

Annual Report 2019

20 Years of Impression

この20年間の良い思い出







20 years of impression

From the beginning in 1999, Oishi Group has determined to create Japanese-styled beverages and food to suit Thai consumers' taste with a variety of products and menu, quality raw ingredients, research and development to accommodate needs of all lifestyle and delivery of products to consumers via a variety of channels.

Oishi consumers can be filled up, satisfy their taste buds and feel refreshing with highest convenience.

The past 20 years in which the company has set up the goal to be top brand in consumers' minds is like a long journey that we have never stopped. Every step, then, is like exploration and discovery of... a new way in ever-changing environment in the world, innovation on changing behaviors and new market where we have never reached.

All these... are to make the route from satisfaction created by tasting to impression in consumers' minds shortest and sustainable.

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20 years of
quality





Tasty and Good

Every Oishi product is tasty and has good quality, benefits, value and worthiness... for you.

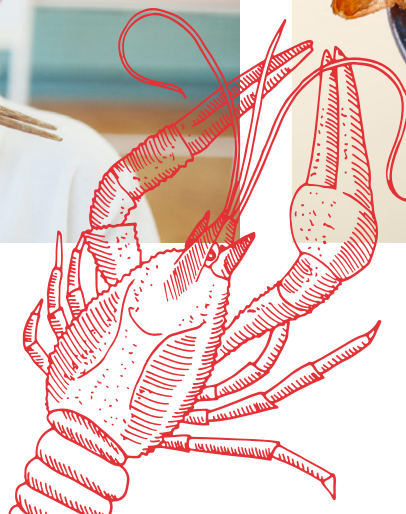


Always Innovative

These two decades hosted changes in every social dimensions and so have food and beverages... Oishi then has to see it first, think it first and start doing fast.



20 years of
innovation



MESSAGE FROM THE CHAIRMAN



In 2019, the Company continued to operate business with commitment and deliver impressive and sustainable business performance growths despite macro-economic challenges and global trade uncertainties which resulted in slower overall economy growth. The Company, management team and all employees have strong dedications and commitments in operating and managing business toward our strategic roadmap

"Vision 2020", a strategic plan to become a strong and sustainable leading F&B company in ASEAN region which has been continuously implemented since 2014 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 creation
4. **Reach** which focuses in expanding and initiating distribution coverage to access new consumers in various segments both domestic and international while strengthening current existing distribution channels
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 impressive operating performances. In 2019, the Company's total sales was 13,631 million Baht, increased from the previous year total sales of 12,596 million Baht. Regarding net profit, the Company's net profit was 1,229 million Baht, increased from the previous year which had net profit of 1,008 million Baht. Net profit margin was 9.0% of total sales revenue, increased from 8.0% of total sales in previous year.

With continuously strong financial position and well-known brand which reflects 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 2019.

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 Power Brand Award 2019" received from BrandAge magazine for both RTD tea and Japanese restaurant categories. The measurements were conducted across 4 social media platforms including Facebook, Instagram, Twitter and Youtube. Moreover, the Company also received "Thailand's Most Admired Brand Award 2019" for eighth consecutive years as the most trusted and admired brand in RTD tea category. The two awards have proved the Company as consumers' top of mind brand with continuous development of innovative products to match evolving consumer trends and varieties consumer needs. The Company also continues to develop new product innovations including "Oishi Honey Double Lemon Green Tea" with Hyakkamitsu honey to engage young generation consumers, "Oishi

Apple Honey" which combined original Japanese Aomori apple and Hyakkamitsu honey flavors and "Oishi Gold" as a premium healthier drink choice which received impressive feedbacks from consumers. Success from continued 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 44.6% and 46.4% respectively⁽¹⁾

The Company continues to successfully executed expansion strategy in overseas market. Currently, Oishi Green Tea is considered as leading RTD tea brand with continuous growing sales in Kingdom of Cambodia, Lao People's Democratic Republic and Malaysia. Strategic focus has been placed continuously in expanding opportunities in high potential countries. The Company's green tea products are also distributed in over 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 Water Institute for Sustainability, The Federation of Thai Industries as a beverage producer with efficient production supply chain resulting in sustainable water resource management. 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 Quality Award received from Thai Food and Drug Administration (FDA) in 2019 for 3rd consecutive years.

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, clean drinking water project to improve drinking water utilities in communities around factory areas which the Company has continued for 2nd years and donations of food and beverage to children who encounter severe cold weather in Amphor Lansak, Uthaithani 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.

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.



(Mr. Prasit Kovilaikool)
Chairman

(1) According to latest 12 months data from AC Nielson

MESSAGE FROM THE PRESIDENT & CEO



2019 was an important year for Oishi Group Public Company Limited, commemorating the 20th Anniversary of its business operations. Throughout two decades, the Group has faithfully upheld its "Oishi" commitment in conducting business. We're committed to providing customer satisfaction through our creative Japanese-styled food and beverages; creating the best possible experiences both in quality, differentiation, and services; and developing new products and introducing innovation. Furthermore, we are committed to embracing honesty, transparency, ethics, morality, and good corporate governance in all business engagements. We're grateful for the confidence in Oishi Group from customers, shareholders, and all stakeholders concerned. Our ambition is to continue to maintain our dominant market leadership within the areas of Japanese-styled food and beverages in the coming decade and beyond.

In 2019, the Food and Beverage businesses in the ASEAN markets, including Thailand, continued to grow. Attributable to the business growth was our ability to introduce new products innovation that met and exceeded the rising demand of consumers. Our success was in line with the emergence of 5 megatrends.

1) Urbanization. As cities are becoming increasingly urbanized, so are changing lifestyles that goes for speed and convenience. **2) Growing Middle-Income Class.** The rising number of this group of people means a potential increase in purchasing power. **3) Tech-Dependent Lifestyles.** The application of technology is rapidly becoming a tool to respond to consumer demands. **4) Healthy Eating/Aging Society.** Young-generation people are health-conscious, while the aging population is going "north" hence the demand for a healthy eating alternative. **5) Asian Century.** ASEAN is a sizable market comprising a population of well over 600 million. We're indeed determined to capitalize on ASEAN potential to the fullest extent possible and become a Regional Market Leader.

Overall, the Oishi Food and Beverage business in 2019 was favorable with our market leadership in Thailand remained unchallenged. Our operating performance showed continuing growth both in revenues and profits. Attributing to our success was our well-articulated strategy. First, continuing branch expansion enabled us to reach out to customers throughout the country. Second, penetrating into overseas markets and rolling out customized products that correspond to local market preferences. Our goal is to make the Oishi brand their number one priority selection choice in each overseas market and to take the brand from the national to regional level. Third, differentiating our products and services from other brands through innovation, satisfying the changing lifestyles of consumers, and strengthening our innovation leadership in the food and beverage categories. And four, focusing on work process improvement within the organization to achieve increased efficiency and output.

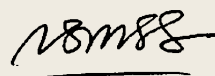
In the **beverage category**, Oishi green tea business continued to be the dominant market leader in Thailand mainly due to new innovative products that enjoyed enthusiastic market acceptance. For example, Oishi green tea of honey lemon flavor uses the Hyakkamitsu honey from Hokkaido and BNK48 as the presenter capturing the hearts and mind of youth. Furthermore, we have upgraded our products to achieve the premiumization level through the introduction of a healthy premium product group. Oishi Gold, for example, is a Genmaicha premium roasted Japanese rice green tea. It comes as no-sugar and light-sugar and meets the need of health-conscious people. Moreover, we have successfully strengthened our market penetration through export into CLMV, and enjoyed the number one market leader in Cambodia, Laos, and Malaysia. Our tailored-made marketing initiatives for each overseas market and quality products are the main reasons for our continued success.

In the **food category**, the operating performance of the Oishi Japanese Restaurant Group remained impressive. We grew both in terms of revenues and profits, and branch expansions. We rebranded the look of our restaurants to accommodate the changing lifestyles of our target groups. A total of 26 new branches became operational in 2019 (October 2018 — September 2019) which bring the total number to 266 branches throughout the country. Furthermore, we initiated a new interior design to accommodate the changing lifestyles of our target groups. Another accomplished mission was the development of an online delivery system via our own platform and partnership with Food Aggregators. The purpose was to meet customer requirements regarding convenience, speed, and time-saving. The combination of these factors resulted in the growth of our online delivery business. Also, customer data collection made it possible for us to develop and design products, services and promotion campaigns for a specifically targeted customer group. BevFood application on a smartphone, for example, provided comprehensive customer services such as membership, bonus points, redemption, and promotion news. In the meantime, our Packaged Food Group successfully rolled out Ready-to-Cook and Ready-to-Eat food businesses targeting health-conscious customer groups and urban people of fast-paced lifestyles. We also initiated a rebranding known as "OISHI EATO" that would strengthen the Oishi package food brand going forward.

The Oishi commitment to sustainable development focuses on three areas: economic, social and environment. During the past years, we have developed new products corresponding to the changing needs and lifestyles of health-conscious consumers. The measures taken are, for example, lowering sodium and sugar levels while maintaining flavor and wellness. Moreover, our application of technology and innovation has produced positive results in such areas as an online food business, speedy

and efficient delivery service, modified packaging of less plastic contents, and greater use of environment-friendly materials. We have established a partnership with many allies creating and campaigning for environmentally friendly and socially responsible undertakings. For example, the "Green Industry Pilot Project, Level 3" of the Ministry of Industry has demonstrated our ability to utilize resources efficiently and improve the production process deemed environmentally friendly. Another certification is "Carbon Footprint for Organization: CFO" sponsored by Thailand Greenhouse Gas Management Organization (Public Organization: TGO). Also, "Project Clean Drinking Water" gives Oishi's volunteers an opportunity to improve the clean drinking water system around our manufacturing facilities, bring about a greater quality of living conditions in the community. Moreover, the Company focuses on employees every level as our employees are our most precious assets and enabling us to drive the business forward and upward. Therefore, the Company also provided people development projects for providing career growth opportunities and limitless opportunity for our employees.

Oishi Group has been successful for the past 20 years. On behalf of the employees, I am committed to driving our company forward, and growing our business while keeping sustainability within sight.



Mrs. Nongnuch Buranasetkul
President & CEO



Health and Happiness

We always believe that healthy food and beverages should be tasty. If we take care of ingredients, process them with skills and provide service with heart... "Happiness" will always be in "Health".

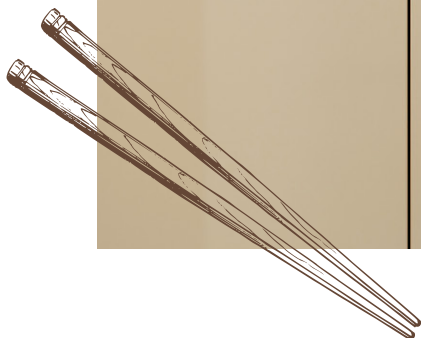


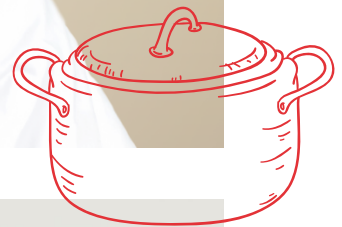
20 years
of care





20 years of
teaming





Oishi Team Spirit

Everyone is ready to push further professionalism boundary to go deeper into more details. We are ready to learn, put an effort and work as a team setting our consumers' satisfaction as a goal.

GENERAL INFORMATION


The Company Name :

Oishi Group Public Company Limited (the "Company")

Homepage :

www.oishigroup.com

Business Type :

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

Telephone Number :

(02) 768-8888

Company Registration Number :

0107547000150

Fax Number :

(02) 768-8889

Headquarter Location :

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

Registered Capital :

Baht 375,000,000

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, Thailand, 20160

Wang Muang plant

333 Moo 1, Salaeng Phan, Wang Muang,
Sara Buri, Thailand, 18220

Ban Bueng plant

283/2 Moo 3, Nong Chak, Banbueng,
Chonburi, Thailand, 20170

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
Tel. (02) 677-2000

Legal Consultant:

Weerawong, Chinnavat & Partners Company Limited

No. 540 Mercury Tower, 22nd Floor, Ploenchit Road,
Lumpini, Pathumwan, Bangkok 10330
Tel. (02) 264-8000

Mrs. Sasinee Hemthanon

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

Investor Relations:

Miss. Kamjaporn Kittiampanont

43rd Floor, CW TOWER, 90 Ratchadaphisek Rd.,
Huai Khwang, Bangkok 10310, Thailand
Tel. (02) 768-8888

E-mail : investorrelations@oishigroup.com

FINANCIAL HIGHLIGHTS



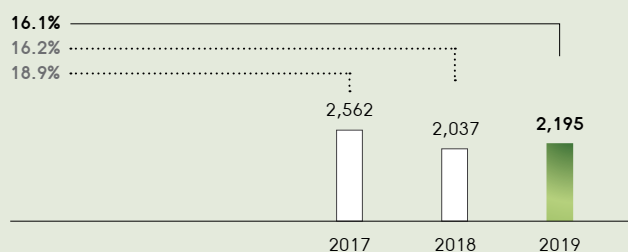
Proportion of Sales and Services Revenue by Business Unit



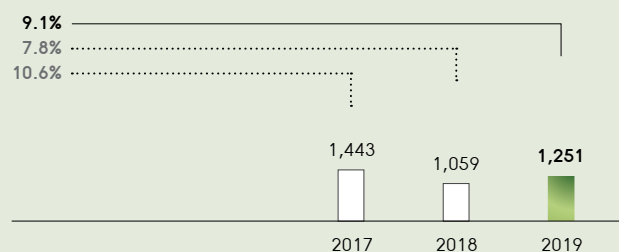
Sales and Services Revenue (Baht Million)



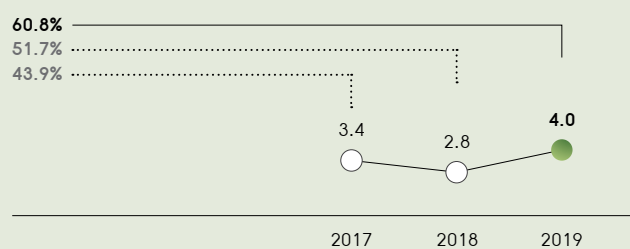
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) (Baht Million) and Margin



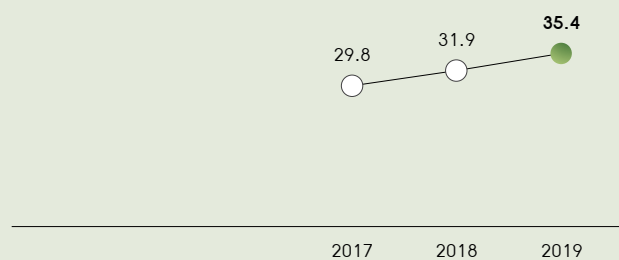
Normalized Net Profit (Baht Million) and Margin



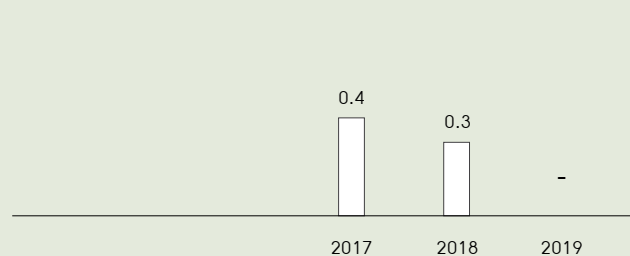
Dividend (Baht/Share) and Dividend Payout Ratio



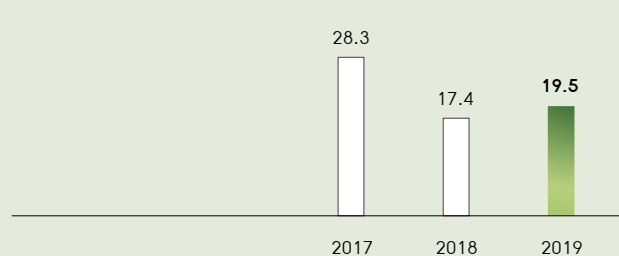
Book Value (Baht/Share)



Interest-Bearing Debt to Equities Ratio (times)



Return on Equities (%)



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

Unit : Baht'000

	Consolidated		
	2017 As of Sep 30, 2017	2018 As of Sep 30, 2018	2019 As of Sep 30, 2019
Summary of Financial Status and Company's Performance			
Total assets	9,706,825	9,680,224	8,407,270
Total liabilities	4,116,247	3,689,763	1,767,707
Interest-bearing debt	2,012,969	1,700,700	0
Total equities	5,590,579	5,990,461	6,639,563
Sales and services revenue	13,550,808	12,596,111	13,630,882
Total revenue	13,677,091	13,580,143	13,756,629
EBITDA	2,561,637	2,036,845	2,194,501
Net profit	1,443,200	1,008,175	1,228,899
Net profit attributable to equity owners of the company	1,451,693	1,015,256	1,234,452
Normalized net profit	1,443,200	1,059,145	1,250,669
Financial Ratios			
Gross margin (%)	38.1%	35.6%	35.3%
EBITDA margin (%)	18.9%	16.2%	16.1%
Net profit margin (%)	10.6%	7.4%	8.9%
Normalized net profit margin (%)	10.6%	7.8%	9.1%
Return on equity (%)	28.3%	17.4%	19.5%
Return on total assets (%)	15.2%	10.4%	13.6%
Interest-bearing debt to equities (times)	0.4	0.3	0.0
Basic earnings per share (Baht)	7.7	5.4	6.6
Book value per share (Baht)	29.8	31.9	35.4
Dividend per share (Baht)	3.4	2.8	4.0

BOARD OF DIRECTOR AND THE EXECUTIVES



THE BOARD OF DIRECTORS



Mr. Prasit Kovilaikool

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

Education

- LL.B. (Second Class Honors),
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
Logistics 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 of International
Relations),
Michigan State University, USA
(1968)
- Ph.D. (History of International
Relations),
Michigan State University, USA
(1972)
- 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, 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 Honors), Thammasat University
- Diploma in Computer Management, Chulalongkorn University
- Certificate of the Mini MBA Leadership Management, Kasetsart University

**Mr. Pisanu Vichiensanth**

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

Education

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

**Mrs. Nongnuch Buranasetkul**

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

Education

- Bachelor's Degree in Communication Arts (First Class Honors), Chulalongkorn University
- Master's Degree in Business Administration (Honors), Cleveland State University, USA

THE EXECUTIVES

**Mr. Paisarn Aowsathaporn**

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

Education

- Bachelor's Degree in Business Administration,
Indiana Institute of Technology,
Fort Wayne, Indiana, USA
- Master's 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

- B.A. Advertising,
Thammasat University
- MBA (Marketing),
University of Dallas, Irvin,
Texas, USA
- Senior Executive Development Program (SEDP)
National University of Singapore

**Ms. Mekhla Netipo**

Senior Vice President and
Sustainability and Risk Management
Committee Member

Education

- B.A. Communication Arts,
Chulalongkorn University
- MBA, Sasin Graduate Institute of Business Administration of
Chulalongkorn University
- Global 2030 Executive Leadership Program Tuck School of Business,
Dartmouth College, USA

THE EXECUTIVES



Mr. Kritsada Wattanapakin⁽¹⁾

Senior 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



Mr. Thanee Pornphisutsak

Vice President and
Sustainability and Risk Management
Committee Member

Education

- Bachelor's Degree in Food Science
and Technology
Kasetsart University
- Senior Executive Development
Program (SEDP)
National University of Singapore

Remark

(1) Mr. Kritsada Wattanapakin was appointed to Senior Vice President effective on August 9, 2019

COMPANY SECRETARY AND HEAD OF INTERNAL AUDIT DEPARTMENT⁽¹⁾**Mrs. Suthada Suwan**

Company Secretary and Secretary of the Good Corporate Governance Committee

Education

- Bachelor's Degree in Law, Thammasat University
- Bachelor's Degree, Faculty of Humanities, Kasetsart University
- Company Secretary Program (CSP)
- Effective Minutes Taking (EMT)
- Company Reporting Program (CRP)
- Board Reporting Program (BRP)
- Enhancing Good Corporate Governance based on CGR Scorecard
- Thai Institute of Directors Association (IOD)

**Ms. Chanutnuth Wongwan**

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

Education

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

Remarks

(1) Any 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 to be in alignment with changes in economic and business conditions. These are disclosed on the Company's website, www.oishigroup.com, as details below;

Vision

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

Mission

1. Maintain 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 and safe raw materials that bring highest customer's satisfactory, in order to be well recognized in both domestic and international markets.
3. Continuously improve production process by applying modern technology on production and research and developments.
4. Increase production efficiency and the Company's competitiveness, in terms of pricings and quality in both domestic and international market while comparing to competitors. This will help contribute to Thai economic growth.
5. Conduct business in accordance with good corporate governance principles while considering all stakeholders' value 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 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 existing foundation, to increase efficiency and harness on combined strengths within the Group as well as to operate business in the aligned directions with the Group. Five key strategic imperatives have been determined. They are 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 the objective of becoming sustainable leading business in ASEAN region.

The Company's business operation strategies which aligned with the Group's strategic imperatives are as follow;

6.1 Business operation strategies

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

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

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

2. Growth strategy (Growth)

The Company focuses on the driving growths in revenue and operating performance for both food and beverage business, including the development of innovations related to products and sales promotions that match consumer needs. For beverage business, the Company targets to maintain leading market position in RTD tea market in Thailand with highest market share while continues to grow in international markets, especially in ASEAN region. For food business, the Company plans to open new 26 stores in 2020.

3. Diversity strategy (Diversity)

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

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

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

5. Professionalism build up strategy (Professionalism)

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

6. Customer analysis strategy and continuous marketing strategy

The target customers of Oishi products cover consumers of all ages and genders who are health conscious and have modern lifestyles, with preference in healthy foods and beverages. Japanese foods and green tea beverages can

directly satisfy the need of this group of customers. During the past, the Company has continuously implemented marketing and PR strategy of Oishi products among these customers through several media, including TV, radio, and printings. Currently the Company focuses on the new online digital media and alternative media, and gives priority to follow-up the customers' feedbacks to improve our products and services in order to consistently maintain our standard.

7. Efficient cost management strategy

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

6.2 FOOD BUSINESS STRATEGIES

Restaurant business

1. Quality and value of products and services

The Company has been devoted to providing fresh, clean, safe and value food to consumers both in quantity and price, 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.

2. A variety 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 levels.
2. Shabushi focuses on groups with middle income levels.
3. Oishi Ramen and Kakashi focus on young working teenagers and those who prefer quick and easy meal.
4. Hou Yuu focuses on workers with middle income levels and above.
5. 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.

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 2-3 months, however, is subject to suitability, demand of customers and availability of all related functions.

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.

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. 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.

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.

In June 2019, expanding choice and convenience of food delivery through leading food aggregators by offering menu of Kakashi and Oishi ramen under their platform.

Ready to Cook and Ready to Eat business

1. Quality and value 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 therefor are able to truly count on the company's products.

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) Chilled Bread and Sandwich Products in various flavors ;
- (2) Chilled Gyoza Products ;
- (3) Chilled 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

- (1) Frozen in between meal and snack products such as gyoza, takoyaki, crab stick, tamagoyaki, chukka wakame and kimchi
- (2) Frozen Ready to Eat main meals such as variety of Ramen
- (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 and housewife. The main distribution channels are supermarket and hypermarkets.

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.

4. Expansion of distribution channel strategy

Apart from the current distribution channels such as convenience store, supermarkets, hypermarkets, the Company has also expanded a new channel which is Food service taken care of by a sales team especially in hotel business group and other potential business such as 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 convenience store and supermarket in other provinces in order to generate more customer base.

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 BEVERAGE BUSINESS STRATEGIES

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 as well as high quality filling in the product for the best of quality. The Company also places the importance on customer care service and after-sales service which should be fast and convenient for the sake of all customers' benefit.

2. Variety of products

Oishi Group of companies 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.

3. Price strategy to expand customer base

Oishi Group of companies continues to focus on product development and innovation varying in size and price such as 180 ml. 350 ml. 380 ml. 500 ml. and 800 ml. in order to continuously expand a new consumer base in response to consumer's purchasing power.

4. Distribution channel strategy

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

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 traditional 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.

Oishi introduced the summer campaign called "Oishi Rod Sud Hip Trip Sud O" that advertising the branding of the Oishi Group. Where consumers could win the prize from consuming Oishi beverages, eating at Oishi restaurants, and/or using the passcodes in Oishi Eato packages. From the cooperation of all sectors, we received massive attention in which Oishi expanded the consumer base along with it. Moreover, the campaign gained positive feedback from participants in the past year. Significantly, the sale transaction also improved after it got impacted from the excise tax. In summary, Oishi still retains the majority of the market share.

In addition, the Company aimed to create awareness and relationships with consumers through the advertisement and public media, especially in digital channels. Information from consumer behavior indicates that users spend more time using social media. Oishi Green Tea used insights from research on consumer behavior using social media to create the most efficient marketing strategies on social media platforms such as Facebook, Twitter, Instagram. We advertised Oishi Green Tea Honey Lemon online. To attract the online users, we created short interactive videos "Finding 6 secrets of Hyakkamitsu Honey" 6 episodes. We received massive feedback with over 3 million viewers in 5 days.

6.4 INDUSTRY AND COMPETITION

1. Market condition on Food Business

Restaurant Business

Research conducted by JETRO Bangkok from 1st June to 20th August 2019 on "Numbers of Japanese restaurants in Thailand Year 2019" revealed the growth of 21 percent in the figure opposed to last year. This signifies how well the business in this section has been expanding continuously. As a result, the nature of this business tends to be highly competitive over the selection of ingredients, price from the market mechanism, promotional activities and quality of service. Among those 3,637 restaurants, Oishi Group of companies not only centered on our strategies to develop a novelty menu and raise the service quality. We also constantly react to the rapid movement of consumers' needs. As a leader, we continually adapt to the aggressive market competition in the present.

"Customer Voice Receipt" has become a vital hearing tool in our business. Oishi Group developed and operated the tool from April 2018. The function of the hearing tool includes collecting feedbacks, recommendations, and complaints to consumer experience of Oishi restaurants through open channels: Call Center, Social Media, Survey linked to QR code at the end of receipts. From those 3 main channels, we have accumulated over 73,000 transactions. The information will be used for evaluating the overall operation that assures high consumer satisfaction and experience in visiting our restaurants. Importantly, the insights translated into actionable items under 4 principles of service namely

- 1) Ambient of atmosphere and facilities (Ambient)
- 2) Customer Service (Service)
- 3) Quality of food (Food)
- 4) Delivery service (Delivery).

We commit to enhance and evolve our operational processes to maintain and strengthen relationships with consumers in more efficient ways.

Data collected from October 2018 to June 2019 uncovered 88 percent of the Overall Satisfaction Score from consumers of Oishi restaurant. Surprisingly, the Delivery service received the highest score within those 4 principles. It has grown in popularity where consumer order delivery with Call Center and websites. In addition to that Oishi also expanding the delivery service through food aggregators such as Grab Food. We selected Oishi Ramen and Kakashi as the primary brands in cooperating with Grab. Importantly, the feedback from Customer Voice Receipt was positive. In return, restaurants in Oishi Group improved the Overall Satisfaction Score from 75 in 2018 to 91 in 2019.

During the digital transformation, consumer behavior shifted significantly. This forced the Japanese food business to adapt in responding to consumer needs by seeking help from technology. We integrated the use of technology in all processes from beginning to end. By doing this, we enhanced business opportunity and capability at the same time. With that objective, Oishi Group launched a mobile application 'BevFood' in July 2019.

The main functions of BevFood Mobile Application are as follows;

- Free registration and self-service over personal accounts within the mobile application.
- Accumulate points from using our service easily, redeeming points through the application to be used as a discount for using the service in Oishi's restaurants.
- Receive exclusive e-Coupon from Oishi's restaurants.
- Receive news and special promotion from all restaurants in Oishi Group of companies.

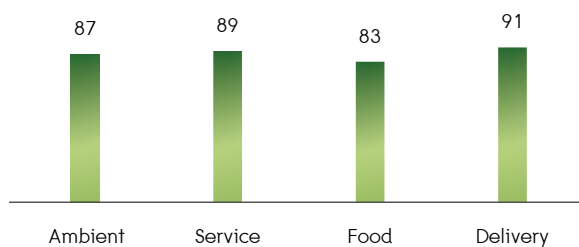
In 2020, we will include the reservation service and online payment using QR code within our mobile application.



Customer satisfaction by factors

(% Top 2 box)

● 2019



Customer satisfaction in services and products survey from the restaurants under Oishi Group of companies in the previous years. There are 4 key measurements describing customer's satisfaction which are detailed as follows: Ambient 87%, Service 89%, Food 83% and Delivery 91% respectively.

Ready to Cook and Ready to Eat Business

In 2019, the sale value of Chilled and Frozen Ready to Eat business was up to 10 percent in the overall market. The positive prediction emerged from a higher food distribution through the growing of convenience store as 2000 branches more than last year. Oishi Group also positioned as a new producer with novelty innovation using technology that makes the quality and flavor of chilled and frozen foods equal to freshly prepared food. Moreover, we also extend a variety of products as the consumer behavior trends also support this transformation. Besides, the rapid change of behavior, especially within the urban area, happened when extended family-sized reduced resulting to the growth of the Ready to Cook and Ready to Eat products in the convenience stores. The consumption portion then lessened to individual size. Furthermore, a fast-moving lifestyle also pushes urban citizens to

pursue products that provide them with convenience and accessibility. As a consequence, household cooks fading from society, people avoid purchasing raw ingredients that can be spoiled over some time when leaving them in a refrigerator. Instead, the demands over Ready to Eat food rise as well as the visit to convenience stores where they can buy that pre-made food. That being said, the producer should increase the potential for product development corresponding to consumer demands. Apart from that, the marketing strategies in the future will be directed toward the innovation that distinguishes our products from others. The product presentation should be tailored to consumer demands such as consuming healthy food. Nonetheless, the Company commits to creating products that help nourish consumer's health. As well as building wider popularity of Ready to Eat products in the market. We can achieve this by promoting brands in online channels and communities in addition to advertising them in the media regularly.

2. Market condition of Beverage Business

In 2019, green tea ready to drink beverage suffered from intense competition in terms of price, promotional activities and excise tax. These factors impacted the overall rate of consumption of green tea this year. Despite the reduction of growth in this sector, Oishi continues to position as a leader with a market share of 44.6 percent (as of August 2019) the data is provided from Nielsen Company (Thailand) Limited.

Ready to Drink Tea Market share**44.6%**

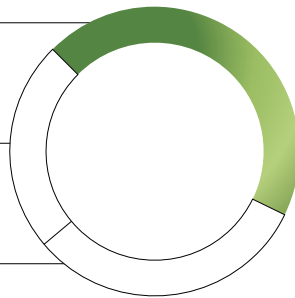
Oishi Group

23.8%

Other

31.6%

Major Competitor



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.

6.5 INVESTMENT PROMOTION CERTIFICATE

Oishi Trading Co., Ltd. (Oishi Trading), a subsidiary, has been granted Board of Investment promotion certificate with details as follows;

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

Key privileges are summarized as follows;

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

Important conditions are summarized as follows;

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

**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.

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

Key privileges are summarized as follows;

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

Important conditions are summarized as follows;

- To expedite training or supporting Thais to operate in place of foreign technicians or experts within designated period
- Machinery used for the promoted activities must be new machinery.
- Has production capacity of sealed box of fruit and vegetable juice at 150 million liter (20 hrs/day: 300 days per year).
- A Thai nationality residents must own at least 51% of total registered capital
- Has to operate to get ISO 9000, or ISO 14000, or equivalent within two years.

- The factory must be constructed within the premises of Navanakorn industrial zone in Pathumthani province.

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

Key privileges are summarized as follows;

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

Important conditions are summarized as follows;

- To expedite training or supporting Thais to operate in place of foreign technicians or experts within designated period
- Machinery used for the promoted activities must be new machinery.
- Has production capacity of sealed bottle of fruit and vegetable juice at 304 million liter (20 hrs/day: 300 days per year).

- A Thai nationality residents must own at least 51% of total registered capital
- Has to operate to get ISO 9000, or ISO 14000, or equivalent within two years.
- The factory must be constructed in Saraburi province.

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

Key privileges are summarized as follows;

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

Important conditions are summarized as follows;

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

- Has production capacity of sealed bottle of fruit and vegetable juice at 188 million liters (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

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.

2. Procurement and production

Oishi Group of companies ("Oishi Group") 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 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. Second, Oishi Trading Company Limited is responsible for producing all the beverage products under the brand "Oishi" for Oishi Group.

As at September 30, 2019 Oishi Group 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 Amata Nakorn 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 is also able to suffice the OEM for dairies products. After the fire rehabilitation in late November 2017, at present, the production of beverage in UHT paper brick is able to resume production at full capacity in April 2019.

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 2019, the Company is in good position to serve both in domestic and international demands.

Environmental impact from manufacturing process and waste management

Oishi Group 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, Oishi Group 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. Oishi Group 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 Oishi Group's beverage plants have already been accredited.

Moreover, to be sustainable in environmental management, Oishi Group 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, Oishi Group ensures that the environment management is reliable and complies with the international standard. In the past year, Oishi Group complied with the environmental rules and regulations as well as standard of ISO 14001. Hence, Oishi Group 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;

Oishi Group 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 and 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 factories in Navanakorn Industrial Estate, Amata Nakorn Industrial Estate, Wang Muang

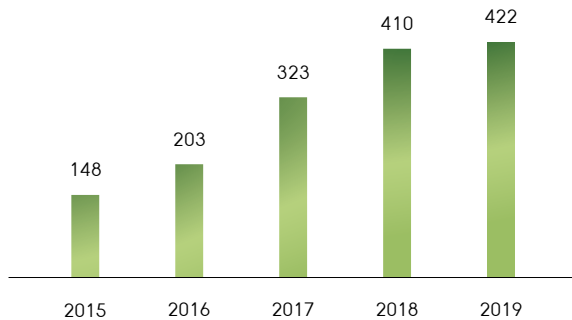
District Saraburi Province and Central Kitchen at Banbueng have omitted greenhouse gas around 20,929 tonCO₂-eq, 1,472 tonCO₂-eq, 19,064 tonCO₂-eq and 9,315 tonCO₂-eq respectively. Importantly, Oishi Group has received certification from the Ministry of Natural Resources and Environment.

Oishi Group of companies 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 Oishi Group has minimized the usage of resources to the fullest and implementation of the environment friendly.



