the result of the meetings has consistently been reported to the Board of Directors, significant detail of which can be summarized as follows:

1. Consideration of the criteria to participate in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) including giving advices and implementation plan to join the said program.
2. Reconsideration and providing advices with regard to the Company's good corporate governance in order for it to be in line with the 2017 good corporate governance principle of listed company issued by Thailand Securities and Exchange Commission.

3. Acknowledgment of the assessment of the Annual Shareholders' meeting of the year 2017 by the Thai Investors Association.
4. Acknowledgment of the evaluation of the 2017 good corporate governance principle of listed company, as assessed by the Institute of Directors including reconsideration and providing advices on the improvement of the Company's assessment score.
5. Consideration and approval of the report on the compliance of good corporate governance to be exhibited in the 2017 annual report.

In addition, the good corporate governance committee has urged for the evaluation of both individual and group performance that was in line with the principle and in the form approved by the Board of Directors at least once a year in order to improve and develop the performance of the Committee.

With such determination and dedication to advance the Company's good corporate governance practice, the good corporate governance for listed company evaluation score has been improving steadily. In 2017, the Company has received full 100 marks from the 2017 assessment of the Annual Shareholders' meeting. Nevertheless, the Good Corporate Governance Committee is still determined to continuously improve the Company's good corporate governance practice with the believe that such practice is the crucial factor in creating long-term sustainable growth of the organization, which will in turn be beneficial to all stakeholders, including the society and the country itself.

-Signature-

(Ms. Potjaneer Thanavarani)

Chairman of the Good Corporate Governance Committee

CORPORATE GOVERNANCE REPORT

Oishi Group Public Company Limited (the "Company") sees the significance of a good corporate governance system, 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 of the Company always 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 good corporate governance will benefit its business operation appreciate the value and the increase the return to shareholders in the long run as well as enhancing the confidence of shareholders, investors, and all related parties.

The Board of Directors is 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 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 are being made on a constant basis so as to ensure its alignment with rules and regulations 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 November 11, 2014 approved the revised corporate governance policy, which came into force and effect from November 11, 2014 onwards. Moreover, The Board of Directors Meeting No. 1/2015 held on February 25, 2015 approved the procedure on the receiving of complaint and whistleblowing as well as the provision regarding the protection in accordance with the Good Governance policy of the Company's and its subsidiaries, the policy came into effect from February 25, 2015 onwards. The purposes of the regulation are to ensure the appropriateness, the effectiveness and the flexibility of the procedure of complaints and whistleblowing handling by the Company and its subsidiaries and to ultimately 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 OISHI group of companies.

The Board of Directors realize that the successful corporate governance requires collaboration of all functions in the organization; and therefore, requires 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 good corporate governance is a key element that brings about business success. Corporate governance policy included the following aspects:

- A system was established to ensure all stakeholders receive equal and fair treatment.
- Implementing proper oversight and monitoring 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.
- Implementing proper oversight and monitoring on operation to ensure that the management maintain transparency, check and balance, and adequate disclosure of information for all related parties.
- Implementing appropriate and efficient systems governing internal supervision, internal audit, and risk management.
- Establishing the Code of Conduct to be used as a guideline for business practice for Directors, management, and employees.

The Company is well aware of the significance of good 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 of 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 publication 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 2017, 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, the Company recognize the importance of all shareholders, 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 they deserve.

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 protect and promote all shareholders fundamental rights and encourage them to 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, right to purchase, sell, and transfer shares, to receiving dividend, to receive adequate information and to attend shareholders' meetings and exercise their 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 special of one-time items.

To ensure the protection of the right of shareholders, the Company does not have any 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 every fiscal year or by the period stipulated by the laws. Extraordinary General Meetings of shareholders may be held as deemed appropriate by the Board of Directors resolution. In each shareholders' meeting, it is the policy of the Board of Directors to arranges for processes to facilitate and encourage all shareholders as well as institutional investors to attend the meeting and exercise their voting right. In addition, the Company realizes the significance of setting the appropriate 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, together with relevant information of each agenda and they are available in both Thai and English versions, 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 is to be provided in the meeting; or they can make queries, suggestions, or express opinions during consideration of each agenda while the meeting of shareholders is in session.

In 2017, the Company organized the Annual General Meeting of Shareholders on January 25, 2017 at 14.00 hr. at Grand Hall I on the 2nd floor of Plaza Athenee Bangkok, A Royal Méridien Hotel located at 61 Wireless Road, Lumphini sub-district, Pathumwan

district, Bangkok 10330. 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 2017.

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, purposes, 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 law.
5. A Letter of Proxy was submitted in the format as required by the laws, together with instructions and documents required for shareholders attending in person and those attending by proxy whereby other persons or an Independent Director may be authorized to attend the meeting and exercise the voting right as instructed by the shareholders.
6. 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 investorrelations@oishigroup.com or by fax at Tel. 02-768-8889.

On Shareholders' meeting date

The Company has clear policy and intention to support 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 2017, 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 and usage of voting ballot including explanation on criteria and methods of vote casting and counting.
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, senior executives, the Chairman of the board of Directors as well as the Chairmans of all sub-committees attended the ordinary shareholder meeting for the year 2017 to provide clarifications to any queries; and to receive feedbacks and recommendations from shareholders. In addition, the auditors had also attended the ordinary shareholder 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.

Additionally, the Company has received full 100 mark from the evaluation under the 2017 annual quality assessment of the Annual General Meeting of Shareholders conducted by Thai Investor Association

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. As of September 30, 2017, 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 Company allocate to the shareholders 1 voting right per share.
 7. 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.
 8. 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 15. on page 93 of this year's annual report.
 9. 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.
 10. The Board of Directors has determined policy whereby the Directors and senior executives must inform the Company's Secretary of any sale or purchase of the Company's share 1 day prior to the date of the transaction.
 11. Related party transactions are to be carried out in a fair and at arm's length 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.
- As of September 30, 2017, the Board of Directors received no complaints with regards to unfair treatments toward shareholders or 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

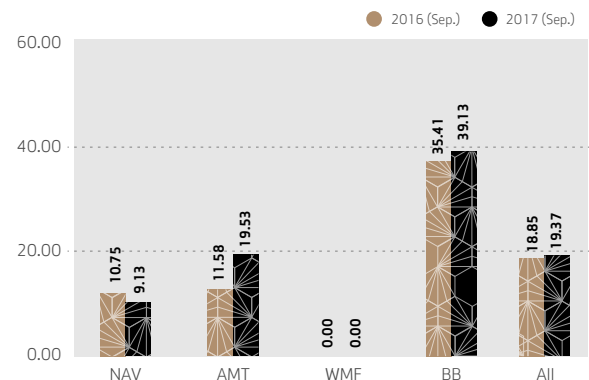
The Company is determined to operate business based on honesty and with adherence to equal and fair treatments to shareholders. The Company arranges for disclosure of information in a complete, correct, and equal manner on a regular basis. In addition, the Company has put in place measures to monitor 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

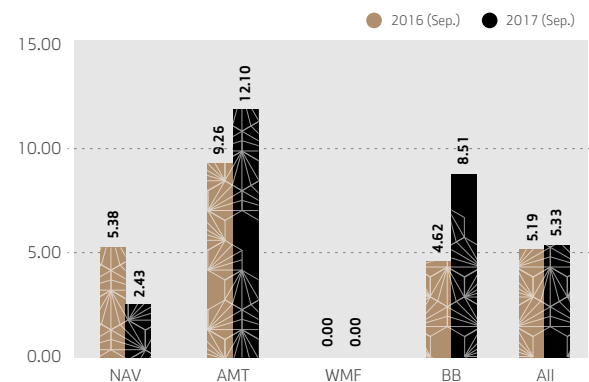
Employees are our valuable resources. The Company has a policy that employees shall receive fair treatments in respect of opportunity, remuneration, welfare, potential development as well as assurance on the quality of life, safety, hygiene at workplace and the arrangement of Provident Fund. With regards 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 as well as the competitive

capability within the industry. As for employees 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. It is also one of the Oishi group of companies' primary policies to ensure safety and hygiene within the workplace, both at the office and the production facilities by putting in place the safety, occupational health, and work environment policies and collecting statistic of accident, employees' leave and workplace injury, which shall be analysed and then use to improve the safety standard on a continuous basis. Additionally, the Company's production facility at Nawanakorn Industrial Estate has also received certification for BS OHSAS 18001 : 2007 Occupational Health and Safety Management System (OHSMS).

Please see the following information for reference; Statistic information for Injuries Severity Rate (ISR) within the 4 factories of Oishi group of companies



Statistic information for Injury Frequency Rate (IFR) within the 4 factories of Oishi group of companies



Remarks

- NAV means the production plants within Nawanakorn Industrial Estate, Pathumthani
- AMT means the production plant within Amata Nakorn Industrial Estate, Chonburi
- WHF means the production plant at Wang Muang, Saraburi
- BB means the production plant at Ban Bueng, Chonburi

The increase injury rate in 2017 is due to, among others, mainly the increase in employees number and the negligence of the safety measure put in place by the Oishi group of companies. However, the Company has already put in place certain measure to reduce and prevent such accidents. Moreover, the Company regards and 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. Additionally, diversified CSR activities are organized by the Oishi group of companies to encourage employees to engage in community and society development as well.

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 based on established principle by taking into account the performance, price, credibility, and clean history without any record of frauds and/or violation of human rights. Additionally, the Company makes annual reconsideration by putting in place the plan to visit the manufacturers' and distributors' business sites. Moreover, 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, strictly honors terms and conditions regarding warranty and agreements per contracts entered into with all creditors as well as appropriately manage the financial liquidity management so that the Company may pay the creditors in a timely manner and in accordance with the agreed terms.

6. Business competitor

The Company has a clear policy to conduct itself 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. As of September 30, 2017, the Company organized a total of 4 training courses on the environment, namely the ISO14001 Version:2015 course, the Internal Audit ISO14001 Version: 2015 course, the energy saving awareness raising course and the energy management course, 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. The detail of the efficient material management process were disclosed in page 30-31 of this year's annual report.

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.

As of September 30, 2017, 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. Moreover, to emphasize the Company's intention and policy on anti-corruption, the Company's has issued a notice regarding the whistle-blowing and reward for the whistle-blower to remind all employees of the importance of as well as encourage them to adhere to honesty and to be mindful not to be negligence in their duties, which opens up and promotes corruption and, in turn, results in damages to the Company.

The Company remains determine to improve on its anti-corruption work in a continual manner through processes review and the monitoring, evaluation and management of potential corruption risks by the Audit Committee. Significant risk shall be reported to the Board of Directors on a quarterly basis. In 2017, the Company compelled its head of the Internal Audit Department, as the person who supports the work of the Audit Committee in deterring corruption and have attended the "Anti-Corruption: The Practical Guide (ACPG)" course, class 30/2016, which was held by the Thai Institute of Directors, or the IOD, to host an anti-corruption training course called "Anti-Corruption : United against Corruption" to emphasized create awareness and increase the understanding of the policies intentions and guidelines of the Company regarding this matter and to ensure the policies achieve its practical goal. Moreover, the Company has also reconsidered and adjusted the related process in order to consider joining the private sector anti-corruption united front project, as appropriate.

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, ethics 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
 90 CW Tower, 36th floor, Unit B3601,
 Ratchadaphisek Road,
 Huai Kwang Sub-District,
 Huai Kwang District, Bangkok 10310

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. 1/2015, held on February 25, 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 governance policy of the Company and its subsidiaries, effective from February 25, 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.

As of September 30, 2017, 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. As of September 30, 2017, 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 122 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.

KPMG Phoomchai Audit Ltd. was appointed by the Annual General Meeting of Shareholders for the year 2017 as the auditor of the Company for the financial report for the fiscal year ending September 30, 2017. The auditor was of knowledgeable and expertise, met all the requirements, was independent and was without any conflicts of interest with the Company. 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 limitations or regulations, the Company has determined appropriate measure to ensure that the consolidated financial statement can be prepared on time. In the past year, the Company was able to prepared and filed the consolidated financial statement as well as the financial statement 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 123-124 of the annual report, and opine that the financial statements of the Company and subsidiaries as at September 30, 2017 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.

As of September 30, 2017, the Company organized one press conference on performance and business direction while the meetings with analysts were held twice during the year.

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

2.1 Oversight on the use of insider information

The Company regards that the use of insider information is among key responsibilities of directors, executives, and employees whereby all parties are expected to keep the information confidential, especially the internal information which has yet to be disclosed to the public or that which incurs significant impact toward the business operation or share price. It is determined that there would be no abuse of opportunity or information received in the tenure of Directors, senior executives, or employees of the Company for personal gain. Moreover, certain information is restricted and to be disclosed only to Directors and related senior executives of the Company. In addition, the Company requires that executives should report their ownership in securities and the changes thereof to SEC as per the section 59 of the Securities and Exchange Act B.E 2535. Additionally, the Company has determined policies in writing to prohibit Directors, executives, and employees to whom the insider information is disclosed, and their spouse, and children who are minors, to conduct sale and purchase transactions of the Company's securities prior to the announcement of the financial statements of the Company to the public for a period of at least one month. Any violation against the said policy shall incur disciplinary actions, which range from warnings to termination of employment as well as court trial as per the laws. Related announcements and communications are regularly disseminated to Directors, executives, and all employees of the Company in advance.

2.2 Conflict of interest

The Board of Directors and executives of the Company are precautionous about any conflict of interest which may occur in practice and oversee that no Directors, executives, and related parties exploited the insider information for

personal gain. In addition, it is determined that Directors and executives of the Company should report their interest as required by the law and Board of Directors.

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

In addition, to prevent the conflict of interest, the Company has established the policy overseeing any transactions which may incur the conflict of interest whereby Directors who have any conflict of interest in any agenda shall abstain from voting or not engaging in consideration of the agenda. In addition, policies and methods were determined to prevent executives and related persons to exploit the insider information for personal gain.

As of September 30, 2017, 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 sufficient.

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 Article of Association of the Company. As of November 17, 2017, 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 12. Management Structure in the page 57 of the 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 12. Management Structure from in the page 68-69 of the 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, specialty, and skills enhance the capability of the Board. The qualification of Director and/or Independent Director as per the law on public company limited, securities and exchange, and other related laws; and regulations of the Company shall also be taken into account for consideration.

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

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

The Board of Directors has responsibility towards shareholders to perform their tasks with honesty and honorable intention. It is to devote their time, knowledge, skills, ability, and experience for the benefit of business operation of the Company. It is obliged to provide recommendations and see to it that the operation of the Company is strictly in compliance with the laws, objectives, Article of Association, and resolutions of the meeting of shareholders. In addition, it is to efficiently and effectively oversee, supervise, and monitor the implementation of the Company's strategies and 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 Article of Association, laws, and notifications of SEC and SET) are to abstain from voting in such related agenda.

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

The Board of Directors is authorized to assign one or more Directors to serve as Vice Chairman as deemed appropriate. The Board of Directors is authorized to empower some Directors and/or executives of the Company as Executive Directors to perform one or several tasks on behalf of the Board of Directors. The scope of empowerment shall be within the authority of the Board of Directors and shall be explicitly described. The Board of Directors is also authorized to appoint sub-committees to support its works 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 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 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 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 Secretariat is to record the minutes of meeting in writing. After the minutes are approved by the Board of Directors, the minutes of meeting are to be stored in a manner that they are ready for audit by related persons at all time. Although the meeting of Board of Directors are scheduled on a quarterly basis, the management is obliged to submit, on a monthly basis, the monthly performance report to directors via email for acknowledgement during the months where no meeting is held.

Sub-committees Meeting

Meetings of sub-committees are scheduled in advance for the entire year while additional meetings may be held as necessary. Minutes of the meetings are to be prepared for each meeting.

The numbers of meetings and details of attendance of each Director and sub-committee Director, as of November 16, 2017, 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	Meeting of the Non-Executive Director/ Attendance
Mr. Prasit Kovilaikool	5/5	-	-	3/3	3/3	-	-	1/1
Mr. Thapana Sirivadhanabhakdi	5/5	-	9/10	3/3	3/3	-	2/2	-
Mr. Vikrom Koompirochana	5/5	6/6	-	3/3	3/3	-	2/2	1/1
Ms. Potjane Thanavarant	5/5	6/6	-	-	3/3	-	2/2	1/1
Mr. Chai Jroongtanapibarn	4/5	6/6	-	-	-	6/6	2/2	1/1
Mr. Sithichai Chaikriangkrai	4/5	-	9/10	-	3/3	-	-	-
Mr. Ueychai Tantha-Obhas	5/5	-	9/10	-	-	-	-	-
Mr. Marut Buranasetkul ⁽²⁾	2/5	-	1/10	-	-	1/6	-	-
Mrs. Nongnuch Buranasetkul ⁽³⁾	3/5	-	8/10	-	-	5/6	2/2	-
Mr. Pisanu Vichiensanth	5/5	-	10/10	-	-	1/6	-	-

Remarks

- (1) In case of absence from the meeting of Board of Directors and sub-committees as per the above table due to inevitable matter, Directors shall notify their absence in advance.
- (2) Mr. Marut Buranasetkul, Director, President & CEO, Executive Committee Member, Risk Management Committee Member and Good Corporate Governance Committee Member resigned from all positions effective on February 9, 2017.
- (3) Mrs. Nongnuch Buranasetkul was appointed by the resolution of the Board of Directors' Meeting No. 2/2017, which was held on February 9, 2017, to the positions of Director, President & CEO, Executive Committee Member, Risk Management Committee Member and Good Corporate Governance Committee Member in place of Mr. Marut Buranasetkul, who resigned from the positions. The Company has registered the change of its Directors with the Department of Business Development, Ministry of Commerce, on February 10, 2017.

