ANNUAL REPORT 2018

OISHI's CYCLE

OISHI GROUP PUBLIC COMPANY LIMITED

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G·R·O·U·P
PUBLIC COMPANY LIMITED

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RELENTLESS IMPROVEMENT, RELENTLESS CREATIVITY

OISHI's cycle of happiness begins with delicacies crafted from creative Japanese cuisine and beverages—the fruits of our constant scrutiny to satisfy consumers' desire for continuous improvement.

Though top-rated in the market, not only are we competing against ourselves, but we're also striving to break records. For we yearn to become a wider brand of choice, reach out to new target groups, and contribute to a sustainable society of quality.

2014

The Most Powerful Brand of Thailand 2014

Thailand's Most Admired Brand 2014

Adman Award & Symposium 2014

2015

Superbrands Thailand Awards 2015

Thailand's Most Admired Brand 2015

Thai Pack Awards 2015

2016

Thailand Kaizen Award 2016

Thailand's Most Admired Brand 2016

The Most Powerful Brand of Thailand 2016

2017

Thai Pack Awards 2017

FDA Quality Award 2017

Superbrands Thailand Awards 2017

Thailand's Most Admired Brand 2017

2017

ISO 9001:2015

GMP (Good Manufacturing Practice)

HACCP (Hazard Analysis Critical Control Point)

2018

Zero Accident Award 2018

The Most Powerful Brand of Thailand 2018

FDA Quality Award 2018

Thailand's Most Social Power Brand 2018

Thailand Top Company Awards 2018

Thailand's Most Admired Brand 2018

THE MORE BEST EFFORTS DELIVERED, THE GREATER THEIR VALUES

Whether tea leaves, rice seeds, vegetables, fish, or other items under the OISHI brand, our ultimate attention to quality is readily seen on the hands of farmers, keepers, store officers, transporters, cooks, to waiters and waitresses. This has led to numerous, diverse public accolades for branding, production, marketing, creativity, safety, environment, and socio-economic values—eventually culminating in "paybacks" to our staunch consumers.

MESSAGE FROM THE CHAIRMAN

In 2018, the Company continued to commit on operating business for sustainable growths despite many challenges during the year including stagnant economic conditions which reflected by relatively slowdown consumers' spending and purchasing power, high household debt level and lastly, the first ever declaration of excise tax imposition on RTD tea products which directly impact growth of domestic RTD tea industry. Nevertheless, with strong dedications and commitments in operating and managing the business by our management team and employees as well as the execution of our strategic roadmap "Vision 2020", a strategic plan of the Group which has been continuously implemented since 2014 by the Company in order to become a strong and sustainable leading F&B company in ASEAN region with 5 core strategies per follow;

1. Growth which is driving sustainable growth in revenue and profitability in food and beverage business
2. Diversity which involves creating varieties of product portfolios, segments and price points while leveraging from professional team with diverse experiences, knowledge and expertise within the Group
3. Brands which engages in building 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 creations
4. Reach which focuses in expanding and initiating distribution coverage to access new consumers in various segments both domestic and international
5. Professionalism which comprises developing and maintaining professional team as well as providing working infrastructure to realize full potentials of the professionals

The execution of the above strategies has improved the Company's adaptability and readiness to withstand fast changing economic and business environments while enabling the company to continue operating business as planned with synergized value creations within the Group resulting in satisfactory operating performances. In 2018, the Company's normalized net profit was 1,059 million Baht, decreased from the previous year which had normalized net profit of 1,443 million Baht. Regarding sales, the Company's total sales was 12,596 million Baht with normalized net profit margin of 8.4% of total sales revenue, decreasing from 10.6% of total sales in previous year. This is mainly due to the declaration of excise tax law and the decrease in RTD tea market size. However, with continuously strong financial position and well-known brand which reflects into leading market position and robust financial capability to serve future business expansions, the Company was able to receive affirmed rating at A+ based on considerations by TRIS Rating in October 2018.

The Company continues to build brands in order to strengthen market leading position by executing innovative marketing campaigns and creating brand awareness through several channels including on-line and social media channels which can effectively engage targeted customers group especially young generations as proven by "Thailand Most Social Powerful Brand Award 2018" received from BrandAge magazine for RTD tea category. The measurements were conducted across 4 social media platforms including Facebook, Instagram, Twitter and Youtube. The Company also continues to develop new product innovations including "Oishi Green Tea Yuzu Orange Flavor" with coconut jelly, which received very good feedbacks from young generation consumers. Success from continuous focuses on brands building and researches & developments of new

products has resulted in highest market share of the Company in RTD tea market and Pure RTD green tea market with market share of 45.4% and 47.0% respectively and resulted in the receipt of "Super brands Thailand 2017" for the third consecutive years. 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 2018" for the fourth consecutive years from Faculty of Commerce and Accountancy, Chulalongkorn University. The two awards have proved us as consumers' top of mind brand with continuous development of innovative products to match evolving consumer trends and varieties of consumer needs.

Although the declaration of new excise tax law may have resulted in short-term slowdown in domestic RTD tea industry, the Company continues to successfully executed expansion strategy in overseas market. Currently, Oishi green tea is considered one of the leading RTD tea products with continuous growing sales in Kingdom of Cambodia and Lao People's Democratic Republic and Malaysia. In this year, strategic focus has been placed on market expansion in Republic of the Union of Myanmar as well. The Company's green tea products are also distributed in other 25 countries around the world. With strong brand equity, there are great potentials for further international market expansion.

In accordance with "Vision 2020" with 5 core strategies, the Company is able to create sustainable growths for the best benefits of all stakeholders including employees and communities where the Company resides as can be seen by the implementation of environmental friendly policies which resulted in the receipt of Certificate from Thailand Greenhouse Gas Management Organization as a beverage producer who helps reduce greenhouse gas emissions. Moreover, the Company involves in building and improving surrounding communities for sustainable growths as well as placing focuses in enhancing quality of products and services to strengthen long term business competitive advantage with great emphasis on consumers' health and safety as proven by Food Safety Award received from the Ministry of Public Health in 2018.

Regarding corporate social responsibilities, the Company is committed to conduct business based on the foundation of governance, social and environmental responsibilities by implementation of strategies and CSR activities throughout all business processes. For example, improvement of production process to reduce environmental impacts and clean drinking water project which the Company initiated this year to improve drinking water utilities in communities around factory areas in order to create value and positive impacts to ensure that business, communities and environments can grow sustainably together. Details regarding these activities have been fully disclosed 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 strongly determined and dedicated to sustainably grow food and beverage business while maintaining market leading position in both Japanese food and green tea beverage businesses as strategic part of Thai Beverage Group. Please be assured and put your kind trusts and supports to the Company's managements for the long lasting prosperity of the Company and shareholders.

-Signature-
Mr. Prasit Kovilaikool
Chairman

MESSAGE FROM THE PRESIDENT AND CEO

Although the overall economy in 2018 remained sluggish, Oishi continued to maintain strong leadership in food and Japanese-styled drinking businesses. Our innovation and ability to deliver customer satisfaction experiences with a primary emphasis on quality, differentiation, and services have made it possible for us to continue to grow the business.

In food business, Oishi continued to grow on a continuing basis evidenced by the introduction of new brands and the success of existing brands. They're both local and international brands that have added an increased variety into our product portfolio. The dynamics of consumer preferences are changing rapidly toward product quality, speedy service, modernity, and health consciousness. As such, this new trend presents Oishi, a market leader in the Japanese food category, a new challenge to accommodate the market dynamics in order to achieve continuous business growth. Over the past couple of years, we have instituted changes in all relevant areas—including branch expansion, the introduction of new and unique products, and utilization of digital devices. The idea is to extensively reach out to our customers, provide them with value-added and healthy products, and respond to their new lifestyle quickly. We're determined to make use of our potential and production capability to roll out packed food products whose growth prospects appear promising and answer the needs for speed and convenience of contemporary consumers.

As for beverage business in 2018, the ready-to-drink green tea market was adversely affected by the increased excise tax resulting in higher selling price and declining sales volume. To keep our ready-to-drink green tea market leadership, we took several corrective actions such as packaging resizing, pricing adjustment, distribution channel modification, and new product introduction. Our purpose was to activate market dynamics and expand the customer base. To date, we continue to be the market leader in the ready-to-drink green tea business where our market share is 45.4% [source: The Nielsen Company (Thailand) Limited]. We'll continue to explore new business opportunities, especially overseas markets where Oishi has enjoyed impressive growth during the past couple of years.

As for people side of organization, we're committed to the organization and human resources development on a continuing basis. Our goals are to create cohesive teamwork, ethical workforce, and keep our organization structure and HR management current and responsive to the changing work environment. The idea is to accommodate and support our anticipated growth. According to the Corporate Governance Report of Thai Listed Companies 2018, Oishi stepped up from "Very Good" level to "Excellent" level. Tris Rating Co., Ltd., the first credit rating agency in Thailand, maintained the A+ credit rating for Oishi for the third consecutive year owing to its strong operating results and quality product portfolio. Also,

Oishi received numerous awards in 2018 relating to our brands and social contribution. Among the awards were "Superbrands Thailand Award" as a successful food and beverage brand and number one consumer choice, "The Most Powerful Brands of Thailand Award 2018" in the ready-to-drink green tea category from the Faculty of Commerce and Accounting, Chulalongkorn University. Equally important was "The Food Safety Connect Award" as an Oishi's Japanese food business group whose branches across the country is accredited for food safety by the Ministry of Public Health. Furthermore, Oishi received a Certificate of Carbon Footprint Reduction Level as an active partner in the global warming reduction endeavors from the Ministry of Natural Resources and Environment.

Lastly, the Oishi commitment to **sustainable development** is firm. We have engaged in activities that we believe will contribute to the cause of sustainable development in collaboration with internal and external organizations. Our production process is environment-friendly and power-conservation conscious. As a socially responsible corporate citizen, we are making use of our potential and food and drink production capability for the benefits of society. For example, "Project Clean Drinking Water" gives Oishi an opportunity to transfer know-how of production and maintenance to the communities around our manufacturing facilities. This partnership between the communities and Oishi makes it possible to establish good relations and create sustainable development for all. Two other on-going community-related projects are "Giving" and "Im Jung." The idea is to extend special assistance to the underprivileged group of people and support their need for education.

Our quest for business success has been made possible through the strong support from all stakeholders. I am thankful to the Board of Directors, Executive Committee, Managements, and staff at all levels. I am grateful for the support of shareholders, business partners, and valued customers. I am mindful of the support from all entities in both the public and private sectors. And I appreciate your giving the confidence in Oishi throughout the years.

On behalf of our staff, I am committed to driving our company forward and upward based on good corporate governance and work ethic, and growing our business while keeping sustainable development within sight. Thailand is our future, and we intend to make our country a prosperous one.

-Signature-
Mrs. Nongnuch Buranasetkul
President and CEO

BOUNDLESS SOCIAL NETWORKS OF DIGITAL SOCIETY

To OISHI, evolving digital-age communication enables people to communicate more easily and speedily. Engaging in more dialogues with one another, they share more and more good things 24/7. Shrinking, therefore, are communities of strangers and those remotely located. Keeping pace with technology, OISHI is turning obstacles into opportunities. And in the process, we're fully committed to delivering only our best and our best wishes.

GENERAL INFORMATION

The Company Name:
Oishi Group Public Company Limited (the "Company")

Business Type:
Japanese restaurants and Green Tea beverage under the brands, "Oishi"

Company Registration Number:
0107547000150

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

Factory Location:
Navanakorn Industrial Estate plant
60/68 and 60/1120 Moo 19, Klong Neung, Klong Luang, Pathumthani, Thailand, 12120
Amata Nakorn Industrial Estate Plant
700/635 Moo 3 , BanKao, PanThong, Chonburi, 20160, Thailand
Wang Muang plant
333 Moo 1, Salaeng Phan, Wang Muang, Sara Buri, 18220, Thailand
Ban Bueng plant
283/2 Moo 3, Nong Chak, Ban Bueng, Chonburi, 20170, 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

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, Thailand
Tel. (02) 677-2000

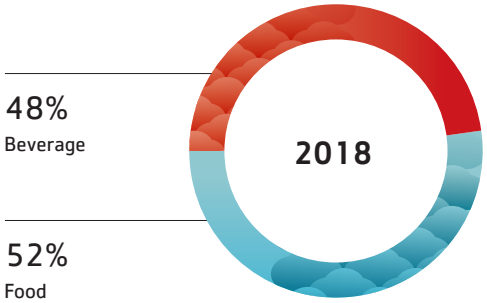
Legal Consultant:
Weerawong, Chinnavat & Partners Company Limited
No. 540 Mercury Tower, 22nd Floor, Ploenchit Road, Lumpini,
Pathumwan, Bangkok 10330, Thailand
Tel. (02) 264-8000

Mr. Mahin Kraivixien
Thai Beverage Public Company Limited
No. 14 Vibhavadi-Rungsit Road, Chompol,
Chatuchak, Bangkok 10900, Thailand
Tel. (02) 785-5251

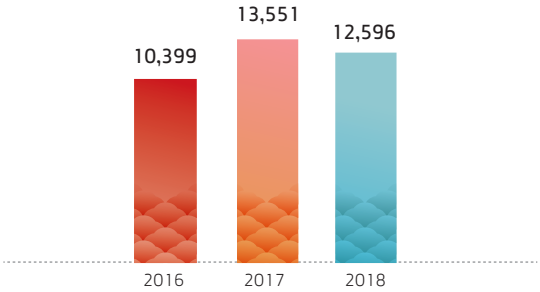
Investor Relations:
Miss Karnjaporn Kittiampanont
Unit B3601 36th Floor, CW TOWER,
90 Ratchadaphisek Rd., Huai Khwang, Bangkok 10310, Thailand
Tel. (02) 768-8888
E-mail : investorrelations@oishigroup.com

FINANCIAL HIGHLIGHTS

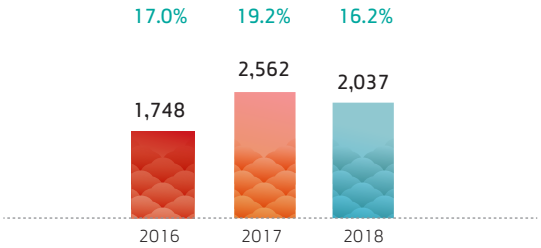
Proportion of Sales and Services Revenue by Business Unit



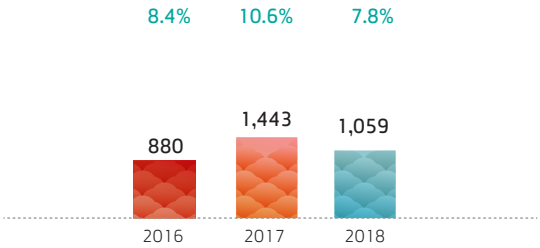
Sales and Services Revenue (Baht Million)



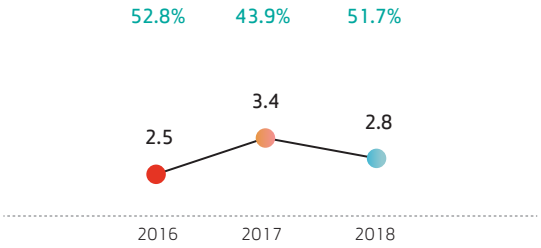
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) (Baht Million) and Margin



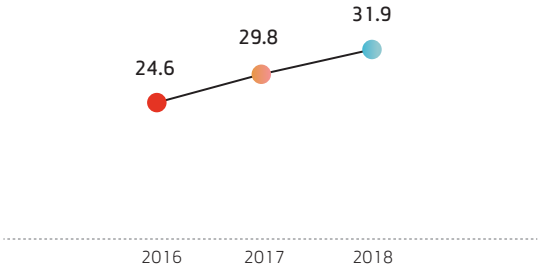
Normalized Net Profit (Baht Million) and Margin



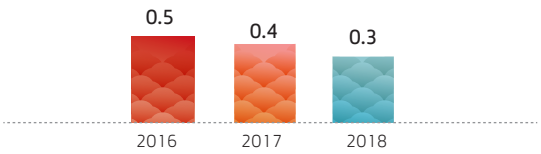
Dividend (Baht/Share) and Dividend Payout Ratio



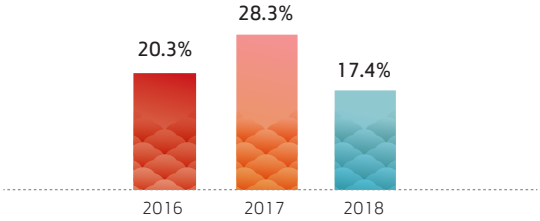
Book Value (Baht/Share)



Interest-Bearning Debt to Equities Ratio (times)



Return on Equities (%)



Summary of Financial Status, Company's Performance and Key Financial Ratios

Unit : Baht'000

	Consolidated		
	2016 As of Sep 30, 2016	2017 As of Sep 30, 2017	2018 As of Sep 30, 2018
Summary of Financial Status and Company's Performance			
Total assets	9,278,079	9,706,825	9,680,224
Total liabilities	4,669,136	4,116,247	3,689,763
Interest-bearing debt	2,535,665	2,012,969	1,700,700
Total equities	4,608,943	5,590,579	5,990,461
Sales and services revenue	10,399,106	13,550,808	12,596,111
Total revenue	10,508,425	13,677,091	13,580,486
EBITDA	1,747,556	2,561,637	2,036,845
Net profit	880,257	1,443,200	1,008,175
Net profit attributable to equity owners of the company	887,214	1,451,693	1,015,256
Normalized net profit	880,257	1,443,200	1,059,145
Financial Ratios			
Gross margin (%)	36.8%	38.2%	35.6%
EBITDA margin (%)	17.0%	19.2%	16.2%
Net profit margin (%)	8.4%	10.6%	7.4%
Normalized net profit margin (%)	8.4%	10.6%	7.8%
Return on equity (%)	20.3%	28.3%	17.4%
Return on total assets (%)	9.6%	15.2%	10.4%
Interest-bearing debt to equities (times)	0.5	0.4	0.3
Basic earnings per share (Baht)	4.7	7.7	5.4
Book value per share (Baht)	24.6	29.8	31.9
Dividend per share (Baht)	2.5	3.4	2.8

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 Koompirochana

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

Education

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

Ms. Potjanee 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 Sustainability and Risk Management Committee and Good Corporate Governance Committee Member

Education

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

Mr. Ueychai Tantha-Obhas

Director and
1st Vice Chairman of the Executive Committee

Education

- *B. Sc Accounting, St. Louis University, 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. (Leaderdhip Management), Kasetsart University*

Mrs. Nongnuch Buranasetkul

Director, President & CEO, Executive Committee Member, Sustainability and 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 Vice Chairman of Sustainability and Risk Management Committee

Education

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

THE EXECUTIVES

Mr. Paisarn Aowsathaporn

Executive Vice President, Executive Committee Member and Sustainability 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.*
- *Senior Executive Development Program (SEDP), National University of Singapore*

Mrs. Jesdakorn Ghosh

Senior Vice President and Sustainability 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*

Ms. Mekhala Nethipo[1]

Senior Vice President and Sustainability and Risk Management Committee Member

Education

- *BA Communication Arts, Chulalongkorn University*
- *MBA., Sasin Graduate Institute of Business Administration of Chulalongkorn University*

THE EXECUTIVES

Mr. Thanee Pornphisutsak

Vice President and Sustainability and Risk Management Committee Member

Education

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

Mr. Kritsada Wattanapakin(2)

Vice President and Sustainability and Risk Management Committee Member

Education

- *Bachelor's degree in Accounting Kasetsart University*
- *Master's degree in Business Administration (MBA) Thammasat University*

Remarks

(1) Ms. Mekhla Netipo was appointed to the Senior Vice President effective on August 10, 2018

(2) Mr. Kritsada Wattanapakin was appointed to the Vice President effective on August 10, 2018

COMPANY SECRETARY AND HEAD OF INTERNAL AUDIT DEPARTMENT[1]

Ms. Janthana Ratanaamornchai

Company Secretary and Secretary of the Good Corporate Governance Committee

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)*
- *Anti-Corruption:The Practical Guide (ACPG)*
  Thai Institute of Directors Association (IOD)
- *Fundamentals for Corporate Secretaries*
  Thai Listed Companues Association

Ms. Chanatnuth Wongwan

Internal Audit Director,
Secretary of the Audit Committee,
Sustainability and Risk Management Committee Member and Secretary of the Sustainability and 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 Institutute of Directors (IOD)
- *Risk Management Certificate Program*
  Chulalongkorn University

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

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 in alignment with the change in economics and other circumstances. These are enclosed in the Company's website, www.oishigroup.com, as per details below.

VISION

To be the leader and innovator of the Japanese food and beverage business for the quality of life and wellness for consumers and create of 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 considered all stakeholders' 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 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 has been 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. Moreover, the Company has also focused on brand strengthening as 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 consumer with a state-of-art, fun and widely recognized brand.

6.1.2 Growth strategy (Growth)

The Company focuses on the driving growth in revenues and operating performance of both food and beverage business including the development of innovations and sales promotions which match the consumer needs. For the beverage business, the Company focuses to maintain leading market position in Ready-To-Drink tea market in Thailand with highest market share while continuing to grow in the overseas markets, particularly in ASEAN region. For food market, the Company in planning to open 19 more stores in 2019.

6.1.3 Diversity strategy (Diversity)

The Company responds to consumer's needs by offering variety of products in alignment with the demands of all consumer groups. Furthermore, the Company is determined to expand the food and beverage business overseas in order to diversify revenue and tap into high potential markets domestically and internationally 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 experienced distributors together with the Company's marketing team are chosen to implement marketing strategy. This results in wide distribution coverage of our products to consumers. As for food business, the Company also implements strategy to expand new branches around Bangkok and other provinces continuously.

6.1.5 Professionalism builds up strategy (Professionalism)

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

6.1.6 Customer analysis strategy and continuous marketing strategy

The target customers of Oishi products ranges all ages and genders who are health conscious and have modern lifestyle, they have preference in healthy foods and beverages. Japanese foods and beverages can directly satisfy the needs of this group. In the past, the Company has continuously implemented marketing and PR strategy of Oishi products among these customers through many different media, including TV radio and handouts. Currently the Company focuses on digital online and alternative media as well as the customers' feedback to improve products and services in order to maintain its standard.

6.1.7 Efficient cost management strategy

The Company focuses on the raw material cost management and levering its bargaining power against distributors in order to maintain production costs and business performances. Additionally, with efficient production management system and delivery through the central kitchen which is food production unit, the Company is able to manage purchase and production cost efficiently resulting in more savings in quantity.

6.2 MARKETING STRATEGIES FOR FOOD BUSINESS

6.2.1 Marketing strategies for restaurant business

6.2.1.1 Quality and value of products and services

The Company has been devoted to providing fresh, safe and quality food for its consumers in order to deliver maximum satisfaction evidently in the company's buffet style restaurant where various kinds of food with unlimited amount are served at a reasonable price, plus with a-la-carte style which also considerably entertains consumer's request.

6.2.1.2 A wide range of products and services

The Company has divided the customers into 3 main groups based on characteristic of food, service and trademark as follows:

1. Oishi Grand, Oishi Eaterium, Oishi Buffet and Nikuya focus on target groups ranging from middle to high income.
2. Shabushi focuses on middle income groups.
3. Oishi Ramen and Kakashi focused on young working teenagers and those who prefer quick and easy meal.
4. Oishi delivery, which presently continues to grow its popularity and considered as a quick and easy channel to enjoy meal at home. Orders can be placed through call center 1773 or online order through www.oishidelivery.com.

6.2.1.3 Food Presentation & New Menu Strategy

Various strategic food presentations are one of the key elements to attract customers and encourage those whose preference of food is not specific. Such strategy not only provides satisfaction to customers, but also help controlling raw materials cost. Moreover, the menu of Oishi restaurants will be changed every 3 months, however, is subject to suitability, availability of all related functions and demand of customers.

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 major department stores as to enable to provide 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 increase the sales volume in response to the demands and good impression of the consumers. The Company has effectively done marketing and market communication activities through various channels to match the target group. The food business has to adapt to the need of customers, especially new generation whose lifestyle changes rapidly. It is challenging for the Company to keep up with the trends of the customers effectively.

6.2.1.6 Pricing Strategy

The Company has variety food products, services and brands which can effectively respond to the needs of consumers with purchasing power such as teenagers, students, working, family and health conscious group.

6.2.1.7 Strategy of home delivery services

In June 2018 Oishi delivery launched online delivery service through www.oishidelivery.com so as to expand channel of food delivery apart from Call center 1773. This is to support modern consumers, especially the millennials Generation or Gen Y whose lifestyle is busy, thus, in more need of quick and convenient service. This service also plays a part in the Company expansion with regard to business growth and sales of Oishi delivery in overall.

6.2.2 Marketing strategy for Ready to Cook and Ready to Rat business

6.2.2.1 Quality and value for money of the products

The Company has put importance on the selection of products and packaging in order to employ the best quality, clean and safe measures on the Ready to Cook and Ready to Eat products. With the consistency in product development and quality control, the consumers, therefore, are able to truly count on the products.

6.2.2.2 Variety of products and services

Apart from the quality and value of the products, the Company has also launched variety of products and initiated research and development plan of the new products. At the moment, the 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, BBQ sauce and teriyaki sauce etc.

The main target group of products under this segment is metropolitans with dynamic lifestyle such as working people and student. The distribution will be carried out through convenience stores.

2. Frozen ready to eat products
   - 2.1 Frozen in between meal and snack products such as gyoza, takoyaki, crab stick, tamagoyaki, chukka wakame and kimchi
   - 2.2 Frozen ready to eat meals such as variety of Ramen
   - 2.3 Frozen ready to cook such as salmon and saba

The main target group of the above products is those who have limited time for cooking, such as working group, housewife. The main distribution channels are supermarket and hypermarkets.

6.2.2.3 Development of product strategy

The Company uses the research conducted on consumer's behavior of the target group as a guideline for developing products, tastes and variety of products. Taken into consideration that the needs of consumers change constantly, the Company needs to develop variety of products, tastes, labeling and packaging in the dynamic ways in order to respond to the consumer's needs.

6.2.2.4 Expansion of distribution channel strategy

Apart from the current distribution channels such as convenient stores, supermarkets, hypermarkets, the Company has also expanded a new channel which is Food service taken care of by a sales team especially in hotel and airline industry.

As far as overseas market is concerned, apart from exporting to the Southeast Asia which is existing markets, the Company has now expanded its export to European countries and other countries such as Canada and Australia, this results in a continuous growth of the Company.

The Company has also planned to develop and expand the distribution channels into convenient store and supermarket in other provinces in order to generate more customer base.

6.2.2.5 Promotion and Media Strategy

The Company has continuously organized marketing online and offline activities as a means to promote brand recognition and increase the sales growth.

6.3 MARKETING STRATEGY FOR THE BEVERAGE BUSINESS

6.3.1 Products quality and services

Green tea production focuses on the production quality from the cleanliness and the hygienic water filtered by reverse osmosis (RO), selection of high-quality tea leaves and fructose syrup in the product for the best of quality. The Company also places the importance on customer care service and post-sales service for the sake of customers' benefit.

6.3.2 Variety of products

Oishi group has variety of products suiting the difference of consumer's needs. The Company continues to create new flavors and unique packaging design for customer's choices and suitable for target customers. In 2019, the Company still focuses on new product innovation as to enhance new experience for consumers while maintaining the originality of the flavor, however, standing out among other Ready to Drink tea in the market.

6.3.3 Price strategy to expand customer base

Oishi group continues to focus on product development and innovation varying in size and price such as 250ml. 350ml. 380ml. 500 ml and 800ml. in order to continuously expand a new consumer base in response to consumer's purchasing power.

6.3.4 Distribution channel strategy

To effectively reach the target customers, Oishi group aims to distribute through various channels such as 1) Through main distributors; Thai Beverage PCL. and Serm Suk PCL., 2) All restaurants under Oishi group 3) Export to overseas. This is to combine all resources in the group of Company for the best of Company's benefits.

6.3.5 Promotion and Media strategy

The Company has advertised its products under the Company plan and marketing strategy to promote their sales growth. Apart from the usual media, TV, radio and out of home media i.e. signboard, billboard, bus, sky train as well as various media in schools, universities and theaters, newspaper and magazines. The Company also focuses on online digital communication as to extensively reach to more consumers, including sales promotion all year round with the Company's trade partners.

6.4 INDUSTRY AND COMPETITION

6.4.1 Market condition on food business

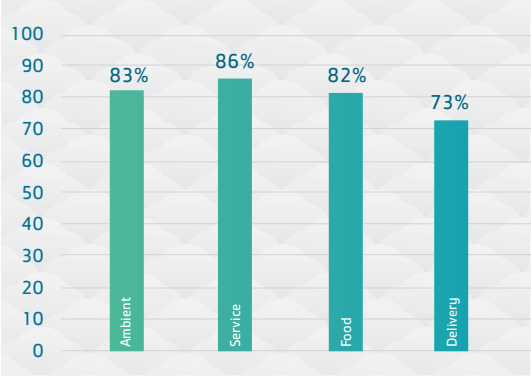
Restaurant business

Currently, Japanese restaurants continue to grow constantly at a rapid pace leading to an intense competition. Oishi group aims to provide varieties for consumers and constantly launches new products for the customers, yet, maintain to be the leader in a highly competitive Japanese restaurants business.

With consideration in customer's feedback, which is most valuable to the Company, in order to improve the services allowing the Company to keep with the competition and the change of social world. In April 2018, Oishi group launched Customer Voice Receipt which is a platform for comments, suggestions and complaints from customers who experience the service of Oishi restaurants, including Call Center, Social media, questionnaire and interview from scanning QR code at the end of receipt by offering the special benefits on the next purchase, this is to encourage the customer to have an online participation within limited time.

In this regard, those surveys which are categorized as "complaint", will be directly delivered to related departments, particularly the complaint received from QR code, considered as fresh and latest information lasting for 7 days after the service. In a nutshell, such information allows the related departments to take action accordingly and exercise a preventative measure on the situation as to promote customer relationship management, positive image and confidence in restaurant business.

Key Measurements of Customer Voice Receipt 2018



Customer satisfaction in services and products survey from the restaurants under Oishi group in the previous years .There are 4 key measurements describing customer's satisfaction which are detailed as follows: Service 86%, Ambient 83%, Food 82% and delivery 73% respectively.

Ready to Cook and Ready to Eat business

In 2018, Ready to Eat chilled and frozen food market had the growth rate of 10% lower than the previous year which had the growth rate of 11%. This is resulted from a less spending power, economic slowdown and the increased numbers of health conscious consumers as well as the taste of frozen and chilled foods are still incomparable. 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 as well as the more capability in nutritious preservation. As a result there is a high possibility that market for Ready to Cook and Ready to Eat will expand and become more competitive. The Company has to increase their strength in developing products to suit the consumer's needs. Moreover, the future marketing must involve product invention as to stand out from the competitors. Additionally, promoting the brand recognition on Ready to Eat products to the consumers through online social media consistently is also significant.

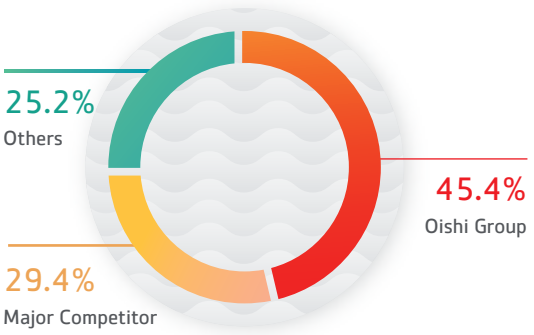
6.4.2 Market condition of beverage

The marketing strategy of Oishi green tea in the previous year was focusing on its branding, stressing its image and being the leader. The Company continues to celebrate its success through the concept "Mee Oishi Che Vit O Jung". In 2018, the Company maintains its success in being the leader in Ready to Drink tea by focusing on product invention, creation and launching marketing activities throughout the year starting from the launch of the new Oishi green tea 350ml. in the Traditional Trade with adjustment of bottle size and price to be more suitable to the trade channel. The Company can also differentiate in the pricing between traditional trade and modern trade and maintain the competitiveness of the Oishi products. This follows by summer promotion program "Oishi O Tung Koo U can choose" which was overwhelmingly appreciated by consumers, this indication was shown by the number of people involved in the program which was higher than the previous year also the increase in distribution and market share during the campaign. In the mid of

2018, the Company continues to execute its sales strategy and promotion together with advertisement of chewable Green Tea so as to strengthen its brand recognition among the consumers. Those products are as follows: Oishi Green Tea Kyoho Grape, Oishi Green Tea Yuzu Orange flavor which yielded high sales in the first launching day. Furthermore, at the end of 2018, the Company plans to launch 2 new products which are Oishi Green Tea Honey Lemon after package and flavor improvement by using the best honey, Hyakkamitsu from Japan in its ingredient as to build more perception and health consciousness of the consumers and instill Japanese originality in the product including the introduction of the new Oishi Green Tea Honey lemon with double strength but still maintain the original flavor of honey-Lemon in the original Oishi style. Additionally, an introduction of the Oishi Ready to Drink Premium Tea under Oishi Gold which offers innovative and new packaging was initiated. The product which claims to bring new experience for health conscious group will be launched during November 2018, as to generate excitement towards the Ready to Drink tea market in the year-end.

In 2018, the Ready to Drink tea market is facing intense competition in pricing and promotion including the effects of consumer taxes which result in decreasing in overall consumption of Ready to Drink tea. However, Oishi Green Tea continuously maintains its growth and is not affected from market conditions. According to Nielsen Company (Thailand) Ltd, the Company still maintains its leadership in Ready to Drink tea market with the market share of 45.4%.

Ready to Drink Tea Market share



According to the increasingly intense competition in the Green Tea industry, the Company places the importance on research and development of new products in order to meet with the needs of consumers, create product differentiation, further expand consumer base and increase its capacities and competitiveness.

Moreover, the Company focuses on brand recognition and awareness and consumer engagement through various advertising media channels particularly digital media which is increasingly important up to date as consumers progressively spend time on online and social media. Oishi Green tea successfully expands its Facebook page over 4 million followers, ranking number 1 out of 3 brands in FMCG with highest number of Facebook followers in Thailand.

6.5 INVESTMENT PROMOTION CERTIFICATE

Oishi Trading Company Ltd. (Oishi Trading), a subsidiary, has been granted Board of Investment promotion certificate 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 activitiesmust 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 activitiesmust 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 activitiesmust 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 offering the highest quality Japanese food and beverage products to customers. The Company, therefore, highly focuses on high quality raw materials from the sources within the country or overseas, though most of raw materials are obtained from sources in Thailand. As for the selection of suppliers, the Company has implemented a strict procedure in selection raw materials for suppliers. This includes pre-order quality assurance and supplier recruitment process. The Company will consider the potential suppliers who complies with the international standard; Codex Alimentarius (Codex), Good manufacturing Practice (GMP), Hazard Analysis Critical Control Point (HACCP), Thai Industrial Standards (TIS), and other specific product assurance standards. Then, the Company will conduct a site visit to assess and verify their manufacturing procedures and certifications. The successful candidates will be invited for bidding and purchasing system under the policy, rules, and regulations of the Company to ensure that all biddings are fair and transparent . Finally, the selected suppliers will be examined thoroughly from related department to ensure that the raw materials are in good quality and in accordance with international standard. The punctuality of their delivery time is also another important factor in selecting potential suppliers in order to ensure that the Company will not be in shortage of raw materials for production and distribution. Moreover, the suppliers should show the strong potentials to develop their capacities and products to cope with the Company growing and changing business accordingly.

Apart from the quality assurance, the Company also underlines the pricing of the raw materials since it directly influences on the cost of the business. Therefore, the procurement process requires verifications, pricing comparison and sourcing of new suppliers in order 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 the price of the raw materials and suppliers are reasonable and align with the market conditions.

For quality assurance and standardization purposes, several products are produced and processed at the Company's Central Kitchen. This also helps the Company to ensure efficient inventory control and management.

Apart from high quality - raw materials sourcing, the Company also takes social responsibility by selecting the raw materials from local suppliers and producers so as to support and improve their skills both directly and indirectly at the same time, for instance, the Company sources high quality tea leaves from domestic farms, and government supported farms. The Company also gives informative supports and jointly develop with the domestic farmers to improve their manufacturing procedure. The Company also executes long-term contracts with the farmers to control risks from raw materials 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 manage risks from raw materials shortage. The Company also does not support any suppliers who are involved in all kind of corruptions, intellectual property infringement, human trafficking or any 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 group of companies manufacturing goods consisting of 2 companies: First, Oishi Food Service Company Limited or Oishi Food Service (former Oishi Snack Company Limited) acts as Central Kitchen for the Oishi group of companies and is responsible for sourcing, purchasing, distributing of raw materials, as well as processing the raw materials, of which quality and standard must be maintained. The Central Kitchen also produces the Company's bakeries and sushi in order to deliver to all the restaurants within Oishi group of companies. Second, Oishi Trading Company Limited is responsible for producing all the beverage products under the brand "Oishi" for Oishi group of companies.

As at September 30, 2018 Oishi group of companies has 5 manufacturing plants and 1 Central Kitchen as below;

1. Oishi Trading 60/1120 Moo 19 Navanakorn Industrial Estate, Klongluang, Pathumthani 12120 (Cold-aseptic filling in PET)
2. Oishi Trading 60/68 Moo 19 Navanakorn Industrial Estate, Klongluang, Pathumthani 12120 (Hot filling and drinking water in PET)
3. Oishi Trading 60/68 Moo 19 Navanakorn Industrial Estate, Klongluang ,Pathumthani 12120 (Cold-aseptic filling in paper brick)
4. Oishi Trading 700/635 Moo 3 Amatanakorn Industrial Estate Bankoa Phan Thong, Chonburi (Hot filling and drinking water in PET)
5. Oishi Trading 333 Moo 1 Salangphan Wang Muang, Saraburi (Cold-aseptic filling in PET)
6. Oishi Food Service 283/2 Moo 3 Nongchark Banbueng Chonburi (Central Kitchen)

Production Capacity

The Company and Oishi Trading have total production capacity of PET of 1,370 million bottles per year as the factory in Navanakorn Industrial Estate and Amata Nakorn Industrial Estate have capacity to produce drinking water of 240 million bottles per year, and presently are contracted to produce drinking water (OEM) under the brands "Chang" and "Crystal" for the related companies. 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, however the production of UHT paper brick has to be ceased due to fire damage in November 2017. Nevertheless, the manufacturing plant is now under reparation and will resume its production activities within the fiscal year 2019. However, the damage has not affected Oishi group of companies in any concerns.

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

With the above mentioned capacity, in the year 2018, the Company is in good position to serve both in domestic and international demands.

Environmental impact from manufacturing process and waste management

The Company realizes the importance of environmental conservation, thus the environmental care procedures has been executed legally and systematically, for instance, 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 the production line, the Company chooses the best practices for environmental impacts by applying clean technology from the very first production process, using energy saving technology and reducing the packaging materials usage. The Company has set up the risk management system to control risk factors which could affect the environment, reduce resources usage by saving energy and comply with ISO 14001 (ISO 14001 Environmental Management Standard) in which all of the Company's beverage plants have already been accredited.

Moreover, to be sustainable in environmental management, the Company has provided the environmental personnel who are well trained in the applicable legal required programs and locate in factory as follows;

- Environmental Manager
- Water Pollution Supervisor
- Air Pollution Supervisor
- Industrial Waste Management Supervisor
- Water Pollution Operator
- Air Pollution Operator
- Industrial Waste Management Operator

Apart from the certificated in environmental management system and provided the environmental personnel as mentioned, the Company ensures that the environment management is reliable and complies with the international standard. In the past year, the Company complied with the environmental rules and regulations as well as standard of ISO 14001. Hence,

the Company has never come across any disputes on any environmental issues and there is no pending litigation related to environmental dispute.

In addition, Oishi group of companies has attended many projects and has been certified in many environmental projects;

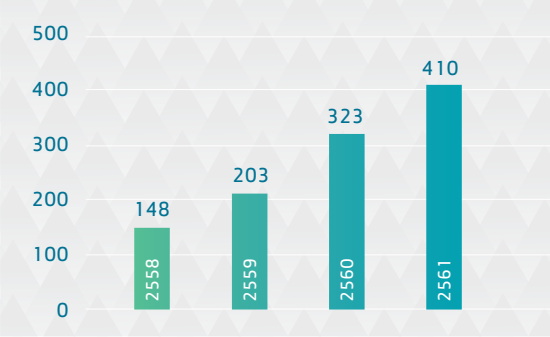
1. The Company has attended in the Carbon Footprint for Organization (CFO) project, the project conducted by Thailand Greenhouse Gas Management Organization (Public Organization), to have full understanding on the concept of carbon footprint for organization assessment in order to exactly calculate the amount of carbon footprint that is produced through the organizational operation. This will lead to the management approach for more suitable and high efficiency of greenhouse gas reduction. In addition, environmental effects in which the factory in Navanakorn Industrial Estate has omitted greenhouse gas around 35,983 tonCO2-eg and the Company has received certification from the Ministry of Natural Resources and Environment.

The Company has participated in the Green Industry pilot project and has been awarded for Green Industry Level 3 from the Ministry of Industrial, which indicated that the Company has minimized the usage of resources to the fullest and implementation of the environment friendly.

Regarding the factory safety, the Oishi group of companies has professional third-party inspectors engaged yearly to assure safety and inspect production areas i.e. building structure, electrical system, and steam boilers. The Company has also conducted a seminar on environmental and standard system by inner house and outside sources to raise awareness to all personnel. The seminars conducted as follows;

- ISO 14001 Version: 2015 in total of 1 course amount to 8 hours per person
- Internal Audit ISO 14001 Version: 2015 in total of 1 course amount to 8 hours per person
- Energy Conservation in total of 1 course amount to 6 hours per person
- Energy Management in total of 1 course amount to 8 hours per person Total average training 7.5 hours per person

Total traning Hours



Practice on Efficient Use of Resource

In 2018, 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 has used energy effectively and properly in the production process. In addition, Oishi group of companies also established the number of energy saving projects which lead to energy usage reduction, for instance;
   - Variable Speed Drive Project (VSD) to improve efficiency of motor and reduce energy usage during production, resulting in energy reduction of 448,000 unit/year
   - Replacing high-bay lights which is LED light that can reduce the energy usage to 138,000 unit/year
   - Waste water recycle system in Utility Plant which can safe water usage for 55,400 cubic meters per year
2. For the production of Hot Filling beverage in PET, the Company has improved the prevention of contamination in the carriage before the production and help in saving the water by 440 cubic meters per year. Apart from this, the Company has also improved and recycled water for bottles

and caps cleaning to be reused in service water within the factory in other activities, in which result in the reduction of water to 9,800 cubic meters per year and help reduce the energy in water treatment before outflowing accordingly.