Regarding the factory safety, 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 Companies has also conducted a seminar on environmental and standard system by inner house and outside sources to raise

Number of hours



awareness to all personnel. The seminars conducted as follows;

- Internal Audit ISO 14001 Version: 2015 in total of 1 course amount to 12 hours per person
- Energy Conservation in total of 1 course amount to 5 hours per person
- Energy Management in total of 1 course amount to 12 hours per person Total average training 9.4 hours per person

Practice on Efficient use of Resource

In 2019 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 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 has used energy effectively and properly in the production process. In addition, Oishi Group 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 and proceeded to expand the efficiency to the factory at Amata Nakorn Industrial Estate, resulting in energy reduction of 8,646 units per year
- Replacing high-bay lights with LED light that can reduce the energy usage to 311,721 units per year
- For the production of Hot Filling beverage in PET, Oishi Group has improved the power system machinery via the pressure reduction of Air Compressor, resulting in energy usage reduction of 42,000 units per year
- For the ongoing improvement of the power system within the production plant of hot filled green tea located in Navanakorn Industrial Estate, Oishi Group has combined 1 set of the electricity transformer of 2500 kVA and 2 sets of 1,000 kVA into 1 set of the electricity transformer, resulting in energy usage reduction of 270,684 units per year.
- For the production procedure improvement of Hot Filling beverage in PET at Amata Nakorn Industrial Estate, Oishi Group has remodeled the conveyor belt into Single Lane which is able to effect the enery usage reduction as 18,717 units per year.
- For the production of Cold Aseptic Filling beverage in PET within the production plant located in Wang Muang District, Saraburi Province, Oishi Group has improved the residue rinsing process of Premix carriage, reflecting to the water usage saving of 63,450 cubic meters per year.

- For the production plant of Oishi Food Service, it has controlled the aeration system in wastewater treatment system, saving the electricity usage as 17,162 units per year and conducted control of the air conditioning system in the office building area, helped to reduce electricity usage by 14,825 units per year

2. Water Management

Oishi Group recognizes the importance of water resources and pledged to use it at its worth.

We put a great deal in managing the wastewater outside of the organization. Through that mentality, we ran an evaluation called 'Water footprint' to determine the goal of decreasing water usage with the following programs.

- Taking water from RO Reject then reusing that water by running a procedure called 'Reverse osmosis'. From doing that we reduce the usage of Soft water or tap water in activities such as cleaning the exterior of factories in Nawanakorn Industrial Estate. We decrease the usage of water over 50,000 cubic meters per year and Oishi Food Service factory for 4,058 cubic meters per year.
- The production plant located at Nawanakorn Industrial Estate has run a program to reduce the usage of the chemical within the UF process called Chemically Enhanced Backwash (CEB) in return it lessened the usage of water over 4,700 cubic meters per annual.

3. Waste Management

- Oishi Food Service factory recycles oil that has been through manufacture, 5,655 kilograms per year. It has proceeded with the company certified in waste management under the law with the most hygienic approaches.
- Oishi Trading and Oishi Food Service set goals to lose at least 1 percent of waste or the wastes resulted from the manufacturing procedure annually started from 2015 to 2020. That being said, they operate under the principle of 3R (Reduce, Reuse, Recycle). Moreover, they also managed several programs such as taking the waste of vegetables and fruits from the production process and compress into natural fertilizers in which reducing the by-product of 3,756 tons in 2018 down to 863 tons in 2019.
- The research and development department also designed the packages with lightweight using PET. This resulted in the reduction of plastic usage over 151 tons per year.

4. Eco-Friendly Package

- Oishi Group revised the label of PET 350 ml. bottle by making it shorter in the length by 9 percent and in the width by 10 percent where the quality remains.

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.

JAPANESE RESTAURANTS & HOME DELIVERY



OISHI EATO PACKAGED FOOD



GYOZA



GYOZA IN SOUP

OISHI BEVERAGE PRODUCTS



OISHI GREEN TEA (500 ml.)



OISHI GREEN TEA UHT (180 ml.)



OISHI GOLD (400 ml.)



OISHI GREEN TEA (380 ml.)



OISHI GREEN TEA
(800 ml.)



OISHI GREEN TEA
Returnable Bottle
(400 ml.)



OISHI
CHAKULZA
(320 ml.)



OISHI GREEN TEA (350 ml.)



SANDWICH



FRENCH TOAST



READY MEAL

BUSINESS NATURE



7.1 History and significant developments

The history and significant developments are set forth below:

- **1999**
 - Started Japanese restaurant operation under the brand "Oishi" on 9 September 1999
- **2001**
 - Started Japanese noodle restaurant under the name "Oishi Ramen"
- **2002**
 - Started Japanese buffet shabu/kaiten style under the brand "Shabushi"
- **2003**
 - Operated new Central Kitchen at Navanakorn factory producing food and beverage products to support sales at Oishi restaurants
 - "Oishi Green Tea" was launched
- **2004**
 - Started trading new ordinary shares 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 with Lemon was launched
- **2008**
 - Oishi launched a new RTD Coffee product, namely "Coffio".
 - Thai Beverage PCL became Oishi's major shareholder
- **2009**
 - Opened Kazokutei, the Udon and Soba franchise restaurant from Japan
 - Amino OK was rebranded as Amino Plus by completely changing the marketing Strategy
- **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, the Cold Aseptic Filling project and 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
 - Started new restaurant brand "Kakashi" under QSR format (Quick Service Restaurant), serving Japanese rice with various toppings

- The Company received an additional BOI privilege for the Cold Aseptic Filling project 2nd line
- Launched green tea in returnable bottle glass.



2013

- The Cold Aseptic Filling project 2nd line at Wang Muang district, Saraburi province was commercial run in March
- Opened new central kitchen at BanBueng district, Chonburi 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 "Japanese Roast Pork and Cheese" and new product of gyoza "Pork Tagoyaki"
- Received BOI privileges for 4 projects at Navanakorn Industrial Estate and Wang Muang district, Saraburi province.



2014

- Established domestic and international subsidiaries to support expansion plans as follows; Oishi Snack Co., Ltd. (Currently, changed the Company's name to Oishi Food Service Co., Ltd. in Thailand, Oishi F&B (Singapore) Pte. Ltd. ("OSPL") in Singapore, Oishi Myanmar Limited ("OML") in the Republic of the Union of Myanmar ("Myanmar")
- Opened new Shabushi branches at Yangon and Mandalay in Myanmar
- Launched new style sandwich, OISHI Trendy Sandwich which includes Chicken Ham & Cheese, Tuna Caesar Salad and Alaska Crabsticks & Ebiko flavors for distribution through Lotus Express outlets.
- Launched new premium sugar-free green tea "Oishi Kabusecha" which is a green tea beverage made from premium covered tea.
- The Cold Aseptic Filling project 3rd line at Navanakorn Industrial Estate started commercial run in December 2014.



2015

- Established Oishi Group Limited Liability Company in the Socialist Republic of Vietnam ("vietnam") to support future international expansion opportunities
- Opened a new branch of Shabushi restaurant in Yangon, Myanmar at Junction Square Shopping Centre
- Launched new flavor of green tea product "Oishi Kabusecha Low Sugar" to meet the needs of consumers who like premium green tea and health care
- Launched "Oishi Watermelon" flavor in 380 ml. as limited edition during summer period, March – June, only
- Added new RTD tea SKU size "Oishi Green Tea in 800 ml." in 3 flavors Honey Lemon, Genmai and Lychee 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 and Yakiniku Pork
- Launched new product line of frozen food "Oishi Bento" in various flavors to explore new markets including Spicy Pork with rice, Pork in Japanese sauce with rice, Teriyaki Chicken with rice distributed in hypermarket and supermarket channels
- Improved packaging of Oishi Green Tea Kabusecha to be more joyful and modern, while maintained its authentic premium Japanese, and changed packaging of Oishi Black Tea, Chakulza to a sleek can
- Exported distribution of new products to new countries such as the Federal Republic of Germany, the Republic of Finland, the United Kingdom of Great Britain and Northern Ireland



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 topping 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 Emirate

**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 3 assessments in every 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 a 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 Italian Republic ("Italy"), Kingdom of Sweden ("Sweden") and Republic of India ("India")

**2018**

- Enhanced business structure of Subsidiaries by transferring assets related to food production and supplies of food materials from Oishi Trading Co., Ltd. to Oishi Food Service Co., Ltd. which helps improve management efficiency and supports sustainable business growth
- Launched new pack size of Oishi Green tea in 350ml.
- Introduced new Oishi Green tea flavor "Oishi Honey Double Lemon"
- Launched new UHT pack size of Oishi Green tea in 180ml.
- Introduced new Premium Green tea "Oishi Gold" as healthier drink choices to consumers

7.2 IMPORTANT EVENTS IN 2019

The Company continues to take important strategic initiatives in 2019. Packaged food business has further strengthened Oishi's brand by introducing "Oishi Eato" for Ready to Cook and Ready to Eat products to create impactful brand awareness and effectively engage customers starting from February.

The Company also realizes the importance of adapting to fast changing business environments. On August 9, 2019, the Board of Directors has approved the incorporation of a new subsidiary in Thailand, Oishi Delivery Company Limited, which has already incorporated to be a private limited company on October 2, 2019, to efficiently engage in food delivery and online-ordering business in accordance with modern consumers' needs.

The Company continues to be recognized as leading company in food and beverage industry with important awards received including Thailand's Most Social Power Brand Award 2019 which addresses the strongest brand in social medias for both RTD tea and Japanese restaurant category, evaluated across 4 social media platforms including Facebook, Instagram, Twitter and Youtube and Thailand's Most Admired Brand Award 2019 as the most trusted and admired brand in RTD tea category for 8th consecutive years.

On credit rating, Tris Rating Co., Ltd. affirms the Company rating at "A+" which reflects the company's leading position in RTD tea segment in Thailand with well-recognized brand, established nationwide distribution network, strong product innovation and healthy finances. The outlook is rated as "stable" based on the expectation that the Company will remain a strategically important subsidiary of ThaiBev, maintains market position in the RTD tea market and

restaurant business while deliver solid operating results going forward.

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

Food Business

1. Restaurant Business

In 2019, the Company has developed and elevated its products and services of the restaurant brands operated by Oishi Group Company 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 Rangsit, Mega Bangna, Fashion Island, Central Korat, Central Phuket Floresta, Central Pattaya Beach and in 2019 at Samyan Mitrtown
- 2) OISHI GRAND has adapted the sushi line in Sushi Parade, pointing up the fusion style with the premium-quality materials to deliver the different tastes i.e. Grilled Salmon Foie Gras Sauce Sushi and Ebi Cheese Sushi which the feedback has been positively returned in 2019.
- 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. In November 2018, there was a new service generated in 2 price rates namely Gold Buffet and Platinum Buffet which fulfilled unlimited ultimate experiences with premium freshly-sliced pork and beef such as Kata

Rosu Beef, Kata Bara Beef and Premium Bacon Kurobuta.

- 4) OISHI RAMEN aimed at the novelty menu innovation to meet the consumers' needs in fast pace by keeping up being the expertise in noodle with soup, stir fried noodle and cold ramen (reimen). Recently, Tsukemen has been created as a new menu as cold ramen dipping with dried fish soup providing freshness which received positive feedback as well.
- 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 Pork Egg Onsen, Miso Donburi and new menus as Ton Toro Shio Togarashi Don and Soft Shell Crab Kani Tama Don together with Isakaya style snacks which meet the quick-served platform in current life style.
- 6) Hou Yuu, the authentic Japanese cuisines with favorite dishes as Sashimi (raw fish), Sushi, Shabu Shabu, Sukiyaki, Tempura and Udon. Each of the cuisines is authentically Japanese, and its preparation is elaborated from its inception to completion using only selected high quality raw materials.

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 2019, significant events related to products and activities are as follows.

- 1) Built brand awareness and brand recognition under "Oishi Eato" reflected from the image of strong leader in food and beverage market of Oishi for over 20 years. Oishi Eato has aimed to be the leader of Japanese Ready to Eat Business by driving the best seller items as Gyoza and Sandwich via strategic media plans through teen target i.e. online media, social media and point-of-sale activities to highlight its delectable and quality.
- 2) Highlighted on the new product research and development trending in Japan as Chilled Stir-Fried Ramen in various Japanese authentic flavors. Besides, Oishi Eato has first-time released French Toast Sandwich in Ready to Eat platform in Thailand keeping soft bread coating with egg, butter and milk and special tastefulness from bacon, cheddar cheese and mozzarella cheese.
- 3) Continued to develop and launch healthy sandwich "Oishi Eato Sandwich with Whole Grains" to satisfy the needs of the new consumers who concerns in healthy lifestyle for example Teriyaki Salmon Salad Sandwich and California Crab Stick Avocado Spread Sandwich. And also develop ramen noodles without preservatives and monosodium glutamate for all fried ramen menus
- 4) 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 67%
- 5) Collaborated with Group's related business to expand market base of frozen ready to eat food, especially frozen Gyoza in to Other Modern Trade (OMT) in rural area, implemented on the Central and the East of the country.
- 6) Expansion more distribution channels towards Food Service market by enhancing the number of customers both of Horeca and Café with targeting in Food Supply in Thailand.

Beverage Business

In 2019, 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 coverage into new countries as following;

1. Repackaged and publicized Oishi Green Tea Honey Lemon flavor emphasizing the finest raw material of Hyakkamitsu honey with special floral aroma produced only at Hokkaido Island, Japan and Oishi Green Tea Honey Lemon — Double Lemon flavor with extra taste of lemon in the style of Oishi Green Tea as well.
2. Developed and launched ready to drink premium tea named "Oishi Gold" with 100 percent top tea leaves from Matsuda Farm in Omaezaki City, Japan guaranteed with 3-consecutive-year "Emperor's Cup" award consisted of 4 flavors : Oishi Gold Genmaicha No Sugar flavor and Delight flavor (less sugar) and Oishi Gold Kabusecha No Sugar flavor and Delight flavor (less sugar). All 4 products have been manufactured using innovated packages. The shape of the bottle resembles the bamboo tube with wider bottlenose. With those features, the drinker, especially health lovers, will sense the pleasant scents of premium green tea and evoke the exclusive experience. They have been launched since November 2018 to improve sales at said year end.
3. Adjusted the size, repackaged and revised the logo of UHT 180 ml. products at retail prize Baht 10. Using innovation of packaging called 'Leaf' to beautify the product look at the same time also saved the packaging costs. Currently, there are 4 flavors: Original, Honey Lemon, Genmai, Kyoho grape.
4. Expansion of distribution to new country i.e. Republic of Taiwan and Kingdom of Norway.

7.3 OVERALL BUSINESS OPERATIONS OF THE COMPANY AND ITS SUBSIDIARIES

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

Food Business

1. Restaurant Business

Restaurant Business has 10 Japanese restaurant brands:

1) Oishi Grand (1 store)

A distinctive and luxurious atmosphere of all-day dining buffet at 4th Floor, Siam Paragon, serving various and delicate food with a limited time of 2 hours and 30 minutes at the price per head of Baht 995 including VAT.

2) Oishi Eaterium (9 Stores)

A unique style Japanese Buffet under 3 concepts, EAT — EXPLORE — PREMIUM presenting Japanese food with premium quality ingredients 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 excluding VAT in provincial areas.

3) Oishi Buffet (10 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 599 including VAT.

4) Shabushi (151 stores)

Domestic 149 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. Shabushi is open for service according to the opening and closing hours of the establishment where each branch is located. The Price per head is Baht 399 including VAT in Bangkok areas and Baht 419 or 429 included VAT in tourist areas with a limited time of 1 hour and 15 minutes.

Overseas 2 stores

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

5) Oishi Ramen (54 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 with call number 1773 or via www.oishidelivery.com and brand-new service as Click & Collect likewise pre-order food which enhances more rapid and convenient to customers to grab food once arriving the stores in Bangkok and its vicinity and over 28 provinces nationwide (68 stores supporting OISHI Delivery included) from 10.00 a.m. till 10.00 p.m. with Baht 40 delivery fee per an order. Credit card is acceptable for customer's convenience at minimum order of Baht 500. In addition to that, the Company has been also expanding the delivery service through Food Aggregator to create fast food style recognition of Food Online through new-age consumers. We selected Oishi Ramen and Kakashi as the primary brands. Importantly, their sale performances have been apparently improved.

7) Nikuya (15 Stores)

Specialized in Yakiniku buffet style under the slogan "NIKUYA the yakiniku in Osaka style" with high quality products at 2 buffet prices tier: Premium Buffet at Baht 399 (excluding beverage) with 40 variety selections and Super Premium Buffet at Baht 539 (excluding beverage) and also an à la carte service of menu set and à la carte menu.

8) Kakashi (25 Stores)

A quick service restaurant serves Japanese rice bowl which will make the customer enjoy various topping fresh and warm offering twice quantity of topping (x2) at an economical price.

9) Hou Yuu (1 store)

The premium Japanese restaurant serves à la carte menu focusing on the premium quality materials and rare items available only in seasonal period which prepared by Chef from Japan.

10) Snack Shop¹

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

As at September 30, 2019, the Company and its subsidiaries operate total restaurants of up to 266 stores of which 264 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.

¹ The branch was closed on January 9, 2019

2. Ready to Cook and Ready to Eat Business

The business of Ready to Cook and Ready to Eat named "Oishi Eato" is a business of food distribution of Japanese-style and high-quality chilled and frozen products with diverse categories as follow:

1) Sandwich

Soft-baked bread with Oishi Eato's unique recipe filling variety of tasty flavors i.e. Oishi Eato Sandwich Alaska crabstick & Wakame Salad, Oishi Eato Sandwich Ham Cheese, Oishi Eato Sandwich Tuna Caesar Salad and etc.

2) Whole Grains Sandwich

Bread with 5 healthy whole grains filling with variety of tasty flavors i.e. Oishi Eato Sandwich Salmon Salad with Teriyaki, Oishi Eato Sandwich California Alaska Crabstick & Ebiko Avocado Spread and etc.

3) Gyoza

Soft and sticky Gyoza wrappers served together with yummy sauce with various flavors as Oishi Eato Gyoza Teriyaki Pork or Chicken and Oishi Eato Takoyaki Shrimp or Pork. Oishi Eato Gyoza simply heats it up in the microwave, steam, fry or tepanyaki, you will be ready to enjoy the original style Gyoza.

4) Takoyaki

Quality squid in authentic Japanese flour recipe served with takoyaki mayo sauce.

5) Oishi Eato Kani Kamaboko and Oishi Kani Alaska

Thick and soft crab sticks according to the original recipe. Oishi only selects high-quality ingredients to create the taste as to our customer's liking and following the original recipe. It suits for either having as a snack or cooking for various menus as well.

6) Stir-Fried Ramen

Perfect soft and sticky ramen without preservatives and MSG can be cooked Japanese sauce style i.e. Stir-Fried Ramen with Clams and Roasted Chill Paste, Stir-Fried Ramen Chicken Teriyaki with Nabe Sauce, Yakisoba and etc.

In the past year, the Company has concentrated on innovative product development with a variety of styles, tastes & flavors and packaging to meet the consumers' needs such as French Toast Sandwich, soft bread coating with egg, butter and milk and special tastefulness from bacon, cheddar cheese and mozzarella cheese. By 2020, the Company continues conducting Oishi Eato brand awareness and recognition and developing brand-new Japanese innovative products with scrumptious, novelty and healthy concerns.

Beverage Business

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

Product	Flavor	PET					RGB	UHT	Can
		800 ml.	500ml.	380ml.	350ml.	400ml.	400ml.	180ml.	320ml.
Oishi Green Tea	Honey Lemon	•	•	•	•		•	•	
	Double Honey Lemon			•	•		•		
	Genmai	•	•	•	•			•	
	Original		•	•	•			•	
	Strawberry								
	Kyoho Grape			•	•			•	
	Yuzu Orange			•					
	Watermelon			•	•				
Oishi Gold	Genmai Cha No sugar					•			
	Genmai Cha Delight					•			
	Kabusecha No sugar					•			
	Kabusecha Delight					•			
Oishi Black Tea	Black Tea Lemon		•						
Oishi Chakulza	Honey Lemon								•

7.4 REVENUE STRUCTURE

		Consolidated Financial Statements					
		2019 (as of 30 September 2019)		2018 (as of 30 September 2018)		2017 (as of 30 September 2017)	
Income by business type	Operated by	Million Baht	%	Million Baht	%	Million Baht	%
Beverage business	The Company and Oishi Trading Co., Ltd	6,602	48%	6,927	51%	7,147	52%
Food and restaurant business	The Company, Oishi Ramen Co.,Ltd., Oishi Food Services Co., Ltd. and Oishi Myanmar Limited	7,155	52%	6,653	49%	6,530	48%
Total		13,757	100%	13,580	100%	13,677	100%

7.5 TARGET CUSTOMERS

Food Business

1. Restaurant Business

The Company operated various styles of Japanese restaurants including Japanese buffet style, Shabu style, Yakiniiku 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.

2. 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 aware of new generation consumers, especially health lovers. Under this consideration, the Company takes it as an opportunity to initiatively innovative product development to deliver best consumers' needs.

Beverage Business

The Company focuses on developing its products to cover all consumers' 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

1. 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 266 domestic stores covering Bangkok and provincial areas. (as of September 30, 2019)

2. Ready to Cook and Ready to Eat Business

In 2019 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 expanded its distribution channels into supermarket in provincial area such as stores and supermarkets and also to the Food Service Market. As for the international market, besides distributing frozen Gyoza to European Community, the Company also started distributing to U.S.A., Singapore, Myanmar and Vietnam as well.

Beverage Business

The Company distributes products through various domestic and international channels in order to maximize distribution coverage. More than 80% of beverage products are distributed through Thai Beverage Public Company Limited and Sermasuk Public Company Limited which are considered to be one of the most efficient distribution channels in the modern trade and traditional trade including domestic and international markets.

7.7 BUSINESS TARGETS

Food Business

1. Restaurant Business

The Company and its subsidiaries aim to open approximately 19 new stores in 2019 focusing on popular brands such as Shabushi to cover areas in Bangkok and upcountry provinces with potentials and high purchasing powers. In the past year, the Company and its subsidiaries can open 26 stores: Shabushi 18 stores, Kakashi 4 stores, Oishi Ramen 2 stores and Oishi Eaterium 2 stores.

2. Ready to Cook and Ready to Eat Business

In 2019, the Company not only has continued developing and launching various Ready to Cook and Ready to Eat products, both chilled and frozen, we also have planned marketing and sales promotions for evoking the exclusive experiences both the existing customers and encouraging new customers trials to increase more sales. As a result, the business is able to maintain the steady position of growth.

By 2020, the Company expects the growth on Ready to Cook and Ready to Eat business to increase by 15% from the previous year through the following 4 strategies, (1) Strengthening brand image under the concept One Brand under "Oishi Eato" (2) New product innovation in the Japanese style Ready to Eat products to be recognized as the leader and new product development in accordance with the sustainable business growth policy, including tastes, packaging and style (3) Expansion of the distribution channels domestically and international (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 2019, 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 2020, 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

1. Restaurant Business

Oishi Myanmar Limited (OML), an indirect subsidiary opened 2 branches of Shabushi restaurants in Yangon, Myanmar which consider to be a significant milestone in expanding restaurants business overseas. The Company still has a plan to expand the branches to the other countries in ASEAN in 2020.

2. Ready to Cook and Ready to Eat Business

The Company is 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 well-prepared 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 2019, 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 resulting the export performance as achieving the anticipation.

In 2020, the Company is very optimistic in the growth of distribution into new countries i.e. U.S.A., Singapore, Myanmar and Vietnam 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 22% from the previous year and tend to increase continuously in many countries i.e. Laos, Cambodia, Myanmar, Malaysia, China, Korea, Russia, Israel, Australia, New Zealand, Swiss, Barbados, Netherlands, St. Martin, Germany, Poland, Finland, Great Britain, Italy, France, Sweden, United Arab Emirates, Kingdom of Bahrain, Austria and Iceland.

In 2019, the Company has increased the sales revenue of Oishi beverage domestically together with the export to new countries i.e. Taiwan and Norway through the Company's distributors.

In 2020, the Company aims to continuously expand its export business across ASEAN markets to drive more sales performance in Cambodia, Laos and Myanmar.

RISK FACTORS



8.1 FOOD BUSINESS

Restaurant Business

1. Demographic Structure and Changing Consumer Behavior

Restaurant business continues to rise despite the unstable economics situation. The growth of 4% – 5% is expected during 2019 – 2020, with supporting factors of changes in population structure; smaller households, expansion of cities, and changing lifestyle. Furthermore, the increase of tourists also enhances the growth of restaurants. However, intense competition is to be expected, especially in chain restaurant expansion as new players are entering the market. Those that is worth keeping an eye on are Asian restaurants and cafes, which are under strong competition. Moreover, there is a moving trend of Fast Casual premium restaurant, targeting customers with higher purchasing power and giving importance to Food Influencers. Restaurant search platforms, new delivery systems, and food delivery applications are also on the increase. These services are the result of technological change, which unavoidably impacts consumer behavior and finally change the restaurant business value chain. Food delivery is rapidly growing, it gives small restaurants and street foods easier access to the consumers and reduce the cost, thus, creates a bigger margin. In year 2019, food delivery business is expected to be approximately 33,000 – 35,000 million THB in value, with a continual growth of at least 10% per year as there are significant players in the market; Line Man, Food Panda, Grab Food, and Get, these operators are taking over 4 hundred billion THB in market value.

2. 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 nearby office areas and outside department stores, to ensure that the Company will have the places to continuously support its outlet expansion.

3. 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.

4 Limitation in Raw Material Sourcing

Due to the Company's commitment to produce 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 has been looking for more qualified suppliers to reduce the possible risks and maximize the Company's ability in raw material sourcing.

5. 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.

6. 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. This is to say, the Company takes food quality as well as consumer healthiness into consideration and 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.

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 significant impact to the Company's business.

Ready to Cook and Ready to Eat Business

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.

2. Competition Risks

The competition in Ready to Cook and Ready to Eat business is highly competitive. The distributors from our distribution channels started to produce

the products under their own brands. For the business owners, not only they have to conduct product research and development, but they must also have the bargaining power in trade negotiation. As Oishi Group is a leading company in Japanese food, Ready to Cook as well as Ready to Eat products, it is compulsory for the Company to create strengths and stands out in the market by prioritizing the development and maintaining quality of the products as well as promoting our brand's popularity and creditability.

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 such as microwavable products in support of fast-paced modern lifestyle. 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.

4. Limitation of Distribution Channels

At present, as the Company's distribution channels mainly rely on the convenience stores, negotiation power and benefits are consequently 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: supermarket, department store, and hypermarket as well as other potential distribution channels such as food service and exporting.

5. Logistics Risks

As the Company's products are mainly in either chilled or frozen products, 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.

8.2 BEVERAGE BUSINESS

1. Risks in Ready-to-Drink Green Tea in Overseas Market

Green Tea in overseas market has shown rapid growth, while competition is becoming increasingly intense. In addition, several local laws and regulations as well as consumer behavior in overseas may become a matter of restriction to the business. The Company, therefore, gives priority to thoroughly understanding business regulations and establishing relationship with experienced partners in each country. At the same time, we directly penetrate each market and conduct on ground activities to connect with the local consumers and focus on strengthening the brand image as to create demand. While maintaining and establishing favorable relationship with our agents is also vital to give us a strong foundation once there is a business opportunity to enter and invest in a specific country.

2. 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 highlighted consumer's health by intensifying 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.

3. Limitation in Raw Material Sourcing

Due to the Company's commitment to produce 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 has been looking for more qualified suppliers to reduce the possible risks and maximize the Company's ability in raw material sourcing.

4. 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.

5. 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.

6. 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. This factor mainly contributes to the decline of Ready to Drink tea market in the past year. However, the Company has strategized 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.

8.3 STRATEGIC RISKS

The Company has initiated "Vision 2020" strategic roadmap to become one of the leading foods 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.

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.

8.4 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% of total shares. Thus, distribution of beverage product segment is dependent on channels of the major shareholder's

8.5 RISKS OF INVESTORS IN THE COMPANY'S SECURITIES

1) Risks from the Control of Major Shareholder

As of October 15, 2019, 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 Committees consisting of 3 independent directors, which have no interests in the Company in order to monitor and review the Company's operations and protect the interests of minority shareholders resulting in appropriate check and balance and verifiable system.

2) Risks from Low Free Float of the Company's Securities, which may results in Transaction Liquidity in the Stock Exchange of Thailand (SET)

As of October 15, 2019, 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 RISK 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.
 - 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) Install computer anti-virus program on every computer and connect all network to the central system for the purposes of remote access and trouble shooting. 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.
7. Increasing the system of recording and tracking the solutions of computers and equipment for the responsible unit can communicate with users and resolve various problem effectively.

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.

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

BUSINESS ASSETS



Business operation assets of the Company and its subsidiaries are consisting of both tangible and intangible assets. As of September 30, 2019, the detailed net book values are as follows:

9.1 LAND AND LAND IMPROVEMENTS

The Oishi group of companies owns certain pieces of land and land improvements which it uses in its business operation. As of September 30, 2019, 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, Pathumthanee province	Owner	461.03	None
Land with 182-2-19 rais with improvements at Tumbon Nong Chak, Ampor Banbueng (Muang), Chonburi province	Owner	220.44	None
Total		681.47	

9.2 BUILDINGS AND BUILDING IMPROVEMENTS

The Oishi group of companies owns certain buildings and building improvements which it uses in its business operation. As of September 30, 2019, 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, Pathumthanee province	Owner	795.27	None
Building and structure at Amata Nakorn Industrial Estate, Bankao, Panthong, Chonburi province.	Leased	66.03	None
Building Improvements No.333 Moo 1 Highway 2089 (Muak Lek-Wang Muang) Tumbon Salaeng Phan, Ampor Wang Muang, Saraburi province	Leased	128.79	None
Central Kitchen at Tumbon Nong Chak, Ampor Ban-bueng, Chonburi province	Owner	302.72	None

Buildings and Building improvements	Type of possession	Net book value (million baht)	Collateral for Loans
Other building improvements	Leased	2.74	None
Total		1,295.55	

9.3 RENTAL AGREEMENT

As of September 30, 2019, the Company has 260 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 2020 – 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, 2019 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	5.77	None
The Mall Ngamwongwan. Unit no. GFC1A in 220 sq.m. area and GFC1B in 101 sq.m. area	18 years and 3 days / Expire 2020	0.18	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	5.54	None

Area/Location	Rental period/Expiration	Net book value (million baht)	Collateral for Loans
Future Park Rangsit, Unit no. B 56 in 134 sq.m area	15 years and 6 months/ Expire 2021	1.89	None
Esplanade Ratchada, Unit no. B 41 in 288 sq.m area	24 years and 2 months/ 4 days/ Expire 2031	15.38	None
Total		28.76	

9.5 TOOLS AND MACHINERY FOR MANUFACTURING

As of September 30, 2019, 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	2,599.79	None
Machinery-Food	218.17	None
Total	2,817.96	

9.6 DECORATION AND INTERNAL SYSTEMS

As of September 30, 2019, 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	197.18	None
Internal systems	683.46	None
Total	880.64	

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, 2019 consist of the following;

Type of construction in progress and installation	Net book value (million baht)	Collateral for Loans
Oishi Knowledge Center	37.05	None
Others	10.47	None
Total	47.52	

9.8 OTHER ASSETS

Other assets were included office equipment, furniture and fixtures, restaurant utensils and vehicles. Net book value as of September 30, 2019 is 162.50 million Baht.

9.9 INTELLECTUAL PROPERTY

Since the operations have started, 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", "Gold", "Chakulza", "Fruito", "Amino OK", "Nekko", "Fruitza", "Oyoshi", "Eato", "Oyoki" and "Hou Yuu".

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 emphasises the Oishi brand's position as the leading brand in the mind of consumer in ready to drink green tea market. In addition, the Company was awarded "2019 Thailand's Most Social Power Brand" from BrandAge. The award emphasises the Oishi brand's position as the leading brand on online media in the mind of consumer in Japanese restaurant and ready to drink green tea. In all aspects, it ensures 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 other trademarks as well as the intellectual property.

9.10 INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

As of November 21, 2019, the list of 8 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:

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
3. 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	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
4. Oishi Delivery Co., Ltd. ⁽¹⁾ (Oishi Delivery) Unit B3601 36th Floor, CW TOWER, 90 Ratchadaphisek Rd., Huai Khwang, Bangkok 10310, Thailand	To support online business and distribution	Ordinary	Baht 1,000,000	Baht 1,000,000	10,000	9,998	99.98	1. Mr. Paisarn Aowsathaporn 2. Mr. Vicharn Panitvorapoom 3. Mrs. Chanirat Komolratwattana
5. 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 13,000,000		13,000,000	13,000,000	100	1. Mr. Sithichai Chaikriangkrai 2. Mrs. Nongnuch Buranasetkul 3. Mrs. Jesdakorn Ghosh 4. Mr. Lee Man Kong 5. Mr. Kritsada Wattanapakin ⁽²⁾

2. Indirect subsidiaries

Company name	Business Types	Share Type	Registered Capital	Paid-up Capital	Number of Issue Share	Number of Shares Held	Shareholder	Investment Ratio %	Directors
1. Oishi F&B (Singapore) Pte. Ltd. (OSPL) No. 438 Alexandra Road, #05-01 Alexandra Point, Singapore 119958	To support international business expansion	Ordinary	SGD 2,125,000	SGD 2,125,000 ⁽³⁾	2,125,000	2,125,000	Oishi International Holdings Limited	100	1. Mr. Paisarn Aowsathaporn 2. Mr. Kritsada Wattanapakin ⁽²⁾ 3. Ms. Tan Yen Hoon 4. Ms. Ong Hwee Lin Gene 5. Mr. Ng How Hwan Kevin
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 3,000,000 ⁽³⁾	3,000,000	1,650,000	Oishi F&B (Singapore) Pte. Ltd.	55	1. Mrs. Nongnuch Buranasetkul 2. Mr. Paisarn Aowsathaporn 3. Mr. Kritsada Wattanapakin ⁽²⁾ 4. Mrs. Daw Win Win Tint 5. 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. Mr. Kritsada Wattanapakin ⁽²⁾

Remarks

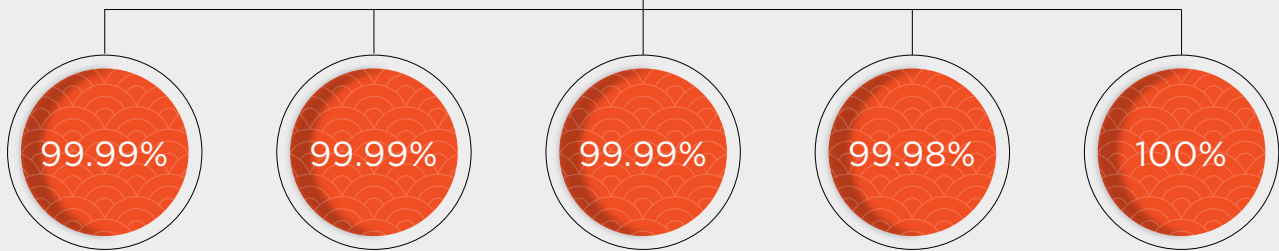
- (1) The Board of Directors Meeting No. 5/2019 which was held on August 9, 2019 resolved to establish a new subsidiary in Thailand, namely, Oishi Delivery Co., Ltd., which was registered with the Department of Business Development, Ministry of Commerce on October 2, 2019.
- (2) The Board of Directors Meeting No.3/2018 which was held on May 13, 2018 resolved in principle to appoint Mr. Kritsada Wattanapakin in replacement of Ms. Tientip Narach, who resigned, to be the Director of 4 subsidiaries of Oishi Group Public Company Limited, namely, OIHL, OSPL, OML and OGLLC effective on August 1, 2018. The director registration process has been completed on May 29, 2018, June 4, 2018, January 31, 2019 and October 11, 2019 for OIHL, OSPL, OML and OGLLC respectively
- (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 600,000 USD, making a total paid up capital at 3,300,000 USD in order to sustain the business operation in the Republic of the Union of Myanmar. The process is subject to be completed with the first paid-up capital at 300,000 USD, which was registered on February 4, 2019, making a total paid up capital at 3,000,000 USD. According to the capital increase of OML, by the share holding proportion, OIHL is subject to increase in the paid up capital at 1,300,000 HKD, which was registered on December 13, 2019, making a total paid up capital at 13,000,000 HKD while OSPL is subject to the increase in the registered and paid up capital at 225,000 SGD, which was registered on January 2, 2019, making a total paid up capital at 2,125,000 SGD at the latest. The all mentioned capital increase in each company are under execution by each of Law and regulations concerned.