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 who provide better life quality to the consumer and generate sustainable growth."

Missions

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.
4. To increase the effectiveness and competitive capability in term of price and quality compared to both international and domestic competitors, which in turn drives the economic growth of Thailand forward.
5. To conduct its business under good governance while being considerate of all stakeholders in order to firmly and sustainably grow the business.

The Board of Directors meeting No. 5/2017 held on November 16, 2017 reconsidered and appropriately stipulate the aforementioned vision and missions to be even more 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 plan and long-term business goal 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 2017, the Non-Executive Directors organized one meeting without attendance of the management and Executive Directors on August 10, 2017.

8. Centralization or segregation of position

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

9. Term of Office

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

Apart from retiring by rotation, the Board of Directors may leave the office as stipulated by the laws or the Article of Association of the Company. In a case where Director position is vacant due to reasons other than retirement by rotation, the Board of Directors are 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 November 10, 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, which consists of the following 5 subjects; 1. Structure and qualification of the Directors; 2. Roles and responsibilities of the Directors; 3. The Directors Meeting; 4. Relationship with the managements; and 5. Self-improvement and the managements improvement. The form was to be used by the directors to assess the performance of the Board of Directors for the year 2015 and onward. As for the performance assessment of the

sub-committees, principles which is similar to and consists of the aforementioned subjects as the self-assessment form of SET were stipulated. For the assessment, the Company's Secretary, or the secretary of the particular sub-committee, as the case may be, shall deliver both the self assessment form and the group assessment form to the each Directors. After the assessment forms are completed, each Directors shall deliver the completed forms back to the Company Secretary, or the secretaries of each sub-committee, as the case may be, to be compiled, evaluated and stored as data.

In 2017, 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 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.

In 2017, the Company has appointed a new Director and therefore the aforementioned orientation has been arranged. Additionally, the Company has also reported and disclosed the 2017 good governance policy of listed companies, which was issued by the SEC to each Directors in order to present them with the revised information regarding good governance.

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.

In 2017, the following Directors has attended courses held by the IOD:

Name	Position	Course
Mrs. Nongnuch Buranasetkul	Director	DAP Class
	President & CEO	135/2017
	Executive Committee Member	
	Risk Management Committee Member	
	Good Corporate Governance Committee Member	

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.

In 2017, Mrs. Kodchacorn Attarangsarn, Vice President, has attended the DCP Class 138/2017 as well.

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 12. Management Structure on page 57-65 of the 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 8. Risk Factors on page 44-47 of the 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 and the business ethics of the Oishi group of companies has been published on the Company's website in the Corporate Governance sub-section of the About Oishi section.

As for the incompliance matters, the Board of Directors has considered and stipulated the appropriate and sufficient method that is also in alignment with the Company's business and corporate culture, details of which are as follows;

The incompliance matters	Reason
1. The Company's free float portion of the share should be larger than 40 percent	The Company's free float portion of the share is in alignment with the regulation of the SET.
2. The Board of Directors should utilize the service of professional search firms or the director pool in the process of finding new director	The Board of Directors and appointed the Nomination Committee, whose members are qualified experts from various professions, to consider and nominate appropriate individuals to be considered and appointed as a new Directors as per the Company's nomination procedure. The Nomination Committee has always been able to consider and nominate individuals with the appropriate expertise, qualification and experience for the position of the Company's Directors. Therefore, the Company's current nomination procedure and principles should be considered as sufficiently appropriate and effective.
3. More than 50 percent of the member of the Board of Directors should be Independent Directors	The Board of Directors consist of experts with diverse qualification, capability and experience. 4 out of the total of 9 Directors, including the Chairman of the Board of Directors, are Independent Directors and such proportion is appropriate for the performance of the Board of Directors' duties.
4. Independent Directors should not hold the position for longer than 3 consecutive terms or the equivalence of 9 years from the date of appointment	The Company's has stipulated that its Independent Director may hold the position for the maximum of 3 consecutive terms, which is the equivalence of 9 years. However, in the process of consideration and appointment of new Independent Director, the Board of Directors prioritize on potential Independent Directors' independency, suitability and effectiveness and has always provided reasoning behind the nomination to the shareholders during the nomination process. Additionally, all of the Company's Independent Directors possess the qualification and suitability for the position of Independent Directors, despite the fact that some of them held the position for longer than 9 years.
5. All members of the Nomination Committee should be Independent Directors	The Company's Nomination Committee consists of 3 members, 2 of which, including the Chairman of the Committee, are Independent Directors. The Board of Directors has considered the current structure of the Nomination Committee appropriate and all 3 of its members are qualify and capable to perform the duties of Nomination Committee members effectively.
6. The Board of Directors should have a policy to limit the number of listed companies each Director may hold the position of director in to the maximum of 5 companies.	All Directors are able to allocate and dedicate their time to perform their respective duties effectively. Moreover, they all provided ideas and suggestion which are invaluable to the operation of the Company's business.
7. The Company has a policy which stipulated that the quorum at the time of voting in any Board of Directors Meeting must not be lower than 2 out of 3 of all Directors	The quorum already exist for both the attendance of and vote in any Board of Directors Meeting as per the Company's Article of Association and relevant law and regulations.



CORPORATE SOCIAL RESPONSIBILITY REPORT



CORPORATE SOCIAL RESPONSIBILITY REPORT

With a vision that adheres to corporate social responsibility and the environment throughout 18 years, OISHI Group Public Company Limited has invented products in food and drinks with international standards to deliver the best products to consumers. The Company also realizes the importance of all production processes and is environmentally friendly as well as creates activities that present our corporate social responsibility of the organization, starting from the community around the factory to society on a country level because the Company believes that growing alongside a strong society will lead to true stability and sustainability. The Company has prepared the Corporate Social Responsibility report as a part of the annual report for all issues in both Thai and English, that includes publishing on the Company's website to reflect the concept, vision, intention, and its performance in terms of social and environmental responsibility to shareholders, institutional investors, and those who are interested.

In 2017, OISHI Group of companies has operated the business together by placing an importance on responsibility to the society as a whole in both the normal business operation (IN-PROCESS) and activities for the society and environment apart from the normal business operation (AFTER-PROCESS), to achieve the objective and significant intention to develop and create sustainable collaborative growth. The significant details for the operation guideline can be summarized as follows.

CORPORATE SOCIAL RESPONSIBILITY AS A PART OF NORMAL BUSINESS OPERATION (CSR-IN-PROCESS)

1. Good Corporate Governance

The Company greatly emphasizes the arrangement for a corporate governance system, which reflects the effective, fairness, and auditable management system, including a commitment to develop and enhance the corporate governance of the organization simultaneously. The Board of Directors has determined to have an organization's corporate governance policy which is in accordance with the principle of corporate governance of the Office of SEC and SET that refers to the international principle of Organization for Economic CO-operation and Development (OECD), which consists of 5 main categories; rights of shareholders, equitable treatment of shareholders, roles of stakeholders and the responsibility of Board of Directors. Moreover, the business ethics of OISHI Group of companies are established as the criteria and the guideline for the Management and employees, which are published in the Company's website in the section "About OISHI", under the sub-section "Corporate Governance".

Furthermore, the Board of Directors is confident that in order for the corporate governance to succeed, the whole organization

must be cooperative and abide to work collaboratively. Therefore, as set within the policy guideline for the managements, employees, and all personnel of the Company and its subsidiaries are to comply accordingly with the policy, business ethics, and other regulations cited in the corporate governance policy. Also, communications to create understanding and the corporate governance performance follow-up in the organization must be arranged simultaneously for proper business operation, the benefits and impacts to all stakeholders must be considered, in order to build confidence with all stakeholders, which will add value and support for the Company to develop and continue to grow with sustainability and stability.

The details about the compliance within the corporate governance are provided in the Corporate Governance Report page 129 - 146 of this year's annual report.

2. Fair Business Operation

The Company operates the business by placing an importance on fair business operation, considering the benefits and impacts to all stakeholders by treating all relevant people with fairness

and equality, starting from the shareholders, employees, customers, partners, competitors, communities, societies, environment, government sectors to stakeholders. Not only the proper treatment required by laws but also compliance with business ethics and the corporate governance by adhering to good governance with transparency and auditability is also significant. Moreover, the Company arranges to have a disclosure and listens to the information from all stakeholders adequately, equally, appropriately, and timely as well as avoids operations that might create a conflict of interest and determines the proper business competition strategies since the Company is aware that all stakeholders are the main components that will encourage and support the business operation of the Company to achieve success, produce progressive growth, and develop with sustainability.

3. Anti-Corruption

The Company has the distinct policy and intend to not support and resist corruption, bribery or any type of corruption and in any cases, including cooperating or attending many agencies group's to resist corruption as appropriate. In addition, the Company has determined for the directors, the managements, and all employees of the Company to not take part in corruption, give or receive bribes from government or private officers directly or indirectly, or make use of the benefits from donations. Moreover, to emphasize the intention and the policy of the Company on anti-corruption, the Company commits to develop its operation to prevent and resist corruption simultaneously and has passed a review for the completeness and adequacy in many processes from the internal audit, endorsed by the audit committee, including determining the guideline for the risk management regarding corruption that might occur by the Risk Management Committee so that all employees are well aware of the importance and adhere to honesty as well as work without carelessness or neglecting their duties, which can create opportunity and benefit from malpractice that might affect the Company and cause severe damages. Moreover,

the Company has published the knowledge and arranged training programs about anti-corruption for the managements and employees as appropriate.

4. Respect for Human Rights

The Company respects the human rights of employees and other stakeholders without discrimination to anyone with differences in ideas, race, nationality, skin color, religion, gender, sexual orientation, culture, or any status that is considered to be human rights, including applying an operation guideline that is appropriate for human rights in the organization and determining a distinct policy to not give support, do business, or cooperate with individuals, business, or activities that are related to the violation of human rights.

5. Fair Labor Practices

To comply with the principles of good governance in its business operation, OISHI Group of companies has treated its employees with fairness and in accordance with the laws and other relevant regulations. In other words, the Company respects the rights of working according to human rights with no discrimination, provide to have equality in the screening and recruiting process and allocate the appropriate personnel to a position, determine the benefits in terms of remuneration and other welfare appropriately and considers performance evaluation. The Company as well places an importance on providing opportunity and advancement in work for employees by encouraging learning and developing the potential of employees to enhance the work to be more professional, and promote its employees' life quality by arranging a safe and healthy workplace, including annual physical check-up for employees.



6. Responsibility to Consumers

It is widely accepted at present that organizations that receive a quality management system standard or what is called “Quality Assurance”. Not only does it create reliability and credibility with consumers, it is also considered to be a significant tool to verify and guarantee the effectiveness of an organization. Therefore, the Company commits to developing products and services at a high standard to satisfy and maintain the highest reliability for customers.

The “Central Kitchen” of the Company is considered to be a food manufacturing factory that has received accreditation at an international standard level, equivalent to the level of globally accepted export goods, which are GMP/HACCP system and BRB system (British Retail Consortium), which is a quality system for food safety receiving an excellent evaluation result (Grade A) and also registered to be an establishment for exportation from the Department of Fisheries receiving an excellent evaluation result (Factory Level 1). Also, for the use of strategy “QSC + 2Vs” which means a quality of food that passes a hygienic flavoring process and selection, by

choosing natural raw materials that are clean, fresh, new, and safe; OISHI is the first company in Asia that has been implementing the Integrated Quality Hygiene Safety Management (IQHSM) or “The Quality Sanitary and Safety of Integrated International Food” into the management of OISHI restaurants since 2008. This has led the Company to receive the International Quality Standard of ISO 9001 (2008) Codex GMP/GHP 2003 and Codex HACCP 2003 at an international level.

In 2017, the restaurants under the brand “OISHI” in all branches received accreditation for Quality Assurance System, GMP standard (Good Manufacturing Practice; manufacturing products or managing sanitary service), HACCP (Hazard Analysis Critical Control Point; manufacturing control for the highest safety in products and services), and ISO 9001:2015 (Characteristics and qualifications of products services that satisfy consumers) in all restaurants and branches, and is the first of Thailand and Asia.

For beverage business, the Company is a role model business operator in Thailand that brings manufacturing technology and



Cold Aseptic Filling from Japan to use in its own beverage manufacturing factory in Navanakorn Industrial Estate, Pathum Thani Province and Wang Muang District, Saraburi Province, by selecting and using quality natural green tea leaves as the raw materials to pass through the manufacturing process. With such technology, it maintains the flavor and the value from nature and is considered to be the first factory in Thailand that had implemented the manufacturing technology in double layers filtration in the sterilization room or what is called Double Clean Room. As a result, cleanliness is equivalent to an operating room in a hospital and international standard accreditations were received, which are TAS 9023-2007 GMP Codex Alimentarius; hazard analysis system and critical control point; TAS 9024-2007 HACCP Codex Alimentarius; Quality Management System ISO22000:2008; Food Safety Management System ISO22000:2005; Environment Management System ISO14001:2004; HALAL Food Standards; and Green Industry Level 3 as well as receiving the standard accreditation from the Food and Drug Administration of the United States, LACF USFDA. Moreover, the Company's beverage manufacturing factory in Wang Muang District, Saraburi Province, had also

received the international food safety standard of BRC Issue 6 Global Standard For Food Safety. Consequently, consumers can be assured that all bottles of OISHI beverages are high quality and safe under international standards.

7. Community and Society Development Collaboration

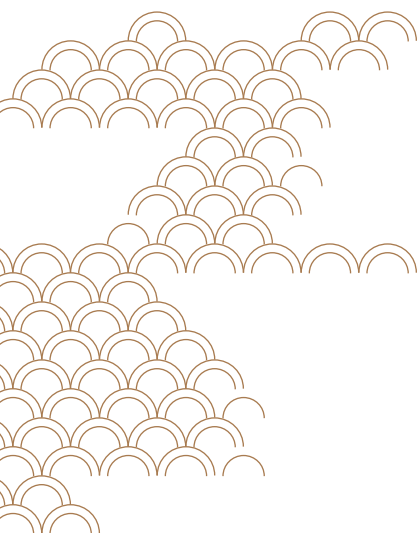
For more than 10 years, OISHI Group of companies has operated business in Navanakorn Industrial Estate, Pathum Thani Province; Wang Muang District, Saraburi Province; Amata Nakorn Industrial Estate; and Ban Bueng District, Chonburi Province, which has created a lot of employment in those areas and helps villagers in the community to have a career and income, and is part of building sustainable growth in the community. Additionally, the Company has campaigned for Oishi Trading Company Limited employees', a subsidiary in the factory area, to create activities in the community to stimulate the collaboration of the community and create good relationship.

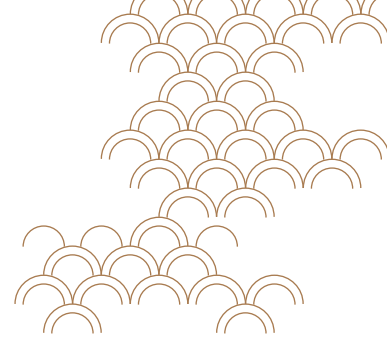


8. Environmental Management

In response to the situations and changes of the global world that all parties are aware of and the environmental problems in significance, the Company places an importance on effective management both in terms of energy consumption and the reduction of waste in the manufacturing process, which are:

- **OISHI Green Tea Manufacturing Factory in Navanakorn Industrial Estate, Pathum Thani Province and Wang Muang District, Saraburi Province** are factories that are designed on the fundamental of Modern Green Factory at an international standard by bringing energy-saving technology to use in the building structure. Such buildings are a transparent design in some areas so that natural light can be used within the building as much as needed while the use of air-conditioning in Econo-Pilot Cooling System, the same as Japanese industry, the use of light wall to reduce heat absorption from outside the building can help saving energy up to 50 percent and greatly reduce the use of electricity overall. Moreover, the concept of adjusting the working system or what is called "Kaizen" is used in the manufacturing process to develop the organization, personnel, and help reduce costs for the organization, which are:
 - Replace the wind power that is used to blow the tea bottles in the packing room from Air Compressor system into Hi-Speed Motor Blower in order to help reduce the use of electricity by more than one hundred thousand baht per year.





- Install a heat exchanger in the tea boiling, which uses the water exchange with tea in the steps of lowering the temperature after extraction, helps to reduce the use of water and energy in Boiler system. In addition, increasing the temperature of hot water in tea extracting process can reduce steam consumption and can also reuse the condensed steam (Condensate) in the manufacturing process.
 - Install VSD tools to control the electricity supply of High Pressure Pump to relate with the volume of RO water manufacturing, which can save electricity in the step of manufacturing RO water and still maintain the quality of water according to the benchmark.
 - Change the light bulb from T8 bulb to LED to reduce the use of electricity for more than 60 percent of the normal consumption rate.
 - Install the water pump to bring back the waste water from the RO water manufacturing process that still has a quality according to the criteria, to use in lowering the temperature of the cooling system, which can help to greatly reduce the use of water in the cooling system.
 - Reduce the pressure in the Air compressor of the bottle blower from 40 bar to 34 bar in order to help reduce the use of electricity of Air compressor by which the quality of bottles are still in the required benchmark.
- **Central Kitchen in Ban Bueng District, Chonburi Province,** is the factory that produces food and raw materials at an

international standard. Since there is the use of a high volume of water, the Company therefore places an importance in "Wastewater Treatment Management System". All wastewater will be transferred to the wastewater pond what is called "Equalization Tank", acting to adjust pH balance and ensures consistency of overall wastewater condition. Then wastewater will be further treated in "Aerated Lagoon" by the floating-type Aerator which adds sufficient oxygen to the wastewater to naturally decompose organic substances. After that, the wastewater will be transferred to "Polishing Pond" for condition adjustment and sedimentation of dirt and residue. The treated wastewater will then be reused to plant trees in the factory. Presently, the factory cuts electricity use in the aeration process by turning on 3 aeration fans and turning off another 2 fans while the quality of the wastewater discharged from the aerated lagoon is under controlling criteria. In addition, the Operate Boiler method is improved to reduce LPG consumption, resulting in a cut in LPG imports from 4 times a month to only 3 times a month. Also, the set point of cold water temperature in the chiller system is raised from 7 degrees Celsius to 8 degrees Celsius which is sufficient to generate cool air flow for maintaining an ambient temperature of 25 degrees Celsius, saving 17% electricity use of the chiller system. These actions help save energy and cut the factory's expenses by hundreds of thousands of baht a year



GMP
(Good Manufacturing Practice)



HACCP
(Hazard Analysis Critical Control)



ISO 9001:2015
(specifies requirements for a quality management system when an organization)



9. Innovation and Diffusion of Innovation from Corporate Social Responsibility Activities

OISHI Group of companies never stops bringing technology to create innovations to respond and create the highest satisfaction to consumers. At the same time, the innovation must be environmentally socially responsible. For example; the use of advanced cold pack manufacturing technology also known as "Cold Aseptic Filling" in the PET bottle. Not only can it maintain fresh flavor to its best, but also reduce the use of plastic up to 30 percent and reduce transportation power.