3. For the production of Hot filling beverage in PET, the Company has improved the wrapping machine by stretching the wrapping film for the pellets and still has no damage to the boxes. This helps reduce the usage of stretch film by 6,700 kilograms per year.
4. For the production of Cold Aseptic Filling in PET, the Company has improved materials for labels of bottle size 350 ml. to reduce the usage of plastic and can reduce the length of labels by 9% and reduce the thickness of the labels by 10% without any effect on quality of materials.
5. For the invention of the package, the Company has brought in new technology in corrugated paper for Oishi beverage and help in reducing the cost of purchasing the paper boxes by 3 – 5 %. This new corrugated paper maintains its durability and will not affect any quality of printing, thus it can protect the product until delivered to consumers.
6. For the production of Cold Aseptic Filling beverage in PET within the production plant located in Wang Muang District Saraburi Province, the Company has improved the process of cap cleaning and help reduce the water usage by 900 cubic meters per year.
7. For the Warehouse, the Company has improved the stock management by moving the stock into the warehouse which reduces the distance for the forklift while travelling from and to the product and help reduce the usage of LPG by 17,700 kilograms per year.
8. For the Central Kitchen, Oishi group of companies has improve the tray materials for gyoza by changing from plastic tray which deformed after production process into stainless tray and helps reduce the plastic tray purchase by 1.2 million pieces per year, plus, reduces the waste of plastic tray by 25 tons per year.

Furthermore, Oishi group of companies focuses on education, resource management and development in order to gain the highest efficiency on a continual basis, and to reduce the energy usage which affects the sustainability of environmental impact as Oishi group's intention.

6.7 BUSINESS LIMITATIONS

-None-

Oishi Beverage Products

Oishi Green Tea
(500 ml.)

Oishi Green Tea UHT
(250 ml.)

Oishi Green Tea
(380 ml.)

Oishi Green Tea
(350 ml.)

Oishi Green Tea
(800 ml.)

Oishi Gold
(400 ml.)

Oishi Green Tea
Returnable Bottle
(400 ml.)

Oishi Chakulza
(320 ml.)

Japanese Restaurants

Chilled & Frozen Products

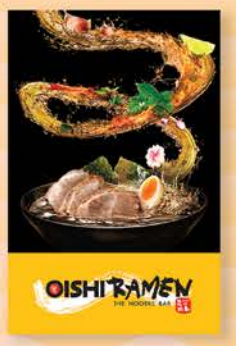
Oishi Gyoza Frozen

Oishi Gyoza Chilled

Oishi Sandwich

Oishi Trendy Ready Meal

Oishi Kani



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/kaiten style under the brand "Shabushi"

2003
- Operated new Central Kitchen at Nawanakorn factory producing food and beverage products to support sales at Oishi restaurants
- "Oishi Green Tea" was launched

2004
- Started trading in SET under the name "OISHI" on 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 biggest 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 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 2nd line
- Launched green tea in returnable bottle glass

2013
- Cold Aseptic Filling project 2nd line at Wang-Muang disctrict, Saraburi province was commercial run 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 "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 expansion plans as follows; Oishi Snack Co., Ltd. in Thailand, Oishi F&B (Singapore) Pte. Ltd. ("OSPL") in Singapore, Oishi Myanmar Limited ("Oishi Myanmar") in the Republic of the Union of Myanmar ("Myanmar")
- Opened new Shabushi branch at Yangon and Mandalay in the Republic of the Union of Myanmar
- Launched new style sandwich, OISHI Trendy Sandwich which includes Chicken Ham & Cheese, Tuna Caesar Salad and Alaska Crabsticks & Ebiko flavours for distribution through Lotus Express outlets
- Launched new premium sugar-free green tea "Oishi Kabusecha"
- Cold Aseptic Filling project 3rd line at Navanakorn Industrial Estate started commercial run in December

2015
- Established Oishi Group Limited Liability Company in the Socialist Republic of Vietnam to support future 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" 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 Fruito" 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 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 "Oishi Gyoza Assorted Flavors", the innovative sell of gyoza consisting of 5 flavors in one package distributed via 7-Eleven shops
- 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

2017
- All restaurants of the Company were granted certificates for achieving all requirements of GMP, HACCP and ISO 9001:2015 in the catering and operation services of Japanese restaurant segment. The Company is the first restaurant operator in Thailand and Asia who passed all above three assessments in every single operating stores
- Launched new store concept "OISHI EATERIUM" with unique concept "EAT - EXPLORE - PREMIUM" offering various premium Japanese menus produced from high quality ingredients. Combining authentic Japanese eating culture with creativities and new experience
- OISHI RAMEN has presented new menus such as Yakisoba Tokyo Cheese and other items to enhance varieties of consumer experiences
- NIKUYA, Japanese style Yakiniku restaurant initiated new marketing strategy by introducing more than 70 à la carte menus in addition to existing buffet menu
- Developed and launched healthy sandwich "Oishi Sandwich Plus" in 2 flavors: Tuna with Egg Salad Sandwich, and Chicken Breast Salad Sandwich to engage with consumer trends and lifestyles which are more health conscious
- Launched 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
- Launched Oishi Green Tea Yuzu Orange, new flavor to enhance chewable RTD tea portfolio
- Expanded distribution coverage into new countries including Italy, Sweden and India

7.2 IMPORTANT EVENTS IN 2018

In order to create clear business structure and serve future business expansion, the Company has transferred assets related to food production and supplies of food materials ("Central Kitchen" from Oishi Trading Co., Ltd. to Oishi Food Service Co., Ltd which will help enhance management efficiency and support sustainable business growth of Oishi Group.

The Company continues to be recognized as leading company in food and beverage industry with many important awards received including Superbrands Thailand Award 2017 which shows the success of Oishi as a top of mind food and beverage brand, The Most Powerful Brands 2018 as the strongest and most powerful brand in RTD tea category, Thailand's Most Social Powerful Brand 2018 which measures effectiveness in online engagement in RTD tea category, Food Safety Award in accordance with Thailand's National Strategy from the Ministry of Public Health and Thailand Greenhouse Gas Management Organization Certificate as a beverage producer who helps reduce greenhouse gas emissions.

On credit rating, 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 well-known brand and strong financial position. The outlook is rated as "stable" based on the expectation that the Company will remain a strategically important subsidiary of ThaiBev, maintain competitive position in the RTD tea market and deliver good operating performance going forward.

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

Food Business

1. Restaurant Business

In 2018, the Company has developed and elevated its products and services of the restaurant brands operated by Oishi Group of companies as follows:

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 has opened its first outlet at Central Grand Plaza Rama IV, continued with Seacon Square Srinakarin, Future Park Ranngsit, Mega Bangna, Fashion Island, Central Korat and Central Phuket Floresta.
2. **OISHI GRAND** has organized special food festival "Sushi Moon Cake" giving opportunity for customers to experience the Japanese rice with green tea, filled with egg yolk together with crab stick during the Moon Festival in which customers have welcomed this very well.
3. **SHABUSHI** continued to operate under the concept "Shabushi and So Much More" focusing on value and varieties of menu while introducing new menu variety every 3 months in order to penetrate the market.
4. **OISHI RAMEN** revamped its market strategies by focusing on being an expertise in noodle, soup in Japanese traditional style, gathering various types of Ramen from Japan into one place for the customers to taste. For example, Fukuoka Ramen, Tonkatsu soup or Miso-Ebi Hokkaido style Ramen.
5. **KAKASHI**, a new brand concept, promoting Quick Serve Restaurant or QSR, stressing quality, convenience and value for money, serving Japanese rice bowl which fully filled with topping, offering twice quantity of topping, introducing Rice with Spicy egg onsen and Rice with grilled beacon together with Isakaya style snacks which will be memorable to all customers.

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 2018, significant events related to products and activities are as follows:

1. Continued to develop and launched healthy sandwich "Oishi Sandwich Plus" to satisfy the needs of the new consumers who concerns in healthy lifestyle for example sandwich tuna with cereal, Quinoa and mushroom, chicken breast in black pepper sandwich, crab stick and egg salad wakame sandwich and chicken breast with sesame sauce sandwich.
2. Expansion to overseas market by launching Oishi Gyoza in new flavors to attracts consumers in EU market in which the Company can achieve higher target than previous year by 83%.
3. Collaborate with Group's related business to expand market base of frozen food, especially frozen Gyoza in to Other Modern Trade (OMT) in rural area, implemented on the Central and the East of the country.

Beverage Business

In 2018, 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 follows;

1. Launched new Oishi Green Tea honey lemon flavor which the Company has selected its ingredient, Hyakkamitsu honey, the best honey from Japan to build and emphasize the Japanese originality of the products and the Oishi Green Tea double honey lemon which has extra taste of lemon whilst smell of aroma in the style of Oishi Green Tea. This includes the launching of ready to drink premium tea called " Oishi Gold " which has taste and new packaging design that will bring a special new experience to consumers who are health conscious, the Company has plan to launch in November 2018 and hope to improve sales at the year end.
2. Expansion of distribution to new country i.e. United Arab Emirates, Bahrain, Austria and Iceland.

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: 9 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 995.

2. **Oishi Eaterium (7 Stores)**
   A unique style Japanese Buffet under 3 concepts, EAT – EXPLORE – PREMIUM presenting Japanese food with premium ingredients quality with new innovation along with Japanese culture. The customers can experience the looks, tastes, smells and sound all at the same time. The time is limited to 1 hour and 45 minutes at the price of Baht 659 per person excluding VAT and Baht 759 per person including VAT in provincial areas.

3. **Oishi Buffet (11 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 excluding VAT in Bangkok areas and Baht 589 excluding VAT in Songkla province.

4. **Shabushi (138 stores)**
   Domestic 136 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 including VAT in Bangkok areas and Baht 419 or 469 included VAT in provincial areas with a limited time of 1 hour and 15 minutes. In addition, there is a franchise for 1 outlet under the brand.
   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 (4 Stores in Delco format)**
   Home delivery service (call number 1773 or via www.oishidelivery.com) in Bangkok and its vicinity and over 21 provinces nationwide from 10.00 a.m. till 9.00 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 (17 Stores)**
   Specialized in Yakiniku buffet style under the slogan "NIKUYA the yakiniku in Osaka style" with high quality products at 2 buffet prices tier Baht 399 (excluding beverage) with 40 variety selections and Baht 539 (excluding beverage) and also an à la carte (à la carte) service . In addition, there is a franchise for 1 outlet under the brand.

8. **Kakashi (22 Stores)**
   A quick service restaurant serves Japanese rice bowl which will make the customer enjoy various topping fresh and warm at an economical price.

9. **Hou Yuu (1 store)**
   The premium Japanese restaurant servicing by order (A la carte menu) focusing on the premium quality materials, rare items which is available only in seasonal period and prepared by Chef from Japan.

10. **Snack Shop (1store)**
    A kiosk provides Oishi products including sandwiches, beverages, and frozen foods.

As at September 30, 2018, the Company and its subsidiaries operate total restaurants of up to 252 stores of which 250 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

The business of Ready to cook and Ready to eat is a business of food distribution of Japanese style chilled and frozen products which has many categories such as Sandwich, Gyoza, Oden, Takoyaki, Crab stick, Ramen and Japanese rice bowl. In the past year, Oishi Group of companies is determined to introduce the varieties, tastes and packaging's to have influence directly to the consumers. For the year 2019, apart from product innovations, the Company are also aiming at strengthen its brand to be recognized as One Brand among consumers.

7.3.2 Beverage Business

The Company and its subsidiaries produce and distribute the following beverage products with various flavors and packaging:

		PET					RGB	UHT	Can
Product	**Flavor**	**800 ml.**	**500 ml.**	**380 ml.**	**350 ml.**	**400 ml.**	**400 ml.**	**250 ml.**	**320 ml.**
Oishi Green Tea	Honey Lemon	•	•	•	•		•	•	
	Double Honey Lemon			•	•				
	Genmai	•	•	•	•			•	
	Original		•	•	•			•	
	Strawberry							•	
	Lychee						•	•	
	Kyoho Grape			•					
	Yuzu Orange			•					
	Sakura Strawberry			•					
	Watermelon			•					
Oishi Gold	Genmai Cha No sugar					•			
	Genmai Cha Delight					•			
	Kabusecha No sugar					•			
Oishi Black Tea	Black Tea Lemon		•						
Oishi Chakulza	Honey Lemon								•

7.4 REVENUE STRUCTURE

Income by business type	Operated by	Consolidated Financial Statements					
		2018 (as of 30 September 2018)		2017 (as of 30 September 2017)		2016 (as of 30 September 2016)	
		Million Baht	%	Million Baht	%	Million Baht	%
Beverage business	The Company and Oishi Trading Co., Ltd	6,931	51%	7,147	52%	5,576	53%
Food and restaurant business	The Company, Oishi Ramen Co.,Ltd. and Oishi Myanmar Limited	6,649	49%	6,530	48%	4,933	47%
	Total	13,580	100%	13,677	100%	10,509	100%

7.5 TARGET CUSTOMERS

Food Business

Restaurant Business

The Company operated various styles of Japanese restaurants including Japanese buffet style, Shabu style, Yakiniku 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, consumer target of ready to cook and ready to eat products are those preferring convenience due to their time limitation in the same time they still concern about quality and value for money. Based on product type, they could be classified into 2 groups: (1) The chilled products which 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 recognized the change in population structure that move toward aging society. Since senior group would most likely be the potential group of consumers for ready to cook and ready to eat in the coming future, the Company has taken this factors into consideration concerning to the product development and packaging design.

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

Restaurant Business

The Company is a leading Japanese restaurant operator in Thailand with diverse styles of restaurants located nationwide. Currently, the Company is operating over 250 domestic stores covering Bangkok and provincial areas.

Ready to Cook and Ready to Eat Business

In 2018 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 expanded its distribution channels into supermarket in provincial area. As for the international market, beside distributing frozen Gyoza to European Community, the Company has also started exporting to Australia, Canada 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 Sermsuk Public Company Limited which are considered to be one of the most efficient distribution channels in the modern trade and traditional trade including domestic and International markets.

7.7 BUSINESS TARGETS

Food Business

Restaurant Business

The Company and its subsidiaries aims to open approximately 19 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 2018, 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 2018 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. In 2019, the Company expects the growth on Ready to Cook and Ready to Eat business to increase by 15% from the previous year through the followings strategy, (1) Expansion of the distribution channels domestically and international (2) Strengthening brand image under the concept One Brand (3) New product innovation in the Japanese style Ready to Eat products to be recognized as the leader including tastes, packaging and style (4) Efficiency in cost control and cost reduction to improve the profit for the business.

Beverage Business

According to the business result of the year 2018, 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 2019, 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

Oishi Myanmar Limited (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 Canada, Australia and European Community. This could be deemed as another successful milestone that helped the target for export channel met the target. In 2019, the Company is very optimistic in the growth of distribution into new countries i.e. USA, Laos which the Company has target for 10% of the total revenue of Ready to Eat business.

Beverage Business

Oishi Green Tea products have increased its export revenue portion by 24% from the previous year and tend to increase continuously in many countries i.e. Laos, Cambodia, Myanmar, Brunei, China, Korea, Russia, Israel, Australia, New Zealand, Swiss, Balboas, Hungary, Netherland, St. Martin, Poland, Germany, Finland, Great Britain, Italy, France, Sweden and India.

In 2018, the Company has increased the sales revenue of Oishi beverage domestically together with the export to new countries i.e. United Arab Emirates, Bahrain, Austria and Iceland through the Company's distributor's i.e. F&N Beverage Marketing Co., Ltd and Oishi International Holdings Co., Ltd.

In 2019, 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.

RISK FACTORS

8.1 BEVERAGE BUSINESS

8.1.1 Risks in New Product Development

Although it is a common practice that all new beverage products must pass various processes of quality testing during production, including manufacturing, packaging designs, tasting, advertising and promotions, which cost a 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 intensified the preparation of new product launching in terms of the customer demand, product quality control, as well as cost price, selling price, and the marketing activities in order to ensure that new products are able to successfully penetrate the beverage market.

8.1.2 Limitation in Raw Material Sourcing

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

8.1.3 Fluctuation in Raw Material Costs

Certain factors have caused the rise in production cost e.g. the rise in fuel cost, transportation, paper pulp, and petroleum packaging, which are fluctuated according to the demand and supply of the market. Thus the Company secured medium to long term contracts with some suppliers to avoid possible difficulties.

8.1.4 Competition Risks

Competition in beverage business is quite intense and there have always been new high-potential entrepreneurs with aggressive marketing activities to penetrate the market. However, the Company has strengthened its competitiveness through its brand and product image by means of effective advertising, marketing, and promotional activities. The Company believes that the competition offers advantages to consumers and beverage industry as the growth of the market will help improving the Company's performance in the business.

8.1.5 Tax Risks

According to the beverage excise tax on the cost and amount of sugar which were effective since September, 2017, Ready to Drink tea is considered one of the beverage products with excise tax. This affects the production cost of Ready to Drink tea, and as a result, the business operators must adjust the selling price of the products. Such factor is the main reason for the decline of Ready to Drink tea market in the past year. However, the Company has set strategic plans for possible tax risks in advance by setting distribution plan and packaging that align with the selling price as to maintain the appropriate selling price for specific distribution channels. R&D for new healthy products are also conducted according to the intention of the Company to produce healthy products that meet the market and customer demand as well as effectively manage manufacturing costs and other expenses. These strategic plans help mitigate the impacts of tax risks to some extent.

8.2 FOOD BUSINESS

8.2.1 Restaurant Business

8.2.1.1 Location for Outlet Expansion and Current Location Retention

Location is the key factor for successful restaurant business while the competition is quite intense. This is considered the limitation for those who aim to increase new outlets, especially in department stores or a specific community. Normally, short-term location rental contracts last for 3 years and are able to be renewed occasionally. There is a risk that some of the Company's rental contracts might not be renewed or that the rental fee might be increased. However, the Company has planned to maintain the current locations by making and keeping good relationship with the lessors. We also keep searching for other good locations to ensure that the Company will have the places to continuously support its outlet expansion.

8.2.1.2 Raw Materials and Products Obsolescence

Good quality and freshness of raw materials and products are the key success factors for

restaurant business. Over 50% of raw materials and products such as meat, seafood, vegetables, fruits and bread are perishable. For this reason, effective raw material management greatly affects production cost. In order to avoid such risk, the Company has adopted policies to make raw material purchase on a daily basis and store the materials in temperature-controlled rooms for preservation purposes. In addition, the First-In-First-Out (FIFO) inventory control scheme is also being used.

8.2.1.3 Limitation in Raw Material Sourcing

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

8.2.1.4 Fluctuation in Raw Material Costs and Production Costs

Some materials are highly popular among the consumers. Unexpected situations such as epidemics in plants and animals cause material shortage and price fluctuation. However, the Company has entered into medium to long contracts with some suppliers to avoid such difficulties. This factor, therefore, has very little impact on the Company's business.

8.2.1.5 Competition Risks

Many new Japanese restaurants operators emerge constantly due to the increasing popularity of Japanese food in Thailand. Certain competitors open their stores with the same menu and at nearby locations. However, the Company has policies to compete in terms of product quality, advertising, and promotional activities without cutting the price. The Company believes that business competition offers advantages to food industry as the growth of the market will help improving the Company's performance in the business.

8.2.1.6 Natural Disaster Risks

The 2011 great flood in Thailand had caused severe damage to the Company's business. Thus, the Company has become more aware of the need to divert and prevent the risks of natural disasters. As a result, the Company relocated its Central Kitchen to Ban Bueng District, Chon Buri, as well as allocated new investments on the locations secured from flood and convenient for transportation. We also set up the contingency plans to ensure the continued operations in the event of a natural disaster or emergency.

8.2.1.7 Economic Risks

Economic risks may affect consumption level and consumer confidence. Business operations may face with the rise of raw material costs, labor costs, and other expenses due to the fluctuation and uncertainty of the economic status. This results in the rise of household expenses and the reduction of consumer's consumption. These factors have an influence on the overall benefits of food business.

Despite the effect from the abovementioned risks, the Company continues to monitor the situations carefully and set appropriate strategic and marketing plans which, therefore, cause no impact to the Company's business.

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 are considered not quite high compared to the size of the overall market. Therefore, the production management in the manufacturing plants of OISHI group is not utilized to its full capacity which results in high production cost. The Company set up guidelines for all the relevant units e.g. Purchasing, R&D, Production, and Sales to

corporate in managing the production capacity and budget control effectively. Furthermore, the Company also expands the 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 quite intense. The distributors from our distribution channels started to produce the products under their own brands. For the business owners, not only they have to perform product research and development, but they must also have the bargaining power in trade negotiation. In order to avoid and prevent such risks, we give priority to the development and maintaining quality of the products as well as promoting our brand's popularity and creditability.

8.2.2.3 Risks in New Product Development

As the convenience stores are still the main distribution channels for our Ready to Cook and Ready to Eat products, the need for constant product development is required. Despite such awareness, the consumer consumption behavior is very dynamic so that certain products and flavors may not meet the market demand and the target groups. Therefore, our product development team focuses on the innovation and development of the products in order to reach the market demand and satisfy the dynamic consumption behavior.

8.2.2.4 Limitation of Distribution Channels

At present, as the Company's distribution channels mainly rely on the convenience stores, negotiation power and benefits are, thus, limited. The Company has attempted to reduce such limitations by expanding the distribution base and increasing sales volume in other channels such as modern trade stores: super market, department store, and hypermarket as well as other potential distribution channels such as food service and exporting.

8.2.2.5 Logistics Risks

As the Company's products are mainly in either chilled or frozen condition, the storage after production and logistics management to maintain the quality and taste of the products are profoundly significant. As our business growth has continuously increased, we emphasize on logistics infrastructure e.g. the expansion of cold storage to properly preserve the products for domestic and international distribution. The cold chain logistics system should always be carefully considered and its efficiency should support the Company's business growth as well as prevent and reduce any unforeseeable risks.

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, there could still be internal and external factors which may affect the execution of the strategy and cause the Company's operating performance to fail to reach the planned targets.

However, the Company's Board has considered and approved the Annual Action plans which are in accordance with the Company's long-term strategic plans. In addition, the Company has carefully monitored and assessed the results in every stage to ensure that the operations are according to the strategic plans. The strategies and operational plans are constantly being reviewed and updated in accordance with the changing situations.

8.4 RISKS FROM DEPENDENCE ON 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 approximately 90% of total sales revenue in beverage business which is considered one of the most efficient distribution channels with the most area coverage. However, Thai Beverage Public Company Limited ("ThaiBev") is the major shareholder of the Company with 79.66% shares. Thus, distribution of beverage product segment is 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 the Company's product distribution.

However, The Company always has good business cooperation with the major shareholder's group and the Company's operation is in alignment with the international standard. Moreover, the product distribution of the Company through the companies within ThaiBev Group is considered very efficient in terms of resource management and utilization for the best interests for the Company and all shareholders. In addition, the Company has entered into medium-term distribution agreements with the major shareholder. Should there be any restructures within the shareholder's group, they will be obliged to be our distributors according to the terms of agreements. The Company, therefore, will have time to prepare and assign new distributors without interrupting the business operation.

8.5 RISKS OF INVESTORS IN THE COMPANY'S SECURITIES

8.5.1 Risks from the Control of Major Shareholder

As of October 3, 2018, Thai Beverage Public Company Limited or ThaiBev is the major shareholder of the Company with 79.66% of shareholding in the paid-up capital. ThaiBev, therefore, is able to control the resolutions of the Shareholder's Meeting including the Director's appointment, approval on other matters that require a majority vote from the Shareholder's Meeting and agendas which by laws or by the Articles of Association of the Company, require 3 out of 4 votes of the Shareholder's Meeting. Hence, other shareholders might not be able to collect enough votes to counter the agendas raised by the major shareholder.

However, in order to achieve business transparency and good corporate governance, the Company has set an organizational structure consisting of potential and knowledgeable employees and provided them with clear roles and responsibilities. The Company has also appointed the Audit Committee consisting of 3 independent directors, which have no interests in the Company in order to monitor and review the Company' operations and protect the interests of minority shareholders resulting in appropriate check and balance and verifiable system.

8.5.2 Risks from Low Free Float of the Company's Securities, Which May Result in Transaction Liquidity in the Stock Exchange of Thailand (SET)

As of October 3, 2018, 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 (SET). Shareholder may have some risks of not being able to sell the Company's shares immediately at desired price.

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

8.6 THE SECURITY RISKS OF INFORMATION TECHNOLOGY SYSTEMS

Information technology is an important tool for business operations as it helps elevate the efficiency of production process, customer service, communication, data collection, and data assessment and analysis. Therefore, such difficulties and the risks of cyber security are considered important as they may affect the continuity in system and computer usage as well as the stability, information security and the risks of computer-related crime.
The occurrence of such risks requires the monitoring process, which may cause business interruption.

To avoid such risks, the Company has prepared action plans, systems, and preventive measures for risk mitigation and management.

1. Provide the security protection of information and legal punishment as well as continuously raise the employees' awareness and responsibility regarding the use of technology via e-mail, functional training programs and activities to ensure that they thoroughly understand the use of technology, and are secured from cyber threats or illegal cyber actions.

2. Provide a security system for the network and computers as well as the devices that may trigger the risks of external cyber threats.
   2.1 Set up a Firewall as the basic preventive measures and only authorized users shall be allowed to access the Company's information technology systems.
   2.2 Install computer anti-virus program on every computers and connect all network to the central system for the purposes of remote access and troubleshooting. The causes of cyber threats shall be determined in order to solve and avoid repeat problems.
3. Set up different access levels to define the information confidential level. Effectively manage the data access to prevent confidential data access and data espionage, as well as set up the information access system in order to effectively review and monitor the data access.
4. Establish data center and back up important data to support the Company's business operations in case of system failure or problem as well as to ensure the information recovery and the continuity of business operations.
5. Collect internet access data according to Computer-related Crime Act and monitor visited websites that might be considered illegal or trigger the risks of data espionage.
6. Install all computers with the programs that monitor any illegal software in order to avoid copyright or intellectual property right infringement. In addition, the Company's server must have a license and it has to be renewed yearly.

8.7 BRAND REPUTATION RISKS

At present, the organization's reputation and image are factors that greatly affect the customer buying decision process, especially for food and beverage business. OISHI group has always been aware of its brand reputation and image and, thus, operates its business with good corporate governance, transparency, and reliability. The Company also pays attention to all stakeholders including community, society, and the nation. However, the Company, sometimes, encounters inevitable external factors which pose a threat to its reputation. As social media has become a popular communication channel for people to exchange their thoughts and comments on products and services, these online channels allow negative comments to spread quickly in a matter of minutes and may easily affect the organization's reputation and image. Therefore, the Company has set policies and risk management plans as described below:

1. Manage the Crisis Management Team to cope with any possible events that might affect the organization's reputation and image as well as appropriately and immediately manage and prevent any difficulties that might occur.
2. Provide an effective communication system with modern technology to assess the customers' action, satisfaction, expectation as well as provide them with immediate information and responses.

BUSINESS ASSETS

Business operation assets of the Company and its subsidiaries are consisting of both tangible and intangible assets. As of September 30, 2018, 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, 2018, 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 Luang, Pathum Thani province	Owner	463.79	None
Land with 182-2-19 rais with improvements at Tumbon Nong Chak, Ampor Banbueng (Muang), Chonburi province	Owner	219.78	None
Total		**683.57**	

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, 2018, 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 Luang, Pathum Thani province	Owner	722.15	None
Building and structure at Amata Nakorn Industrial Estate, Bankao, Panthong, Chonburi province.	Leased	75.65	None
Building Improvements No.333 Moo 1 Highway 2089 (Muak Lek-Wang Muang) Tumbon Salaeng Phan, Ampor Wang Muang, Saraburi province	Leased	140.27	None
Central Kitchen at Tumbon Nong Chak, Ampor Banbueng, Chonburi province	Owner	313.87	None
Other building improvements	Leased	3.84	None
Total		**1,255.78**	

9.3 RENTAL AGREEMENT

As of September 30, 2018, the Company has 250 rental agreements with retailers for Japanese food restaurant businesses. Most of which are short-term rental agreements with a period of three years and the option to extend the term for another three years. Most of the agreements will expire in 2019 – 2022.

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, 2018 are as follows;

Area/Location	Rental period/Expiration	Net book value (million baht)	Collateral for Loans
1st floor, Seacon Square, No. 1053-1054 in 292.58 sq.m. area	21 years and 10 months 25 Days / Expire 2024	6.94	None
The Mall Ngamwongwan. Unit no. GFC1A in 220 sq.m. area and GFC1B in 101 sq.m. area	17 years and 11 months 21 days / Expire 2019	1.01	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 9 months 4 Days/ Expire 2022	7.50	None
Future Park Rangsit, Unit no. B 56 in 134 sq.m area	15 years and 6 months/ Expire 2021	2.65	None
Esplanade Ratchada, Unit no. B 41 in 288 sq.m area	24 years and 2 months/ 4 days/ Expire 2031	16.68	None
Total		**34.78**	

9.5 TOOLS AND MACHINERY FOR MANUFACTURING

As of September 30, 2018, 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	2,171.37	None
Machinery-Food	227.94	None
Total	**2,399.31**	

9.6 DECORATION AND INTERNAL SYSTEMS

As of September 30, 2018, 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 baht)	Collateral for Loans
Decoration	208.97	None
Internal systems	685.27	None
Total	**894.24**	

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, 2018 consist of the following;

Type of construction in progress and installation	Net book value (million baht)	Collateral for Loans
Asset improvement plan at the UHT production line from fire incident in Navanakorn Industrial Estate	446.00	None
Machinery of Cold Aseptic Filling Line 1	7.19	None
Machinery of Cold Aseptic Filling Line 2	3.54	None
Oishi Knowledge Center	37.05	None
Others	28.60	None
Total	**522.38**	

9.8 OTHER ASSETS

Other assets were included office equipment, furniture and fixtures, restaurant utensils and vehicles. Net book value as of September 30, 2018 is 168.61 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, the Company was awarded "Superbrands Thailand 2017" from Superbrands Thailand, an independent authority and arbiter of branding excellence based on the most trusted brands of consumers from all over the country. The Company was also awarded "The Most Powerful Brands of Thailand 2018" from Faculty of Commerce and Accountancy, Chulalongkorn University. The award emphazises the Oishi brand's position as the leading brand in the mind of the consumer in the ready to drink green tea market. 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 intellectualy property.

9.10 INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

As of November 20, 2018, the list of 7 companies that the Company directly or indirectly hold shares for more than 50% of the issued shares, both in Thailand and oversea are as follows:

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) Unit B3601 36th Floor, CW TOWER, 90 Ratchadaphisek Rd., Huai Khwang, Bangkok 10310, Thailand	Production and distribution of beverages	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 6. Mrs. Sureeporn Pradittasnee
2. Oishi Ramen Co., Ltd. (Oishi Ramen) 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 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 3. Mrs. Jesdakorn Ghosh 4. Mr. Lee Man Kong 5. Mr. Kritsada Wattanapakin[1]

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) Unit B3601 36th Floor, CW TOWER, 90 Ratchadaphisek Rd., Huai Khwang, Bangkok 10310, Thailand	Production and distribution of foods	Ordinary	Baht 1,000,000,000	Baht 1,000,000,000[2]	10,000,000	9,999,976	99.99	1. Mr. Thapana Sirivadhanabhakdi 2. Mr. Sithichai Chaikriangkrai 3. Mr. Ueychai Tantha-Obhas 4. Mr. Pisanu Vichiensanth 5. Mrs. Nongnuch Buranasetkul 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. Mr. Kritsada Wattanapakin[1] 3. Ms. Tan Yen Hoon 4. Ms. Ong Hwee Lin Gene 5. 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. 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. Mr. Paisarn Aowsathaporn 3. Mrs. Jesdakorn Ghosh 4. Ms. Tientip Narach[1]

Remarks

(1) The Board of Directors Meeting No.3/2018 which was held on May 13, 2018 resolved in principle to appoint Mr. Kritsada Wattanapakin replacing Ms. Tientip Narach, who resigned effective on August 1, 2017, to be the Director of 4 subsidiaries of Oishi Group Public Company Limited namely, OIHL, OSPL, OML and OGLLC. The director registration process has been completed on May 29, 2018 and June 4, 2018 for OIHL and OSPL respectively. While for OML and OGLLC, the director registration process are undergoing by each Law and regulations.

(2) On March 12, 2018, Oishi Food Service Company Limited had a fully registered paid up capital upto Baht1,000 million.

(3) The Board of Directors Meeting No.6/2018 which was held on November 20, 2018, resolved to increase in paid up capital of OML at USD 600,000 totally paid up capital at USD 3,300,000 in order to sustain the business operation in the Republic of the Union of Myanmar. According to the capital increase of OML, by the share holding proportion, it has to increase the issued and paid up capital of OIHL at HKD 2,600,000 totally issued and paid up capital at HKD 14,300,000 and also increase the issued and paid up capital of OSPL at SGD 450,000 totally issued and paid up capital at SGD 2,350,000. The all mentioned capital increase in each company are under execution by each of Law and regulations concerned.

Oishi Group Structure as at November 20, 2018

OISHI GROUP PUBLIC COMPANY LIMITED
REGISTERED AND PAID – UP CAPITAL
BAHT
375
MILLION

JAPANESE FOOD AND RESTAURANT
OISHI BEVERAGE

99.99%

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

- *Japanese restaurants*

99.99%

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

- *Beverages manufacturer and distributor*

99.99%

OISHI FOOD SERVICE CO., LTD.[1]
REGISTERED AND PAID-UP CAPITAL: BAHT 1,000 MILLION

- *Food manufacturer and distributor*

100%

OISHI INTERNATIONAL HOLDINGS LIMITED.[2]
ISSUED AND PAID-UP CAPITAL: HKD 11.7 MILLION

- *To support international business expansion*

100%

OISHI F&B (SINGAPORE) PTE. LTD.[2]
ISSUED AND PAID-UP CAPITAL: SGD 1.9 MILLION

- *To support international business expansion*

55%

OISHI MYANMAR LIMITED.[2]
REGISTERED CAPITAL: USD 4.5 MILLION
PAID-UP CAPITAL: USD 2.7 MILLION

- *To support restaurant business expansion in Myanmar*

100%

OISHI GROUP LIMITED LIABILITY COMPANY
REGISTERED CAPITAL: USD 50,000
PAID-UP CAPITAL: USD 50,000

- *To support international business expansion*

Remarks

(1) On March 12, 2018, Oishi Food Service Company Limited had a fully registered paid up capital upto Baht 1,000 million.

(2) The Board of Directors Meeting No.6/2018 which was held on November 20, 2018, resolved to increase in paid up capital of OML at USD 600,000 totally paid up capital at USD 3,300,000 in order to sustain the business operation in the Republic of the Union of Myanmar. According to the capital increase of OML, by the share holding proportion, it has to increase the issued and paid up capital of OIHL at HKD 2,600,000 totally issued and paid up capital at HKD 14,300,000 and also increase the issued and paid up capital of OSPL at SGD 450,000 totally issued and paid up capital at SGD 2,350,000. The all mentioned capital increase in each company are under execution by each of Law and regulations concerned.

LEGAL DISPUTES

As at the fiscal year ended September 30, 2018, 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, 2018 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 debentureholders' 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

As of July 11, 2018, the Company has partially repurchased a total of 299,300 units of Debentures of Oishi Group Public Company Limited No. 1/2015 Due 2018 (the Debentures No. 1/2015) before its maturity date, equivalent to Baht 299,300,000, as a result, the remaining total units of the Debentures No. 1/2015 is 700,700 units, equivalent to Baht 700,700,000. In addition, the Company has paid a total of 700,700 units of the Debentures No. 1/2015, equivalent to Baht 700,700,000 in December 2018.

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 debentureholder s' 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 3, 2018, top ten shareholders and stock holding proportion based on paid-up capital are as follows:

Ref	Shareholeders' 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.	8,955,100	4.78
4.	Mr. Thaweechat Jurangkool	7,885,000	4.21
5.	BANK OF SINGAPORE LIMITED-THB SEG AC	4,678,700	2.50
6.	Mr. Ayuth Charnsethikul	942,600	0.50
7.	Mrs. Hatairat Jurangkool	552,000	0.29
8.	Thai NVDR Company Limited	549,506	0.29
9.	Ms. Orapan Assamongkol	493,200	0.26
10.	Mrs. Nipaporn Siripong	385,500	0.21
11.	Minor shareholders	4,698,195	2.51
	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 alcoholicand non-alcoholic beverages and restaurant business.
2) As of October 21, 2017 the companies that are related to Mr. Charoen Sirivadhabhakdi and Khunying Wanna Sirivadhabhakdi held shares in Thai Beverage Public Company Limited totally 65.89% of the paid-up capital.

As of December 12, 2017, top ten shareholders of Thai Beverage Public Company Limited are as follows;

Ref	Shareholeders' name	Shares	%
1.	Siriwana Company Limited	10,968,060,000	43.68
2.	The Central Depository (Pte) Limited	9,554,248,444	38.05
3.	Maxtop Management Corp.	2,749,660,000	10.95
4.	Sirisopha Company Limited	400,000,000	1.59
5.	Mr. Thapana Sirivadhanabhakdi	107,000,000	0.43
6.	Mrs. Thapanee Techajareonvikul	107,000,000	0.43
7.	Mr. Panote Sirivadhanabhakdi	107,000,000	0.43
8.	Mrs. Wallapa Traisorat	107,000,000	0.43
9.	Mr. Natthavat Tejapaibul	92,377,500	0.37
10.	Mrs. Atinant Bijananda	88,000,000	0.35

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	2016	2017	2018[1]
Dividend per share	2.50	3.40	2.80
Total amount	Baht 468.75 million	Baht 637.5 million	Baht 525 million
% of dividend payment	52.8	43.9	51.7

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 2018 is subjected to the shareholders' approval in the 2019 Annual General Shareholder Meeting.

MANAGEMENT STRUCTURE

12.1 BOARD OF DIRECTORS STRUCTURE

As of November 20, 2018, the Company's management consists of 7 committees including, Board of Directors, Executive Committee, Audit Committee, Sustainability and Risk Management Committee, Nomination Committee, Remuneration Committee and 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 Kovilaikool
   Chairman and Independent Director
2. Mr. Thapana Sirivadhanabhakdi
   Vice Chairman
3. Mr. Vikrom Koompirochana
   Independent Director
4. Ms. Potjanee Thanavaranit
   Independent Director
5. Mr. Chai Jroongtanapibarn
   Independent Director
6. Mr. Ueychai Tantha-Obhas
   Director
7. Mr. Sithichai Chaikriangkrai
   Director
8. Mrs. Nongnuch Buranasetkul
   Director, President & CEO
9. Mr. Pisanu Vichiensanth
   Director

Authorized Directors are as follow;
"Two Directors to co-sign and affix the Company Seal, except Mr. Vikrom Koompirochana, Mr. Chai Jroongtanapibarn, Ms. Potjanee Thanavaranit, and Mr. Prasit Kovilaikool"

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

In addition, the Board of Directors is prohibited from participating in any other business which is in competition the Company and subsidiaries, regardless of whether he or she benefits, directly or indirectly, from that business.

For the transactions that might lead to any conflicts of interests, the director or any person who may have conflicts of interest or any other benefits (as stipulated by the Office of the Securities and Exchange Commission or SEC and the Stock Exchange of Thailand or SET) 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 2018, the following directors of the Company had attended the training courses held by Singapore Institute of Directors:

Name	Positions	Courses
Mr. Prasit Kovilaikool	Chairman Independent Director Nomination Committee Remuneration Committee	Business Future Series (BFS) 3: Sustainability for Directors
Ms. Potjanee Thanavaranit	Independent Director Audit Committee Chairman of the Remuneration Committee Chairman of the Good Corporate Governance Committee	Business Future Series (BFS) 3: Sustainability for Directors

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 Chaikriangkrai
   2nd Executive Vice Chairman
4. Mr. Lee Meng Tat
   3rd Executive Vice Chairman
5. Mrs. Nongnuch Buranasetkul
   Executive Committee
6. Mr. Pisanu Vichiensanth
   Executive Committee
7. Mrs. Sureeporn Pradittasnee
   Executive Committee
8. Mr. Paisarn Aowsathaporn
   Executive Committee

Roles, Authorities and Responsibilities of the Executive Committee

1. Follow the Company's policy, which obliges to law and regulation, except for those issues subjected to obtain prior approval from the Shareholders' Meeting.
2. Hold the authority to propose, instruct and set business policy and strategy to the Board of Directors.
3. Set business plan, management authority, annual business budget and annual expense budget to be proposed to the Board of Directors for approval as well as carry out such plans and strategies in accordance with the policy and business direction stated to the Board of Directors.
4. Effectively handle business administration of the Company and its subsidiaries according to the Company's business policy, goals, operational plan, budget and management authority as approved by the Board of Directors.
5. Handle the Company's general administration that include recruiting, training, making employment, and termination of employment. The authority, however, does not include the termination of vice president onwards.

6. Approve the Company and its subsidiaries' business transaction as follows:
   6.1 Approval of credit offered by a financial institution or loan requested to a financial institution, giving collateral or making any payment for business administration e.g. branch expansion, 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 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 director who is an interested person to such transaction cannot vote in that matter. The Board of Directors can amend the scope of responsibility of Executive Committee as necessary or appropriate.

12.1.3 The Audit Committee

The three audit committees [1] are;

1. Mr. Vikrom Koompirochana
   Chairman of the Audit Committees
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 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.

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.

Roles, Authorities and Responsibilities of the Audit Committee

1. Audit Committee shall perform the duties as stipulated in the charter and notice of the Stock Exchange of Thailand (SET) including but limited to:-
   1.1 Review the Company's financial reporting processes to ensure that they are accurate and adequate;
   1.2 Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient; as well as concurrence of the appointment, transference and dismissal of the head of internal audit or any other related function;
   1.3 Consider, select and nominate independent persons to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
   1.4 Consider Connected Transactions, or the transactions that may lead to conflict of interest, to ensure that they are in compliance with the laws and the Stock Exchange's regulations, and are reasonable and for the highest benefit of the Company;
   1.5 Prepare the audit committee report, signed by the Chairman of the Audit Committee, and disclose in the Company's Annual Report;
2. Review the efficiency and effectiveness of internal control system and report to the Board of Directors whether the Company's operation conforms to the Public Company Limited Acts and regulations of SET and the Securities and Exchange Commission (SEC);
3. Be the channel to collect the suggestion or complaint issues from both inside and outside the Company;
4. Perform other tasks as assigned by the Board of Directors, with concurrence from the Audit Committee.

12.1.4 The Sustainability and Risk Management Committee [1]

The eleven Sustainability and Risk Management Committee are;

1. Mr. Chai Jroongtanapibarn
   Chairman of the Sustainability and Risk Management Committee
2. Mr. Pisanu Vichiensanth
   Vice Chairman of the Sustainability and Risk Management Committee
3. Mrs. Sureeporn Pradittasnee
   Sustainability and Risk Management Committee
4. Mrs. Nongnuch Buranasetkul
   Sustainability and Risk Management Committee
5. Mr. Paisarn Aowsathaporn
   Sustainability and Risk Management Committee
6. Mrs. Jesdakorn Ghosh
   Sustainability and Risk Management Committee
7. Ms. Mekhala Nethipo [2]
   Sustainability and Risk Management Committee
8. Mr. Thanee Pornphisutsak
   Sustainability and Risk Management Committee
9. Mr. Kritsada Wattanapakin
   Sustainability and Risk Management Committee
10. Mrs. Monrudee Akkaraj
    Sustainability and Risk Management Committee
11. Ms. Chanatnuth Wongwan
    Sustainability and Risk Management Committee

Remarks

(1) According to the resolution of the Board of Directors Meeting No. 3/2018, held on May 14, 2018, the Meeting approved of Sustainability and Risk Management Committee restructuring. Additionally, the Board of Directors appointed Sustainability and Risk Management Committee and determined authority, duties, and responsibilities of the Committee, effective on May 14, 2018.