OISHI GROUP STRUCTURE

AS AT NOVEMBER 21, 2019



OISHI GROUP PUBLIC COMPANY LIMITED
REGISTER AND PAID-UP CAPITAL



OISHI RAMEN CO.,LTD.
Registered and
Paid-up Capital :
Baht 158 Million
• Japanese restaurants

OISHI TRADING CO.,LTD.
Registered and
Paid-up Capital :
Baht 420 Million
• Beverages manufacturer
and distributor

OISHI FOOD
SERVICE CO., LTD.
Registered and Paid-up
Capital: Baht 1,000 Million
• Food manufacturer
and distributor

OISHI DELIVERY CO., LTD⁽¹⁾
Registered and Paid-up
Capital: Baht 1 Million
• To support online
business and distribution

OISHI INTERNATIONAL
HOLDINGS LIMITED⁽²⁾
Registered and Paid-up
Capital: HKD 13 Million
• To support international
business expansion

OISHI F&B (SINGAPORE) PTE. LTD⁽²⁾
Registered and Paid-up Capital: SGD 2.125 Million
• To support international business expansion



OISHI MYANMAR LIMITED⁽²⁾
Registered Capital: USD 4.5 Million
Paid-up Capital: USD 3 Million
• To support international business expansion

OISHI GROUP LIABILITY LIMITED COMPANY
Registered Capital: USD 50,000
Paid-up Capital: USD 50,000
• To support international business expansion

Remark

(1) The Board of Directors Meeting No. 5/2019 which was held on August 9, 2019 resolved to establish a new subsidiary in Thailand, namely, Oishi Delivery Co., Ltd., which was registered with the Department of Business Development, Ministry of Commerce on October 2, 2019.

(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 600,000 USD, making a total paid up capital at 3,300,000 USD in order to sustain the business operation in the Republic of the Union of Myanmar. The process is subject to be completed with the first paid-up capital at 300,000 USD, which was registered on February 4, 2019, making a total paid up capital at 3,000,000 USD. According to the capital increase of OML, by the share holding proportion, OIHL is subject to increase in the paid up capital at 1,300,000 HKD, which was registered on December 13, 2019, making a total paid up capital at 13,000,000 HKD while OSPL is subject to the increase in the registered and paid up capital at 225,000 SGD, which was registered on January 2, 2019, making a total paid up capital at 2,125,000 SGD at the latest. 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, 2019, 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, 2019 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 the Debentures of Oishi Group Public Company Limited No. 1/2015 Due 2018 before its maturity date (the Debentures No. 1/2015), equivalent to THB 299,300,000, as a result, the remaining total units of the Debentures No. 1/2015 is 700,700 units, equivalent to THB 700,700,000.

In addition, the Company has completely repurchased the Debentures No. 1/2015, total of 700,700 units, equivalent to THB 700,700,000 according to its maturity date on 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 debenture holders' 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

As of July 6, 2019, the Company has redeemed a total of THB 1,000,000 units of the Debentures of Oishi Group Public Company Limited No. 1/2016 Due July 2019, equivalent to THB 1,000,000,000 with fixed rate of interest at 2.20% per annum. In this regard, the Company has completed the repayment equivalent to THB 1,011,000,000.

11.3 SHAREHOLDERS

1. As of October 15, 2019, top ten shareholders and stock holding proportion based on paid-up capital are as follows:

Ref	Shareholders' name	Shares	%
1.	Thai Beverage Public Company Limited	149,360,199	79.66
2.	UOB KAY HIAN PRIVATE LIMITED	9,000,000	4.80
3.	DBS BANK LTD.	8,955,100	4.78
4.	Mr. Thaweechat Jurangkool	7,894,700	4.21
5.	UBS AG SINGAPORE BRANCH	4,678,700	2.50
6.	Mr. Ayuth Charnsethikul	980,000	0.52
7.	Mrs. Hatairatn Jurangkool	605,300	0.32
8.	Thai NVDR Company Limited	549,153	0.29
9.	Ms. Orapan Assamongkol	493,200	0.26
10.	Mrs. Nipaporn Siripong	422,000	0.22
11.	Minor shareholders	4,561,648	2.44
	Total	187,500,000	100

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

- 1) Thai Beverage Public Company Limited which operates via its subsidiaries regarding to production and distribution of alcoholic and non-alcoholic beverages and Japanese restaurants.
- 2) As of October 21, 2018 the companies that are related to Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi held shares in Thai Beverage Public Company Limited totally 65.89% of the paid-up capital.

As of December 11, 2018, top ten shareholders of Thai Beverage Public Company Limited are as follows;

Ref	Shareholders' name	Shares	%
1.	The Central Depository (Pte) Limited	12,304,528,106	49.00
2.	Siriwana Company Limited	11,368,060,000	45.27
3.	Mr. Thanapa Sirivadhanabhakdi	107,000,000	0.43
4.	Mrs. Thapanee Techajareonvikul	107,000,000	0.43
5.	Mr. Panote Sirivadhanabhakdi	107,000,000	0.43
6.	Mrs. Wallapa Traisorat	107,000,000	0.43
7.	Mr. Natthavat Tejapaibul	92,377,500	0.37
8.	Mrs. Atinant Bijananda	88,000,000	0.35
9.	Mrs. Chompoonuch Tejapaibul	70,000,000	0.28
10.	Mrs. Varang Chaiyawan	65,650,500	0.26

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	2017	2018	2019 ⁽¹⁾
Dividend per share	3.40	2.80	4.00
Total amount	637.5 million Baht	525 million Baht	750 million Baht
% of dividend payment	43.9	51.8	60.8

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 2019 is subjected to the shareholders' approval in the 2020 Annual General Shareholder Meeting.

MANAGEMENT STRUCTURE



12.1 BOARD OF DIRECTORS STRUCTURE

As of November 21, 2019, 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:

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. Potjane Thanavaranit
Independent Director
5. Mr. Chai Jroongtanapibarn
Independent Director
6. Mr. Ueychai Tantha-Obhas
Director
7. Mr. Sithichai Chaikriangkrai
Director
8. Mr. Pisanu Vichiensanth
Director
9. Mrs. Nongnuch Buranasetkul
Director, President & CEO

Authorized Directors are as follow;

"Two Directors co-sign and affix the Company Seal, except Mr. Vikrom Koompirochana, Mr. Chai Jroongtanapibarn, Ms. Potjane 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 with 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 SET regulations, the Announcement of SEC and related announcement, 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 abided by the director; and 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 directors.

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.

2. The Executive Committee

The eight members of the Executive Committees are as below;

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. Mr. Pisanu Vichiensanth
Executive Committee
6. Mrs. Nongnuch Buranasetkul
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 and 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:
 - 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.
 - 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 onwards; the Executive Committee can also appoint ad hoc committee, who are experienced in some specific areas, to filter the works before 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.

3. The Audit Committee

The three audit committees ⁽¹⁾ are;

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

Term in the Office

The Audit Committee shall hold office for a term of three years and, upon expiration of their term, may be re-appointed.

To resign from office, an Audit Committee shall submit his/her resignation letter to the Chairman and such resignation shall become effective when receive the approval from the Board of Directors.

Remark

- (1) Ms. Potjanee Thanavarant and Mr. Chai Jroongtanapibarn are qualified with knowledge and experience to review the credibility of the Company's financial statements.

When the term office of a committee member expires or there is any circumstance causing any committee members to be unable to hold office until expiration of the term of office, thus reducing the number of the committee members to less than the requirement of the SEC, the Board of Directors' meeting shall appoint new committee members to fill the vacancy within three months from the date of vacancy in the Committee.

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

Roles, Authorities and Responsibilities of the Audit Committee

1. Audit Committee shall perform the duties as stipulated in the charter and notice of the Stock Exchange of Thailand (SET) including but limited to:-
 - 1) Review the Company's financial reporting processes to ensure that they are accurate and adequate;
 - 2) Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient; as well as concurrence of the appointment, transference and dismissal of the head of internal audit or any other related function;
 - 3) Consider, select and nominate independent persons to be the Company's auditor, and to propose such person's remuneration and dismissal, as well as to attend a non-management meeting with an auditor at least once a year;
 - 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;

- 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.

4. The Sustainability and Risk Management Committee

The eleven Sustainability and Risk Management Committee are;

1. Mr. Chai Jroongtanapibarn
Chairman of the Risk Management Committee
2. Mr. Pisanu Vichiensanth
Vice Chairman of the Sustainability and Risk Management Committee
3. Mrs. Nongnuch Buranasetkul
Sustainability and Risk Management Committee
4. Mrs. Sureeporn Pradittasnee
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 Netipo⁽²⁾
Sustainability and Risk Management Committee
8. Mr. Kritsada Wattanapakin
Sustainability and Risk Management Committee
9. Mr. Thanee Pornphisutsak
Sustainability and Risk Management Committee

10. Mrs. Monrudee Akkaraj
Sustainability and Risk Management Committee
11. Ms. Chanatnuth Wongwan
Sustainability and Risk Management Committee

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 and to follow the Company's policy, which are obliged 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 shall 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 risk appetite 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 strategy and policy. The committee shall report the following matters to the Board of Directors on a quarterly basis:
 - 1) The committee performance after each Sustainability and Risk Management Committee meeting;
 - 2) Sustainability and risks, change of management framework including impacts of the policy and new business development;
 - 3) Status of risks and changes that impact level of acceptable risk;
 - 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 as 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.

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

6. The Remuneration Committee

The five Remuneration Committees are;

1. Ms. Potjaneer Thanavarant
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 high-ranking executives from

the level of Vice Presidents onward in order to submit to the Executive Committee or the Board of Directors, as the case may be, for approval.

3. Perform any task with regard to setting up remuneration rate as assigned by the Board of Directors or the Shareholders' meeting.

The Remuneration Policies are as follows;

1. Considering the remuneration based on the comparative rate with others in the same industry.
2. Considering based on the Company's business expansion and the performance of the Company and its subsidiaries.
3. Considering based on the responsibility of each committee.

7. Good Corporate Governance Committee

The five Good Corporate Governance Committees are;

1. Ms. Potjaneer Thanavarant
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

8. Company Secretary

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, 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 the Stock Exchange of Thailand .
2. Company Secretary has duty and responsibility as stated in the Securities and Exchange Act B.E. 2008 and as regulated by the Capital Market Supervisory Board.

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 Netipo
Senior Vice President – Packed Food Business

- 5) Mr. Kritsada Wattanapakin⁽²⁾
Senior Vice President – Finance and Accounting
- 6) Mr. Thanee Pornphisutsak
Vice President – Production
- 7) Mr. Suvit Sirichu
Vice President – Operations
(Shabushi and Nikuya)

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:
 - 1) Propose to the Executive Committee for approval the amendment of human resource management plan, manpower structure, remuneration structure, benefits

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 21, 2019. The name of the Company's directors has already been shown in section 1.
- (2) Mr. Kritsada Wattanapakin was appointed as Senior Vice President Finance and Accounting, effective from August 9, 2019.
- (3) Mr. Suvit Sirichu was appointed as Vice President – (Shabushi and Nikuya), effective from November 21, 2019.

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 shall be in line with the Company's strategies and goals.

- 2) Approve the annual performance evaluation method, transference improvement and succession plan for the employees.
- 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.
- 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.
- 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.

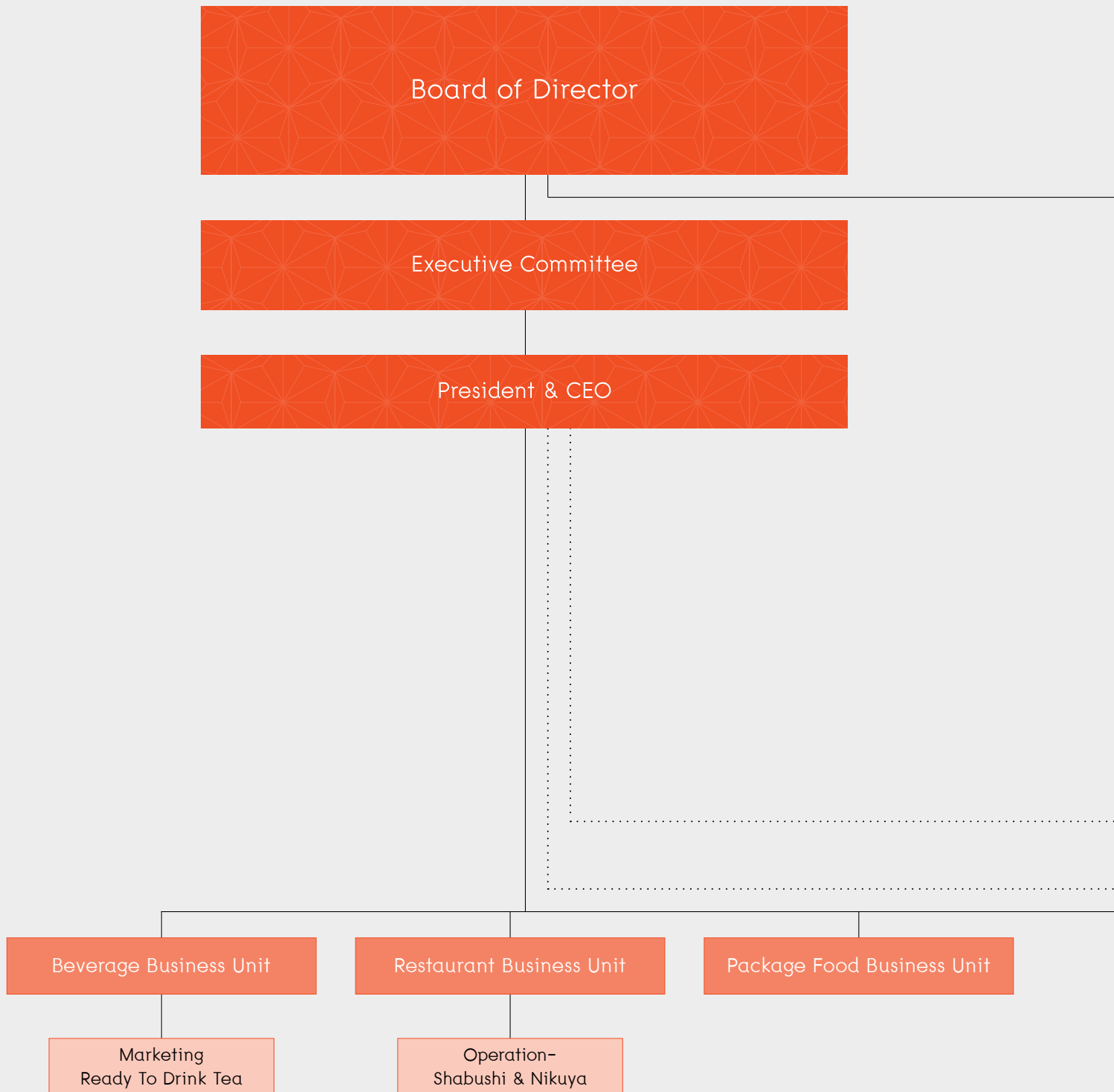
12.2 THE RECRUITMENT FOR DIRECTORS, INDEPENDENT DIRECTORS, AUDIT COMMITTEES AND EXECUTIVES

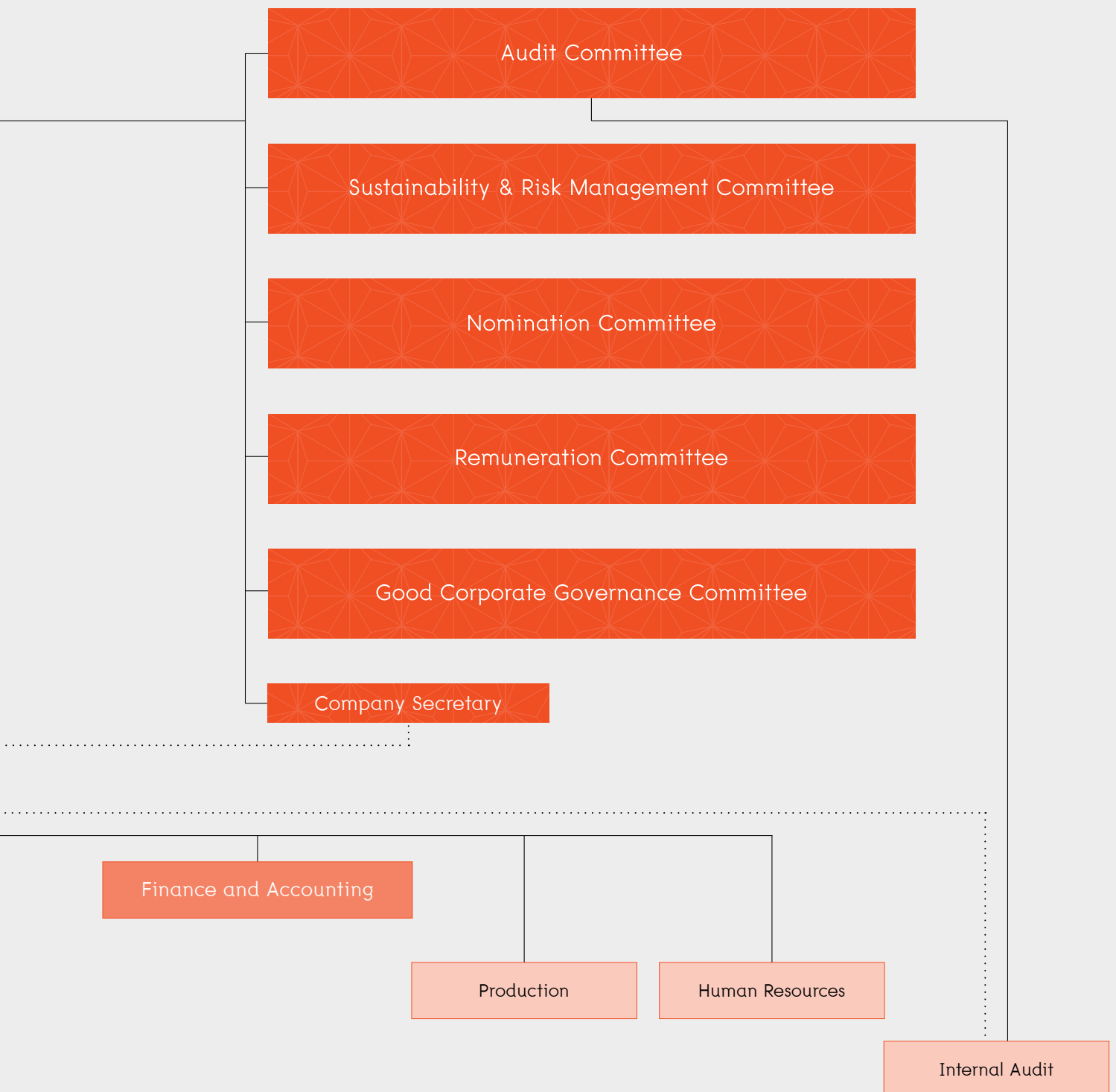
1. In the case that the Directors, Independent Directors, Audit Committees and Executives reach the end of their term, or their positions become vacant for any other reason

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

ORGANIZATION CHART

AS AT NOVEMBER 21, 2019





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 vacancies 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.

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 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 Page 167 to page 194 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 Directors,
Independent Director, Nomination Committee Member
and Remuneration Committee Member

Date of Birth

June 22, 1943

Age

76

Education

- LL.B. (Second Class Honors), 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 (FN) 2004
- Board Failure and How to Fix It, Improving the Quality of Financial Reporting 2004
- Director Accreditation Program (DAP) 2005
- National Director Conference 2015 (NDC) 2015
- 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 2019)

9 years 9 months

Positions in other listed companies

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

Positions in other non-listed companies

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

1992 – Apr 2019 Lecturer of Legal Education Institute
The Thai Bar Association
2009 – 2016 Chulalongkorn University Council Member
Chulalongkorn University
2001 – 2015 Exclusive Lecturer (B.A.), Faculty of Law
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 Member

Date of Birth

January 20, 1975

Age

44

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 Logistics 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)

- 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 2019)

13 years 11 months

Positions in other listed companies

Present Vice Chairman of the Board
Univentures Public Company Limited
Director, Vice Chairman No. 3 and Chairman of the Executive Committee
Sermasuk 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
Thai Group Holdings Public Company Limited

Positions in other non-listed companies

Present President and CEO, Chief Beer Product Group and Chief Center of Excellence
Thai Beverage Public Company Limited
Chairman
Oishi Trading Co., Ltd.
Oishi Ramen Co., Ltd.
Oishi Food Service Co., Ltd.
Red Bull Distillery Group of Companies
Vice Chairman
Times Publishing Limited
South East Group of Companies

Positions in other non-listed companies

Present **Vice Chairman and Executive Chairman**
 Beer Thai (1991) Public Company Limited
Director and Executive Chairman
 GMM Channel Holding Company Limited
Director
 Fraser and Neave, Limited
 TCC Group of Companies
 ThaiBev Marketing Co., Ltd.
 International Breweries Limited
 ASM International Limited
 C.A.I. Co., Ltd.

Other

- Asia's Top CEO of the Year 2017 Award from Influential Brands in 2017
- Asian Corporate Director Recognition Award from the Corporate Governance Asia Magazine in 2011
- Asian Excellence Recognition Awards: Asia's Best CEO (Investor Relations) from the Corporate Governance Asia Magazine for four consecutive years in 2011, 2012, 2013, 2014 and 2015
- Asia's Best Company 2009, Thailand: Best CEO award by FinanceAsia in 2009

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

None

Experiences during the past 5 years

2004 – 2018 **Vice Chairman**
 Red Bull Distillery Group of Companies
 2004 – 2018 **Director and Executive Vice Chairman**
 Beer Thai (1991) Public Company Limited
 2001 – 2017 **Director**
 Berli Jucker Public Company Limited
 2007 – 2015 **Vice Chairman**
 Siam Food Products Public Company Limited

Legal Record during the past 10 years

None

3. Mr. Vikrom Koombirochana

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 Member

Date of Birth

January 23, 1946

Age

73

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) 63/2007
- Anti-Corruption for Executive Program (ACEP) 7/2013
- Successful Formulation & Execution of Strategy (SFE) 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 2019)

13 years 1 month

Positions in other listed companies

Present

ChairmanCountry Group Development Public
Company Limited

2014-present

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 AdvisorBritish 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

2013 – Apr 2016

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

2012 – Jan 2016

Commissioner, Audit Committee Member
and Nomination and Remuneration
Committee Member
 The Securities and Exchange
Commission (SEC)

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

73

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 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 2019)

10 years 10 months

Positions in other listed companies

Present

Independent Director and Chairman of the Audit Committee

Bank of Ayudhya Public Company Limited

Independent Director, Chairman of the 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 and Audit Committee Member
	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 Association (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
2009 – 2016	Independent Director
	Berli Jucker 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

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

Independent Director Audit Committee Member,
Chairman of Sustainability and Risk Management
Committee and Good Corporate Governance Member

Date of Birth

November 25, 1954

Age

65

Education

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

Training

Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) 29/2003
- Audit Committee Program (ACP) 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 2019)

13 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, Chairman of the
Audit Committee, Nomination and
Remuneration Committee and Risk
Management 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 Executive Committee

Date of Birth

May 17, 1949

Age

70

Education

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

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

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

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 2019)

13 years 11 months

Positions in other listed companies

Present 4th Vice Chairman and 1st Vice Chairman
of Executive Committee
Sermasuk Public Company Limited

Positions in other non-listed companies

Present Director and Senior Executive Vice President,
Sustainability and Risk Management Committee
Member and Chief Operating Officer – Thailand
Thai Beverage Public Company Limited
Vice Chairman
Oishi Trading Co., Ltd.
Oishi Ramen Co., Ltd.
Oishi Food Service Co., Ltd.
Red Bull Distillery Group of Company
Vice Chairman and Chairman of
the Executive Committee
Cash Van Management Company Limited
Modern Trade Management Company Limited
Horeca Management Company Limited
Director and Co-Chairman
Grand Royal Group International
Company Limited
(fka, Myanmar Distillery Company Limited)
Myanmar Supply Chain and Marketing Services
Company Limited
1st Vice Chairman
Thai Beverage Marketing Co., Ltd.
BevTech Co., Ltd.
THAIBEV Marketing Co., Ltd.
2nd Vice Chairman and Chairman of
the Executive Committee
Thai Drinks Co., Ltd.
2nd Vice Chairman and Vice Chairman
of the Executive Committee
Thai Beverage Logistics Co., Ltd.

Positions in other non-listed companies

Present **Director**

Traditional Trade Management Co., Ltd.

Food and Beverage Holding Co., Ltd.

Green Bean Co., Ltd.

International Beverage Holdings Limited

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

None

Experiences during the past 5 years

2016 — 2018 **Director and Senior Executive**

Vice President, Chief Route-to-Market

Thai Beverage Public Company Limited

2010 — 2016 **Director and Executive Vice President**

Thai Beverage Public 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 Executive Committee
and Remuneration Committee Member

Date of Birth

July 10, 1954

Age

65

Education

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

Training

Thai Institute of Directors Association (IOD)

- Director 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 2019)

13 years 11 months

Positions in other listed companies

Present **Director**

Siam Food Products Public Company Limited
Golden Land Property Development Public
Company Limited
Univentures Public Company Limited
Sermasuk Public Company Limited
Berli Jucker Public Company Limited
Asset World Corp Public Company Limited
Frasers Property (Thailand) Public Company Limited

Positions in other non-listed companies

Present **Director and Senior Executive Vice President,
Sustainability and Risk Management Committee
Member and Group CFO**

Thai Beverage Public Company Limited
Vice Chairman

Oishi Trading Co., Ltd.

Oishi Ramen Co., Ltd.

Oishi Food Service Co., Ltd.

Director

Oishi International Holdings Limited

Petform (Thailand) Co., Ltd.

Fraser and Neave, Limited

Frasers Property Limited

Eastern Seaboard Industrial Real Estate
(Rayong) Co., Ltd.

Big C Retail Holding Co., Ltd.

TCC Assets (Thailand) Co., Ltd.

Thai Beverage Can Co., Ltd.

Univentures REIT Management Co., Ltd.

Food and Beverage Holding Co., Ltd.

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

None

Experiences during the past 5 years

March 2016 – **Director**
January 2018 Big C Supercenter Public
Company Limited
May 2010 – **Director and Executive Vice President**
September 2016 Thai Beverage Public Company Limited

Legal Record during the past 10 years

None

Others

Over 30 years of experiences in accounting and finance,
with many international recognition awards;

- Best CFO in Thailand – Finance Asia Magazine (2009)
- Asia's Best CFO (Investor Relations) – Corporate Governance Asia Magazine (2011, 2012)
- Best CFO in Southeast Asia – Alpha Southeast Asia Magazine (2015)
- Best CFO in Thailand – Alpha Southeast Asia Magazine (2014, 2015, 2016, 2018, 2019)

8. Mr. Pisanu Vichiensanth

Type of Director

Authorized Director

Tenure (as at December 2019)

13 years 11 months

Date of first appointment

January 26, 2006

Positions in other listed companies

None

Current PositionVice Chairman of Sustainability and
Risk Management Committee**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

1st Vice Chairman

Chang International Company Limited

Vice Chairman

Cosmos Brewery (Thailand) Company Limited

Food of Asia Co., Ltd.

Director and Executive Vice Chairman

Beer Thai (1991) Public Company Limited

Director

Oishi Trading Company Limited

Oishi Ramen Company Limited

Oishi Food Service Company Limited

Beer Chang International Limited

Charun Business 52 Company Limited

Pan International (Thailand) Company Limited

Feed Addition Company Limited

Thai Beverage Recycle Company Limited

Beer Chang Company Limited

Archa Beer Company Limited

Thai Beverage Training Company Limited

SPM Foods and Beverages Company Limited

Thai Drinks Company Limited

Great Brands Limited

Foods Company Holdings Co, Ltd.

Food and Beverage Holding Company Limited

Date of Birth

January 23, 1956

Age

63

Education

- Bachelor of Science (Food Science),
Kasetsart University
- Master of Technology (Second Class Honors)
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

**Director has direct & indirect in any
contract 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

9. 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

51

Education

- Bachelor Degree in Communication Arts (First Class Honors), Chulalongkorn University
- Master Degree in Business Administration (Honors), Cleveland State University, USA

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

- Director Accreditation Program (DAP) 135/2017

Training (other Institutes)

- Coaching and Feedback (Train the Trainer)
- Achieve Breakthrough Result (Train the Trainer)
- Advance Media training
- Decision Making
- Strategic Marketing Training
- Business Beyond the Box (BBB)
- 5 Levels of Leadership
- 7 Habits for highly effective people by PacRim

- 4 Roles of Leadership for highly effective leaders by Franklin Covey; Bangkok
- Consumer Insight
- Train the trainer for Promo Power
- 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 2019)

2 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 Co., Ltd.
 Oishi Trading Company Limited
 Oishi Ramen Company Limited
 Oishi Food Service Company Limited
Director
 Koykiao Co., Ltd.
 Max Asia Co., Ltd.
 Bistro Asia Co., Ltd.
 Thai Drinks Company Limited
 Oishi International Holdings Limited

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

Oishi Myanmar Limited
 Oishi Group Limited Liability Company
 Foods Company Holdings Co, Ltd.
 The QSR of Asia Co., Ltd.
 Spice of Asia Co., Ltd.
 Havi Logistics (Thailand) Co., Ltd.
 Havi Food Distribution (Thailand) Co., Ltd.
 Coffee Concepts (Thailand) Co., Ltd.
 Max Asia Food & Beverage (Thailand) Co., Ltd.
 F&N Retail Connection Co., Ltd.
 F&N International Holding Co., Ltd.
 Starbucks Coffee (Thailand) Co., Ltd.

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

None

Experiences during the past 5 years

2015 – present **Director and President**
 Food of Asia Co., Ltd.

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

54

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

Oishi F&B (Singapore) Pte. Ltd.

Oishi Group Limited Liability Company

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

None

Experiences during the past 5 years

2014 – present Executive Vice President – Food Business
Oishi Group Public Company Limited

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

50

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 International Holdings Limited

Oishi Group Limited Liability Company

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

None

Experiences during the past 5 years

2014 – 2015 **Vice President – Beverage Business**

Oishi Group Public Company Limited

Legal Record during the past 10 years

None

12. Ms. Mekhala Nethipo**Current Position****Senior Vice President - Packaged Food Business****Date of Birth**

November 18, 1970

Age

49

Education

- Bachelor Degree in Communication Arts, Chulalongkorn University
- Master Degree in Business Administration (MBA), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Global 2030 Executive Leadership Program Tuck School of Business, Dartmouth College, USA

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 **Deputy Managing Director - Food Business
Strategy**

Food of Asia Co., Ltd.

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

None

Experiences during the past 5 years

June 2016 -	Senior Director, Adult and Feminine
January 2017	Care Sector
	Kimberly-Clark Asia Pacific (Singapore)
May 2013 -	Marketing Director
June 2016	Colgate-Palmolive Taiwan Co., Ltd.

Legal Record during the past 10 years

None

13. Mr. Kritsada Wattanapakin**Current Position**

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

Date of Birth

December 6, 1979

Age

40

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

Present Chief Financial Officer
[Non Alcohol Business Thailand]
Thai Drinks Co., Ltd.