Awards and Achievements of OISHI

- OISHI restaurants have received accreditation for **Quality Assurance** in all restaurants and branches, and are the first in Thailand and Asia from SGS (Thailand) Company Limited, the world's leading organization in auditing and certifying system standards as follows:
 - GMP standard (Good Manufacturing Practice; products manufacturing or hygienic service management)



Superbrands
Thailand 2016
Awards



The Most
Powerful Brands
of Thailand 2016



Thai Pack
Awards 2017



FDA Quality
Award 2017



Thailand Kaizen
Award 2017

- HACCP standard (Hazard Analysis Critical Control Point; control the manufacturing for the highest safety in products and services)
- ISO 9001:2015 (Characteristics and qualifications of products or services that satisfy consumers)
- **Super brands Thailand 2016 Awards** from Superbrands Thailand as a successful food and beverage brand in terms of brand building in Thailand and is accepted as number one in the consumers' mind.
- **The Most Powerful Brands of Thailand 2016** from Faculty of Commerce and Accountancy, Chulalongkorn University, as a strong and the most powerful brand in ready-to-drink green tea products.
- **Thailand's Most Admired Brand 2017** from BrandAge Magazine as the number one reliable brand in the category of ready-to-drink tea.
- **Thai Pack Awards 2017** from The Thai Packaging Association as the leader in product innovation from "OISHI, Sakura Strawberry Flavor" with an outstanding package in terms of innovation and technology of "Thermochromics Shrink Label", the first color-changing bottle in Thailand.
- **FDA Quality Awards, 2017** from Food and Drink Administration as an excellent establishment in terms of manufacturing food and beverage with quality, standard, ethics, and social responsibility.
- **Thailand Kaizen Award 2017** from Ministry of Industry in GENBA KAIZEN by successfully demonstrating CAF and KAIZEN FOR OFFICE.



Corporate Social Responsibility Apart from Normal-Process (CSR-After-Process)

Oishi Group Public Company Limited has the intention to operate its business in accordance with the society, environment as well as the community in which the Company operates the business. Therefore, Oishi Group of companies conducts Corporate Social Responsibility or CSR to support development in society, community, and environmental sustainability. The details as follows:

1. Children and Youth Activity

The Company is aware that creating CSR activity for social sustainability must start with "people", especially the youth as the younger generation that will grow up to be quality adults of the country. When the youth are of quality and have morality, society will be developed and peaceful. Therefore, the Company focuses on arranging concrete activities to develop children and youth as follows:

"Im Jung" Project

The main objective of "Im Jung" project is to implant and strengthen morality for children, especially in the subject of honesty because it is a core value of an organization. The Company believes that honesty is the beginning of all goodness. As OISHI is a food and beverage brand, the Company uses various beverages and Japanese food as tools to set up activities in the form of special food catering, together with recreational activities and integrating morals, such as story performance with morale, creating pencils, essay writing contests to win a scholarship under "Good children ... must be honest" topic to more than 1,200 students in 8 schools, with 7 schools in the Bangkok Metropolitan Region and 1 provincial school by creating special activities in Chiang Rai Province at Thantip School in patronage of Thantip Thantham Foundation, Wat Phumphatharam, Chiang Rai Province, which is a charity boarding school under the patronage of Phra Khru Phiphatsilachan, to give an opportunity for primary education to children in the highlands, and implant morals for children to become adults with good principles, as well as providing support to add value to existing resources by arranging "Im Jung Vegetable Garden" project, utilizing the Royal Initiative of "Sufficiency Economy" to adapt resources for appropriate use. The children are divided into groups to grow non-toxic vegetables to use as products in cooking valuable food. The scheme also teaches self-reliance, developing discipline and unity, and using free time wisely.



2. Promoting Life Quality for People in Activities for Society

The Company is determined to be a part of community and society development for the organization and community to grow together sustainably. In 2017, the Company had the opportunity to do the activities as follows:

“Give” project to help the Southern Flood Victims

Thai people never leave each other. When seeing their southern siblings facing-up major flooding, the Company carried out “Give” project by basically setting money donation boxes inside its office building and affiliates of Thai Beverage Public Company Limited, restaurant branches in OISHI Group, Central Chidlom Shopping Center, and The EmQuartier Shopping Center, which indeed offered OISHI beverages as rewards for their kindness to all those who showed faith by donating money, as well as setting additional donation boxes at restaurant branches in OISHI Group. The total amount of donation money of 300,000 baht was given to Thai Red Cross Society to help out the Southern flood victims.



“Give” project to help the Flood Victims in Sakon Nakhon Province

Another project developed by OISHI Group of companies to urgently help the victims was “Give” dedicated to all the flood victims in Sakon Nakhon Province, which was the most severe flooding crisis in the history of Sakon Nakhon province. The Company sent 30,000 bottles of OISHI beverages worth 450,000 baht to help out the victims in the area quickly as a part to help relieve their problems.

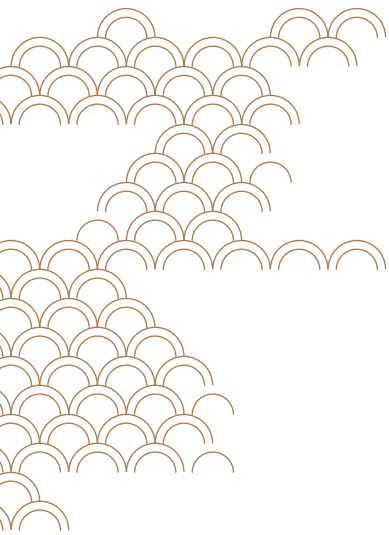




Safe Drive Campaign during Songkran Festival

Having long holidays to go back and stay with loved ones or family during Songkran Festival is a day that everyone awaits. Therefore, OISHI takes part in sending Thai people to go back home safely by giving more than one thousand bottles of OISHI beverages to Highway Police Division to give out to more than one thousand drivers and passengers to promote safe driving at 4 main police service points such as Wang Noi Highway Police Service Unit, Phra Nakhon Si Ayutthaya Province and Wang Manao Highway Police Service Unit, Phetchaburi Province.





Mother’s Day Activity at Emergency Home

One of the areas in society that provides help for women and children who suffer from all kinds of problems in society is “Emergency Home”, which is a division of the Association for the Promotion of the Status of Women. Therefore, OISHI shared tasty products by delivering Japanese rice dishes and OISHI Green Tea beverages to children and women in the “Emergency Home” on the occasion of Mother’s Day.

3. Educational Activity

Education is another aspect that has been emphasized in the Company. The Company conducted many activities to stimulate the education of Thai youth, which are:

“The Outstanding Research” contest in the topic of New Generation of Consumer Behavior and Future Trends

The Company places an importance on market research and the analysis of consumer behavior. An occasion came to the Company when the students of Faculty of Journalism and Mass Communication, Thammasat University, arranged the research contest Topic: New Generation of Consumer Behavior and Future Trends Case Study: Ready-to-Cook and Ready-to-Eat Food Products, by bringing OISHI products in the research. The food business’s management been invited to be a committee. An award-winning together with gift voucher to dine at OISHI restaurants been granted.



Support in the Seminar “Startup Facebook, Easy New Generation Market”

The Company is an organization that sees the importance and supports the activities of the new generation simultaneously. When Rajamangala University of Technology Phra Nakhon arranged the seminar “**Startup Facebook, Easy New Generation Market**” for 200 students with the objective to strengthen knowledge about branding in Marketing Generation 4.0, to benefit careers in the future, OISHI Group provided beverages to increase the freshness of those who attended the seminar.

Support the “Management Seminar” (3i) project

Educated real working experiences from insider management of the organization is a valuable opportunity to all nearly graduate student. The Company supports the “Management Seminar” (3i) project from the Faculty of Commerce and Accountancy, Chulalongkorn University. The project is a collaboration between the faculty, alumni, and organization in the business sector to instruct students from real experiences management from leading organizations, in which the Company’s management been invited to be an honorary guest lecturers sharing knowledge and all-round working experiences to the students.



FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Oishi Group Public Company Limited

Opinion

I have audited the 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 30 September 2017, 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.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 30 September 2017 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

 Valuation of inventories

Refer to Notes 3 and 7 to the financial statements.

The key audit matter	How the matter was addressed in the audit
<p>The Group's businesses are highly competitive consumer products and susceptible to the risk of obsolete. Inventories are stated at the lower of cost and net realisable value. Therefore, management have to use judgment and assumptions about future sale in the ordinary course of business for measuring the valuation of inventories. Therefore, I have determined this matter to be a key audit matter.</p>	<p>My audit procedures for the Group and the Company include the followings:</p> <ul style="list-style-type: none"> • gaining an understanding of the policy and process which management use for measuring net realisable value of inventories. Considering design and the controls identified by the Group and the Company along with selling plan; • sampling items to test the net realisable value with selling price by testing cost per unit calculation, net realisable value, sampling actual net selling price subsequent after the year end, including related selling expenses with supporting documents; • sampling items in inventory aging report to evaluating inventory aging classification; • attending inventory count observation including considering the condition of inventories; • evaluating the appropriateness of these provision for each types of inventories and evaluating that the provision are biased by the management or not. My consideration is based on the historical basis of the provision made by the Group in prior period. Identifying and analysing changes in assumptions from the prior period and assessing the consistency of the assumptions of all product and comparing assumptions with existing public information; and • evaluating the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.

Valuation of deferred tax assets

Refer to Notes 3 and 10 to the financial statements.

The key audit matter	How the matter was addressed in the audit
<p>The Group and has recognised deferred tax assets from loss carry forward. The recoverability of the deferred tax asset is dependent on future taxable profits and the ability of the Group to utilise those losses in the future. Management has to use their judgement in forecasting future taxable profits so as to determine the amount of the deferred tax asset. The achievement of such forecasts is inherently uncertain. Therefore, I have determined this matter to be a key audit matter.</p>	<p>My audit procedures include the followings:</p> <ul style="list-style-type: none"> • gaining an understanding of the process for measuring deferred tax assets; • evaluating the management’s assumption used in projecting the Group’s future taxable profits. Comparing key inputs used by the Group to forecast future taxable profits to externally available data such as economic forecasts and the Group’s own historical data and performance and assessed the sensitivity of the outcomes to reasonably possible changes in assumptions; • testing the computation of discounted cash flow projections; and • evaluating the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.

Other Matter

I draw attention to the following; describe in Note (2) the Company changed its financial year-end from 31 December to 30 September in 2016. Consequently, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the accounting period ended 30 September 2017 comprise only 12 months whereas the comparative information presented for the year ended 30 September 2016 comprise 9 months, which results in the periods presented being not comparable. Therefore, supplementary information in Note 32 has been prepared by the Group and the Company as additional information in the form of unaudited consolidated and separate statements of comprehensive income, cash flows and segment information for the year ended 30 September 2016. I have not audited the supplementary information and do not express any audit opinion on such information.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor’s report thereon.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, 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.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Nittaya Chetchotiros)
Certified Public Accountant
Registration No. 4439

STATEMENT OF FINANCIAL POSITION

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		30 September		30 September	
		2017	2016	2017	2016
Assets					
<i>Current assets</i>					
Cash and cash equivalents	5	1,446,506,321	593,642,994	1,286,788,618	545,272,624
Current investment		-	3,660,000	-	-
Trade accounts receivable	4, 6	709,388,702	424,361,216	116,356,550	120,392,096
Other receivables	4	80,394,168	134,013,498	109,044,859	83,045,676
Dividend receivable from subsidiary	4	-	-	419,999,000	-
Short-term loans to subsidiaries	4	-	-	1,287,000,000	1,957,000,000
Inventories	7	319,248,096	490,477,966	41,915,970	46,228,230
Other current assets		85,339,691	71,385,141	7,008,472	7,628,345
Total current assets		2,640,876,978	1,717,540,815	3,268,113,469	2,759,566,971
<i>Non-current assets</i>					
Investments in subsidiaries	8	-	-	693,280,055	680,106,680
Property, plant and equipment	9	6,676,134,472	7,154,977,277	294,755,132	478,214,113
Intangible assets		36,572,091	39,100,834	15,991,553	16,677,278
Leasehold rights		40,797,051	46,816,609	26,095,775	28,571,420
Deferred tax assets	10	51,898,980	45,524,407	11,610,078	8,000,799
Other non-current assets	4, 11	260,545,811	274,118,701	172,482,654	191,896,357
Total non-current assets		7,065,948,405	7,560,537,828	1,214,215,247	1,403,466,647
Total assets		9,706,825,383	9,278,078,643	4,482,328,716	4,163,033,618

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	
		30 September		30 September	
		2017	2016	2017	2016
Liabilities and equity					
<i>Current liabilities</i>					
Trade accounts payable	4, 13	977,086,777	970,381,185	296,136,035	284,693,944
Current portion of long-term loan from financial institutions	12	-	500,000,000	-	-
Payables for acquisition of assets	4	135,103,040	92,804,634	9,998,875	17,175,381
Short-term loan from subsidiary	4, 12	-	-	-	51,000,000
Current portion of finance lease liabilities	12	12,969,127	22,695,972	-	-
Other payables	4, 14	821,992,051	942,155,471	298,016,363	314,663,501
Income tax payable		42,055,960	3,101,318	19,432,126	-
Other current liabilities		41,108,193	44,626,412	18,374,944	21,729,212
Total current liabilities		2,030,315,148	2,575,764,992	641,958,343	689,262,038
<i>Non-current liabilities</i>					
Debentures	12	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Finance lease liabilities	12	-	12,969,127	-	-
Defined employee benefit obligations	15	71,793,725	66,177,623	45,708,005	44,928,556
Other non-current liabilities		14,137,999	14,223,906	-	-
Total non-current liabilities		2,085,931,724	2,093,370,656	2,045,708,005	2,044,928,556
Total liabilities		4,116,246,872	4,669,135,648	2,687,666,348	2,734,190,594

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	
		30 September		30 September	
		2017	2016	2017	2016
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		4,393,710,358	3,412,897,006	772,760,184	406,940,840
Other components of equity	17				
Currency translation differences		(1,869,980)	(2,051,939)	-	-
Revaluation surplus on land		164,735,468	164,735,468	-	-
Equity attributable to owners of the Company		5,578,478,030	4,597,482,719	1,794,662,368	1,428,843,024
Non-controlling interests		12,100,481	11,460,276	-	-
Total equity		5,590,578,511	4,608,942,995	1,794,662,368	1,428,843,024
Total liabilities and equity		9,706,825,383	9,278,078,643	4,482,328,716	4,163,033,618

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 30 September	For the nine-month period ended 30 September	For the year ended 30 September	For the nine-month period ended 30 September
		2017	2016	2017	2016
Income	4, 18				
Revenue from sale of goods	25	13,370,759,475	10,284,232,588	4,793,825,076	3,865,633,789
Revenue from rendering of services	25	180,048,611	114,873,268	-	-
Dividend income from subsidiaries	8	-	-	722,558,208	419,999,000
Interest income		5,293,206	3,694,923	59,311,241	64,508,809
Other income		120,989,533	105,623,842	57,426,315	49,627,255
Total income		13,677,090,825	10,508,424,621	5,633,120,840	4,399,768,853
Expenses	4, 18				
Cost of sales of goods	7	8,264,625,702	6,499,421,615	2,709,466,725	2,249,823,166
Cost of rendering of services		122,843,796	107,778,407	-	-
Selling expenses	19	1,649,905,703	1,263,452,060	661,433,510	463,788,058
Administrative expenses	20	2,094,929,046	1,657,114,736	1,356,130,499	1,141,878,633
Finance costs	23	53,673,645	60,850,181	47,765,475	52,582,844
Total expenses		12,185,977,892	9,588,616,999	4,774,796,209	3,908,072,701
Profit before income tax expense		1,491,112,933	919,807,622	858,324,631	491,696,152
Income tax expense	24	(47,912,794)	(39,550,886)	(22,803,886)	(11,927,168)
Profit for the year/period		1,443,200,139	880,256,736	835,520,745	479,768,984