(2) Ms. Mekhala Nethipo was appointed by the Board of Directors Meeting No. 6/2018, held on November 20, 2018, as Sustainability and Risk Management Director Committee in replacement of Mrs. Kodchacorn Attarangsan, effective on November 20, 2018.

The composition of the Sustainability and Risk Management Committee

The Sustainability and Risk Management Committee comprise of directors and executives from each department in the appropriate amount which are appointed by the Board of Directors. At least one committee shall be independent director and the Board of Directors shall appoint the Chairman of the Committee. The secretary to the committee shall be appointed from appropriate person by the Chairman of the Committee.

Roles, Authorities and Responsibilities of the Sustainability and Risk Management Committee

1. Hold the authority to access all information related sustainability and risk management as well as to follow the Company's policy, which obliges to the law and regulation, except for those issues subjected to obtain prior approval from the Shareholder's Meeting;
2. Set policy and integrated sustainability and risk management framework that thoroughly cover main business risks i.e. Strategic Risks, Financial Risks, Operational Risks, Corruption Risks, Non-Compliance risks and Information Technology risks and other important areas of risks to the Company including overall sustainability and risk management;
3. Set sustainability and risk framework, strategy and resources in compliance with the Company's policy. The Strategy and framework should be used to identify, assess, respond, and effectively follow the Company's sustainability and risk management process;
4. Set levels of risk tolerance and levels of acceptable risk considering different dimensions of significant risks at organization and business group level and propose to the Board of Directors for approval;
5. Supervise the executives on planning, executing and monitoring the efficiency and effectiveness of sustainability and risk management system;
6. Appoint the qualified candidates and determine duties and responsibilities of the execution team;
7. Ensure that the sustainability and risk management system is in compliance with the approved strategic and policy. The committee shall report the following matters to the Board of Directors quarterly:

7.1 The committee performance after each Sustainability and Risk Management Committee meeting;
7.2 Sustainability and risks, change of management framework including impacts of the policy and new business development;
7.3 Status of risks and changes that impact level of acceptable risk;
7.4 Other factors that may significantly affect the level of sustainability and risks of Oishi Group.

8. Prepare sustainability and risk management activities as well strategy of Oishi Group and disclose in Annual Report and Sustainability Report of the Company from 2019 onwards;
9. Hold the authority to seek legal advice through a consultation with legal professionals in case of any necessity as prescribed in Sustainability and Risk Management Committee Charter. The incurred expenses will be covered by the Company.

12.1.5 The Nomination Committee

The three Nomination Committees are;

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

Roles, Authorities and Responsibilities of the Nomination Committee

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 the 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 Koompirochana
   Remuneration Committee
3. Mr. Prasit Kovilaikool
   Remuneration Committee
4. Mr. Thapana Sirivadhanabhakdi
   Remuneration Committee
5. Mr. Sithichai Chaikriangkrai
   Remuneration Committee

Roles, Authorities and Responsibilities of the Remuneration Committee

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 highranking 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 and 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 Good Corporate Governance Committees are;

1. Ms. Potjanee Thanavaranit
   Chairman of the Good Corporate Governance Committee
2. Mr. Vikrom Koompirochana
   Good Corporate Governance Committee
3. Mr. Chai Jroongtanapibarn
   Good Corporate Governance Committee
4. Mr. Thapana Sirivadhanabhakdi
   Good Corporate Governance Committee
5. Mrs. Nongnuch Buranasetkul
   Good Corporate Governance Committee

The composition of the Good Corporate Governance Committee

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

Roles and Responsibilities of the Good Corporate Governance Committees

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

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, as Company Secretary, replacing Mrs. Sasinee Hemthanon, effective from November 17, 2017. Mrs. Suthada Suwan was appointed by the resolution of the Board of Directors Meeting No. 6/2018 which was held on November 20, 2018, as Company Secretary, replacing Ms. Janthana Ratanaamornchai, effective from December 18, 2018.

Roles and Responsibilities of the Company Secretary

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

12.1.9 The Executives (1)

The Executive of the Company are

1. Mrs. Nongnuch Buranasetkul
   President & CEO
2. Mr. Paisarn Aowsathaporn
   Executive Vice President – Food Business
3. Mrs. Jesdakorn Ghosh
   Senior Vice President – Beverage Business
4. Ms. Mekhala Nethipo (2)
   Senior Vice President – Packed Food Business
5. Mr. Thanee Pornphisutsak
   Vice President – Production
6. Mr. Ekbodin Densutham
   Vice President Marketing – Ready to Drink Tea
7. Mr. Kritsada Wattanapakin (3)
   Vice President – Finance and Accounting

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 20, 2018.
The name of the Company's directors has already been shown in section 12.1.1

(2) Ms. Mekhala Nethipo was appointed as Senior Vice President, effective from August 10, 2018.

(3) Mr. Kritsada Wattanapakin was appointed as Vice President, effective from August 10, 2018,

(4) Mrs. Kodchacorn Attarangsan was vacated from the position of Vice President due to the organization restructuring within the Group and its subsidiaries, effective on August 10, 2018.

Roles, Authorities and Responsibilities of the President & CEO

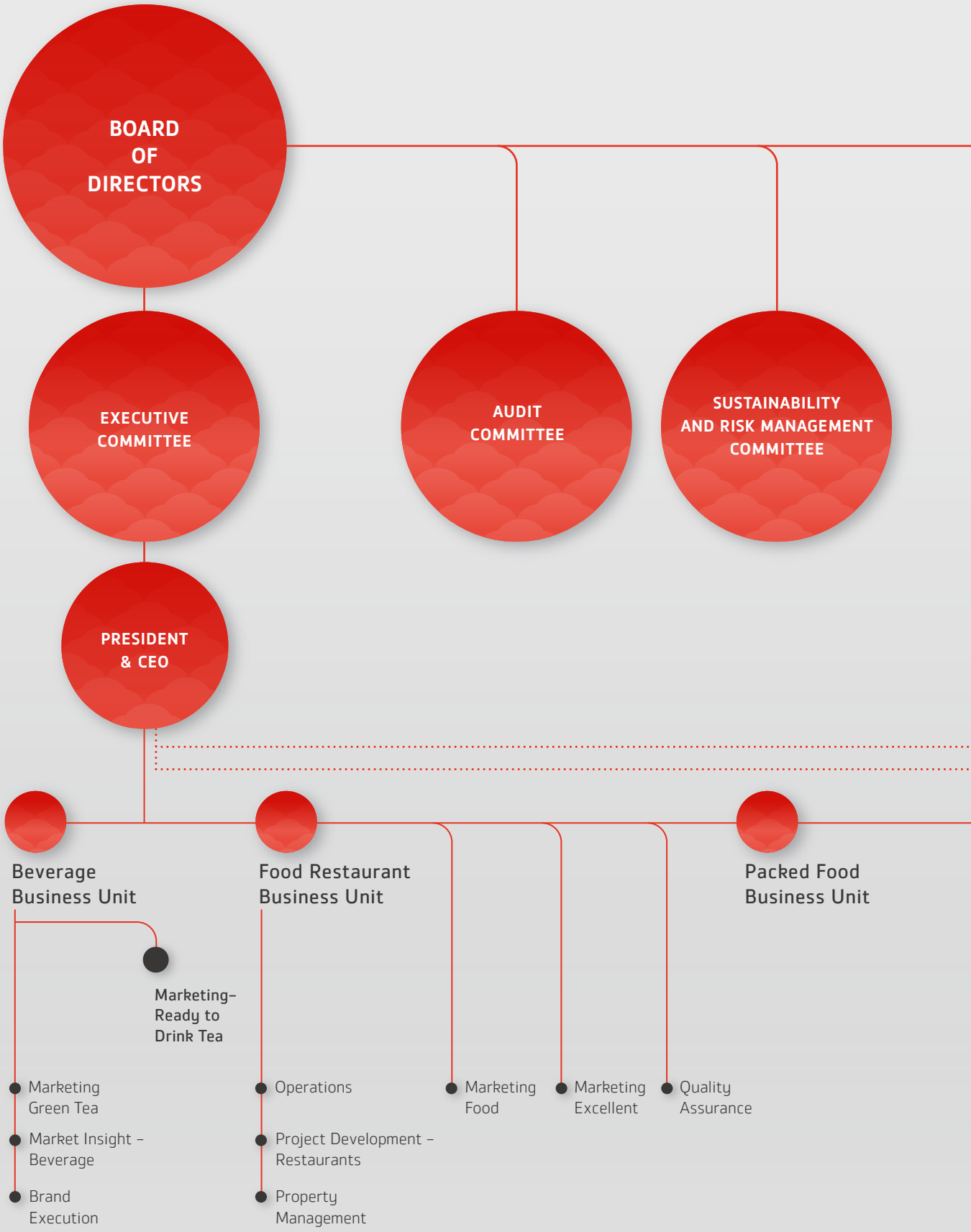
1. Determine the business strategies and supervise the Company's day to day operation and management in accordance with the goal set up by Company's policies as well as the Board of Directors or Executive Committee assignment and guidance.
2. Coordinate with the head of internal audit department and 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.

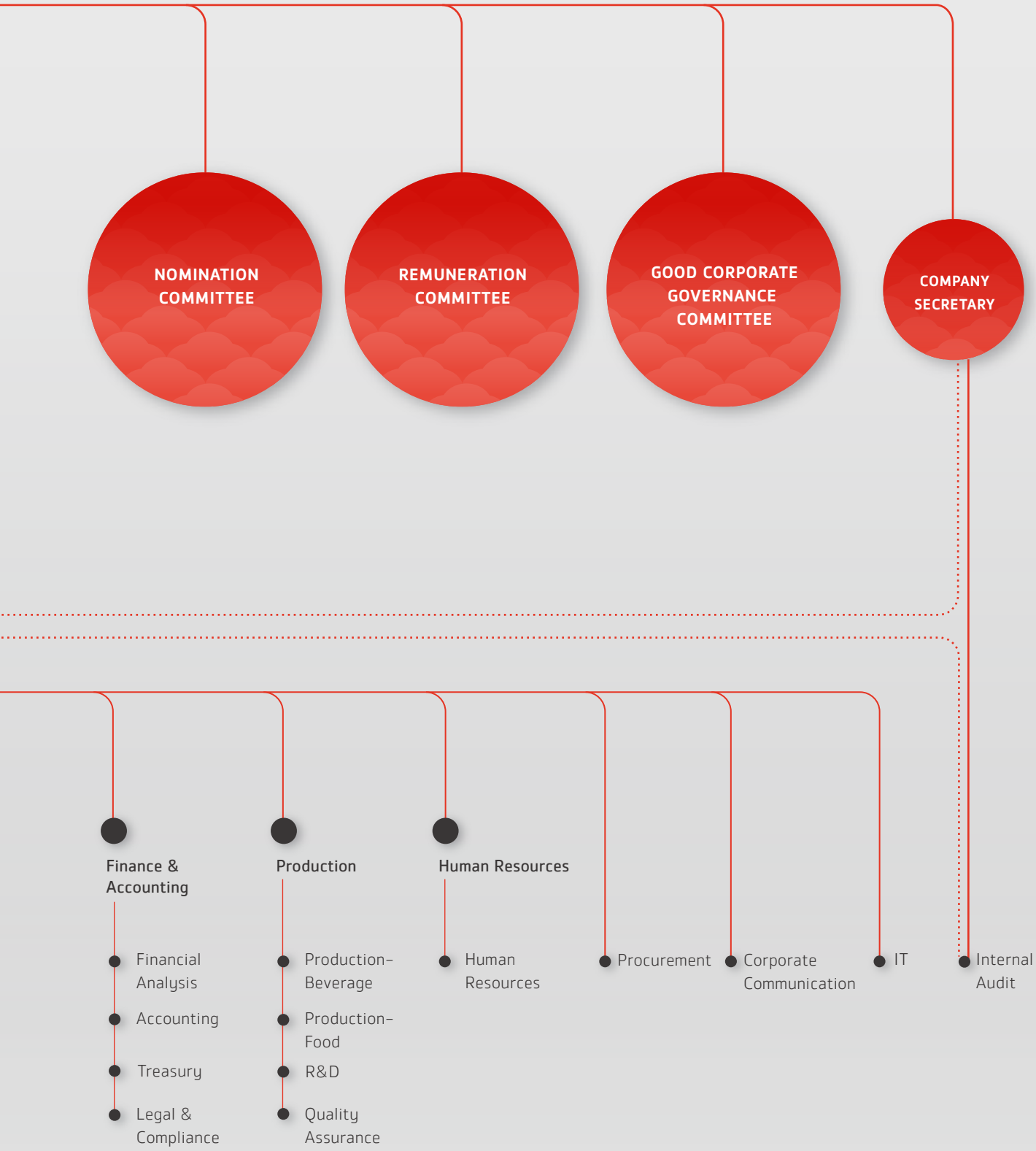
   The hiring, transference, dismissal, and the performance evaluation of head of Internal Audit Department require concurrence from the Audit Committee.
4. Approve the payment for the Company's expenses within the amount as prescribe by the Board of Directors.
5. Assign one or more persons to act on his 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.

ORGANISATION CHART OF OISHI GROUP PUBLIC COMPANY LIMITED AS OF NOVEMBER 20, 2018




NOMINATION COMMITTEE
REMUNERATION COMMITTEE
GOOD CORPORATE GOVERNANCE COMMITTEE
COMPANY SECRETARY
Finance & Accounting
Financial Analysis
Accounting
Treasury
Legal & Compliance
Production
Production–Beverage
Production–Food
R&D
Quality Assurance
Human Resources
Human Resources
Procurement
Corporate Communication
IT
Internal Audit

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 have 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 Securities and Exchange Commission (SEC) and the Code of Best Practice issued by the Stock Exchange of Thailand (SET) and/or other supervising bodies.

In addition, The Board of Directors has established its Corporate Governance policy to be in line with the principle of the Stock Exchange of Thailand (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 135 to page 152 of this Annual Report.

INFORMATION ON THE BOARD OF DIRECTORS AND THE EXECUTIVES

1. MR. PRASIT KOVILAIKOOL

Type of Director
Independent Director

Date of first appointment
April 20, 2010

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

Date of Birth
June 22, 1943

Age
75

Education
- LL.B. (Second Class Honor), 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 Financial Reporting 2004
- Director Accreditation Program (DAP) 2005
- Independent Director Forum 2017

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
- Business Future Series (BFS 3) – Sustainability for Directors
  Singapore Institute of Directors

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

Tenure
as at December 31, 2018.
8 years 8 months

Positions in other listed companies
Present Independent Director, Chairman of the Audit Committee, Chairman of the Remuneration Committee, Nominating Committee Member and Chairman of the Corporate Governance Committee
Siam Food Products Public Company Limited
Independent Director and Chairman of the Audit Committee
Berli Jucker Public Company Limited

Positions in other non–listed companies
Present Independent Director, Chairman of the Audit Committee, Chairman of the Remuneration Committee, Nomination Committee, Chairman of the Sustainability and Risk Management Committee
Thai Beverage Public Company Limited
Director
Asset World Corp 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
Member of National Housing Policy Committee
Ministry of Social Development and Human Security

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 during the past 10 years
None

2. MR. THAPANA SIRIVADHANABHAKDI

Type of Director
Authorized Director

Date of first appointment
January 26, 2006

Current Position
Vice Chairman, Chairman of the Executive Committee,
Nomination Committee Member,
Remuneration Committee Member and
Good Corporate Governance Committee Member

Date of Birth
January 20, 1975

Age
43

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

Training
Thai Institute of Directors Association (IOD)
- Directors 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 as at December 31, 2018.
12 years 11 month

Positions in other listed companies

Present Vice Chairman
Univentures Public Company Limited
3rd Vice Chairman and Chairman of the Executive Committee
Sermsuk Public Company Limited
Vice Chairman and Chairman of the Executive Committee
Amarin Printing and Publishing Public Company Limited
Director
Golden Land Property Development Public Company Limited

Positions in other non-listed companies

Present President and Chief Executive Officer
Sustainability and Risk Management Committee Member
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

Positions in other non-listed companies

Present **Chairman**

Feed Addition Company Limited
Thai Beverage Training Company Limited
Modern Trade Management Company Limited
SPM Foods and Beverages Company Limited
C A C Company Limited
Horeca Management Company Limited
Chang International Company Limited
Food of Asia Company Limited
The QSR of Asia Company Limited
Foods Company Holdings Company Limited
Max Asia Company Limited
Nateechai Company Limited
Luckchai Liquor Trading Company Limited
BevTech Company Limited
ASM Management Company Limited
United Winery and Distillery Company Limited
Simathurakij Company Limited
Cash van Management Company Limited
Bangkok Art Biennale Management Company Limited

1st Vice Chairman

Thai Beverage Logistics Company Limited

Vice Chairman

Cosmos Brewery (Thailand) Company Limited
Dhospaak Company Limited
International Beverage Holding (China) Company Limited
Times Publishing Limited
Southeast Group of Companies

Vice Chairman and Executive Chairman

Beer Thai (1991) Public Company Limited

1st Vice Chairman and President

International Beverage Holdings Limited

Director and Executive Chairman

GMM Channel Holding Company Limited

Positions in other non-listed companies

Present **Director**

Beer Chang Company Limited
Serm Suk Beverage Company Limited
Serm Suk Holdings Company Limited
Serm Suk Training Company Limited
Wrangyer Beverage (2008) Company Limited
TSpace Digital Company Limited
Plantheon Company Limited
Terragro Fertilizer Company Limited
NY Property Development Company Limited
Pracharath Rak Samakkee (Social Enterprise) Company Limited
Namjai Thaibev (Social Enterprise) Company Limited
Cristalla Company Limited
The Cha-am Yatch Club Hotel Company Limited
North Park Golf and Sport Club Company Limited
North Park Real Estate Company Limited
Lake View Golf and Yatch Club Company Limited
Sport and Recreation Management Company Limited
Nongkhai Country Golf Club Company Limited
T.C.C. Assets (Thailand) Company Limited
T.C.C. Holdings (2519) Company Limited
Vadhanabhakdi Company Limited
Siridamrongdham Company Limited
Pathombnakdi Company Limited
Sarapad Sappasin (Social Enterprise) Company Limited
Buriram Development Company Limited
Thai Group Holdings Public Company Limited
Fraser and Neave, Limited
InterBev Investment Limited
Best Spirits Company Limited
Super Brands Company Pte. Ltd.

Positions in other non-listed companies

Present Director
InterBev (Singapore) Limited
Blairmhor Distillers Limited
Inver House Distillers Limited
Great Brands Limited
Blairmhor Limited
International Beverage Holding (UK) Limited
Amarin Media and Commerce Company Limited
Thai Beverage Brand Company Limited
T.C.C. Technology Company Limited
Adelfos Company Limited
TCC Group of Companies

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

2006 - 2016 Director
Interbev Malaysia Sdn.Bhd.

2001 - 2017 Director
Berli Jucker Public Company Limited

Legal Record during the past 10 years

None

3. MR. VIKROM KOOMPIROCHANA

Type of Director
Independent Director

Date of first appointment
November 10, 2006

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

Date of Birth
January 23, 1946

Age
72

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

Training
Thai Institute of Directors Association (IOD)
- Director Accreditation Program (DAP) class 63/2007
- Anti-Corruption for Executive Program (ACEP) class 7/2013
- Successful Formulation & Execution of Strategy (SFE) class 22/2014
- Role of the Chairman Program 39/2016
- Advanced Audit Committee Program 23/2016

Training (other Institutes)
- Certificate of Top Executive Program, Class 14/2012
  Capital Market Academy

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

Tenure as at December 31, 2018.
12 years 1 month

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

Positions in other non-listed companies
Present Honorary Advisor
British Chamber of Commerce Thailand (BCCT)
Chairman
Sports and Recreation Management Company Limited

Director has direct & indirect in any contract entered into by company
None

Experiences during the past 5 years

2005 and 2007 – 2008	Director 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 Ambassador of Thailand to Ireland
2007 – 2009	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

Legal Record during the past 10 years
None

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
72

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 Business
- Business Future Series (BFS 3) – Sustainability for Directors Singapore Institute of Directors

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

Tenure
as at December 31, 2018.
9 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
Independent Director, Chairman, 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 **Independent Director**
Thai Beverage Public Company Limited
Honorary Member of University Council
Mae Fah Luang University
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 – Nov 2017	**Independent Director and Chairman of Audit Committee** 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 – March 2013	**Chairperson of the Public Sector Audit and Evaluation Committee** 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 Sustainability and Risk Management Committee and Good Corporate Governance Committee Member

Date of Birth
November 25, 1954

Age
64

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
as at December 31, 2018.
12 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 Remuneration Committee Member
Major Cineplex Group Public Company Limited
Chairman of the Board of Director, Independent Director and Chairman of the Audit Committee
Thai Metal Trade Public Company Limited
Independent Director
Siam Future Development Public Company Limited
Chairman of the Board of Director and Independent Director
Veranda Resort 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 the Executive Committee

Date of Birth
May 17, 1949

Age
69

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
as at December 31, 2018.
12 years 11 months

Positions in other listed companies
Present 4th Vice Chairman and 1st Executive Vice Chairman
Sermsuk Public Company Limited

Positions in other non-listed companies
Present Director, Senior Executive Vice President and Sustainability and Risk Management Committee Member
Thai Beverage Public Company Limited
Chairman
InterBev Trading (China) Limited
Vice Chairman
Oishi Trading Company Limited
Oishi Ramen Company Limited
Oishi Food Service Company Limited
Cash Van Management 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
BevTech Company Limited
2nd Vice Chairman and Chairman of the Executive Committee
Thai Drinks Company Limited
2nd Vice Chairman
Thai Beverage Logistics Company Limited

Positions in other non-listed companies

Present **Director**

Agent Management Company Limited
Thai Beverage Training Company Limited
Sermsuk Holdings Company Limited
Sermsuk Beverage Company Limited
Blairmhor Distillers Limited
Blairmhor Limited
InterBev (Singapore) Limited
International Beverage Holdings (China) Limited
International Beverage Holdings 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 **Director, Executive Vice President Sustainability and Risk Management Committee**
Thai Beverage Public Company Limited

2014 – 2016 **1st Vice Chairman and President**
Thai Beverage Marketing Company Limited

2009 – 2017 **Director**
Num Muang Company Limited
Num Nakorn Company Limited
Num Yuk Company Limited
Num Thip Company Limited

Legal Record during the past 10 years

None

7. MR. SITHICHAI CHAIKRIANGKRAI

Type of Director
Authorized Director

Date of first appointment
January 26, 2006

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

Date of Birth
July 10, 1954

Age
64

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
as at December 31, 2018.
12 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, Senior Executive Vice President and Sustainability and Risk Management Committee Member
Thai Beverage Public Company Limited
Vice Chairman
Oishi Trading Company Limited
Oishi Ramen Company Limited
Oishi Food Service Company Limited
Director
Oishi International Holdings Limited
Petform (Thailand) Co., Ltd.
Fraser and Neave Limited
Frasers Property Limited
Eastern Seaboard Industrial Real Estate (Rayong) Company Limited
Asset World Corp Public Company Limited
Big C Retail Holding Company Limited
T.C.C Assets (Thailand) Company Limited
Thai Beverage Can Company Limited
Univentures REIT Management Company Limited

Director has direct & indirect in any contract entered into by company
None

Experiences during the past 5 years

2010 – 2016	Director and Executive Vice President Risk Management Committee Member Thai Beverages Public Company Limited
2010 – 2013	Director Beer Chang International Limited
March 2016 – January 2018	Director Big C Supercenter 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 and President & CEO, Executive Committee Member, Sustainability and Risk Management Committee Member and Good Corporate Governance Committee Member

Date of Birth
March 25, 1968

Age
50

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

Training (other Institutes)
- 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
as at December 31, 2018.
1 Year 10 months

Positions in other listed companies
None

Positions in other non-listed companies

Present	Senior Vice President, Sustainability and Risk Management Committee Member Vice President – Office of Food Development Thai Beverage Public Company Limited Director and President Food of Asia Company Limited Oishi Trading Company Limited Oishi Ramen Company Limited Oishi Food Service Company Limited

Positions in other non-listed companies

Present **Director**

Koykiao Company Limited
Max Asia Company Limited
Bistro Asia Company Limited
Thai Drinks Company Limited
Oishi International Holdings Limited
Oishi Myanmar Limited
Oishi Group Limited Liability Company
Foods Company Holdings Company Limited
The QSR of Asia Company Limited
Spice of Asia Company Limited
Havi Logistics (Thailand) Company Limited
Havi Food Distribution (Thailand) Company Limited

Director has direct & indirect in anycontract entered into by company

None

Experiences during the past 5 years

2012 – 2014 **General Manager**
Yum Restaurants International (Thailand) Company Limited

2010 – 2012 **Pizza Hut Business Director**
Yum Restaurants International (Thailand) Company Limited

Legal Record during the past 10 years

None

9. MR. PISANU VICHIENSANTH

Type of Director
Authorized Director

Date of first appointment
January 26, 2006

Current Position
Director, Executive Committee Member and
Vice Chairman of the Sustainability and Risk Management Committee

Date of Birth
January 23, 1956

Age
62

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
as at December 31, 2018.
12 years 11 month

Positions in other listed companies
None

Positions in other non-listed companies

Present Director, Senior Executive Vice President and Sustainability and Risk Management Committee Member
Thai Beverage Public Company Limited
3rd Vice Chairman and Managing Director
BevTech 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
Great Brands Limited
Foods Company Holdings Company Limited
1st Vice Chairman
Chang International Company Limited
Vice Chairman
Cosmos Brewery (Thailand) Company Limited
Food of Asia Company Limited
Director and Executive Vice Chairman
Beer Thai (1991) Public Company Limited

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

Experiences during the past 5 years

2014 – 2016	Director, Executive Vice President and Risk Management Committee Member 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 Sustainability and Risk Management Committee Member

Date of Birth
April 1, 1965

Age
53

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 Sustainability and Risk Management Committee Member

Date of Birth
June 6, 1969

Age
49

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. MS. MEKHALA NETHIPO

Current Position
Senior Vice President – Packed Food Business and Sustainability and Risk Management Committee Member

Date of Birth
November 18, 1970

Age
48

Education
- Bachelor Degree in Communication Arts, Chulalongkorn University
- Master Degree in Business Administration (MBA), Sasin Graduate Institute of Business Administration of Chulalongkorn University

Training
Thai Institute of Directors Association (IOD)
None

Training (other Institutes)
None

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 Vice President – Food Business Strategy
Food of Asia Co., Ltd.

Director has direct & indirect in any contract entered into by company
None

Experiences during the past 5 years
2016 – 2017 Senior Director, Audult and Feminine Care Sector
Kimberly-Clark Asia Pacific (Singapore)
2013 – 2016 Marketing Director
Colgate-Palmolive Taiwan Co., Ltd.

Legal Record during the past 10 years
None

13. MR. THANEE PORNPHISUTSAK

Current Position
Vice President – Production and
Sustainability and Risk Management Committee Member

Date of Birth
November 30, 1969

Age
49

Education
- Bachelor Degree in Food Sciences and Technology
  Kasetsart University

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
2011 – April 2016 General Factory Manager
Oishi Group Public Company Limited

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
42

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 anycontract 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

15. MR. KRITSADA WATTANAPAKIN

Current Position
Vice President – Accounting & Finance and
Sustainability and Risk Management Committee Member

Date of Birth
December 6, 1979

Age
39

Education
- Bachelor's degree in Accounting
  Kasetsart University
- Master's degree in Business Administration (MBA)
  Thammasat University
- Certified Public Accountant of Thailand (CPA) No.9928

Training
Thai Institute of Directors Association (IOD)
- Director Accreditation Program (DAP) 149/2018

Training (other Institutes)
None

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
Presen Vice President – Business Development (Non-Alcoholic Beverages)
Thai Drinks Co., Ltd.

Director has direct & indirect in any contract entered into by company
None

Experiences during the past 5 years
2015 – 2017 Head of Finance and Services
AstraZeneca (Thailand) Co., Ltd.
2012 – 2015 Head of Finance Business Partner
Syngenta Crop Protection (Thailand) Co., Ltd.

Legal Record in 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;

	2018 (October 2017 – September 2018)		
Name-Surname / Position	Retainer fee (Baht)	Bonus (Baht)	Total amount (Baht)
1. Mr. Prasit Kovilaikool[1] Chairman Independent Director Nomination Committee Remuneration Committee	720,000	4,053,300	4,773,300
2. Mr. Thapana Sirivadhanabhakdi Vice Chairman Chairman of the Executive Committee Nomination Committee Remuneration Committee Good Corporate Governance Committee	720,000	5,234,300	5,954,300
3. Mr. Vikrom Koompirochana Independent Director Chairman of the Audit Committee Chairman of the Nomination Committee Remuneration Committee Good Corporate Governance Committee	672,000	3,040,000	3,712,000
4. Ms. Potjanee Thanavaranit [2] Independent Director Audit Committee Chairman of the Remuneration Committee Chairman of the Good Corporate Governance Committee	612,000	3,040,000	3,652,000
5. Mr. Chai Jroongtanapibarn Independent Director Audit Committee Chairman of the Sustainability and Risk Management Committee [3] Good Corporate Governance Committee	648,000	3,040,000	3,688,000
6. Mr. Ueychai Tantha-Obhas Director 1st Vice Chairman of the Executive Committee	468,000	3,672,400	4,140,400
7. Mr. Sithichai Chaikriangkrai Director 2nd Vice Chairman of the Executive Committee Remuneration Committee	528,000	3,672,400	4,200,400
8. Mr. Marut Buranasetkul [4] Director President & CEO Executive Committee Risk Management Committee [3] Good Corporate Governance Committee	-	1,041,300	1,041,300
9. Mrs. Nongnuch Buranasetkul [5] Director President & CEO Executive Committee Sustainability and Risk Management Committee [3] Good Corporate Governance Committee	-	2,082,500	2,082,500

Name–Surname / Position	2018 (October 2017 – September 2018) Retainer fee (Baht)	Bonus (Baht)	Total amount (Baht)
10. Mr. Pisanu Vichiensanth Director Executive Committee Vice Chairman of the Sustainability and Risk Management Committee (3)	576,000	3,123,800	3,699,800
Total	**4,944,000**	**32,000,000**	**36,944,000**

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 ("ThaiBev"), the Company's parent company. His remuneration from ThaiBev from the period of October 1, 2017 to September 30, 2018 was SGD 275,000. Conversion rate is SGD 1 = Baht 24.
(2) Ms. Potjanee Thanavaranit, Independent Director holding the position of Independent Director at ThaiBev, the Company's parent company. Her remuneration from ThaiBev from the period of January 31, 2018 to September 30, 2018 was SGD 26,000. Conversion rate is SGD 1 = Baht 24
(3) The Board of Director Resolution No. 3/2018 held on May 14, 2018 has approved to amend from Risk Management Committee to Sustainability and Risk Management Committee. It also set up Committee and defined scope of authority, role and responsibility of the Sustainability and Risk Management Committee effective from May 14, 2018.
(4) Mr. Marut Buranasetkul has resigned from the position of Director, President & CEO, Executive Committee, Risk Management Committee and Good Corporate Governance Committee effective from February 9, 2017. However, he still has the right to receive Director's bonus paid in the year 2018.
(5) Mrs. Nongnuch Buranasetkul was appointed by the Board of Director Resolution No. 2/2017 held on February 9, 2017 as of Director, President & CEO, Executive Committee, Risk Management Committee and Good Corporate Governance Committee to replace Mr. Marut Buranasetkul who has resigned.

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

Unit : Thousand Baht

	2018 (October 2017 – September 2018)	2017 (October 2016 – September 30 2017)
Salary	14,099.99	14,405.24
Bonus	3,830.09	4,011.16
Social Security Fund	521.55	29.25
Employee Benefits	4,319.47	3,580.78
Provident Fund	69.82	550.03
Service fees under the Business Administrative Service Agreement	14,564.00	16,594.34
Remuneration from the Allotment of Bonus Shares under the Long Term Incentive Plan of Thai Beverage Public Company Limited or "LTIP" (2)	370.05	–
Total	**37,774.97**	**39,170.80**

Remarks:
(1) Executives remuneration in 2018 (October 1, 2017 – September 30, 2018) is presenting follows the definition announced by the Securities and Exchange Commission consisted of the following 8 executives:
1. Mrs. Nongnuch Buranasetkul 2. Mr. Paisarn Aowsathaporn 3. Mrs. Jesdakorn Ghosh 4. Ms. Mekhala Nethipo 5. Mr. Thanee Pornphisutsak 6. Mrs. Kodchacorn Attarangsan 7. Mr. Ekbodin Densutham and 8. Mr. Kritsada Wattanapakin which does not include the director's monetary remuneration made to Mrs. Nongnuch Buranasetkul under Section 14.1.1
(2) Refer to the Ordinary Shareholder Meeting of Thai Beverage Public Company Limited ("ThaiBev") for the year 2016 held on April 28, 2016 ("Ordinary Shareholder Meeting 2016") has approved Long Term Incentive Plan ("LTIP") which is intended to increase the competitiveness of all affiliate companies under ThaiBev Group to retain competent employees. In addition, LTIP is a methodology for rewarding to past performance and build up motivation to creativity for future up to the Corporate level and personnel level. Therefore, Issuance and Sell Offering of ThaiBev ordinary shares is executed under all related regulations announced by the Securities and Exchange Commission, Thailand, and all related regulations of Singapore Stock Exchange. The Board of Director of Thai Beverage Public Company Limited has appointed the LTIP Management Committee who are responsible to set up employee remuneration program of ThaiBev after approved by the Ordinary Shareholder Meeting Resolution for the year 2016. The LTIP Management Committee has to consider and describe factors in concerning to the LTIP for example, project member, detail of allotment of bonus shares, management, project cancellation after the period not over 5 years after initial date and other related changes of LTIP in anytime. Thus, LTIP is covering to Oishi

Group as a part of Thai Bev group. For the year 2018 (from October 1, 2017 to September 30, 2018) there are 2 executives, under the definition of the Securities and Exchange Commission, received the allotment of ordinary bonus shares in respect to the LTIP as remuneration are follows: Mr. Paisarn Aowsathaporn and Mr. Thanee Pornphisutsak

(3) The remuneration of Mrs. Nongnuch Buranasetkul, President & CEO under the Business Administrative Service Agreement between the Company and ThaiBev for the year 2018 (from October 1, 2017 to September 30, 2018) was Baht 9,360,000.

(4) Ms. Mekhala Nethipo was appointed to the position of Senior Vice President effective from August 10, 2018.

(5) Mr. Kritsada Wattanapakin was appointed to the position of Vice President effective from August 10, 2018.

(6) Mrs. Kodchacorn Attarangsan was resigned from the position of Vice President follow the organization development plan for the Affiliated Companies effective from August 10, 2018.

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 Business Future Series (BFS) 3: Sustainability for Directors 2018 (Singapore Institute of Directors)
2. Mr. Thapana Sirivadhanabhakdi	–	DAP/2004	–	–	–
3. Mr. Vikrom Koompirochana	–	Class of 63/2007	–	Class of 39/2016	CMA Class14 ACEP Class of 7/2013 SFE Class of 22/2014 AACP Class of 23/2016
4. Ms. Potjanee Thanavaranit	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 ASPM Class 2 AACP Class of 10/2013 ACEP Class of 7/2013 ITG Class of 2/2016 Business Future Series (BFS) 3: Sustainability for Directors 2018 (Singapore Institute of Directors)
5. Mr. Chai Jroongtanapibarn	Class of 29/2003	–	Class of 4/2005	–	–
6. Mr. Ueychai Tantha-Obhas	DAP/2007	DAP/2004	–	Class of 29/2012	–
7. Mr. Sithichai Chaikriangkrai	Class of 26/2003 Refresher Course Class of 2/2006	–	–	–	–
8. Mrs. Nongnuch Buranasetkul	–	DAP 135/2017	–	–	
9. Mr. Pisanu Vichiensanth	–	DAP/2004	–	–	

14.3 OTHER BENEFITS

– None –

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

Name	Position	Ordinary Shares		
		30 Sep. 2017	30 Sep. 2018	Increase (Decrease)
1. Mr. Prasit Kovilaikool	Chairman and Independent Director	-	-	-
Spouse and minor child		-	-	-
2. Mr. Thapana Sirivadhanabhakdi	Vice Chairman	-	-	-
Spouse and minor child		-	-	-
3. Mr. Vikrom Koompirochana	Independent Director and Chairman of the	-	-	-
Spouse and minor child	Audit Committee	-	-	-
4. Ms. Potjanee Thanavaranit	Independent Director and Audit Committee	-	-	-
Spouse and minor child		-	-	-
5. Mr. Chai Jroongtanapibarn	Independent Director and Audit Committee	-	-	-
Spouse and minor child		-	-	-
6. Mr. Ueychai Tantha-Obhas	Director	-	-	-
Spouse and minor child		-	-	-
7. Mr. Sithichai Chaikriangkrai	Director	-	-	-
Spouse and minor child		-	-	-
8. Mrs. Nongnuch Buranasethkul	Director and President&CEO	-	-	-
Spouse and minor child		-	-	-
9. Mr. Pisanu Vichiensanth	Director	-	-	-
Spouse and minor child		-	-	-
10. Mr. Paisarn Aowsathaporn	Executive Vice President	-	-	-
Spouse and minor child		-	-	-
11. Mrs. Jesdakorn Ghosh	Senior Vice President	-	-	-
Spouse and minor child		-	-	-
12. Ms. Mekhala Nethipo (2)	Senior Vice President	-	-	-
Spouse and minor child		-	-	-
13. Mr. Thanee Pornphisutsak	Vice President	-	-	-
Spouse and minor child		-	-	-
14. Mr. Ekbodin Densutham	Vice President	-	-	-
Spouse and minor child		-	-	-
15. Mrs. Kodchacorn Attarangsan (3)	Vice President	-	-	-
Spouse and minor child		-	-	-
16. Mr. Kritsada Wattanapakin(4)	Vice President	-	-	-
Spouse and minor child		-	-	-

Remarks:

(1) Executives are defined in the Announcement of the Securities and Exchange Commission.

(2) Ms. Mekhala Nethipo was appointed to Senior Vice President effective on August 10, 2018.

(3) Mrs. Kodchacorn Attarangsan was appointed as Vice President effective on February 1, 2017 and resigned from the position in accordace with organizational restructuring within related companies effective on August 10, 2018.

(4) Mr. Kritsada Wattanapakin was appointed to Vice President effective on August 10, 2018.

HUMAN CAPITAL AND HUMAN RESOURCES DEVELOPMENT POLICY

16.1 EMPLOYEES

As of September 30, 2018, the Company and its subsidiaries have a total of 8,700 employees (excluding the Board of Directors and Management team as per details under section 12) which are categorized into:

Function	Number of Employees
Corporate Functions	452
Restaurant Operations	7,233 (Excluding 65 employees under Joint Venture Restaurant Operations in Myanmar)
Production	1,015
Total	**8,700**

The proportion of employees is classified by gender, age, and level as follows:

Gender	Number of Employees	Proportion by Gender
Male	3,658	42.05%
Female	5,042	57.95%
Total	**8,700**	**100%**

Age	Number of Employees	Proportion by Age
Under 30 years old	6,054	69.59%
Between 30–50 years old	2,334	26.83%
Above 50 years old	312	3.59%
Total	**8,700**	**100%**

Level	Number of Employees	Proportion by Level
Staff – Supervisory	8,472	97.38%
Assistant Manager – Manager	199	2.29%
Assistant Director – Deputy Director	12	0.14%
Director – Senior Director	17	0.20%
Total	**8,700**	**100%**

As of September, 30, 2018, the total basic salary was Baht 1,225 million (excluding salary paid to the employees in Myanmar).

16.2 EMPLOYEE TRAINING AND DEVELOPMENT POLICY

In 2018, in order to enhance its capacity, OISHI group has focused on human resource development by turning all Human Capital management and process to digital platforms to increase efficiency, transparency, and decrease the risks on Human Capital Development's decision in making strategic business plans using the quick and reliable employee information. In 2018, the Company has expanded the scope of use of Digital Human Resource Management in terms of recruitment, performance appraisal, employee database system and trainings. Employees at all levels have been regularly trained on various programs to enhance their understanding about the system.

OISHI group has continuously strengthened its supervisory level employees' capacities and leadership skills by enhancing their management and leadership skills with specific and appropriate individual development plans. Human Capital Development plans are classified into directors, managers, supervisors, and operators and conducted to be in accordance with the target groups. With the collaboration with the national leading universities, the Company has provided the Supervisory Development Program (SDP), a training course regarding strategic planning for supervisors and executives. Furthermore, the Company provides its employees with English courses and training programs in order to enhance their language capacity and promote international business expansion of the OISHI group.

As of September 30, 2018, OISHI group invested approximately Baht 5,240,678.17 million on personal development, with approximately Baht 556 per person for employees. The Company's total training course time until September, 2018 is over 37,774 hours with approximately 14.17 hours per person.

Employee Training Program (2018)

	Training Hours	Numbers of Employees	Training Hours (Average Training Hours/person)
Company Headquarters	8,550	416	20.55
Production Plants	22,704	1,278	17.62
Restaurant Operations	6,520	7,732	0.84
Total	**37,774**	**9,426**	**14.17**

16.3 WELFARE POLICY

OISHI group believes that our continued growth and success is the result of our competent, skillful, and motivated employees. With the hope to retain its valuable employees, who help elevate the business performance, the Company offers them with appropriate welfare, stability, and good quality of life.

In 2018, the Company continuously maintains its welfare policy implemented in the past years, the details of which are summarized as follows:

1. Treat every employee fairly and with dignity as a member of the Company.
2. Improve the working environment and maintain tidy, pleasant, and cozy working environment continuously.
3. Provide safe, sufficient, and hygienic cafeteria, restrooms and toiletries, shuttle bus service as well as efficient nursing facilities in accordance to the law (factory locations).
4. Provide fair and appropriate remuneration and benefit schemes to all employees.
5. Promote relevant, appropriate, and regular information sharing to employees.
6. Provide sufficient and modern office equipment and utilities in order for the employees to achieve their maximum efficiency.

16.4 SAFETY OF OCCUPATIONAL HEALTH AND WORKPLACE ENVIRONMENT POLICY

As employees are the organization's most valuable resources, therefore, OISHI group has continuously been enforcing a high safety standard of occupational health and workplace environment.

In 2018, the Company continuously maintains the health and workplace environment policy implemented in the past years, the details of which are summarized as follows:

1. Safety in the workplace is the responsibility of all employees.
2. Improve working conditions for the safety of all employees and everyone.
3. Organize and promote activities to create awareness of workplace safety.
4. Supervisors at all levels should act as a good role model by abiding to the workplace safety rules and regulations.
5. All employees shall be aware of safety of self and others as well as the Company's assets during the work hours.
6. All employees shall provide full cooperation with the Company's measures on safety of occupational health and workplace environment.