Executive 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 during the past 10 years

None

14. Mr. Thanee Pornphisutsak**Current Position**

Vice President — Production and Sustainability
and Risk Management Committee Member

No. of share(s) held in the Company

included holding by spouse and minor children

None

Date of Birth

November 30, 1969

Positions in other listed companies

None

Age

50

Positions in other non-listed companies

None

Education

- Bachelor Degree in Food Sciences and Technology
Kasetsart University

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

None

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

None

Experiences during the past 5 years

2011 – April 2016 General Factory Manager

Oishi Group Public Company Limited

Training (other Institutes)

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

Legal Record during the past 10 years

None

REMUNERATION OF THE BOARD OF DIRECTORS AND EXECUTIVES



14.1 MONETARY REMUNERATION

The Remuneration Committee has resolved the monetary remuneration for members of the Board of Directors, Sub-committee and Executives by taking the Company and its subsidiaries' business performance, duties and responsibilities of the Directors and Executives as well as business expansion in comparison to the same industry into consideration as follows;

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

Name-Surname / Position	2019 (October 2018 – September 2019)			
	Remuneration			Total amount (Baht)
	Retainer fee (Baht)	Attendance Fee (Baht)	Bonus (Baht)	
1. Mr. Prasit Kovilaikool ^{(1) (3)} Chairman Independent Director Nomination Committee Remuneration Committee	633,600	74,400	3,293,300	4,001,300
2. Mr. Thapana Sirivadhanabhakdi ⁽³⁾ Vice Chairman Chairman of the Executive Committee Nomination Committee Remuneration Committee Good Corporate Governance Committee	658,400	39,300	4,252,900	4,950,600
3. Mr. Vikrom Koompirochana ⁽³⁾ Independent Director Chairman of the Audit Committee Chairman of the Nomination Committee Remuneration Committee Good Corporate Governance Committee	613,600	49,800	2,470,000	3,133,400
4. Ms. Potjanee Thanavarani ⁽²⁾⁽³⁾ Independent Director Audit Committee Chairman of the Remuneration Committee Chairman of the Good Corporate Governance Committee	556,800	46,600	2,470,000	3,073,400

Name-Surname / Position	2019 (October 2018 – September 2019)			
	Remuneration			Total amount (Baht)
	Retainer fee (Baht)	Attendance Fee (Baht)	Bonus (Baht)	
5. Mr. Chai Jroongtanapibarn ⁽³⁾ Independent Director Audit Committee Chairman of the Sustainability and Risk Management Committee Good Corporate Governance Committee	585,600	58,000	2,470,000	3,113,600
6. Mr. Ueychai Tantha-Obhas ⁽³⁾ Director 1 st Vice Chairman of the Executive Committee	420,800	42,200	2,983,800	3,446,800
7. Mr. Sithichai Chaikriangkrai ⁽³⁾ Director 2 nd Vice Chairman of the Executive Committee Remuneration Committee	477,600	42,200	2,983,800	3,503,600
8. Mr. Pisanu Vichiensanth ⁽³⁾ Director Executive Committee Vice Chairman of the Sustainability and Risk Management Committee	517,600	53,400	2,538,100	3,109,100
9. Mrs. Nongnuch Buranasetkul ⁽³⁾ Director President & CEO Executive Committee Sustainability and Risk Management Committee Good Corporate Governance Committee	-	-	2,538,100	2,538,100
Total	4,464,000	405,900	26,000,000	30,869,900

Remarks:

- (1) Mr. Prasit Kovilaikool, Chairman and Independent Director, holding the position of Independent Director and Chairman of the Audit Committee at Thai Beverage Public Company Limited ("Thai Bev"), the Company's parent company. His remuneration from Thai Bev from the period of October 1, 2018 to September 30, 2019 was SGD 286,000. Conversion rate is SGD 1 = Baht 23.
- (2) Ms. Potjanee Thanavarani, Independent Director holding the position of Independent Director at Thai Bev, the Company's parent company. Her remuneration from Thai Bev from the period of October 1, 2018 to September 30, 2019 was SGD 84,000. Conversion rate is SGD 1 = Baht 23.
- (3) There are no directors who are subject to receive any remuneration from the Company's subsidiaries.
- (4) There is no remaining remuneration payment.

2. Monetary remuneration of Company executives in the form of salaries and other payments which was endorsed by the Remuneration Committee and approved by the Board of Directors. The details are set out below.⁽¹⁾

Unit : Thousand Baht

	2019 (October 2018 — September 2019)	2018 (October 2017 — September 30 2018)
Salary	11,598.78	14,099.99
Bonus	3,418.85	3,830.09
Social Security Fund	21.00	27.00
Employee Benefits	2,289.84	4,319.47
Provident Fund	526.62	564.37
Service fees under the Business Administrative Service Agreement	14,512.00	14,564.00
Remuneration from the Allotment of Bonus Shares under the Long Term Incentive Plan of Thai Beverage Public Company Limited or "LTIP" ⁽²⁾	477.90	370.05
Total	32,844.99	37,774.97

Remarks:

- (1) Executives remuneration in 2019 (October 1, 2018 — September 30, 2019) is presenting follows the definition announced by the Securities and Exchange Commission consisted of the following 7(6) executives:
1. Mrs. Nongnuch Buranasetkul 2. Mr. Paisarn Aowsathaporn 3. Mrs. Jesdakorn Ghosh 4. Ms. Mekhala Nethipo 5. Mr. Thanee Pornphisutsak 6. Mr. Ekbodin Densutham and 7. Mr. Kritsada Wattanapakin which does not include the director's monetary remuneration made to Mrs. Nongnuch Buranasetkul under Section 1. The monetary remuneration paid to members of the Board of Directors, the form of monthly retainer fee, attendance fee and bonus.
- (2) Refer to the Annual General Meeting of Shareholder of Thai Beverage Public Company Limited ("Thai Bev") for the year 2016 held on April 28, 2016 ("Annual General Meeting of Shareholder 2016") has approved Long Term Incentive Plan ("LTIP") which is intended to increase the competitiveness of all affiliate companies under Thai Bev 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 2019 (from October 1, 2018 to September 30, 2019) 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 2019 (from October 1, 2018 to September 30, 2019) was Baht 9,360,000.
- (4) Mr. Kritsada Wattanapakin was appointed to the position of Senior Vice President effective from August 9, 2019.
- (5) Mr. Ekbodin Densutham was resigned from the position of Vice President on January 1, 2019.
- (6) There is no executive who receives the remuneration fee from the subsidiaries.
- (7) There is no remaining remuneration payment.

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 Anti-Corruption for Executive Program 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. Mr. Pisanu Vichiensanth	-	DAP/2004	-	-	-
9. Mrs. Nongnuch Buranasetkul	-	DAP 135/2017	-	-	-

14.3 OTHER BENEFITS

- None -

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



Name	Position	Ordinary Shares		
		30 Sep. 2018	30 Sep. 2019	Increase (Decrease)
1. Mr. Prasit Kovilaikool Spouse and minor child	Chairman and Independent Director	- -	- -	- -
2. Mr. Thapana Sirivadhanabhakdi Spouse and minor child	Vice Chairman	- -	- -	- -
3. Mr. Vikrom Koompirochana Spouse and minor child	Independent Director and Chairman of the Audit Committee	- -	- -	- -
4. Ms. Potjanee Thanavarant Spouse and minor child	Independent Director and Audit Committee	- -	- -	- -
5. Mr. Chai Jroongtanapibarn Spouse and minor child	Independent Director and Audit Committee	- -	- -	- -
6. Mr. Ueychai Tantha-Obhas Spouse and minor child	Director	- -	- -	- -
7. Mr. Sithichai Chaikriangkrai Spouse and minor child	Director	- -	- -	- -
8. Mr. Pisanu Vichiensanth Spouse and minor child	Director	- -	- -	- -
9. Mrs. Nongnuch Buranasethkul Spouse and minor child	Director and President&CEO	- -	- -	- -
10. Mr. Paisarn Aowsathaporn Spouse and minor child	Executive Vice President	- -	- -	- -
11. Mrs. Jesdakorn Ghosh Spouse and minor child	Senior Vice President	- -	- -	- -
12. Ms. Mekhala Nethipo ⁽²⁾ Spouse and minor child	Senior Vice President	- -	- -	- -
13. Mr. Kritsada Wattanapakin ⁽²⁾ Spouse and minor child	Senior Vice President	- -	- -	- -
14. Mr. Thanee Pornphisutsak Spouse and minor child	Vice President	- -	- -	- -
15. Mr. Ekbodin Densutham ⁽³⁾ Spouse and minor child	Vice President	- -	- -	- -

Remarks:

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

(2) Mr. Kritsada Wattanapakin was appointed from Vice President to Senior Vice President effective on August 9, 2019.

(3) Mr. Ekbodin Densutham resigned from the position effective on January 1, 2019

HUMAN CAPITAL AND HUMAN RESOURCES DEVELOPMENT POLICY



16.1 EMPLOYEES

As of September 30, 2019, Oishi Group Public Company Limited ("the Company") and its subsidiaries ("Oishi Group of companies") have a total of 9,425 employees (excluding the Board of Directors and Management team as per details under Management Structure Section) which are categorized into:

Function	Number of Employees
Corporate Functions	454
Restaurant Operations	7,955 (Excluding 65 employees under Joint Venture Restaurant Operations in Myanmar)
Production	1,016
Total	9,425

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

Gender	Number of Employees	Proportion by Gender
Male	3,819	40.52%
Female	5,606	59.48%
Total	9,425	100%

Age	Number of Employees	Proportion by Age
Under 30 years old	6,689	70.97%
Between 30-50 years old	2,388	25.34%
Above 50 years old	348	3.69%
Total	9,425	100%

Level	Number of Employees	Proportion by Level
Staff – Supervisory	9,187	97.47%
Assistant Manager – Manager	211	2.24%
Assistant Director – Deputy Director	11	0.12%
Director – Senior Director	16	0.17%
Total	9,425	100%

As of September, 30, 2019, the total basic salary was 1,347 million Baht (excluding salary paid to the employees in Myanmar).

16.2 EMPLOYEE TRAINING AND DEVELOPMENT POLICY

To emphasize the consistent commitment to the development of human capital of the Oishi Group, a training course for human capital development in 2019, in alignment with ThaiBev Global Values of Thai Beverage Public Company Limited, a major shareholder of the Company ("ThaiBev"), is provided. Such values are justified as the critical elements for efficient collaboration, leading to active learning, being open to different points of view, care for relevant parties, and taking added value initiative so as employees are able to exercise business guidelines in the same direction by patterned learning process. The employees will be instilled with ThaiBev Global Values on their first day of orientation. Moreover, the internal departments will be encouraged to take into account the annual training course and development project as to effectively bring about achievement on their performance. In addition, training course with external institutions is an alternative for employees to develop their skills in a specific manner.

In order to put in place nationwide paperless policy and training efficiency process corresponding to the era of AI, the Oishi Group in collaboration with ThaiBev has improved Information Technology System Development Project, i.e., registration system, training record as well as other information reporting method via computers, mobile devices or tablets. Besides, the Oishi Group has consistently improved its human capital in accordance with sustainability development policy and to maintain its reward "Industry Leader 2019 (DJSI World Member, DJSI Emerging Markets)", which the Company has ranked number one for two consecutive years.

As of September 30, 2019, the Oishi Group has spent its budget on human capital development in a total amount of 4,672,195.70 Baht, averaging 495.72 Baht per person with 129,917 hours training, averaging 13.78 hours per person.

Employee Training Program 2019 (as of September 30, 2019)			
	Training Hours	Numbers of Employees	Training Hours (Average Training Hours/ person)
Company Headquarters	5,809	454	12.80
Production Plants	28,279.50	1,016	27.83
Restaurant Operations	95,828.50	7,955	12.05
Total	129,917	9,425	13.78

16.3 WELFARE POLICY

OISHI Group of companies 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 2019, 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 of companies has continuously been enforcing a high safety standard of occupational health and workplace environment.

In 2019, 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 2019, 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

OISHI Group of companies 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 2019, 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

OISHI Group of companies has a policy to encourage its employees to study, understand, and adhere to the Company's Business Ethics and Corporate Governance policy. OISHI Group of companies 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 of companies 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 conducive to potential fraudulent actions which might cause serious damage and impact to the Company.

Therefore, in 2019, employees are encouraged to fully adhere to the Company's business ethics and corporate governance policy and put into practice with both internal and external parties by testing their understanding of

the Company's business ethics through Beverest. The aim is to build awareness among all levels of staff and increase understanding of the policies and guidelines of the Company to ensure the rigorous practice and its achievement.

The Oishi Company has initiated the I Care (I = Internal Audit) project, of which the Internal Audit provide advice and useful information on work ethics and compliance based on good internal control system and the benefits to the employee as a whole through Social Channel: Facebook Page.

The Company has launched a pilot project with branches of restaurants within the Oishi Group in June 2019, with the main objectives to be a center for resources, information, and advice on work ethics under good internal control system. This pilot project serves as a critical communication channel to respond to questions from employees and provides useful information that supports individual employees and the organization. In addition, it enhances an active learning environment and business integration, plus strengthening relationships between different departments and divisions and the Internal Audit. Moreover, this pilot project optimizes channels to handle complaints, whistleblowing, and issues of unfair treatment arising from the employees.



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 analytical 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 employees 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 full support by the Board of Directors and the Executives to ensure the Company's sustainability growth.

In this regard, the Company encourages all the employees to review its code of conducts via Beverest Learning Module on an annual basis in order to ensure a proper business direction as well as good conduct of the employees. Eventually, constant and sustainable growth will be contributed to the Company.

INTERNAL INFORMATION USAGE



18.1 The Company prohibits the directors, executives and any person(s) in possession of the significant insider information which has not been disseminated to public for the one's own benefit of securities trading. Those person shall refrain from trading shares one month before the operating results are disclosed to the public.

The Company's punishment for those who misuse the internal information ranging from verbally warning to terminating employment.

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

18.2 The Board of Directors and executives 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. 2535 (1992) regarding the punishment regulation.

18.3 The Company requests the directors and executives to notify to Company Secretary one day prior to the actual transaction of any of their own OISHI's securities trading activity.

RELATED PARTY TRANSACTIONS



19.1 RELATIONSHIPS WITH RELATED PARTIES

As of 30 September 2019, the Company and its subsidiaries have entered into related party 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
Numrungrad Co., Ltd.	Thailand	Direct subsidiary of parent company

Name of entities	Country of incorporation / nationality	Nature of relationships
Numthip Co., Ltd.	Thailand	Direct subsidiary of parent company
Cash Van Management Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Energy Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Logistics Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Training Co., Ltd.	Thailand	Direct subsidiary of parent company
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
C.A.I. Co., Ltd.	Thailand	Direct subsidiary of parent company
International Beverage Holding Ltd.	Hong Kong	Direct subsidiary of parent company
Food of Asia Co., Ltd.	Thailand	Indirect subsidiary of parent company
Bangkok Art Biennale Management 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
Sermsuk Beverage Co., Ltd.	Thailand	Subsidiary of an indirect subsidiary of parent company

Name of entities	Country of incorporation / nationality	Nature of relationships
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

Name of entities	Country of incorporation / nationality	Nature of relationships
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
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
TCC Land 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
TCC Assets (Thailand) Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Amarin Printing and Publishing Public Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Kasemsabbhakdi 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

Name of entities	Country of incorporation / nationality	Nature of relationships
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
T.C.C. Commercial Property Management Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Asia Books 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

Name of entities	Country of incorporation / nationality	Nature of relationships
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 2019 with related parties were as follows:

Sales to parent company

Ref	Name	Relationship	2019		2018		2017	
			Sale	Account Receivable	Sale	Account Receivable	Sale	Account Receivable
1	Thai Beverage PLC.	Parent company and common directorship	824,000	271,027	3,413,199	491,428	2,177,468	258,082
	Total		824,000	271,027	3,413,199	491,428	2,177,468	258,082

Sales to related companies

Ref	Name	Relationship	2019		2018		2017	
			Sale	Account Receivable	Sale	Account Receivable	Sale	Account Receivable
1	Num Yuk Co., Ltd.	Direct subsidiary of parent company	(3,677,193)	-	(8,255,751)	-	(11,747,238)	-
2	Numthurakij Co., Ltd.	Direct subsidiary of parent company	(7,847,169)	-	(20,490,495)	-	(37,286,293)	-
3	Nummuang Co., Ltd.	Direct subsidiary of parent company	(2,773,292)	-	(5,869,879)	-	(7,880,654)	-
4	Numnakorn Co., Ltd.	Direct subsidiary of parent company	(4,792,543)	-	(10,917,418)	-	(13,267,682)	-
5	Num Palang Co., Ltd.	Direct subsidiary of parent company	(1,718,114)	-	(4,354,004)	-	(4,771,701)	-
6	Numkijjakarn Co., Ltd.	Direct subsidiary of parent company	(5,027,125)	-	(12,154,401)	-	(14,939,739)	-
7	Numrungrud Co., Ltd.	Direct subsidiary of parent company	(6,146,825)	-	(16,512,963)	-	(27,820,655)	-
8	Numthip Co., Ltd.	Direct subsidiary of parent company	(5,607,638)	-	(11,932,087)	-	(13,719,029)	-
9	Cash Van Management Co., Ltd.	Direct subsidiary of parent company	(16,129,762)	-	(40,157,548)	-	(55,660,967)	-
10	Beer Thai (1991) PLC.	Direct subsidiary of parent company	-	-	4,996	-	23,418	-
11	Beer Thip Brewery (1991) Co., Ltd.	Direct subsidiary of parent company	11,507,989	2,023,933	11,214,739	767,635	15,949,561	1,523,083
12	Cosmos Brewery (Thailand) Co., Ltd.	Direct subsidiary of parent company	1,514	-	8,461	-	13,694	-
13	Thai Beverage Energy Co., Ltd.	Direct subsidiary of parent company	-	-	4,930	-	10,532	-
14	Krattayabun Co., Ltd.	Direct subsidiary of parent company	873,728,674	7,825	4,252,978,725	327,762,623	5,282,440,456	293,533,111

Ref	Name	Relationship	2019		2018		2017	
			Sale	Account Receivable	Sale	Account Receivable	Sale	Account Receivable
15	Modern Trade Management Co., Ltd.	Direct subsidiary of parent company	(161,089,091)	-	(266,506,203)	-	(397,995,315)	-
16	C.A.I. Co., Ltd.	Direct subsidiary of parent company	7,850	-	-	-	-	-
17	Pomkit Co., Ltd.	Direct subsidiary of parent company	-	-	-	2,000	11,041	-
18	Pomklung Co., Ltd.	Direct subsidiary of parent company	-	-	-	18,000	-	-
19	Pomcharoen Co., Ltd.	Direct subsidiary of parent company	-	-	-	4,000	-	-
20	Pomburapa Co., Ltd.	Direct subsidiary of parent company	-	-	-	2,500	-	-
21	Pompalang Co., Ltd.	Direct subsidiary of parent company	-	-	-	10,250	-	-
22	Pomchok Co., Ltd.	Direct subsidiary of parent company	-	-	-	-	4,229	-
23	Pan International (Thailand) Co., Ltd.	Direct subsidiary of parent company	-	-	5,346	-	30,176	-
24	Dhospaak Co., Ltd.	Direct subsidiary of parent company	14,550	-	142,953	-	329,387	-
25	Thai Beverage Training Co., Ltd.	Direct subsidiary of parent company	53,690	16,055	-	-	99,569	-
26	Thai Beverage Logistics Co., Ltd.	Direct subsidiary of parent company	9,807	10,663	5,850	1,691	91,343	-
27	Thai Beverage Marketing Co., Ltd.	Direct subsidiary of parent company	13,314	-	127,729	-	10,221	-
28	BevTech Co., Ltd.	Direct subsidiary of parent company	2,552	-	-	-	-	-
29	Agent Management Co., Ltd.	Direct subsidiary of parent company	-	-	19,388,630	-	26,395,064	8,968,276
30	Chang International Co., Ltd.	Direct subsidiary of parent company	-	-	486	-	95,448	-
31	Thai Drinks Co., Ltd.	Direct subsidiary of parent company	3,566,149,844	364,068,557	9,425,136	963,882	5,910,292	1,314,966
32	Food of Asia Co., Ltd.	Indirect subsidiary of parent company	1,272,776	73,346	183,122	26,910	347,965	82,905
33	ASM Management Co., Ltd.	Direct subsidiary of parent company	68,415	-	-	-	-	-
34	Sangsom Co., Ltd.	Direct subsidiary of parent company	-	-	-	-	65,467	3,016
35	Thai Molasses Co., Ltd.	Direct subsidiary of parent company	-	-	-	-	1,868	-
36	Pomthip (2012) Co., Ltd.	Direct subsidiary of parent company	-	-	-	-	18,062	15,525
37	Horeca Management Co., Ltd.	Direct subsidiary of parent company	-	-	-	-	(1,046,518)	-

Ref	Name	Relationship	2019		2018		2017	
			Sale	Account Receivable	Sale	Account Receivable	Sale	Account Receivable
38	Bangkok Art Biennale Management Co., Ltd.	Indirect subsidiary of parent company	3,271	-	-	-	-	-
39	North Park Golf And Sports Club Co., Ltd.	Directors and controlling equity holders of parent company are directors and hold substantial shares indirectly	7,680	-	9,600	-	-	-
40	The Southeast Insurance PLC.	Directors and controlling equity holders of parent company hold substantial shares indirectly	-	-	(7,290)	-	218,186	-
41	The Southeast Life Insurance PLC.	Directors and controlling equity holders of parent company hold substantial shares indirectly	-	-	-	-	76,037	-
42	T.C.C. Technology Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	-	-	-	-	10,825	-
43	Berli Jucker PLC.	Directors and controlling equity holders of parent company hold substantial shares indirectly	-	-	-	-	246,874	-
44	Berli Jucker Logistics Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	-	-	-	-	6,922	-
45	The Street Retail Development Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	-	-	-	-	35,100	-
46	Sermasuk PLC.	Subsidiary of an indirect subsidiary of parent company	782,250,197	76,657,617	797,934,850	76,238,199	1,266,063,941	
47	Sermasuk Beverage Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	16,095,000	2,226,938	7,978,125	1,113,469	14,221,875	-
48	F&N Beverages Manufacturing Sdn. Bhd.	Associate of an indirect subsidiary of parent company	13,799,866	5,849,165	12,498,286	5,946,744	11,642,855	1,253,988

Ref	Name	Relationship	2019		2018		2017	
			Sale	Account Receivable	Sale	Account Receivable	Sale	Account Receivable
49	F&N Foods Pte. Ltd.	Associate of an indirect subsidiary of parent company	2,901,969	297,187	6,762,943	214,288	6,215,296	774,599
50	F&N Dairies (Thailand) Limited	Associate of an indirect subsidiary of parent company	157,957	4,132,389	4,695,472	-	40,052,406	3,900,348
51	F&B International Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	146,534	15,408	267,096	29,583	314,325	57,831
52	Big C Supercenter PLC.	Directors and controlling equity holders of parent company hold substantial shares indirectly	41,409,834	9,952,728	41,654,556	9,867,548	40,013,714	8,292,116
53	Thippatana Arcade Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	-	-	-	-	8,775	-
54	Rubia Industries Limited	Directors and controlling equity holders of parent company hold substantial shares indirectly	-	-	-	-	9,142	-
55	TCC Logistics & Warehouse Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	-	-	-	-	9,944	-
56	TCC Hotel Asset Management Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	-	-	-	-	3,472	-
57	Tor Yod Market AEC Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	-	-	-	-	4,486	-
58	Max Asia Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	22,867,370	15,361,404	29,078,186	31,236,877	33,569,212	20,662,114

Ref	Name	Relationship	2019		2018		2017	
			Sale	Account Receivable	Sale	Account Receivable	Sale	Account Receivable
59	The QSR of Asia Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	4,166	1,550	48,000	-	-	-
60	Bistro Asia Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	-	-	48,832	-	-	-
61	Spice of Asia Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	405,948	79,288	54,870	43,239	-	-
62	Havi Logistics (Thailand) Limited	Havi Logistics (Thailand) Limited	-	89,590,538	-	85,781,931	-	-
63	TCC Assets (Thailand) Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	96,084	-	-	-	-	-
Total			5,118,260,118	570,364,048	4,797,363,880	540,031,369	6,158,459,547	501,800,712

Management fee to parent company

Ref	Name	Relationship	2019		2018		2017	
			Amount	Account Payable	Amount	Account Payable	Amount	Account Payable
	Thai Beverage PLC.	Parent company and common directorship	9,360,000	1,378,600	9,360,000	2,503,800	9,360,000	834,600
Total			9,360,000	1,378,600	9,360,000	2,503,800	9,360,000	834,600

Other expenses paid to parent company

Ref	Name	Relationship	2019		2018		2017	
			Amount	Account Payable	Amount	Account Payable	Amount	Account Payable
1	Thai Beverage PLC.	Parent company and common directorship	6,843,704	4,671,895	6,220,694	9,536,079	1,687,260	3,394,598
Total			6,843,704	4,671,895	6,220,694	9,536,079	1,687,260	3,394,598

Other incomes from parent company

Ref	Name	Relationship	2019		2018		2017	
			Amount	Account Receivable	Amount	Account Receivable	Amount	Account Receivable
1	Thai Beverage PLC.	Parent company and common directorship	111,115	6,766	22,168	-	-	-
	Total		111,115	6,766	22,168	-	-	-

Non-current liability - Parent company

Ref	Name	Relationship	2019		2018		2017	
			Amount	Account Receivable	Amount	Account Receivable	Amount	Account Receivable
1	Thai Beverage PLC.		1,579,969		1,908,391		-	
	Total		1,579,969					

Sale of assets to related parties

Ref	Name	Relationship	2019		2018		2017	
			Amount	Account Receivable	Amount	Account Receivable	Amount	Account Receivable
1	Cosmos Brewery (Thailand) Co., Ltd.	Sanitary ware	-	-	53,500	-	-	-
2	BevTech Co., Ltd.	Machinery	21,547,000	23,055,290	4,500	-	-	-
	Total		21,547,000	23,055,290	58,000	-	-	-

Other incomes from related companies

		2019		2018	2017
Ref	Relationship	Amount	Account Receivable	Amount	
1	Cosmos Brewery (Thailand) Co., Ltd.	4,600	-	8,598	-
2	Sangsom Co., Ltd.	1,252	-	-	-
3	Numnakorn Co., Ltd.	8,560	-	-	-
4	Modern Trade Management Co., Ltd.	3,745	3,847	-	138,513
5	Thai Beverage Logistics Co., Ltd.	70,496	-	138,163	29,747
6	Food of Asia Co., Ltd.	97,027	40,546	6,500	27,900
7	Pomkit Co., Ltd.	369,250	-	-	-
8	Pomburapa Co., Ltd.	459,750	-	-	-
9	Pompalang Co., Ltd.	313,750	-	-	-
10	Pomthip (2012) Co., Ltd.	979,750	-	-	-
11	BevTech Co., Ltd.	1,682,908	38,736	1,138,831	220,251
12	Thai Drinks Co., Ltd.	8,357,202	2,829,520	9,345,117	2,892,762
13	ASM Management Co., Ltd.	4,371	41,204	-	4,447,786
14	Chang International Co., Ltd.	15,088	-	-	-
15	International Beverage Holding	938,488	938,488	-	-
16	Cash Van Management Co., Ltd.	220	-	-	-
17	Num Yuk Co., Ltd.	400	-	-	18,000
18	Numthurakij Co., Ltd.	-	-	-	26,800
19	Beer Thip Brewery (1991) Co., Ltd.	-	-	-	9,681
20	Pan International (Thailand) Co., Ltd.	-	-	-	2,467
21	Dhospaak Co., Ltd.	-	-	-	251
22	Univentures PLC.	-	-	-	2,150
	Directors and controlling equity holders of parent company hold substantial shares indirectly				

		2019		2018	2017
Ref	Relationship	Amount	Account Receivable	Amount	
23	Sermasuk PLC.	2,852,798	1,969,000	6,402,066	1,652,775
24	The Southeast Insurance PLC.	5,000	-	2,091,935	-
25	The Southeast Life Insurance PLC.	2,250	-	-	-
26	T.C.C. Technology Co., Ltd.	25,000	-	-	-
27	TCC Land Co., Ltd.	1,000	-	-	-
28	Tor Yod Market AEC Co., Ltd.	-	-	-	-
29	Golden Ventures Leasehold Real Estate Investment Trust	-	-	-	9,481,330
30	Big C Supercenter PLC.	-	-	-	15,396
31	F&N Beverages Marketing Sdn. Bhd.	319,633	308,314	5,187,355	3,521,798
32	F&N Dairies (Thailand) Limited	3,968,045	-	137,112	927,435
					136,732

Ref	Relationship	2019		2018		2017	
		Amount	Account Receivable	Amount	Balance due	Amount	Balance due
33	Max Asia Co., Ltd.	3,706,367	-	3,462,205	-	4,005,529	-
34	Bistro Asia Co., Ltd.	3,688	-	-	-	-	-
35	Havi Logistics (Thailand) Limited	202,783	-	41,925	44,860	-	-
	Total	24,393,421	6,169,654	27,959,807	14,107,135	46,814,345	21,170,574

Purchases goods from related parties

Ref	Name	Type	2019		2018		2017	
			Amount	Balance due	Amount	Balance due	Amount	Balance due
1	Numthurakij Co., Ltd.	Finished goods	-	-	390,177	-	743,069	155,912
2	Nummuang Co., Ltd.	Finished goods	-	-	77,119	-	112,558	22,941
3	Numnakorn Co., Ltd.	Finished goods	-	-	61,385	-	70,306	17,652
4	Num Palang Co., Ltd.	Finished goods	-	-	159,719	-	262,174	57,198
5	Numkijjakarn Co., Ltd.	Finished goods	-	-	101,704	-	140,310	33,486
6	Numrungrad Co., Ltd.	Finished goods	-	-	85,151	-	187,939	33,144
7	Numthip Co., Ltd.	Finished goods	-	-	19,680	-	22,803	3,120
8	Beer Thip Brewery (1991) Co., Ltd.	Finished goods	192,884,680	16,952,884	133,765,949	11,962,714	84,772,279	5,464,983
9	BevTech Co., Ltd.	Packaging	338,564,132	33,276,672	254,238,719	22,672,283	2,069,167	2,214,009
10	Pomkit Co., Ltd.	Raw materials	333,817	60,742	323,464	65,047	338,810	52,880
11	Pomklung Co., Ltd.	Raw materials	529,791	91,683	506,264	82,387	470,180	88,190
12	Pomchok Co., Ltd.	Raw materials	315,562	62,031	280,516	47,879	225,428	45,440
13	Pomcharoen Co., Ltd.	Raw materials	486,776	82,262	570,698	116,510	530,957	113,676

Ref	Name	Type	2019		2018		2017	
			Amount	Balance due	Amount	Balance due	Amount	Balance due
14	Pomburapa Co., Ltd.	Raw materials	1,086,647	194,446	1,008,573	174,220	944,133	148,062
15	Pompalang Co., Ltd.	Raw materials	534,779	87,855	493,198	113,032	462,691	83,923
16	Pomnakorn Co., Ltd.	Raw materials	192,571	28,584	241,623	33,391	166,572	30,992
17	Pomthip (2012) Co., Ltd.	Raw materials	2,364,706	268,703	2,500,486	488,365	2,602,927	498,055
18	Horeca Management Co., Ltd.	Transportation	-	-	60,469	-	-	24,090
19	Pan International (Thailand) Co., Ltd.	Supply	-	-	69,076	26,360	365,675	104,603
20	Thai Drinks Co., Ltd.	Raw materials	89,081,714	4,329,402	138,367,239	4,811,371	303,529,977	21,958,899
21	Berli Jucker PLC.	Raw materials	-	117,700	33,304	44,940	10,289,278	29,588
22	Berli Jucker Foods Co., Ltd.	Finished goods	-	-	(28,506)	-	-	30,501
23	Bang Pa-In Paper Mill Industry Co., Ltd.	Supply	282,750	-	-	64,200	323,750	-
24	Plantheon Trading Co., Ltd.	Raw materials	171,221,300	20,040,672	263,401,645	28,889,085	105,099,612	24,504,342
25	Sermusuk PLC.	Raw materials	23,109,412	5,908,409	24,865,205	5,595,390	26,409,941	5,411,905
26	S.P.M. Foods & Beverages Co., Ltd.	Raw materials	-	-	9,377,863	-	7,848,988	621,785
27	Pefform (Thailand) Co., Ltd.	Packaging	189,826,528	18,052,141	173,210,531	40,620,100	446,406,529	73,157,344
28	BJC Specialties Co., Ltd.	Raw materials	6,492,897	372,082	7,656,753	1,029,264	1,787,374	597,578
29	F&N Dairies (Thailand) Limited	Raw materials	8,205,407	1,093,522	7,645,097	1,348,158	6,856,439	1,340,849
30	F&N United Limited	Raw materials	29,216,894	3,382,317	26,732,485	5,078,716	28,617,814	5,701,058
31	Food of Asia Co., Ltd.	Raw materials	69,566	63,002	151	-	-	-
32	Big C Supercenter PLC.	Raw materials	-	-	5,757	-	-	-
33	Phitsanulok Big C Limited	Raw materials	177,870	-	-	-	-	-
34	United Winery and Distillery Co., Ltd.	Raw materials	5,118	-	-	904	-	-
35	Siam Food Products PLC.	Raw materials	287,000	-	55,000	29,425	-	-
36	Spice of Asia Co., Ltd.	Raw materials	6,258	-	-	-	-	-
37	Sermusuk Beverage Co., Ltd.	Raw materials	-	304,655	-	-	-	-

Ref	Name	Type	2019		2018		2017	
			Amount	Balance due	Amount	Balance due	Amount	Balance due
38	Havi Logistics (Thailand) Limited	Raw materials	1,987,610,684	204,803,703	1,168,199,397	212,757,008	-	-
Total			3,042,886,859	309,737,862	2,214,475,891	336,050,749	1,031,657,680	142,546,205

Purchase of assets from related parties

Ref	Name	Type	Amount	Balance due	Amount	Balance due	Amount	Balance due
1	T.C.C. Technology Co., Ltd.	Computer equipment	1,170,300	-	468,150	-	1,480,250	-
2	Berli Jucker PLC.	Office equipment	196,490	-	-	-	24,271	1,182,350
3	Beer Thip Brewery (1991) Co., Ltd.	Machinery	6,500,000	-	-	-	7,500,000	-
4	Kasemsabbhakdi Co., Ltd.	Office equipment	1,648,528	1,763,924	-	-	-	-
5	Big C Supercenter PLC.	Office equipment and machinery	-	-	1,299	-	39,350	-
6	S.P.M. Foods & Beverages Co., Ltd.	Machinery	-	-	1,267,035	1,355,727	-	-
7	Infer Horeca Co., Ltd.	Office equipment	106,300	-	460,440	-	554,012	-
8	Havi Logistics (Thailand) Limited	Restaurant utensils	1,076,642	-	312,085	-	-	-
9	Thai Commercial Investment Freehold and Leasehold Fund	Communication System Installment	-	-	-	-	17,120	-
Total			10,698,260	1,763,924	2,509,009	1,355,727	9,615,003	1,182,350

Rental paid to related parties

Ref	Name	Relationship	2019		2018	
			Amount	Balance due	Amount	Balance due
1	Sura Piset Phatra Lanna Co., Ltd.	Wang Muang, Saraburi	33,000,000	-	30,250,000	-
2	Sangsom Co., Ltd.	Rental	251,369	-	-	-
3	Thippatana Arcade Co., Ltd.	Gateway Ekamai	4,024,229	-	3,026,765	-