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 30 September	For the nine-month period ended 30 September	For the year ended 30 September	For the nine-month period ended 30 September
		2017	2016	2017	2016
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Revaluation of land	9	-	159,845,066	-	-
Defined employee benefit plan					
actuarial losses	15, 24	(3,092,684)	(5,193,895)	(1,189,251)	(2,990,846)
Income tax on other comprehensive income	24	962,991	(30,880,289)	237,850	598,169
		<u>(2,129,693)</u>	<u>123,770,882</u>	<u>(951,401)</u>	<u>(2,392,677)</u>
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences for foreign operations		(151,805)	(188,407)	-	-
Other comprehensive income for the year/period, net of income tax		(2,281,498)	123,582,475	(951,401)	(2,392,677)
Total comprehensive income for the year/period		1,440,918,641	1,003,839,211	834,569,344	477,376,307
Profit attributable to:					
Owners of the Company		1,451,693,045	887,213,835	835,520,745	479,768,984
Non-controlling interests		(8,492,906)	(6,957,099)	-	-
Profit for the year/period		1,443,200,139	880,256,736	835,520,745	479,768,984
Total comprehensive income attributable to:					
Owners of the Company		1,449,745,311	1,010,663,814	834,569,344	477,376,307
Non-controlling interests		(8,826,670)	(6,824,603)	-	-
Total comprehensive income for the year/period		1,440,918,641	1,003,839,211	834,569,344	477,376,307
Basic earnings per share	26	7.74	4.73	4.46	2.56

STATEMENT OF CHANGES IN EQUITY

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in Baht)

CONSOLIDATED FINANCIAL STATEMENTS

	Note	Retained earnings			Other components of equity				Equity attributable to owners of the Company	Non-controlling interests	Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Appropriated to legal reserve	Unappropriated	Currency translation differences	Revaluation surplus on land	Total other components of equity			
Nine-month period ended 30 September 2016											
Balance at 1 January 2016		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
Transaction with owners, recorded directly in equity											
Dividends to owners of the Company	27	-	-	-	(478,125,000)	-	-	-	(478,125,000)	-	(478,125,000)
Total transaction with owners, recorded directly in equity		-	-	-	(478,125,000)	-	-	-	(478,125,000)	-	(478,125,000)
Comprehensive income for the period											
Profit or loss		-	-	-	887,213,835	-	-	-	887,213,835	(6,957,099)	880,256,736
Other comprehensive income		-	-	-	(4,105,171)	(320,903)	127,876,053	127,555,150	123,449,979	132,496	123,582,475
Total comprehensive income for the period		-	-	-	883,108,664	(320,903)	127,876,053	127,555,150	1,010,663,814	(6,824,603)	1,003,839,211
Balance at 30 September 2016		375,000,000	609,402,184	37,500,000	3,412,897,006	(2,051,939)	164,735,468	162,683,529	4,597,482,719	11,460,276	4,608,942,995

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 30 September 2017														
Balance at 1 October 2016		375,000,000	609,402,184	37,500,000	3,412,897,006	(2,051,939)	164,735,468	162,683,529	4,597,482,719	11,460,276	4,608,942,995			
Transaction with owners, recorded directly in equity														
Acquisition of non-controlling interests		-	-	-	-	-	-	-	-	-	9,466,875	9,466,875		
Dividends to owners of the Company	27	-	-	-	(468,750,000)	-	-	-	(468,750,000)	-	(468,750,000)			
Total transaction with owners, recorded directly in equity		-	-	-	(468,750,000)	-	-	-	(468,750,000)	9,466,875	(459,283,125)			
Comprehensive income for the year														
Profit or loss		-	-	-	1,451,693,045	-	-	-	1,451,693,045	(8,492,906)	1,443,200,139			
Other comprehensive income		-	-	-	(2,129,693)	181,959	-	181,959	(1,947,734)	(333,764)	(2,281,498)			
Total comprehensive income for the year		-	-	-	1,449,563,352	181,959	-	181,959	1,449,745,311	(8,826,670)	1,440,918,641			
Balance at 30 September 2017		375,000,000	609,402,184	37,500,000	4,393,710,358	(1,869,980)	164,735,468	162,865,488	5,578,478,030	12,100,481	5,590,578,511			

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		
Nine-month period ended 30 September 2016							
Balance at 1 January 2016		375,000,000	609,402,184	37,500,000	407,689,533	1,429,591,717	
Transaction with owners, recorded directly in equity							
Dividends to owners of the Company	27	-	-	-	(478,125,000)	(478,125,000)	
Total transaction with owners, recorded directly in equity		-	-	-	(478,125,000)	(478,125,000)	
Comprehensive income for the period							
Profit		-	-	-	479,768,984	479,768,984	
Other comprehensive loss		-	-	-	(2,392,677)	(2,392,677)	
Total comprehensive income for the period		-	-	-	477,376,307	477,376,307	
Balance at 30 September 2016		375,000,000	609,402,184	37,500,000	406,940,840	1,428,843,024	

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 30 September 2017						
Balance at 1 October 2016		375,000,000	609,402,184	37,500,000	406,940,840	1,428,843,024
Transaction with owners, recorded directly in equity						
Dividends to owners of the Company	27	-	-	-	(468,750,000)	(468,750,000)
Total transaction with owners, recorded directly in equity		-	-	-	(468,750,000)	(468,750,000)
Comprehensive income for the year						
Profit		-	-	-	835,520,745	835,520,745
Other comprehensive loss		-	-	-	(951,401)	(951,401)
Total comprehensive income for the year		-	-	-	834,569,344	834,569,344
Balance at 30 September 2017		375,000,000	609,402,184	37,500,000	772,760,184	1,794,662,368

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

STATEMENT OF CASH FLOWS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		
		For the year ended 30 September	For the nine-month period ended 30 September	For the year ended 30 September	For the nine-month period ended 30 September
	Note	2017	2016	2017	2016
Cash flows from operating activities					
Profit for the year/period		1,443,200,139	880,256,736	835,520,745	479,768,984
<i>Adjustments for</i>					
Depreciation and amortisation		1,016,850,018	766,898,567	254,591,278	237,367,567
Write-off of obsolete and deteriorated inventories	7	6,464,835	23,307,287	-	-
Loss on investment impairment in subsidiary	8	-	-	14,826,620	-
Interest income		(5,293,206)	(3,694,923)	(59,311,241)	(64,508,809)
Dividend income from subsidiaries	4, 8	-	-	(722,558,208)	(419,999,000)
Finance costs	23	53,673,645	60,850,181	47,765,475	52,582,844
Unrealised loss on exchange		544,888	433,099	84,630	109,676
Loss on disposal of and write-off of plant and equipment		21,829,033	2,169,346	14,718,134	2,099,814
Loss on disposal of and write-off of intangible assets		39,658	-	33,636	-
Defined employee benefit expenses	15	10,344,827	7,158,171	7,064,144	4,893,711
Income tax expense	24	47,912,794	39,550,886	22,803,886	11,927,168
		<u>2,595,566,631</u>	<u>1,776,929,350</u>	<u>415,539,099</u>	<u>304,241,955</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(285,056,338)	110,044,363	4,035,546	(85,484,732)
Other receivables		53,939,115	(54,555,820)	(24,909,062)	(21,870,975)
Inventories		164,765,035	(120,969,765)	4,312,260	3,464,169
Other current assets		(6,232,150)	(43,591,332)	619,873	(1,187,478)
Other non-current assets		(3,902,397)	(1,837,686)	5,389,273	121,332
Trade accounts payable		6,690,557	(34,073,452)	11,442,091	(5,578,477)
Other payables		(122,994,018)	387,949,320	(16,645,217)	77,684,398
Other current liabilities		(3,518,219)	(7,079,502)	(3,354,268)	(113,563)
Other non-current liabilities		(85,907)	8,260,111	-	-
Cash generated from operating activities		<u>2,399,172,309</u>	<u>2,021,075,587</u>	<u>396,429,595</u>	<u>271,276,629</u>
Transfer in of employee benefit obligations	15	624	801,194	653,616	1,383,824
Transfer out of employee benefit obligations	15	(2,428,533)	(286,411)	(2,872,562)	(1,125,323)
Employee benefit paid	15	(5,393,500)	-	(5,255,000)	-
Advance income tax received		17,046,875	379,419	13,596,018	-
Income tax paid		(19,776,382)	(12,393,599)	(6,314,778)	(2,546,883)
Net cash from operating activities		<u>2,388,621,393</u>	<u>2,009,576,190</u>	<u>396,236,889</u>	<u>268,988,247</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 30 September	For the nine-month period ended 30 September	For the year ended 30 September	For the nine-month period ended 30 September
		2017	2016	2017	2016
Cash flows from investing activities					
Interest received		4,884,415	1,983,346	58,136,489	63,423,059
Dividends received		-	-	302,559,208	587,998,600
Increase in short-term loans to subsidiaries	4	-	-	(4,292,489,000)	(5,582,302,000)
Repayment of short-term loans to subsidiaries	4	-	-	4,962,489,000	5,847,302,000
Net cash outflow on investment in a subsidiary	8	-	-	(27,999,995)	(10,333,900)
Redemption of investments in government bond		3,660,000	-	-	-
Purchase of plant and equipment		(512,330,128)	(839,521,998)	(95,374,616)	(34,473,935)
Sale of plant and equipment		7,853,367	1,420,486	7,693,598	1,153,852
Purchase of intangible assets		(3,991,952)	(16,827,201)	(2,364,172)	(4,571,704)
Sale of intangible assets		1,601	20,705	145,989	56,702
Net cash from (used in) investing activities		(499,922,697)	(852,924,662)	912,796,501	868,252,674
Cash flows from financing activities					
Interest paid		(53,704,467)	(63,578,880)	(47,767,396)	(57,192,711)
Dividends paid to owners of the Company	27	(468,750,000)	(478,125,000)	(468,750,000)	(478,125,000)
Proceed from capital increase in non-controlling interests in a subsidiary		9,466,875	-	-	-
Proceeds from short-term loans from financial institutions		280,000,000	650,000,000	-	-
Repayment of short-term loans from financial institutions		(280,000,000)	(650,000,000)	-	-
Repayment of short-term loans from subsidiary	4	-	-	(51,000,000)	-
Repayment of long-term loan from financial institutions		(500,000,000)	(600,000,000)	-	(600,000,000)
Proceeds from issuance of debentures		-	1,000,000,000	-	1,000,000,000
Repayment of debentures		-	(1,000,000,000)	-	(1,000,000,000)
Finance lease payments		(22,695,972)	(16,320,208)	-	-
Net cash used in financing activities		(1,035,683,564)	(1,158,024,088)	(567,517,396)	(1,135,317,711)
Net increase (decrease) in cash and cash equivalents		853,015,132	(1,372,560)	741,515,994	1,923,210
Cash and cash equivalents at 1 October/ 1 January		593,642,994	595,203,961	545,272,624	543,349,414
Effect of exchange rate changes on balances held in foreign currencies		(151,805)	(188,407)	-	-
Cash and cash equivalents at 30 September	5	1,446,506,321	593,642,994	1,286,788,618	545,272,624
Non-cash transactions					
Payables for acquisition of assets		135,103,040	92,804,634	9,998,875	17,175,381

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OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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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 16 November 2017.

1. GENERAL INFORMATION

Oishi Group Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at Unit B3601, No. 90 CW Tower, 36th Floor, Ratchadapisek Road, Huai Khwang, Huai Khwang, Bangkok, Thailand. (Formerly was 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 30 September 2017 and 2016 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 new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. 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 2017 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.

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

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(d) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the 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) & 10	Current and deferred taxation
Note 10	Utilisation of tax losses
Note 15	Measurement of defined 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).

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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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

(e) *Change in accounting period*

At the Board of Directors meeting held on 25 February 2016, the Board of Directors approved to change the Company's accounting period from the period starting from 1 January and ending on 31 December to the period starting from 1 October and ending on 30 September. Subsequently at the Annual General meeting of the shareholders held on 27 April 2016, the shareholders approved the amendment to the Articles of Association of the Company regarding the change of the accounting period. The Company completed the registration with Department of Business Development, Ministry of Commerce, and obtained an approval from Revenue Department for this change, which has an effect on the Company's first change of accounting period ended 30 September 2016. Consequently, the financial statements for the period ended 30 September 2016 comprise a period of nine months only. As such, the amounts presented in the statements of comprehensive income, changes in equity and cash flows of comparative information are not directly comparable.

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.

Non-controlling interests

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(b) Foreign currencies

Foreign currency transactions

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

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

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

Foreign currency differences are generally recognised in profit or loss.

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 (such as government bonds).

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Fair value hedges

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

(d) Cash and cash equivalents

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

(e) Trade and other accounts receivable

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

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

(f) Inventories

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(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.

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 surplus on land in other components of 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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Depreciation

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

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

Land improvements	5–10	years
Buildings and building improvements	5–30	years
Decoration, office equipment, and furniture and fixtures	3–10	years
Internal systems	5–20	years
Tools and machinery for manufacturing	3–20	years
Restaurant utensils	5	years
Vehicles	5	years

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

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

(i) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation 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
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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.

NOTES TO THE FINANCIAL STATEMENTS

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 as stated in the agreement.

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in profit or loss using the effective interest rate 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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.

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:

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Group (whether executive or otherwise)
Thai Beverage PLC.	Thailand	Parent company and common directorship
Sangsom Co., Ltd.	Thailand	Direct subsidiary of parent company
Red Bull Distillery (1988) Co., Ltd.	Thailand	Direct subsidiary of parent company
Kanchanasingkorn Co., Ltd.	Thailand	Direct subsidiary of parent company
Sura Piset Phatra Lanna Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Molasses Co., Ltd.	Thailand	Direct subsidiary of parent company
Beer Thai (1991) PLC.	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
Numkijjakarn Co., Ltd.	Thailand	Direct subsidiary of parent company
Numrungrod 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

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Name of entities	Country of incorporation/ nationality	Nature of relationships
Thai Beverage Logistics Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Training Co., Ltd.	Thailand	Direct subsidiary of parent company
C A C Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Marketing 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
Chang International Co., Ltd.	Thailand	Direct subsidiary of parent company
BevTech Co., Ltd.	Thailand	Direct subsidiary of parent company
ASM Management Co., Ltd.	Thailand	Direct subsidiary of parent company
Agent Management Co., Ltd.	Thailand	Direct subsidiary of parent company
Sermasuk PLC.	Thailand	Indirect subsidiary of parent company
Serm Suk Beverage Co., Ltd.	Thailand	Indirect subsidiary of parent company
Max Asia Co., Ltd.	Thailand	Indirect subsidiary of parent company
S P M Foods & Beverages Co., Ltd.	Thailand	Subsidiary of an indirect subsidiary of parent company
Petform (Thailand) Co., Ltd.	Thailand	Associate of an indirect subsidiary of parent company
F&N Dairies (Thailand) Limited	Thailand	Associate of an indirect subsidiary of parent company
F&N United Ltd.	Thailand	Associate of an indirect subsidiary of parent company
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 Foods Pte. Ltd.	Singapore	Associate of an indirect subsidiary of parent company
F&N Interflavine Pte. Ltd.	Singapore	Associate of an indirect subsidiary of parent company
Fraser and Neave (Singapore) Pte.	Singapore	Subsidiary of associate of an indirect subsidiary of parent company
Inter Horeca Co., Ltd.	Thailand	Directors and equity holders of parent company hold substantial shares indirectly
CW Towers Co., Ltd.	Thailand	Directors and equity holders of parent company hold substantial shares indirectly
Asset World Retail Co., Ltd.	Thailand	Directors and equity holders of parent company hold substantial shares indirectly
Lertrattakarn Co., Ltd.	Thailand	Directors and equity holders of parent company hold substantial shares indirectly

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Name of entities	Country of incorporation/ nationality	Nature of relationships
North Park Golf And Sports Club Co., Ltd.	Thailand	Directors and controlling equity holders of parent company are directors and hold substantial shares indirectly
Berli Jucker PLC.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Berli Jucker Foods Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Berli Jucker Logistics Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
The Southeast Insurance PLC.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
The Southeast Life Insurance PLC.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Southeast Capital Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Thippatana Arcade Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Rubia Industries Limited.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
TCC Hotel Asset Management Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
T.C.C. Technology Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
F&B International Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Business Process Outsourcing Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Univentures PLC.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
The Street Retail Development Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
TCCCL Ladphao Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Bang Pa-In Paper Mill Industry Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Tor Yod Market AEC Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Name of entities	Country of incorporation/ nationality	Nature of relationships
Plantheon Trading Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Big C Supercenter PLC.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
BJC Specialties Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Phitsanulok Big C Limited	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
The Chonburi Sugar Corp. Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
TCC Logistics and Warehouse Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Pacific Leisure (Thailand) Limited	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Thai Retail Investment Fund	Thailand	Directors and controlling equity holders of parent company hold substantial units indirectly
Thai Commercial Investment Freehold and Leasehold Fund	Thailand	Directors and controlling equity holders of parent company hold units indirectly
Golden Ventures Leasehold Real Estate Investment Trust	Thailand	Directors and controlling equity holders of parent company hold units indirectly
Dhamma Land Property Development Co., Ltd.	Thailand	Directors and controlling equity holders of parent company are relatives of indirect substantial shares holders

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
Dividend income	Right to receive dividends
Other income and expense	Mutually agreed price

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Significant transactions for the year ended 30 September 2017 and for the nine-month period ended 30 September 2016 with related parties were as follows:

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended 30 September	For the nine-month period ended 30 September	For the year ended 30 September	For the nine-month period ended 30 September
	2017	2016	2017	2016
Parent				
Revenue from sale of goods	2,177	833	1,318	578
Other income	3	-	3	-
Management fee	9,360	7,020	9,360	7,020
Other expenses	1,687	-	979	-
Subsidiaries				
Revenue from sale of goods	-	-	1,743	1,898
Dividend income	-	-	722,558	419,999
Interest income	-	-	55,389	61,581
Management service income	-	-	18,586	14,564
Other income	-	-	14,310	14,808
Sale of equipment	-	-	1,756	509
Purchase of goods	-	-	389,337	211,624
Purchase of equipment	-	-	676	1,306
Rental expenses	-	-	5,662	4,215
Interest expenses	-	-	665	526
Other expenses	-	-	18,042	16,660
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	51,838	39,992	43,470	38,402
Post-employment benefits	445	460	338	429
Total key management personnel compensation	52,283	40,452	43,808	38,831

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended 30 September	For the nine-month period ended 30 September	For the year ended 30 September	For the nine-month period ended 30 September
	2017	2016	2017	2016
Other related parties				
Revenue from sale of goods	6,110,007	4,876,214	188,642	284,299
Revenue from rendering of services	48,452	36,560	-	-
Other income	46,814	61,066	24,344	5,496
Purchase of goods	1,031,658	784,212	134,214	133,323
Purchase of equipment	9,615	6,794	1,027	15
Management fee	2,342	2,850	662	1,590
Rental expenses	122,638	89,308	61,057	45,620
Other expenses	453,897	384,171	142,666	82,118

Directors' remuneration

At the annual general meeting of the shareholders of the Company held on 25 January 2017, the shareholders approved the directors' remuneration and bonus for the year 2017 in the amount not exceeding Baht 10 million and Baht 34 million, respectively.