16.5 HUMAN RESOURCE POLICY

In order for the Company to continuously achieve its strategic imperatives, OISHI group aims to retain its talented and knowledgeable employees as well as motivates them to utilize their capabilities and knowledge to their full potential by adhering to integrity, discipline, harmony, and common understanding.

In 2018, the Company has set and followed Human Resources management policies continuously, the details of which are as follows:

1. All employees shall be treated fairly, with dignity and respect as a member of the Company.
2. The employee recruitment and transfers shall be fairly assessed based on job qualification and specification.
3. Provide employees with internal job opportunities based on the employees' capacity.
4. Support and develop the employees continuously.
5. Provide remuneration and benefit schemes to employees as fair and appropriate with the job requirement and company performance.
6. Promote relevant, appropriate, and regular information sharing to employees.
7. Promote and drive the employees' behavior to conform to the organization's Core Values in order to gradually change the organizational culture which leads to the achievement of the organization's strategic plans.

16.6 ADMINISTRATION POLICY

The Company determines to provide a comfortable working environment for its employees to enhance the employees' morale, workplace security, safety and sanitation, which would be beneficial to business performance and future business growth.

In 2018, the Company continuously maintains its administration policies implemented in the past years, the details of which are summarized below:

1. Improve the working environment and maintain tidy, pleasant, and cozy working environment continuously.
2. Provide safe, sufficient, and hygienic cafeteria, restrooms and toiletries, shuttle bus service as well as efficient nursing facilities in accordance to the law (factory locations).
3. Provide sufficient and modern office equipment and utilities in order for the employees to achieve their maximum efficiency.
4. Nurture good relationship with external organizations and visitors as well as government bodies.
5. Promote relevant, appropriate, and regular information sharing to employees.
6. Promote environmental and energy saving projects such as turning off the electricity when not in use, reducing and utilizing plastic bottles and papers, as well as using QR code and social network as a platform for news and information announcement.
7. Provide annual fire safety training for all staff in the Company's headquarters office, production plants as well as cultivate the safety awareness of the staff.

16.7 EMPLOYEE COOPERATION WITH COMPANY'S BUSINESS ETHICS AND CORPORATE GOVERNANCE

The Company has a policy to encourage its employees to study, understand, and adhere to the Company's Business Ethics and Corporate Governance policy. OISHI group's Business Ethics has been incorporated as a part of the Company's employee's orientation in which the details of the Company's Business Ethics is explained to all new employees. Moreover, the Company's Corporate Governance policy as well as OISHI group's Ethics are frequently communicated and reminded to all employees via various internal communication channels such as announcement boards at production plants, restaurant outlets, and internal intranet. These are done to ensure strict compliance of all employees as well as to encourage and continuously monitor the result of the principle and policy. No incident of employees' non-compliance to the Business Ethics and Corporate Governance policy was reported in the previous year.

In addition, the Company has issued regulations on Receipt of Complaint and Whistle Blower Protection as per the Company's Corporate Governance policy which is published on the Company's websites and communicated to all employees The Audit Committee, consisting of independent directors, considers and manage the information received through the planned Whistle Blowing channels to ensure that all employees and the Company's stakeholders who pass on the information or complaints shall not be intimidated or unfairly treated by the Company. Reports of such information shall be made to the Board of Directors as per the Whistle Blowing Protection guidelines.

Moreover, to emphasize the Company's intention and policy on anti-corruption and fraud, the Company has issued a notice regarding the whistle blowing, a reward for the whistle blower, and has conducted anti-corruption training programs in order to remind all employees of the importance of honesty as well as encourage them to adhere to honesty and to be mindful, and not to be neglect in their duties. Such negligent performance is very conductive to potential fraudulent actions which might cause serious damage and 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 especially the information technology and digital risks; as well as evaluate the efficiency and sufficiency of the internal control, and closely monitor the risks analysis and evaluation assessment together with the fraud, corruption assessment in order to close the vulnerability of errors, mistakes which may lead to fraud and corruption at last. 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 supports and supervises 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, also the appointment, rotation, dismiss and evaluation of the head of Internal Audit must endorsed by the Audit Committee, to ensure that the internal control system continues to be a significant mechanism that pushes the Company to its sustainable growth, so that the Company can achieve its Vision and Mission.

The internal control's framework for the Board of Directors, including the Audit Committee and the Internal Audit Department, is based on the Integrated Internal Control Framework of the Committee of Sponsoring Organizations of the Tread way Commission (COSO) that covers in 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 their systems 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 sustainablility 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, spouse, cohabitation, or minor children whom 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.

In this connection, the Company emphasizes on the silent period and the internal information usage by set up a periodically notification.

RELATED PARTIES TRANSACTIONS

19.1 RELATIONSHIPS WITH RELATED PARTIES

As of September 30, 2018, the company and its subsidiaries have entered into related parties transactions as set forth below:

Name of entities	Country of incorporation / nationality	Nature of relationships
Thai Beverage PLC.	Thailand	Parent company and common directorship
Sangsom Co., Ltd.	Thailand	Direct subsidiary of parent company
Sura Piset Phatra Lanna Co., Ltd.	Thailand	Direct subsidiary of parent company
United Winery and Distillery 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
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

Name of entities	Country of incorporation / nationality	Nature of relationships
Horeca Management 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
Thai Molasses Co., Ltd.	Thailand	Direct subsidiary of parent company
Food of Asia Co., Ltd.	Thailand	Indirect subsidiary of parent company
Havi Logistics (Thailand) Limited	Thailand	Subsidiary of a direct subsidiary of parent company
S.P.M. Foods & Beverages Co., Ltd.	Thailand	Subsidiary of an indirect subsidiary of parent company
Sermsuk PLC.	Thailand	Subsidiary of an indirect subsidiary of parent company
Serm Suk Beverage Co., Ltd.	Thailand	Subsidiary of an indirect subsidiary of parent company
Max Asia Co., Ltd.	Thailand	Subsidiary of an indirect subsidiary of parent company
Bistro Asia Co., Ltd.	Thailand	Subsidiary of an indirect subsidiary of parent company
Spice of Asia Co., Ltd.	Thailand	Subsidiary of an indirect subsidiary of parent company
The QSR of Asia 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 Limited	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 & Neave (Singapore) Pte. Limited	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
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

Name of entities	Country of incorporation / nationality	Nature of relationships
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
Siam Food Products PLC.	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
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
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 Co., 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

Name of entities	Country of incorporation / nationality	Nature of relationships
Surasate Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
T.C.C. Commercial Property 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
Dhamma Land Property Development Co., Ltd.	Thailand	Directors and controlling equity holders of parent company are relatives of indirect substantial shares holders
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 2018 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	3,413,199	491,428
	Total		**3,413,199**	**491,428**

Sales to related companies

Ref	Name	Relationship	Amount	Balance due
1	Num Yuk Co., Ltd.	Direct subsidiary of parent company	(8,255,751)	–
2	Numthurakij Co., Ltd.	Direct subsidiary of parent company	(20,490,495)	–
3	Nummuang Co., Ltd.	Direct subsidiary of parent company	(5,869,879)	–
4	Numnakorn Co., Ltd.	Direct subsidiary of parent company	(10,917,418)	–
5	Num Palang Co., Ltd.	Direct subsidiary of parent company	(4,354,004)	–
6	Numkijjakarn Co., Ltd.	Direct subsidiary of parent company	(12,154,401)	–
7	Numrungrod Co., Ltd.	Direct subsidiary of parent company	(16,512,963)	–
8	Numthip Co., Ltd.	Direct subsidiary of parent company	(11,932,087)	–
9	Cash Van Management Co., Ltd.	Direct subsidiary of parent company	(40,157,548)	–
10	Beer Thai (1991) PLC.	Direct subsidiary of parent company	4,996	–
11	Beer Thip Brewery (1991) Co., Ltd.	Direct subsidiary of parent company	11,214,739	767,635
12	Cosmos Brewery (Thailand) Co., Ltd.	Direct subsidiary of parent company	8,461	–
13	Thai Beverage Energy Co., Ltd.	Direct subsidiary of parent company	4,930	–
14	Krittayabun Co., Ltd.	Direct subsidiary of parent company	4,252,978,725	327,762,623
15	Modern Trade Management Co., Ltd.	Direct subsidiary of parent company	(266,506,203)	–
16	Pomkit Co., Ltd.	Direct subsidiary of parent company	–	2,000
17	Pomklung Co., Ltd.	Direct subsidiary of parent company	–	18,000
18	Pomcharoen Co., Ltd.	Direct subsidiary of parent company	–	4,000
19	Pomburapa Co., Ltd.	Direct subsidiary of parent company	–	2,500
20	Pompalang Co., Ltd.	Direct subsidiary of parent company	–	10,250
21	Pan International (Thailand) Co., Ltd.	Direct subsidiary of parent company	5,346	–
22	Dhospaak Co., Ltd.	Direct subsidiary of parent company	142,953	–
23	Thai Beverage Logistics Co., Ltd.	Direct subsidiary of parent company	5,850	1,691
24	Thai Beverage Marketing Co., Ltd.	Direct subsidiary of parent company	127,729	–
25	Agent Management Co., Ltd.	Direct subsidiary of parent company	19,388,630	–
26	Chang International Co., Ltd.	Direct subsidiary of parent company	486	–
27	Thai Drinks Co., Ltd.	Direct subsidiary of parent company	9,425,136	963,882

Ref	Name	Relationship	Amount	Balance due
28	Food of Asia Co., Ltd.	Direct subsidiary of parent company	183,122	26,910
29	North Park Golf And Sports Club Co., Ltd.	Directors and controlling equity holders of parent company are directors and hold substantial shares indirectly	9,600	–
30	The Southeast Insurance PLC.	Directors and controlling equity holders of parent company hold substantial shares indirectly	(7,290)	–
31	Sermsuk PLC.	Subsidiary of an indirect subsidiary of parent company	797,934,850	76,238,199
32	Serm Suk Beverage Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	7,978,125	1,113,469
33	F&N Beverages Manufacturing Sdn. Bhd.	Associate of an indirect subsidiary of parent company	12,498,286	5,946,744
34	F&N Foods Pte. Ltd.	Associate of an indirect subsidiary of parent company	6,762,943	214,288
35	F&N Dairies (Thailand) Limited	Associate of an indirect subsidiary of parent company	4,695,472	–
36	F&B International Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	267,096	29,583
37	Big C Supercenter PLC.	Directors and controlling equity holders of parent company hold substantial shares indirectly	41,654,556	9,867,548
38	Max Asia Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	29,078,186	31,236,877
39	The QSR of Asia Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	48,000	–
40	Bistro Asia Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	48,832	–
41	Spice of Asia Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	54,870	43,239
42	Havi Logistics (Thailand) Limited	Subsidiary of a direct subsidiary of parent company	–	85,781,931
	Total		**4,797,363,880**	**540,031,369**

Management fee to parent company

Ref	Name	Relationship	Amount	Balance due
1	Thai Beverage PLC.	Parent company and common directorship	9,360,000	2,503,800
	Total		9,360,000	2,503,800

Other expenses paid to parent company

Ref	Name	Relationship	Amount	Balance due
1	Thai Beverage PLC.	Parent company and common directorship	6,220,694	9,536,079
	Total		**6,220,694**	**9,536,079**

Other incomes from parent company

Ref	Name	Relationship	Amount	Balance due
1	Thai Beverage PLC.	Parent company and common directorship	22,168	–
	Total		**22,168**	**–**

Non-current liability – Parent company

Ref	Name	Amount
1	Thai Beverage PLC.	1,908,391
	Total	**1,908,391**

Sale of assets to related parties

Ref	Name	Relationship	Amount	Balance due
1	Cosmos Brewery (Thailand) Co., Ltd.	Sanitary ware	53,500	–
2	BevTech Co., Ltd.	Furniture	4,500	–
	Total		**58,000**	**–**

Other incomes from related companies

Ref	Name	Relationship	Amount	Balance due
1	Cosmos Brewery (Thailand) Co., Ltd.	Direct subsidiary of parent company	8,598	–
2	Thai Beverage Logistics Co., Ltd.	Direct subsidiary of parent company	138,163	29,747
3	Sermsuk PLC.	Subsidiary of an indirect subsidiary of parent company	6,402,066	5,765,625
4	Food of Asia Co., Ltd.	Direct subsidiary of parent company	6,500	–
5	The Southeast Insurance PLC.	Directors and controlling equity holders of parent company hold substantial shares indirectly	2,091,935	–
6	BevTech Co., Ltd.	Direct subsidiary of parent company	1,138,831	220,251

Ref	Name	Relationship	Amount	Balance due
7	Thai Drinks Co., Ltd.	Direct subsidiary of parent company	9,345,117	2,892,762
8	F&N Beverages Marketing Sdn. Bhd.	Associate of an indirect subsidiary of parent company	5,187,355	5,153,890
9	F&N Dairies (Thailand) Limited	Associate of an indirect subsidiary of parent company	137,112	–
10	Max Asia Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	3,462,205	–
11	Havi Logistics (Thailand) Limited	Subsidiary of a direct subsidiary of parent company	41,925	44,860
	Total		**27,959,807**	**14,107,135**

Purchases goods from related parties

Ref	Name	Type	Amount	Balance due
1	Numthurakij Co., Ltd.	Finished goods	390,177	–
2	Nummuang Co., Ltd.	Finished goods	77,119	–
3	Numnakorn Co., Ltd.	Finished goods	61,385	–
4	Num Palang Co., Ltd.	Finished goods	159,719	–
5	Numkijjakarn Co., Ltd.	Finished goods	101,704	–
6	Numrungrod Co., Ltd.	Finished goods	85,151	–
7	Numthip Co., Ltd.	Finished goods	19,680	–
8	Beer Thip Brewery (1991) Co., Ltd.	Finished goods	133,765,949	11,962,714
9	BevTech Co., Ltd.	Packaging	254,238,719	22,672,283
10	Pomkit Co., Ltd.	Raw materials	323,464	65,047
11	Pomklung Co., Ltd.	Raw materials	506,264	82,387
12	Pomchok Co., Ltd.	Raw materials	280,516	47,879
13	Pomcharoen Co., Ltd.	Raw materials	570,698	116,510
14	Pomburapa Co., Ltd.	Raw materials	1,008,573	174,220
15	Pompalang Co., Ltd.	Raw materials	493,198	113,032
16	Pomnakorn Co., Ltd.	Raw materials	241,623	33,391
17	Pomthip (2012) Co., Ltd.	Raw materials	2,500,486	488,365
18	Horeca Management Co., Ltd.	Transportation	60,469	–
19	Pan International (Thailand) Co., Ltd.	Supply	69,076	26,360
20	Thai Drinks Co., Ltd.	Raw materials	138,367,239	4,811,371
21	Berli Jucker PLC.	Raw materials	33,304	44,940
22	Berli Jucker Foods Co., Ltd.	Finished goods	(28,506)	–
23	Bang Pa-In Paper Mill Industry Co., Ltd.	Supply	–	64,200
24	Plantheon Trading Co., Ltd.	Raw materials	263,401,645	28,889,085

Ref	Name	Type	Amount	Balance due
25	Sermsuk PLC.	Raw materials	24,865,205	5,595,390
26	S.P.M. Foods & Beverages Co., Ltd.	Raw materials	9,377,863	–
27	Petform (Thailand) Co., Ltd.	Packaging	173,210,531	40,620,100
28	BJC Specialties Co., Ltd.	Raw materials	7,656,753	1,029,264
29	F&N Dairies (Thailand) Limited	Raw materials	7,645,097	1,348,158
30	F&N United Limited	Raw materials	26,732,485	5,078,716
31	Food of Asia Co., Ltd.	Raw materials	151	–
32	Big C Supercenter PLC.	Raw materials	5,757	–
33	United Winery and Distillery Co., Ltd.	Raw materials	–	904
34	Siam Food Products PLC.	Raw materials	55,000	29,425
35	Havi Logistics (Thailand) Limited	Raw materials	1,168,199,397	212,757,008
	Total		**2,214,475,891**	**336,050,749**

Purchase of assets from related parties

Ref	Name	Type	Amount	Balance due
1	T.C.C. Technology Co., Ltd.	Computer equipment	468,150	–
2	Big C Supercenter PLC.	Office equipment and machinery	1,299	–
3	S.P.M. Foods & Beverages Co., Ltd.	Machinery	1,267,035	1,355,727
4	Inter Horeca Co., Ltd.	Office equipment	460,440	–
5	Havi Logistics (Thailand) Limited	Restaurant utensils	312,085	–
	Total		**2,509,009**	**1,355,727**

Rental paid to related parties

Ref	Name	Relationship	Amount	Balance due
1	Sura Piset Phatra Lanna Co., Ltd.	Wang Muang, Saraburi	30,250,000	–
2	Thippatana Arcade Co., Ltd.	Gateway Ekamai	3,026,765	–
3	ASM Management Co., Ltd.	Head office	33,629,390	–
4	Thai Beverage Logistics Co., Ltd.	Pallet rental	4,120,069	–
5	Southeast Capital Co., Ltd.	Car rental	1,310,814	–
6	The Street Retail Development Co., Ltd.	Rental	1,247,912	–
7	Asset World Retail Co., Ltd.	Asiatique and Pantip Chiangmai	2,642,526	–
8	Big C Supercenter PLC.	Rental	35,139,875	–
9	Phitsanulok Big C Limited	Rental	2,454,469	–
10	CW Towers Co., Ltd.	Rental	756,010	–
	Total		**114,577,830**	**–**

Management fee to related parties

Ref	Name	Type	Amount	Balance due
1	Food of Asia Co., Ltd.	Management fee	2,952,000	5,264,400
2	Thai Drinks Co., Ltd.	Management fee	1,680,000	149,800
	Total		**4,632,000**	**5,414,200**

Other expenses paid to related parties

Ref	Name	Type	Amount	Balance due
1	Num Yuk Co., Ltd.	Advertising	361,953	844,530
2	Numthurakij Co., Ltd.	Advertising	343,933	1,974,058
3	Nummuang Co., Ltd.	Advertising	93,538	1,047,764
4	Numnakorn Co., Ltd.	Advertising	176,467	1,617,700
5	Num Palang Co., Ltd.	Advertising	103,547	1,071,035
6	Numkijjakarn Co., Ltd.	Advertising	275,716	1,412,960
7	Numrungrod Co., Ltd.	Advertising	350,534	1,468,114
8	Numthip Co., Ltd.	Advertising	241,188	1,542,298
9	Cash Van Management Co., Ltd.	Promotion	8,461,266	7,150,281
10	Modern Trade Management Co., Ltd.	Advertising	3,781,099	104,271,845
11	Beer Thai (1991) PLC.	Transportation	234,356	11,239
12	Beer Thip Brewery (1991) Co., Ltd.	Transportation	1,476,494	16,614
13	Cosmos Brewery (Thailand) Co., Ltd.	Service fee	96,821	902,861
14	Krittayabun Co., Ltd.	Dividend	–	144
15	Inter Horeca Co., Ltd.	Other expenses	35,235	8,035
16	Pomchok Co., Ltd.	Advertising	430	–
17	Pomnakorn Co., Ltd.	Welfare	63,411	–
18	Pomthip (2012) Co., Ltd.	Welfare	58,500	–
19	Dhospaak Co., Ltd.	Advertising	271,052,707	9,229,388
20	Thai Beverage Training Co., Ltd.	Training	1,047,450	1,021,476
21	C A C Co., Ltd.	Service fee	1,005,825	–
22	ASM Management Co., Ltd.	Service fee	2,583,349	5,019,530
23	Thai Beverage Logistics Co., Ltd.	Transportation	4,857,728	728,681
24	Chang International Co., Ltd.	Fee	–	151,495
25	Thai Drinks Co., Ltd.	Advertising	4,340,400	1,433,611
26	Horeca Management Co., Ltd.	Service fee	489,458	48,007
27	S.P.M. Foods & Beverages Co., Ltd.	Other expenses	14,625	–
28	Southeast Capital Co., Ltd.	Car rental	3,057,413	374,743

Ref	Name	Type	Amount	Balance due
29	T.C.C. Technology Co., Ltd.	Equipment	12,222,117	3,150,681
30	Berli Jucker PLC.	Promotion	3,600	3,852
31	Berli Jucker Logistics Co., Ltd.	Advertising	42,000	–
32	The Southeast Insurance PLC.	Insurance premiums	19,361,729	–
33	The Southeast Life Insurance PLC.	Insurance premiums	6,775,532	–
34	North Park Golf And Sports Club Co., Ltd.	Advertising	10,344	2,000
35	Asset World Retail Co., Ltd.	Service fee	4,077,343	141,527
36	Thippatana Arcade Co., Ltd.	Utilities	2,011,402	–
37	F&N Beverages Marketing Sdn. Bhd.	Promotion	66,765,722	67,676,099
38	F&N Foods Pte. Ltd.	Advertising	2,544,679	4,989,069
39	Business Process Outsourcing Co., Ltd.	Service fee	252,400	–
40	Sermsuk PLC.	Promotion	94,570	8,044,844
41	Agent Management Co., Ltd.	Promotion	17,243	13,750
42	Bang Pa-In Paper Mill Industry Co., Ltd.	Supply	338,250	–
43	Pan International (Thailand) Co., Ltd.	Other expenses	204,079	–
44	Petform (Thailand) Co., Ltd.	Other expenses	47,245	–
45	The Street Retail Development Co., Ltd.	Service fee	1,601,478	134,494
46	Pacific Leisure (Thailand) Limited	Supply	138,850	–
47	TCC Hotel Asset Management Co., Ltd.	Meeting Fee	1,687,028	–
48	Food of Asia Co., Ltd.	Food	301,359	1,586
49	Max Asia Co., Ltd.	Food	142,546	21,238
50	Golden Ventures Leasehold Real Estate Investment Trust	Service fee	19,228	–
51	Big C Supercenter PLC.	Service fee	43,573,108	4,702,263
52	CW Towers Co., Ltd.	Service fee	626,547	73,800
53	Phitsanulok Big C Limited	Service fee	2,360,733	158,466
54	Spice of Asia Co., Ltd.	Food	10,280	–
55	BJC Specialties Co., Ltd.	Other expenses	6,500	–
56	Havi Logistics (Thailand) Limited	Transportation	34,723,307	380,603
57	Siam Food Products PLC.	Other expenses	5,500	–
58	United Winery and Distillery Co., Ltd.	Other expenses	1,794	–
59	The QSR of Asia Co., Ltd.	Other expenses	440	–
60	Fraser & Neave (Singapore) Pte. Limited	Other expenses	125,190	–
	Total		**504,695,586**	**230,840,681**

Other non-current assets – Related parties

Ref	Name	Amount
1	Sura Piset Phatra Lanna Co., Ltd.	2,500,000
2	ASM Management Co., Ltd.	11,344,199
3	The Chonburi Sugar Co., Ltd.	620,000
4	The Street Retail Development Co., Ltd.	360,000
5	Surasate Co., Ltd.	141,000
6	Thai Commercial Investment Freehold and Leasehold Fund	237,600
7	Thai Retail Investment Fund	1,071,334
8	Thippatana Arcade Co., Ltd.	827,150
9	Big C Supercenter PLC.	10,356,888
10	Phitsanulok Big C Limited	1,133,697
11	Asset World Retail Co., Ltd.	511,175
12	T.C.C. Commercial Property Management Co., Ltd.	480,000
13	T.C.C. Technology Co., Ltd.	1,444,130
	Total	**31,027,173**

Non-current liability – Related parties

Ref	Name	Amount
1	BevTech Co., Ltd.	74,529
	Total	**74,529**

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 2018 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, 2018 the Company and its subsidiaries paid the audit fees to

- KPMG Phoomchai Audit Ltd. in the total amount of Baht 5,100,000 consisting of auditor's fee for the Company at Baht 2,525,300 and for the three subsidiary companies, Oishi Trading Co.,Ltd., Oishi Remen Co., Ltd. and Oishi Food Service Co., Ltd. (formerly name: Oishi Snack Co.,Ltd.) of Baht 2,574,700.
- Other related business to KPMG Phoomchai Audit Ltd. include:
  (1) **KMPG China** as auditors of Oishi International Holdings Limited of HKD 33,800.
  (2) **KPMG LLP** as auditors of Oishi F&B (Singapore) Pte. Ltd. SGD of 3,600.
- Other audit firm include:
  (1) **YES Finance Consultant Group** as auditors of Oishi Myanmar Limited of MMK 2,700,000
  (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, 2018 the Company and its subsidiaries paid the service fees to

- KPMG Phoomchai Audit Ltd. in the total amount of Baht 850,000
- Other related business to KPMG Phoomchai Audit Ltd.
  – None –
- Other related
  – None –

In this regard, the Company and its subsidiaries have changed their accounting period, starting from January 1, 2016 ending on September every year. Though, some of the oversee 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 2018 as of September 30, 2018	2017 as of September 30, 2017	2016 as of September 30, 2016
Cash and cash equivalents	1,288,934	1,446,506	593,643
Short term investment	-	-	3,660
Trade accrounts receivable	670,006	709,389	424,361
Inventories	403,770	359,746	490,478
Other current assets	1,033,023	125,236	205,399
Total current assets	**3,395,733**	**2,640,877**	**1,717,541**
Property, plant and equipment	5,923,901	6,676,134	7,154,977
Intangible assets	34,977	36,572	39,101
Leasehold rights	34,777	40,797	46,817
Other non-current assets	290,836	312,445	319,643
Total non-current assets	**6,284,491**	**7,065,948**	**7,560,538**
Total assets	**9,680,224**	**9,706,825**	**9,278,079**
Current portion of long term loan from financial institutions and debentures	1,700,700	-	500,000
Trade accounts payable	809,130	977,087	970,381
Other payables	864,387	821,992	942,155
Payables for acquisition of assets	135,124	135,103	92,805
Other current liabilities	63,802	96,133	70,424
Total current liabilities	**3,573,143**	**2,030,315**	**2,575,765**
Non-current provisions for employee benefits	87,535	71,794	66,178
Debentures	-	2,000,000	2,000,000
Other non-current liabilities	29,085	14,138	27,193
Total non-current liabilities	**116,620**	**2,085,932**	**2,093,371**
Total liabilities	**3,689,763**	**4,116,247**	**4,669,136**
Authorised share capital	375,000	375,000	375,000
Paid-up share capital	375,000	375,000	375,000
Share premium on ordinary shares	609,402	609,402	609,402
Legal reserve	37,500	37,500	37,500
Unappropriated retained earnings	4,800,785	4,393,710	3,412,897
Other components of equity	162,708	162,866	162,684
Non-controlling interests	5,066	12,100	11,460
Total equity	**5,990,461**	**5,590,578**	**4,608,943**
Total liabilities and equity	**9,680,224**	**9,706,825**	**9,278,079**

Summary of the Company's Financial Statements

(in thousand Baht)

	CONSOLIDATED		
	2018	2017	2016
Items	as of September 30, 2018	as of September 30, 2017	as of September 30, 2016
Revenue from sale of goods	12,553,794	13,370,759	10,284,233
Revenue from rendering of services	42,317	180,049	114,873
Claim refund from the fire	867,962	–	–
Other income	116,070	126,283	109,319
Total revenue	**13,580,143**	**13,677,091**	**10,508,425**
Cost of sales of goods	8,081,967	8,264,626	6,499,422
Cost of rendering of services	28,265	122,844	107,778
Selling and administrative expenses	3,588,981	3,744,835	2,920,567
Loss from the fire	710,049	–	–
Total expenses	**12,409,262**	**12,132,305**	**9,527,767**
Profit before finance costs and tax expense	**1,170,881**	**1,544,786**	**980,658**
Finance costs	44,931	53,673	60,850
Tax expense	117,775	47,913	39,561
Net profit for the year	**1,008,175**	**1,443,200**	**880,247**
Net profit attributable to owners of the parent	1,015,256	1,451,693	887,214
Number of shares (`000 shares)	187,500	187,500	187,500
Basic earnings per share	**5.41**	**7.74**	**4.73**

Financial Status and the Company Performance

(in thousand Baht)

	CONSOLIDATED		
	2018	2017	2016
Items	as of September 30, 2018	as of September 30, 2017	as of September 30, 2016
Net cash from operating activities	1,560,734	2,388,621	2,009,576
Net cash used in investing activities	(758,167)	(499,923)	(852,925)
Net cash used in financing activities	(960,028)	(1,035,683)	(1,158,024)
Net increase (decrease) in cash and cash equivalents	**(157,461)**	**853,015**	**(1,373)**

Key Financial Ratios

(in thousand Baht)

	CONSOLIDATED		
	2018	2017	2016
Items	as of September 30, 2018	as of September 30, 2017	as of September 30, 2016
Liquidity ratios			
Liquidity ratio (times)	1.0	1.3	0.7
Quick ratio (times)	0.5	1.1	0.4
Cash ratio (times)	0.6	1.0	0.7
Account receivable turnover (times)	18.2	23.6	21.5
Average collection period (days)	19.8	15.3	16.8
Inventory turnover (times)	21.2	19.4	14.7
Days sale outstanding (days)	17.0	18.5	24.5
Account payable Turnover (times)	9.0	8.5	6.6
Average payment Period (days)	39.8	42.4	54.7
Cash cycle (days)	-3.0	-8.6	-13.4
Profitability ratios			
Gross margin	35.6%	38.2%	36.8%
Operating profit margin	1.5%	10.6%	8.5%
Cash to profit ratio	835.3%	168.4%	230.6%
Net profit margin	7.4%	10.6%	8.4%
Normalized net profit margin	7.8%	10.6%	8.4%
Return on equities	17.4%	28.3%	20.3%
Efficiency ratios			
Return on assets	10.4%	15.2%	9.6%
Return on fixed assets	29.7%	35.6%	23.3%
Asset turnover (times)	1.4	1.4	1.1
Financial policy ratios			
Total liabilities to equities ratio (times)	0.6	0.7	1.0
Debt to equities ratio (times)	0.3	0.4	0.5
Dividend payout	51.7%	43.9%	52.8%

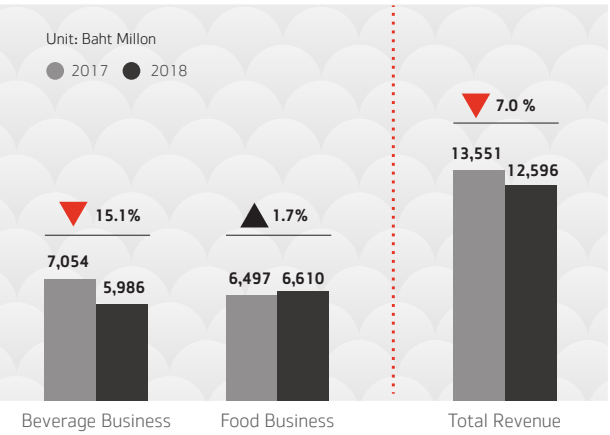
20.3 MANAGEMENT'S DISCUSSION AND ANALYSTS ON OPERATING RESULTS

Sales

Overview

For the fiscal year 2018, revenue from sales and services of the Company was Baht 12,596 million, decreased by 7.0% or Baht 955 million, from Baht 13,551 million of the previous fiscal year. This was due to a decrease in beverage business revenue by 15.1% while food business revenue increased by 1.7%. The proportion of revenue from sales and services of beverage business to food business was equal to 48 : 52.

Sales Revenue



Beverage business

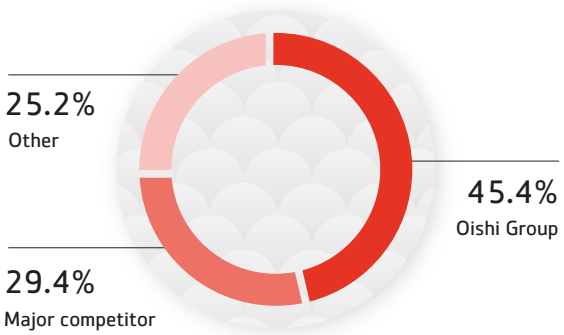
Sales and services revenue of beverage business in the fiscal year 2018 was Baht 5,986 million, decreased by 15.1% or Baht 1,068 million from the previous fiscal year, which had sales and services revenue of beverage business of Baht 7,054 million. The main reasons were from

1) Declining in both RTD tea market and Pure RTD green tea market value by 9.4% and 8.2%, respectively as a result of the new excise tax policy from the government imposed on RTD tea category. This led to an increase in retail sales price of RTD tea across the board and adversely impact the total market value. Moreover, there was a high base of revenue in the last quarter of 2017 since the market was stimulated by an announcement of the new excise tax imposed on RTD Tea industry before the regulation became effective. Although the challenging industry situation, the company still maintained the market leader position with the highest market share in both RTD tea market and pure RTD green tea market of 45.4% and 47.0%, respectively.
2) Moreover, the fire incident on November 27, 2017 at UHT production line, located in Navanakorn Industrial Estate, made beverage revenue declined from the previous fiscal year. However, the incident was fully covered by insurance for properties damage, inventories damage and business interruption. Consequently, the loss on sales revenue or business interruption as a result of the incident was recognized in other revenue as insurance claim revenue and was not included in the revenue from sales and services. Export beverage sales revenue continued to grow significantly at 38% compared to the last fiscal year which partly helped the overall beverage sales revenue.

Market Value of RTD Tea and Pure RTD Green Tea

(Baht Million)	12 months ended September 30, 2017	12 months ended September 30, 2018	% Changes
Market Value of RTD Tea	13,279	12,026	-9.4%
Market Value of Pure RTD Green Tea	11,081	10,172	-8.2%

Market Share of RTD Tea



Source: The Nielsen Company (Thailand) Limited

Food business

Sales and services revenue of food business in the fiscal year 2018 was Baht 6,610 million, increased slightly by 1.7% or Baht 113 million from the previous fiscal year, which had sales and services revenue of food business of Baht 6,497 million. Although overall Thailand economy was still stagnant, the company performed better than the market by opening new restaurant outlets. Net increase in restaurant outlet number in the fiscal year 2018 was 12 outlets which was mainly from Shabushi, Oishi Eaterium and Oishi Ramen restaurants. At the end of the fiscal year 2018, the company had total restaurant outlet of 252 outlets, rose from 240 outlets from the end of previous fiscal year.

Number of restaurant outlet

	As of September 30, 2017	As of September 30, 2018
Oishi Grand	1	1
Oishi Eaterium	3	7
Oishi Buffet	12	11
Shabushi	127	138
Oishi Ramen	50	54
Nikuya	17	17
Kakashi	23	22
Others	7	2
Total	240	252

*Included Shabushi Myanmar of 2 Outlets

Cost of sales and services

Overview

For the fiscal year 2018, total cost of sales and services was Baht 8,110 million or equivalent to 64.4% of sales and services revenue, higher than 61.9% in the fiscal year 2017 as a result of impact from both beverage and food businesses.

Beverage business

Cost of sales and services of beverage business in the fiscal year 2018 was Baht 4,443 million or equivalent to 74.2% of beverage sales and services revenue, higher than 68.4% in the fiscal year 2017. Increased in cost of sales and services ratio was mainly due to cost incremental as a result of excise tax imposed and higher fixed cost per unit from lower utilization at production lines driven by lower sales volume as mentioned earlier. On the other hand, the company managed to lower raw materials and packaging costs from production efficiency improvement which partly helped offset cost incremental.

Food business

Cost of sales and services of food business in the fiscal year 2018 was Baht 3,667 million or equivalent to 55.5% of food sales and services revenue, slightly higher than 54.9% in the fiscal year 2017 due to higher raw materials cost. In order to properly serve customers' demand and satisfaction, the company ensured there was an efficient cost and service management which was not compromised the quality of raw materials.

Selling Expenses

Overview

Total selling expense in the fiscal year 2018 was Baht 1,591 million, decreased by 3.6% or Baht 59 million from the fiscal year 2017, which was Baht 1,650 million due to the company's good controlling over selling expense. In terms of percentage, selling expense in the fiscal year 2018 was 12.6% of sales and services revenue, slightly higher than 12.2% in the fiscal year 2017.

Beverage business

Selling expenses of beverage business in the fiscal year 2018 was Baht 725 million, decreased by 10.4% or Baht 84 million from the fiscal year 2017, which was Baht 809 million, due to effective spending on marketing and promotional campaigns. However, percentage of selling expenses of beverage business was 12.1% of beverage sales and services revenue, slightly higher from 11.5% of the previous fiscal year as a result of lower beverage sales and services revenue as stated earlier.

Food business

Selling expenses of food business in the fiscal year 2018 was Baht 866 million, increased by 3.0% or Baht 25 million, from Baht 841 million in the fiscal year 2017. In terms of percentage, selling expense of food business in the fiscal year 2018 was 13.1% of food sales and services revenue, on par with the ratio in the fiscal year 2017 which was 12.9%.

Administrative Expenses

Overview

Total administrative expense in the fiscal year 2018 was Baht 1,998 million, decreased by 4.6% or Baht 97 million, from Baht 2,095 million in the fiscal year 2017, mainly from cautious management on fixed expenses and efficiency improvement.

Beverage business

Administrative expense of beverage business in the fiscal year 2018 was Baht 237 million, in line with the fiscal year 2017, which was Baht 233 million.

Food business

Administrative expense of food business in the fiscal year 2018 was Baht 1,761 million, decreased by 5.4% or Baht 101 million, from Baht 1,862 million in the fiscal year 2017, mainly due to efficiency management program at restaurant business which help control expenses.

Fire Incident Impact at the UHT production line at Navanakorn Industrial Estate plant

Apart from normal administrative expense, the company also incurred loss from the fire incident as expense amounted Baht 710 million in the fiscal year 2018. On the other hand, insurance claimed revenue was recognized from both properties damaged and business interruption in other revenue amounted Baht 868 million.

Non-recurring items

In the fiscal year 2018, the Company had restructured Food Business by transferring assets of Central Kitchen from Oishi Trading Co., Ltd. to Oishi Food Service Co., Ltd which are wholly owned subsidiaries of the company in order to increase focus and capability of Oishi Food Service Co., Ltd as the center of food production for package food and supply food materials to Oishi's restaurants. The restructuring also helped Oishi Trading Co., Ltd. had a clear focus on Beverages business, which increased efficiency in operation's management. The business value of transferring assets of Central Kitchen transaction had benefit to utilize deferred tax assets amounted Baht 51 million which was recognized as tax expense in Income Statement. This was the key items that made tax expense in the fiscal year 2018 rose significantly compare to the fiscal year 2017. However, the deferred tax expense incurred from this transaction was a non-recurring expense and had no impact to Cash Flow since it was a non-cash item.

Net Profit (Loss)

Overview

Excluding aforementioned non-recurring expenses from deferred tax asset, total normalized net profit in the fiscal year 2018 was Baht 1,059 million, decreased by Baht 384 million or 26.6% from the fiscal year 2017. In terms of percentage, normalized net profit in the fiscal year 2018 was 8.4% of sales and services revenue which was lower than 10.6% in the last fiscal year mainly due to lower profit from beverage business although profit from food business was better. This partly helped offset the overall profit.

Total net profit in the fiscal year 2018 was Baht 1,008 million, decreased by 30.1% or Baht 435 million, from Baht 1,443 million in the fiscal year 2017. In terms of percentage, net profit in the fiscal year 2018 was 8.0% of sales and services revenue, lower from 10.6% in the last fiscal year.

Beverage business

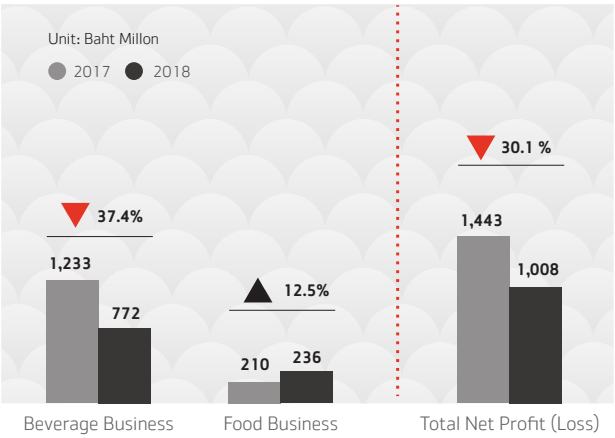
Net profit of beverage business in the fiscal year 2018 was Baht 772 million, decreased by 37.4% or Baht 461 million, from Baht 1,233 in the fiscal year 2017. In terms of percentage, net profit of beverage business in the fiscal year 2018 was 12.9% of beverage sales and services revenue, decreased from 17.5% in the fiscal year 2017. The profitability reduction was mainly due to decline in revenue and higher cost of sales and services, which was partly offset by a decrease in selling expense as mentioned above.

Food business

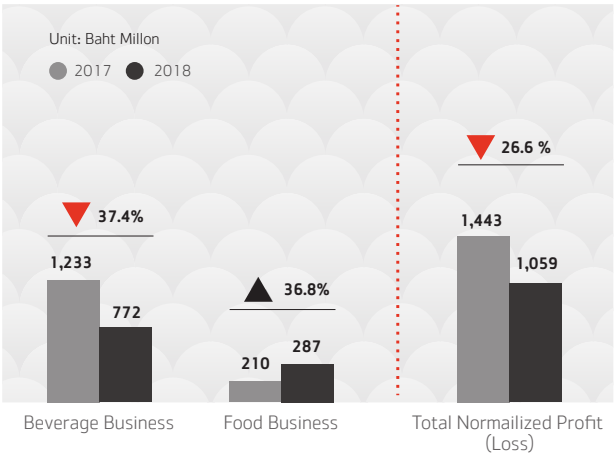
Excluding aforementioned non-recurring expense from deferred tax asset, normalized net profit of food business in the fiscal year 2018 was Baht 287 million, increased by 36.6% or Baht 77 million from the fiscal year 2017. In terms of percentage, net profit of food business in the fiscal year 2018 was 4.3% of food sales and services revenue, increased from 3.2% in the last fiscal year, mainly due to effective management of administrative expense.

Net profit of food business in the fiscal year 2018 was Baht 236 million, increased by 12.5% or Baht 26 million, from Baht 210 million in the fiscal year 2017. In terms of percentage, net profit of food business in the fiscal year 2018 was 3.6% of food sales and services revenue, increased from 3.2% in the fiscal year 2017.