			2019		2018	
Ref	Name	Relationship	Amount	Balance due	Amount	Balance due
4	ASM Management Co., Ltd.	Head office	33,335,079	-	33,629,390	-
5	Thai Beverage Logistics Co., Ltd.	Pallet rental	4,476,006	-	4,120,069	-
6	Southeast Capital Co., Ltd.	Car rental	1,029,182	-	1,310,814	-
7	The Street Retail Development Co., Ltd.	Rental	1,661,539	-	1,247,912	-
8	Asset World Retail Co., Ltd.	Asiatique and Pantip Chiangmai	3,513,598	-	2,642,526	-
9	Big C Supercenter PLC.	Rental	59,955,826	-	35,139,875	-
10	Surasate Co., Ltd.	Rental	1,446,705	-	-	-
11	Phitsanulok Big C Limited	Rental	3,607,658	-	2,454,469	-
12	CW Towers Co., Ltd.	Rental	1,584,283	-	756,010	-
13	Kasemsabbhakti Co., Ltd.	Rental	600,000	-	-	-
14	Thai Commercial Investment Freehold and Leasehold Fund	Rental	-	-	-	-
15	Thai Retail Investment Fund	Rental	-	-	-	-
16	Golden Ventures Leasehold Real Estate Investment Trust	Rental	-	-	-	-
	Total		148,485,474	-	114,577,830	-
Management fee to related parties						

Ref	Name	Type	Amount	Balance due	Amount	Balance due
1	Food of Asia Co., Ltd.	Management fee	6,172,000	-	2,952,000	-
2	Thai Drinks Co., Ltd.	Management fee	1,680,000	149,800	1,680,000	149,800
	Total		7,852,000	149,800	4,632,000	149,800

Other expenses paid to related parties

			2019		2018		2017	
Ref	Name	Type	Amount	Balance due	Amount	Balance due	Amount	Balance due
1	Sangsom Co., Ltd.	Transportation	938,478	129,531	-	-	-	-
2	Num Yuk Co., Ltd.	Advertising	13,918	-	361,953	844,530	-	1,336,143
3	Numthurakij Co., Ltd.	Advertising	37,227	-	343,933	1,974,058	-	2,196,602
4	Nummuang Co., Ltd.	Advertising	29,520	-	93,538	1,047,764	21,327	567,693
5	Numnakorn Co., Ltd.	Advertising	67,896	-	176,467	1,617,700	24,126	1,249,825
6	Num Palang Co., Ltd.	Advertising	10,454	-	103,547	1,071,035	18,446	288,213
7	Numkijjakarn Co., Ltd.	Advertising	196,232	-	275,716	1,412,960	29,875	1,304,858
8	Numrungrud Co., Ltd.	Advertising	39,109	-	350,534	1,468,114	45,025	1,860,180
9	Numthip Co., Ltd.	Advertising	36,563	-	241,188	1,542,298	27,772	1,174,472
10	Cash Van Management Co., Ltd.	Promotion	2,949,081	536,499	8,461,266	7,150,281	2,334,700	3,573,238
11	Modern Trade Management Co., Ltd.	Advertising	2,257,410	290,372	3,781,099	104,271,845	-	83,283,580
12	Beer Thai (1991) PLC.	Transportation	12,080	-	234,356	11,239	490,908	34,240
13	Beer Thip Brewery (1991) Co., Ltd.	Transportation	1,021,257	636,675	1,476,494	16,614	745,452	50,210
14	Cosmos Brewery (Thailand) Co., Ltd.	Service fee	-	-	96,821	902,861	3,596	369,509
15	Krittayabun Co., Ltd.	Dividend	-	-	-	144	-	-
16	Inter Horeca Co., Ltd.	Other expenses	30,973	-	35,235	8,035	-	43,870
17	Pomchok Co., Ltd.	Advertising	-	-	430	-	-	-
18	Pomnakorn Co., Ltd.	Welfare	115,794	-	63,411	-	-	-
19	Pomthip (2012) Co., Ltd.	Welfare	58,762	-	58,500	-	94,579	-
20	Dhospaak Co., Ltd.	Advertising	266,670,129	25,350,307	271,052,707	9,229,388	325,699,872	34,931,137
21	Thai Beverage Training Co., Ltd.	Training	14,060	986,594	1,047,450	1,021,476	3,000	-
22	C A C Co., Ltd.	Service fee	1,477,148	419,300	1,005,825	-	86,235	11,235
23	ASM Management Co., Ltd.	Service fee	3,121,721	3,145,797	2,583,349	5,019,530	745,289	11,914,227
24	Thai Beverage Logistics Co., Ltd.	Transportation	4,398,912	1,031,017	4,857,728	728,681	10,773,370	1,213,524

Ref	Name	Type	2019		2018		2017	
			Amount	Balance due	Amount	Balance due	Amount	Balance due
25	Chang International Co., Ltd.	Fee	-	-	-	151,495	-	211,215
26	Thai Drinks Co., Ltd.	Advertising	3,169,063	77,543,474	4,340,400	1,433,611	-	2,252,064
27	Horeca Management Co., Ltd.	Service fee	339,876	40,345	489,458	48,007	502,145	28,955
28	BevTech Co., Ltd.	Other expenses	215,323	154,914	-	-	-	-
29	S.P.M. Foods & Beverages Co., Ltd.	Other expenses	-	-	14,625	-	-	-
30	Southeast Capital Co., Ltd.	Car rental	4,045,511	458,240	3,057,413	374,743	2,782,330	139,852
31	T.C.C. Technology Co., Ltd.	Equipment	11,962,955	2,683,405	12,222,117	3,150,681	12,333,176	3,871,112
32	Berli Jucker PLC.	Promotion	1,004,079	498,832	3,600	3,852	79,520	-
33	Berli Jucker Logistics Co., Ltd.	Advertising	-	-	42,000	-	-	-
34	The Southeast Insurance PLC.	Insurance premiums	21,567,326	69,662	19,361,729	-	24,150,634	2,669
35	The Southeast Life Insurance PLC.	Insurance premiums	9,770,625	-	6,775,532	-	11,337,735	1,225
36	Surasate Co.,Ltd.	Utilities	669,484	166,417	-	-	-	-
37	North Park Golf And Sports Club Co., Ltd.	Advertising	61,588	3,000	10,344	2,000	144,159	149,250
38	Asset World Retail Co., Ltd.	Service fee	3,277,108	-	4,077,343	141,527	1,330,914	847,890
39	Thippatana Arcade Co., Ltd.	Utilities	1,498,846	-	2,011,402	-	1,731,860	588,050
40	F&N Beverages Marketing Sdn. Bhd.	Promotion	(2,158,335)	-	66,765,722	67,676,099	11,323,091	1,057,574
41	F&N Beverages Manufacturing Sdn. Bhd.	Promotion	17,131	-	-	-	616	-
42	F&N Foods Pte. Ltd.	Advertising	175,779	-	2,544,679	4,989,069	2,953,680	2,682,910
43	F&N Dairies (Thailand) Limited	Other expenses	99,000	-	-	-	4,560,260	-
44	F&N United Limited	Other expenses	3,465	-	-	-	-	-
45	Business Process Outsourcing Co., Ltd.	Service fee	256,000	-	252,400	-	250,800	-
46	Sermasuk PLC.	Promotion	477,106	6,965,101	94,570	8,044,844	204,749	15,579,054
47	Agent Management Co., Ltd.	Promotion	-	-	17,243	13,750	-	3,495,041
48	Bang Pa-In Paper Mill Industry Co., Ltd.	Supply	30,000	-	338,250	-	111,000	135,890

Ref	Name	Type	2019		2018		2017	
			Amount	Balance due	Amount	Balance due	Amount	Balance due
49	Pan International (Thailand) Co., Ltd.	Other expenses	-	-	204,079	-	-	-
50	Perform (Thailand) Co., Ltd.	Other expenses	-	-	47,245	-	349,579	-
51	The Street Retail Development Co., Ltd.	Service fee	1,482,899	124,177	1,601,478	134,494	1,345,737	225,305
52	Pacific Leisure (Thailand) Limited	Supply	1,116,700	-	138,850	-	74,900	-
53	TCC Hotel Asset Management Co., Ltd.	Meeting Fee	788,571	-	1,687,028	-	734,584	-
54	Food of Asia Co., Ltd.	Food	385,103	57,370	301,359	1,586	194,900	141,255
55	Max Asia Co., Ltd.	Food	281,349	27,498	142,546	21,238	68,557	2,136,176
56	Golden Ventures Leasehold Real Estate Investment Trust	Service fee	-	-	19,228	-	1,985,027	-
57	Big C Supercenter PLC.	Service fee	41,737,148	7,615,588	43,573,108	4,702,263	28,526,880	6,950,362
58	CW Towers Co., Ltd.	Service fee	861,926	244,277	626,547	73,800	172,813	175,144
59	Phitsanulok Big C Limited	Service fee	2,071,041	163,916	2,360,733	158,466	2,017,683	434,789
60	Spice of Asia Co., Ltd.	Food	-	6,696	10,280	-	-	-
61	BJC Specialties Co., Ltd.	Other expenses	1,750	-	6,500	-	-	-
62	Havi Logistics (Thailand) Limited	Transportation	95,963,418	3,288,493	34,723,307	380,603	-	-
63	Amarin Printing and Publishing Public Co., Ltd.	Other expenses	605,500	-	-	-	-	-
64	Siam Food Products PLC.	Other expenses	-	-	5,500	-	-	-
65	United Winery and Distillery Co., Ltd.	Other expenses	-	-	1,794	-	-	-
66	The QSR of Asia Co., Ltd.	Other expenses	181,507	301,209	440	-	-	-
67	Fraser and Neave, Limited	Other expenses	79,117	32,578	125,190	-	239,004	239,004
68	Kasemsabbhakti Co., Ltd.	Other expenses	1,119	-	-	-	-	-
69	Sermsuk Beverage Co., Ltd.	Other expenses	304,655	1,156,451	-	-	-	-
70	Asia Books Co., Ltd.	Other expenses	9,906	-	-	-	-	-

Ref	Name	Type	2019		2018		2017	
			Amount	Balance due	Amount	Balance due	Amount	Balance due
71	Fraser & Neave (Singapore) Pte. Limited	Other expenses	135,265	-	-	-	-	-
72	Thai Beverage Marketing Co., Ltd.	Other expenses	-	-	-	-	-	126,918
73	F&B International Co., Ltd.	Service fee	-	-	-	-	252,664	2,850
74	F&N Interflavine Pte. Ltd	Service fee	-	-	-	-	351	-
75	Thai Commercial Investment Freehold and Leasehold Fund	Utilities	-	-	-	-	233,961	-
76	Thai Retail Investment Fund	Utilities	-	-	-	-	2,747,605	-
77	Dhamma Land Property Development Co., Ltd.	Other expenses	-	-	-	-	12,227	-
	Total		485,985,707	134,127,733	504,695,586	230,840,681	453,896,713	186,877,310

Other non-current assets - Related parties

Ref	Name	2019		2018		2017	
		Amount	Amount	Amount	Amount	Amount	Amount
1	Sangsorn Co., Ltd.	45,000	-	-	-	-	-
2	Sura Piset Phatra Lanna Co., Ltd.	2,750,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
3	ASM Management Co., Ltd.	11,344,199	11,344,199	11,344,199	11,069,447	11,069,447	11,069,447
4	The Chonburi Sugar Co., Ltd.	620,000	620,000	620,000	620,000	620,000	620,000
5	The Street Retail Development Co., Ltd.	360,000	360,000	360,000	360,000	360,000	360,000
6	Surasate Co., Ltd.	324,410	141,000	141,000	-	-	-
7	Thai Commercial Investment Freehold and Leasehold Fund	237,600	237,600	237,600	717,600	717,600	717,600
8	Thai Retail Investment Fund	1,071,334	1,071,334	1,071,334	1,582,509	1,582,509	1,582,509
9	Thippatana Arcade Co., Ltd.	827,150	827,150	827,150	653,000	653,000	653,000
10	Big C Supercenter PLC.	12,458,786	10,356,888	10,356,888	9,503,697	9,503,697	9,503,697

		2019	2018	2017
Ref	Name	Amount	Amount	Amount
11	Phitsanulok Big C Limited	1,133,697	1,133,697	1,133,697
12	Asset World Retail Co., Ltd.	580,775	511,175	-
13	T.C.C. Commercial Property Management Co., Ltd.	-	480,000	-
14	T.C.C. Technology Co., Ltd.	412,000	1,444,130	1,444,130
15	Kasemsabbhakdi Co., Ltd.	2,281,870	-	-
	Total	34,447,021	31,027,173	29,584,080

Non-current liability - Related parties

		2019	2018	2017
Ref	Name	Amount	Amount	Amount
1	BevTech Co., Ltd.	474,529	74,529	-
	Total	474,529	74,529	-

19.3 NECESSITY OF RELATED PARTY TRANSACTIONS

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

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.

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.

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

Hence the aforesaid related party transaction has been considered the necessity and appropriateness prior to enter into the transaction. However, if there is further related party transaction, the company shall take necessary process according to rules and regulations regarding the enter into related party 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.

4. Approval process for related party 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.

5. Policy or tendency of related party 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 party 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 party 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 party 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 party transactions in the notes to financial statement audited by the Company's auditor.

The policies on the related party 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 party transaction or acquisition or disposition of assets of the Company shall not be allowed to approval of such transaction.

FINANCIAL STATUS AND THE COMPANY PERFORMANCE



20.1 FINANCIAL STATEMENTS

Summary of the auditor's report

The auditor's report for the year ended 30 September 2019 was audited by Ms.Kanokorn Phooriphanyawanit 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

1. Audit Fee

As at September 30, 2019 the Company and its subsidiaries paid the audit fees to

- KPMG Phoomchai Audit Ltd. in the total amount of Baht 5,200,000 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 2,674,700.
- Other related business to KPMG Phoomchai Audit Ltd. include:
 - (1) KPMG 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

2. Non-Audit Fee

As at September 30, 2019 the Company and its subsidiaries paid the service fees to

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

In this regard, the Company and its subsidiaries have changed their accounting period, 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		
	2019 as of 30 September	2018 as of 30 September	2017 as of 30 September
Cash and cash equivalents	710,185	1,288,934	1,446,506
Short term investment	-	-	-
Trade accounts receivable	686,160	670,006	709,389
Inventories	450,857	403,770	359,746
Other current assets	288,431	1,033,023	125,236
Total current assets	2,135,633	3,395,733	2,640,877
Property, plant and equipment	5,885,644	5,923,901	6,676,134
Intangible assets	34,120	34,977	36,572
Leasehold rights	28,758	34,777	40,797
Other non-current assets	323,115	290,836	312,445
Total non-current assets	6,271,637	6,284,491	7,065,948
Total assets	8,407,270	9,680,224	9,706,825
Current portion of debentures	-	1,700,700	-
Trade accounts payable	613,357	809,130	977,087
Other payables	847,592	864,387	821,992
Payables for acquisition of assets	51,190	135,124	135,103
Other current liabilities	63,022	63,802	96,133
Total current liabilities	1,575,161	3,573,143	2,030,315
Non-current provisions for employee benefits	150,343	87,535	71,794
Debentures	-	-	2,000,000
Other non-current liabilities	42,203	29,085	14,138
Total non-current liabilities	192,546	116,620	2,085,932
Total liabilities	1,767,707	3,689,763	4,116,247
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	5,451,552	4,800,785	4,393,710
Other components of equity	162,303	162,708	162,866
Non-controlling interests	3,806	5,066	12,100
Total equity	6,639,563	5,990,461	5,590,578
Total liabilities and equity	8,407,270	9,680,224	9,706,825

Summary of the Company's Financial Statements

(in thousand Baht)

Items	CONSOLIDATED		
	2019 as of 30 September	2018 as of 30 September	2017 as of 30 September
Revenue from sale of goods	13,569,288	12,553,794	13,370,759
Revenue from rendering of services	61,594	42,317	180,049
Claim refund from the fire	47,423	867,962	-
Other income	78,324	116,070	126,283
Total revenue	13,756,629	13,580,143	13,677,091
Cost of sales of goods	8,757,477	8,081,967	8,264,626
Cost of rendering of services	58,981	28,265	122,844
Selling and administrative expenses	3,579,302	3,588,981	3,744,834
Past service cost for employee benefit	21,770	-	-
Loss from the fire	15,642	710,049	-
Total expenses	12,433,172	12,409,262	12,132,304
Profit before finance costs and tax expense	1,323,457	1,170,881	1,544,787
Finance costs	20,780	44,931	53,674
Tax expense	73,778	117,775	47,913
Net profit for the year	1,228,899	1,008,175	1,443,200
Net profit attributable to owners of the parent	1,234,452	1,015,256	1,451,693
Number of shares ('000 shares)	187,500	187,500	187,500
Basic earnings per share	6.58	5.41	7.74

Financial Status and the Company Performance

(in thousand Baht)

Items	CONSOLIDATED		
	2019 as of 30 September	2018 as of 30 September	2017 as of 30 September
Net cash from operating activities	2,609,492	1,560,734	2,388,621
Net cash used in investing activities	(897,897)	(758,167)	(499,923)
Net cash used in financing activities	(2,289,993)	(960,028)	(1,035,683)
Net increase (decrease) in cash and cash equivalents	(578,398)	(157,461)	853,015

Key Financial Ratios

(in thousand Baht)

Items	CONSOLIDATED		
	2019 as of 30 September	2018 as of 30 September	2017 as of 30 September
Liquidity ratios			
Liquidity ratio (times)	1.4	1.0	1.3
Quick ratio (times)	0.9	0.5	1.1
Cash ratio (times)	1.0	0.6	1.0
Account receivable turnover (times)	20.1	18.3	23.9
Average collection period (days)	17.9	19.7	15.1
Inventory turnover (times)	20.6	21.2	19.7
Days sale outstanding (days)	17.4	16.9	18.2
Account payable Turnover (times)	12.4	9.1	8.6
Average payment Period (days)	29.0	39.6	41.8
Cash cycle (days)	6.3	-3.0	-8.5
Profitability ratios			
Gross margin	35.3%	35.6%	38.12%
Operating profit margin	8.8%	1.5%	10.5%
Cash to profit ratio	217.9%	835.3%	168.4%
Net profit margin	8.9%	7.4%	10.6%
Normalized net profit margin	9.1%	7.8%	10.6%
Return on equities	19.5%	17.4%	28.3%
Efficiency ratios			
Return on assets	13.6%	10.4%	15.2%
Return on fixed assets	35.6%	29.7%	35.6%
Asset turnover (times)	1.5	1.4	1.4
Financial policy ratios			
Total liabilities to equities ratio (times)	0.3	0.6	0.7
Debt to equities ratio (times)	0.0	0.3	0.4
Dividend payout	60.8%	51.7%	43.9%

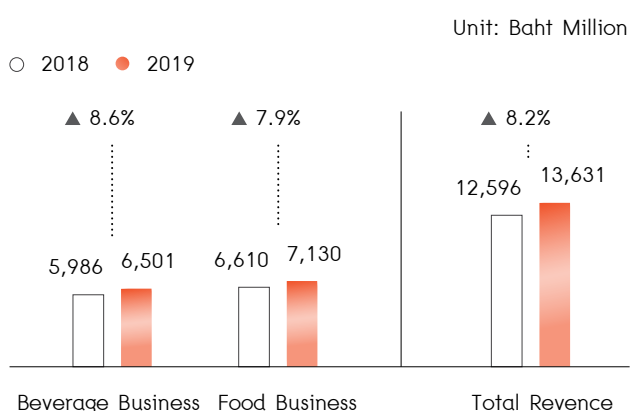
20.3 MANAGEMENT'S DISCUSSION AND ANALYSIS ON OPERATING RESULTS

Sales and Services Revenue

Overview

For the fiscal year 2019, revenue from sales and services of the Company was Baht 13,631 million, increased by 8.2% or Baht 1,035 million, from Baht 12,596 million of the previous fiscal year. This was due to growth in both beverage and food businesses. As a result, the proportion of revenue from sales and services of beverage business to food business remained at 48 : 52.

Sales and Services Revenue



Beverage business

Sales and services revenue of beverage business in the fiscal year 2019 was Baht 6,501 million, increased by 8.6% or Baht 515 million from the previous fiscal year, which had sales and services revenue of beverage business of Baht 5,986 million. Compared to challenging environment in the fiscal year 2018 when the excise tax imposed resulted in higher retail selling price across the board and overall RTD Tea market shrinkage, there was slight recovery in domestics RTD Tea market value in Thailand during the period of fiscal year 2019 by 2.2% according to information from The Nielsen Company (Thailand) Limited. However, the Company

managed to grow 2019's Beverage sales higher than the market this fiscal year due mainly to our strong position as the market leader in domestics RTD Tea with the highest market share at 44.6% (Period of October 2018 – September 2019) and strong growth in international beverage sales by 15% compared to the previous fiscal year. This was another double digit growth in export revenue, following the fiscal year 2018 and 2017. In addition, the UHT beverage lines which were previously affected by the fire incident have been restored to the active position and continued ramping up the production during the fiscal year. All the factors mentioned are key growth engines for beverage sales this fiscal year. This was despite decrease in Other revenue compared to the previous fiscal year due to lower Business Interruption Insurance claim recorded.

Market Value of RTD Tea

(Baht Million)	12 months ended September 30, 2018	12 months ended September 30, 2019	% Changes
Market Value of RTD Tea	12,107	12,370	+2.2%

Market Share of RTD Tea

(For the period of Oct 2018 to Sep 2019)

44.6%

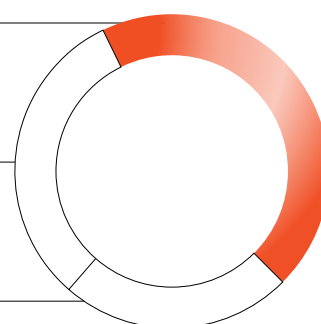
Oishi Group

23.9%

Other

31.5%

Major Competitor



Source: The Nielsen Company (Thailand) Limited

Food business

Sales and services revenue of food business in the fiscal year 2019 was Baht 7,130 million, increased by 7.9% or Baht 520 million from the previous fiscal year, which had sales and services revenue of food business of Baht 6,610 million. This was a good year for our food business, with higher sales in both restaurant and food services segments. Major drivers of sales growth was supported by both new restaurant outlets expansion and positive same-store-sales growth. Net increase in restaurant outlet number in the fiscal year 2019 was 14 outlets which was mainly from Shabushi, Kakashi and Oishi Eaterium restaurants. As a result, total restaurant outlet at the end of the fiscal year 2019 stood at 266 outlets.

Number of restaurant outlet by brands

	2018 As of 30 September	2019 As of 30 September
Oishi Grand	1	1
Oishi Eaterium	7	9
Oishi Buffet	11	10
Shabushi*	138	151
Oishi Ramen	54	54
Nikuya	17	15
Kakashi	22	25
Others	2	1
Total	252	266

*Included Shabushi Myanmar of 2 Outlets

Cost of sales and services

Overview

For the fiscal year 2019, total cost of sales and services was Baht 8,816 million or equivalent to 64.7% of sales

and services revenue, slightly higher than 64.4% in the fiscal year 2018 as a result of impact from beverage businesses.

Beverage business

Cost of sales and services of beverage business in the fiscal year 2019 was Baht 4,902 million or equivalent to 75.4% of beverage sales and services revenue, higher than 74.2% in the fiscal year 2018. Increased in cost of sales and services ratio was mainly due to higher fixed cost per unit from lower overall utilization, some initial ramp-up costs of the UHT OEM operation production after the fire incident, and discount and promotion to support sales.

Food business

Cost of sales and services of food business in the fiscal year 2019 was Baht 3,914 million or equivalent to 54.9% of food sales and services revenue, lower from 55.5% in the fiscal year 2018. The Food's gross margin expansion was supported by ability to control key raw materials' price and lower waste due to sales growth.

Selling Expenses

Overview

Total selling expense in the fiscal year 2019 was Baht 1,497 million, decreased significantly by 5.9% or Baht 94 million from the fiscal year 2018, which was Baht 1,591 million due to the Company's prudent advertising and promotional spending. Despite reduction in selling expense amount, increase in sales and services revenue proved the Company's right strategy.

Beverage business

Selling expenses of beverage business in the fiscal year 2019 was Baht 551 million, decreased significantly by 24.0% or Baht 174 million from the fiscal year 2018, which was Baht 725 million. Percentage of selling

expenses of beverage business was 8.5% of beverage sales and services revenue, lower from 12.1% of the previous fiscal year. This was due to effective spending on marketing and promotional campaigns while the summer campaign this year was the first time that the company synergized campaign among beverage and food segments to save overall expense.

Food business

Selling expenses of food business in the fiscal year 2019 was Baht 946 million, increased by 9.2% or Baht 80 million, from Baht 866 million in the fiscal year 2018. In terms of percentage, selling expense of food business in the fiscal year 2019 was 13.3% of food sales and services revenue, about on par with the ratio in the fiscal year 2018 which was 13.1%.

Administrative Expenses

Overview

Total administrative expense in the fiscal year 2019 was Baht 2,083 million, increased by 4.2% or Baht 85 million, from Baht 1,998 million in the fiscal year 2018. Higher admin expense was to support the business growth.

Beverage business

Administrative expense of beverage business in the fiscal year 2019 was Baht 254 million, slightly higher than the fiscal year 2018, which was Baht 237 million by 7.2% or Baht 17 million.

Food business

Administrative expense of food business in the fiscal year 2019 was Baht 1,828 million, increased by 3.8% or Baht 67 million, from Baht 1,761 million in the fiscal year 2018, mainly due to higher employee expense as a result of restaurant outlet expansion.

Non-recurring items

In the fiscal year 2019, the Company booked provision for retirement benefit amounted Baht 22 million (Beverage: Baht 6 million and Food: Baht 16 million). This was due to the changes in the Labor Protection Act that requires companies to pay severance payment of 400 days of wages for an employee who is terminated and have services year more than 20 years. This was an one-time expense recorded in the Income Statement in the third quarter, but no impact to Cash Flow due to its non-cash item.

Compared to the fiscal year 2018, the Company recognized tax expense of Baht 51 million in the third Quarter from the food business restructuring and the Company was able to utilize the deferred tax asset, which was non-cash item.

Net Profit (Loss)

Overview

Excluding aforementioned non-recurring expenses from employee provision and deferred tax expense, total normalized net profit in the fiscal year 2019 was Baht 1,251 million, improved by Baht 192 million or 18.1% from the fiscal year 2018. In terms of percentage, normalized net profit in the fiscal year 2019 was 9.2% of sales and services revenue which was higher than 8.4% in the last fiscal year.

Total reported net profit in the fiscal year 2019 was Baht 1,229 million, increased by 21.9% or Baht 221 million, from Baht 1,008 million in the fiscal year 2018. In terms of percentage, net profit in the fiscal year 2019 was 9.0% of sales and services revenue, higher from 8.0% in the last fiscal year.

Increase in both normalized net profit and net profit were due mainly to stronger profit from both beverage and food businesses.

Beverage business

Excluding aforementioned non-recurring expense from employee provisions, normalized beverage net profit in the fiscal year 2019 was Baht 875 million, increased by 13.4% or Baht 103 million, from Baht 772 million in the fiscal year 2018. In terms of percentage, normalized net profit of beverage business in the fiscal year 2019 was 13.5% of beverage sales and services revenue, increased from 12.9% in the fiscal year 2018.

Net profit of beverage business in the fiscal year 2019 was Baht 869 million, increased by 12.6% or Baht 97 million, from Baht 772 in the fiscal year 2018. In terms of percentage, net profit of beverage business in the fiscal year 2019 was 13.4% of beverage sales and services revenue, increased from 12.9% in the fiscal year 2018.

Improvement in beverage profitability was mainly driven by beverage sales growth, saving from efficient marketing campaigns which resulted in reduction in selling expenses.

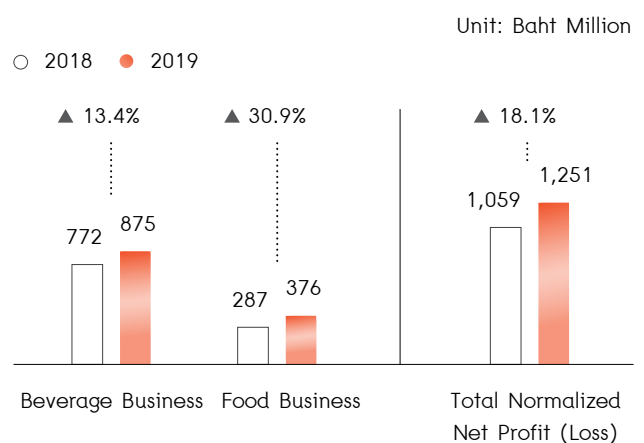
Food business

Excluding aforementioned non-recurring expenses from employee provisions and deferred tax expense, normalized net profit of food business in the fiscal year 2019 was Baht 376 million, increased impressively by 30.9% or Baht 89 million from the fiscal year 2018. In terms of percentage, normalized net profit of food business in the fiscal year 2019 was 5.3% of food sales and services revenue, increased from 4.3% in the last fiscal year.

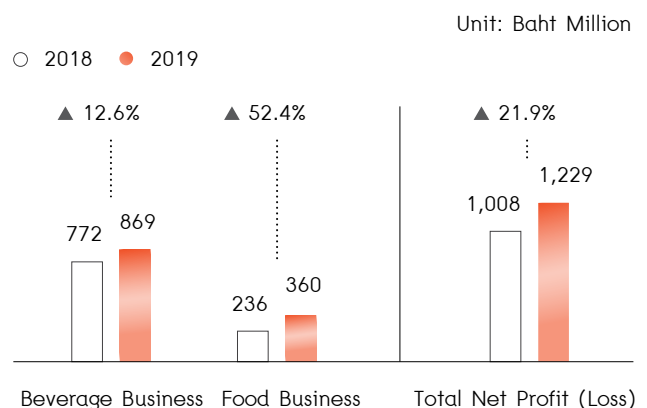
Net profit of food business in the fiscal year 2019 was Baht 360 million, increased impressively by 52.4% or Baht 124 million, from Baht 236 million in the fiscal year 2018. In terms of percentage, net profit of food business in the fiscal year 2019 was 5.0% of food sales and services revenue, increased from 3.6% in the fiscal year 2018.

Strong Food's business performances was supported by both restaurant and food services businesses while sales growth, gross margin improvement and efficiency management are all key factors.

Normalized Net Profit (loss)



Net Profit (loss)



Profit and Loss separated by business segment

in million Baht	2019	% to Sales and Services Revenue	2018	% to Sales and Services Revenue	Increase (Decrease)	Percentage
Sales and services revenue-Beverages	6,501	100.0%	5,986	100.0%	515	8.6
Sales and services revenue-Foods	7,130	100.0%	6,610	100.0%	520	7.9
Total sales and services revenue	13,631	100.0%	12,596	100.0%	1,035	8.2
Cost of sales and services-Beverages	4,902	75.4%	4,443	74.2%	459	10.3
Cost of sales and services-Foods	3,914	54.9%	3,667	55.5%	247	6.7
Total cost of sales and services	8,816	64.7%	8,110	64.4%	706	8.7
Selling expense-Beverages	551	8.5%	725	12.1%	(174)	(24.0)
Selling expense-Foods	946	13.3%	866	13.1%	80	9.2
Total selling expense	1,497	11.0%	1,591	12.6%	(94)	(5.9)
Administrative expense-Beverages	254	3.9%	237	4.0%	17	7.3
Administrative expense-Foods	1,828	25.6%	1,761	26.6%	67	3.8
Total administrative expense	2,083	15.3%	1,998	15.9%	85	4.2
Net profit-Beverages	869	13.4%	772	12.9%	97	12.6
Net profit-Foods	360	5.0%	236	3.6%	124	52.4
Total net profit	1,229	9.0%	1,008	8.0%	221	21.9
Normalized net profit-Beverages	875	13.5%	772	12.9%	103	13.4
Normalized net profit-Foods	376	5.3%	287	4.3%	89	30.9
Total normalized Net profit	1,251	9.2%	1,059	8.4%	192	18.1

Financial Status**Assets**

Total assets as at the end of September 2019 was Baht 8,407 million, reduced from Baht 9,680 million at the end of September 2018 by Baht 1,273 million or 13.2%. This was due to reduction in Current assets by Baht 1,260 million as a result of lower Cash and cash equivalent and Other current assets Items. Cash and cash equivalents were at Baht 710 million at the end of September 2019, lower by Baht 579 million due mainly to repayment of matured bond in January and July 2019, total Baht 1,701 million, netted with increase

in Cash from Operation. Also, other receivables reduced which was mainly from partial insurance claim of Baht 750 million received in January and July 2019. At the same time, there was no significant change in Non-current assets of the Company.

Liabilities

Total liabilities as at the end of September 2019 was Baht 1,768 million, comprised short-term liabilities amounted Baht 1,575 million and long-term liabilities of Baht 193 million. Total liabilities decreased significantly by Baht 1,922 million or 52.1% from the end of September

2018, mainly due to an absence of corporate bond after the repayment of all outstanding bonds in January and July 2019, total Baht 1,701 million. As a result, as at September 2019, the Company had no interest bearing debts.

Shareholders' Equity

Total equity as at the end of September 2019 was Baht 6,640 million, increased by Baht 649 million or 10.8% from the end of September 2018, due to an increase in retained earnings as a result of incremental net profit for the period, netted with dividend payment.

Cash flows

In the fiscal year 2019, net cash and cash equivalents of the Company decreased by Baht 578 million from the fiscal year 2018 with details as follows:

Cash flow from operating activities

Net cash flow from operating activities of the Company in the fiscal year 2019 was Baht 2,609 million, increased strongly by Baht 1,049 million or 67.2% from the fiscal year 2018, mainly due to higher profit during fiscal year 2019 compared to fiscal year 2018 and additional of Baht 750 million partial insurance claim received in fiscal year 2019.

Cash flow from investing activities

Net cash flow used in investing activities of the Company in the fiscal year 2019 was Baht 898 million, increased by Baht 140 million or 18.4% from the fiscal year 2018. Higher capital investment was mainly to support Food business's outlet expansion and for the final repayment of the UHT production lines reinstallation which were affected by the fire incident. Nevertheless, the investment paid for UHT production lines was covered by the insurance policy under property damaged.

Cash flow from (spend in) financing activities

Net cash flow spent in financing activities of the Company in the fiscal year 2019 was Baht 2,290 million, increased strongly by Baht 1,330 million or 138.5% from the fiscal year 2018. The Company spent significantly higher compared to the previous fiscal year mainly because there were total matured bond repayment of Baht 1,701 million in fiscal year 2019 while, in fiscal year 2018, the Company spent to repurchase only Baht 299 million bond before its maturity.