At the annual general meeting of the shareholders of the Company held on 27 April 2016, the shareholders approved the directors' remuneration and bonus for the year 2016 in the amount not exceeding Baht 10 million and Baht 29 million, respectively.

Balances as at 30 September with related parties were as follows:

(in thousand Baht)

Trade accounts receivable – related parties	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	Parent	258	1,590	181
Subsidiaries	-	-	143	106
Other related parties	501,801	197,313	36,862	35,580
Total	502,059	198,903	37,186	35,704

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

Other receivables – related parties	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Subsidiaries	–	–	78,801	60,730
Other related parties	21,171	43,396	14,095	3,269
Total	21,171	43,396	92,896	63,999

The currency denomination of other receivables – related parties as at 30 September were as follow:

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Thai Baht (THB)	21,171	4,425	87,902	58,300
United States Dollars (USD)	–	–	4,994	5,699
Malaysian Ringgit (MYR)	–	38,971	–	–
Total	21,171	43,396	92,896	63,999

(in thousand Baht)

Dividend receivable from subsidiary	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Subsidiary	–	–	419,999	–

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Dividends receivable from subsidiary of the Company as at 30 September was denominated entirely in Thai Baht.

(in thousand Baht)

Short-term loans to subsidiaries	INTEREST RATE		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016 (% per annum)	2017	2016	2017	2016
Oishi Trading Co., Ltd.	2.51	2.51	-	-	1,287,000	1,822,000
Oishi Ramen Co., Ltd.	-	2.51	-	-	-	135,000
Total			-	-	1,287,000	1,957,000

Movements during the year ended 30 September 2017 and the nine-month period ended 30 September 2016 of short-term loans to subsidiaries were as follows:

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended 30 September	For the nine-month period ended 30 September	For the year ended 30 September	For the nine-month period ended 30 September
	2017	2016	2017	2016
At 1 October/ 1 January	-	-	1,957,000	2,222,000
Increase	-	-	4,292,489	5,582,302
Decrease	-	-	(4,962,489)	(5,847,302)
At 30 September	-	-	1,287,000	1,957,000

Short-term loans to subsidiaries of the Company as at 30 September were denominated entirely in Thai Baht.

(in thousand Baht)

Deposit paid – related parties	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Other related parties	29,584	27,488	20,387	19,699

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

Trade accounts payable – related parties	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Subsidiaries	–	–	36,651	37,815
Other related parties	142,546	132,352	15,269	17,471
Total	142,546	132,352	51,920	55,286

(in thousand Baht)

Short-term loans from subsidiary	INTEREST RATE		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016 (% per annum)	2017	2016	2017	2016
Oishi Snack Co., Ltd.	–	1.375	–	–	–	51,000

Movements during the year ended 30 September 2017 and the nine-month period ended 30 September 2016 of short-term loans from subsidiary were as follows:

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
At 1 October/ 1 January	–	–	51,000	51,000
Decrease	–	–	(51,000)	–
At 30 September	–	–	–	51,000

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Short-term loans from subsidiary of the Company as at 30 September were denominated entirely in Thai Baht.

(in thousand Baht)

Other payables – related parties	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Parent	4,229	840	2,500	839
Subsidiaries	-	-	43,308	43,217
Other related parties	187,028	354,992	36,608	55,637
Total	191,257	355,832	82,416	99,693

(in thousand Baht)

Payables for acquisition of assets – related parties	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Other related parties	1,182	-	-	-
Total	1,182	-	-	-

Payables for acquisition of assets – related parties as at 30 September were denominated entirely in Thai Baht.

(in thousand Baht)

Commitments with related parties	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Future minimum lease payment under non-cancellable operating lease commitments				
Within one year	40,370	39,386	28,822	27,230
After one year but within five years	47,080	37,693	44,703	34,035
After five years	-	498	-	2,200
Total	87,450	77,577	73,525	63,465

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

Commitments with related parties	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Other commitments				
Service agreements	73,425	118,762	34,518	48,397
Purchase orders for goods and supplies	29,471	94	-	-
Advertise contracts	226	448	-	-
Others	755	2,769	755	2,764
Total	103,877	122,073	35,273	51,161

Significant agreements with related parties

Property lease agreements

On 15 May 2015, the Company entered into a building area lease agreement with a related company. The agreement is for a period of three years from 15 May 2015 to 14 May 2018 with renewal additional term of three years each if not less than three months' written notice is given by any one party to the other prior to the expiry date. The Company is committed to pay a monthly rental fee based on the rates as stipulated in the agreement.

On 31 August 2015, Oishi Trading Co., Ltd. ("lessee"), the Company's subsidiary, entered into a land and together with construction thereon lease agreement in Saraburi province with a related company ("lessor"). The agreement is for a period of three years from 1 September 2015 to 31 August 2018. If the lessee wishes to renew the agreement, the lessee shall give written notice to the lessor not less than 30 days prior to the agreement termination. The lessor shall grant the lessee land and together with construction thereon lease for an additional period of two years at a time, starting from the agreement termination or the end of the renewal period. The said subsidiary is committed to pay a monthly rental fee based on the rates as stipulated in the agreement.

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"). The agreement is for a period of three years from 1 September 2015 to 31 August 2018. If the lessee wishes to renew the agreement, the lessee shall give written notice to the lessor not less than 30 days prior to the agreement termination. The lessor shall grant the lessee building lease for an additional period of one year at a time, starting from the agreement termination or the end of the renewal period. The said subsidiary is committed to pay a monthly rental fee based on the rates as stipulated in the agreement.

On 1 October 2015, the Company and its subsidiaries entered into area lease agreements with a related company. The agreements are for a period of three years from 1 October 2015 to 30 September 2018. If any one party wish to renew the agreement, it shall give written notice to the other not less than seven months prior to the contract termination for an additional period of three years at a time, starting from the agreement termination or the end of the renewal period. The Company and the said subsidiaries are committed to pay a monthly rental fee based on the rates as stipulated in the agreement. The parties mutually agreed to terminate the agreement, effective on 31 May 2017.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

On 23 May 2017, the Company and its subsidiaries entered into the sublease agreements for lease furnished office space and service agreement with a related company. The agreement are for a period of three years from 23 May 2017 to 22 May 2020. The Company and the said subsidiaries are committed to pay rental and service fee on the rates as stipulated in the agreement. The said agreements are currently being reviewed and signed by the company and the party.

On 1 August 2017, Oishi Trading Co., Ltd. (“lessor”), the Company’s subsidiary, entered into area lease agreement within Navanakorn Industrail Estate in Phatumthani Province with a related company (“lessee”). The agreement is for a period of three years from 1 August 2017 to 31 July 2020 with terms and monthly rental fees as specified in the agreement.

The Company and Oishi Trading Co., Ltd., the Company’s subsidiary, entered into car lease agreements with a related company. The agreements are for a period of five years, due within 2017 to 2021. The Company and the said subsidiary are committed to pay a monthly rental fee based on the rates as stipulated in the agreement.

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. The Company is committed to pay a monthly rental fee based on the rates as stipulated in the agreement.

Other agreements

Sales distributor appointment agreements

On 30 December 2016, 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 2017 to 31 December 2019. 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 term of one year each, unless there is a written notice not to renew this agreement at least 90 days prior to the expiration of the initial term or any renewal term.

On 1 April 2016, Oishi Trading Co., Ltd., the Company’s subsidiary, entered in to an appointment agreement with the Company to act as its distributor for the chilled, frozen food and bakery products. The agreement shall be in effect for a period of three years, effective from 1 April 2016 to 31 March 2019. This agreement shall be renewed for additional term of one year each, unless there is a written notice not to renew this agreement by Oishi Trading Co., Ltd. at least 90 days prior to the expiration of the initial term or any renewal term.

Production and distribution of goods agreements

On 1 August 2012, the Company entered into an appointment agreement with a related company to act as a manufacturer and distributor for green tea returnable bottles at the price and conditions as stipulated 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 addition term of five years each if not less than 90 days prior written notice is given by anyone party to the other. Subsequently on 26 July 2017, the Company entered the new agreement with a party. The agreement shall be in effect for a period of one year from 1 August 2017 to 31 July 2018 with renewal if not less than 90 days prior written notice is given by anyone party to the other.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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 stipulated in the agreement. The agreement shall be in effect for a period of three years, effective from 1 July 2015 to 30 June 2018 with renewal for additional term of three years each if not less than six months prior written notice is given by any one party to the other.

Management service agreements

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

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. 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 to the said subsidiary. The agreement shall be in effect from 1 May 2015 onwards. If any one party wish to terminate the agreement, it shall give written notice to the other not less than two months. The said subsidiary is committed to pay a service fee monthly based on the rates as stipulated in the agreement.

On 28 April 2016, the Company entered into a management service agreement with a related company for providing management administration service to the Company. The agreement shall be in effect for a period of one year, from 1 June 2016 to 31 May 2017. This agreement shall be renewed for additional term of one year each, unless there is a written notice not to renew this agreement at least 30 days prior to the expiration of the initial term or any renewal term. The Company is committed to pay a service fee monthly based on the rates as stipulated in the agreement. The parties mutually agreed to terminate the agreement, effective on 15 December 2016.

On 1 May 2016, the Company entered into a management service agreement with a related company for providing management administration service to the Company. The agreement shall be in effect for a period of one year, from 1 May 2016 to 30 April 2017. This agreement shall be renewed for additional term of one year each, unless there is a written notice not to renew this agreement at least 30 days prior to the expiration of the initial term or any renewal term. The Company is committed to pay a service fee monthly based on the rates as stipulated in the agreement. The parties mutually agreed to terminate the agreement, effective on 16 October 2016.

Purchase and sale agreements

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 as stipulated 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-filled PET bottle agreement with a related company according to the quantity required from the subsidiary at the price as stipulated in the agreement. The agreement is for a period of three years, from 1 September 2015 to 31 August 2018.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

On 19 May 2016, the Company entered into a purchase and sale of canned soda green tea beverage agreement with a related company according to the quantity required from the Company at the price as stipulated in the agreement. The agreement is for a period of one year, effective from 20 May 2016 to 19 May 2017. Unless there is a written notice not to renew this agreement at least three months prior to the expiration date, this agreement shall be renewed for additional terms of one year at a time, starting from the contract termination or the end of the renewal period. The new agreement is currently being reviewed signed by the Company and the party.

Rights of business operation agreement

On 1 March 2016, the Company entered into an agreement to grant the right to operate the restaurant business of the Group within Thailand with a related company according to the right granted and fee as stipulated in the agreement. The agreement is for a period of ten years from 1 March 2016 onwards. Unless there is a written notice to terminate this agreement at least 90 days prior to the expiration date, this agreement shall be renewed for additional terms of five years at a time, starting from the agreement termination or the end of the renewal period.

Warehouse management service agreement

On 28 January 2015, Oishi Trading Co., Ltd., the Company's subsidiary, entered into a warehouse management service agreement. The agreement is for a period of three years, from 1 December 2014 to 30 November 2017. Unless there is a written notice to terminate this agreement at least 30 days prior to the expiration date, this agreement shall be renewed for additional terms of one year at a time, starting from the contract termination or the end of the renewal period. The Company is committed to pay a service fee monthly based on the rates as stipulated in the agreement.

Factory management service agreement

On 1 December 2016, Oishi Trading Co., Ltd., the Company's subsidiary, entered into a factory management service agreement with a related company for providing operation management service in PET bottle factory. The agreement is for a period of one year from 1 December 2016 to 30 November 2017 with a service fee monthly as specified in the agreement.

Service agreement

The Company entered into a service agreement with Oishi Ramen Co., Ltd., the Company's subsidiary, for providing service in restaurant business. The agreement is for a period of one year, from 1 January 2016 to 31 December 2016 with service fees as specified in the agreement. Subsequently on 1 January 2017, the Company entered the new agreement with a party. The agreement is for a period of one year from 1 January 2017 to 31 December 2017 with service fee as specified in the agreement.

Products supply agreement

On 1 March 2016, Oishi Trading Co., Ltd., the Company's subsidiary, entered into a product supply agreement for manufacturing dairy products with a related company at the price and conditions as stipulated in the agreement. The agreement is for a period of five years, from 1 October 2015 to 30 September 2020. 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 180 days prior to the expiry date.

Rights of products distribution memorandum

On 4 April 2016, Oishi Trading Co., Ltd., the Company's subsidiary, entered into a memorandum for the rights to distribute beverage under the name of "Oishi" in the Convention Center with a related company in accordance with the terms and conditions as stipulated in the memorandum. The memorandum shall be in effect for a period of two years, effective from 1 March 2016 to 28 February 2018.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Trade mark licence agreements

On 19 October 2016, the Company entered into trade mark licence agreements with two related companies, for granting of license to use the trade marks in connection with the manufacturing, distribution and sale of the beverage products in Malaysia, Brunei and Singapore with the fees and conditions as specified in the agreement. The agreement is for a period of two years from 1 January 2015 to 31 December 2016. At the expiry date, the agreement will be automatically renewed for a further of three years up to 31 December 2019 on the same terms and conditions of the agreement.

5. CASH AND CASH EQUIVALENTS

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Cash on hand	22,482	17,610	15,408	12,439
Cash at banks – current accounts	17,731	24,787	453	462
Cash at banks – savings accounts	1,406,293	551,246	1,270,928	532,372
Total	1,446,506	593,643	1,286,789	545,273

The currency denomination of cash and cash equivalents as at 30 September were as follows:

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Thai Baht (THB) and functional currency insubsiaries	1,439,476	578,668	1,286,789	545,273
United States Dollars (USD)	7,030	14,975	–	–
Total	1,446,506	593,643	1,286,789	545,273

6. TRADE ACCOUNTS RECEIVABLE

(in thousand Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
Related parties	4	502,059	198,903	37,186	35,704
Other parties		207,330	225,458	79,171	84,688
Total		709,389	424,361	116,357	120,392

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Aging analyses for trade accounts receivable were as follows:

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Related parties				
Within credit terms	481,393	197,109	17,621	35,654
Overdue:				
Less than 3 months	12,559	120	11,646	50
3 – 6 months	7,921	69	7,910	-
6 – 12 months	11	1,535	9	-
Over than 12 months	175	70	-	-
Total	198,903	198,903	37,186	35,704
Other parties				
Within credit terms	146,356	146,356	65,260	71,482
Overdue:				
Less than 3 months	74,795	74,795	12,987	12,781
3 – 6 months	3,145	3,145	924	425
6 – 12 months	143	143	-	-
Over than 12 months	1,019	1,019	-	-
Total	225,458	225,458	79,171	84,688
Grand total	424,361	424,361	116,357	120,392

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

The currency denomination of trade accounts receivable as at 30 September were as follows:

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Thai Baht (THB)	703,523	411,371	116,357	120,392
Malaysian Ringgit (MYR)	4,612	10,463	-	-
United States Dollars (USD)	1,254	2,527	-	-
Total	709,389	424,361	116,357	120,392

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

7. INVENTORIES

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Finished goods	90,073	164,021	1,088	1,061
Work in progress	9,555	11,269	-	-
Raw materials	172,459	276,789	35,006	39,392
Production supplies	50,815	44,996	5,822	5,775
	<u>322,902</u>	<u>497,075</u>	<u>41,916</u>	<u>46,228</u>
Less allowance for obsolete and deteriorated inventories	(3,654)	(6,597)	-	-
Net	<u>319,248</u>	<u>490,478</u>	<u>41,916</u>	<u>46,228</u>

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
Inventories recognised as an expense in 'cost of sale of goods':				
- Cost	8,258,161	6,476,115	2,709,467	2,249,823
- Write-off of obsolete and deteriorated inventories	9,408	29,915	-	2,302
- Reversal of allowance for obsolete and deteriorated inventories	(2,943)	(6,608)	-	(2,302)
Net	<u>8,264,626</u>	<u>6,499,422</u>	<u>2,709,467</u>	<u>2,249,823</u>

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

8. INVESTMENTS IN SUBSIDIARIES

(in thousand Baht)

	SEPARATE FINANCIAL STATEMENTS	
	For the year ended 31 September	For the nine-month period ended 30 September
	2017	2016
At 1 October/ 1 January	669,773	669,773
Increase in subsidiary's share capital	-	10,334
Payment of the share	28,000	-
Allowance for impairment	(14,827)	-
At 30 September	693,280	680,107

On 9 September 2016, Oishi International Holdings Limited, a direct subsidiary of the Company in Hong Kong Special Administrative Region of the People's Republic of China, increased its authorised and called-up share capital by issuing HKD 11.70 million (11,700,000 ordinary shares with a HKD 1 par value) from HKD 9.40 million (9,400,000 ordinary shares with a HKD 1 par value). The payment of additional called-up share capital totaling HKD 2.3 million or Baht 10.40 million was made in September 2016.