Net Profit (loss)



Normalized Net Profit (loss)



Profit and Loss separated by business segment

in million Baht	2018	% to Sales and Services Revenue	2017	% to Sales and Services Revenue	Increase (Decrease)	Percentage
Sales and services revenue-Beverages	5,986	100.0%	7,054	100.0%	(1,068)	(15.1)
Sales and services revenue-Foods	6,610	100.0%	6,497	100.0%	113	1.7
Total sales and services revenue	**12,596**	**100.0%**	**13,551**	**100.0%**	**(955)**	**(7.0)**
Cost of sales and services-Beverages	4,443	74.2%	4,824	68.4%	(381)	(7.9)
Cost of sales and services-Foods	3,667	55.5%	3,564	54.9%	103	2.9
Total cost of sales and services	**8,110**	**64.4%**	**8,388**	**61.9%**	**(278)**	**(3.3)**
Selling expense-Beverages	725	12.1%	809	11.5%	(84)	(10.4)
Selling expense-Foods	866	13.1%	841	12.9%	25	3.0
Total selling expense	**1,591**	**12.6%**	**1,650**	**12.2%**	**(59)**	**(3.6)**
Administrative expense-Beverages	237	4.0%	233	3.3%	4	1.6
Administrative expense-Foods	1,761	26.6%	1,862	28.7%	(101)	(5.4)
Total administrative expense	**1,998**	**15.9%**	**2,095**	**15.5%**	**(97)**	**(4.6)**
Net profit-Beverages	772	12.9%	1,233	17.5%	(461)	(37.4)
Net profit-Foods	236	3.6%	210	3.2%	26	12.5
Total net profit	**1,008**	**8.0%**	**1,443**	**10.6%**	**(435)**	**(30.1)**

in million Baht	2018	% to Sales and Services Revenue	2017	% to Sales and Services Revenue	Increase (Decrease)	Percentage
Normalized net profit-Beverages	772	12.9%	1,233	17.5%	(461)	(37.4)
Normalized net profit-Foods	287	4.3%	210	3.2%	77	36.8
Total normalized Net profit	**1,059**	**8.4%**	**1,443**	**10.6%**	**(384)**	**(26.6)**

FINANCIAL STATUS

Assets

Total assets as at the end of September 2018 was Baht 9,680 million, about flat from Baht 9,707 million at the end of September 2017. Current assets increased by Baht 755 million, mainly due to an increase in other receivables from recognition of insurance claim from the fire incident, netted with a decrease in non-current assets by Baht 781 million, mainly due to damage of property, plant and equipment from the fire incident. While the machines were damaged by the fire incident, the company expected to resume operation from new replacement machines within the fiscal year 2019.

Liabilities

Total liabilities as at the end of September 2018 was Baht 3,690 million, comprised of interest bearing debts which are debentures amounted Baht 1,701 million, and non-interest bearing debts of Baht 1,989 million. Total liabilities decreased by Baht 426 million or 10.4% from the end of September 2017, mainly due to the partial repurchase of the debentures before its maturity amounted Baht 299 million for the purpose of efficient cash flow and liquidity management. The remaining debentures of Baht 701 million and Baht 1,000 million are scheduled to be matured in the first and fourth quarters of the fiscal year 2019 respectively.

Shareholders' Equity

Total equity as at the end of September 2018 was Baht 5,990 million, increased by Baht 400 million or 7.2% from end of September 2017, due to an increase in retained earnings as a result of net profit for the period, netted with dividend payment.

Cash flows

In the fiscal year 2018, net cash and cash equivalents of the Company decreased by Baht 157 million from the fiscal year 2017 with details as follows:

Cash flow from operating activities

Net cash flow from operating activities of the Company in the fiscal year 2018 was Baht 1,561 million, decreased by Baht 828 million or 34.7% from the fiscal year 2017, mainly due to reduction in net profit, while change in operating assets and liabilities in the fiscal year 2018 were on par with change in the last fiscal year.

Cash flow from investing activities

Net cash flow used in investing activities of the Company in the fiscal year 2018 was Baht 758 million, increased by Baht 258 million or 51.7% from the fiscal year 2017. This was because the Company made a partial prepayment of the UHT production line located in Navanakorn Industrial Estate, Pathum Thani province which were affected by the fire incident. Nevertheless, the full amount of properties damaged from the fire incident is under covered by the insurance policy.

Cash flow from financing activities

Net cash flow used in financing activities of the Company in the fiscal year 2018 was Baht 960 million, decreased by Baht 76 million or 7.3% from the fiscal year 2017. The company spent less cash flow from financing activities compared to the previous fiscal year mainly because the partial repurchase of the debentures before its maturity amounted Baht 299 million in fiscal year 2018 was lower than the repayment of long-term loans from financial institutions amounted Baht 500 million in the fiscal year 2017. However, the amount of dividend payment

to shareholders in the fiscal year 2018 was higher than the fiscal year 2017 by Baht 131 million.

FINANCIAL RATIO ANALYSIS

Liquidity

In the fiscal year 2018, the liquidity ratio was 1.0 times, decreased slightly in comparison to the fiscal year 2017. This was due to higher other receivables as a result of the recognition of projected revenue reimbursement from the fire incident. However, current liabilities increased more proportionately which was because of the reclassification of debentures from long-term to short-term liabilities.

The Company's liquidity was strong. Cash cycle in the fiscal year 2018 was negative by 3 days which reflected the efficient working capital management of the Company.

Profitability

Profitability ratios of the fiscal year 2018 decreased from the last fiscal year, due to lower in net profit. As stated previously, lower net profit was as a result of lower sales volume in beverage business which eventually led to lower utilization and higher cost; although, netted with the company's ability to control selling and administrative expenses as mentioned.

Efficiency

In the fiscal year 2018, return on assets was 10.4%, decreased from the fiscal year 2017 due to lower net profit. Return on fixed assets was 29.7%, decreased from the fiscal year 2017, mainly due to lower net profit as well as reduction in depreciation and amortization compare to the last fiscal year. However, fixed asset turnover was about flat at 1.4 times compare to the last fiscal year.

Financial Policy

Debt to equity ratio of the fiscal year 2018 was 0.3 times, decreased from the ratio in fiscal year 2017 which was 0.4 times. This was due to a decrease in current portion of long-term debentures from the partial repurchase of the debentures before its maturity as well as higher shareholder's equity from an increase in retained earnings. Though the Company is currently in an expansion stage, given the acceptable level of debt to equity ratio, the balance sheet was considered strong with certain amount of room for future financing. This also shows the company's prudent and cautious financial management.

KEY DRIVERS WHICH COULD AFFECT FUTURE OPERATIONS AND FINANCIAL STATUS

- Excise tax imposed to RTD tea category has impacted beverage business of the Company. However, the Company has solid plans and strategies to mitigate risks in order for the beverage business to operate smoothly while at the same time grow sustainably.
- Food and beverage business has correlated relationship with consumers purchasing power, which is directly connected with the country's economy. As a result, the company's business performance will benefit when the economic situation is in an upward trend.
- The successful implementation of the "Vision 2020" strategic roadmap for the Company to grow and become one of the leading food and beverage players in ASEAN is another key growth driver. If the Company could develop to reach the strategic targets and key milestones, it would become a leader in the food and beverage market with a strong performance and solid market positioning.

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

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

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

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

The financial statements of the Company and subsidiaries were audited by KPMG Phoomchai Audit Company Limited. 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, 2018 are reliable under generally accepted accounting standards, and also in compliance 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 with ability, expertise and experience in accordance with audit committee's requirements, namely, Mr. Vikrom Koompirochana, Chairman of the Audit Committee, Ms. Potjanee Thanavaranit and Mr. Chai Jroongtanapibarn, Audit Committee members, in which the audit committee members have not in any way involved in the management nor hold any positions in the Company, its subsidiaries and other affiliates.

During 2018, 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 which was approved by the Board of Directors. The Audit Committee made the review of the good corporate governance, the financial statements and the adequacy for the 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 performance of the statutory auditors, particularly in the area relating to the quality of services and their remuneration.

To ensure that the Company's operation are under taken 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 ensure that the Company continues to develop good corporate governance which is an important part to push the Company sustainably and stably growth.

In 2018, the Audit Committee has held 6 meetings as planned and relevant executives were invited to the meetings to make clarifications on certain issues appeared during the course of the internal audit. Corrections and improvements can accordingly be made and discrepancies can thus be prevented from reoccurrence.

The followings are principal performances carried out by the Audit Committee in 2018

1. **Review the accuracy of the Company's financial reports and the adequacy of information disclosure**
   1.1 The Audit Committee reviewed the Company's 2018 Annual Financial Report and quarterly reports before proposing them to the Board of Directors for approval. The Committee ensured that facts and figures contained in the financial reports, related information on transaction between the Company, its subsidiaries and other affiliates or transactions with tendency to cause conflict of interest were accurately prepared and reliably disclosed.
   1.2 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 Standard including related interpretations and guideline promulgated by the Federation of Accounting Professions. The Audit Committee can then verify whether sufficient information was disclosed as required by the aforementioned standards, interpretations, guidelines and principles.
   1.3 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 side without the participation of the management.
2. **Evaluation of the services of the statutory auditors**
   The Audit Committee evaluates the quality of services of KPMG Phoomchai Audit Ltd., the statutory auditors and the worthiness of their remuneration, inconsideration of their professionalism, efficiency and independence. The Audit Committee's revision is that the KPMG Phoomchai Audit Ltd. 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 party transactions**
   The Audit Committee has given careful consideration to the related party 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.

5. **Approval of the scope of work and the annual audit plan of the Company's internal audit**
   5.1 Consideration and approval of the scope of work and audit plan for 2018, including the monitoring of the Company's internal audit, risk management, internal control, monitoring information technology and digital by monitoring the risk of leakage of information. 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 the whistle blowers but also information provided through the Company's website. The internal audit gives training to management, staffs in head office, manufacturing plants and restaurants to build their conscious against corruption, the training was overwhelmed by many participants, management and staffs.
   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 experiences gained are beneficial for the improvements of their performance and in-house training 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 Management with strong emphasis on internal controls to ensure that good governance and adequate internal controls were appropriately applied. This includes regular reports to the Board of Directors, in consideration of reports received from internal audit during the year 2018.
   7.2 The Audit Committee has implemented assessment report for the Audit Committee in 2018 to ensure that the committee's roles are carried out efficiently and at the same time, the Company's good corporate governance is being properly practiced, self-assessment on the Audit Committee's performances are undertaken by the Committee's individual member taking the guidelines issued by the Stock Exchange of Thailand, the results of which are satisfactory.

In the view of the Audit Committee

1. The Company's operations are carried out efficiently in compliance with laws and regulations of the Securities Exchange Commission and the Stock Exchange of Thailand in relation with the good corporate governance and thus boosting its corporate image.
2. The Company's overall risk management system, internal control system 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, work system improvement, information technology and digital improvement in accordance to the Company's business operations and confidently carry on the growth of the business.

-Signature-
Mr. Vikrom Koompirochana
Chairman of the Audit Committe

REPORT OF SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

The Risk Management Committee of Oishi Group Public Company Limited (the "Company") consists of 15 members, 3 members are of the Directors and the other 12 are senior executives of the related functions. The Risk Management Committee has carried out duties in accordance with the Risk Management Committee Charter to ensure effectiveness and efficiency of overall risk management activities of the Company.

In 2018, the Risk Committee has 2 meeting, covering matters such as annual risk management plan, assessment of risk, preventive and corrective measures, recommendation on risk management and monitoring of risk management activities. During 2018, the Risk Management Committee has been amended to the Sustainability and Risk Management Committee; the Board of Directors has appointed the Sustainability and Risk Management Committee of the Company , consist of Directors and senior management, number of which is appointed by the Board of Directors, this include at least one independent director member to be one of the Sustainability and Risk Management Committee totaling 11 executives and appointed the head of internal audit to be a member and also act as secretary of the Sustainability and Risk Management Committee. The Sustainability and Risk Management Committee has carried out duties in accordance with the Charter of the Sustainability and Risk Management Committee, which was approved by the Board of Directors, so as to ensure effectiveness and efficiency of overall risk management activities of the Company, including the duties of invention, revision, manage, follow up and report related matters to the Sustainability and Risk Management Committee to the Board of Directors.

In 2018, the Sustainability and Risk Management Committee has 4 meetings, totaling 6 meetings, which has carried out the followings;

1) Determined the policy of sustainability and risk management of the Oishi Group of companies
2) Appointment of working committee of Sustainability and Risk Management Committee from senior management in various related functions to implement in Sustainability and Risk Management to carry out in accordance to Sustainability and Risk Management objectives of the Oishi Group of companies.
3) Monitoring, assessment, response to the Risk Management in any possible ways i.e. strategic risk, financial risk, operation risk, corruption risk, compliance risk, information technology and digital risk and others which has significant meanings to the Oishi Group of companies and also include the sustainability and risk factors mentioned in this Annual Report.

However, the Sustainability and Risk Management Committee has regularly reported all the possibly risks and the process of those risks to the Board of Directors, including the views and suggestions to the management, which the Sustainability and Risk Management Committee has considered and agreed that the Company has continuously implemented to the fullest with the consideration of economy, environment, society and culture, including those who participated in the operations in which enhance the Company to carry on its stability and growth.

On behalf of the Sustainability and Risk Management Committee

–Signature–
Mr. Chai Jroongtanapibarn
Chairman of the Sustainability and Risk Management Committee

Remark
(1) According to the resolution of the Board of Directors Meeting No. 3/2018, held on May 14, 2018, has approved to amend Risk Management Committee to the Sustainability and Risk Management Committee. Additionally, the Board of Directors appointed Sustainability and Risk Management Committee and determined authority, duties, and responsibilities of the Committee, effective on May 14, 2018.

REPORT OF THE NOMINATION COMMITTEE

The Nomination Committee of Oishi Group Public Company Limited (the Company) comprises of 3 directors, 2 of which are independent directors. Mr. Vikrom Koompirochana served as the Chairman of the Nomination Committee, Mr. Prasit Kovilikool and Mr. Thapana Sirivadhanabhakdi as the members 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 are in line with the Company's succession plan, business strategy and needs for the Board of Directors to appoint as Companys' directors and executive positions at the level from the Company's Vice President.

In 2018 the Nomination Committee held 2 meetings as planned and attended by all Committee members. The results of the meetings have been regularly reported to the Board of Directors, with the following summary of key actions:

1. Consideration the nomination of a candidate with qualifications to be appointed as Senior Vice President, for the Board of Directors consideration and appointment.
2. Consideration the nomination of a qualified executive to be promoted to Vice President, for the Board of Directors consideration and appointment.
3. 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 2019 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 Koompirochana
Chairman of the Nomination Committee

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee of Oishi Group Public Company Limited (the Company) comprises of 5 members, of which 3 members are independent directors. Ms. Potjanee Thanavaranit 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 propose to the Board of Directors and/or Shareholders, as the case may be.

In 2018, the Remuneration Committee held 2 meetings in accordance with the schedule. 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' 2018 bonus as approved by the 2018 Annual General Meeting of Shareholders
2. Consideration and opinionated the 2019 Company Directors' remuneration and bonus to the Board of Directors for consideration and propose to the 2019 Annual General Meeting of Shareholders
3. Consideration and opinionated for the Board of Directors' approval of the Company and its subsidiaries 2018 bonus and 2019 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. Potjanee Thanavaranit
Chairman of the Remuneration Committee

REPORT OF THE GOOD CORPORATE GOVERNANCE COMMITTEE

The Board of Directors of Oishi Group PCL (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 comprising of 5 directors, 3 of which are independent directors. Ms. Potjanee Thanavaranit served as the Chairman of the Committee and Mr. Vikrom Koompirochana, 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 2018, 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. 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 the Securities and Exchange Commission, Thailand.
2. Acknowledgment of the assessment of the Annual General Shareholders' meeting of the year 2018 by the Thai Investors Association.
3. Acknowledgment of the evaluation of the 2018 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.
4. Consideration and approval of the report on the compliance of good corporate governance to be disclosed in the 2018 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 2018, the Company has received excellent rated level from the 2018 good corporate governance principle of listed company, assessed by the Thai Institute of Directors (IOD). 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. Potjanee Thanavaranit
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 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 Group.

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.
- Establising 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 2018, 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 receive 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 arrange 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 realize 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 2018, the Company organized the Annual General Meeting of Shareholders on January 30, 2018 at 2.00 p.m. at Grand Hall I, 2nd Floor, the Athenee Hotel, a Luxury Collection Hotel, Bangkok, 61 Wireless Road, Lumpini, Pathumwan, 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 2018.

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 incompletion 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 supports and encourages all shareholders to exercise their right to attend and cast vote in the meeting of shareholders. Arrangements are made for convenience while the meeting was organized in a transparent and auditable manner. In addition, no actions are taken to deter or obstruct the right of shareholders, who are given a chance to make inquiries and express opinions as deemed appropriate. In 2018 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 2018 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 99 mark from the evaluation under the 2018 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, 2018, 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 has 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 minor 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 and 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 allocates 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 99 of this 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 Secretary of any sale of 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 lenght 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, 2018, 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

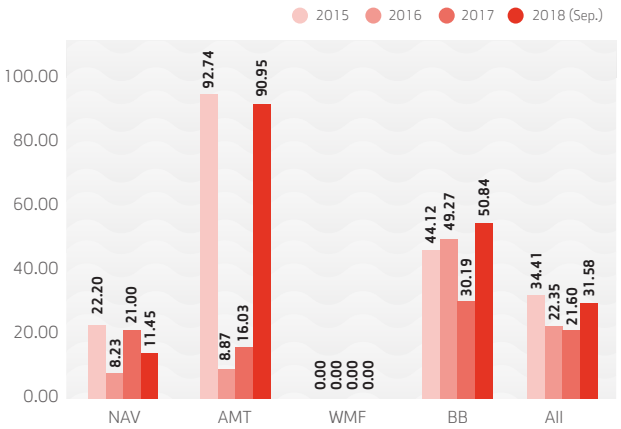
is established for the Company and stakeholders to achieve stability and sustainable growth of the business. The Board of Directors has a policy to ensure equal importance; and at the same time, to attain the business goals as per the targets, formats, and methods of such achievement. To ensure strict 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.

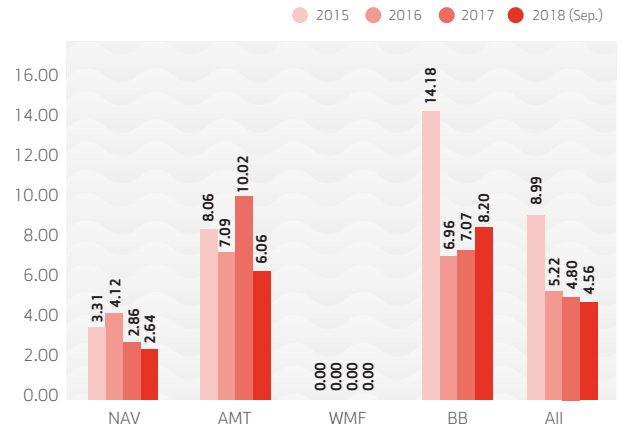
2. **Employees**
   Employees are our valuable resources. The Company has a policy that employees shall receive fair treatments in respect of opportunity, remuneration, welfare, potential development as well as assurance on the quality of life, safety, hygiene at workplace and the arrangement of Provident 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 used to improve the safety standard on a continuous basis. Additionally, the Company's production facilities at Nawanakorn Industrial Estate and Wang Muang, Saraburi have also received certification for TIS/ OHSAS 18001 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 facilities within Nawanakorn Industrial Estate, Pathum Thani
- AMT means the production facilities within Amata Nakorn Industrial Estate, Chonburi
- WMF means the production facilities at Wang Muang, Saraburi
- BB means the production facilities at Ban Bueng, Chonburi

The increase injury rate in 2018 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.

In addition, the Company also regards " Consumers Feedback" as a significant element to improve product and service so as to deliver ultimate consumers satisfaction and maintain a strong potential in competitive business in such a dynamic society. To begin with, restaurant business under Oishi Group has activated Customer Voice Recipient in April, 2018 ; mainly for the purpose of comments, suggestions as well as complaints collection raised by consumers of restaurants under Oishi Group of companies from every channel such as Call Center and Social Media. Consumers are able to complete a set of questionnaires via QR Code which is attached along at the end of receipt. As such, consumers who complete the given conditions in a timely manner, are entitled to privileges. However, any results categorized in "complaint" will be directly sent to related functions for the next step of action. Additionally, complaints made via QR Code are considered most recent lasting for 7 days from frist day of the service. In this regard, related functions are able to sustainably carry out preventive approach and product improvement in due time for the benefit of customer relationship management and the promotion of positive image of restaurants under Oishi Group of companies.

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, 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 trade partners with equality and fairness, taking mutual benefits into account. To prevent any frauds from partners and trade related employees, the Company shall terminate relationship with trade partners whom are found to have committed frauds, bribery, or offer any kind of benefits to related persons.

5. **Creditors**

The Company shall treat all creditors with fairness and equality, and strictly honor terms and conditions regarding warranty and agreements with all creditors as well as appropriately manage liquidity 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 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 is 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 projected while our business is moving forward. The Company focuses on prevention of pollution and constant development thereof. Also, the Company arranges training courses on environmental conservation and system of the mentioned standard whereby internal and external speakers are invited to provide knowledge and cultivate the values on the environment for employees. As of September 30, 2018, 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 7.5 hours of training per employee, increased from the previous year.

   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 was disclosed in page 32-33 of this 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, 2018, 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 oritentation, 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. In addition, the Company establishes Information Technology Policy and installs all computers with the programs that monitor any illegal software in order to avoid copyright or intellectual property infringement. In the course of server, the Company monitors right and license as well as concerns of renewal as to ensure the legality of overall program optimized within the Company.

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 must not 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 has issued a notice regarding the whistle-blowing and rewards the whistle-

blower as well as encourages them to adhere to honesty and to be mindful not to be negligent in their duties, which opens up and promotes corruption and, in turn, results in damages to the Company.

The Company remains determined 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 risks shall be reported to the Board of Directors on a quarterly basis.

In 2018, 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 emphasize on creating awareness and increasing 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 Secretary has attended the "Anti-Corruption: The Practical Guide (ACPG) course, class 47/2018, organized by IOD.

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 comply 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" section as seen below.

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

Email : auditcommittee@oishigroup.com
Postage : Audit Committee
Oishi Group Public Company Limited
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 reception of complaint and whistleblower as well as the protection of such person in accordance with the good corporate governace policy of the Company and its subsidiaries, effective from 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 Company has disclosed details available at www.oishigroup.com under Oishi section.

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 whom 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, 2018, 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, 2018, 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 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 128 and 154-158 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 2018 as the auditor of the Company for the financial report for the fiscal year ending September 30, 2018. The auditor was of knowledgable 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 prepare and file 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 129-130 of the annual report, and opine that the financial statements of the Company and subsidiaries as at September 30, 2018 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, 2018, the Company organized one press conference on performance and business direction while the meetings with analysts were held four times 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 dissiminated 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 precautious 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, 2018, 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.

RESPONSIBILTY 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 20, 2018, 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 61 of this Annual Report.

   In this regard, the independence of Independent Directors of the Company was qualified as per the laws regarding securities and exchanges and other related laws. Details of the independence requirements of Independent Directors were as appeared in Section 12. Management Structure from in the page 72-73 of this Annual Report.

2. **Nomination of Directors**
   The Board of Directors assigned the Nomination Committee to consider candidates for Director position through consideration of persons whose qualifications, knowledge, ability, experience, age, gender, multi-disciplinary knowledge, professions, 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, are summarized below

Details of meeting attendance of Directors(1)

Name	Board of Directors Meeting No. of meeting/ Attendance	Audit Committee Meeting No. of meeting/ Attendance	Executive Commitee Meeting No. of meeting/ Attendance	Nomination Committee Meeting No. of meeting/ Attendance	Remuneration Committee Meeting No. of meeting/ Attendance	Risk Mangement Committee Meeting(2) No. of meeting/ Attendance	Sustainability and Risk Management Committee Meeting(2) No. of meeting/ Attendance	Good Corporate Governace Committee Meeting No. of meeting/ Attendance	Non Executive Director Meeting No. of meeting/ Attendance
Mr. Prasit Kovilaikool	6/6	-	-	2/2	2/2	-	-	-	1/1
Mr. Thapana Sirivadhanabhakdi	6/5	-	10/9	2/1	2/1	-	-	2/2	-
Mr. Vikrom Koompirochana	6/6	6/6	-	2/2	2/2	-	-	2/2	1/1
Ms. Potjanee Thanavaranit	6/6	6/5	-	-	2/2	-	-	2/2	1/1
Mr. Chai Jroongtanapibarn	6/6	6/6	-	-	-	2/2	4/4	2/2	1/1
Mr. Sithichai Chaikriangkrai	6/6	-	10/9	-	2/2	-	-	-	-
Mr. Ueychai Tantha-Obhas	6/6	-	10/10	-	-	-	-	-	-
Mrs. Nongnuch Buranasetkul (3)	6/6	-	10/9	-	-	2/2	4/4	2/2	-
Mr. Pisanu Vichiensanth	6/6	-	10/10	-	-	2/2	4/4	-	-

Remarks

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

(2) According to the Board of Directors Meeting No. 3/2018 held on May 14, 2018, the Directors have approved the amendment to the Risk Management Committee to be the Sustainability and Risk Mangement Comiteee and accordingly appointed the Sustainability and Risk Management Committee Member and determined scope of authority, duty, and responsibility effective from May 14, 2018.

6. Leadership and vision

The Board of Directors endorsed the vision, mission, strategies, goals, business plans, and budget of the Company. The meeting of the 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 competitiors, 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. 6/2018 held on November 20, 2018 reconsidered and appropriately stipulated the afformentioned 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 "Vision 2020" 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 2018, the Non-Executive Directors organized one meeting without attendance of the management and Executive Directors on November 20, 2018.

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 is entitled to select persons whose qualifications are not prohibited by the laws to fill in the vacancy unless such office has less than 2 months term. The newly appointed director shall serve at the remaining term of office. In this regard, the appointment requires approval of the Board of Directors with the votes of not less than three-fourth of remaining directors.

10. **Director assessment**
The Company has policies for the Board of Directors 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 management; and 5. Self-improvement and the management 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 afforementioned subjects as the self-assessment form of SET were stipulated. For the assessment, the Company 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 each Director. After the assessment forms are completed, each Director 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 2018, the Board of Directors 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 2018, in the adsence of new Director nomination, the Company has proposed the Corporate Governance Code for Listed Companies 2017 ("CG Code") issued by the securittes and Exchange Commission to the Board od Directors for reviewing, assessing policy and the implementation in relation to the Company's corporate governance and each CG Code.

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 2018, the following Directors has attended course held by the Singapore Institute of Directors:

Name	Position	Course
Mr. Prasit Kovilaikool	Chairman of the Board of Directors Independent Director Nomination Committee Member Remuneration Committee Member	Business Future Series (BFS) 3: Sustainability for Directors
Ms. Potjanee Thanavaranit	Independent Director Audit Committee Member Chairman of the Remuneration Committee Chairman of the Good Corporate Governance Committee	Business Future Series (BFS) 3: Sustainability for Directors

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 2018, Mr. Kritsada Wattanapakin, Vice President, has attended the DAP class 141/2018 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. Hold the authority to contact and sign in documents to be submitted to the Stock Exchange of Thailand; and
2. Roles and responsibilities are 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 61-73 of this Annual Report.

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

The Board of Directors sees significance of dissemination and promotion of awareness and understanding of all employees in the organization regarding compliance with the corporate governance and Code of Conduct of the Company. This is in order to achieve the objectives and determination on developing and elevating the corporate governance of the Company.
Therefore, the Board of Directors has established the policy to communicate to employees about the policy on corporate governance and Code of Conduct of the Company on a continual basis. Also, activities to promote knowledge and understanding of procedures to monitor compliance with policies and the Code of Conduct of the company have been organized for the purpose of improvement and development of compliance to rules and regulations to ensure the entire organization have the common goals.

18. Internal control and audit system

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

The Company encourages and supports the Internal Audit Department to work with independence in order to ensure the efficient check and balance by 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, thereafter, according to the resolution of the Board of Directors Meeting No. 3/2018, held on May 14, 2018, the Risk Management Committee was amended to the Sustainability and Risk Management Committee as to comprehensively support business operation in line with the sustainable approach. The Sustainability and Risk Management Committee shall discusses to assess the primary, secondary and immaterial risks and make 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 45-49 of this Annual Report.

In this regard, the Board of Directors has established the policy on corporate governance and Code of Conduct of Oishi Group as guideline for business practice for directors, executives, and employees of the Company. The Board of Directors review and revise the corporate governance principle on a regular basis. Moreover, 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 Good Governance sub-section of the About Oishi section.

On November 20, 2018, the Board of Directors has acknowledged the Corporate Governance Code for Listed Companies 2017 ("CG Code") and was well awared of the governing body to create value for sustainable business including reviewing, policy assessing and the implementation in relation to the Company's corporate governance and each CG Code. The Board of Directors has assigned the Company secretary to amend CG policy and Ethics of Oishi Group as well as the directions in compliance with CG Code and adaptable to the rapid change of CG development.

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 Chaiman 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 Independent Director, the Board of Directors prioritize on potential Independent Directors' independecy, 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 Articles of Association and relevant law and regulations.

Financial Statement

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 2018, 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 2018 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 4 and 9 to the financial statements.	
The key audit matter	**How the matter was addressed in the audit**
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.	My audit procedures for the Group and the Company include the followings: • 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 4 and 12 to the financial statements.	
The key audit matter	**How the matter was addressed in the audit**
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.	My audit procedures include the followings: • 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 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

KPMG Phoomchai Audit Ltd.
Bangkok
20 November 2018

STATEMENT OF FINANCIAL POSITION

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

		Consolidated financial statements		Separate financial statements	
		30 September		30 September	
Assets	*Note*	2018	2017	2018	2017
		(in Baht)			
Current assets					
Cash and cash equivalents	*6*	1,288,934,144	1,446,506,321	831,212,498	1,286,788,618
Trade accounts receivable	*5, 7*	670,006,453	709,388,702	58,614,356	116,356,550
Other receivables	*3, 5, 8*	941,608,319	80,394,168	29,263,253	109,044,859
Dividend receivable from subsidiary	*5*	-	-	100,799,760	419,999,000
Short-term loans to subsidiaries	*5*	-	-	610,000,000	1,287,000,000
Inventories	*9*	403,769,633	359,746,107	39,986,776	41,915,970
Other current assets		91,414,570	44,841,680	8,435,567	7,008,472
Total current assets		**3,395,733,119**	**2,640,876,978**	**1,678,312,210**	**3,268,113,469**
Non-current assets					
Investments in subsidiaries	*10*	-	-	1,593,823,355	693,280,055
Property, plant and equipment	*11*	5,923,900,677	6,676,134,472	191,678,378	294,755,132
Intangible assets		34,976,599	36,572,091	15,789,965	15,991,553
Leasehold rights		34,777,493	40,797,051	23,620,128	26,095,775
Deferred tax assets	*12*	10,357,052	51,898,980	16,657,384	11,610,078
Other non-current assets	*5, 13*	280,479,066	260,545,811	174,283,592	172,482,654
Total non-current assets		**6,284,490,887**	**7,065,948,405**	**2,015,852,802**	**1,214,215,247**
Total assets		**9,680,224,006**	**9,706,825,383**	**3,694,165,012**	**4,482,328,716**

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

STATEMENT OF FINANCIAL POSITION

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

		Consolidated financial statements		Separate financial statements	
		30 September		30 September	
Liabilities and equity	*Note*	2018	2017	2018	2017
		(in Baht)			
Current liabilities					
Trade accounts payable	*5, 15*	809,130,199	977,086,777	182,672,380	296,136,035
Current portion of debentures	*14*	1,700,700,000	-	1,700,700,000	-
Payables for acquisition of assets	*5*	135,123,810	135,103,040	9,830,014	9,998,875
Current portion of finance lease liabilities	*14*	-	12,969,127	-	-
Other payables	*5, 16*	864,386,528	821,992,051	326,067,235	298,016,363
Current tax payable		29,318,237	42,055,960	9,171,409	19,432,126
Other current liabilities		34,484,323	41,108,193	17,039,573	18,374,944
Total current liabilities		**3,573,143,097**	**2,030,315,148**	**2,245,480,611**	**641,958,343**
Non-current liabilities					
Debentures	*14*	-	2,000,000,000	-	2,000,000,000
Deferred tax liabilities	*12*	18,682,510	-	-	-
Non-current provisions for employee benefits	*17*	87,534,509	71,793,725	54,939,308	45,708,005
Other non-current liabilities	*5*	10,402,964	14,137,999	402,470	-
Total non-current liabilities		**116,619,983**	**2,085,931,724**	**55,341,778**	**2,045,708,005**
Total liabilities		**3,689,763,080**	**4,116,246,872**	**2,300,822,389**	**2,687,666,348**
Equity					
Share capital:	*18*				
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
Share premium on ordinary shares	*18*	609,402,184	609,402,184	609,402,184	609,402,184
Retained earnings					
Appropriated to legal reserve	*19*	37,500,000	37,500,000	37,500,000	37,500,000
Unappropriated		4,800,785,469	4,393,710,358	371,440,439	772,760,184
Other components of equity	*19*				
Currency translation differences		(2,027,941)	(1,869,980)	-	-
Revaluation surplus on land		164,735,468	164,735,468	-	-
Equity attributable to owners of the parent		**5,985,395,180**	**5,578,478,030**	**1,393,342,623**	**1,794,662,368**
Non-controlling interests		5,065,746	12,100,481	-	-
Total equity		**5,990,460,926**	**5,590,578,511**	**1,393,342,623**	**1,794,662,368**
Total liabilities and equity		**9,680,224,006**	**9,706,825,383**	**3,694,165,012**	**4,482,328,716**

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

STATEMENT OF COMPREHENSIVE INCOME

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

	Note	Consolidated financial statements For the year ended 30 September 2018	2017	Separate financial statements For the year ended 30 September 2018	2017
		(in Baht)			
Revenue	*5, 20*				
Revenue from sale of goods	*27*	12,553,793,763	13,370,759,475	4,534,352,661	4,793,825,076
Revenue from rendering of services	*27*	42,316,863	180,048,611	-	-
Dividend income from subsidiaries	*10*	-	-	100,799,760	722,558,208
Interest income		15,257,400	5,293,206	39,976,881	59,311,241
Claim refund from the fire	*3*	867,961,644	-	-	-
Other income		100,813,203	120,989,533	58,691,212	57,426,315
Total revenue		**13,580,142,873**	**13,677,090,825**	**4,733,820,514**	**5,633,120,840**
Expenses	*5, 20*				
Cost of sales of goods	*9*	8,081,967,182	8,264,625,702	2,615,652,672	2,709,466,725
Cost of rendering of services		28,264,703	122,843,796	-	-
Distribution costs	*21*	1,590,863,129	1,649,905,703	670,742,965	661,433,510
Administrative expenses	*22*	1,998,117,879	2,094,929,046	1,178,799,880	1,356,130,499
Loss from the fire	*3*	710,049,086	-	-	-
Finance costs	*25*	44,930,451	53,673,645	45,221,095	47,765,475
Total expenses		**12,454,192,430**	**12,185,977,892**	**4,510,416,612**	**4,774,796,209**
Profit before income tax expense		**1,125,950,443**	**1,491,112,933**	**223,403,902**	**858,324,631**
Tax expense	*26*	(117,775,359)	(47,912,794)	(20,849,166)	(22,803,886)
Profit for the year		**1,008,175,084**	**1,443,200,139**	**202,554,736**	**835,520,745**
Other comprehensive income					
Item that will be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		(111,445)	(151,805)	-	-
Total item that will be reclassified subsequently to profit or loss		**(111,445)**	**(151,805)**	**-**	**-**
Items that will not be reclassified subsequently to profit or loss					
Losses on remeasurements of defined employee benefit plan	*17, 26*	(10,307,128)	(3,092,684)	(4,843,101)	(1,189,251)
Income tax relating to items that will not be reclassified	*26*	2,126,144	962,991	968,620	237,850
Total items that will not be reclassified subsequently to profit or loss		**(8,180,984)**	**(2,129,693)**	**(3,874,481)**	**(951,401)**
Other comprehensive expense for the year, net of tax		**(8,292,429)**	**(2,281,498)**	**(3,874,481)**	**(951,401)**
Total comprehensive income for the year		**999,882,655**	**1,440,918,641**	**198,680,255**	**834,569,344**

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

STATEMENT OF COMPREHENSIVE INCOME

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

		Consolidated financial statements		Separate financial statements	
		For the year ended 30 September		For the year ended 30 September	
	Note	2018	2017	2018	2017
		(in Baht)			
Profit (loss) attributable to :					
Owners of the parent		1,015,256,095	1,451,693,045	202,554,736	835,520,745
Non-controlling interests		(7,081,011)	(8,492,906)	-	-
Profit for the year		**1,008,175,084**	**1,443,200,139**	**202,554,736**	**835,520,745**
Total comprehensive income/(expense) attributable to:					
Owners of the parent		1,006,917,150	1,449,745,311	198,680,255	834,569,344
Non-controlling interests		(7,034,495)	(8,826,670)	-	-
Total comprehensive income for the year		**999,882,655**	**1,440,918,641**	**198,680,255**	**834,569,344**
Basic earnings per share	*28*	**5.41**	**7.74**	**1.08**	**4.46**

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

STATEMENT OF CHANGES IN EQUITY

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

		Consolidated financial statements									
				Retained earnings		Other components of shareholders' equity					
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Appropriated to legal reserve	Unappropriated	Translating foreign operations	Revaluation surplus on land	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
						(in Baht)					
Year ended 30 September 2017		**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**
Balance at 1 October 2016											
Transaction with owners, recorded directly in equity											
Acquisition of non-controlling interests		-	-	-	-	-	-	-	-	9,466,875	9,466,875
Dividends to owners of the Company	29	-	-	-	(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**
Year ended 30 September 2018											
Balance at 1 October 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**
Transaction with owners, recorded directly in equity											
Dividends to owners of the Company	29	-	-	-	(600,000,000)	-	-	-	(600,000,000)	(240)	(600,000,240)
Total transaction with owners, recorded directly in equity		**-**	**-**	**-**	**(600,000,000)**	**-**	**-**	**-**	**(600,000,000)**	**(240)**	**(600,000,240)**
Comprehensive income for the year											
Profit or loss		-	-	-	1,015,256,095	-	-	-	1,015,256,095	(7,081,011)	1,008,175,084
Other comprehensive income		-	-	-	(8,180,984)	(157,961)	-	(157,961)	(8,338,945)	46,516	(8,292,429)
Total comprehensive income for the year		**-**	**-**	**-**	**1,007,075,111**	**(157,961)**	**-**	**(157,961)**	**1,006,917,150**	**(7,034,495)**	**999,882,655**
Balance at 30 September 2018		**375,000,000**	**609,402,184**	**37,500,000**	**4,800,785,469**	**(2,027,941)**	**164,735,468**	**162,707,527**	**5,985,395,180**	**5,065,746**	**5,990,460,926**

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

STATEMENT OF CHANGES IN EQUITY

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

		Separate financial statements				
				Retained earnings		
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Appropriated to legal reserve	Unappropriated	Total equity
				(in Baht)		
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	*29*	-	-	-	(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**
Year ended 30 September 2018						
Balance at 1 October 2017		**375,000,000**	**609,402,184**	**37,500,000**	**772,760,184**	**1,794,662,368**
Transaction with owners, recorded directly in equity						
Dividends to owners of the Company	*29*	-	-	-	(600,000,000)	(600,000,000)
Total transaction with owners, recorded directly in equity		**-**	**-**	**-**	**(600,000,000)**	**(600,000,000)**
Comprehensive income for the year						
Profit		-	-	-	202,554,736	202,554,736
Other comprehensive loss		-	-	-	(3,874,481)	(3,874,481)
Total comprehensive income for the year		**-**	**-**	**-**	**198,680,255**	**198,680,255**
Balance at 30 September 2018		**375,000,000**	**609,402,184**	**37,500,000**	**371,440,439**	**1,393,342,623**

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

STATEMENT OF CASH FLOWS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

	Note	Consolidated financial statements For the year ended 30 September 2018	Consolidated financial statements For the year ended 30 September 2017	Separate financial statements For the year ended 30 September 2018	Separate financial statements For the year ended 30 September 2017
		(in Baht)			
Cash flows from operating activities					
Profit for the year		1,008,175,084	1,443,200,139	202,554,736	835,520,745
Adjustments to reconcile profit to cash receipts (payments)					
Depreciation and amortisation		865,964,138	1,016,850,018	166,703,044	254,591,278
Loss on impairment of plant and equipment from the fire	*3*	672,759,280	-	-	-
Losses on damaged inventories from the fire	*3*	6,768,933	-	-	-
Other expenses from the fire	*3*	30,520,873	-	-	-
Write-off of obsolete and deteriorated inventories	*9*	1,675,099	6,464,835	-	-
Impairment losses on investment in subsidiary	*10*	-	-	19,454,501	14,826,620
Interest income		(15,257,400)	(5,293,206)	(39,976,881)	(59,311,241)
Dividend income from subsidiaries	*5, 10*	-	-	(100,799,760)	(722,558,208)
Finance costs	*25*	44,930,451	53,673,645	45,221,095	47,765,475
Unrealised (gain) loss on exchange		303,833	544,888	(277,058)	84,630
(Gain) loss on disposal of and write-off of plant and equipment		(10,293,416)	21,829,033	486,794	14,718,134
Loss on disposal of intangible assets		332,271	39,658	8,338	33,636
Claim refund from the fire	*3, 5*	(867,961,644)	-	-	-
Defined employee benefit expenses	*17*	10,661,849	10,344,827	6,988,973	7,064,144
Expenses in relation to long-term incentive plan		1,422,028	-	142,432	-
Tax expense	*26*	117,775,359	47,912,794	20,849,166	22,803,886
		1,867,776,738	2,595,566,631	321,355,380	415,539,099
Changes in operating assets and liabilities					
Trade accounts receivable		39,303,520	(285,056,338)	57,742,194	4,035,546
Other receivables		(859,200,563)	53,939,115	80,449,139	(24,909,062)
Inventories		(52,467,557)	124,267,024	1,929,194	4,312,260
Other current assets		826,457,419	34,265,861	(1,427,095)	619,873
Other non-current assets		(14,098,195)	(3,902,397)	(1,800,938)	5,389,273
Trade accounts payable		(168,025,981)	6,690,557	(113,463,655)	11,442,091
Other payables		17,550,047	(122,994,018)	31,216,599	(16,645,217)
Other current liabilities		(6,623,870)	(3,518,219)	(1,335,371)	(3,354,268)
Other non-current liabilities		(5,643,426)	(85,907)	-	-
Net cash generated from operating		1,645,028,132	2,399,172,309	374,665,447	396,429,595
Transfer in of employee benefit obligations	*17*	-	624	757,798	653,616
Transfer out of employee benefit obligations	*17*	(1,028,835)	(2,428,533)	(1,511,607)	(2,872,562)
Employee benefit paid	*17*	(4,199,358)	(5,393,500)	(1,846,962)	(5,255,000)
Advance income tax received		-	17,046,875	-	13,596,018
Taxes paid		(79,066,226)	(19,776,382)	(35,188,570)	(6,314,778)
Net cash from operating activities		**1,560,733,713**	**2,388,621,393**	**336,876,106**	**396,236,889**

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

STATEMENT OF CASH FLOWS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

		Consolidated financial statements		Separate financial statements	
		For the year ended 30 September		For the year ended 30 September	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Cash flows from investing activities					
Interest received		13,175,655	4,884,415	39,508,917	58,136,489
Dividends received		-	-	419,999,000	302,559,208
Increase in short-term loans to subsidiaries	*5*	-	-	(11,884,286,000)	(4,292,489,000)
Proceeds from repayment of short-term loans to subsidiaries	*5*	-	-	12,561,286,000	4,962,489,000
Acquisition of investment in subsidiary	*10*	-	-	(919,997,800)	(27,999,995)
Proceeds from redemption of investments in government bond		-	3,660,000	-	-
Acquisition of building improvement and equipment		(778,837,641)	(512,330,128)	(60,140,437)	(95,374,616)
Proceeds from sale of equipment		11,967,356	7,853,367	1,126,714	7,693,598
Acquisition of intangible assets		(4,477,078)	(3,991,952)	(2,614,200)	(2,364,172)
Proceeds from sale of intangible assets		5,280	1,601	14,875	145,989
Net cash from (used in) investing activities		**(758,166,428)**	**(499,922,697)**	**154,897,069**	**912,796,501**
Cash flows from financing activities					
Interest paid		(47,758,650)	(53,704,467)	(48,049,295)	(47,767,396)
Proceed from capital increase in non-controlling interests in a subsidiary		-	9,466,875	-	-
Dividend paid to owners of the Company	*29*	(600,000,240)	(468,750,000)	(600,000,000)	(468,750,000)
Proceeds from short-term loans from financial institutions		-	280,000,000	-	-
Repayment of short-term loans from financial institutions		-	(280,000,000)	-	-
Proceeds from short-term loans from subsidiaries	*5*	-	-	500,100,000	-
Repayment of short-term loans from subsidiaries	*5*	-	-	(500,100,000)	(51,000,000)
Repayment of long-term loan from financial institutions		-	(500,000,000)	-	-
Finance lease payments		(12,969,127)	(22,695,972)	-	-
Repayment of debentures		(299,300,000)	-	(299,300,000)	-
Net cash used in financing activities		**(960,028,017)**	**(1,035,683,564)**	**(947,349,295)**	**(567,517,396)**
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		(157,460,732)	853,015,132	(455,576,120)	741,515,994
Effect of exchange rate changes on cash and cash equivalents		(111,445)	(151,805)	-	-
Net increase (decrease) in cash and cash equivalents		**(157,572,177)**	**852,863,327**	**(455,576,120)**	**741,515,994**
Cash and cash equivalents at 1 October		1,446,506,321	593,642,994	1,286,788,618	545,272,624
Cash and cash equivalents at 30 September	*6*	**1,288,934,144**	**1,446,506,321**	**831,212,498**	**1,286,788,618**
Non-cash transactions					
Payables for acquisition of assets		135,123,810	135,103,040	9,830,014	9,998,875
Current portion of long-term incentive plan payables		925,117	-	180,770	-
Long-term incentive plan payables		1,908,391	-	402,470	-

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

Note	Contents
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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 20 November 2018.