Financial ratio analysis

Liquidity

In the fiscal year 2019, the liquidity ratio was 1.4 times, higher in comparison to 1.0 time in the fiscal year 2018. The Company has better liquidity status after the Repayment of the matured bond was made during the fiscal year 2019 that resulted in reduction in short-term liabilities significantly. At the same time, the Company managed working capital well so that the current assets was not lower proportionately.

Profitability

Most of the Company's Profitability ratios in the fiscal year 2019 improved from the last fiscal year. As stated previously, the Company managed to grow net profit from both beverage and food businesses due to our ability to increase sales while reducing selling expense and improve efficiency as mentioned.

Efficiency

In the fiscal year 2019, return on assets was 13.6%, increased from 10.4% of the fiscal year 2018 due to higher net profit but lower total assets. Return on fixed assets was 35.6%, increased from 29.7% in the fiscal year 2018, mainly due to higher net profit as well as slight reduction in property, plant and equipments

compare to the last fiscal year. Moreover, total asset turnover improved slightly to 1.5 times in comparison to 1.4 times in the last fiscal year.

Financial Policy

The Company's debt to equity ratio of the fiscal year 2019 was 0.0 times, decreased significantly from the ratio in fiscal year 2018 which was 0.3 times due to no interest-bearing debt as of September 2019 after paying all the matured bonds. Base on current and normal situation, additional debt raise is not required for the Company in the short to medium terms since internal cashflow is enough to sustain the on-going business. With the Company's prudent and cautious financial management, our balance sheet was considered very strong with certain amount of room for future financing and investment.

In addition to incremental profit amount, the company annouced higher dividend payout ratio at 60.8% for the operation of the fiscal year 2019, compared to 51.7% for the fiscal year 2018.

Key drivers which could affect future operations and financial status

- There is a trend regards growing number of people around the world seeking healthier lifestyles and consuming less sugar. Shifting towards changing in consumer behaviors and at the same time saving sugar tax cost, the Company has gradually reduced sugar levels in the recipes of most of our beverage portfolio. Also, more SKUs was launched in the past few years with no sugar content.
- 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 a 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.
- Excise tax imposed to RTD tea category has impacted beverage business of the Company since the fiscal year 2018. 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. This was proved by recovery of our financial performances in the fiscal year 2019.

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, 2019 are reliable under generally accepted accounting standards, and also in compliances with relevant laws and regulations.

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 Thanavarani 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 2019, 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 2019, 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 2019.

1. Review the accuracy of the Company's financial reports and the adequacy of information disclosure

- 1) The Audit Committee reviewed the Company's 2019 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.
- 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.

- 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. The Audit Committee has given importance to the related party transaction and reviewed that quarterly consolidated and separate financial statements presented fairly in all material respects. In this connection, the Audit Committee who is regarded as a conflicted party shall abstain from casting vote for the agenda. This is to avoid conflict of interests of the committee and further enhance adherence to principles of transparency and good corporate governance.

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

- 1) Consideration and approval of the scope of work and audit plan for 2019, 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.
- 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.

- 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

- 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 2019.
- 2) The Audit Committee has implemented assessment report for the Audit Committee in 2019 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.



Mr. Vikrom Koornpirochana
Chairman of the Audit Committee

REPORT OF THE SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE



In 2019, Oishi Group Public Company Limited (the "Company") marked 20th Anniversary as to prove its long history of constant business operation with a strong determination to thrive and develop for sustainable growth of the Company.

In 2019, the Sustainability and Risk Management Committee of the Company consists of 11 members: Directors and the senior executives of the related functions, were appointed by the Board of Directors. The Chairman is the independent director and the head of the Internal Audit Department is the secretary to the Sustainability and Risk Management Committee. The Sustainability and Risk Management Committee has carried out duties in accordance with the Sustainability and Risk Management Committee Charter which was approved by the Board of Directors 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 2019, the Sustainability and Risk Management Committee has a total of 6 meetings, which have 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 whereby CEO & President presides as a chairman of the

committee. This is 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.

In this regard, the Sustainability and Risk Management Committee has performed 3 main activities in relation to environment, society & community and economics as disclosed in Sustainability Report 2020.

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.

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

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 Companies' directors and executive positions at the level from the Company's Vice President.

In 2019 the Nomination Committee held 4 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, experience and expertise appropriate to the Company's business needs, for the Board of Directors consideration and appointment.
2. Consideration the nomination of a qualified person for the Vice President position for the Board of Directors consideration and appointment.
3. Consideration the nomination of 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 2020 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.

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. Potjane 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 2019, 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' 2019 bonus as approved by the 2019 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 2020 Annual General Meeting of Shareholders
3. Consideration and opinionated for the Board of Directors' approval of the Company and its subsidiaries 2019 bonus and 2020 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.

(Ms. Potjane 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. Potjaneer Thanavarant 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 2019, 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 Thailand Securities and Exchange Commission.
2. Acknowledgment of the assessment of the Annual General Shareholders' meeting of the year 2019 by the Thai Investors Association.

3. Acknowledgment of the evaluation of the 2019 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 endorsement of the report on the compliance of good corporate governance to be exhibited in the 2019 annual report.
5. Consideration and endorsement of the Anti-Corruption Policy

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 2019, the Company has received excellent rated level from the 2019 good corporate governance principle of listed company for 2 consecutive years, 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.

Ms. Potjaneer Thanavarant
Chairman of the Good Corporate Governance Committee

CORPORATE GOVERNANCE REPORT



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

The Board of Directors is well aware of the importance on corporate governance and regards 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 as any changes of current situation. In 2014, the Board of Directors appointed the Good Corporate Governance Committee to support the Board of Directors duties regarding to the corporate governance. The Board of Directors Meeting No. 5/2014 held on November 11, 2014 approved the revised corporate governance policy, which 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.
- Establishing the Code of Conduct to be used as a guideline for business practice for Directors, management, and employees.

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

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

In this regard, the Board of Directors has determined that the principles of the corporate governance were to be disclosed to the public through publication on the Company's website under the Investor Relations section. In addition, the Company has compiled the Code of Conduct for use as guideline for practice of Directors, management, and employees. The Code of Conduct was also made available on the Company's website under the Investor Relations section.

In 2019, 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. 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 and 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 project/case.

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.

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 realizes the significance of setting the appropriate meeting date, time, and venue to accommodate attendance of all shareholders. Moreover, shareholders are provided with an opportunity to propose any meeting agendas prior to the meeting date in compliance with the criteria, conditions, and methods established by the Company and/or relevant laws, rules, and regulations, whereby the details on the criteria, channels, and the result of the proposal to shareholders are disclosed via its website and that of SET. The Company prepares the invitation letter to the meeting of shareholders containing, in a clear manner, the meeting agendas, objectives, rationales, opinions, and recommendations of the Board of Directors. The invitation letter was, together with relevant information of each agenda and they are available in both Thai and English versions, published in the Company's website while a hard copy was submitted to shareholders in advance in order to provide adequate information to shareholders in a timely manner so that proper consideration can be made for each agenda. Any queries by shareholders may be submitted in advance in accordance with channels and criteria determined

by the Company, whereby reply is to be provided in the meeting; or they can make queries, suggestions, or express opinions during consideration of each agenda while the meeting of shareholders is in session.

In 2019, the Company organized the Annual General Meeting of Shareholders on Thursday, January 30, 2019 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 2019.

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. All annual, lump sum remuneration, attendance fees and retaining fees for Directors were determined and proposed to shareholders for approval. In this regard, the policy, criteria, and guideline for consideration of remuneration were described as basis for consideration of shareholders.
8. The Company encouraged institutional investors to attend the meeting of shareholders by contacting them and requested for submission of documents required for meeting attendance in advance. This was for the Company to check such documents and request for additional documents in case of incompleteness for facilitation purposes whereby it would take less time for document check on the meeting date.
9. Shareholders were provided with an opportunity to submit any queries regarding the agenda in advance via email to the Investor Relations contact person

at investorrelations@oishigroup.com or by fax at Tel. 02-768-8889.

On Shareholders' meeting date

The Company has clear policy and intention to support and encourages all shareholders to exercise their right to attend and cast vote in the meeting of shareholders. Arrangements are made for convenience while the meeting was organized in a transparent and auditable manner. In addition, no actions are taken to deter or obstruct the right of shareholders, who are given a chance to make inquiries and express opinions as deemed appropriate. In addition, the Company made the following arrangements on the 2019 annual general meeting of shareholders;

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. 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 2019 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 100 marks from the evaluation under the 2019 annual quality assessment of the 2019 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, 2019, the Board of Directors did not

receive any complaint regarding the breach of the right of shareholders, for this reason the above mentioned execution reflects that the Board of Directors have ensured proper management on the subject matter.

EQUAL TREATMENTS TO SHAREHOLDERS

The Board of Directors sees significance in equal and fair treatments for all shareholders, whether they are major shareholders, institutional shareholders, foreign investors, and 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 the Letter of Proxy in a format that the shareholders can instruct vote casting so that such shareholders can authorize their proxy to attend the meeting and cast vote on their behalf. In addition, required documents and evidence as well as proxy authorization process are clearly explained for shareholders to ensure the right documents are compiled and to prevent any issues for proxy in attending the meeting. The criteria, methods, and conditions of proxy authorization are determined in compliance with the laws and no actions will be required in a manner that complicate shareholders in proxy authorization. Moreover, shareholders are entitled to authorize proxy to any Independent Directors of the Company as stated in the Letter of Proxy to protect their own right.
5. The Company prepares the ballots for shareholders in the meeting of shareholders and invited independent parties i.e. representatives of audit firm and retail shareholders to participate in the audit of vote casting in the ordinary meeting of shareholders, which is disclosed in the minutes of ordinary meeting of shareholders.
6. The Company allocate to the shareholders 1 voting right per share.
7. The Board of Directors has determined that all Directors and executives are to disclose the information and report on their interests and those of related persons in accordance with the criteria and methods determined by the Board of Directors and/or related laws. This is to provide an opportunity for the Board of Directors to consider any transactions of the Company which may incur conflicts of interest and enable it to make decision for the interest of the Company. In this regard, Directors and executives of the Company who involve in any transactions entered into with the Company shall not be entitled to make decisions relating to such transactions.
8. The Board of Directors has determined measures, of which related communications are made clearly

to the Board of Directors and executives to ensure understanding of their duty to report on securities of the Company owned by them, their spouse, and offspring who are minors as well as report the changes thereof to SEC as required by the law. In addition, Directors and executives of the Company are obliged to report their ownership in securities of the Company in the meeting of Board of Directors on a regular basis. The securities of the Company owned by Directors and Executives were disclosed in page 115 of 2019 Annual Report.

9. The Board of Directors has determined measures, whereby communications are made clearly to prohibit Directors and executives from revealing any insider information, which is material and has not yet been disclosed to the public for personal gain of their own or others, which include sale and purchase of securities of the Company by Directors, executives, and employees who serve in functions of which such insider information is made aware.

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

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

10. The Board of Directors has determined policy whereby the Directors and senior executives must inform the Company's Secretary of any sale or purchase of the Company's share 1 day prior to the date of the transaction.
11. Related party transactions are to be carried out in a fair and at arm's length manner, taking into account the arm's length price or the market price whereby the benefit of the Company is considered

priority. In this regard, the Board of Directors ensures that such transactions are carried out strictly in accordance with the criteria, methods, and disclosure of connected transactions of listed companies.

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

As of September 30, 2019, 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 Group of companies 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 Group of companies 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

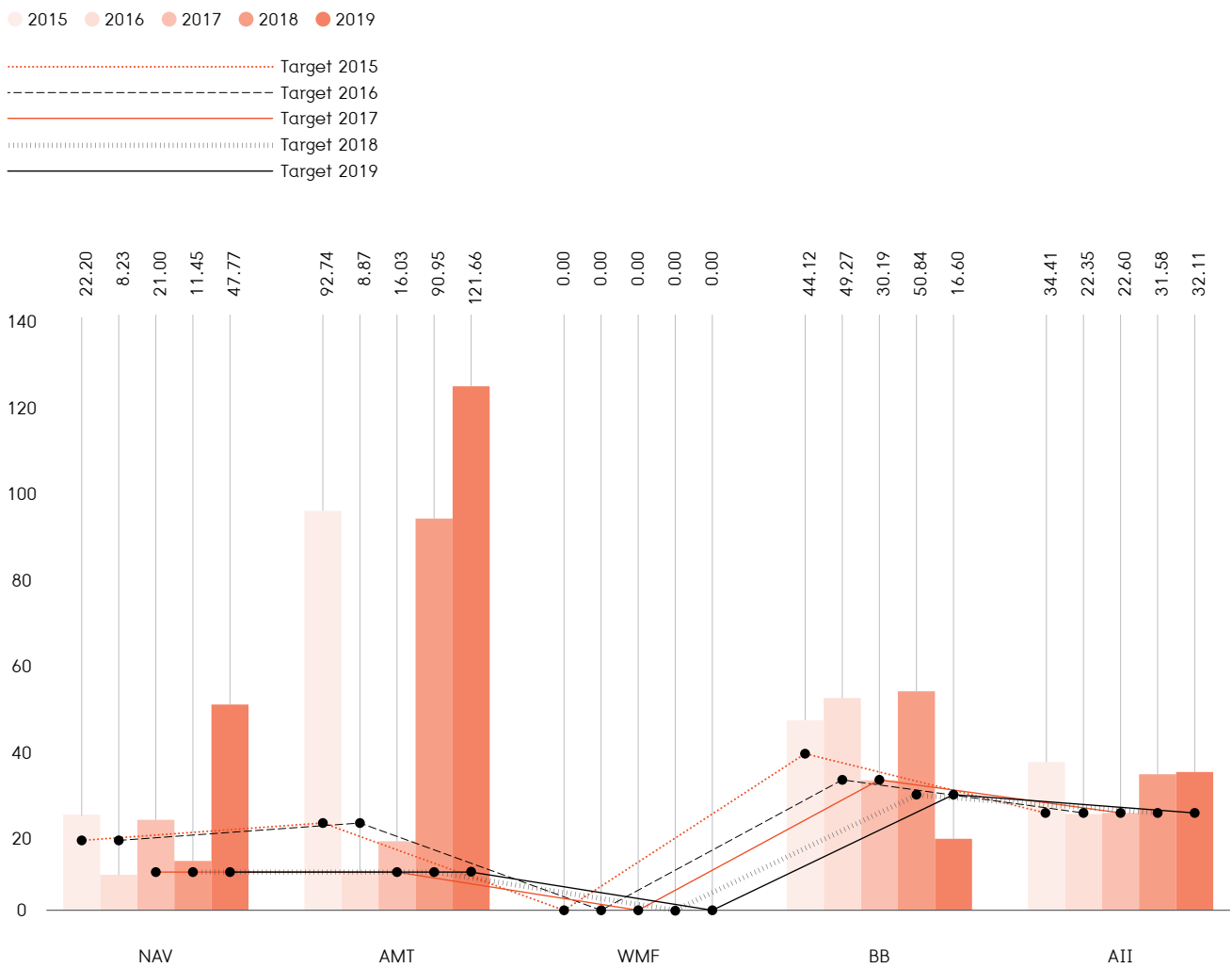
The Company is determined to operate business based on honesty and with adherence to equal and fair treatments to shareholders. The Company arranges for disclosure of information in a complete, correct, and equal manner on a regular basis. In addition, the Company has put in place measures to monitor 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. Thus, all employees will be entitled to fair treatments i.e., medical benefits, health insurance, life insurance, scholarship for employees' children and Provident Fund. As for employees potential development, the Company arranges for various internal and external training courses for employees and encourages them to conduct Individual Development Plan (IDP) so as to promote and develop knowledge and capability of the employees to the expected achievement which will be beneficial for the Company in a long run. It is also one of the Oishi Group of companies' primary policies to ensure safety and hygiene within the workplace, both at the office and the production facilities by putting in place the safety, occupational health, and work environment policies and collecting statistic of accident, employees' leave and workplace injury, which shall be analysed and then use to improve the safety standard on a continuous basis. Additionally, the Company's production facilities at Nawanakorn Industrial Estate and Wang Muang Province have also received certification for TIS/OHSAS 18001 Occupational Health and Safety Management System (OHSMS).

Please see the following information on the rate of accidents, absence, and injuries to continually improve safety standards of employees commencing from 2015 to 2019 for reference;

Statistic information for Injuries Severity Rate (ISR) within the 4 factories of Oishi Group of companies

**Remarks**

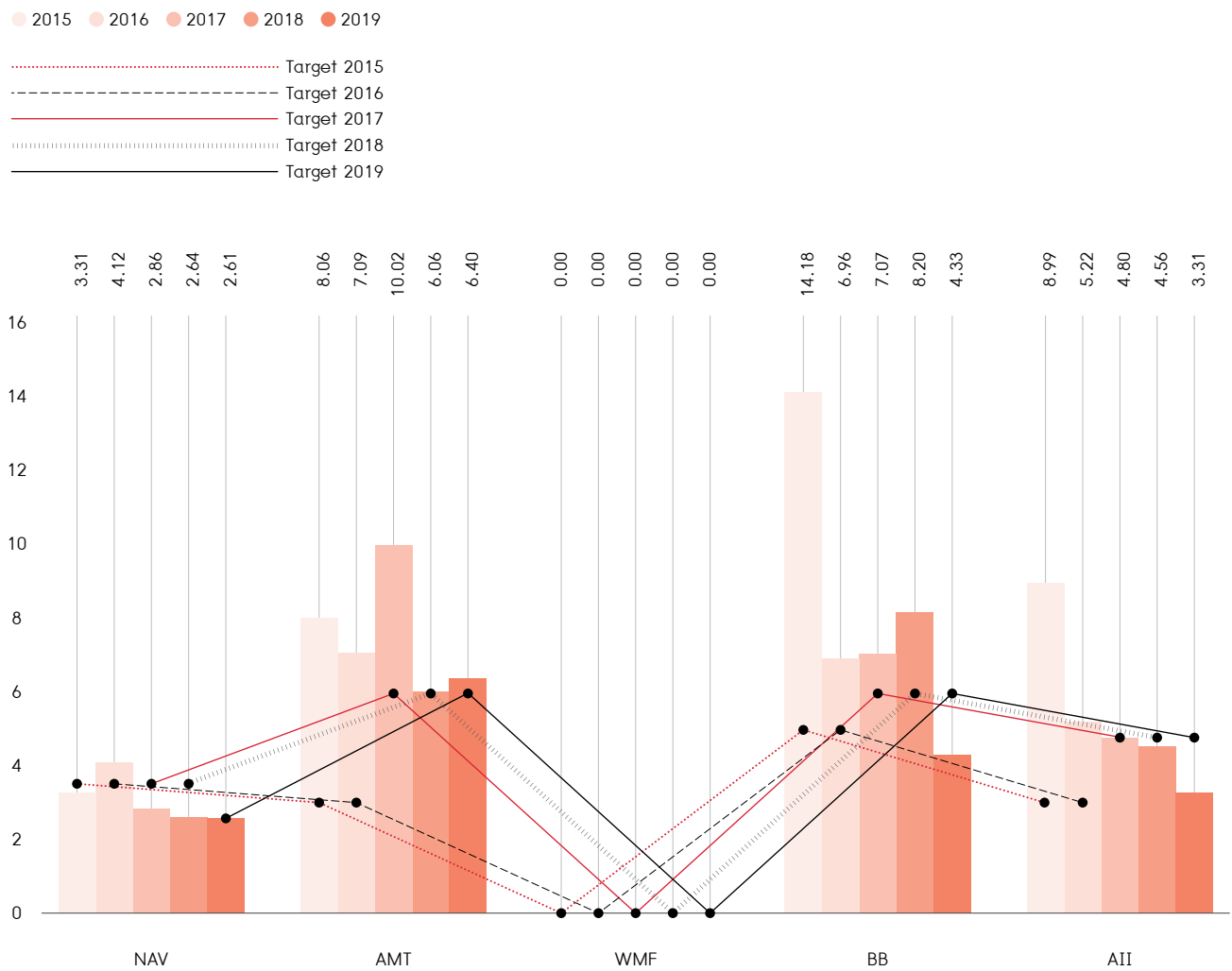
NAV means the production facilities within Nawanakorn Industrial Estate, Pathumthani

AMT means the production facilities within Amata Nakorn Industrial Estate, Chonburi

WHF means the production facilities at Wang Muang, Saraburi

BB means the production facilities at Ban Bueng, Chonburi

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, Pathumthani

AMT means the production facilities within Amata Nakorn Industrial Estate, Chonburi

WHF means the production facilities at Wang Muang, Saraburi

BB means the production facilities at Ban Bueng, Chonburi

The Injury Severity Rate (ISR) in 2019 slightly increased mainly due to significant accidents. In this connection, the employees need more extended sickness leave for medical attention.

The Injury Frequency Rate (IFR) is prone to decrease as a number of accidents have declined.

In this regard, the Company puts in place protective measures on accidents as well as the environment detection system in the workplace. The goal is to emphasize an employee's health regularly, bringing about less illness of the employees in alignment with the Company's primary objective of safety, health and sanitation.

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 health-conscious products is assured to shape a long-lasting relationship with our customers i.e., less sodium and trans-fat-free products

as well as maintenance of product quality and standard. Furthermore, there are certifications for food and sanitation GMP & HACCP (Good Manufacturing Practice & Hazard Analysis and Critical Control Point) and Food Safety System Certification 22000: FSSC 22000 for food and beverage products of the Company. Other than that, functions or persons of the Company 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 of companies 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 first 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, and clean history without any record of frauds and/or violation of human rights. Additionally, the Company makes annual reconsideration by putting in place the plan to visit the manufacturers' and distributors' business sites. Moreover, the Company honors terms and conditions of trade deals and agreements on its ends; and is determined to treat our trade partners with equality and fairness, taking into account mutual benefits. To prevent any frauds by trade partners and related employees, the Company shall terminate relationship with trade partners whom are found to have committed frauds, bribery, or offering any kind of benefits to related persons to carry out any transactions or enter into any agreements.

5. Creditors

The Company has policy to treat all creditors with fairness and equality, strictly honors terms and conditions regarding warranty and agreements per contracts entered into with all creditors as well as appropriately manage the financial liquidity management so that the Company may pay the creditors in a timely manner and in accordance with the agreed terms.

6. Business competitor

The Company has a clear policy to conduct itself in accordance with the international rules of competition. The Company treats business competitors fairly; and it does not take any dishonest actions or destroy the reputation of business competitors by any means.

7. Society and Community

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

8. Environment

The Company was well aware of the importance on instilling the value and sense of environmental conservation and resource optimization. The Company started small and spread the idea throughout the organization through training courses, activities, and internal campaigns namely, reduction of office paper use and arrangements to ensure that the production process is eco-friendly for the community. Our production facilities obtained the ISO 14001 certification which reflects our recognition of the environmental management to ensure that the environment is well cared for while our business is moving forward. The Company focuses on prevention of pollution and constant development thereof. Also, the Company arranges for training courses on environmental conservation and system of the above standard whereby internal and external speakers are invited to provide knowledge and cultivate the values on the environment for employees. As of September 30, 2019, the Company organized a total of 3 training courses on the environment, namely the ISO14001 Version:2015 course, the energy saving awareness raising course and the energy management course, hosted by

internal and external personnel, the average of 9.4 hours of training per employee, 7.5 hours increased in comparison to the year of 2018.

In addition, the Company promotes optimization of resources in an efficient and sustainable manner. Our production process is operated with modern machinery to minimize the use of resources while producing maximum results. Also, the Company ensures effective raw material management to minimize loss and waste of the resources. The detail of the efficient material management process were disclosed in page 41–43 of 2019 Annual Report. Furthermore, the Company has taken part in Carbon Footprint for Organization: CFO as well Initiative Project of Green Industrial to sustainably fortify the organization.

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, 2019, 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:-

Guideline on violation of human rights

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

or engage in any activities which are related to the violation of human right. Also, the Company provides channels for feedback regarding any violation of human rights under Section 4. Guideline on whistleblowers and compliant filing.

Guideline on violation of intellectual property

In the course of business, the Company recognizes and places significance on the 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 rights. With our established creation and development of the 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 installing all computers with the programs that monitor any illegal software in order to avoid copyright or intellectual property right infringement. In the course of server, the Company monitors rights and licenses as well as the concern of renewal to ensure the legality of overall program optimized within the Company.

Guideline on anti-corruption

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

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

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

In 2019, 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, and "Corruption and Control Workshop" course, class 3/2019, both of which were 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.

Guideline on whistleblowers and compliant filing

The Company has put in effect measures for oversight and channels where all stakeholders, including employees, to inform any leads or file complaints directly to the Audit Committee on any actions which are suspected as violation or failure to compliance with laws, regulations, articles, ethics or policies on corporate governance as well as any incorrect financial reports or flawed internal control systems. Various channels are made available for such filing, including the website of the Company under the "Investor Relations" 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, 1/2558, 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 governance policy of the Company and its subsidiaries, effective from February 25, 2015 onward. The goal of the guideline is to ensure the Company's and its subsidiaries' appropriate, effective, flexible and standardize complaint filing and whistle-blowing process on par with other leading Companies as well as creating confidence among all stakeholders, including the employees, that all will be protected from persecution, penalization and mistreatment as a result of informing or whistle-blowing to the Oishi Group of companies, 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, 2019, 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, 2019, the Company did not provide any monetary support to companies other than its subsidiaries and there was no significant violation against the laws on labors, consumers, business competition, and environment. In addition, there were neither actions taken by regulatory agencies against the Company regarding incorrect notification or disclosure of material events nor any lawsuits taken by trade partners, creditors, and competitors against the Company.

INFORMATION DISCLOSURE AND TRANSPARENCY

1. Information disclosure

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

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

page 159 of 2019 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 2019 as the auditor of the Company for the financial report for the fiscal year ending September 30, 2019. The auditor was of knowledgeable and expertise, met all the requirements, was independent and was without any conflicts of interest with the Company. As such, the Board of Directors was confident that the financial statements of the Company are correct and trustworthy. As for some of the Company's subsidiaries overseas which does not nominate an auditor from the same audit company as the Company, whether due to some legal limitations or regulations, the Company has determined appropriate measure to ensure that the consolidated financial statement can be prepared on time. In the past year, the Company was able to 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 160-162 of the annual report, and opine that the financial statements of the Company and subsidiaries as at September 30, 2019 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, 2019, the Company organized one press conference on performance and business direction while the meetings with analysts were held 3 times during the year as well as Opportunity Day, which was held on June 14, 2019.

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

1) Oversight on the use of insider information

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

their spouse, and children who are minors, to conduct sale and purchase transactions of the Company's securities prior to the announcement of the financial statements of the Company to the public for a period of at least one month. Any violation against the said policy shall incur disciplinary actions, which range from warnings to termination of employment as well as court trial as per the laws. Related announcements and communications are regularly disseminated to Directors, executives, and all employees of the Company in advance. Besides, the Company puts in place policy requesting the Directors and Executive Directors to report to the Company Secretary regarding any stock trading one day prior to the purchasing date.

2) Conflict of interest

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

In the occasion where the intercompany transactions entered into between the Company and other persons which may incur conflict of interest or may incur so in the future, the Board of Directors has determined the guideline for implementation which strictly complies with the related laws and regulations. The Audit Committee was assigned to provide the opinion on the necessity and appropriateness of the above mentioned transactions. In a case where the Audit Committee lacks of expertise required for consideration on a particular transaction, it may hire an independent expert or auditor of the Company to provide opinion on the

transaction so as to provide adequate information for consideration of the Board of Directors or shareholders as the case may be; and to prevent the conflict of interest. The Board of Directors has determined policies and guideline for preventing Directors, executives, and employees of the Company from exploitation for personal gain whereby Directors, executives, and employees are to avoid conducting related transactions with the Company, which may incur conflict of interest.

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

As of September 30, 2019, no action was taken by any related supervising agency against the Company with regard to the announcement or disclosure of incorrect significant information and instruction to amend the financial statement. In addition, all financial reports, both quarterly and annually, have been filed in a timely manner and no complaints regarding wrongdoings involving the abuse of insider information by Directors and executives nor any malpractice regarding the conflict of interest were made. This reflected that the policies and guideline for conflict of interest determined by the Board of Directors of the Company were sufficient.

RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Board of Directors has roles and responsibilities to oversee management to achieve the targets and in a manner that delivers optimal benefits to shareholders.

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

1. Structure and components of the Board of Directors

The Board of Directors shall consist of not less than 5 directors as per the Article of Association of the Company.

As of November 21, 2019, the Board of Directors consisted of 9 directors, 5 directors are Executive Directors and the other 4 directors are Non-Executive Directors, where all 4 are Independent Directors. Details of the Board of Directors were as appeared in page 77 of 2019 Annual Report.

In this regard, Independent Directors and their independence 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 page 88 of 2019 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 and follow up any assigned duties as a means to implement strategic policy of the Company. 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.

Besides, the Board of Directors shall promote innovations equipped with social and environmental concern, to create business value while benefiting customers as well as relevant parties as a means to establish succession plans for the Executives and take into account skills development as well as the adequacy of financial liquidity and affordability ratio.

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:-

- 4.1 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;
- 4.2 To chair the meeting of Board of Directors and meeting of shareholders;
- 4.3 To be the deciding vote in case of equal voting results; and
- 4.4 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 entitled 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	Audit Committee Meeting	Executive Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	Sustainability and Risk Management Committee Meeting ⁽²⁾	Good Corporate Governance Committee Meeting	Non Executive Director Meeting
Mr. Prasit Kovilaikool	5/5	-	-	4/4	2/2	-	-	1/1
Mr. Thapana Sirivadhanabhakdi	4/5	-	12/12	4/4	2/2	-	2/2	-
Mr. Vikrom Koompirochana	5/5	6/6	-	4/4	2/2	-	2/2	1/1
Ms. Potjanee Thanavarani	5/5	6/6	-	-	2/2	-	2/2	1/1
Mr. Chai Jroongtanapibarn	5/5	6/6	-	-	-	6/6	2/2	1/1
Mr. Sithichai Chaikriangkrai	5/5	-	12/12	-	2/2	-	-	-
Mr. Ueychai Tantha-Obhas	5/5	-	12/12	-	-	-	-	-
Mr. Pisanu Vichiensanth	5/5	-	12/12	-	-	5/6	2/2	-
Mrs. Nongnuch Buranasetkul	5/5	-	12/12	-	-	4/6	-	-

Remarks

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

6. Leadership and vision

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

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

Vision

"To be the leader of Japanese food and beverages who provide better life quality to the consumer and generate sustainable growth."

Missions

1. To maintain quality production and business services on healthy food and beverages, to build and maintain popularity of the "Oishi" brand among consumers, and to place importance on production of quality products with sound hygienic management;
2. To use safe raw materials and achieve ultimate satisfaction of customers for our brands to be recognized in Thailand and overseas; and
3. To improve the production process on a continual basis by opting for modern technology in production process and product development.

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

The Board of Directors meeting held on November 21, 2019 reconsidered and appropriately stipulated the aforementioned vision and missions to be even more in alignment with the business operation of the Company.

In addition, Thai Beverage Public Company Limited ("ThaiBev") has determined the "2020 Vision" consisting of 5 key strategies i.e.

1. Growth
2. Diversity
3. Brand
4. Reach, and
5. 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 at least 1 meeting among them 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 2019, the Non-Executive Directors organized one meeting without attendance of the management and Executive Directors on November 21, 2019.

8. Centralization or segregation of position

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

9. Term of Office

In each Annual General Meeting of Shareholders, Directors whose terms are the longest shall retire by rotation at the ratio of one third of all Directors.

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

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

10. Board of Directors assessment

The Company has policies for the Board of Directors to conduct self-assessment at least once a year for the purpose of development and improvement of their performance. The Board of Directors meeting No. 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 aforementioned subjects as the self-assessment form of SET were stipulated. For the assessment, the Company's Secretary, or the secretary of the particular sub-committee, as the case may be, shall deliver both the self assessment form and the group assessment form to the each Directors. After the assessment forms are completed, each Directors shall deliver the completed forms back to the Company Secretary, or the secretaries of each sub-committee, as the case may be, to be compiled, evaluated for the improvement of business operation and stored as data.

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, attendance

fees as well as other benefit-in-kind (if any). The matter is proposed to the Board of Directors to ensure appropriateness prior to being proposed to the meeting of shareholders for further approval.

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

12. Orientation

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

13. Director development

The Company has policy to encourage and support all Directors of the Company to attend seminars and participate in training courses organized by the Thai Institute of Directors Association (IOD), SET, and other independent organizations or agencies to promote knowledge, which will benefit the performance efficiency.

14. Succession plan

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

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

15. Company Secretary

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

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

16. Sub-committees

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

In addition, the Board of Directors has determined that details of the structure, compositions, roles, duties and responsibilities, performance, attendance, amount of remuneration of the Board of Directors, the sub-committees, and signatory Directors are to be described in Management Structure on page 77 of 2019 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 by providing an orientation course for new employees on their first day to ensure that instructions regarding the policy on corporate governance and Code of Conduct of the Company are thoroughly communicated through all channels of communication i.e. announcement board of all factories and all branches of restaurants of the Company as well as on the Company's website. Also, activities to promote knowledge and understanding of procedures to monitor compliance with policies and the Code of Conduct of the company have been organized for the purpose of improvement and development of compliance to rules and regulations to ensure the entire organization have the common goals.

18. Internal control and audit system

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

of the direct report from the Internal Audit Department of the Company.

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

19. Risk Management

The Board of Directors recognizes the importance of management of risks which may incur to the Company. As such, the Risk Management Committee was established and consisted of director and executives of key functions of the Company to take responsibility in assessment and management of risks of the company as well as corruption risk, 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 discuss to assess the primary, secondary and immaterial risks and makes suggestions on amendments, management or minimization of negative effects from different types of risks. Moreover, it monitors the progress to ensure appropriate and continual implementation and prepares related report to be proposed to the Board of Directors on a quarterly basis, which forms part of the annual report. Primary risks of the Company are as per details in Risk Factors on page 59 of 2019 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 21, 2019, the Board of Directors has acknowledged and reviewed the implementation of the CG Code to update the Company's corporate governance to benefit its business to have good long-term performance and create value for sustainable business.

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.