On 14 September 2016, Oishi F&B (Singapore) Pte. Ltd, a indirect subsidiary of the Company in Singapore, increased its authorised and called-up share capital by issuing SGD 1.90 million (1,900,000 ordinary shares with a SGD 1 par value) from SGD 1.52 million (1,520,000 ordinary shares with a SGD 1 par value). The payment of additional called-up share capital totaling 0.38 SGD million or Baht 9.86 million was made in September 2016.

On 11 October 2016, Oishi Myanmar Limited, a indirect subsidiary of the Company in the Republic of the Union of Myanmar, increased its authorised share capital to USD 4.50 million (4,500,000 ordinary shares with a USD 1 par value) from USD 2.10 million (2,100,000 ordinary shares with a USD 1 par value). The payment of additional called-up share capital was partially made of USD 0.60 million or Baht 21.19 million in October 2016, totaling authorised and called-up share capital to USD 2.70 million.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

At the Board of Directors of the Company's meeting held on 10 August 2017, the directors agreed to approve the business restructuring of the Company's subsidiaries to improve group management efficiency. After restructuring, Oishi Snack Company Limited, the Company's subsidiary will operate production and distribution of package food business, together with supply raw materials to support Oishi restaurants. By doing so, Oishi Snack Company Limited will purchase property, plant and equipment relating to such business from Oishi Trading Company Limited, the Company's subsidiary at the price evaluated by an independent appraisal. The total value of the project is approximately Baht 950 million and expected to be completed in March 2018. At the same time, Oishi Snack Company Limited will change its name and increase its authorised share capital to Baht 1,000 million (10,000,000 ordinary shares with a Baht 100 par value) from Baht 80 million (800,000 ordinary shares with a Baht 100 par value). There will be full payment of shares before proceed capital increase, totaling authorised and called-up share capital to Baht 1,000 million to support such project. As at 30 September 2017, there is no progress on this matter.

On 7 September 2017, Oishi Snack Co., Ltd. has fully paid-up share capital totaling Baht 80 million (800,000 ordinary shares with a Baht 100 par value) from Baht 52 million (800,000 ordinary shares with a Baht 100 par value and paid-up share of Baht 65 per share).

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Investments in subsidiaries as at 30 September 2017 and 2016, and dividend income from those investments for the year then ended and for the nine-month periods then ended, were as follows:

SEPARATE FINANCIAL STATEMENTS

	Ownership interest (%)	Paid-up capital (in thousands)			Cost	Impairment (in thousand Baht)			At cost – Net		Dividend income	
		2017	2016	2017		2016	2017	2016	2017	2016	For the year ended 30 September	For the nine-month period ended 30 September
Type of business												
		(in thousands)										
		(in thousand Baht)										
Direct subsidiaries												
Oishi Trading Co., Ltd.	99.99	Baht 420,000	Baht 420,000		420,000				420,000			
Manufacture and distribution of food and beverage	99.99											419,999
Oishi Ramen Co., Ltd.	99.99	Baht 158,000	Baht 158,000		158,000				158,000			
Japanese restaurant	99.99											50,559
Oishi Snack Co., Ltd.	99.99	Baht 80,000	Baht 52,000		80,000				80,000			
Distribution of food	99.99											
Oishi International Holdings Limited	100.00	HKD 11,700	HKD 11,700		50,107		(14,827)		35,280			
International distribution of beverage	100.00											50,107
Total		708,107	680,107		680,107		(14,827)		693,280			722,558
												419,999
Indirect subsidiaries												
Oishi F&B (Singapore) Pte. Ltd.	100.00	SGD 1,900	SGD 1,900									
Brand management and consulting services	100.00											
Oishi Myanmar Limited	55.00	USD 2,700	USD 2,100									
Japanese restaurant	55.00											
Oishi Group Limited Liability Company	100.00	USD 50	USD 50									
Marketing management consulting services	100.00											

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 quotation.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

9 PROPERTY, PLANT AND EQUIPMENT

(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
<i>Cost/ revaluation</i>											
At 1 January 2016	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
Additions	-	-	4,986	4,266	9,472	28,565	16,595	7,412	15	681,352	752,663
Surplus on revaluation	159,845	-	-	-	-	-	-	-	-	-	159,845
Transfers	-	-	28,732	26,886	60,415	55,960	9,656	3,936	-	(187,043)	(1,458)
Disposals	-	-	-	(19,282)	(16,054)	(12,788)	(8,711)	(3,455)	-	-	(60,290)
At 30 September 2016 and											
1 October 2016	663,126	24,623	1,978,932	888,891	1,776,941	5,285,021	460,978	154,167	3,947	596,517	11,833,143
Additions	-	-	17,141	2,735	7,591	55,568	27,987	3,841	206	442,009	557,078
Transfers	-	13,700	118,744	45,998	107,773	678,846	18,475	4,245	42	(991,101)	(3,278)
Disposals	-	-	(3,710)	(99,330)	(69,272)	(45,235)	(48,362)	(13,661)	-	-	(279,570)
At 30 September 2017	663,126	38,323	2,111,107	838,294	1,823,033	5,974,200	459,078	148,592	4,195	47,425	12,107,373

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS

	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
Depreciation										
At 1 January 2016	-	11,396	463,930	463,947	705,223	2,010,450	246,231	75,034	3,129	3,979,340
Depreciation charge for the period	-	1,495	74,619	108,125	157,782	342,963	53,566	17,996	146	756,692
Transfers	-	-	-	(4)	(259)	(858)	(46)	-	-	(1,167)
Disposals	-	-	-	(18,653)	(15,614)	(12,026)	(7,251)	(3,155)	-	(56,699)
At 30 September 2016 and										
1 October 2016	-	12,891	538,549	553,415	847,132	2,340,529	292,500	89,875	3,275	4,678,166
Depreciation charge for the year	-	2,307	104,824	128,742	201,196	476,918	67,445	22,584	363	1,004,379
Transfers	-	-	-	(69)	(5)	(124)	(29)	(1,192)	-	(1,419)
Disposals	-	-	(1,608)	(86,534)	(63,217)	(42,874)	(43,249)	(12,406)	-	(249,888)
At 30 September 2017										
	-	15,198	641,765	595,554	985,106	2,774,449	316,667	98,861	3,638	5,431,238

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

	Land improvements	Land	Buildings and building improvements	Decorations	Internal systems	Tools and machinery for manufacturing	Office equipment, furniture and fixtures	Restaurant utensils	Vehicles	Assets under construction and installation	Total
CONSOLIDATED FINANCIAL STATEMENTS											
Net book value											
At 1 January 2016											
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
At 30 September 2016 and 1 October 2016											
Owned assets	663,126	11,732	1,440,383	335,476	929,809	2,881,614	168,478	64,292	672	596,517	7,092,099
Assets under finance leases	-	-	-	-	-	62,878	-	-	-	-	62,878
	663,126	11,732	1,440,383	335,476	929,809	2,944,492	168,478	64,292	672	596,517	7,154,977
At 30 September 2017											
Owned assets	663,126	23,125	1,469,342	242,740	837,927	3,141,539	142,411	49,731	557	47,425	6,617,923
Assets under finance leases	-	-	-	-	-	58,212	-	-	-	-	58,212
	663,126	23,125	1,469,342	242,740	837,927	3,199,751	142,411	49,731	557	47,425	6,676,135

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 30 September 2017 amounted to Baht 1,776.98 million (2016: Baht 1,411.21 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
Cost								
At 1 January 2016	614,620	568,917	540,281	245,329	98,641	320	432	2,068,540
Additions	3,947	2,482	7,238	11,708	5,908	-	7,752	39,035
Transfers	1,882	433	464	293	402	-	(3,474)	-
Disposals	(17,402)	(14,983)	(11,618)	(7,882)	(3,254)	-	-	(55,139)
At 30 September 2016 and 1 October 2016	603,047	556,849	536,365	249,448	101,697	320	4,710	2,052,436
Additions	2,248	2,775	10,100	15,858	2,427	-	54,790	88,198
Transfers	24,085	13,432	9,090	9,373	3,520	-	(59,500)	-
Disposals	(88,707)	(65,727)	(44,587)	(46,612)	(12,411)	-	-	(258,044)
At 30 September 2017	540,673	507,329	510,968	228,067	95,233	320	-	1,882,590
Depreciation								
At 1 January 2016	406,461	391,550	369,208	162,019	63,511	320	-	1,393,069
Depreciation charge for the year	71,748	62,907	58,676	28,700	11,007	-	-	233,038
Transfers	(4)	-	(9)	13	-	-	-	-
Disposals	(16,780)	(14,549)	(10,985)	(6,565)	(3,006)	-	-	(51,885)
At 30 September 2016 and 1 October 2016	461,425	439,908	416,890	184,167	71,512	320	-	1,574,222
Depreciation charge for the year	76,254	64,061	62,326	33,427	13,177	-	-	249,245
Transfers	1	-	(124)	154	(31)	-	-	-
Disposals	(79,100)	(60,524)	(42,469)	(41,834)	(11,705)	-	-	(235,632)
At 30 September 2017	458,580	443,445	436,623	175,914	72,953	320	-	1,587,835
Net book value								
Owned assets								
At 1 January 2016	208,159	177,367	171,073	83,310	35,130	-	432	675,471
At 30 September 2016 and 1 October 2016	141,622	116,941	119,475	65,281	30,185	-	4,710	478,214
At 30 September 2017	82,093	63,884	74,345	52,153	22,280	-	-	294,755

The gross amount of the Company's fully depreciated equipment that was still in use as at 30 September 2017 amounted to Baht 914.89 million (2016: Baht 609.64 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 663 million in consolidated financial statements has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Level 3 fair value

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

(in million Baht)

	CONSOLIDATED FINANCIAL STATEMENTS	
	For the year ended 30 September	For the nine-month period ended 30 September
	2017	2016
Balance at 1 October/ 1 January	633	503
Credited other comprehensive income		
Revaluation of land	–	160
Balance at 30 September	663	663

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).

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

10. DEFERRED TAX

Deferred tax assets and liabilities as at 30 September were as follows:

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS				
	Assets		Liabilities	
	2017	2016	2017	2016
Total	93,083	86,708	(41,184)	(41,184)
Set off of tax	(41,184)	(41,184)	41,184	41,184
Net deferred tax assets	51,899	45,524	-	-

(in thousand Baht)

SEPARATE FINANCIAL STATEMENTS				
	Assets		Liabilities	
	2017	2016	2017	2016
Deferred tax assets	11,610	8,001	-	-

Movements in total deferred tax assets and liabilities during the year ended 30 September 2017 and the nine-month period ended 2016 were as follows:

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS				
	(Charged) / credited to:			
	At 1 October 2016	Profit or loss (Note 24)	Other comprehensive income	At 30 September 2017
Deferred tax assets				
Inventories	399	329	-	728
Defined employee benefit obligations	10,519	80	963	11,562
Tax loss carry forward	75,313	4,189	-	79,502
Others	477	814	-	1,291
Total	86,708	5,412	963	93,083

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS				
(Charged) / credited to:				
	At 1 October 2016	Profit or loss (Note 24)	Other comprehensive income	At 30 September 2017
<i>Deferred tax liability</i>				
Revaluation surplus on land	(41,184)	-	-	(41,184)
Net	45,524	5,412	963	51,899

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS				
(Charged) / credited to:				
	At 1 January 2016	Profit or loss (Note 24)	Other comprehensive income	At 30 September 2016
<i>Deferred tax assets</i>				
Inventories	464	(65)	-	399
Defined employee benefit obligations	8,490	940	1,089	10,519
Tax loss carry forward	106,348	(31,035)	-	75,313
Others	-	477	-	477
Total	115,302	(29,683)	1,089	86,708
<i>Deferred tax liability</i>				
Revaluation surplus on land	(9,215)	-	(31,969)	(41,184)
Net	106,087	(29,683)	(30,880)	45,524

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

SEPARATE FINANCIAL STATEMENTS

	(Charged) / credited to:			At 30 September 2017
	At 1 October 2016	Profit or loss (Note 24)	Other comprehensive income	
<i>Deferred tax assets</i>				
Defined employee benefit obligations	8,001	(213)	238	8,026
Investments in subsidiaries	-	2,965	-	2,965
Others	-	619	-	619
Total	8,001	3,371	238	11,610

(in thousand Baht)

SEPARATE FINANCIAL STATEMENTS

	(Charged) / credited to:			At 30 September 2016
	At 1 January 2016	Profit or loss (Note 24)	Other comprehensive income	
<i>Deferred tax assets</i>				
Inventories	460	(460)	-	-
Defined employee benefit obligations	6,649	754	598	8,001
Tax loss carry forward	10,376	(10,376)	-	-
Total	17,485	(10,082)	598	8,001

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	
		2017	2016	2017	2016
Related parties					
Deposits	4	29,584	27,488	20,387	19,669
Other parties					
Deposits		214,621	212,742	150,024	155,857
Receivable from Revenue Department		15,861	33,336	2,072	16,095
Others		480	553	-	275
Total		260,546	274,119	172,483	191,896

12. INTEREST-BEARING LIABILITIES

(in thousand Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
Current					
Current portion of long-term loan from a financial institution					
Unsecured		-	500,000	-	-
Short-term loans from a subsidiary					
Unsecured	4	-	-	-	51,000
Current portion of finance lease liabilities		12,969	22,696	-	-
Total current interest-bearing liabilities		12,969	522,696	-	51,000

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
Non-current					
Debentures					
Unsecured		2,000,000	2,000,000	2,000,000	2,000,000
Total long-term loans		2,000,000	2,000,000	2,000,000	2,000,000
Finance lease liabilities		-	12,969	-	-
Total non-current interest-bearing liabilities		2,000,000	2,012,969	2,000,000	2,000,000
Grand total		2,012,969	2,535,665	2,000,000	2,051,000

As at 30 September 2017, the principal features and details of the loans and debentures of the Group were as follows:

Long-term loans from financial institutions and debentures

(a) Long-term loans from financial institutions

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).

As at 30 September 2017, the Company had outstanding unsubordinated, unsecured debentures and without a shareholder representative with the name registered in the amount of Baht 2,000 million (2,000,000 units at par value of Baht 1,000 each). These debentures mature on 9 December 2018 and 6 July 2019 with fixed coupon rate of 2.51% per annum and 2.20% per annum, respectively, and payable every six-month period. In this regard, the remaining facility after such issuances was Baht 1,000 million.

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

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 30 September were as follows:

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Within one year	-	500,000	-	51,000
After one year but within five years	2,000,000	2,000,000	2,000,000	2,000,000
Total	2,000,000	2,500,000	2,000,000	2,051,000

As at 30 September 2017, the Group had unutilised credit facilities totaling Baht 3,302.38 million and USD 0.56 million, (2016: Baht 3,023.86 million and USD 3.25 million) and the Company had unutilised credit facilities totaling Baht 2,873.45 million (2016: Baht 2,660.12 million).

Finance lease liabilities

Finance lease liabilities as at 30 September were payable as follows:

(in thousand Baht)

	2017			2016		
	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	13,188	(219)	12,969	24,183	(1,487)	22,696
After one year but within five years	-	-	-	13,188	(219)	12,969
Total	13,188	(219)	12,969	37,371	(1,706)	35,665

Interest-bearing liabilities of the Group and the Company as at 30 September were denominated entirely in Thai Baht.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

13. TRADE ACCOUNTS PAYABLE

(in thousand Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
Related parties	4	142,546	132,352	51,920	55,286
Other parties		834,541	838,029	244,216	229,408
Total		977,087	970,381	296,136	284,694

The currency denomination of trade accounts payable as at 30 September were as follows:

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Thai Baht (THB) and functional currency in subsidiaries	976,757	970,070	296,136	284,694
United States Dollars (USD)	257	261	-	-
Hong Kong Dollar (HKD)	51	-	-	-
Euro (EUR)	22	50	-	-
Total	977,087	970,381	296,136	284,694

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

14. OTHER PAYABLES

(in thousand Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
Related parties	4	191,257	355,832	82,416	99,693
Other parties					
Personnel expenses		206,587	177,788	116,563	99,156
Marketing expenses		181,764	200,300	13,837	15,124
Utilities expenses		49,360	52,617	16,289	22,735
Advances received		24,286	13,267	13,382	13,209
Retention		15,005	22,852	5,631	4,409
Others		153,733	119,499	49,898	60,338
Total		821,992	942,155	298,016	314,664

The currency denomination of other payables as at 30 September were as follows:

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Thai Baht (THB) and functional currency in subsidiaries	795,692	887,991	297,777	314,664
Malaysia Ringgit (MYR)	22,987	49,196	-	-
Singapore Dollars (SGD)	2,922	4,968	239	-
United States Dollars (USD)	391	-	-	-
Total	821,992	942,155	298,016	314,664

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

15. EMPLOYEE BENEFIT OBLIGATIONS

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Statement of financial position:				
Obligations for:				
Post-employment benefits				
- Compensation plan based on Thai Labour law	<u>71,794</u>	<u>66,178</u>	<u>45,708</u>	<u>44,929</u>

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits				
- Compensation plan based on Thai Labour law	<u>10,345</u>	<u>7,158</u>	<u>7,064</u>	<u>4,894</u>
Recognised in other comprehensive income:				
Actuarial losses recognised in the year/period	<u>3,093</u>	<u>5,194</u>	<u>1,189</u>	<u>2,991</u>
Cumulative actuarial (gains) losses recognised	<u>10,467</u>	<u>7,374</u>	<u>(295)</u>	<u>(1,484)</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 and interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Movement in the present value of the defined benefit obligations:

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended 30 September	For the nine-month period ended 30 September	For the year ended 30 September	For the nine-month period ended 30 September
	2017	2016	2017	2016
Defined benefit obligations at 1 October/ 1 January	66,178	53,311	44,929	36,785
Include in profit or loss				
Current service cost	8,691	5,999	5,941	4,094
Interest on obligation	1,654	1,159	1,123	800
	<u>10,345</u>	<u>7,158</u>	<u>7,064</u>	<u>4,894</u>
Include in other comprehensive income				
Actuarial losses	3,093	5,194	1,189	2,991
	<u>3,093</u>	<u>5,194</u>	<u>1,189</u>	<u>2,991</u>
Other				
Transfer from related companies	1	801	654	1,384
Transfer to related companies	(2,429)	(286)	(2,873)	(1,125)
Benefit paid	(5,394)	-	(5,255)	-
	<u>(7,822)</u>	<u>515</u>	<u>(7,474)</u>	<u>259</u>
Defined benefit obligations at 30 September	<u><u>71,794</u></u>	<u><u>66,178</u></u>	<u><u>45,708</u></u>	<u><u>44,929</u></u>

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Actuarial losses recognised in other comprehensive income arising from:

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended 30 September	For the nine-month period ended 30 September	For the year ended 30 September	For the nine-month period ended 30 September
	2017	2016	2017	2016
Demographic assumptions	1,860	-	1,140	-
Financial assumptions	-	2,852	-	1,810
Experience adjustment	1,233	2,342	49	1,181
Total	3,093	5,194	1,189	2,991

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

(%)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	Discount rate	2.50	2.50	2.50
Future salary growth	5.00	5.00	5.00	5.00

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

At 30 September 2017, the weighted-average duration of the defined benefit obligation was 12 years (2016: 13 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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation as at 30 September 2017				
Discount rate (0.5% movement)	(4,054)	4,341	(2,499)	2,700
Future salary growth (0.5% movement)	4,261	(3,980)	2,620	(2,453)

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.