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.

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 2018 and 2017 were as explained in Note 10.

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 2017. 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 new and revised TFRS which are not yet effective for current periods. The Group has not early adopted these standards in preparing these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 33.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

Items	*Measurement bases*
Derivative financial instruments	Fair value
Land	Revaluation to fair value
Defined benefit liability	Present value of the defined benefit obligation, as explained in Note 4 (n)

(c) *Functional and presentation currency*

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

(d) *Use of 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 assumptions and 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	Impact of fire
Note 4 (s) &12	Current and deferred taxation
Note 12	Utilisation of tax losses
Note 17	Measurement of defined employee benefit obligations
Note 30	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 these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which these valuations should be classified.

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

When measuring the fair value of an asset or a liability, the Group uses observable market 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.

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

- Note 11 Property, plant and equipment
- Note 30 Financial instruments

3 Impact of fire

On 27 November 2017, Oishi Trading Co., Ltd., the Company's subsidiary, have been affected by the fire incident at the UHT production line at Navanakorn Industrial Estate plant in Pathumthani Province. As a result, the UHT production line has stopped and has not yet been restarted. The other production lines were not affected and still operating normally. However, the said subsidiary has an Accidental Damage (Property) Insurance Policy which covers factory assets and for business interruption that have been affected by fire. The insured will compensate the revenue loss from operation during that period. Management, the insurers and loss adjusters have had full access to the affected areas since November 2017. The insurance company has surveyed and assessed lossed and in the process of finalizing the compensation payable to the said subsidiary. Management believes that any losses arising as a consequence of the fire will be recovered from insurance. The Company will recognise the insurance reimbursement when it is virtually certain that the reimbursement will be received. The reimbursement and expenses relating to the fire has been recognised in the Group's statement of comprehensive income as follows;

	Consolidated financial statements For the year ended 30 September 2018 *(in million Baht)*
Insurance reimbursement	
- not yet received	878
Sales of scrap	(10)
Net reimbursement	**868**
Write-off and allowance for damaged inventories	(7)
Write-off and allowance for impairment of plant and equipment	(673)
Other expenses relating to the fire	(30)
Total expenses relating to the fire	**(710)**
Net arising from the fire	**158**

The financial statements do not include any contingent adjustments, if the assessment of damage and the insurance coverage of the insurance have been finalised.

4 Significant accounting policies

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

(a) Basis of consolidation

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

Subsidiaries

Subsidiaries are entities controlled by the Group. 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.

(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).

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. 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.

Disposal of investments

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

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

(h) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured 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.

Any 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 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 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.

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 received 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

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 measured 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.

(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.

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.

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 special discount.

Sale of goods

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

Rendering of services

The Group recognises revenue from rendering of services when services are provided.

Loyalty programmes

The Group has a customer loyalty programme whereby customers are awarded credits (Points) entitling customers to the right to purchase products from the Group at a discount. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the Points and the other components of the sale. The amount allocated to the Points is estimated by reference to the fair value of the right to purchase products at a discount or fair value of the free gift. The fair value is estimated based on the amount of the discount adjusted to take into account the expected forfeiture rate. Such amount is deferred and revenue is recognised only when the Points are redeemed and the Group has fulfilled its obligations to supply the products. The amount of revenue recognised in those circumstances is based on the number of Points that have been redeemed in exchange for discounted products, relative to the total number of Points that is expected to be redeemed. Deferred revenue is also released to profit or loss when it is no longer considered probable that the Points will be redeemed.

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.

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.

5 Related parties

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

Relationships with subsidiaries are described in Note 10. Relationship with key management and other related parties were as follows:

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

Name of entities	Country of incorporation/ nationality	Nature of relationships
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
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
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
Thai Molasses Co., Ltd.	Thailand	Direct subsidiary of parent company
Food of Asia Co., Ltd.	Thailand	Indirect subsidiary of parent company
Havi Logistics (Thailand) Limited	Thailand	Subsidiary of a direct subsidiary of parent company
S.P.M. Foods & Beverages Co., Ltd.	Thailand	Subsidiary of an indirect subsidiary of parent company
Sermsuk PLC.	Thailand	Subsidiary of an indirect subsidiary of parent company
Serm Suk Beverage Co., Ltd.	Thailand	Subsidiary of an indirect subsidiary of parent company
Max Asia Co., Ltd.	Thailand	Subsidiary of an indirect subsidiary of parent company
Bistro Asia Co., Ltd.	Thailand	Subsidiary of an indirect subsidiary of parent company
Spice of Asia Co., Ltd.	Thailand	Subsidiary of an indirect subsidiary of parent company
The QSR of Asia 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

Name of entities	Country of incorporation/ nationality	Nature of relationships
F&N United Limited	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 & Neave (Singapore) Pte. Limited	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
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

Name of entities	Country of incorporation/ nationality	Nature of relationships
Siam Food Products PLC.	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
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
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 Co., 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
Surasate 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
T.C.C. Commercial Property 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 (Formerly name : Lertrattakarn Co., Ltd.)	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

Significant transactions for the year ended 30 September with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
Year-ended 30 September	2018	2017	2018	2017
	(in thousand Baht)			
Parent				
Revenue from sale of goods	3,413	2,177	825	1,318
Other income	22	3	22	3
Management fee	9,360	9,360	9,360	9,360
Other expenses	6,221	1,687	3,608	979

Year-ended 30 September	Consolidated financial statements 2018	2017	Separate financial statements 2018	2017
	(in thousand Baht)			
Subsidiaries				
Revenue from sale of goods	-	-	3,366	1,743
Dividend income	-	-	100,800	722,558
Interest income	-	-	30,395	55,389
Management service income	-	-	18,176	18,586
Other income	-	-	16,431	14,310
Sale of equipment	-	-	525	1,756
Purchase of goods	-	-	330,798	389,337
Purchase of equipment	-	-	190	676
Rental expenses	-	-	4,757	5,662
Interest expenses	-	-	291	665
Other expenses	-	-	10,497	18,042
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	59,508	51,838	49,502	43,470
Post-employment benefits	438	445	300	338
Total key management personnel compensation	**59,946**	**52,283**	**49,802**	**43,808**
Other related parties				
Revenue from sale of goods	4,788,563	6,110,007	218,292	188,642
Revenue from rendering of services	8,801	48,452	-	-
Claim refund from the fire	867,962	-	-	-
Sale of equipment	58	-	-	-
Other income	27,960	46,814	6,283	24,344
Purchase of goods	2,214,476	1,031,658	1,103,253	134,214
Purchase of equipment	2,509	9,615	710	1,027
Management fee	4,632	2,342	2,952	662
Rental expenses	114,578	122,638	48,406	61,057
Other expenses	504,696	453,897	199,541	142,666

Directors' remuneration

At the annual general meeting of the shareholders of the Company held on 30 January 2018, the shareholders approved the directors' remuneration and bonus for the year 2018 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 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.

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

Trade accounts receivable - related parties	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Parent	492	258	338	181
Subsidiaries	-	-	324	143
Other related parties	540,031	501,801	41,327	36,862
Total	**540,523**	**502,059**	**41,989**	**37,186**

Other receivables - related parties	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Subsidiaries	-	-	4,633	78,801
Other related parties*	882,084	21,171	3,900	14,095
Total	**882,084**	**21,171**	**8,533**	**92,896**

*As at 30 September 2018, the Group has insurance reimbursements receivable with a related company in totaling Baht 867.96 million as disclosed in Note 3.

Dividend receivable from subsidiary	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Subsidiary	**-**	**-**	**100,800**	**419,999**

Short-term loans to subsidiaries	Interest rate		Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017	2018	2017
	(% per annum)		*(in thousand Baht)*			
Oishi Trading Co., Ltd.	2.51	2.51	-	-	560,000	1,287,000
Oishi Food Service Co., Ltd.	1.30	-	-	-	50,000	-
Total			**-**	**-**	**610,000**	**1,287,000**

Movements during the year ended 30 September of short-term loans to subsidiaries were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
At 1 October	-	-	1,287,000	1,957,000
Increase	-	-	11,884,286	4,292,489
Decrease	-	-	(12,561,286)	(4,962,489)
At 30 September	**-**	**-**	**610,000**	**1,287,000**

Deposit paid - related parties	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Other related parties	**31,027**	**29,584**	**20,634**	**20,387**

Trade accounts payable - related parties	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Subsidiaries	-	-	4,782	36,651
Other related parties	336,051	142,546	153,542	15,269
Total	**336,051**	**142,546**	**158,324**	**51,920**

Short-term loans from subsidiaries

Movements during the year ended 30 September of short-term loans from subsidiaries were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
At 1 October	-	-	-	51,000
Increase	-	-	500,100	-
Decrease	-	-	(500,100)	(51,000)
At 30 September	**-**	**-**	**-**	**-**

Payables for acquisition of assets - related parties	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Other related parties	1,356	1,182	-	-
Total	**1,356**	**1,182**	**-**	**-**

Other payables - related parties	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Parent	12,040	4,229	7,710	2,500
Subsidiaries	-	-	44,893	43,308
Other related parties	2236,255	187,028	70,489	36,608
Total	**248,295**	**191,257**	**123,092**	**82,416**

Other non-current liabilities - related parties	**Consolidated financial statements**		**Separate financial statements**	
	2018	2017	2018	2017
	(in thousand Baht)			
Parent	1,908	-	402	-
Other related party	75	-	-	-
Total	**1,983**	**-**	**402**	**-**

Commitments with related parties	**Consolidated financial statements**		**Separate financial statements**	
	2018	2017	2018	2017
	(in thousand Baht)			
Capital commitments				
Contracted but not provided for:				
Buildings and other constructions	6,500	-	-	-
Machinery and equipment	125	-	-	-
Total	**6,625**	**-**	**-**	**-**
Future minimum lease payment under non-cancellable operating lease commitments				
Within one year	41,145	40,370	29,102	28,822
After one year but within five years	36,873	47,080	27,199	44,703
Total	**78,018**	**87,450**	**56,301**	**73,525**
Other commitments				
Service agreements	148,359	73,425	36,734	34,518
Purchase orders for goods and supplies	27,948	29,471	-	-
Advertise contracts	-	226	-	-
Others	1,147	755	787	755
Total	**177,454**	**103,877**	**37,521**	**35,273**

Significant agreements with related parties

Property lease agreements

The Company and Oishi Ramen Co., Ltd., the Company's subsidiary, entered into area lease agreements with a related company for restaurant business operation. The agreements are for three years, due within 2021. The Company and the said subsidiary agreed to pay rental fees based on percentage of sale as conditions stipulated in the agreements.

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 year from 1 September 2015 to 31 August 2018. Subsequently on 1 September 2018, the said subsidiary entered the new agreement with a party at the price and conditions as stipulated in the agreement. The agreement shall be in effect for a period of three year from 1 September 2018 to 31 August 2021. If the lessee wishes to renew the agreement, the lessee shall give written notice to the lesson not less than 30 days prior to the agreement terminations. 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. Subsequently on 18 September 2018, the said subsidiary entered the new agreement with a party at the price and conditions as stipulated in the agreement. The agreement shall be in effect for a period of three year from 1 September 2018 to 31 August 2021. 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 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.

On 1 August 2017, Oishi Trading Co., Ltd. ("lessor"), the Company's subsidiary, entered into area lease agreement within Navanakorn Industrail Estate in Phathumthani 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 entered into car lease agreements with a related company. The agreements are for a period of five years, due within 2021. The Company is 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. Subsequently on 1 March 2018, the said subsidiary entered the new agreement with a party. 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 March 2018 to 28 February 2021. 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. Subsequently on 26 July 2017, the Company entered the new agreement with a party at the price and conditions as stipulated in the agreement. The agreement shall be in effect for a period of one year from 1 August 2017 to 31 July 2018. Subsequent on 19 June 2018, the Company entered the new agreement with a party at the price and conditions as stipulated in the agreement. The agreement shall be in effect for a period of one year from 1 August 2018 to 31 July 2019 with a renewal for additional term of five years each if not less than 90 days prior written notice is given by any one party to the other.

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. Subsequently on 1 July 2018, the said subsidiary entered the new agreement with a party 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 2018 to 30 June 2021 with renewal for additional terms 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. The Company agreed to charge a service fee monthly based on the rates 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 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, effective from 16 June 2015 to 15 June 2018. Subsequent on 29 June 2018, the Company entered the new agreement with a party 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 2018 to 30 June 2021.

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 said subsidiary at the price as stipulated in the agreement. The agreement is for a period of three years, effective from 1 September 2015 to 31 August 2018. Subsequent on 1 September 2018, the said subsidiary entered the new agreement with a party at the price and conditions as stipulated in the agreement. The agreement shall be in effect for a period of six months, effective from 1 September 2018 to 28 February 2019.

On 19 May 2017, 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 one year, effective from 20 May 2017 to 19 May 2018. Subsequently on 4 June 2018, the Company entered the new agreement with a party at the price and conditions as stipulated in the agreement. The agreement shall be in effect for a period of one year from 20 May 2018 to 19 May 2019. 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.

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. Oishi Trading Co., Ltd. is committed to pay a service fee monthly at the rates as stipulated in the agreement. The said agreement is for a period of three years, from 1 December 2014 to 30 November 2017. Subsequently, the parties have made the first amendment to renew the agreement for one year from 1 December 2017 to 30 November 2018. The Company agreed to pay the service fee monthly at the rate as stipulated in the said amendment.

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 2018 to 31 December 2018 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 products 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 right 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.

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.

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 related company for distributing products to the Group's restaurants and for materials and packaging management to the Company and its subsidiary with the same terms and conditions under the agreement. 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 by 3 times to renew the agreement to 31 August 2018. The Company and its subsidiary agreed to pay the service charge at the rate as stipulated in the said addendum. Subsequently on 1 September 2018, the Company has entered the new agreement with a party at the price and conditions as stipulated in the agreement. The agreement shall be in effect for a period of one year, effective from 1 September 2018 to 30 September 2019 The parties may agree to renew the term of agreement for a further of one year. The new agreement is currently being reviewed and signed by the Company and the party.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Cash on hand	25,713	22,482	15,746	15,408
Cash at banks - current accounts	6,239	17,731	150	453
Cash at banks - savings accounts	1,256,982	1,406,293	815,316	1,270,928
Total	**1,288,934**	**1,446,506**	**831,212**	**1,286,789**

7 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Related parties	*5*	540,523	502,059	41,989	37,186
Other parties		129,483	207,330	16,625	79,171
Total		**670,006**	**709,389**	**58,614**	**116,357**

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Related parties				
Within credit terms	463,751	481,393	15,479	17,621
Overdue:				
Less than 3 months	52,459	12,559	3,034	11,646
3 - 6 months	4,907	7,921	4,907	7,910
6 - 12 months	15,804	11	15,123	9
Over than 12 months	3,602	175	3,446	-
Total	**540,523**	**502,059**	**41,989**	**37,186**

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Other parties				
Within credit terms	107,737	143,867	12,438	65,260
Overdue:				
Less than 3 months	19,687	56,785	3,426	12,987
3 - 6 months	481	3,645	275	924
6 - 12 months	510	2,503	14	-
Over than 12 months	1,068	530	472	-
Total	**129,483**	**207,330**	**16,625**	**79,171**
Grand total	**670,006**	**709,389**	**58,614**	**116,357**

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

8 Other receivables

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Related parties	*5*	**882,084**	**21,171**	**8,533**	**92,896**
Other parties					
Prepaid expenses		43,286	37,965	14,683	12,853
Others		16,238	21,258	6,047	3,296
Total		**941,608**	**80,394**	**29,263**	**109,045**

9 Inventories

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Finished goods	181,314	90,073	817	1,088
Work in progress	7,921	9,555	-	-
Raw materials	172,398	172,459	33,756	35,006
Production supplies	16,622	19,235	4,194	4,607
Spare parts	34,850	72,078	1,220	1,215
	413,105	363,400	39,987	41,916
Less allowance for obsolete and deteriorated inventories	(9,335)	(3,654)	-	-
Net	**403,770**	**359,746**	**39,987**	**41,916**
Inventories recognised as an expense in 'cost of sale of goods':				
- Cost	8,080,292	8,258,161	2,615,653	2,709,467
- Write-off of obsolete and deteriorated inventories	2,763	9,408	-	-
- Reversal of allowance for obsolete and deteriorated inventories	(1,088)	(2,943)	-	-
Net	**8,081,967**	**8,264,626**	**2,615,653**	**2,709,467**

10 Investments in subsidiaries

For the year ended 30 September	Separate financial statements 2018	2017
	(in thousand Baht)	
At 1 October	693,280	680,107
Increase in subsidiary's share capital	919,998	-
Payment of the share	-	28,000
Allowance for impairment	(19,455)	(14,827)
At 30 September	**1,593,823**	**693,280**

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 authorized and called-up share capital to USD 2.70 million.

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).

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 fully paid-up share capital totaling Baht 920 million (9,200,000 ordinary shares with paid-up share of Baht 100 per share), paid-up capital is totaling Baht 1,000 million.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Investments in subsidiaries as at 30 September 2018 and 2017, and dividend income from those investments for the years then ended, were as follows:

						Separate financial statements							
		Ownership interest		Paid-up capital		Cost		Impairment		At cost - Net		Dividend income	
	Type of business	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
		(%)		(in thousands)		(in thousand Baht)							
Direct subsidiaries													
Oishi Trading Co., Ltd.	Manufacture and distribution of food and beverage	99.99	99.99	Baht 420,000	Baht 420,000	420,000	420,000	-	-	420,000	420,000	100,800	671,999
Oishi Ramen Co., Ltd.	Japanese restaurant	99.99	99.99	Baht 158,000	Baht 158,000	158,000	158,000	-	-	158,000	158,000	-	50,559
Oishi Food Service Co., Ltd. (Formerly name : Oishi Snack Co., Ltd.)	Distribution of food	99.99	99.99	Baht 1,000,000	Baht 80,000	999,998	80,000	-	-	999,998	80,000	-	-
Oishi International Holdings Limited	International distribution of beverage	100.00	100.00	HKD 11,700	HKD 11,700	50,107	50,107	(34,282)	(14,827)	15,825	35,280	-	-
Total						**1,628,105**	**708,107**	**(34,282)**	**(14,827)**	**1,593,823**	**693,280**	**100,800**	**722,558**
Indirect subsidiaries													
Oishi F&B (Singapore) Pte. Ltd.	Brand management and consulting services	100.00	100.00	SGD 1,900	SGD 1,900								
Oishi Myanmar Limited	Japanese restaurant	55.00	55.00	USD 2,700	USD 2,700								
Oishi Group Limited Liability Company	Marketing management consulting services	100.00	100.00	USD 50	USD 50								

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.

11 Property, plant and equipment

	Consolidated financial statements										
	Land	Land improvements	Buildings and building improvements	Decoration	Internal systems	Tools and machinery for manufacturing	Office equipment, furniture and fixtures	Restaurant utensils	Vehicles	Assets under construction and installation	Total
						(in thousand Baht)					
Cost/ revaluation											
At 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 and 1 October 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**
Additions	-	434	5,033	3,914	8,260	20,164	19,678	4,921	2	714,003	776,409
Transfers	-	-	300	68,648	61,026	75,126	20,026	9,355	-	(234,481)	-
Disposals/written-off	-	-	(18,265)	(16,873)	(98,966)	(592,562)	(12,785)	(5,434)	(363)	-	(745,248)
At 30 September 2018	**663,126**	**38,757**	**2,098,175**	**893,983**	**1,793,353**	**5,476,928**	**485,997**	**157,434**	**3,834**	**526,947**	**12,138,534**
Depreciation and impairment losses											
At 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	128,673	201,191	476,794	67,416	21,392	363	-	1,002,960
Disposals	-	-	(1,608)	(86,534)	(63,217)	(42,874)	(43,249)	(12,406)	-	-	(249,888)
At 30 September 2017 and 1 October 2017	**-**	**15,198**	**641,765**	**595,554**	**985,106**	**2,774,449**	**316,667**	**98,861**	**3,638**	**-**	**5,431,238**
Depreciation charge for the year	-	3,112	97,673	105,338	170,875	400,789	55,717	20,600	106	-	854,210
Impairment losses*	-	-	107,290	11	564	147,929	34	-	-	4,565	260,393
Disposals/written-off	-	-	(4,331)	(15,894)	(48,464)	(245,547)	(11,618)	(5,097)	(257)	-	(331,208)
At 30 September 2018	**-**	**18,310**	**842,397**	**685,009**	**1,108,081**	**3,077,620**	**360,800**	**114,364**	**3,487**	**4,565**	**6,214,633**

*Oishi Trading Co., Ltd., the Company's subsidiary, has recognised allowance for plant and equipment impairment from fire incident Baht 672.76 million and during the year, the said subsidiary disposed some of assets, totaling Baht 412.37 million. As at 30 September 2018, the remaining allowance for plant and equipment impairment was Baht 260.39 million as disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

	Consolidated financial statements										
	Land	Land improvements	Buildings and building improvements	Decoration	Internal systems	Tools and machinery for manufacturing	Office equipment, furniture and fixtures	Restaurant utensils	Vehicles	Assets under construction and installation	Total
						(in thousand Baht)					
Net book value											
At 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 and 1 October 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**
At 30 September 2018											
Owned assets	**663,126**	**20,447**	**1,255,778**	**208,974**	**685,272**	**2,399,308**	**125,197**	**43,070**	**347**	**522,382**	**5,923,901**

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 30 September 2018 amounted to Baht 2,041.20 million *(2017: Baht 1,776.98 million).*

	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
				(in thousand Baht)				
Cost								
At 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 and 1 October 2017	**540,673**	**507,329**	**510,968**	**228,067**	**95,233**	**320**	**-**	**1,882,590**
Additions	1,582	424	5,926	8,827	2,012	-	41,201	59,972
Transfers	13,460	11,287	10,848	3,302	1,859	-	(40,756)	-
Disposals	(15,399)	(12,344)	(28,588)	(7,252)	(4,967)	-	-	(68,550)
At 30 September 2018	**540,316**	**506,696**	**499,154**	**232,944**	**94,137**	**320**	**445**	**1,874,012**
Depreciation								
At 1 October 2016	461,425	439,908	416,890	184,167	71,512	320	-	1,574,222
Depreciation charge for the year	76,255	64,061	62,202	33,581	13,146	-	-	249,245
Disposals	(79,100)	(60,524)	(42,469)	(41,834)	(11,705)	-	-	(235,632)
At 30 September 2017 and 1 October 2017	**458,580**	**443,445**	**436,623**	**175,914**	**72,953**	**320**	**-**	**1,587,835**
Depreciation charge for the year	46,517	39,364	42,764	22,451	10,339	-	-	161,435
Disposals	(15,326)	(12,322)	(27,628)	(6,975)	(4,685)	-	-	(66,936)
At 30 September 2018	**489,771**	**470,487**	**451,759**	**191,390**	**78,607**	**320**	**-**	**1,682,334**
Net book value								
Owned assets								
At 1 October 2016	**141,622**	**116,941**	**119,475**	**65,281**	**30,185**	**-**	**4,710**	**478,214**
At 30 September 2017 and 1 October 2017	**82,093**	**63,884**	**74,345**	**52,153**	**22,280**	**-**	**-**	**294,755**
At 30 September 2018	**50,545**	**36,209**	**47,395**	**41,554**	**15,530**	**-**	**445**	**191,678**

The gross amount of the Company's fully depreciated equipment that was still in use as at 30 September 2018 amounted to Baht 1,197.94 million *(2017: Baht 914.89 million)*.

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.

	Consolidated financial statements	
For the year ended 30 September	2018	2017
	(in million Baht)	
Balance at 1 October	633	663
Credited other comprehensive income		
Revaluation of land	-	-
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).

12 Deferred tax

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

	Consolidated financial statements			
	Assets		Liabilities	
	2018	2017	2018	2017
	(in thousand Baht)			
Total	36,502	93,083	(44,828)	(41,184)
Set off of tax	(26,145)	(41,184)	26,145	41,184
Net deferred tax assets (liabilities)	**10,357**	**51,899**	**(18,683)**	**-**

	Separate financial statements			
	Assets		Liabilities	
	2018	2017	2018	2017
	(in thousand Baht)			
Deferred tax assets	**16,657**	**11,610**	**-**	**-**

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

	Consolidated financial statements			
		(Charged) / credited to:		
	At 1 October 2017	Profit or loss *(Note 26)*	Other comprehensive income	**At 30 September 2018**
	(in thousand Baht)			
Deferred tax assets				
Inventories	728	(331)	-	397
Defined employee benefit obligations	11,562	148	2,126	13,836
Tax loss carry forward	79,502	(57,615)	-	21,887
Others	1,291	(909)	-	382
Total	**93,083**	**(58,707)**	**2,126**	**36,502**
Deferred tax liabilities				
Revaluation surplus on land	(41,184)	-	-	(41,184)
Provision for insurance reimbursement from fire	-	(3,644)	-	(3,644)
Total	**(41,184)**	**(3,644)**	**-**	**(44,828)**
Net	**51,899**	**(62,351)**	**2,126**	**(8,326)**

	Consolidated financial statements			
		Credited to:		
	At 1 October 2016	Profit or loss *(Note 26)*	Other comprehensive income	**At 30 September 2017**
		(in thousand Baht)		
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**
Deferred tax liability				
Revaluation surplus on land	**(41,184)**	**-**	**-**	**(41,184)**
Net	**45,524**	**5,412**	**963**	**51,899**

	Separate financial statements			
		(Charged) / credited to:		
	At 1 October 2017	Profit or loss *(Note 26)*	Other comprehensive income	**At 30 September 2018**
		(in thousand Baht)		
Deferred tax assets				
Defined employee benefit obligations	8,026	726	969	9,721
Investments in subsidiaries	2,965	3,891	-	6,856
Others	619	(539)	-	80
Total	**11,610**	**4,078**	**969**	**16,657**

	Separate financial statements			
		(Charged) / credited to:		
	At 1 October 2016	Profit or loss *(Note 26)*	Other comprehensive income	**At 30 September 2017**
		(in thousand Baht)		
Deferred tax assets				
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**

13 Other non-current assets

	Note	Consolidated financial statements 2018	Consolidated financial statements 2017	Separate financial statements 2018	Separate financial statements 2017
		(in thousand Baht)			
Related parties					
Deposits	5	31,027	29,584	20,634	20,387
Other parties					
Deposits		227,275	214,621	151,579	150,024
Receivable from Revenue Department		21,696	15,861	2,071	2,072
Others		481	480	-	-
Total		**280,479**	**260,546**	**174,284**	**172,483**

14 Interest-bearing liabilities

	Consolidated financial statements 2018	Consolidated financial statements 2017	Separate financial statements 2018	Separate financial statements 2017
	(in thousand Baht)			
Current				
Current portion of debentures				
Unsecured	1,700,700	-	1,700,700	-
Current portion of finance lease liabilities	-	12,969	-	-
Total current interest-bearing liabilities	**1,700,700**	**12,969**	**1,700,700**	**-**
Non-current				
Debentures				
Unsecured	-	2,000,000	-	2,000,000
Total non-current interest-bearing liabilities	**-**	**2,000,000**	**-**	**2,000,000**
Grand total	**1,700,700**	**2,012,969**	**1,700,700**	**2,000,000**

As at 30 September 2018, the principal features and details of debentures of the Group were as follows:

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).

On 11 July 2018, the Company has partially repurchased a total of 299,300 units of the Debentures No. 1/2015 before its maturity date in December 2018, totaling Baht 299,300,000. As a result, the remaining units of the Debentures No. 1/2015 is 700,700 units, totaling Baht 700,700,000. Such partial repurchase of debentures No. 1/2015 complies with the terms and conditions governing the rights and obligations of the issuer and the debentures holders of such debentures.

As at 30 September 2018, the Company had outstanding unsubordinated, unsecured debentures and without a shareholder representative with the name registered in the amount of Baht 1,700.70 million (1,700,700 units at par value of Baht 1,000 each). These debentures mature on 9 December 2018 and on 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.

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Within one year	1,700,700	-	1,700,700	-
After one year but within five years	-	2,000,000	-	2,000,000
Total	**1,700,700**	**2,000,000**	**1,700,700**	**2,000,000**

As at 30 September 2018, the Group had unutilised credit facilities totaling Baht 2,750.76 million and USD 3.46 million *(2017: Baht 3,302.38 million and USD 1.82 million)* and the Company had unutilised credit facilities totaling Baht 2,665.56 million *(2017: Baht 2,873.45 million)*.

Finance lease liabilities

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

	Consolidated financial statements					
	2018			2017		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	(in thousand Baht)					
Within one year	**-**	**-**	**-**	**13,188**	**(219)**	**12,969**

15 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Related parties	*5*	336,051	142,546	153,324	51,920
Other parties		473,079	834,541	24,348	244,216
Total		**809,130**	**977,087**	**182,672**	**296,136**

16 Other payables

	Note	Consolidated financial statements 2018	Consolidated financial statements 2017	Separate financial statements 2018	Separate financial statements 2017
		(in thousand Baht)			
Related parties	5	**248,295**	**191,257**	**123,092**	**82,416**
Other parties					
Personnel expenses		192,313	206,587	104,587	116,563
Marketing expenses		105,281	181,764	18,856	13,837
Utilities expenses		41,838	49,360	13,995	16,289
Advances received		23,459	24,286	13,719	13,382
Retention		17,692	15,005	4,698	5,631
Others		235,509	153,733	47,120	49,898
Total		**864,387**	**821,992**	**326,067**	**298,016**

17 Non-current provisions for employee benefits

	Consolidated financial statements 2018	Consolidated financial statements 2017	Separate financial statements 2018	Separate financial statements 2017
	(in thousand Baht)			
Statement of financial position:				
Non-current provisions for:				
Post-employment benefits				
- Defined benefit plan	**87,535**	**71,794**	**54,939**	**45,708**
Year ended 30 September				
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits				
- Defined benefit plan	**10,662**	**10,345**	**6,989**	**7,064**
Recognised in other comprehensive income:				
Actuarial losses recognised in the year	**10,307**	**3,093**	**4,843**	**1,189**
Cumulative actuarial (gains) losses recognised	**20,774**	**10,467**	**4,548**	**(295)**

Defined benefit plan

The Group and the Company operate a defined benefit 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.

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
At 1 October	71,794	66,178	45,708	44,929
Include in profit or loss				
Current service cost	8,867	8,691	5,846	5,941
Interest on obligation	1,795	1,654	1,143	1,123
	10,662	**10,345**	**6,989**	**7,064**
Include in other comprehensive income				
Actuarial losses	10,307	3,093	4,843	1,189
	10,307	**3,093**	**4,843**	**1,189**
Other				
Transfer from related companies	-	1	758	654
Transfer to related companies	(1,029)	(2,429)	(1,512)	(2,873)
Benefit paid	(4,199)	(5,394)	(1,847)	(5,255)
	(5,228)	**(7,822)**	**(2,601)**	**(7,474)**
At 30 September	**87,535**	**71,794**	**54,939**	**45,708**

Actuarial losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Demographic assumptions	289	1,860	146	1,140
Financial assumptions	1,921	-	1,146	-
Experience adjustment	8,097	1,233	3,551	49
Total	**10,307**	**3,093**	**4,843**	**1,189**

Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(%)			
Discount rate	2.80	2.50	2.80	2.50
Future salary growth	5.50	5.00	5.50	5.00

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

At 30 September 2018, the weighted-average duration of the defined benefit obligation was 9 years *(2017: 12 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.

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	(in thousand Baht)			
At 30 September 2018				
Discount rate (0.5% movement)	(4,896)	5,395	(2,975)	3,210
Future salary growth (0.5% movement)	5,226	(4,885)	3,110	(2,915)
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.

18 Share capital

		Consolidated/Separated financial statement			
	Par value	2018		2017	
	per share	Number	Baht	Number	Baht
	(in Baht)	*(thousand shares/thousand Baht)*			
Authorised					
At 1 October					
- ordinary shares	2	187,500	375,000	187,500	375,000
At 30 September					
- ordinary shares	**2**	**187,500**	**375,000**	**187,500**	**375,000**
Issued and paid-up					
At 1 October					
- ordinary shares	2	187,500	375,000	187,500	375,000
At 30 September					
- ordinary shares	**2**	**187,500**	**375,000**	**187,500**	**375,000**

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

19 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.

20 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.

Information about reportable segments

	Food segment		Beverage segment		Total	
	2018	2017	2018	2017	2018	2017
			(in million Baht)			
Revenue from sale of goods						
- Other parties	6,534	6,419	1,228	840	7,762	7,259
- Related parties	76	78	4,716	6,034	4,792	6,112
Revenue from rendering of services						
- Other parties	-	-	33	132	33	132
- Related parties	-	-	9	48	9	48
Interest income	11	4	4	1	15	5
Claim refund from the fire	-	-	868	-	868	-
Other income	32	29	69	92	101	121
Total income	**6,653**	**6,530**	**6,927**	**7,147**	**13,580**	**13,677**
Cost of sale of goods	3,667	3,564	4,415	4,701	8,082	8,265
Cost of rendering of services	-	-	28	123	28	123
Distribution costs	866	841	725	809	1,591	1,650
Administrative expenses	1,761	1,862	237	233	1,998	2,095
Loss for the fire	-	-	710	-	710	-
Finance costs	-	-	45	53	45	53
Total expenses	**6,294**	**6,267**	**6,160**	**5,919**	**12,454**	**12,186**
Profit before income tax expense	**359**	**263**	**767**	**1,228**	**1,126**	**1,491**
Tax (expense) benefit	(123)	(53)	5	5	(118)	(48)
Profit for the year	**236**	**210**	**772**	**1,233**	**1,008**	**1,443**
Profit attributable to:						
Owners of the parent	243	219	772	1,233	1,015	1,452
Non-controlling interests	(7)	(9)	-	-	(7)	(9)
Profit for the year	**236**	**210**	**772**	**1,233**	**1,008**	**1,443**
Capital expenditure	726	205	55	356	781	561
Depreciation and amortisation	397	473	469	544	866	1,017
Assets and liabilities						
Inventories	171	113	246	206	404	359
Property, plant and equipment	1,904	1,579	4,020	5,097	5,924	6,676
Other assets	1,700	1,221	1,639	1,491	3,352	2,672
Segment assets as at 30 September	**3,775**	**2,913**	**5,905**	**6,794**	**9,680**	**9,707**
Trade accounts payable	446	466	363	511	809	977
Interest-bearing liabilities	-	-	1,701	2,013	1,701	2,013
Other liabilities	707	548	473	578	1,180	1,126
Segment liabilities as at 30 September	**1,153**	**1,014**	**2,537**	**3,102**	**3,690**	**4,116**

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 were as follows:

	Consolidated financial statements			
	Revenue		Property, plant and equipment	
	2018	2017	2018	2017
	(in million Baht)			
Thailand	12,283	12,768	5,912	6,659
Overseas	1,297	909	12	17
Total	**13,580**	**13,677**	**5,924**	**6,676**

Major customer

Revenue from major customers of the Group's food and drink segments for the year ended 30 September 2018 represents approximately Baht 4,253 million *(2017: Baht 6,950 million)* of the Group's total revenues.

21 Distribution costs

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Advertising and promotion expenses	808,910	890,026	199,942	181,434
Rental expenses	608,940	575,356	393,923	396,715
Personnel expenses	77,564	84,419	41,873	41,356
Transportation expenses	44,666	46,276	14,125	15,577
Others	50,783	53,829	21,330	26,352
Total	**1,590,863**	**1,649,906**	**670,743**	**661,434**

22 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Personnel expenses	1,012,566	1,026,084	689,794	756,778
Depreciation and amortisation	293,743	337,550	123,141	191,469
Office expenses	260,400	255,401	173,298	181,803
Hire and service expenses	138,418	141,920	88,886	104,426
Rental expenses	46,193	54,487	27,808	33,309
Others	246,798	279,487	66,873	88,345
Total	**1,998,118**	**2,094,929**	**1,178,800**	**1,356,130**

23 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
		(in thousand Baht)			
Salaries and wages		1,426,994	1,428,010	740,135	754,028
Remuneration		32,000	30,000	32,000	30,000
Defined benefit plans	*17*	10,662	10,345	6,989	7,064
Defined contribution plans		14,979	14,286	8,393	8,405
Others		318,442	293,989	162,158	162,389
Total		**1,803,077**	**1,776,630**	**949,675**	**961,886**

Defined benefit plans

Details of the defined benefit plans are given in Note 17.

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2% to 5% of their basic salaries and by the Group at rates ranging from 2% to 5% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

24 Expense by nature

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

	Note	Consolidated financial statements 2018	Consolidated financial statements 2017	Separate financial statements 2018	Separate financial statements 2017
		(in thousand Baht)			
Changes in inventories of finished goods and work in progress		(8 9,607)	75,662	271	(27)
Raw materials and consumables used		5,650,197	6,501,437	1,883,261	1,955,734
Excised tax used		634,858	518	-	-
Employee benefit expenses		1,755,198	1,729,958	949,675	961,886
Depreciation and amortisation		841,122	979,669	166,703	254,591
Advertising and promotion expenses	*21*	808,910	890,026	199,492	181,434
Loss from the fire	*3*	710,049	-	-	-
Rental expenses		703,828	694,448	449,830	458,871
Utilities expenses		436,995	483,474	165,988	174,677
Spare parts and maintenance expense		226,865	270,236	23,417	27,587
Idle cost		153,739	154,187	-	-
Transportation expenses		50,877	53,533	15,058	16,193
Finance costs	*25*	44,930	53,674	45,221	47,765
Others		526,231	299,156	611,501	696,085
Total cost of sales of goods, distribution costs and administrative expenses		**12,454,192**	**12,185,978**	**4,510,417**	**4,774,796**

25 Finance costs

	Note	Consolidated financial statements 2018	Consolidated financial statements 2017	Separate financial statements 2018	Separate financial statements 2017
		(in thousand Baht)			
Interest expense					
Subsidiaries	*5*	-	-	291	665
Financial institutions		44,930	53,674	44,930	47,100
Total		**44,930**	**53,674**	**45,221**	**47,765**

26 Income tax expense

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		(in thousand Baht)			
Current tax expense					
Current year		**55,424**	**53,325**	**24,927**	**26,175**
Deferred tax expense	*12*				
Movements in temporary differences		4,736	(1,223)	(4,078)	(3,371)
Benefit of tax losses recognised		57,615	(4,189)	-	-
		62,351	**(5,412)**	**(4,078)**	**(3,371)**
Total income tax expense		**117,775**	**47,913**	**20,849**	**22,804**

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2018			2017		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
	(in thousand Baht)					
Defined benefit plan actuarial losses	**(10,307)**	**2,126**	**(8,181)**	**(3,093)**	**963**	**(2,130)**

	Separate financial statements					
	2018			2017		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
	(in thousand Baht)					
Defined benefit plan actuarial losses	**(4,843)**	**969**	**(3,874)**	**(1,189)**	**238**	**(951)**

Reconciliation of effective tax rate

	Consolidated financial statements			
	2018		2017	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before total income tax expense		1,125,950		1,491,113
Income tax using the Thai corporation tax rate	20.00	225,190	20.00	298,223
Income for tax purposes		51,496		-
Income not subject to tax		(152,531)		(241,941)
Expenses for tax incentive		(12,764)		(13,192)
Expenses not deductible for tax purposes		3,106		921
Current year losses for which no deferred tax asset was recognised		3,278		3,902
Total	**10.46**	**117,775**	**3.21**	**47,913**

	Separate financial statements			
	2018		2017	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before total income tax expense		223,404		858,325
Income tax using the Thai corporation tax rate	20.00	44,681	20.00	171,665
Income not subject to tax		(20,160)		(144,512)
Expenses for tax incentive		(3,915)		(4,703)
Expenses not deductible for tax purposes		243		354
Total	**9.33**	**20,849**	**2.66**	**22,804**

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.

27 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:

	Consolidated financial statements					
	2018			2017		
	Promoted business	Non-promoted business	Total	Promoted business	Non-promoted business	Total
	(in thousand Baht)					
Local sales and rendering of services	3,897,374	7,406,533	11,303,907	4,863,431	7,781,821	12,645,252
Export sales and rendering of services	1,221,023	71,181	1,292,204	788,652	116,904	905,556
Total	**5,118,397**	**7,477,714**	**12,596,111**	**5,652,083**	**7,898,725**	**13,550,808**

28 Basic earnings per share

The calculations of basic earnings per share for the years ended 30 September 2018 and 2017 were based on the profit for the year attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in million Baht/in million shares)			
Profit attributable to ordinary shareholders of the Company (basic)	1,015.26	1,451.69	202.55	835.52
Number of ordinary shares outstanding	187.50	187.50	187.50	187.50
Earnings per share (basic) *(in Baht)*	**5.41**	**7.74**	**1.08**	**4.46**

29 Dividends

At the Board of Directors of the Company's meeting held on 14 May 2018, the Board of Directors approved the interim dividend payment from the retained earnings and the net profit for the six-month period ended 31 March 2018 of Baht 0.90 per share, totaling Baht 168.75 million, which was paid to the shareholders in June 2018.