The incompliance matters	Reason
3. More than 50 percent of the member of the Board of Directors should be Independent Directors	The Board of Directors consist of experts with diverse qualification, capability and experience. 4 out of the total of 9 Directors, including the Chairman of the Board of Directors, are Independent Directors and such proportion is appropriate for the performance of the Board of Directors' duties.
4. Independent Directors should not hold the position for longer than 3 consecutive terms or the equivalence of 9 years from the date of appointment	The Company's has stipulated that its Independent Director may hold the position for the maximum of 3 consecutive terms, which is the equivalence of 9 years. However, in the process of consideration and appointment of new Independent Director, the Board of Directors prioritize on potential Independent Directors' independency, suitability and effectiveness and has always provided reasoning behind the nomination to the shareholders during the nomination process. Additionally, all of the Company's Independent Directors possess the qualification and suitability for the position of Independent Directors, despite the fact that some of them held the position for longer than 9 years.
5. All members of the Nomination Committee should be Independent Directors	The Company's Nomination Committee consists of 3 members, 2 of which, including the Chairman of the Committee, are Independent Directors. The Board of Directors has considered the current structure of the Nomination Committee appropriate and all 3 of its members are qualify and capable to perform the duties of Nomination Committee members effectively.
6. The Board of Directors should have a policy to limit the number of listed companies each Director may hold the position of director in to the maximum of 5 companies.	All Directors are able to allocate and dedicate their time to perform their respective duties effectively. Moreover, they all provided ideas and suggestion which are invaluable to the operation of the Company's business.
7. The Company should have 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 2019, 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 2019 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.	<p>My audit procedures for the Group and the Company include the followings:</p> <ul style="list-style-type: none"> • gaining an understanding of the policy and process which management use for measuring net realisable value of inventories. Considering design and the controls identified by the Group and the Company along with selling plan; • sampling items to test the net realisable value with selling price by testing cost per unit calculation, net realisable value, sampling actual net selling price subsequent after the year end, including related selling expenses with supporting documents; • sampling items in inventory aging report to evaluating inventory aging classification; • attending inventory count observation including considering the condition of inventories; • evaluating the appropriateness of these provision for each types of inventories and evaluating that the provision are biased by the management or not. My consideration is based on the historical basis of the provision made by the Group in prior period. Identifying and analysing changes in assumptions from the prior period and assessing the consistency of the assumptions of all product and comparing assumptions with existing public information; and • evaluating the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.

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.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made. 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.



(Kanokorn Phooriphanyawanit)
Certified Public Accountant
Registration No. 10512

KPMG Phoomchai Audit Ltd.
Bangkok
21 November 2019

STATEMENT OF FINANCIAL POSITION

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



Assets	Note	Consolidated financial statements		Separate financial statements	
		30 September		30 September	
		2019	2018	2019	2018
(in Baht)					
Current assets					
Cash and cash equivalents	6	710,184,677	1,288,934,144	32,643,323	831,212,498
Trade accounts receivable	5, 7	686,160,239	670,006,453	30,672,677	58,614,356
Other receivables	3, 5, 8	250,086,868	941,608,319	25,690,912	29,263,253
Dividend receivable from subsidiaries	5	-	-	708,998,200	100,799,760
Short-term loans to subsidiaries	5	-	-	106,000,000	610,000,000
Inventories	9	450,856,813	403,769,633	35,279,234	39,986,776
Other current assets		38,344,765	91,414,570	6,660,821	8,435,567
Total current assets		2,135,633,362	3,395,733,119	945,945,167	1,678,312,210
Non-current assets					
Investments in subsidiaries	10	-	-	1,590,081,072	1,593,823,355
Property, plant and equipment	11	5,885,643,695	5,923,900,677	148,662,829	191,678,378
Intangible assets		34,120,107	34,976,599	15,959,770	15,789,965
Leasehold rights		28,757,935	34,777,493	21,144,483	23,620,128
Deferred tax assets	25	21,406,716	10,357,052	27,165,095	16,657,384
Other non-current assets	5, 12	301,708,403	280,479,066	165,320,979	174,283,592
Total non-current assets		6,271,636,856	6,284,490,887	1,968,334,228	2,015,852,802
Total assets		8,407,270,218	9,680,224,006	2,914,279,395	3,694,165,012

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

STATEMENT OF FINANCIAL POSITION

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



	Note	Consolidated financial statements		Separate financial statements	
		30 September		30 September	
Liabilities and equity		2019	2018	2019	2018
		(in Baht)			
Current liabilities					
Trade accounts payable	5, 14	613,356,994	809,130,199	161,260,053	182,672,380
Current portion of debentures	13	-	1,700,700,000	-	1,700,700,000
Payables for acquisition of assets	5	51,190,196	135,123,810	4,169,409	9,830,014
Other payables	5, 15	847,592,391	864,386,528	281,195,752	326,067,235
Short-term loans from subsidiaries	5	-	-	565,000,000	-
Current tax payable		26,607,938	29,318,237	4,224,026	9,171,409
Other current liabilities		36,414,197	34,484,323	12,151,597	17,039,573
Total current liabilities		1,575,161,716	3,573,143,097	1,028,000,837	2,245,480,611
Non-current liabilities					
Deferred tax liabilities	25	34,920,259	18,682,510	-	-
Non-current provisions for employee benefits	16	150,343,174	87,534,509	90,779,023	54,939,308
Other non-current liabilities	5	7,282,263	10,402,964	345,495	402,470
Total non-current liabilities		192,545,696	116,619,983	91,124,518	55,341,778
Total liabilities		1,767,707,412	3,689,763,080	1,119,125,355	2,300,822,389
Equity					
Share capital:	17				
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	17	609,402,184	609,402,184	609,402,184	609,402,184
Retained earnings					
Appropriated to legal reserve	18	37,500,000	37,500,000	37,500,000	37,500,000
Unappropriated		5,451,551,835	4,800,785,469	773,251,856	371,440,439
Other components of equity	18	162,303,206	162,707,527	-	-
Equity attributable to owners of the parent		6,635,757,225	5,985,395,180	1,795,154,040	1,393,342,623
Non-controlling interests		3,805,581	5,065,746	-	-
Total equity		6,639,562,806	5,990,460,926	1,795,154,040	1,393,342,623
Total liabilities and equity		8,407,270,218	9,680,224,006	2,914,279,395	3,694,165,012

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	
		Year ended 30 September		Year ended 30 September	
	Note	2019	2018	2019	2018
		(in Baht)			
Revenue	5, 19				
Revenue from sale of goods	26	13,569,287,856	12,553,793,763	4,238,681,847	4,534,352,661
Revenue from rendering of services	26	61,593,761	42,316,863	-	-
Dividend income from subsidiaries	10	-	-	897,997,750	100,799,760
Interest income		10,295,571	15,257,400	12,385,379	39,976,881
Claim refund from the fire	3	47,422,735	867,961,644	-	-
Other income		68,028,748	100,813,203	52,299,762	58,691,212
Total revenue		13,756,628,671	13,580,142,873	5,201,364,738	4,733,820,514
Expenses	5, 19				
Cost of sales of goods		8,757,476,854	8,081,967,182	2,351,220,987	2,615,652,672
Cost of rendering of services		58,980,756	28,264,703	-	-
Distribution costs	20	1,496,686,903	1,590,863,129	654,861,347	670,742,965
Administrative expenses	21	2,082,616,061	1,998,117,879	1,164,807,581	1,178,799,880
Past service cost for employee benefit from amendment of the Labor Protection Act	16	21,769,959	-	12,948,662	-
Loss from the fire	3	15,641,913	710,049,086	-	-
Finance costs	24	20,779,707	44,930,451	23,747,170	45,221,095
Total expenses		12,453,952,153	12,454,192,430	4,207,585,747	4,510,416,612
Profit before income tax expense		1,302,676,518	1,125,950,443	993,778,991	223,403,902
Tax expense	25	(73,777,707)	(117,775,359)	(17,028,766)	(20,849,166)
Profit for the year		1,228,898,811	1,008,175,084	976,750,225	202,554,736
Other comprehensive income					
Item that will be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		(351,487)	(111,445)	-	-
Total item that will be reclassified subsequently to profit or loss		(351,487)	(111,445)	-	-

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	
		Year ended 30 September		Year ended 30 September	
	Note	2019	2018	2019	2018
		(in Baht)			
Items that will not be reclassified subsequently to profit or loss					
Losses on remeasurements of defined employee benefit plans	16, 25	(26,481,556)	(10,307,128)	(15,548,510)	(4,843,101)
Income tax relating to items that will not be reclassified	25	<u>5,296,311</u>	<u>2,126,144</u>	<u>3,109,702</u>	<u>968,620</u>
Total items that will not be reclassified subsequently to profit or loss		<u>(21,185,245)</u>	<u>(8,180,984)</u>	<u>(12,438,808)</u>	<u>(3,874,481)</u>
Other comprehensive expense for the year, net of tax		<u>(21,536,732)</u>	<u>(8,292,429)</u>	<u>(12,438,808)</u>	<u>(3,874,481)</u>
Total comprehensive income for the year		<u>1,207,362,079</u>	<u>999,882,655</u>	<u>964,311,417</u>	<u>198,680,255</u>
Profit (loss) attributable to :					
Owners of the parent		1,234,451,611	1,015,256,095	976,750,225	202,554,736
Non-controlling interests		<u>(5,552,800)</u>	<u>(7,081,011)</u>	<u>-</u>	<u>-</u>
Profit for the year		<u>1,228,898,811</u>	<u>1,008,175,084</u>	<u>976,750,225</u>	<u>202,554,736</u>
Total comprehensive income (expense) attributable to:					
Owners of the parent		1,212,862,045	1,006,917,150	964,311,417	198,680,255
Non-controlling interests		<u>(5,499,966)</u>	<u>(7,034,495)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>1,207,362,079</u>	<u>999,882,655</u>	<u>964,311,417</u>	<u>198,680,255</u>
Basic earnings per share	27	<u>6.58</u>	<u>5.41</u>	<u>5.21</u>	<u>1.08</u>

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				Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Translating foreign operations	Revaluation surplus on land	Total other components of equity				
<i>Note</i>											
<i>(in Baht)</i>											
Year ended 30 September 2018	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	
Balance at 1 October 2017	-	-	-	(600,000,000)	-	-	-	(600,000,000)	(240)	(600,000,240)	
Transactions with owners, recorded directly in equity	-	-	-	(600,000,000)	-	-	-	(600,000,000)	(240)	(600,000,240)	
<i>Distributions to owners of the parent</i>	-	-	-	-	-	-	-	-	-	-	
Dividends to owners of the Company	-	-	-	-	-	-	-	-	-	-	
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	
Comprehensive income for the year	-	-	-	1,015,256,095	-	-	-	1,015,256,095	(7,081,011)	1,008,175,084	
Profit or loss	-	-	-	(8,180,984)	(157,961)	-	(157,961)	(8,338,945)	46,516	(8,292,429)	
Other comprehensive income (expense)	-	-	-	1,007,075,111	(157,961)	-	(157,961)	1,006,917,150	(7,034,495)	999,882,655	
Total comprehensive income (expense) for the year	-	-	-	-	-	-	-	-	-	-	
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	
Year ended 30 September 2019	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	
Balance at 1 October 2018	-	-	-	(562,500,000)	-	-	-	(562,500,000)	(2,250)	(562,502,250)	
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	
<i>Distributions to owners of the parent</i>	-	-	-	-	-	-	-	-	-	-	
Dividends to owners of the Company	-	-	-	-	-	-	-	-	-	-	
<i>Changes in ownership interests in subsidiary</i>	-	-	-	-	-	-	-	-	-	-	
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	
Total transactions with owners, recorded directly in equity	-	-	-	(562,500,000)	-	-	-	(562,500,000)	4,242,051	4,242,051	
Comprehensive income for the year	-	-	-	1,234,451,611	-	-	-	1,234,451,611	(5,552,800)	1,228,898,811	
Profit or loss	-	-	-	(21,185,245)	(404,321)	-	(404,321)	(21,589,566)	52,834	(21,536,732)	
Other comprehensive income (expense)	-	-	-	1,213,266,366	(404,321)	-	(404,321)	1,212,862,045	(5,499,966)	1,207,362,079	
Total comprehensive income (expense) for the year	-	-	-	-	-	-	-	-	-	-	
Balance at 30 September 2019	375,000,000	609,402,184	37,500,000	5,451,551,835	(2,432,262)	164,735,468	162,303,206	6,635,757,225	3,805,581	6,639,562,806	

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

	Note	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings			Total equity
				Legal reserve (in Baht)	Unappropriated		
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
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the parent</i>							
Dividends to owners of the Company		-	-	-	(600,000,000)		(600,000,000)
Total transactions with owners, recorded directly in equity	28	-	-	-	(600,000,000)		(600,000,000)
Comprehensive income for the year							
Profit		-	-	-	202,554,736		202,554,736
Other comprehensive expense		-	-	-	(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
Year ended 30 September 2019							
Balance at 1 October 2018		375,000,000	609,402,184	37,500,000	371,440,439		1,393,342,623
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the parent</i>							
Dividends to owners of the Company		-	-	-	(562,500,000)		(562,500,000)
Total transactions with owners, recorded directly in equity	28	-	-	-	(562,500,000)		(562,500,000)
Comprehensive income for the year							
Profit		-	-	-	976,750,225		976,750,225
Other comprehensive expense		-	-	-	(12,438,808)		(12,438,808)
Total comprehensive income for the year		-	-	-	964,311,417		964,311,417
Balance at 30 September 2019		375,000,000	609,402,184	37,500,000	773,251,856		1,795,154,040

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		Separate financial statements	
		Year ended 30 September		Year ended 30 September	
		2019	2018	2019	2018
(in Baht)					
Cash flows from operating activities					
Profit for the year		1,228,898,811	1,008,175,084	976,750,225	202,554,736
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Depreciation and amortisation		871,044,400	865,964,138	90,022,404	166,703,044
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	15,641,913	30,520,873	-	-
Reversal of impairment losses on plant and equipment		(4,050,000)	-	-	-
Write-off of obsolete and deteriorated inventories	9	4,616,220	1,675,099	-	-
Impairment losses on investment in subsidiary	10	-	-	9,221,782	19,454,501
Interest income		(10,295,571)	(15,257,400)	(12,385,379)	(39,976,881)
Dividend income from subsidiaries	5, 10	-	-	(897,997,750)	(100,799,760)
Finance costs	24	20,779,707	44,930,451	23,747,170	45,221,095
Unrealised (gain) loss on exchange		434,634	303,833	378,577	(277,058)
(Gain) loss on disposal of and write-off of plant and equipment		(3,981,266)	(10,293,416)	(45,816)	486,794
Loss on disposal of intangible assets		3,269	332,271	2,285	8,338
Claim refund from the fire	3, 5	(47,422,735)	(867,961,644)	-	-
Defined employee benefit expenses	16	15,361,450	10,661,849	9,539,851	6,988,973
Past service cost for employee benefit from amendment of the Labor Protection Act	16	21,769,959	-	12,948,662	-
Expenses in relation to long-term incentive plan		1,168,769	1,422,028	260,380	142,432
Tax expense	25	73,777,707	117,775,359	17,028,766	20,849,166
		2,187,747,267	1,867,776,738	229,471,157	321,355,380
Changes in operating assets and liabilities					
Trade accounts receivable		(16,284,820)	39,303,520	27,941,679	57,742,194
Other receivables		(14,234,335)	8,761,081	310,253	80,449,139
Inventories		(51,703,401)	(52,467,557)	4,707,542	1,929,194
Other current assets		45,802,523	(41,504,225)	1,774,746	(1,427,095)
Other non-current assets		(12,426,817)	(14,098,195)	8,962,613	(1,800,938)
Trade accounts payable		(195,855,927)	(168,025,981)	(21,412,327)	(113,463,655)
Other payables		21,722,759	17,550,047	(35,045,295)	31,216,599
Other current liabilities		1,929,874	(6,623,870)	(4,887,976)	(1,335,371)
Other non-current liabilities		(2,792,279)	(5,643,426)	-	-
Employee benefit paid	16	(419,846)	(4,199,358)	(88,722)	(1,846,962)
Transfer in of employee benefit obligations	16	10,771	-	721,518	757,798
Transfer out of employee benefit obligations	16	(395,225)	(1,028,835)	(2,830,104)	(1,511,607)
Net cash generated from operating		1,963,100,544	1,639,799,939	209,625,084	372,064,676
Insurance reimbursement received	3	750,000,000	-	-	-
Compensation paid from the fire		(36,191,073)	-	-	-
Advance income tax received		2,101,204	-	-	-
Taxes paid		(69,518,361)	(79,066,226)	(29,374,158)	(35,188,570)
Net cash from operating activities		2,609,492,314	1,560,733,713	180,250,926	336,876,106

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		Separate financial statements	
		Year ended 30 September		Year ended 30 September	
		2019	2018	2019	2018
(in Baht)					
Cash flows from investing activities					
Interest received		13,192,093	13,175,655	15,346,380	39,508,917
Dividends received		-	-	289,799,310	419,999,000
Increase in short-term loans to subsidiaries	5	-	-	(2,258,390,000)	(11,884,286,000)
Proceeds from repayment of short-term loans to subsidiaries	5	-	-	2,762,390,000	12,561,286,000
Acquisition of investment in subsidiary	10	-	-	(5,479,500)	(919,997,800)
Acquisition of building improvement and equipment		(928,931,400)	(778,837,641)	(49,925,553)	(60,140,437)
Proceeds from sale of equipment		22,888,548	11,967,356	2,660,623	1,126,714
Acquisition of intangible assets		(5,047,343)	(4,477,078)	(3,053,340)	(2,614,200)
Proceeds from sale of intangible assets		1,243	5,280	183	14,875
Net cash from (used in) investing activities		(897,896,859)	(758,166,428)	753,348,103	154,897,069
Cash flows from financing activities					
Interest paid		(31,034,796)	(47,758,650)	(33,968,204)	(48,049,295)
Proceed from capital increase in non-controlling interests in a subsidiary		4,242,051	-	-	-
Dividend paid to owners of the Company	28	(562,500,690)	(600,000,240)	(562,500,000)	(600,000,000)
Proceeds from short-term loans from subsidiaries	5	-	-	1,307,000,000	500,100,000
Repayment of short-term loans from subsidiaries	5	-	-	(742,000,000)	(500,100,000)
Finance lease payments		-	(12,969,127)	-	-
Repayment of debentures	13	(1,700,700,000)	(299,300,000)	(1,700,700,000)	(299,300,000)
Net cash used in financing activities		(2,289,993,435)	(960,028,017)	(1,732,168,204)	(947,349,295)
Net decrease in cash and cash equivalents, before effect of exchange rates		(578,397,980)	(157,460,732)	(798,569,175)	(455,576,120)
Effect of exchange differences on translating foreign operations		(351,487)	(111,445)	-	-
Net decrease in cash and cash equivalents		(578,749,467)	(157,572,177)	(798,569,175)	(455,576,120)
Cash and cash equivalents at 1 October 2018 / 2017		1,288,934,144	1,446,506,321	831,212,498	1,286,788,618
Cash and cash equivalents at 30 September	6	710,184,677	1,288,934,144	32,643,323	831,212,498
Non-cash transactions					
Payables for acquisition of assets		51,190,196	135,123,810	4,169,409	9,830,014

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

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



Note	Contents
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NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 21 November 2019.

1 General information

Oishi Group Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in August 2004. The Company’s registered office at Unit B3601, No. 90 CW Tower, 36th Floor, Ratchadapisek Road, Huai Khwang, Bangkok, Thailand.

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 2019 and 2018 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 and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2018. 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, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 32.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



(b) *Basis of measurement*

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

<i>Items</i>	<i>Measurement bases</i>
Derivative	Fair value
Land	Revaluation to fair value
Defined benefit liability	Present value of the defined benefit obligation

(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 The Group's accounting policies. 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 at 30 September 2019 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 3	Impact of fire
Note 4 (s) and 25	Current and deferred taxation
Note 16	Measurement of defined employee benefit obligations
Note 25	Utilisation of Tax losses
Note 29	Valuation of financial instruments

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



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.

Significant valuation issues are 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 29 Financial instruments

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



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 resumed its operation in December 2018. 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 losses 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. In January and July 2019, the said subsidiary partially received the insurance reimbursement from the insurance company totaling Baht 600 million and Baht 150 million, respectively. The reimbursement and expenses relating to the fire has been recognised in the Group's statement of comprehensive income as follows;

<i>For the year ended 30 September</i>	Consolidated financial statements	
	2019	2018
	<i>(in million baht)</i>	
Insurance reimbursement	47	878
Sales of scrap	-	(10)
Reimbursement	47	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	(16)	(30)
Total expenses relating to the fire	(16)	(710)
Net arising from the fire	31	158

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



Insurance reimbursements receivable

Movements during the year ended 30 September 2019 and 2018 of insurance reimbursements receivable were as follows:

	Consolidated financial statements	
	2019	2018
	<i>(in million baht)</i>	
At 1 October 2018 and 2017	868	-
Increase	47	878
Insurance reimbursement received	(750)	-
Sales of scrap	-	(10)
At 30 September	165	868

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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



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.

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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*

Derivative are used to manage exposure to foreign exchange risk arising from investment activities. Derivative 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 (base on government bonds).

(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.

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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.

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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.

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

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

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

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

(i) *Intangible assets*

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

Subsequent expenditure

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

Amortisation

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

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

Software licences	10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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(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.

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(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.

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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.

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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.

(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.

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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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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.

(i) *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.

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(u) *Related parties*

Related parties are a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(v) *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

Relationships with subsidiaries are described in Note 10. Other related parties that the Group and the Company had transactions with during the year 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
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

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Nummuang Co., Ltd.	Thailand	Direct subsidiary of parent company
Numnakorn Co., Ltd.	Thailand	Direct subsidiary of parent company
Num Palang Co., Ltd.	Thailand	Direct subsidiary of parent company
Numkijjakarn Co., Ltd.	Thailand	Direct subsidiary of parent company
Numrungrad Co., Ltd.	Thailand	Direct subsidiary of parent company
Numthip Co., Ltd.	Thailand	Direct subsidiary of parent company
Cash Van Management Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Energy Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Logistics Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Training Co., Ltd.	Thailand	Direct subsidiary of parent company
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
C.A.I Co., Ltd.	Thailand	Direct subsidiary of parent company
International Beverage Holdings Limited	Hong Kong	Direct subsidiary of parent company
Food of Asia Co., Ltd.	Thailand	Indirect subsidiary of parent company
Havi Logistics (Thailand) Limited	Thailand	Indirect subsidiary of parent company
Bangkok Art Biennale Co., Ltd.	Thailand	Indirect 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
Fraser & Neave, Limited	Singapore	Associate of an indirect subsidiary of parent company

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Petform (Thailand) Co., Ltd.	Thailand	Associate of subsidiary of an indirect subsidiary of parent company
F&N Dairies (Thailand) Limited	Thailand	Affiliated company in associate of an indirect subsidiary of parent company
F&N United Limited	Thailand	Affiliated company in associate of an indirect subsidiary of parent company
F&N Beverages Marketing Sdn. Bhd.	Malaysia	Affiliated company in associate of an indirect subsidiary of parent company
F&N Beverages Manufacturing Sdn. Bhd.	Malaysia	Affiliated company in associate of an indirect subsidiary of parent company
F&N Foods Pte. Ltd.	Singapore	Affiliated company in associate of an indirect subsidiary of parent company
Fraser & Neave (Singapore) Pte. Limited	Singapore	Affiliated company in associate of an indirect subsidiary of parent company
North Park Golf And Sports Club Co., Ltd.	Thailand	Directors and controlling equity holders of parent company are directors and hold substantial shares indirectly
Inter Horeca Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
CW Towers Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Asset World Retail Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
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

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Southeast Capital Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Thippatana Arcade Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
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
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

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Name of entities	Country of incorporation/ nationality	Nature of relationships
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
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
T.C.C Land Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
T.C.C Assets (Thailand) Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Asia Book Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Amarin Printing & Publishing PLC.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Kasemsubbhakdi Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold shares indirectly
Pacific Leisure (Thailand) Limited	Thailand	Directors and controlling equity holders of parent company hold 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 substantial units indirectly
Golden Ventures Leasehold Real Estate Investment Trust	Thailand	Directors and controlling equity holders of parent company hold units indirectly

NOTES TO THE FINANCIAL STATEMENTS

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

Transactions

Purchase and sale of goods
Revenue from rendering of services
Purchase and sale of fixed assets
Rental income and expense
Management service income
Management fee
Interest income and expense

Dividend income
Other income and expense
Claim refund from the fire

Pricing policies

Mutually agreed price by reference to market price
Contractually agreed price
Mutually agreed price
Contractually agreed price
Contractually agreed price
Contractually agreed price
Mutually agreed rate base on interest rates of financial institution
Right to receive dividends
Mutually agreed price
Standard rate from insurer

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

Year-ended 30 September	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in thousand Baht)			
Parent				
Revenue from sale of goods	824	3,413	202	825
Other income	111	22	92	22
Management fee	9,360	9,360	9,360	9,360
Other expenses	6,844	6,221	4,426	3,608
Subsidiaries				
Revenue from sale of goods	-	-	2,951	3,366
Dividend income	-	-	897,998	100,800
Interest income	-	-	6,515	30,395
Management service income	-	-	18,699	18,176
Other income	-	-	16,542	16,431
Sale of equipment	-	-	1,501	525
Purchase of goods	-	-	54,653	330,798
Purchase of equipment	-	-	44	190
Rental expenses	-	-	3,783	4,757
Interest expenses	-	-	2,967	291
Management fee	-	-	35,231	-
Other expenses	-	-	6,307	10,497

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<i>Year-ended 30 September</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	46,309	59,508	39,076	49,502
Post-employment benefits	609	438	466	300
Past service cost for employee benefit from amendment of the Labor Protection Act	1,681	-	1,171	-
Total key management personnel compensation	48,599	59,946	40,713	49,802
Other related parties				
Revenue from sale of goods	5,114,448	4,788,563	224,059	218,292
Revenue from rendering of services	3,812	8,801	-	-
Claim refund from the fire	47,423	867,962	-	-
Sale of equipment	21,547	58	-	-
Other income	24,393	27,960	4,460	6,283
Purchase of goods	3,042,887	2,214,476	1,766,367	1,103,253
Purchase of equipment	10,698	2,509	182	710
Management fee	7,852	4,632	6,172	2,952
Rental expenses	148,485	114,578	57,737	48,406
Other expenses	485,986	504,696	178,869	199,541

Directors' remuneration

At the annual general meeting of the shareholders of the Company held on 30 January 2019, the shareholders approved the directors' remuneration and bonus for the year 2019 in the amount not exceeding Baht 10 million and Baht 32 million, respectively.

At the annual general meeting of the shareholders of the Company held on 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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



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

<i>Trade accounts receivable - related parties</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Parent	271	492	129	338
Subsidiaries	-	-	237	324
Other related parties	570,364	540,031	23,708	41,327
Total	570,635	540,523	24,074	41,989

<i>Other receivables - related parties</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Parent	7	-	7	-
Subsidiaries	-	-	9,511	4,633
Other related parties*	194,609	882,084	2,115	3,900
Total	194,616	882,084	11,633	8,533

*As at 30 September 2019, the Group has insurance reimbursements receivable with a related company in totaling Baht 165 million (2018: Baht 868 million) as disclosed in Note 3.

<i>Dividend receivable from subsidiaries</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	708,998	100,800

Short-term loans to subsidiaries

Movements during the year ended 30 September 2019 of short-term loans to subsidiaries were as follows:

	Interest rate			Separate financial statements		
	At 30 September 2018	2019	At 1 October 2018	Increase	Decrease	At 30 September 2019
	<i>(% per annum)</i>			<i>(in thousand Baht)</i>		
Subsidiaries	1.30 – 2.51	2.20 - 2.51	610,000	2,258,390	(2,762,390)	106,000

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**Deposit paid - related parties**

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other related parties	<u>34,447</u>	<u>31,027</u>	<u>18,741</u>	<u>20,634</u>

**Trade accounts payable
- related parties**

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	5,414	4,782
Other related parties	<u>309,573</u>	<u>336,051</u>	<u>138,207</u>	<u>153,542</u>
Total	<u>309,573</u>	<u>336,051</u>	<u>143,621</u>	<u>158,324</u>

**Payables for acquisition of assets
- related parties**

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other related parties	<u>1,764</u>	<u>1,356</u>	<u>-</u>	<u>-</u>

Other payables - related parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Parent	6,051	12,040	3,480	7,710
Subsidiaries	-	-	38,782	44,893
Other related parties	<u>134,279</u>	<u>236,255</u>	<u>21,494</u>	<u>70,489</u>
Total	<u>140,330</u>	<u>248,295</u>	<u>63,756</u>	<u>123,092</u>

Short-term loans from subsidiaries

Movements during the year ended 30 September 2019 of short-term loans from subsidiaries were as follows:

	Interest rate		Separate financial statements		
	At 30 September 2018	At 30 September 2019	At 1 October 2018	Increase Decrease <i>(in thousand Baht)</i>	At 30 September 2019
	<i>(% per annum)</i>				
Subsidiaries	-	2.20	-	<u>1,307,000</u> <u>(742,000)</u>	<u>565,000</u>

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**Other non-current liabilities
- related parties**

Consolidated
financial statements
2019 2018
(in thousand Baht)

Separate
financial statements
2019 2018

Parent	1,580	1,908	345	402
Other related party	475	75	-	-
Total	2,055	1,983	345	402

Commitments with related parties

Consolidated
financial statements
2019 2018
(in thousand Baht)

Separate
financial statements
2019 2018

Capital commitments*Contracted but not provided for:*

Buildings and other constructions	-	6,500	-	-
Machinery and equipment	2,306	125	-	-
Total	2,306	6,625	-	-

**Future minimum lease payment
under non-cancellable operating
lease**

Within one year	39,081	41,145	21,690	29,102
After one year but within five years	20,698	36,873	8,141	27,199
Total	59,779	78,018	29,831	56,301

Other commitments

Service agreements	98,837	148,359	20,102	36,734
Purchase orders for goods and supplies	34,259	27,948	4,422	-
Advertise contracts	4,711	-	167	-
Others	15,062	1,147	13,869	787
Total	152,869	177,454	38,560	37,521

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 related companies for restaurant business operation. The agreements are for a period of one year to three years, due within 2019 to 2022. The Company and the said subsidiary agreed to pay rental fees based on fixed rate or percentage of sale as conditions stipulated in the agreements.

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OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



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 years 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 terminations. The lessor shall grant the lessee land and together with construction thereon lease for an additional period of three 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 years 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 Industrial Estate in Phatumthani province with a related company (“lessee”). The agreement is for a period of three years from 1 August 2017 to 31 July 2020 with terms and monthly rental fee as specified in the agreement.

The Company and Oishi Trading Co., Ltd., the Company’s subsidiary, entered into car lease agreements with a related company. The agreements are for a period of three years to five years, due within 2020 to 2024. The Company and the said subsidiary 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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



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 into 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. Subsequently on 28 December 2018, the said subsidiary has written a notice not to renew as stipulated in this agreement, effective on 31 March 2019 to terminate the agreement.

Production and distribution of goods agreements

On 25 June 2018, 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 one year, effective from 1 August 2018 to 31 July 2019. Subsequently on 1 August 2019, 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 and two months, effective from 1 August 2019 to 30 September 2020. The renewals are subject to receipt of written notice to renew the agreement at least 90 days prior to the expiry date.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



On 1 July 2015, Oishi Trading Co., Ltd., the Company's subsidiary, entered into a manufacturing and distribution agreement for herbal beverage with a related company at the price and conditions as stipulated in the agreement. The agreement shall be in effect for a period of three years, effective from 1 July 2015 to 30 June 2018. 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 party wish to terminate the agreement, it shall give written notice to the other not less than two months. The said subsidiary is committed to pay a service fee monthly based on the rates as stipulated in the agreement.

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. Subsequently 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.

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OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



On 1 September 2018, 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 six months, effective from 1 September 2018 to 28 February 2019. Subsequently on 27 March 2019, 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 seven months, effective from 1 March 2019 to 30 September 2019. Subsequently on 1 October 2019, the said subsidiary entered the new agreement with a party. The agreement shall be in effect for a period of one year, effective from 1 October 2019 to 30 September 2020 at the price and conditions as stipulated in the agreement.

On 4 June 2018, the Company entered into a purchase and sale of canned soda green tea beverage agreement with a related company according to the quantity required from the Company at the price as stipulated in the agreement. The agreement is for a period of one year, effective from 20 May 2018 to 19 May 2019. Subsequently on 28 May 2019, 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 and one hundred and thirty-three days, effective from 20 May 2019 to 30 September 2020. 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 with a related company. The said subsidiary 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 said subsidiary agreed to pay the service fee monthly at the rate as stipulated in the said amendment. Subsequently on 7 November 2018, the parties have made the second amendment to renew the agreement for one year from 1 December 2018 to 30 November 2019. The said subsidiary agreed to pay the service fee monthly at the rate as stipulated in the said amendment.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



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. Subsequently, the parties have entered the new agreement. The agreement is for a period of one year from 1 January 2019 to 31 December 2019 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



Procurement services agreement

The Company and Oishi Ramen Co., Ltd., the Company's subsidiary, entered into procurement services agreement with Oishi Food Service Co., Ltd., the Company's subsidiary, to be procurement of goods and services according to the terms and conditions as stipulated in the agreement. This agreement shall be in effect for a period of one year, effective from 1 October 2018 to 30 September 2019. Unless there is a written notice to terminate this agreement at least 30 days prior to the expiration date, the agreement shall be renewed for additional terms of one year at a time, starting from the agreement termination or the end of the renewal period.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash on hand	15,969	25,713	8,690	15,746
Cash at banks - current accounts	15,036	6,239	56	150
Cash at banks - savings accounts	679,180	1,256,982	23,897	815,316
Total	710,185	1,288,934	32,643	831,212

7 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	5	570,635	540,523	24,074	41,989
Other parties		115,525	129,483	6,599	16,625
Total		686,160	670,006	30,673	58,614

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	504,336	463,751	23,900	15,479
Overdue:				
Less than 3 months	61,630	52,459	51	3,034
3 - 6 months	4,526	4,907	-	4,907
6 - 12 months	117	15,804	97	15,123
Over than 12 months	26	3,602	26	3,446
Total	570,635	540,523	24,074	41,989

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other parties				
Within credit terms	89,419	107,737	5,595	12,438
Overdue:				
Less than 3 months	22,121	19,687	448	3,426
3 - 6 months	1,057	481	1	275
6 - 12 months	1,061	510	12	14
Over than 12 months	1,867	1,068	543	472
Total	115,525	129,483	6,599	16,625
Grand total	686,160	670,006	30,673	58,614

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	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	5	194,616	882,084	11,633	8,533
Other parties					
Prepaid expenses		30,495	43,286	10,255	14,683
Other receivable		12,430	8,683	1,460	2,035
Others		12,546	7,555	2,343	4,012
Total		250,087	941,608	25,691	29,263

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



9 Inventories

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Finished goods	187,538	181,314	1,039	817
Work in progress	12,070	7,921	-	-
Raw materials	203,788	172,398	29,156	33,756
Production supplies	16,969	16,622	5,084	4,194
Spare parts	43,807	34,850	-	1,220
	<u>464,172</u>	<u>413,105</u>	<u>35,279</u>	<u>39,987</u>
Less allowance for obsolete and deteriorated inventories	<u>(13,315)</u>	<u>(9,335)</u>	<u>-</u>	<u>-</u>
Net	<u>450,857</u>	<u>403,770</u>	<u>35,279</u>	<u>39,987</u>
Inventories recognised as an expense in 'cost of sale of goods':				
- Cost	7,973,524	7,445,434	2,351,221	2,615,653
- Allowance for obsolete and deteriorated inventories	<u>4,616</u>	<u>1,675</u>	<u>-</u>	<u>-</u>
Net	<u>7,978,140</u>	<u>7,447,109</u>	<u>2,351,221</u>	<u>2,615,653</u>

10 Investments in subsidiaries

	Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
At 1 October 2018 and 2017	1,593,823	693,280
Increase in subsidiary's share capital	5,479	919,998
Allowance for impairment	<u>(9,221)</u>	<u>(19,455)</u>
At 30 September	<u>1,590,081</u>	<u>1,593,823</u>

There are no acquisitions and disposals of investments in subsidiaries during the year ended 30 September 2019.