16. SHARE CAPITAL

(thousand shares/thousand Baht)

	Par value per share (in Baht)	CONSOLIDATED/SEPARATED FINANCIAL STATEMENT			
		For the year ended 30 September 2017		For the nine-month period ended 30 September 2016	
		Number	Baht	Number	Baht
Authorised					
At 1 October/ 1 January					
- ordinary shares	2	187,500	375,000	187,500	375,000
At 30 September					
- 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 October/ 1 January					
- ordinary shares	2	187,500	375,000	187,500	375,000
At 30 September					
- 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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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.

18. SEGMENT INFORMATION

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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Information about reportable segments

(in million Baht)

	FOOD SEGMENT		BEVERAGE SEGMENT		TOTAL	
	For the year ended 30 September	For the nine-month period ended 30 September	For the year ended 30 September	For the nine-month period ended 30 September	For the year ended 30 September	For the nine-month period ended 30 September
	2017	2016	2017	2016	2017	2016
Revenue from sale of goods						
– Other parties	6,419	4,897	840	510	7,259	5,407
– Related parties	78	9	6,034	4,868	6,112	4,877
Revenue from rendering of services						
– Other parties	–	–	132	78	132	78
– Related parties	–	–	48	37	48	37
Interest income	4	3	1	1	5	4
Other income	29	24	92	82	121	106
Total income	6,530	4,933	7,147	5,576	13,677	10,509
Cost of sale of goods	3,564	2,806	4,701	3,693	8,265	6,499
Cost of rendering of services	–	–	123	108	123	108
Selling expenses	841	581	809	683	1,650	1,264
Administrative expenses	1,862	1,444	233	213	2,095	1,657
Finance costs	–	–	53	61	53	61
Total expenses	6,267	4,831	5,919	4,758	12,186	9,589
Profit before income tax expense	263	102	1,228	818	1,491	920
Income tax (expense) benefit	(53)	(21)	5	(19)	(48)	(40)
Profit for the year/ period	210	81	1,233	799	1,443	880
Profit attributable to:						
Owners of the Company	219	88	1,233	799	1,452	887
Non-controlling interests	(9)	(7)	–	–	(9)	(7)
Profit for the year/ period	210	81	1,233	799	1,443	880
Capital expenditure	205	166	356	603	561	769
Depreciation and amortisation	473	388	544	379	1,017	767

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in million Baht)

	FOOD SEGMENT		BEVERAGE SEGMENT		TOTAL	
	2017	2016	2017	2016	2017	2016
Assets and liabilities						
Inventories	113	137	206	353	319	490
Property, plant and equipment	1,579	1,877	5,097	5,278	6,676	7,155
Other assets	1,221	785	1,491	848	2,712	1,633
Segment assets as at 30 September	2,913	2,799	6,794	6,479	9,707	9,278
Trade accounts payable	466	456	511	514	977	970
Interest-bearing liabilities	-	-	2,013	2,536	2,013	2,536
Other liabilities	548	494	578	669	1,126	1,163
Segment liabilities as at 30 September	1,014	950	3,102	3,719	4,116	4,669

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.

Geographical information

The geographical financial information of the Group in the consolidated financial statements as at 30 September and for the year ended 30 September 2017 and for the nine-month period ended 30 September 2016 were as follows:

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

	Revenue		Property, plant and equipment	
	For the year ended 30 September	For the nine-month period ended 30 September		
	2017	2016	2017	2016
Thailand	12,768	9,942	6,659	7,125
Overseas	909	567	17	30
Total	13,677	10,509	6,676	7,155

Major customer

Revenue from major customers of the Group's food and drink segments for the year ended 30 September 2017 represents approximately Baht 6,950 million (For the nine-month period ended 30 September 2016: Baht 5,508 million) of the Group's total revenues.

19. SELLING EXPENSES

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended 30 September	For the nine-month period ended 30 September	For the year ended 30 September	For the nine-month period ended 30 September
	2017	2016	2017	2016
Advertising and promotion expenses	890,026	702,476	181,434	100,055
Rental expenses	575,356	436,889	396,715	316,630
Personnel expenses	84,419	55,134	41,356	27,979
Transportation expenses	46,276	33,588	15,577	6,425
Others	53,829	35,365	26,352	12,699
Total	1,649,906	1,263,452	661,434	463,788

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

20. ADMINISTRATIVE EXPENSES

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended 30 September	For the nine-month period ended 30 September	For the year ended 30 September	For the nine-month period ended 30 September
	2017	2016	2017	2016
Personnel expenses	1,026,084	839,327	756,778	629,533
Depreciation and amortisation	337,550	286,636	191,469	178,264
Office expenses	255,401	246,360	181,803	180,012
Hire and service expenses	141,920	102,265	104,426	75,048
Rental expenses	54,487	42,429	33,309	27,117
Others	279,487	140,098	88,345	51,905
Total	2,094,929	1,657,115	1,356,130	1,141,879

21. EMPLOYEE BENEFIT EXPENSES

(in thousand Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		For the year ended 30 September	For the nine-month period ended 30 September	For the year ended 30 September	For the nine-month period ended 30 September
		2017	2016	2017	2016
Salaries and wages		1,428,010	1,124,380	754,028	613,422
Remuneration		30,000	25,000	30,000	25,000
Pension costs – defined employee benefit plans	15	10,345	7,158	7,064	4,894
Pension costs – contribution plans		14,286	10,578	8,405	6,643
Others		293,989	254,983	162,389	143,978
Total		1,776,630	1,422,099	961,886	793,937

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Defined employee benefit plan

Details of the defined employee 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	
		For the year ended 30 September 2017	For the nine-month period ended 30 September 2016	For the year ended 30 September 2017	For the nine-month period ended 30 September 2016
Changes in inventories of					
finished goods and work in progress		75,662	(71,513)	(27)	196
Raw materials and consumables					
used		6,589,646	4,627,340	1,884,226	1,531,577
Employee benefit expenses		1,729,958	1,396,563	961,886	793,896
Depreciation and amortisation		979,669	739,510	254,591	237,367
Advertising and promotion					
expenses	19	890,026	702,476	181,434	100,055
Rental expenses		694,448	530,731	458,871	366,461
Idle cost		154,187	61,668	-	-
Finance costs	23	53,674	60,850	47,765	52,583
Others		1,018,708	1,540,992	986,050	825,938
Total expenses		12,185,978	9,588,617	4,774,796	3,908,073

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	
		For the year ended 30 September	For the nine-month period ended 30 September	For the year ended 30 September	For the nine-month period ended 30 September
		2017	2016	2017	2016
Interest expense					
Subsidiaries	4	-	-	665	526
Financial institutions		53,674	60,850	47,100	52,057
Total		53,674	60,850	47,765	52,583

24. INCOME TAX EXPENSE

Income tax recognised in profit or loss

(in thousand Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		For the year ended 30 September	For the nine-month period ended 30 September	For the year ended 30 September	For the nine-month period ended 30 September
		2017	2016	2017	2016
Current tax expense					
Current period		53,325	11,511	26,175	2,687
Over provided in prior years		-	(1,643)	-	(842)
		53,325	9,868	26,175	1,845
Deferred tax expense	10				
Movements in temporary differences		(1,223)	(1,352)	(3,371)	(294)
Benefit of tax losses recognised		(4,189)	31,035	-	10,376
		(5,412)	29,683	(3,371)	10,082
Total income tax expense		47,913	39,551	22,804	11,927

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Income tax recognised in other comprehensive income

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS						
	For the year ended 30 September 2017			For the nine-month period ended 30 September 2016		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense (benefit)	Net of tax
Revaluation of land	-	-	-	159,845	(31,969)	127,876
Defined benefit plan actuarial losses	(3,093)	963	(2,130)	(5,194)	1,089	(4,105)
Total	<u>(3,093)</u>	<u>963</u>	<u>(2,130)</u>	<u>154,651</u>	<u>(30,880)</u>	<u>123,771</u>

(in thousand Baht)

SEPARATE FINANCIAL STATEMENTS						
	For the year ended 30 September 2017			For the nine-month period ended 30 September 2016		
	Before tax	Tax expense	Net of tax	Before tax	Tax benefit	Net of tax
Defined benefit plan actuarial losses	<u>(1,189)</u>	<u>238</u>	<u>(951)</u>	<u>(2,991)</u>	<u>598</u>	<u>(2,393)</u>

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Reconciliation of effective tax rate

CONSOLIDATED FINANCIAL STATEMENTS				
	For the year ended 30 September 2017		For the nine-month period ended 30 September 2016	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before total income tax expense		1,491,113		919,808
Income tax using the Thai corporation tax rate	20.00	298,223	20.00	183,962
Income not subject to tax		(241,941)		(139,408)
Expenses for tax incentive		(13,192)		(7,501)
Expenses not deductible for tax purposes		921		924
Over provided in prior years		-		(1,643)
Current year losses for which no deferred tax asset was recognised		3,902		3,217
Total	3.21	47,913	4.30	39,551

SEPARATE FINANCIAL STATEMENTS				
	For the year ended 30 September 2017		For the nine-month period ended 30 September 2016	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before total income tax expense		858,325		491,696
Income tax using the Thai corporation tax rate	20.00	171,665	20.00	98,339
Income not subject to tax		(144,512)		(84,000)
Expenses for tax incentive		(4,703)		(1,659)
Expenses not deductible for tax purposes		354		89
Over provided in prior years		-		(842)
Total	2.66	22,804	2.43	11,927

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

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						
	For the year ended 30 September 2017			For the nine-month period ended 30 September 2016		
	Promoted business	Non- promoted business	Total	Promoted business	Non- promoted business	Total
Local sales and rendering of services	4,863,431	7,781,821	12,645,252	3,431,873	6,444,233	9,876,106
Export sales and rendering of services	788,652	116,904	905,556	275,737	247,263	523,000
Total	5,652,083	7,898,725	13,550,808	3,707,610	6,691,496	10,399,106

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

26. BASIC EARNINGS PER SHARE

The calculations of basic earnings per share for the year ended 30 September 2017 and for the nine-month period ended 30 September 2016 were based on the profit for the year/period attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year/period as follows:

(in million Baht/in million shares)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	For the year ended 30 September	For the nine-month period ended 30 September	For the year ended 30 September	For the nine-month period ended 30 September
	2017	2016	2017	2016
Profit attributable to ordinary shareholders of the Company (basic)	1,451.69	887.21	835.52	479.77
Number of ordinary shares outstanding	187.50	187.50	187.50	187.50
Earnings per share (basic) (in Baht)	7.74	4.73	4.46	2.56

27. DIVIDENDS

At the Board of Directors of the Company's meeting held on 11 May 2017, the Board of Directors approved the appropriation of interim dividend of Baht 1.10 per share, totaling Baht 206.25 million, which was paid to the shareholders in June 2017.

At the annual general meeting of the shareholders of the Company held on 25 January 2017, the shareholders approved the appropriation of dividend of Baht 2.50 per share, totaling Baht 468.75 million. In September 2016, the Company paid an interim dividend of Baht 1.10 per share, totaling Baht 206.25 million. The remaining payment shall be Baht 1.40 per share, totaling Baht 262.50 million, which was paid to the shareholders in February 2017.

At the Board of Directors of the Company's meeting held on 9 August 2016, the Board of Directors approved the appropriation of interim dividend of Baht 1.10 per share, totaling Baht 206.25 million, which was paid to the shareholders in September 2016.

At the annual general meeting of the shareholders of the Company held on 27 April 2016, the shareholders approved the appropriation of dividend 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 payment shall be Baht 1.45 per share, totaling Baht 271.88 million, which was paid to the shareholders in May 2016.

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.

The effective interest rates of interest-bearing financial liabilities as at 30 September and the periods in which those liabilities mature or re-price were as follows:

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS				
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	Total
2017				
Current				
Current portion of finance lease liabilities	5.82	12,969	-	12,969
Non-current				
Debentures	2.20 - 2.51	-	2,000,000	2,000,000
Total		<u>12,969</u>	<u>2,000,000</u>	<u>2,012,969</u>

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS

	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	Total
2016				
Current				
Current portion of long-term loan from financial institutions	2.25	500,000	-	500,000
Current portion of finance lease liabilities	5.82	22,696	-	22,696
Non-current				
Debentures	2.20 - 2.51	-	2,000,000	2,000,000
Financial lease liabilities	5.82	-	12,969	12,969
Total		<u>522,696</u>	<u>2,012,969</u>	<u>2,535,665</u>

(in thousand Baht)

SEPARATE FINANCIAL STATEMENTS

	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	Total
2017				
Non-current				
Debentures	2.20 - 2.51	-	2,000,000	2,000,000
Total		<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>
2016				
Current				
Short-term loan from a subsidiary	1.375	51,000	-	51,000
Non-current				
Debentures	2.20 - 2.51	-	2,000,000	2,000,000
Total		<u>51,000</u>	<u>2,000,000</u>	<u>2,051,000</u>

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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/period. 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.

As at 30 September, 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		SEPARATE FINANCIAL STATEMENTS	
	Note	2017	2016	2017	2016
<i>Japanese Yen</i>					
Payables for acquisition of assets		(63,627)	-	-	-
Gross balance in statement of financial position exposure		(63,627)	-	-	-
Currency forwards		62,910	-	-	-
Net exposure		(717)	-	-	-
<i>Euro</i>					
Trade accounts payable	13	(22)	(50)	-	-
Payables for acquisition of assets		(29,546)	(19,052)	-	-
Gross balance in statement of financial position exposure		(29,568)	(19,102)	-	-
Currency forwards		29,330	-	-	-
Net exposure		(238)	(19,102)	-	-
<i>United States Dollars</i>					
Cash and cash equivalents	5	7,030	14,975	-	-
Trade accounts receivable	6	4,612	2,527	-	-
Other receivables – related parties	4	-	-	4,994	5,699
Trade accounts payable	13	(257)	(261)	-	-
Other payables	14	(391)	-	-	-
Gross balance in statement of financial position exposure		10,994	17,241	4,994	5,699

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
Singapore Dollars					
Other payables	14	(2,922)	(4,968)	(239)	-
Gross balance in statement of financial position exposure		(2,922)	(4,968)	(239)	-
Malaysian Ringgit					
Trade accounts receivable	6	1,254	10,463	-	-
Other receivables – related parties	4	-	38,971	-	-
Other payables	14	(22,987)	(49,196)	-	-
Gross balance in statement of financial position exposure		(21,733)	238	-	-
Hong Kong Dollar					
Trade accounts payable	13	(51)	-	-	-
Gross balance in statement of financial position exposure		(51)	-	-	-

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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(in million Baht)

CONSOLIDATED FINANCIAL STATEMENTS							
	Carrying value			Fair value			
	Current	Non-current	Total	Level 1	Level 2	Level 3	Total
30 September 2017							
<i>Financial liabilities not measured at fair value</i>							
Debentures	-	2,000	2,000	-	2,013	-	2,013
Finance lease liabilities	13	-	13	-	13	-	13
Foreign currency forwards contracts in liability position	2	-	2	-	2	-	2

(in million Baht)

SEPARATE FINANCIAL STATEMENTS							
	Carrying value			Fair value			
	Current	Non-current	Total	Level 1	Level 2	Level 3	Total
30 September 2017							
<i>Financial liabilities not measured at fair value</i>							
Debentures	-	2,000	2,000	-	2,013	-	2,013

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in million Baht)

CONSOLIDATED FINANCIAL STATEMENTS

	Carrying value			Fair value			
	Current	Non-current	Total	Level 1	Level 2	Level 3	Total
30 September 2016							
<i>Financial liabilities not measured at fair value</i>							
Current portion of long-term loan from financial institutions	500	-	500	-	500	-	500
Debentures		2,000	2,000	-	2,012	-	2,012
Finance lease liabilities	23	13	36	-	-	36	36

(in million Baht)

SEPARATE FINANCIAL STATEMENTS

	Carrying value			Fair value			
	Current	Non-current	Total	Level 1	Level 2	Level 3	Total
30 September 2016							
<i>Financial liabilities not measured at fair value</i>							
Debentures	-	2,000	2,000	-	2,012	-	2,012

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 calculated 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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Financial instruments not measured at fair value

Type	Valuation technique
Loans	Discounted cash flows
Debentures	Based on broker quotes
Finance lease liabilities	Discounted cash flows

29 COMMITMENTS WITH NON-RELATED PARTIES

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
<i>Capital commitments</i>				
Contracted but not provided for:				
Machinery and equipment	36,533	289,003	1,039	14,898
Buildings and other constructions	24,500	23,933	-	-
Total	61,033	312,936	1,039	14,898

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
<i>Future minimum lease payment under non-cancellable operating lease commitments</i>				
Within one year	174,260	190,935	125,233	126,237
After one year but within five years	131,689	124,470	105,266	81,717
After five years	5,036	6,636	5,036	6,636
Total	310,985	322,041	235,525	214,590

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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 2017 to 2020. The Company is committed to pay monthly rental fees based on fixed rates or percentage of sale as conditions stipulated in the agreements.