At the annual general meeting of the shareholders of the Company held on 30 January 2018, the shareholders approved the appropriation of dividend 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 was paid to the shareholders in February 2018.

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 dividend payment shall be Baht 1.40 per share, totaling Baht 262.50 million, which was paid to the shareholders in February 2017.

30 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 14). 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 in which those liabilities mature or re-price were as follows:

		Consolidated financial statements		
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	Total
		(in thousand Baht)		
2018				
Current				
Current portion of debentures	2.20 - 2.51	1,700,700	-	1,700,700
Total		**1,700,700**	**-**	**1,700,700**
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		**12,969**	**2,000,000**	**2,012,969**

		Separate financial statements		
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	Total
		(in thousand Baht)		
2018				
Current				
Current portion of debentures	2.20 - 2.51	1,700,700	-	1,700,700
Total		**1,700,700**	-	**1,700,700**
2017				
Non-current				
Debentures	2.20 - 2.51	-	2,000,000	2,000,000
Total		**-**	**2,000,000**	**2,000,000**

Foreign currency risk

The Group is exposed to foreign currency risk relating to machinery purchase agreements. The Group primarily utilised forward exchange contracts with maturity period of less than one year to hedge such agreements during the year. The Group is also exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies and at the reporting date there were no significant concentrations of foreign currencies risk.

As at 30 September, the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Japanese Yen				
Payables for acquisition of assets	-	(63,627)	-	-
Gross balance in statement of financial position exposure	-	**(63,627)**	**-**	**-**
Currency forwards	-	62,910	-	-
Net exposure	-	**(717)**	**-**	**-**
Euro				
Trade accounts payable	-	(22)	-	-
Payables for acquisition of assets	-	(29,546)	-	-
Gross balance in statement of financial position exposure	-	**(29,568)**	**-**	**-**
Currency forwards	-	29,330	-	-
Net exposure	-	**(238)**	**-**	**-**
United States Dollars				
Cash and cash equivalents	1,241	7,030	-	-
Trade accounts receivable	9,872	4,612	-	-
Other receivables - related parties	-	-	2,639	4,994
Trade accounts payable	(29)	(257)	-	-
Other payables	(11,447)	(391)	-	-
Gross balance in statement of financial position exposure	**(363)**	**10,994**	**2,639**	**4,994**
Singapore Dollars				
Trade accounts receivable	214	-	-	-
Other payables	(4,989)	(2,922)	-	(239)
Gross balance in statement of financial position exposure	**(4,775)**	**(2,922)**	-	**(239)**
Malaysian Ringgit				
Trade accounts receivable	5,947	1,254	-	-
Other receivables	5,154	-	-	-
Other payables	(67,754)	(22,987)	(44,966)	-
Gross balance in statement of financial position exposure	**(56,653)**	**(21,733)**	**(44,966)**	**-**

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Hong Kong Dollar				
Trade accounts payable	-	(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.

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.

	Consolidated financial statements						
	Carrying value			Fair value			
	Current	Non-current	Total	Level 1	Level 2	Level 3	Total
	(in million Baht)						
30 September 2018							
Financial liabilities not measured at fair value							
Debentures	1,701	-	1,701	-	1,703	-	1,703

	Separate financial statements						
	Carrying value			Fair value			
	Current	Non-current	Total	Level 1	Level 2	Level 3	Total
	(in million Baht)						
30 September 2018							
Financial liabilities not measured at fair value							
Debentures	1,701	-	1,701	-	1,703	-	1,703

	Consolidated financial statements						
	Carrying value			Fair value			
	Current	Non-current	Total	Level 1	Level 2	Level 3	Total
	(in million Baht)						
30 September 2017							
Financial liabilities not measured at fair value							
Debentures	-	2,000	2,000	-	2013	-	2013
Finance lease liabilities	13	-	13	-	13	-	13
Foreign currency forwards contracts in liability position	2	-	2	-	2	-	2

	Separate financial statements						
	Carrying value			Fair value			
	Current	Non-current	Total	Level 1	Level 2	Level 3	Total
	(in million Baht)						
30 September 2017							
Financial liabilities not measured at fair value							
Debentures	-	2,000	2,000	-	2,013	-	2,013

Financial instruments measured at fair value

The fair value hierarchy

The table above analyses recurring fair value measurements for financial liability. The fair value of the foreign currency forwards contracts are determined to be Level 2 under the fair value hierarchy because of its directly observable inputs.

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).

Financial instruments not measured at fair value

Type	**Valuation technique**
Debentures	Based on broker quotes
Finance lease liabilities	Discounted cash flows

31 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Capital commitments				
Contracted but not provided for:				
Machinery and equipment	394,485	36,533	1,070	1,039
Buildings and other constructions	133,323	24,500	-	-
Total	**527,808**	**61,033**	**1,070**	**1,039**

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Future minimum lease payment under non-cancellable operating lease commitments				
Within one year	212,093	174,260	134,174	125,233
After one year but within five years	170,099	131,689	102,675	105,266
After five years	4,341	5,036	4,341	5,036
Total	**386,533**	**310,985**	**241,190**	**235,525**

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 twenty-four years, due within 2018 to 2031. 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 2018 to 2021. 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 three years, ending between 2019 to 2021. The said subsidiary 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 2019. The said subsidiary is committed to pay monthly rental fees as conditions stipulated in the agreement.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	(in thousand Baht)			
Other Commitments				
Service agreements	483,478	356,097	311,749	269,739
Purchase orders for goods and supplies	106,553	111,965	-	-
Bank guarantees	29,236	35,350	-	-
Advertisement contracts	3,769	1,141	-	-
Letters of credit	-	92,272	-	-
Forward contracts	-	92,240	-	-
Others	71,057	5,812	804	1,533
Total	**694,093**	**694,877**	**312,553**	**271,272**

Other agreements

Transportation agreements

On 1 February 2010, the Company and Oishi Trading Co., Ltd., the Company's subsidiary, entered into transportation agreements with a local company to transport products from factory to the defined destination. Transportation cost is calculated for each trip at the rate as stipulated in the agreements. The agreements shall be in effect for a period of three years, effective from 1 January 2010 to 31 December 2012. Subsequently on 1 July 2010, the Company and its subsidiary amended the period of agreements to be two years from 1 July 2010 to 30 June 2012. The agreements will be extended for successive one year term if no prior written notices are given by any one party to the other.

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.

32 Events after the reporting period

At the Board of Directors of the Company's meeting held on 20 November 2018, the board of directors agreed the following:

- to concur a dividend payment of Baht 2.80 per share, totaling Baht 525.00 million, In June 2018, the Company paid an interim dividend of Baht 0.90 per share, totaling Baht 168.75 million. The remaining dividend payment shall be Baht 1.90 per share, totaling Baht 356.25 million, which will be paid to the shareholders in 2019.

- to approve the additional called-up share capital of Oishi Myanmar Limited, an indirect subsidiary of the Company, was USD 600,000, totaling called-up share capital to USD 3,300,000 to support the restaurant operation in the Republic of the Union of Myanmar. By doing so, Oishi International Holdings Limited, a direct subsidiary of the Company, has to increase its authorised and called-up share capital by issuing HKD 2,600,000, totaling authorised and called-up share capital to HKD 14,300,000 and Oishi F&B (Singapore) Pte. Ltd., an indirect subsidiary of the Company, has to increase its authorised and called-up share capital by issuing SGD 450,000, totaling authorised and called-up share capital to SGD 2,350,000 to support the payment of additional called-up share capital of Oishi Myanmar Limited in proportion to the shareholding of the Group.

33 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which relevant to the Group's operations are expected to have significant impact on the financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January of the following years.

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

* TFRS - Financial instruments standards

(a) *TFRS 15 Revenue from Contracts with Customers*

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

(b) *TFRS - Financial instruments standards*

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS 15 Revenue from Contracts with Customers and Financial instruments standards on the financial statements of the Group and the Company.

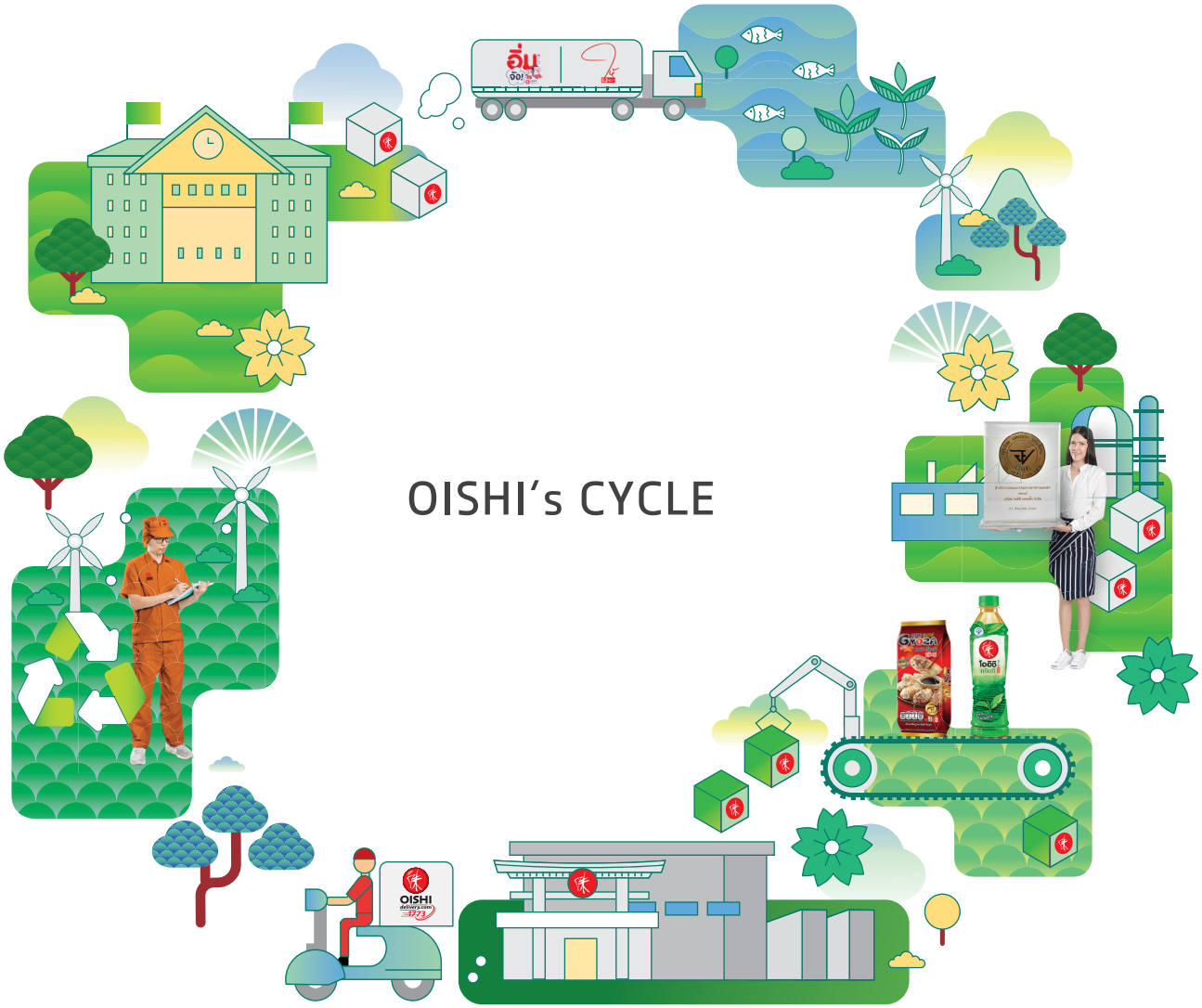
34 Reclassification of accounts

Certain accounts in the statement of financial position as at 30 September 2017, which are included in the 2018 financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2018 financial statements.

	2017 Consolidated financial statements		
	Before reclass	Reclass	After reclass
		(in thousand Baht)	
Statement of financial position as at 30 September 2017			
Inventories	319,248	40,498	359,746
Other current assets	85,340	(40,498)	44,842
		-	

This reclassification has been made because in the opinion of management, the new classification is more appropriate to the Group's business.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT 2018



OISHI GROUP PUBLIC COMPANY LIMITED

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ABOUT THE REPORT

Oishi Group Public Company Limited ("Company") has prepared the Report on Corporate Social Responsibility and Sustainability for the fiscal year of 2018 in accordance with the Core Reporting Initiative (GRI) and GRI Standards. Its main purpose is to provide relevant business information for stakeholders concerned. This report covers 3 areas: economy, community and society, and environment. It is intended to demonstrate business strategy formulation that will result in strengthening business under good corporate governance while fulfilling responsibility for society and environment for the benefits of all parties involved. This undertaking will bring about the fruition of sustainable development goal.

This Report on Corporate Social Responsibility will also highlight our operating results for the fiscal year of 2018 audited by KPMG Phoomchai Audit Co., Ltd., and shown from page 154 to page 222 in this Annual Report.

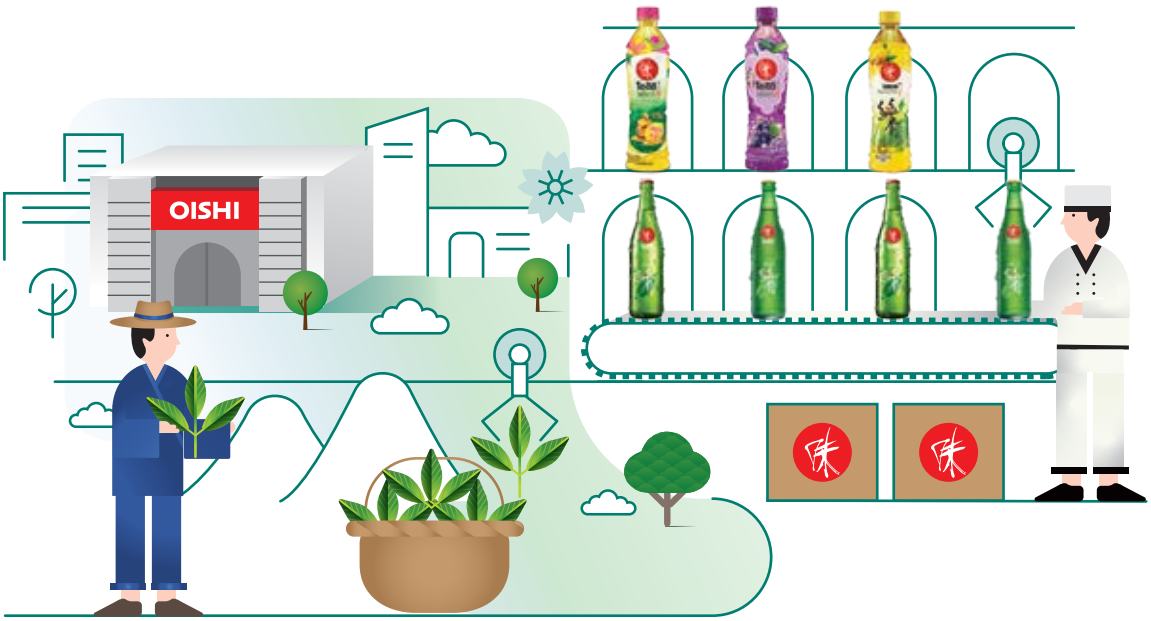
SCOPE OF THE REPORT

The report presents the information of the accounting year of 2018 from October 2017 to September 2018, or 12 months in all. And the operating results of the accounting year of the Oishi Group are incorporated in the Financial Statement Section on this Annual Report 2018. The collection of environment data is sourced from 4 manufacturing plant: 3 drink manufacturing plants under Oishi Trading Co., Ltd. and 1 food manufacturing plant under Oishi Food Service Co., Ltd.

This Report on Corporate Social Responsibility and Sustainability is a part of the Annual Report 2018 and presented both in Thai and English. It is also available at www.oishigroup.com, in the Investor Relations Section.

ABOUT THE COMPANY

The Company was registered in 1999 and listed on the Stock Exchange of Thailand in 2004 under the name of Oishi Group Public Company Limited (OISHI). Currently, the Company is a major driver in the non-alcohol business group, and food and alcohol business group under Thai Beverage Public Company Limited. In addition, the Company is an active member in leading organizations-including the Thai Chamber of Commerce.



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

- 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.
- Select quality raw materials that bring the highest customer's satisfactory, in order to be well recognized in both local and overseas markets.
- Continuously improve production process by using modern technology as well as the research and development of products.
- Increase production efficiency and strengthen competitiveness in terms of pricing and quality, against the competitors in both the local and overseas markets. This will help contribute to Thai economic growth.
- Conduct business in accordance with good governance principles while consider all stake holders' benefits in order to create sustainable business growth.

GROUP LEVEL STRATEGIES

The Company has been implementing "Vision 2020" strategic roadmap and is applicable to Thai Beverage Public Company Limited and Oishi Group. The Vision 2020 comprises 5 key strategic imperatives:

1. Growth
2. Brands
3. Diversity
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.

PRODUCTS AND SERVICES

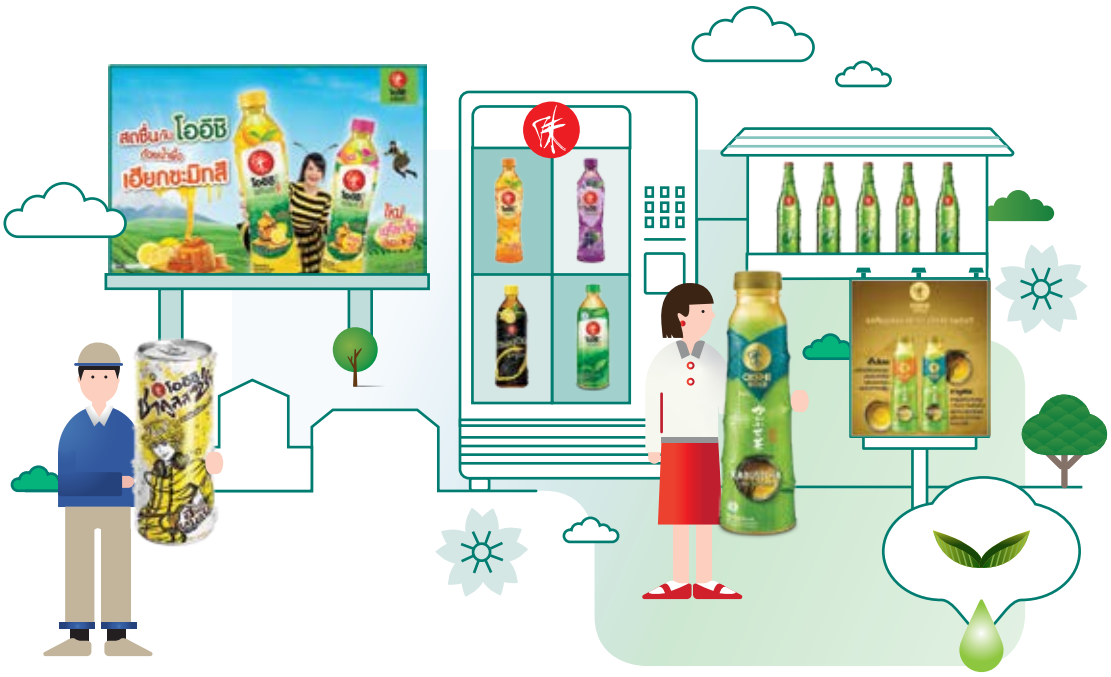
The Company and its Subsidiaries engaged in 2 main businesses: Food and Beverage.

Food Business

The food business group comprises 3 subgroups as follows:

1. Oishi Japanese Restaurants. The business focuses on Japanese eatery uniqueness and continues to grow. The products include Oishi buffet, Shabu, Yakiniku, ramen, and rice topped with selected meat for all-walks-of-life customers. Currently, there are well over 250 branches nationwide under such brand names as
   - Oishi Grand Buffet: specially-selected recipes
   - Shabushi: shabu and sushi served under the concept of "Shabushi and So Much More"
   - Oishi Eaterium: high quality Japanese buffet served in Yatai style with digital menu and digital order placement
   - Oishi Buffet: authentic Japanese food in buffet style
   - Nikuya: authentic grilled Japanese food
   - Oishi Ramen: tasty Japanese ramen served in various styles
   - Kakashi: high quality rice served in various Japanese styles
   - Hou Yuu: premium Japanese restaurants that give you choices such as à la carte; premium raw materials specially and seasonally selected from Japan

2. Oishi Delivery. Created for convenience for customers, and is available through 2 channels- www.oishidelivery.com and call center of 1773, coverage areas include Bangkok Metropolitan and selected provinces.



3. Oishi Package Food. Ready-to-cook and ready-to-eat food in chilled and frozen forms such as sandwich, gyoza, ramen, and rice topped with meat to meet customer needs. This quick service requirement group is growing both domestically and internationally-including Asia and EU. Our group has a central kitchen located in Ban Bung, Chonburi. Its production facilities are internationally accepted under GMP (Good Manufacturing Practice) and HACCP (Hazard Analysis and Critical Control Point), and BRC (British Retail Consortium). In terms of quality assurance and food safety, we received an excellent assessment (Grade A). We are also a qualified exporter of marine products of high distinction.

Beverage Business

Oishi Group is the manufacturer and distributor of "Oishi Green Tea" brand. Our production process is elaborate starting from raw material sourcing to applying innovation and technological development. The purpose is to provide the best possible for our customers. Our slogan is "With Oishi...Life is Pleasant". Our products comprise 4 major groups:

- Oishi Green Tea: They come in many flavors such as original, honey and lemon, Japanese rice, strawberry, lychee, watermelon, kyoho grape, yuzu, and honey and lemon jeed
- Oishi Gold: Kabusecha (no sugar), Genmaicha (no sugar), Genmaicha Delight (less sugar)
- Oishi Black Tea: Black tea Lemon Flavor
- Oishi Chakulza: Green Tea Soda with honey and lemon flavor.

2018 (October 2017 – September 2018)

Revenues from
Sales and Services:

12,596
Baht million

Normalized Net Profit:

1,059
Baht million

Number of Employees:

8,700
persons

Debt to Equity Ratio:

0.6 times

Return on Equity:

17.4%

Total Revenues **13,580** Bht million

October 2017 – September 2018
12-month Period

Export Sales
9.6%

Domestic Sales
90.4%

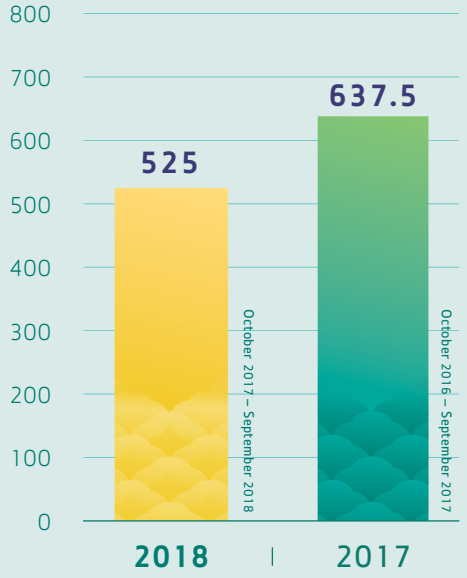
Total Revenues **13,677** ล้านบาท

October 2016 – September 2017
12-month Period

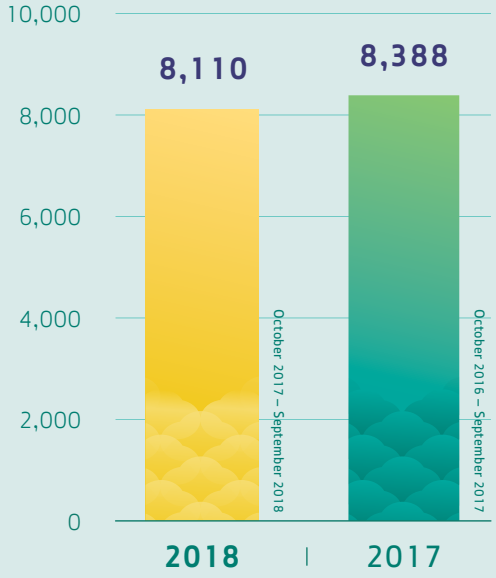
Export Sales
6.6%

Domestic Sales
93.4%

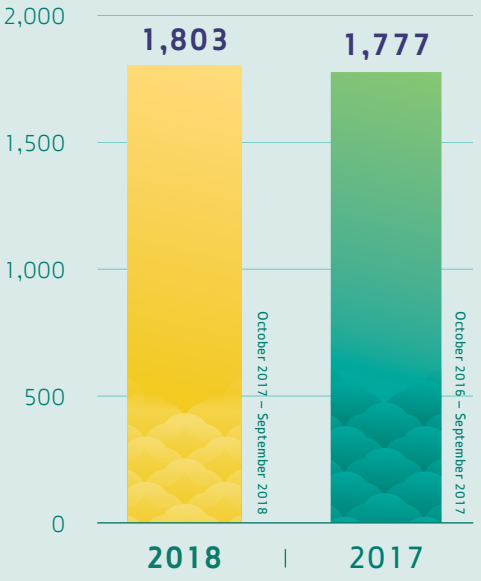
Dividend Payment
(million)



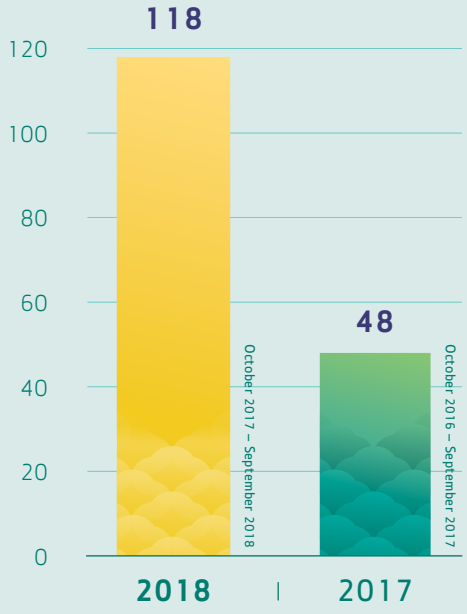
Costs of Goods Sold
(million)



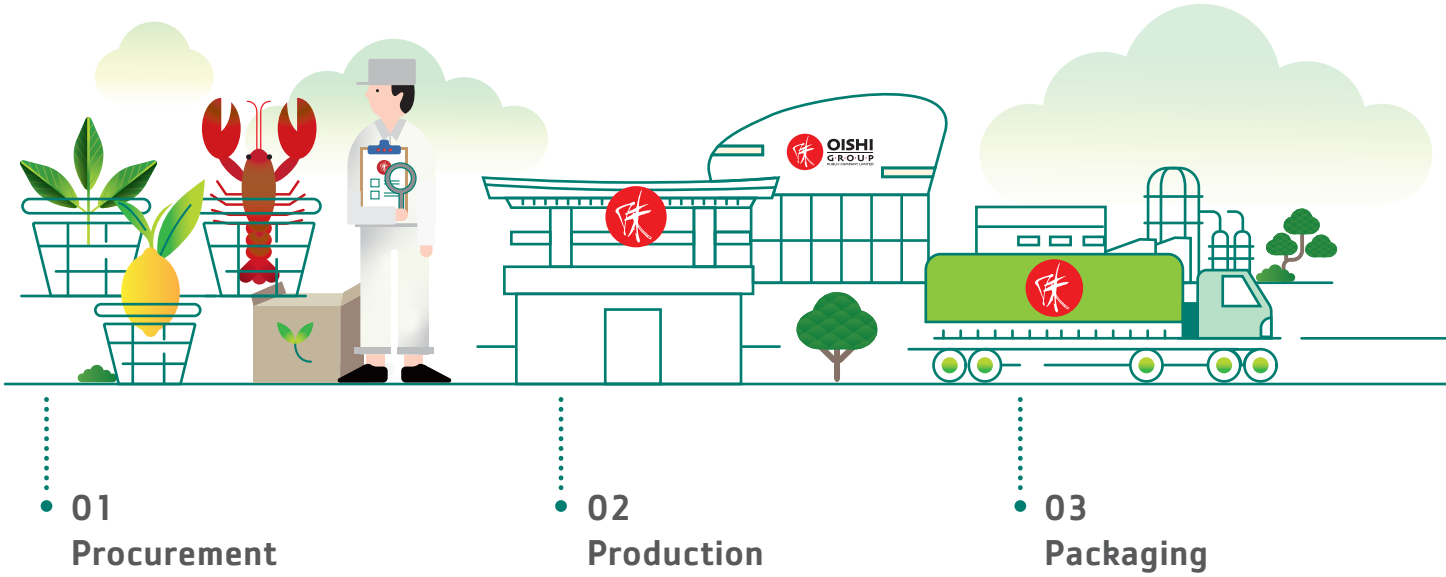
Personnel Expenses
(million)



Income Tax
(million)



VALUE CHAIN OF THE COMPANY



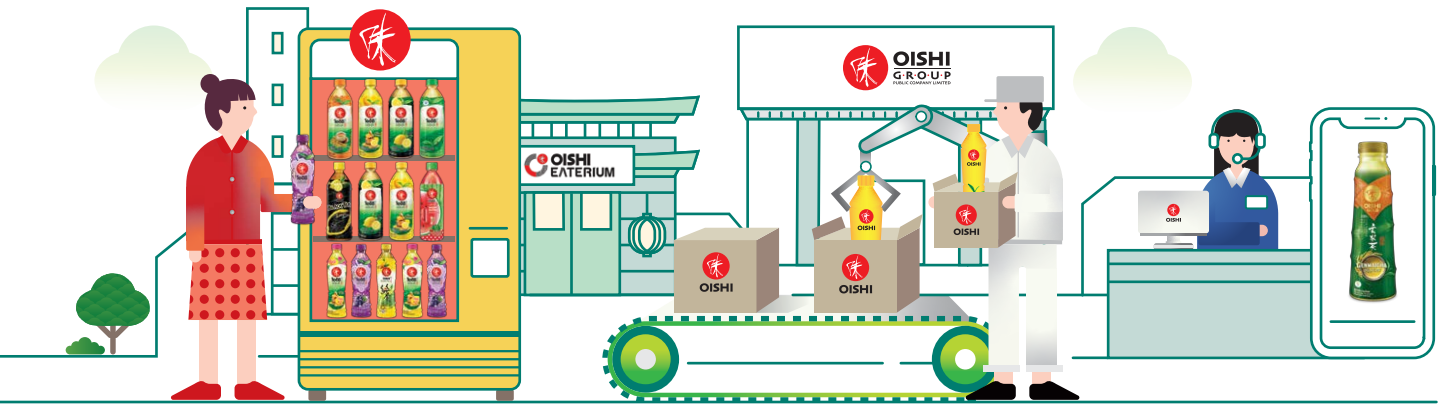
Efficient management of value chain is crucial for it will enable the Oishi Group business successfully and sustainably. As such, we attach high significance to the creation of values both for the products and services from beginning to end. The process starts from procurement, production, packaging, distribution, marketing and sales, and after sales service. The idea is to create good experience and connect the value chain of the Oishi Group with the value chain of our business partners, customers, and consumers. These collective endeavors shall create positive impacts for society, environment and country.

1. Procurement

The Oishi Group is committed to setting up the process of procurement that is efficient, transparent, and fair. We place high emphasis on getting top quality materials and services and getting our business partners to comply with high standard requirements in order for us to grow together. We have elected to use product and risk management mechanisms in relation to our business partner risk management. It starts from product sourcing selection to business partner selection to ensure that they comply with our established corporate governance standards and requirements, particularly from quality and safety standpoints. Oishi Group is also mindful of our corporate social responsibility, and will continue to make demand for high quality materials from domestic operators and farmers. We shall support their potential development both directly and indirectly. We shall continue to help improve their production know how that will result in generating more income and growth for people in the communities. We shall also explore the possibility of long-term contract as a way to mitigate risk relating to raw materials while creating trust for them to earn uninterrupted flow of income. In the meantime, Oishi Group will neither support nor conduct transactions with business operators known for corruption, violation of intellectual property, human trafficking, and violation of human rights.

2. Production

The production process at Oishi Group is divided into 2 parts: central kitchen for food production and manufacturing facilities for beverages using the system called "Cold Aseptic Filling" (CAF). Every phase in the production process is to comply with strict quality control to ensure quality and safety. We also attach high priority to the utilization of resources, particularly water and electricity, to the maximum extent possible while minimizing potential negative pollution impacts on surrounding communities and environment in accordance with ISO 9001, 2015 GMP, and HACCP. Furthermore, our innovation and technological development efforts will continue to proceed so as to create confidence in the quality and standards of our products, to remain environment friendly without adverse impacts on stakeholders involved.



04
Distribution

05
Marketing and Sales

06
Customer Service

3. Packaging

Well-designed packaging will not only protect the products but will also protect the environment. Our beverage production process is making use of the Cold Aseptic Filling System that helps reduce the use of plastic significantly. Moreover, our food production facilities are engaged in similar plastic-reduction campaign. For example, we modified our Gyoza production process from using plastic to stainless trays instead. A stainless tray is stronger, more durable, and friendlier to the environment.

4. Distribution

Efficient product distribution is another important area for Oishi Group business. Our distribution network is extensive both in terms of speed and coverage. Our goals are to reach customers quickly, ensure product quality is not compromised, and keep strong relations with all business partners. Our concern for environmental impacts have necessitated the need for modern technology as part of the distribution management and planning. For example, proper driving trainings are provided to create an awareness for discipline, safety, efficient use of energy thereby enabling the Oishi Group to bring cost and possible adverse impacts under control.

5. Marketing and Sales

Oishi Group makes product delivery through our efficient channels and strong network under the ThaiBev Group. In addition, we'll continue to develop good relations with our business partners through social media and demonstrate our corporate social responsibility. Information relating to our products will clearly be spelled out on attached labels, and sales promotion activities continuously be carried out to strengthen relations with our customers.

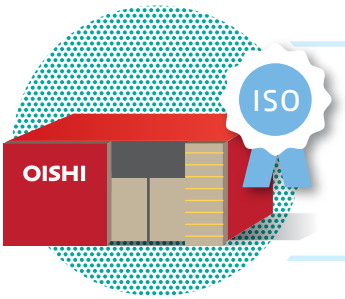
6. Customer Service

Customer satisfaction experience made possible by high quality products and services is a priority goal of Oishi Group. In so doing, we have established channels that allow us to get comments, suggestions, and complaints from customers. The channels include Call Center Social Media, questionnaire via QR Code (in restaurant business). Customer feedback is an essential part for making timely product and service improvement in order to meet fierce business competition and rapid change of public sentiment. We place special attention to "customer complaints" that will immediately be dealt with, especially the ones coming from the QR Code channel.

CODE OF CONDUCT IN BUSINESS OPERATIONS

The Company is committed to conducting business on the basis of good corporate governance and corporate social and environment responsibility. We are guided by the principle of making our food and beverage products for customers such that they fully meet high quality and safety requirements. The principle is consistent with our 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." Our production process fully meet relevant internationally accepted standards-including the application of technology in our production process called Cold Aseptic Filling. The process is in line with GMP – HACCP, ISO 9001:2015. As a result, the Company has received numerous awards in recognition of its high quality products such as Food and Drug Quality Award and The Food Safety Award from the Ministry of Public Health.

In addition, Oishi Group is fully receptive to its corporate responsibility for the environment and is carried out through the environment-friendly production process. The process has produced positive results in terms of reduced electricity, fuel, water and plastic consumption. In recognition of its contribution, Oishi Group has received Certificate of Carbon Footprint Reduction Level from the CFO, and Carbon Footprint Products from the CFP organization. Moreover, the Company is engaged in in two on-going community-related projects called "Giving" and Im-Jung". The idea is to extend special assistance to the underprivileged group of people and support their need for education.



Quality Products

Responsibility for Consumers

Responsibility of Society and Environment

Structure of Sustainability and Risk Management of the Company

Sustainability and Risk Management Committee

Structure

The Sustainability and Risk Management Committee comprises high-level corporate executives who are appointed by the Board of Directors. Among all committee members, at least one of them must be an independent member to ensure a comprehensive coverage of relevant issues connected with sustainability and risk management of Oishi Group

Roles, Duties, and Responsibilities

- Formulate sustainability and risk management policy for Oishi Group and submit it to the Board of Directors for approval.
- Set sustainability and risk management framework, strategy, and resources needed for implementation in accordance with the sustainability and risk management policy for Oishi Group. The policy must effectively address such relevant issues as assessment and follow-up process of the sustainability and risk management for Oishi Group.
- Determine Level of Risk Tolerance and Level of Acceptable Risk in all conceivable dimensions that could produce significant material implications for the Company and its business units and submit them to the Board of Directors for approval.
- Manage and design execution, implementation, and follow-up steps pertaining to the sustainability and risk management process to ensure that the process becomes efficiently and effectively operational.
- Appoint people to work in sub-committee within the Company and assign roles and responsibilities for them to carry out their assigned tasks.
- Report work progress to the Board of Directors on a quarterly basis.
- Collect information of activities, formulate strategy in support of the sustainability and risk management policy of Oishi Group, and make a disclosure in the Annual Report and the Sustainability Report.

Sustainability and Risk Management Sub-Committee Structure

The sub-committee structure is composed of the CEO as Chairperson and representatives from various departments-including Executive Vice Presidents, Senior Vice Presidents, and Vice Presidents.

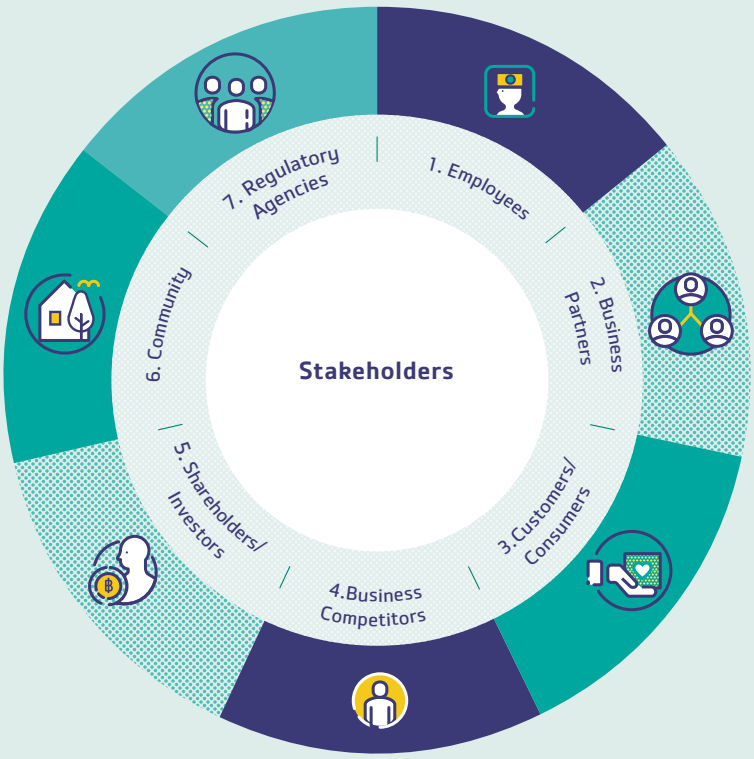
Roles, Duties, and Responsibilities

- Work out structure and assign people to take charge of risk management functions.
- Manage, control, supervise, support, and follow up on the execution of sustainability and risk management of each department.
- Submit progress report to the Sustainability and Risk Management Committee.

Participation of Stakeholders Concerned

Oishi Group operates the business on the basis of Good Corporate Governance and sustainability. We respect the rights and accord fair treatments in connection with all stakeholders concerned. We have identified, analyzed, and come up with groups of stakeholders that could adversely be impacted through our business operations. The idea is to set corrective actions, mitigate potential risks that could arise as earliest as possible, and communicate what we consider appropriate to the stakeholders concerned accordingly. Constructive communication is encouraged through a number of social media channels. Although their communication frequency may vary, we still honestly welcome ideas, demands, comments, concerns, and suggestions from all stakeholders. Their feedbacks are definitely critical for they'll be integrated into our policy formulation on business strategies, direction, operating plan, and sustainability.