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



On 14 December 2018, Oishi International Holdings Limited, a direct subsidiary of the Company, increased its authorized and called-up share capital from HKD 11.70 million (11,700,000 ordinary shares with a HKD 1 par value) to HKD 13 million (13,000,000 ordinary shares with a HKD 1 par value).

On 2 January 2019, Oishi F&B (Singapore) Pte. Ltd, an indirect subsidiary of the company, increased its authorized and called-up share capital from SGD 1.90 million (1,900,000 ordinary shares with a SGD 1 par value) to SGD 2.13 million (2,125,000 ordinary shares with a SGD 1 par value).

On 30 January 2019, Oishi Myanmar Limited, an indirect subsidiary of the company, increased its authorized and called-up share capital from USD 2.70 million (2,700,000 ordinary shares with a USD 1 par value) to USD 3.00 million (3,000,000 ordinary shares with a USD 1 par value).

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



Investments in subsidiaries as at 30 September 2019 and 2018, and dividend income from those investments for the years then ended, were as follows:

Separate financial statements												
Type of business	Ownership interest (%)		Paid-up capital (in thousands)		Cost		Impairment (in thousands Baht)		At cost - Net		Dividend income	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
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	819,000	100,800
Oishi Ramen Co., Ltd.	99.99	99.99	Baht 158,000	Baht 158,000	158,000	158,000	-	-	158,000	158,000	79,000	-
Oishi Food Service Co., Ltd.	99.99	99.99	Baht 1,000,000	Baht 1,000,000	999,998	999,998	-	-	999,998	999,998	-	-
Oishi International Holdings Limited												
International distribution of beverage	100.00	100.00	HKD 13,000	HKD 11,700	55,586	50,107	(43,503)	(34,282)	12,083	15,825	-	-
Total					1,633,584	1,628,105	(43,503)	(34,282)	1,590,081	1,593,823	898,000	100,800

Indirect subsidiaries

Oishi F&B (Singapore) Pte. Ltd.	Brand management and consulting services	100.00	100.00	SGD 2,125	SGD 1,900
Oishi Myanmar Limited	Japanese restaurant	55.00	55.00	USD 3,000	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.

NOTES TO THE FINANCIAL STATEMENTS

QISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



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
	<i>(in thousand Baht)</i>										
Cost/ revaluation											
At 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 and											
1 October 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
Additions	-	443	4,082	17,463	17,998	51,389	24,235	3,238	59	726,090	844,997
Transfers	-	632	132,589	63,880	148,603	812,253	27,396	10,829	-	(1,196,182)	-
Disposals/written-off	-	-	(108,148)	(45,277)	(47,078)	(44,033)	(13,858)	(6,666)	-	(9,337)	(274,397)
At 30 September 2019	663,126	39,832	2,126,698	930,049	1,912,876	6,296,537	523,770	164,835	3,893	47,518	12,709,134

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
Depreciation and impairment losses											
At 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 and 1 October 2018	-	18,310	842,397	685,009	1,108,081	3,077,620	360,800	114,364	3,487	4,565	6,214,633
Depreciation charge for the year	-	3,179	96,898	92,407	161,207	434,049	52,960	18,331	94	-	859,125
Reversal of impairment losses	-	-	-	-	-	-	-	-	-	(4,565)	(4,565)
Disposals/written-off	-	-	(108,148)	(44,543)	(39,874)	(33,095)	(13,619)	(6,424)	-	-	(245,703)
At 30 September 2019	-	21,489	831,147	732,873	1,229,414	3,478,574	400,141	126,271	3,581	-	6,823,490

*Oishi Trading Co., Ltd., the Company's subsidiary, has recognised allowance for plant and equipment impairment from fire incident Baht 673 million and during the year, the said subsidiary disposed some of assets totaling Baht 89 million (2018: Baht 413 million).

NOTES TO THE FINANCIAL STATEMENTS

QISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



Consolidated financial statements

<i>Net book value</i>	Land	Land improvements	Buildings and building improvements	Decoration	Internal systems	Tools and machinery for manufacturing	Office equipment, furniture and fixtures	Restaurant utensils	Vehicles	Assets under Construction and installation	Total
<i>(in thousand Baht)</i>											
At 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
	<u>663,126</u>	<u>23,125</u>	<u>1,469,342</u>	<u>242,740</u>	<u>837,927</u>	<u>3,199,751</u>	<u>142,411</u>	<u>49,731</u>	<u>557</u>	<u>47,425</u>	<u>6,676,135</u>
At 30 September 2018 and 1 October 2018											
Owned assets	<u>663,126</u>	<u>20,447</u>	<u>1,255,778</u>	<u>208,974</u>	<u>685,272</u>	<u>2,399,308</u>	<u>125,197</u>	<u>43,070</u>	<u>347</u>	<u>522,382</u>	<u>5,923,901</u>
At 30 September 2019											
Owned assets	<u>663,126</u>	<u>18,343</u>	<u>1,295,551</u>	<u>197,176</u>	<u>683,462</u>	<u>2,817,963</u>	<u>123,629</u>	<u>38,564</u>	<u>312</u>	<u>47,518</u>	<u>5,885,644</u>

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 30 September 2019 amounted to Baht 2,441.73 million (2018: Baht 2,041.20 million).

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



Separate financial statements

	Cost	Decoration	Internal systems	Tools and machinery for manufacturing	Office equipment, furniture and fixtures (in thousand Baht)	Restaurant utensils	Vehicles	Assets under construction and installation	Total
At 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 and 1 October 2018	540,316	506,696	499,154	232,944	94,137	320	445	1,874,012	
Additions	2,895	350	4,270	7,421	804	-	28,525	44,265	
Transfers	7,993	4,153	10,491	4,082	2,251	-	(28,970)	-	
Disposals/written-off	(45,041)	(37,717)	(38,439)	(14,383)	(6,964)	-	-	(142,544)	
At 30 September 2019	506,163	473,482	475,476	230,064	90,228	320	-	1,775,733	
Depreciation									
At 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 and 1 October 2018	489,771	470,487	451,759	191,390	78,607	320	-	1,682,334	
Depreciation charge for the year	23,128	17,177	21,341	16,438	6,582	-	-	84,666	
Disposals/written-off	(44,326)	(37,420)	(37,452)	(14,145)	(6,587)	-	-	(139,930)	
At 30 September 2019	468,573	450,244	435,648	193,683	78,602	320	-	1,627,070	
Net book value									
Owned assets									
At 1 October 2017	82,093	63,884	74,345	52,153	22,280	-	-	294,755	
At 30 September 2018 and 1 October 2018	50,545	36,209	47,395	41,554	15,530	-	445	191,678	
At 30 September 2019	37,590	23,238	39,828	36,381	11,626	-	-	148,663	

The gross amount of the Company's fully depreciated equipment that was still in use as at 30 September 2019 amounted to Baht 1,459.46 million (2018: Baht 1,197.94 million).

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



Measurement of fair value

Fair value hierarchy

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

The fair value measurement for land of Baht 663 million in consolidated financial statements has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Level 3 fair value

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

	Consolidated financial statements	
	2019	2018
	<i>(in million Baht)</i>	
Balance at 1 October 2018 / 2017	663	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).

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**12 Other non-current assets**

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties					
Deposits	5	34,447	31,027	18,741	20,634
Other parties					
Deposits		234,792	227,275	144,507	151,579
Receivable from Revenue Department		30,498	21,696	2,071	2,071
Others		1,971	481	2	-
Total		301,708	280,479	165,321	174,284

13 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Current					
Current portion of debentures					
Unsecured		-	1,700,700	-	1,700,700

As at 30 September 2019 and 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).

The Company had outstanding unsubordinated, unsecured debentures and without a shareholder representative with the name registered No. 1/2015 in the amount of Baht 1,000 million (1,000,000 units at par value of Baht 1,000 each), mature on 9 December 2018 and No. 1/2016 in the amount of Baht 1,000 million (1,000,000 units at par value of Baht 1,000 each), mature 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.

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 299.30 million. As a result, the remaining units of the Debentures No. 1/2015 is 700,700 units, totaling Baht 700.70 million. 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.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



On 9 December 2018, the Company has repurchased a total of 700,700 units of the Debentures No. 1/2015 due to its maturity, totaling Baht 700.70 million.

On 6 July 2019, the Company has repurchased a total of 1,000,000 units of the Debentures No. 1/2016 due to its maturity, totaling Baht 1,000 million.

As at 30 September 2019, the Group had unutilised credit facilities totaling Baht 2,973.95 million and USD 2.85 million (2018: Baht 2,750.76 million and USD 3.46 million) and the Company had unutilised credit facilities totaling Baht 2,653.95 million (2018: Baht 2,665.56 million).

14 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	5	309,573	336,051	143,621	158,324
Other parties		303,784	473,079	17,639	24,348
Total		613,357	809,130	161,260	182,672

15 Other payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	5	140,330	248,295	63,756	123,092
Other parties					
Personnel expenses		251,905	192,313	140,501	104,587
Other payables		173,882	126,427	21,547	26,321
Accrued expenses		97,325	55,046	11,698	4,180
Marketing expenses		80,708	105,281	5,621	18,856
Utilities expenses		43,785	41,838	12,101	13,995
Advances received		29,468	23,459	20,173	13,719
Retention		18,035	17,692	1,266	4,698
Others		12,154	54,036	4,533	16,619
Total		847,592	864,387	281,196	326,067

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**16 Non-current provisions for employee benefits**

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Statement of financial position:				
Non-current provisions for:				
Post-employment benefits				
- Defined benefit plan	<u>150,343</u>	<u>87,535</u>	<u>90,779</u>	<u>54,939</u>
Year ended 30 September				
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits				
- Defined benefit plan	<u>37,131</u>	<u>10,662</u>	<u>22,489</u>	<u>6,989</u>
Recognised in other comprehensive income:				
Actuarial losses recognised in the year	<u>26,481</u>	<u>10,307</u>	<u>15,549</u>	<u>4,843</u>
Cumulative actuarial losses recognised	<u>47,255</u>	<u>20,774</u>	<u>20,097</u>	<u>4,548</u>

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.

Present value of the defined benefit obligations

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 October 2018 and 2017	87,535	71,794	54,939	45,708
Include in profit or loss				
Current service cost	12,301	8,867	7,639	5,846
Past service cost	21,770	-	12,949	-
Interest on obligation	<u>3,060</u>	<u>1,795</u>	<u>1,901</u>	<u>1,143</u>
	<u>37,131</u>	<u>10,662</u>	<u>22,489</u>	<u>6,989</u>
Include in other comprehensive income				
Actuarial losses	<u>26,481</u>	<u>10,307</u>	<u>15,549</u>	<u>4,843</u>
	<u>26,481</u>	<u>10,307</u>	<u>15,549</u>	<u>4,843</u>

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**Present value of the defined benefit obligations**

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other				
Transfer from related companies	11	-	721	758
Transfer to related companies	(395)	(1,029)	(2,830)	(1,512)
Benefit paid	(420)	(4,199)	(89)	(1,847)
	<u>(804)</u>	<u>(5,228)</u>	<u>(2,198)</u>	<u>(2,601)</u>
At 30 September	<u>150,343</u>	<u>87,535</u>	<u>90,779</u>	<u>54,939</u>

Actuarial losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Demographic assumptions	-	289	-	146
Financial assumptions	15,620	1,921	9,030	1,146
Experience adjustment	10,861	8,097	6,519	3,551
Total	<u>26,481</u>	<u>10,307</u>	<u>15,549</u>	<u>4,843</u>

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group and the Company have therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as at 30 September 2019 as well as past service cost recognised during the year then ended in the consolidated and separate financial statements increased by an amount of Baht 21.77 million and Baht 12.95 million, respectively.

In the consolidated income statement, past service costs was present separately in the amount of Baht 21.77 million. If analysis of expenses by function, the said amount will be allocated as cost of sales of goods in amount of Baht 5.76 million, distribution costs in amount of Baht 0.85 million and administrative expenses in amount of Baht 15.16 million. In the separate income statement, past service costs was present separately in the amount of Baht 12.95 million. The said amount will be allocated as distribution costs in amount of Baht 0.54 million and administrative expenses in amount of Baht 12.41 million.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(%)			
Discount rate	1.60	2.80	1.60	2.80
Future salary growth	5.50	5.50	5.50	5.50

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

At 30 September 2019, the weighted-average duration of the defined benefit obligation was 10 years (2018: 9 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 2019				
Discount rate (0.5% movement)	(8,846)	9,593	(5,077)	5,490
Future salary growth (0.5% movement)	9,179	(8,571)	5,254	(4,918)
At 30 September 2018				
Discount rate (0.5% movement)	(4,986)	5,395	(2,975)	3,210
Future salary growth (0.5% movement)	5,226	(4,885)	3,110	(2,915)

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.

17 Share capital

		Consolidated/Separated financial statement			
Par value per share (in Baht)		2019		2018	
		Number	Baht	Number	Baht
		(thousand shares/thousand Baht)			
Authorised					
At 1 October 2018 and 2017					
- 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

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



	Par value per share (in Baht)	Consolidated/Separated financial statement			
		2019		2018	
		Number	Baht	Number	Baht
		<i>(thousand shares/thousand Baht)</i>			
<i>Issued and paid-up</i>					
At 1 October 2018 and 2017					
- ordinary shares	2	187,500	375,000	187,500	375,000
<i>At 30 September</i>					
- ordinary shares	2	187,500	375,000	187,500	375,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

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.

18 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Valuation surplus

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

Movements in reserves

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

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



19 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	
	2019	2018	2019	2018	2019	2018
	(in million Baht)					
Revenue from sale of goods						
- Other parties	7,044	6,534	1,411	1,228	8,455	7,762
- Related parties	86	76	5,029	4,716	5,115	4,792
Revenue from rendering of services						
- Other parties	-	-	58	33	58	33
- Related parties	-	-	4	9	4	9
Interest income	2	11	8	4	10	15
Claim refund from the fire	-	-	47	868	47	868
Other income	23	32	45	69	68	101
Total income	7,155	6,653	6,602	6,927	13,757	13,580
Cost of sale of goods	3,914	3,667	4,843	4,415	8,757	8,082
Cost of rendering of services	-	-	59	28	59	28
Distribution costs	946	866	551	725	1,497	1,591
Administrative expenses	1,828	1,761	254	237	2,082	1,998
Past service cost for employee benefit from amendment of the Labor Protection Act	16	-	6	-	22	-
Loss for the fire	-	-	16	710	16	710
Finance costs	-	-	21	45	21	45
Total expenses	6,704	6,294	5,750	6,160	12,454	12,454

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



	Food segment		Beverage segment		Total	
	2019	2018	2019	2018	2019	2018
	<i>(in million Baht)</i>					
Profit before income tax expense	451	359	852	767	1,303	1,126
Tax (expense) benefit	(91)	(123)	17	5	(74)	(118)
Profit for the year	360	236	869	772	1,229	1,008
Profit attributable to:						
Owners of the parent	365	243	869	772	1,234	1,015
Non-controlling interests	(5)	(7)	-	-	(5)	(7)
Profit for the year	360	236	869	772	1,229	1,008
Capital expenditure	293	726	557	55	850	781
Depreciation and amortisation	343	397	528	469	871	866
Assets and liabilities						
Inventories	159	171	292	246	451	404
Property, plant and equipment	1,367	1,904	4,519	4,020	5,886	5,924
Other assets	740	1,700	1,330	1,639	2,070	3,352
Segment assets as at 30 September	2,266	3,775	6,141	5,905	8,407	9,680
Trade accounts payable	376	446	237	363	613	809
Interest-bearing liabilities	-	-	-	1,701	-	1,701
Other liabilities	610	707	545	473	1,155	1,180
Segment liabilities as at 30 September	986	1,153	782	2,537	1,768	3,690

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**Consolidated financial statements**

	Revenue		Property, plant and equipment	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Thailand	12,175	12,283	5,878	5,912
Overseas	1,582	1,297	8	12
Total	13,757	13,580	5,886	5,924

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Major customer

Revenue from major customers of the Group's food and drink segments for the year ended 30 September 2019 represents approximately Baht 3,566 million (2018: Baht 4,253 million) of the Group's total revenues.

20 Distribution costs

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Advertising and promotion expenses	655,000	808,910	153,169	199,492
Rental and space service expenses	659,342	608,940	400,496	393,923
Personnel expenses	67,073	77,564	36,724	41,873
Transportation expenses	53,146	44,666	339	14,125
Fee and service expenses	2,236	536	35,440	1,352
Others	59,890	50,247	28,693	19,978
Total	1,496,687	1,590,863	654,861	670,743

21 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Personnel expenses	1,085,180	1,012,566	739,315	698,794
Office expenses	279,199	260,400	170,186	173,298
Depreciation and amortisation	276,814	293,743	67,578	123,141
Idle cost	135,727	153,739	-	-
Hire and service expenses	130,044	138,418	86,138	88,886
Rental expenses	45,796	46,193	27,898	27,808
Others	129,856	93,059	73,693	66,873
Total	2,082,616	1,998,118	1,164,808	1,178,800

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**22 Employee benefit expenses**

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Salaries and wages		1,540,851	1,426,994	758,912	740,135
Remuneration		25,889	32,000	25,889	32,000
Defined benefit plans	16	15,361	10,662	9,540	6,989
Past service cost for employee benefit from amendment of the Labor Protection Act	16	21,770	-	12,949	-
Defined contribution plans		16,746	14,979	9,266	8,393
Others		387,671	318,442	212,154	162,158
Total		2,008,288	1,803,077	1,028,710	949,675

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.

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23 Expense by nature

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

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in progress		(10,373)	(89,607)	(222)	271
Raw materials and consumables used		6,220,523	5,650,197	1,842,065	1,883,261
Employee benefit expenses		1,962,957	1,755,198	1,028,710	949,675
Depreciation and amortisation		852,229	841,122	90,022	166,703
Excised tax used		779,337	634,858	-	-
Rental expenses		775,307	703,828	457,430	449,830
Advertising and promotion expenses	20	655,000	808,910	153,168	199,492
Utilities expenses		482,857	436,995	157,366	165,988
Spare parts and maintenance expense		241,089	226,865	7,938	23,417
Idle cost	21	135,727	153,739	-	-
Transportation expenses		60,314	50,877	1,782	15,058
Finance costs	24	20,780	44,930	23,747	45,221
Loss from the fire	3	15,642	710,049	-	-
Others		262,563	526,231	445,580	611,501
Total expenses		12,453,952	12,454,192	4,207,586	4,510,417

24 Finance costs

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Interest expense					
Subsidiaries	5	-	-	2,967	291
Financial institutions		20,780	44,930	20,780	44,930
Total		20,780	44,930	23,747	45,221

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25 Income tax expense

Income tax recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	57,368	55,424	23,576	24,927
Under provided in prior year	5,927	-	851	-
	<u>63,295</u>	<u>55,424</u>	<u>24,427</u>	<u>24,927</u>
Deferred tax expense				
Movements in temporary differences	(911)	4,736	(7,398)	(4,078)
Benefit of tax losses recognised	11,394	57,615	-	-
	<u>10,483</u>	<u>62,351</u>	<u>(7,398)</u>	<u>(4,078)</u>
Total income tax expense	<u>73,778</u>	<u>117,775</u>	<u>17,029</u>	<u>20,849</u>

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2019			2018		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
	<i>(in thousand Baht)</i>					
Defined benefit plan actuarial losses	<u>(26,481)</u>	<u>5,296</u>	<u>(21,185)</u>	<u>(10,307)</u>	<u>2,126</u>	<u>(8,181)</u>
	Separate financial statements					
	2019			2018		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
	<i>(in thousand Baht)</i>					
Defined benefit plan actuarial losses	<u>(15,549)</u>	<u>3,110</u>	<u>(12,439)</u>	<u>(4,843)</u>	<u>969</u>	<u>(3,874)</u>

NOTES TO THE FINANCIAL STATEMENTS

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**Reconciliation of effective tax rate**

	Consolidated financial statements			
	2019	2018		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before total income tax expense		1,302,677		1,125,950
Income tax using the Thai corporation tax rate	20.00	260,535	20.00	225,190
Income for tax purposes		-		51,496
Income not subject to tax		(187,849)		(152,531)
Expenses for tax incentive		(13,830)		(12,764)
Expenses not deductible for tax purposes		6,373		3,106
Under provided in prior year		5,927		-
Current year losses for which no deferred tax asset was recognised		2,622		3,278
Total	5.66	73,778	10.46	117,775

	Separate financial statements			
	2019	2018		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before total income tax expense		993,779		223,404
Income tax using the Thai corporation tax rate	20.00	198,756	20.00	44,681
Income not subject to tax		(179,599)		(20,160)
Expenses for tax incentive		(3,377)		(3,915)
Under provided in prior year		851		-
Expenses not deductible for tax purposes		398		243
Total	1.71	17,029	9.33	20,849

Deferred tax assets and liabilities	Consolidated financial statements			
	Assets		Liabilities	
At 30 September	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Total	37,671	36,502	(51,184)	(44,828)
Set off of tax	(16,264)	(26,145)	16,264	26,145
Net deferred tax assets (liabilities)	21,407	10,357	(34,920)	(18,683)

Deferred tax assets and liabilities	Separate financial statements			
	Assets		Liabilities	
At 30 September	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Deferred tax assets	27,165	16,657	-	-

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Movements in deferred tax balances are as follows:

Consolidated financial statements			
	(Charged) / Credited to:		
	At 1 October 2018	Profit or loss Other comprehensive income (in thousand Baht)	At 30 September 2019
<i>Deferred tax assets</i>			
Inventories	397	(383)	14
Defined employee benefit obligations	13,836	4,943	24,075
Tax loss carry forward	21,887	(11,394)	10,493
Others	382	2,707	3,089
Total	36,502	(4,127)	37,671
<i>Deferred tax liabilities</i>			
Revaluation surplus on land	(41,184)	-	(41,184)
Provision for insurance reimbursement from fire	(3,644)	(6,356)	(10,000)
Total	(44,828)	(6,356)	(51,184)
Net	(8,326)	(10,483)	(13,513)
Consolidated financial statements			
	(Charged) / Credited to:		
	At 1 October 2017	Profit or loss Other comprehensive income (in thousand Baht)	At 30 September 2018
<i>Deferred tax assets</i>			
Inventories	728	(331)	397
Defined employee benefit obligations	11,562	148	13,836
Tax loss carry forward	79,502	(57,615)	21,887
Others	1,291	(909)	382
Total	93,083	(58,707)	36,502
<i>Deferred tax liabilities</i>			
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)	(8,326)

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	At 1 October 2018	Separate financial statements (Charged) / Credited to:		At 30 September 2019
		Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Defined employee benefit obligations	9,721	3,913	3,110	16,744
Investments in subsidiaries	6,856	1,845	-	8,701
Others	80	1,640	-	1,720
Total	16,657	7,398	3,110	27,165

	At 1 October 2017	Separate financial statements (Charged) / Credited to:		At 30 September 2018
		Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
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

26 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.

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Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements					
	2019		Total (in thousand Baht)	2018		Total
	Promoted business	Non- promoted business		Promoted business	Non- promoted business	
Local sales and rendering of services	4,173,020	7,876,487	12,049,507	3,897,374	7,406,533	11,303,907
Export sales and rendering of services	1,500,138	81,237	1,581,375	1,221,023	71,181	1,292,204
Total	5,673,158	7,957,724	13,630,882	5,118,397	7,477,714	12,596,111

27 Basic earnings per share

The calculations of basic earnings per share for the years ended 30 September 2019 and 2018 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	
	2019	2018	2019	2018
	<i>(in million Baht/in million shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	1,234.45	1,015.26	976.75	202.55
Number of ordinary shares outstanding	187.50	187.50	187.50	187.50
Earnings per share (basic) (in Baht)	6.58	5.41	5.21	1.08

28 Dividends

At the Board of Directors of the Company's meeting held on 2 May 2019, the Board of Directors unanimously approved the interim dividend payment from the net profit for the six-month period ended 31 March 2019 of Baht 1.10 per share, totaling Baht 206.25 million, which was paid to the shareholders in May 2019.

At the annual general meeting of the shareholders of the Company held on 30 January 2019, the shareholders approved the appropriation of dividend of Baht 2.80 per share, totaling Baht 525 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 was paid to the shareholders in February 2019.

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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.

29 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 13). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

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The effective interest rates of loan receivable as at 30 September and the periods in which the loan receivable mature or re-price were as follows:

	Effective interest rate (% per annum)	Within 1 year	Separate financial statements		Total
			After 1 year but within 5 years (in thousand Baht)		
2019					
Current					
Short-term loans to subsidiaries	2.20 - 2.51	106,000	-		106,000
Total		106,000	-		106,000

	Effective interest rate (% per annum)	Within 1 year	Separate financial statements		Total
			After 1 year but within 5 years (in thousand Baht)		
2018					
Current					
Short-term loans to subsidiaries	1.30 - 2.51	610,000	-		610,000
Total		610,000	-		610,000

The effective interest rates of interest-bearing financial liabilities as at 30 September in which those liabilities mature or re-price were as follows:

	Effective interest rate (% per annum)	Within 1 year	Consolidated financial statements		Total
			After 1 year but within 5 years (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

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			Separate financial statements	
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2019				
Current				
Short-term loans from subsidiaries	2.20	565,000	-	565,000
Total		565,000	-	565,000

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

Foreign currency risk

The Group is exposed to foreign currency risk relating to machinery purchase agreements. The Group primarily utilised forward exchange contracts to hedge such agreements. 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	
	2019	2018	2019	2018
	(in thousand Baht)			
Japanese Yen				
Other payables	(78)	-	(29)	-
Gross balance in statement of financial position exposure	(78)	-	(29)	-
Euro				
Other receivables	271	-	-	-
Gross balance in statement of financial position exposure	271	-	-	-

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	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>United States Dollars</i>				
Cash and cash equivalents	39,309	1,241	-	-
Trade accounts receivable	11,849	9,872	-	-
Other receivables	103	-	6,526	2,639
Trade accounts payable	-	(29)	-	-
Other payables	(47,888)	(11,447)	-	-
Gross balance in statement of financial position exposure	3,373	(363)	6,526	2,639
<i>Singapore Dollars</i>				
Trade accounts receivable	297	214	-	-
Other payables	(123)	(4,989)	(33)	-
Gross balance in statement of financial position exposure	174	(4,775)	(33)	-
<i>Malaysian Ringgit</i>				
Trade accounts receivable	5,849	5,947	-	-
Other receivables	308	5,154	-	-
Other payables	-	(67,754)	-	(44,966)
Gross balance in statement of financial position exposure	6,157	(56,653)	-	(44,966)
<i>Credit risk</i>				

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.

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**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

Consolidated financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
30 September 2018					
<i>Financial liabilities not measured at fair value</i>					
Debentures	(1,701)	-	(1,703)	-	(1,703)

Separate financial statements

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
30 September 2019					
<i>Financial assets and financial liabilities not measured at fair value</i>					
Short-term loans to subsidiaries	106	-	-	106	106
Short-term loans from subsidiaries	(565)	-	-	(565)	(565)

Separate financial statements

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in million Baht)			
30 September 2018					
<i>Financial assets and financial liabilities not measured at fair value</i>					
Short-term loans to subsidiaries	610	-	-	610	610
Debentures	(1,701)	-	(1,703)	-	(1,703)

Financial instruments not measured at fair value

Type	Valuation technique
Debentures	Based on broker quotes

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30 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
<i>Contracted but not provided for:</i>				
Machinery and equipment	65,273	394,485	5,282	1,070
Buildings and other constructions	18,724	133,323	-	-
Program computer	2,885	-	2,129	-
Total	86,882	527,808	7,411	1,070
<i>Future minimum lease payment under non-cancellable operating leases</i>				
Within one year	221,597	212,093	129,378	134,174
After one year but within five years	173,762	170,099	110,426	102,675
After five years	3,620	4,341	3,620	4,341
Total	398,979	386,533	243,424	241,190

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 2019 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 a period of one year to three years, due within 2019 to 2022. 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 agreement with a local company. The agreement is for a period of five years, due within 2021. The said subsidiary is committed to pay monthly rental fees as conditions stipulated in the agreement.

Store lease agreements

Oishi Trading Co., Ltd., the Company's subsidiary, entered into store lease agreement with a local company. The agreement is for three years, due within 2022. The said subsidiary is committed to pay monthly rental fees as conditions stipulated in the agreement.

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	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Other Commitments</i>				
Service agreements	450,022	483,478	298,926	311,749
Purchase orders for goods and supplies	146,487	106,553	-	-
Bank guarantees	26,050	29,236	200	-
Advertisement contracts	18,334	3,769	2,815	-
Others	69,533	71,057	10,239	804
Total	710,426	694,093	312,180	312,553

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. Subsequently on 2 October 2018, the parties have made the first addendum to renew the agreement for two years from 1 December 2018 to 30 November 2020. The said subsidiary agreed to pay the service fee and comply with the conditions as stipulated in the agreement.

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.

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Sale and purchase agreement

On 2 January 2019, the Company entered into sale and purchase raw material agreement with a local company at the price and conditions as specified in the agreement. The agreement shall be in effect for a period of one year, effect from 1 January 2019 to 31 December 2019.

31 Events after the reporting period

On 2 October 2019, The Group has registered to establish Oishi Delivery Co., Ltd. with the Department of Business Development, Ministry of Commerce to operate the online business. The authorised and paid-up share capital is totaling Baht 1 million (10,000 ordinary shares with a Baht 100 par value).

At the Board of Directors of the Company's meeting held on 21 November 2019, the board of directors passed a resolution to propose to the Annual General Meeting of the Company's shareholders for approval of a change in the par value of the Company's shares from 2 Baht per share to 1 Baht per share

At the Board of Directors of the Company's meeting held on 21 November 2019, the board of directors passed a resolution to propose to the Annual Generation Meeting of the Company's shareholders for approval a dividend payment of Baht 4 per share, totaling Baht 750 million, In May 2019, the Company paid an interim dividend of Baht 1.10 per share, totaling Baht 206.25 million. The remaining dividend payment shall be Baht 2.90 per share, totaling Baht 543.75 million, which will be paid to the shareholders in 2020.

32 Thai Financial Reporting Standards (TFRS) not yet adopted

New and revised TFRS are expected to have a material impact on the consolidated and separate financial statements when initially adopted, and which will become effective in annual reporting periods beginning on or after 1 January in the year indicated in the following table:

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TFRS 16	Lease	2020
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

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(a) TFRS 15 Revenue from Contracts with Customers

Under TFRS 15, the Group and the Company recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group and the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and after deduction of any trade discounts and volume rebates. Judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. When this TFRS becomes effective, some accounting standards and interpretations which are currently effective will be cancelled.

Customer loyalty programme

Under TAS 18, revenue was allocated between the loyalty points and the products using the residual value method. That is, consideration was allocated to the loyalty points based on the fair value of the loyalty points and the remainder of the consideration was allocated to the products. Under TFRS 15, the consideration received are allocated based on the relative stand-alone selling price of the products and the loyalty points. The amount allocated to the loyalty points is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote.

Transition

The Group and the Company plan to adopt TFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (1 January 2019). As a result, the Group and the Company will not apply the requirements of TFRS 15 to the comparative period presented.

NOTES TO THE FINANCIAL STATEMENTS

OISHI GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



The following table summarised the impact from initially applying TFRS 15 on the consolidated and separate financial statements.

	Consolidated financial statements	Separate financial statements
	2019	2019
	<i>(in thousand Baht)</i>	
<i>Statement of comprehensive income</i>		
<i>For the year ended 30 September</i>		
Decrease in revenue from sale of goods	(4,034)	-
Decrease in total revenue	(4,034)	-
Increase in costs of sales of goods	(49,378)	(19)
Decrease in distribution costs	53,412	19
Dcrease in total expenses	4,034	-
Profit (loss) for the year	-	-

The Group plans to adopt TFRS 15 in its consolidated and separate financial statements, using the cumulative effect method. As a result, the Group will apply all of the requirements of TFRS 15 to each comparative period presented in consolidated and separate financial statements.

The Group plans to apply the practical expedients as follows:

- For completed contracts, the Group will not restate contracts that begin and end within the same annual reporting period or are completed contracts at the beginning of the earliest period presented.
- For completed contracts that have variable consideration, the Group will use the transaction price at the date the contract was completed rather than estimating variable consideration amounts in the comparative reporting periods.
- For contracts that were modified before the beginning of the earliest period presented, the Group will not retrospectively restate the contract for those contract modifications. Instead, the Group will reflect the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented.
- For all reporting periods presented before the date of initial application, the Group will not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Group expects to recognise that amount as revenue

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(b) TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.

(c) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability, with recognition exemptions for short-term leases and leases of low-value items. As a result, the Group and the Company will recognise new assets and liabilities for its operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.



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