Oishi Ramen Co., Ltd., the Company's subsidiary, entered into area lease agreements for restaurant business with local companies. The agreements are for one year to three years, ending between 2017 to 2020. The said subsidiary is committed to pay monthly rental fees based on fixed rates or percentage of sale as conditions stipulated in the agreements.

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 for three years to five years, ending between 2019 to 2021. The Company is committed to pay monthly rental fees as conditions stipulated in the agreements.

Store lease agreements

Oishi Trading Co., Ltd., the Company's subsidiary, entered into store lease agreement with a local company. The agreement is for one year, ending in 2018. The Company is committed to pay monthly rental fees as conditions stipulated in the agreement.

(in thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
<i>Other Commitments</i>				
Service agreements	356,097	447,553	269,739	289,532
Letters of credit	92,272	170,257	-	-
Bank guarantees	35,350	35,880	-	-
Advertisement contracts	1,141	3,416	-	-
Purchase orders for goods and supplies	111,965	1,933	-	-
Forward contracts	92,240	-	-	-
Others	5,812	22,292	1,533	1,988
Total	694,877	681,331	271,272	291,520

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Other agreements

Sale and purchase of material and package agreement

On 19 November 2014, the Company entered into sale and purchase of material and package 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. Subsequently, the parties have made an addendum to renew the agreement for one year from 1 January 2017 to 31 December 2017. The Company and its subsidiary agreed to pay the service charge at the rate as stipulated in the said addendum.

Transportation agreements

On 1 February 2010, the Company and Oishi Trading Co., Ltd., the Company's subsidiary, entered into transportation agreement 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.

Purchase natural gas agreement

On 9 November 2016, 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 two years, effective from 1 December 2016 to 30 November 2018 with renewal if not less than 90 days prior written notice is given by any one party to the other.

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

30. EVENTS AFTER THE REPORTING PERIOD

- (a) On 5 October 2017, Oishi Snack Co., Ltd. has registered the change of company name from Oishi Snack Co., Ltd. to Oishi Food Service Co., Ltd. and increase its authorised share capital from Baht 80 million (800,000 ordinary shares with a Baht 100 par value) to Baht 1,000 million (10,000,000 ordinary shares with a Baht 100 par value) and called for paid-up at Baht 230 million (9,200,000 ordinary shares with paid-up share of Baht 25 per share), paid-up capital is totaling Baht 310 million.
- (b) At the Board of Directors of the Company's meeting held on 16 November 2017, the Board of Directors agreed to concur a dividend payment of Baht 3.40 per share, totaling Baht 637.50 million, In June 2017, the Company paid an interim dividend of Baht 1.10 per share, totaling Baht 206.25 million. The remaining dividend payment shall be Baht 2.30 per share, totaling Baht 431.25 million, which will be paid to the shareholders in 2018.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

31. THAI FINANCIAL REPORTING STANDARDS (TFRS) NOT YET ADOPTED

A number of new and revised 2016 and 2017 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 2017 and 2018 respectively, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1	Presentation of Financial Statements
TAS 2	Inventories
TAS 7	Statement of Cash Flows
TAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	Events After the Reporting Period
TAS 12	Income Taxes
TAS 16	Property, Plant and Equipment
TAS 17	Leases
TAS 18	Revenue
TAS 19	Employee Benefits
TAS 21	The Effects of Changes in Foreign Exchange Rates
TAS 23	Borrowing Costs
TAS 24	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27	Separate Financial Statements
TAS 33	Earnings Per Share
TAS 36	Impairment of Assets
TAS 37	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	Intangible Assets
TFRS 2	Share-based Payment
TFRS 3	Business Combinations
TFRS 8	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
TSIC 15	Operating Leases – Incentives
TSIC 25	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

TFRS	Topic
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining Whether an Arrangement Contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 13	Customer Loyalty Programmes
TFRIC 14	TAS 19 Employee Benefits - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
FAP Announcement No. 5/2559	Accounting guidance for derecognition of financial assets and financial liabilities

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.

32. SUPPLEMENTARY INFORMATION

As per Note 2 (e), change in accounting period, the consolidated and separate financial statements for the nine-month period ended 30 September 2016 have been firstly prepared and presented for the period from 1 January 2016 to 30 September 2016, in accordance with the required format of the financial statements presentation.

For the benefit of the users in comparing and analysing the financial information, the Group and the Company have prepared the supplementary information in the form of the unaudited consolidated and separate statements of comprehensive income and cash flows and segment information for the year ended 30 September 2016, as details below:

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

Statements of comprehensive income	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016 (Unaudited)	2017	2016 (Unaudited)
Income				
Revenue from sale of goods	13,370,759	13,485,650	4,793,825	5,101,582
Revenue from rendering of services	180,049	150,737	-	-
Dividend income from subsidiaries	-	-	722,558	587,999
Interest income	5,293	4,110	59,311	87,287
Other income	120,990	126,429	57,427	63,357
Total income	13,677,091	13,766,926	5,633,121	5,840,225
Expenses				
Cost of sale of goods	8,264,626	8,552,548	2,709,467	2,966,578
Cost of rendering of services	122,843	136,629	-	-
Selling expenses	1,649,906	1,663,474	661,434	615,299
Administrative expenses	2,094,929	2,165,660	1,356,130	1,530,532
Finance costs	53,674	86,248	47,765	73,395
Total expenses	12,185,978	12,604,559	4,774,796	5,185,804
Profit before income tax expense	1,491,113	1,162,367	858,325	654,421
Income tax expense	(47,913)	(39,201)	(22,804)	(8,275)
Profit for the year	1,443,200	1,123,166	835,521	646,146
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Revaluation of land	-	159,845	-	-
Defined employee benefit plan actuarial gains (losses)	(3,093)	24,978	(1,189)	16,692
Income tax on other comprehensive income	963	(35,671)	237	(3,335)
	(2,130)	149,152	(952)	13,357

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

Statements of comprehensive income	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016 (Unaudited)	2017	2016 (Unaudited)
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences for foreign operations	(151)	(48)	-	-
Other comprehensive income for the year, net of income tax	(2,281)	149,104	(952)	13,357
Total comprehensive income for the year	1,440,919	1,272,270	834,569	659,503
Profit attributable to:				
Owners of the Company	1,451,693	1,132,267	835,521	646,146
Non-controlling interests	(8,493)	(9,101)	-	-
Profit for the year	1,443,200	1,123,166	835,521	646,146
Total comprehensive income attributable to:				
Owners of the Company	1,449,745	1,281,165	834,569	659,503
Non-controlling interests	(8,826)	(8,895)	-	-
Total comprehensive income for the year	1,440,919	1,272,270	834,569	659,503
Basic earnings per share (in Baht)	7.74	6.04	4.46	3.45

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

Statements of cash flows	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016 (Unaudited)	2017	2016 (Unaudited)
<i>Cash flows from operating activities</i>				
Profit for the year	1,443,200	1,123,166	835,521	646,146
Adjustments for				
Depreciation and amortisation	1,016,850	1,020,166	254,591	320,895
Write-off of obsolete and deteriorated inventories	6,465	36,801	-	2,303
Loss on investment impairment in subsidiary	-	-	14,827	-
Interest income	(5,293)	(4,110)	(59,311)	(87,287)
Dividend income from subsidiaries	-	-	(722,558)	(587,999)
Finance costs	53,674	86,248	47,765	73,395
Unrealised (gain) loss on exchange	545	(12,364)	84	109
Loss on disposal of and write-off of plant and equipment	21,829	3,324	14,718	3,134
Loss on disposal of and write-off of intangible assets	39	23	34	-
Reversal of income tax payable	-	532	-	-
Defined employee benefit expenses	10,345	10,754	7,064	7,479
Income tax expense	47,913	39,201	22,804	8,275
	<u>2,595,567</u>	<u>2,303,741</u>	<u>415,539</u>	<u>386,450</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(285,057)	(2,603)	4,036	(114,868)
Other receivables	53,939	(34,473)	(24,909)	(2,963)
Inventories	164,765	(97,156)	4,312	(259)
Other current assets	(6,232)	(38,397)	620	(287)
Other non-current assets	(3,902)	(6,288)	5,389	1,602
Trade accounts payable	6,690	14,183	11,442	36,150
Other payables	(122,994)	239,761	(16,645)	5,637
Other current liabilities	(3,518)	(1,289)	(3,354)	4,711
Other non-current liabilities	(86)	(1,223)	-	-
Cash generated from operating activities	<u>2,399,172</u>	<u>2,376,256</u>	<u>396,430</u>	<u>316,173</u>

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

Statements of cash flows	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016 (Unaudited)	2017	2016 (Unaudited)
Transfer in of employee benefit obligations	1	941	654	1,960
Transfer out of employee benefit obligations	(2,429)	(1,147)	(2,873)	(6,393)
Employee benefit paid	(5,394)	(1,036)	(5,255)	(796)
Advance income tax received	17,047	379	13,596	-
Income tax paid	(19,776)	(15,928)	(6,315)	(3,120)
Net cash from operating activities	2,388,621	2,359,465	396,237	307,824
<i>Cash flows from investing activities</i>				
Interest received	4,884	2,397	58,136	88,937
Dividends received	-	-	302,559	587,999
Increase in short-term loans to subsidiaries	-	-	(4,292,489)	(7,413,092)
Repayment of short-term loan to subsidiary	-	-	4,962,489	7,565,592
Net cash outflow on investment in a subsidiary	-	-	(28,000)	(10,334)
Redemption of investments in government bond	3,660	-	-	-
Purchase of plant and equipment	(512,330)	(975,974)	(95,375)	(49,563)
Sale of plant and equipment	7,853	3,091	7,694	2,815
Purchase of intangible assets	(3,992)	(21,802)	(2,364)	(6,567)
Sale of intangible assets	2	21	146	57
Net cash from (used in) investing activities	(499,923)	(992,267)	912,796	765,844

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in thousand Baht)

Statements of cash flows	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016 (Unaudited)	2017	2016 (Unaudited)
<i>Cash flows from financing activities</i>				
Interest paid	(53,704)	(76,526)	(47,767)	(66,592)
Dividends paid to owners of the Company	(468,750)	(478,125)	(468,750)	(478,125)
Proceeds from capital increase in non-controlling interests in a subsidiary	9,467	-	-	-
Proceeds from short-term loans from financial institutions	280,000	2,583,000	-	-
Repayment of short-term loans from financial institutions	(280,000)	(2,830,000)	-	-
Repayment of short-term loans from subsidiaries	-	-	(51,000)	-
Repayment of long-term loan from financial institutions	(500,000)	(1,000,000)	-	(1,000,000)
Proceeds from issuance of debentures	-	2,000,000	-	2,000,000
Repayment of debentures	-	(1,000,000)	-	(1,000,000)
Finance lease payments	(22,696)	(21,592)	-	-
Net cash used in financing activities	(1,035,683)	(823,243)	(567,517)	(544,717)
Net increase in cash and cash equivalents	853,015	543,955	741,516	528,951
Cash and cash equivalents at 1 October	593,643	49,735	545,273	16,322
Effect of exchange rate changes on balances held in foreign currencies	(152)	(47)	-	-
Cash and cash equivalents at 30 September	1,446,506	593,643	1,286,789	545,273
<i>Non-cash transactions</i>				
Payables for acquisition of assets	135,103	92,805	9,999	17,175

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Information about reportable segments

(in million Baht)

For the year ended 30 September	FOOD SEGMENT		BEVERAGE SEGMENT		TOTAL	
	2017	2016 (Unaudited)	2017	2016 (Unaudited)	2017	2016 (Unaudited)
Revenue from sale of goods						
– Other parties	6,419	6,542	840	663	7,259	7,205
– Related parties	78	10	6,034	6,271	6,112	6,281
Revenue from rendering of services						
– Other parties	–	–	132	103	132	103
– Related parties	–	–	48	48	48	48
Interest income	4	3	1	1	5	4
Other income	29	29	92	97	121	126
Total income	6,530	6,584	7,147	7,183	13,677	13,767
Cost of sale of goods	3,564	3,777	4,701	4,776	8,265	8,553
Cost of rendering of services	–	–	123	137	123	137
Selling expenses	841	776	809	887	1,650	1,663
Administrative expenses	1,862	1,887	233	279	2,095	2,166
Finance costs	–	–	53	86	53	86
Total expenses	6,267	6,440	5,919	6,165	12,186	12,605

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(in million Baht)

For the year ended 30 September	FOOD SEGMENT		BEVERAGE SEGMENT		TOTAL	
	2017	2016 (Unaudited)	2017	2016 (Unaudited)	2017	2016 (Unaudited)
Profit before income tax						
expense	263	144	1,228	1,018	1,491	1,162
Income tax (expense) benefit	(53)	(25)	5	(14)	(48)	(39)
Profit for the year	<u>210</u>	<u>119</u>	<u>1,233</u>	<u>1,004</u>	<u>1,443</u>	<u>1,123</u>
Profit attributable to:						
Owners of the Company	219	128	1,233	1,004	1,452	1,132
Non-controlling interests	(9)	(9)	-	-	(9)	(9)
Profit for the year	<u>210</u>	<u>119</u>	<u>1,233</u>	<u>1,004</u>	<u>1,443</u>	<u>1,123</u>
Capital expenditure	205	284	356	665	561	949
Depreciation and amortisation	473	518	544	502	1,017	1,020

GRI 4 Index

No.	General Standard Disclosures	Reference page/ Explanations	Remarks
G4-1	Statement from the President	Please refer to "Message from the President and CEO".	
G4-3	Name of the organization	Oishi Group Public Company Limited	
G4-4	Primary brands, products and services	Please refer to "Oishi Products".	Page 32-33
G4-5	Location of the organization's headquarters.	Unit B3601 36 th Floor, CW TOWER, 90 Ratchadaphisek Rd., Huai Khwang, Bangkok 10310, Thailand	
G4-6	Number of countries where the organization operates and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Please refer to "Notes to Financial Statements".	
G4-7	Nature of ownership and legal form	The Company is a public company limited and is listed on the Stock Exchange of Thailand (SET) main board. Please refer to "Shareholders" and "Shareholder List".	
G4-8	Markets served	Please refer to "Overall Business Operations of the Company and its Subsidiaries".	
G4-9	Scale of the organization	Please refer to "Oishi Group Structure".	
G4-10	Breakdown of workforce	Please refer to "Human Capital and Human Resources Development Policy" and "Corporate Governance Report".	
G4-11	Percentage of total employees covered by collective bargaining agreements	Please refer to "Human Capital and Human Resources Development Policy".	
G4-12	Describe the organization's supply chain.	Please refer to "Product and service procurement" and "Corporate Social Responsibility Report".	
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership or its supply chain	Please refer to "Business Assets", "Management Structure", "Corporate Governance Report" and "Corporate Social Responsibility Report".	
G4-14	Addressing the precautionary approach or principle	Please refer to "Risk Factors", "Corporate Governance Report" and "Corporate Social Responsibility Report".	
G4-15	External charters, principles or initiatives endorsed	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility Report".	
G4-16	Membership of associations and advocacy organizations	The Company is a member of various organizations such as the Thai Chamber of Commerce and the Federation of Thai Industries.	
G4-17	Report coverage of entities included in the consolidated financial statements.	Please refer to "Financial Statements".	
G4-18	Process for defining the report content and the aspect boundaries	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility Report".	
G4-19	Material aspects identified	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility Report".	
G4-20	For each material aspect, report the aspect boundary within the organization	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility Report".	
G4-21	For each material aspect, report the aspect boundary outside the organization	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility Report".	
G4-22	The effect of any restatements of information provided in previous reports	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility Report".	
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility Report".	
G4-24	List of stakeholder groups engaged by the organization	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility Report".	
G4-25	Basis for identification and selection of stakeholders	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility Report".	
G4-26	Approaches to stakeholder engagement	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility Report".	
G4-27	Key topics and concerns raised	Please refer to "Corporate Governance Report".	
G4-28	Reporting period	October 1, 2016 to September 30, 2017	
G4-29	Date of most recent previous report	January 1, 2016 to September 30, 2016	The Company has changed the fiscal year from January 1 and ending on December 31 of every year to October 1 and ending on September 30 of every year, effective from 2016 onwards.
G4-30	Reporting cycle	Annual Report	
G4-31	Contact point for questions	Please refer to "General Information".	
G4-32	In accordance' option, the GRI context index and external assurance	Annual Report	
G4-33	Policy and current practice regarding external assurance	For this report, the Company has not yet sought to obtain external assurance for the report.	
G4-34	Governance structure of the organization	Please refer to "Board of Directors and the Executives" and "Management Structure".	
G4-56	Values, principles, standards and norms of behaviour such as codes of conduct and code of ethic	Please refer to "Corporate Governance Report".	



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