Stakeholders: 7 Groups



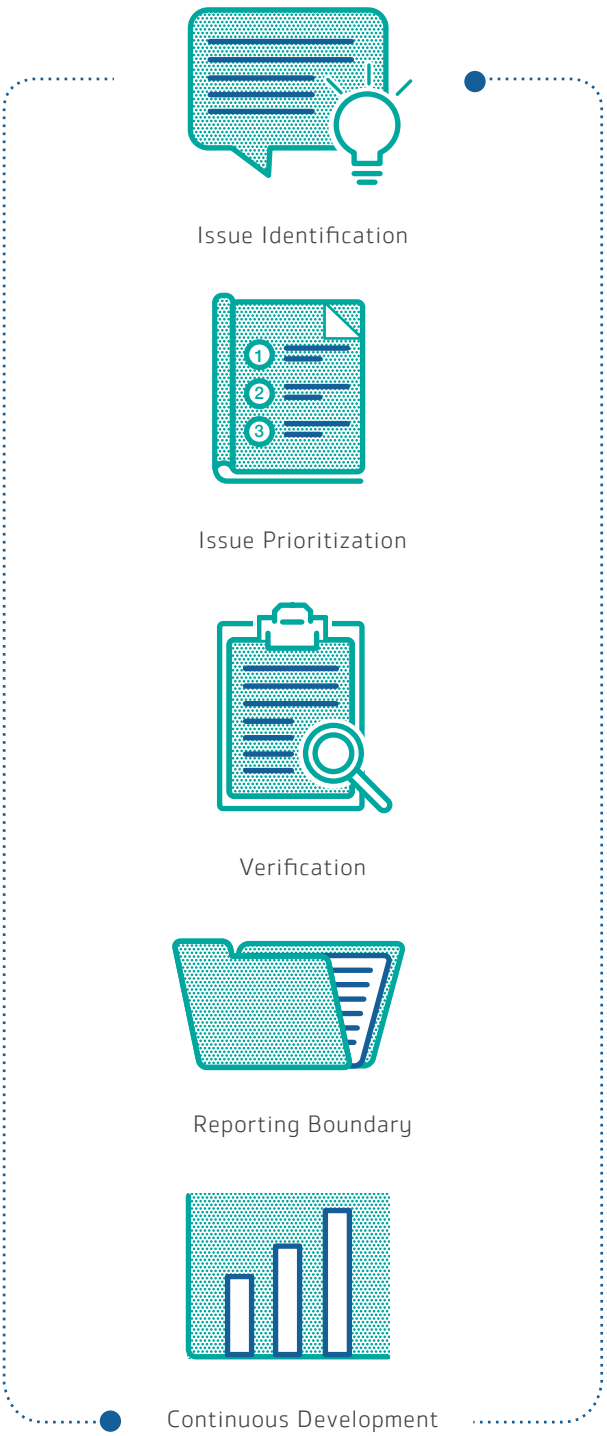
7 Groups of Stakeholders

1. Employees 2. Business Partners 3. Customers/Consumers 4. Business Competitors
5. Shareholders/Investors 6. Community 7. Regulatory Agencies

Participation of Stakeholders Concerned

Stakeholders	Channels	Sample of Issues	Report Section
Employees	• Internal Communications • Facebook Fanpage • Quarterly Town Hall Meeting • Channels for whistleblowers and complaint filing	• Proper selection criteria and fairness • Staff remuneration and welfare are proper, fair, and comprehensive • Employees to receive relevant info regularly • Safety and hygiene in workplace • Creation of development projects for community • Develop skills and potential	• Section 16 Human Capital and Human Resources, and Section 27, Report of Good Development Policy Corporate Governance in the Annual Report 2018
Business Partners	• Organize periodic joint-meetings for business partners • Provide support for their development • Arrange channels for whistleblowing and complaint filing	• Transparent procurement process • Social responsibility • Anti-corruption guidelines	• Responsible sourcing • Sustainable environment • Section 6.6.1 Product and service Procurement in Annual Report 2018
Customers/ Consumers	• Annual trade fair and seminar • Complaint filing via call center • Comments and complaints of customers at restaurants via questionnaire and QR Code scanning of receipts • Follow up on customer filings and analyze their causes	• Food safety for consumers • Proper pricing quotation • Responsibility for consumption of customers • Flexible trade practices and receptiveness to market conditions • Product safety and quality • Responsible service delivery and product introduction • Responsibility for environment protection • Business transparency • Projects conducive to community development	• Consumer Health, Safety and Well-Being Governance, Risk and Compliance

Stakeholders	Channels	Sample of Issues	Report Section
Business Competitors	• Initiate sales promotion campaigns • Communications Public Relations	• Conduct business based on internationally accepted framework. Treat competitors fairly. Refrain from using dishonest means in business or to destroy their reputation	• Section 27. Report of Corporate Governance in this Annual Report 2018.
Shareholders/ Investors	• Annual Shareholders Meeting • Disclosure of quarterly operating results • Disclosure of annual operating results • Invitation for investors for plant visit • Communications channels for relevant info via company's website • Channels for whistleblower and complaint filing	• Business transparency • Generate business growth and sharpen business competitiveness • Transparency in information disclosure—including financial statements • Release of relevant business info to shareholders and investors	• Governance, Risk and Compliance • Section 27. Report of Corporate Governance in this Annual Report 2018
Community	• Organize activities for communities in surrounding vicinity • Conduct joint-meetings with community leaders • Develop knowledge-based community for them to grow and become sustainable in long run • Employment • Channels for whistleblower and complaint filing	• Promotion of education for community • Creation of job opportunities, including vocational, for community • Support for creating hygienic environment for community • Campaign against drug abuse	• Sustainable society and community • Section 27. Report of Corporate Governance in this Annual Report 2018
Regulatory Agencies	• Conduct business in compliance with regulatory requirements in all essential areas • Attend meetings, seminar and exchange ideas with officials in regulatory agencies	• Transparent tax planning • Comply with environment protection laws • Advertisement and sales practices are ethical • Comply with labor laws • Respect basic human rights • Safety in workplace • Responsibility for society and environment • Keep abreast on relevant legal requirements	• Governance, Risk and Compliance • Consumer Health, Safety and Well-Being • Section 27. Report of Corporate Governance in this Annual Report 2018



Materiality Assessment Process of Corporate Sustainability

1. **Issue Identification**
   The Company identifies material sustainability issues that are in line with its business in collaboration with executives and professionals of relevant functions. Issues are selected based on projected global business trend and direction, what our competitors in the same industry have selected as their essential material sustainable issues, and insights from stakeholders concerned.

2. **Issue Prioritization**
   The identified issues are evaluated to determine their level of significance from the standpoints of impacts on business, and impacts on stakeholders. Only then will we be able to tackle priority issues that are directly related to corporate sustainability.

3. **Verification**
   The Sustainability and Risk Management Sub-Committee members of the Company have verified the completeness of the materiality assessment, and will submit the report to The Sustainability and Risk Management Committee for concurrence and subsequently the Board of Directors for endorsement and approval.

4. **Reporting Boundary**
   The Company determines the scope of selected issues based on the information collected from relevant departments as well as from stakeholders concerned.

5. **Continuous Development**
   The Company is committed to conducting business based on the path of sustainability development plus insights and recommendations from various stakeholder groups. We'll make use of all valuable input that will contribute to our continuous development and sustainability.

Materiality Assessment of Corporate Sustainability

Economy

- Innovation
- Packaging Management
- Supply Chain Management
- Good Corporate Governance

Environment

- Energy Management
- Water Management
- Waste Management

Society and Community

- Health and Wellness
- Healthy and Nutritious Products
- High Quality of Life
- Education

Oishi Group Materiality Assessment Matrix

Probability/Frequency

Level \ Impact	1 Very Low	2 Low	3 Medium	4 High	5 Extremely High
5	M 5	M 10	E 15	E 20	E 25
4	M 4	H 8	H 12	E 16	E 20
3	L 3	M 6	M 9	H 12	E 15
2	L 2	M 4	M 6	H 8	H 10
1	L 1	L 2	L 3	M 4	M 5

Probability (P)

Severity (S)

Risk Mitigation Measures

Risk Level	Measures
Extremely High (E)	Take immediate action to mitigate risk
High (H)	Top executives to pay immediate attention
Medium (M)	Appoint people to take direct responsibility for management (Executive vice president or Senior vice president levels)
Low (L)	Manage situation on routine basis

Reporting

		Impact Boundary						
		Internal Impact		External Impacts				
Items	Material Aspects	Company	Staff	Business Partners	Customers	Shareholders	Community	Regulatory Agencies
Governance, Risk and Compliance	Good Corporate Governance	●	●	●	●	●	●	●
Innovation	Innovation	●	●		●			
Consumer Health, Safety and Well-Being	Health and Safety for Consumers	●	●	●	●			●
	Product Label and Marketing	●	●	●	●			●
	Healthy and Nutritious Products	●	●	●	●			●
Responsible Consumption	Responsible Consumption	●	●	●	●			●
Sustainable Sourcing	Supply Chain Management	●	●	●				
Sustainable Environment	Energy Management	●	●	●				●
	Packaging Management	●	●	●				
	Water Management	●	●				●	●
	Waste Management	●	●				●	●
Sustainable Society	High Quality of Life in Community and Society	●	●				●	

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

The Company is committed to conducting business on the basis of good corporate governance and responsibility for consumers and society. We are guided by the principle of making our food and beverage products for customers such that they fully meet high quality and safety requirements. The principle is consistent with our vision: "To be the leader and innovator of the Japanese food and beverage business for the quality of life and wellness of young-generation consumers." Also, we are committed to fulfilling customer satisfaction striving to make the Oishi brand their preferred choice. We are mindful of the interest of all stakeholders concerned and the need to achieve sustainable business growth.

GOVERNANCE, RISK AND COMPLIANCE

Oishi Group's business commitment is to uphold honesty, responsibility, transparency, fairness, and ethical conduct. These factors are compatible with the framework of Good Corporate Governance (GCG). As part of corporate improvement effort, GCG is indiscernible in strengthening relations among management team, the board of directors, corporate executives, employees, and stakeholders. GCG induces a structural change that will result in defining our business vision and providing mechanisms to make it happen.

Good Corporate Governance

Good Corporate Governance (GCG) has served Oishi Group well over the years. Still, GCG needs to be updated on an on-going basis. The Company's Board of Directors is in favor of having a comprehensive review with the aim of raising the GCG to the level of the Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The GCG of the two entities are in accordance with that of the Organization for Economic Cooperation and Development (OECD). The OECD comprises 5 major sections: rights of shareholders, equal treatment for shareholders, roles of stakeholders, and responsibilities of the Board of Directors. In addition, Oishi Group has made its Code of Conduct available to all—including company directors, executives, and employees. It's accessible on the Company website under the sub-section of Good Corporate Governance.

In addition, the Board of Directors is convinced that Good Corporate Governance requires cooperation and joint efforts within the organization in order to succeed. As such, GCG has become a policy that our staff at all levels are expected to follow. Internal communications will allow a common understanding to take place. Moreover, compliance follows up will ensure that we keep business is on the right path, address the interests and impacts of stakeholders concerned, build confidence, and create added value that will result in our sustainable and strong growth in the coming years

Our determination and devotion to continuously uphold Good Corporate Governance have paid off. According to the Corporate Governance Assessment Report of Thai Listed Companies 2018 (CGR) released by the Thai Institute of Directors Association (IOD), Oishi Group achieved the Corporate Governance scores of "Excellent" levels for the first time. We're proud of this achievement. Detailed information is available from page 135 to 152 in the Corporate Governance Section of this Annual Report.

Code of Business Ethics

Oishi Group fully embraces Code of Business Ethics (CBE) as an integral part of our organization. Our CBE covers such essential areas as fair and ethical business undertakings, interests and impacts of stakeholders concerned, treating all parties concerned fairly and indiscriminately such as shareholders, employees, business partners, business competitors, community, society, environment, government agencies, and other related parties. Our CBE also covers legal and business compliance, transparency, accountability, disclosing and receiving information, conflict of interest, and business planning.

Anti-Corruption

Oishi Group has put in place a clear policy to support actions against frauds, bribery, or corruption of any sort. The Company will continue to cooperate with various agencies to work against corruption as deemed appropriate. Moreover, the Company prohibits Directors, executives, and all employees to not engage in any corruption practices--including bribing or taking bribes either directly or indirectly from public and private officials in order to obtain business or maintain competitive advantages or to make use of donations and charity works as a tool to support any frauds and/or corruption. Moreover, to emphasize the Company's commitment and policy on anti-corruption, the Company's has issued a notice regarding the whistle-blowing and reward for the whistleblower 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 determined to improve on its anti-corruption work in a continuous manner through process review and monitoring, evaluation, and management of potential corruption risks by the Audit Committee. Significant risks, if found, shall be reported to the Board of Directors on a quarterly basis.

In addition, Oishi Group has instituted mechanisms relating to its Anti-Corruption campaign as follows:

1. To set up a course on Anti-Corruption for all executives and staff at all level whose attendance is mandatory
2. To communicate the complete adherence of the Company to Code of Business Ethics and Anti-Corruption Policy to our people on a continuing basis
3. The company will take unequivocally strong actions against people found to have violated its Anti-Corruption Policy
4. To set up an internal Anti-Corruption monitoring process that works concert with the existing Internal Audit Department and/or other offices that are engaged in carrying out the similar mission

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 comply 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 www.oishigroup.com under the "Investor Relations" Section.

The Company has a guideline for protection of informer or complaint filing parties whose identities will be kept confidential. The Company will not reveal their names unless required by law and /or any oversight agencies. The Company also approved the guideline on the receiving 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 ("Compliant Filing Guidelines"), effective February 25, 2015. The goal of the guidelines of the Company and its subsidiaries is to ensure that they are appropriate, effective, flexible and on par with other leading Companies. Also, another goal is to create confidence among all stakeholders, including the employees who 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 carried out with the intention of harming the Company or other persons, was illegal or a violation regulations of the Company.

In the meantime, the Board of Directors has assigned the Audit Committee, consisting of Independent Directors, to monitor and modify, when necessary, the guideline for the management of complaints or leads received from any given channels.
The Audit Committee will then forward any given case to the Internal Audit Department, independent entity that reports directly to the Audit Committee, to screen, manage, and investigate the validity of these leads and complaints. Should they are proven as true, the finding results will be forwarded to the Audit Committee for consideration of actions to be taken, or presented to the Board of Directors. Following their deliberation, the Company will decide and notify the people related to the given whistleblower and complaint filing cases accordingly.

In an event that a given whistleblower and complaint filing case from a person is proven to be legitimate, with no ill intent for any other persons or with a court verdict in recognition of his/her innocence, he/she will be entitled to proper compensation from the Company in accordance with the law.

Violation of the Rule and Law

The Company strictly adheres to the rule of law pertaining to the following areas: environment, safety, labor, taxation, accounting, and public rules/regulations/notifications of government agencies concerning our business operations.
Our employees at all levels are expected to do likewise.
Any violation of the rule of law will not be tolerated-particularly in terms of ethics, human rights, intellectual property.

RISK FACTORS AND MITIGATION MANAGEMENT

The Company is committed to Good Corporate Governance and has in place an effective risk management process that is consistent with the code of business ethics and transparency requirements.

CHANGE IN POPULATION STRUCTURE

MITIGATION	RISK AND IMPACT
• To engage in R&D for healthy beverage and food products in accordance with wellness and nutrition policy. • To develop and invest in restaurant food business of various types which will enable us to reach out to diverse customer groups, expand business base and support beverage business simultaneously. • To capitalize on the strengths of our "Central Kitchen" from procurement to waste management functionalities. • To design and develop product labels and packaging which will enable customers to become aware of nutrition information of our beverage and food products. • To communicate with customers by providing product information via technology as a result of changing lifestyle of consumers. It will also enable us to connect with targeted customers.	• Consumer behaviorism has become more health-centric with increasing aging population. Risk is inability to respond to changing behavior of consumers and satisfy their needs. • Consumer behaviorism demands products and services of high quality and diversity. New middle-income group and consumers in big cities look for products of new innovation. Inability to satisfy said needs will result in loss of opportunity, competitiveness, and market leadership. • Consumer protection laws and regulations shall become more tightening, esp for consumer goods and health-related products. Inability to fully comply will compromise company's integrity and reputation.

CHANGE IN ENVIRONMENT

RISK AND IMPACT	MITIGATION
• Deterioration of environment such as water pollution • Water, food and energy crises produce adverse impacts on process of supply chain management of Company from sourcing, manufacturing, sales, and transportation logistics management. • Uncertainty and fluctuation relating to volume of output and prices of commodities (our essential raw materials.) • Natural disasters such as floods could potentially cause severe damage to Company's operations.	• All business units must strictly comply with Company's Environment and Water Management Policy. Useful suggestions include: 3 Rs principle (Reduce, Reuse, Recycle), water conservation, Water Footprint and Carbon action steps, application of technology for water treatment purpose. • Application of production technology and energy-efficient machinery is preferable in order to minimize the use of natural resources and energy, and reduce the greenhouse effect. Such an application will result in protecting environment reducing manufacturing cost and increasing production efficiency. • To initiate a new packaging design that is environment-friendly in order to reduce manufacturing cost, increase production and logistic transportation efficiency, and improve corporate image. • To manage customer relations relating to Environment and Sustainability Development. • To follow up on the trend of commodity movement both in terms of price and output volume for effective value chain management purpose. • To keep Company's procurement process current and updated. • To relocate manufacturing companies into high-ground provinces where transportation is accessible to minimize potential adverse impacts when a natural disaster strikes. A contingency plan is also needed.

CHANGE IN TECHNOLOGY AND INCREASING NUMBER OF DEPENDENTS ON CYBER TECHNOLOGY

RISK AND IMPACT	MITIGATION
• Cyber Security Attacks present a new risk pertaining to data security and integrity of operating system protocols. • Leaks of business data such as business plan, transactions, operating performance, customer and business partner data could jeopardize Company's reputation. • Non-compliance to Cybercrime Act	• To initiate formulation of Information Technology Policy. • To develop work system that incorporates information technology for use in supply chain management, procurement, transportation, and distribution channels. • To get updated on matters relating to cyber security attacks. • To organize courses relating to ways to manage the security of data system. • To set up system that will protect the network of computer system. • To assign access to data level to employees as part of data security protection plan. • To set up Data Center and back up system.

In addition, the Company has set up risk management protocols of all critical risks covering all of our business aspects. Details are published in Section 8, Risk Factors of this Annual Report, from page 45 to 49

INNOVATION

The Company is receptive to the application of technology to bring about innovation. Our creative research & development professionals have rolled out new product innovation for numerous business units in order to meet market demands and satisfy customer needs. We will continue to increase operational efficiency and product quality in the manufacturing process. We will continue to be responsive to the changing market dynamics and the needs to meet changing lifestyles of consumers in the digital world.

INNOVATION OF PROCESS

The Company has initiated an innovation process whose aim is to increase efficiency for the value chain management. The results achieved: efficient utilization of resources, product quality control, increased output, and reduced adverse impacts on environment, better relations with stakeholders.

• **Restaurant Management in the Oishi Group**

Oishi Group is aware of the need for proper waste management associated with the food business. We undertook a research study on consumer behavior and applied technology to create an efficient restaurant and waste management system. Data collection comprised volume and types of leftover food, cuisines of preference for customers. The collected data were carefully analyzed which had enabled us to initiate new ways of providing customer service and making use of raw materials efficiently and, by implication reducing waste correspondingly.

• **Oishi Delivery**

Oishi Delivery came into existence in order to make it more convenient for customers to get their order delivered to them at home. There are 2 channels: www.oishidelivery.com and call center # 1773. Area coverage is the Bangkok Metropolitan Area and other provinces nationwide.

PRODUCT INNOVATION

Basically, Oishi product innovation process starts with an analysis of customer insights and consumer behavior through several media channels such as Email and Call Center. The process also involves an in-depth marketing research. The data collected was analyzed and translated into innovation action plans.
Our new innovative products are targeted for young-generation customers of new lifestyles who look for products that are unique and healthy and of high quality.

Oishi Green Tea Yuzu Coconut Jelly Flavor

"Oishi Green Tea Yuzu Coconut Jelly Flavor" has represented exciting new additions to our product portfolio. This innovation is a combination of the well-known Japanese Yuzu orange, green tea and coconut jelly that brings out a fun and flavor from the product along with sweet and sour taste along with a refreshing smell.

PROMOTION OF WELLNESS AND FOOD SAFETY FOR CONSUMERS

Wellness comes from foods that are nutritious, clean, safe, and low in sugar and sodium. Oishi Group's manufacturing facilities meet internationally accepted safety standards. Besides, selection of raw materials will give an assurance to consumers that every piece, every dish and every bottle of products under Oishi brand are of top quality and safety.

Raw Material Sourcing: Safety for Consumers

When it comes to raw material sourcing, Oishi Group's top priority to safety for consumers. Inspection of sources of raw materials is carried out to ensure that the materials strictly meet internationally accepted safety standards. In addition, we have a business partner screening process to ensure full disclosure of raw material data involved. Alternatively, Oishi Group will also disclose the said data on the labels for all products sold both in Thailand and overseas markets.
The Company gives a preference to utilize local raw materials such as tea leaves, meat, white shrimp, and vegetables from big and small farmers who are accredited by agencies concerned to ensure safety for consumers.

Accredited Production Process

The "Central Kitchen" of the Company is a food manufacturing factory that has received accreditation as an international standard level that is equivalent to the level of globally accepted export goods. The overall standards are GMP/HACCP system and BRB system (British Retail Consortium), which is a quality system for food safety. The Company also received an excellent evaluation result (Grade A), and a registered exporter at the Department of Fisheries receiving an excellent evaluation result (Factory Level 1). Other relevant recognitions include Codex GMP/GHP 2003 and Codex HACCP 2003, a change of ISO 9010 to ISO 2001:2015-GMP (Good Manufacturing Practice)–HACCP (Hazard Analysis Critical Control Point).

This accreditation has made Oishi Group become a premier company in Asia to obtain the recognition for hygienic food, food safety, and efficient customer satisfaction management operator.

Oishi Beverage Manufacturing Facility is a world-class entity. The application of technology and Cold Aseptic Filling (CAF) process has enabled us to keep nutrition property and freshness of imported green tea from Japan. The Facility has a sophisticated sterilization system that has made packaging room a "Clean Room" and its cleanliness is equivalent to an operating theater in a hospital. We also received a number of accreditations- including TAS 9024-2007 GMP Codes Alimentarius, TAS 9024-2007 HACCP Codex Alimentarius; Quality Management System ISO22000:2008; Food Safety Management System ISO22000:2005; ISO9001:2015 (Quality Management System), FSSC22000 (Food Safety Certification), ISO14001-2015 (Environment Management System), 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, Carbon Footprint for Organization, and Carbon Footprint for Products.

PRODUCTS FOR WELLNESS AND NUTRITION

Products for Wellness and Nutrition

Food trend is no different from fashion trend. It is constantly changing year by year in accordance with consumer behaviorism. Our analysis reveals that consumers have become increasingly conscious of their wellness. As such, we have rolled out new food and beverage products into the marketplace with emphasis on nutrition and flavor.

- The restaurants under the Oishi Group are known for food safety. We have received "The Food Safety Award" from the Ministry of Public Health and "FDA Quality Award" from the Food & Drug Administration.

Additional, Oishi Group has developed and created high quality products continually include

Oishi Gold

Matsuda Tea Plantation is a quality tea plantation in Japan. It is located on the highland called Makinohara when its quality is the best in Japan. The land is extremely fertile with all year-round sunlight at temperature best suited for tea plantation. Water flows from Japan Alps whose cleanliness and purity have made the tea leaves the best possible as evidenced by "Emperor's Award received in 2015".

As a result, Oishi Group uses these top-quality tea leaves in our production, and the finished products are so well accepted in the market due to their nutritious value, wellness-oriented, flavor at minimal sugar level. The products have been accepted as "Healthier Logo Choice" by Nutrition Foundation, Mahidol University. The packaging design is also appealing from top to bottom.

Oishi Gold Kabusecha (no sugar)
Kabusecha tea leaves are protected from sunlight for a period of time. But they still maintain Theanine, which is an amino acid that drives unique flavor for consumers to enjoy.

Oishi Gold Genmaicha (no sugar)
Genmaicha green tea is highly popular in Japan due to its delicate flavor mixed with Shensa green tea and Japanese baked rice.

Oishi Gold Genmaicha Delight
This is an alternative green tea of minimal sweetness. It gives 30 kilocalorie per one serving.

Oishi Sandwich
Oishi Sandwich Plus with egg and crab salad & wakame and sandwich with sesame chicken breast salad – products under Ready to Eat category for health-conscious consumers looking for nutritious snacks with low calories. Research and Development came up with 4 kinds of highly nutritious breads – Wheat, Malted Barley, Riceberry Flour, and Kibble Soybean blended nicely with the rest of low-calories and nutritious ingredients and resonates perfectly with growth of healthy food trend.

Moreover, product information and knowledge of nutrition are communicated to consumers such as level of sugar and sodium in the product. It is with good intention that consumers receive correct nutrition information through product labels.

SUSTAINABLE PROCUREMENT

Procurement is the beginning of product life cycle, and sustainable procurement is the foundation of sustainable supply chain. At Oishi Group, we give priority to selection of raw materials, products, services, and business partners which together will enable the Company to achieve operating performance and sustainable development objectives.

Sustainable Procurement Risk Management

Oishi Group is committed to working with business partners who are guided by Good Corporate Governance, the rule of law when it comes to setting production standards, and ready to join hands with other companies for sustainable development of the industry and the society. As a result, our business partner selection process requires each entity to go through the evaluation of sustainable development policy together with the disclosure of products related to GMO and Trans Fat. The purpose is to ensure that these raw materials are beneficial and safe for consumers. Also, they are required to take into consideration possible impacts on environment and society.

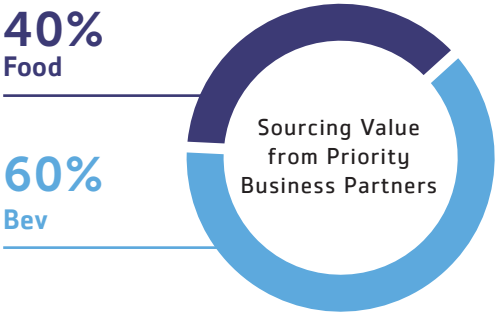
They are expected to take leadership role and extend support to fellow business partners in order to make our supply chain journey successful. Criteria for business selection process are as follows:

- Requirements, policy, and qualifications are as prescribed by the Company.
- Certification from assessment agencies with regard to workplace, raw material sourcing, production process, quality assurance, storage, distribution, and defective and waste management.
- Competitiveness in raw material sourcing such that there will be a steady and uninterrupted flow of raw materials.
- Creativeness and innovation in given industry.
- The Company make business partner selection based on fairness taking into consideration risks associated with given raw materials. Once you have successfully been selected as a business partner, you are still subject to annual review in order to keep long-term confidence intact.

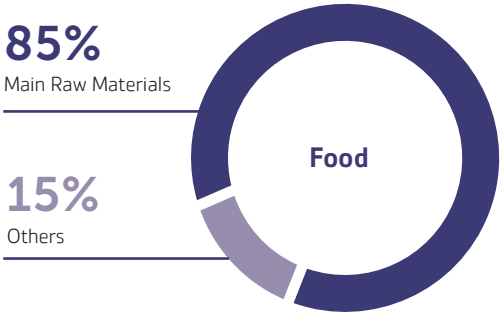
Classification of Business Partners

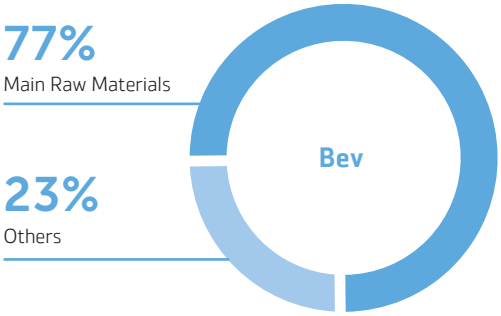
The Company has segmented the business partners into two groups: food and beverage

Classification for Priority Business Partners



Classification for Procurement from type of raw material





SHARING OF VALUES FROM ORGANIZATION TO SOCIETY

In addition to driving the organization to achieve business growth in line with "Vision 2020", Oishi Group is committed to returning happiness to society and community by building a society that is willing to "Give", take charge of looking after our community and environment. As for Oishi Group, we are determined to strengthen our status as the dominant market leader of the Japanese food and beverage business for the quality of life and wellness of young-generation consumers.

SUSTAINABLE ENVIRONMENT

586,000
kilowatt hour meter:
Reduction of Electricity Year

17,700
Kilogram:
Reduction of Fuel Year

31.7
Ton:
Reduction of Plastic Year

66,540
Cubic meter:
Reduction of Water Usage Year

117,126
Kilogram:
Recycle of Used Cooking Oil Year

Oishi Group realizes the importance of saving the environment, waste management, and clearing waste measures that are up to legal standards in order to sure waste will not create any more negative impact to environment in the society

With reference to production, Oishi Group selects environmental-friendly processes with advanced machinery that consumes less energy, reduces raw materials in producing packaging, especially plastic. Moreover, we control risks that may be associated with impacts on the environment and strictly follow guidelines of ISO 14001 (ISO 14001 Environmental Management Standard). All manufacturing plants of Oishi Group's foods and beverages have already been verified by such standard.

In addition, in making sure that environmental impact management are handled properly and sustainably, Oishi Group holds of group of certified experts that have undertaken necessary training on site – namely Environmental Manager, Water Pollution Treatment System Controller, Air Pollution Treatment System Controller, Industrial Waste Recycling Controller, Water Pollution Operator, Air Pollution Operator, Industrial Waste Recycling Operator

During the past year, Oishi Group was able to comply with all environmental regulations in accordance to 14001 as well as participating in Carbon Footprint for Organization or CFO Project which reinforces organization's sustainability as well as providing guidelines and knowledge in assessing carbon footprint. The more accurate the footprint, the more precise the footprint, the more accurate the company can plan efficiently for reducing the amount of greenhouse gas released back into the environment. With Oishi beverage plant in Navanakorn, it currently releases approximately 35,983 ton CO_2-eq of greenhouse gas per year with the certificate/ approval from Ministry of Natural Resources and Environment.

In addition, Oishi Group took the initiative in participating in The Green Industry Pilot Program and certified with Level 3 of Green Industry Level. We continue to provide mandatory training courses as follows to current employees :

- 2015 version of ISO14001
  1 course at approximately 8 hours/ person
- 2015 version of Internal Audit ISO14001
  1 course at approximately 8 hours of training/ person
- Saving Energy at its core
  1 course at approximately 6 hours/ person
- Managing Energy course
  1 course at approximately 8 hours/ person

Guidelines to efficient use of resources

In 2018, Oishi continued with projects that aim to heighten efficiency in use of materials and resources including chemicals involved in production process in order to reduce the use which could affect the environment as follows:

Energy

Oishi sets up working team and monitoring of energy usage with personnel who have undergone training with departments endorsed by Ministry of Energy. Therefore, it is with confidence and energy is being used efficiently and thoughtfully with perfect fit to manufacturing process. Energy Saving Projects got initiated in order to realistically reduce the amount of energy used, namely:

- Variable Speed Drive or VSD Project to increase efficiency of motors and reduce energy consumed in production process. 448,000 units of energy have been reduced in a year
- Switching from High bay to LED light bulbs in manufacturing plant project. 138,000 units of energy have been reduced in a year. Models of LED bulbs used in restaurants also help save energy further
- Water recycling project helps save 55,400 cubic meter per year with 29% less waste water compared to 2017

Manufacturing Process

Oishi believes in environmental-friendly manufacturing process under Reduce – Reuse – Recycle guidelines to reduce waste and proper recycling for reuse

1. Improved sanitization in product pipeline/ filling for PET bottles reduced water usage of 440 cubic meter/ year
2. Extended length of palette film for machines under the line of PET bottles without affecting condition of goods cartons reduced 6,700 kg. of film/ year
3. New labels for CAF beverage filled in 350 ml PET bottles reduced the length of plastic used by 9% and thickness by 10% without affecting condition of goods
4. For packaging development, normal paper cartons were replaced with corrugated paper without affecting the strength of carton nor printing quality. Goods arrive safely at the other end with 3 – 5% saving in packaging ordering

5 New and improved layout of warehouse reduced the travel distance of forklifts in moving goods and saved 17,700 kg. of LPG in a year

6 As for central kitchen, plastic trays were replaced by stainless trays for greater durability. Use of plastic trays was reduced by 1.2 pieces/ year of 25 tons less plastic waste/ year

7 Water used to clean bottles and lids from Navanakorn plant were reused in other parts of the plant as service water. 9,800 cubic meters have been saved in a year. Energy used in water recycling has reduced as apparent in Wang Muang plant where 900 cubic meters of water have been saved

8 117,126 kg. of used cooking oil got recycled every year. It is sold to respective manufacturing companies with supporting certificates that they comply with laws and regulations

With a strong vision in social responsibility, Oishi Group realizes the importance of being part of and giving back to the community and the country during the past 19 years under 2 major initiatives namely "Giving" and "Im-jung" as we believe growing together with a strong community will bring genuine long term sustainability.

Outstanding projects in 2018

1. The "Giving" ให้ Project

Support and extend help to society in a number of ways – promotion for quality of life, economic and social aspects through activities as follows:

Renovation of Thai temple in Japan

Oishi Group, as a manufacturer of Japanese-style beverages, joined in with Sirivadhanabhakdi Foundation and ThaiBev Group in donating "Nyanasamvara Suvaddhana Thai-Japan Monument" building to Wat Buddharangsee in Tokyo, Japan to replace the old structure damaged from major fire 3 years ago. Buddha statue of Somdet Phra Nyanasamvara Somdet Phra Sangharaj were also placed so that the temple could once again become a center of Thai hearts living in Japan

"Clean drinking project"

Clean water is first fundamental for living. Oishi Group, as a leading manufacturer of beverages realizes the importance of health and nutrition. Therefore, "Clean drinking project" was initiated by manufacture's production team of Oishi beverage in Wang Muang plant – bring together skills and knowledge of being a leading quality beverage manufacturer to generate clean and fresh drinking water for the community starting from those that close such as Banmaneechot Samukkee School in Wang Muang. Team of manufacturing engineers were sent in to study and improve and maintain quality of drinking water to meet standards on an ongoing basis for truly improved sustainable living quality

Project outcome

students and school staff have

400 person

access to clean water

Oishi Group staff

12 person

took part in CSR activity

"น้ำดื่มสะอาด" โดย โออิชิ กรุ๊ป

โครงการ "น้ำดื่มสะอาด"
โออิชิ ปรับปรุงระบบผลิตน้ำดื่ม
โออิชิ

1.1 Promotion for quality of life

The "Residence" Project

In order to lift up quality of life in nearby areas to Wang Muang manufacturing plants, we supported the "Saraburi Civil State for Residential Construction/ Improvement 2018" organized by Social Welfare Division, Saraburi to help those in need with residential issues both with sufficient budget and by sending a team to renovate home of Sawong Kokfai, 191 Moo1, Salangpan, Wang Muang, Saraburi.

1.2 Education aspect

Scholarships for children of staff

Oishi Group realizes the importance of education hence we have been providing scholarships to performing children of staff for the past 11 years totaling over 600 scholarships in order to support and encourage new generation of children to overcome barriers to success as well as creating morale for Oishi staffs.

1.3 Economic and social aspects

"New Opportunities... New Education....New Career" Project

Oishi utilizes expertise and business aptitude in holding projects that support building potential and work competencies which leads to building a stable career for quality living. This project calls for university students to become Oishi interns aiming at equipping them with obtaining new experiences, gain more professional skills with clear direction for their future professional career. This project is in consistent with government policy that encourages university students to work during school holidays and earn extra money for themselves and their families. This year, 300 university students from 18 institutions participated – both from vocational and higher education sectors. We strongly believe that positive economic condition leads to quality living in society

The "Co-operative Education" Project

Oishi Group is well aware how crucial it is for children of the new generation to grasp real-life work experience from on the job training. In cooperation with Prince Songkla University, Co-operative Education has been established since 2013. It is a program that focuses on learning by doing through Work Integrated Learning or WIL so to develop mandatory skills and knowledge that are on market demand. Theoretical knowledge gets transferred into logical and practical work – advancing into successful career in their future.

2. "Im-jung" Project

Oishi Group, as manufacturer of Japanese-style food and beverage, donates our products in CSR events for youth and those less fortunate in our community alongside with recreational activities that promotes good morality. This event has been held for 3 consecutive years in Bangkok, Bangkok's vicinity and other provinces. Over 3,000 participants were given our product at "Im-Jung" events held at:

"Im-Jung" Special meal at "Shabushi"

Japanese food may sound plain to some but Oishi believes it could also be a very special meal to some others. We bring those less fortunate children from Ban Dek Rae Ron Foundation, Samutprakarn to have a special meal at Shabushi for a full food experience with Nabe hotpot and sushi full of nutrition.
It was also a great occasion to celebrate 100 Millon Shabushi pots. Some proceeding was donated to the foundation for children's lunch

"Im-Jung" joined in holding Songkran events from disabled one and elderlies in less developed areas

To be a part of happiness during Songkran festival, Oishi donated food and beverage to residents of 27 less developed areas in Klong Toey District under Im-Jung Project and "Joyful Songkran for Elderlies and Disabled ones in Less Developed Area 2018" held by Duang Prateep Foundation. Donations from Oishi staffs were given to the Foundation on that day as well.

"Im-Jung" for schools in nearby area of manufacturing plants

To maintain good relationships with neighboring communities, the office and manufacturing plant in Wang Muang District took part in providing children of Banmaneechot Samukkee School with Oishi's food and beverage together with English books so they can familiarize themselves with a second language especially in the time of borderless world. We hope to cultivate reading habits which will become a fundamental foundation in their future learning development

Beneficiaries from Im-Jung Project during 2016 – 2018

Year	no.	Venue	Numbers o students / participant
2016	1	Anekdhittharam School, Pathum Thani	150
	2	Ban Bang Khae Social Welfare Development Center for Older Persons	300
2017	3	Ruechakorn Kindergarten School, Bangkok	140
	4	Wat Sirijuntharam School, Pathum Thani	250
	5	Baan Klong Somboon School, Samutsongkram	150
	6	Thanthip School with the support of the Thanthip Foundation, Chiangrai	160
	7	Baan Ton Samrong School, Nakornpathom	150
	8	Ban Khun Samut Thai School, Samutprakarn	160
2018	9	Duang Prateep Foundation (Songkran event for elderlies)	400
	10	Duang Prateep Foundation (scholarship Ceremony)	450
	11	Ban Dek Rae Ron, Bangkok	30
	12	Banmaneechot Samukkee School. Wang Muang, Saraburi	500
	13	Central Thailand Mission Proejct (Christmas Charity Carnival)	100
	14	Zigma Camp by Faculty of Commerce and Accountancy, Chulalongkorn University	175
	15	The Champ by Faculty of Commerce and Accountancy, Chulalongkorn University	100
			3,215

GRI Standard

Universal Standards

Profile		Reference Page /Explanations	Remarks
GRI 102: GENERAL DISCLOSURES			
Organizational Profile			
GRI 102-1	Name of the organization	Please refer to "General Information: Oishi Group Public Company Limited.	
GRI 102-2	Activities, brands, products, and services	Refer to "Oishi Products"	
GRI 102-3	Location of headquarters	Please refer to "General Information: Unit B3601 36th Floor, CW TOWER, 90 Ratchadaphisek Rd., Huai Khwang, Bangkok 10310, Thailand"	
GRI 102-4	Location of operations	Please refer to "General Information" and "Notes to Financial Statements"	
GRI 102-5	Ownership and legal form	Please refer to "Business Asset" and "Capital Structure"	
GRI 102-6	Markets served	Please refer to "Overall Business Operations of the Company and its Subsidiaries"	
GRI 102-7	Scale of the organization	Please refer to "Oishi Group Structure"	
GRI 102-8	Information on employees and other workers	Please refer to "Human Capital and Human Capital Training and Development Policy" and "Corporate Governance"	
GRI 102-9	Supply chain	Please refer to "Product and Service Procurement", "Corporate Governance Report" and "Corporate Social Responsibility and Sustainability Report"	
GRI 102-10	Significant changes to the organization and its supply chain	Please refer to "Business Assets", "Management Structure", "Corporate Governance Report" and "Corporate Social Responsibility and Sustainability Report".	
GRI 102-11	Precautionary Principle or approach	Please refer to "Risk Factors", "Corporate Governance Report" and "Corporate Social Responsibility and Sustainability Report".	
GRI 102-12	External initiatives	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility and Sustainability Report".	
GRI 102-13	Membership of associations	The Company is a member of Thai Chamber of Commerce and various other organizations. Please refer to "Corporate Social Responsibility and Sustainability Report".	
Strategy			
GRI 102-14	Statement from senior decision-maker	Please refer to "Message from the President and CEO"	
GRI 102-15	Key impacts, risks, and opportunities	Please refer to "Risk Factors", "Corporate Governance Report" and "Corporate Social Responsibility and Sustainability Report".	
Ethics and Integrity			
GRI 102-16	Values, principles, standards, and norms of behavior	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility and Sustainability Report".	
GRI 102-17	Mechanisms for advice and concerns about ethics	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility and Sustainability Report".	
Governance			
GRI 102-18	Governance structure	Please refer to "Board of Directors and the Executives" and "Management Structure".	
GRI 102-25	Conflicts of interest	Please refer to "Related Party Transaction" and "Corporate Governance Report".	
GRI 102-28	Evaluating the highest governance body's performance	Please refer to "Corporate Governance Report".	
GRI 102-30	Effectiveness of risk management process	Please refer to "Corporate Governance Report".	
GRI 102-32	Highest governance body's role in sustainability reporting	Please refer to "Corporate Social Responsibility and Sustainability Report"	
Stakeholder Engagement			
GRI 102-40	List of stakeholder groups	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility and Sustainability Report".	
GRI 102-41	Collective bargaining agreements	Our employees across OISHI Group have freedom and right to join organization and collective bargaining Please refer to "Corporate Governance Report" and "Corporate Social Responsibility and Sustainability Report".	
GRI 102-42	Identifying and selecting stakeholders	Please refer to "Corporate Governance Report".	
GRI 102-43	Approach to stakeholder engagement	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility and Sustainability Report".	
GRI 102-44	Key topics and concerns raised	Please refer to "Corporate Governance Report".	
Reporting Practice			
GRI 102-45	Entities included in the consolidated financial statements	Please refer to "Financial Statements".	
GRI 102-46	Defining report content and topic Boundaries	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility and Sustainability Report".	
GRI 102-47	List of material topics	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility and Sustainability Report".	
GRI 102-48	Restatements of information	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility and Sustainability Report".	
GRI 102-49	Changes in reporting	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility and Sustainability Report".	
GRI 102-50	Reporting period	1 October 2017 to 30 September 2018.	
GRI 102-51	Date of most recent report	1 October 2017 to 30 September 2018.	
GRI 102-52	Reporting cycle	Annual	
GRI 102-53	Contact point for questions regarding the report	Please refer to "General Information".	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	Please refer to "Corporate Social Responsibility and Sustainability Report" in section "About The Report".	
GRI 102-55	GRI content index	Please refer to "GRI Standards".	
GRI 102-56	External assurance	N/A	

Universal Standards

Profile		Reference Page /Explanations	Remarks
GRI 103 : MANAGEMENT APPROACH			
GRI 103-1	Explanation of the material topic and its Boundary	Please refer to" Corporate Social Responsibility and Sustainability Report", "Corporate Governance Report" and "Product and Service Procurement".	
GRI 103-2	The management approach and its components	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility and Sustainability Report".	
GRI 103-3	Evaluation of the management approach	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility and Sustainability Report".	
GRI 204: PROCUREMENT PRACTICES			
GRI 204-1	Proportion of spending on local suppliers	Please refer to "Product and Service Procurement".	
GRI 205: ANI-CORRUPTION			
GRI 205-2	Communication and training about anti-corruption policies and procedures	Please refer to "Corporate Social Responsibility and Sustainability Report", "Human Capital and Human Resources Development Policy" and "Corporate Governance Report".	
GRI 205-3	Confirmed incidents of corruption and actions taken	Please refer to "Corporate Governance Report" and "Corporate Social Responsibility and Sustainability Report".	
GRI 302: ENERGY			
GRI 302-1	Energy consumption within the organization	Please refer to "Corporate Social Responsibility and Sustainability Report".	
GRI 302-4	Reduction of energy consumption	Please refer to "Product and Service Procurement" and "Corporate Social Responsibility and Sustainability Report".	
GRI 303: WATER			
GRI 303-1	Water withdrawal by source	Please refer to "Product and Service Procurement" and "Corporate Social Responsibility and Sustainability Report".	
GRI 303-3	Water recycled and reused	Please refer to and "Corporate Social Responsibility and Sustainability Report".	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY			
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Please refer to "Corporate Governance Report".	
GRI 404: TRANING AND EDUCATION			
GRI 404-1	Average hours of training per year per employee	Please refer to "Human Capital and Human Resources Development Policy".	
GRI 404-2	Program for upgrading employee skills and transition assistance programs	Please refer to "Human Capital and Human Resources Development Policy".	
GRI 406: NON-DISCRMINATION			
GRI 406-1	Incidents of discrimination and corrective actions taken	Please refer to "Corporate Governance Report".	
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Please refer to "Risk Factors" and "Corporate Governance Report".	
GRI 409: FORCED OR COMPULSORY LABOR			
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Please refer to "Product and Service Procurement" and "Corporate Governance Report".	
GRI 413: LOCAL COMMUNITIES			
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	Please refer to "Corporate Social Responsibility and Sustainability Report".	
GRI 416: CUSTOMER HEALTH AND SAFETY			
GRI 416-1	Assessment of the health and safety impacts of product and service categories	Please refer to "Business Nature" and "Corporate Social Responsibility and Sustainability Report".	
GRI 417: MARKETING AND LABELING			
GRI 417-1	Requirements for product and service information and labeling	Please refer to "Corporate Social Responsibility and Sustainability Report".	

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

OISHI Mobile App

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