

ANNUAL  
REPORT  
2020

---

**SKY IS THE LIMIT**



**OISHI** おいしい  
**GROUP**  
PUBLIC COMPANY LIMITED





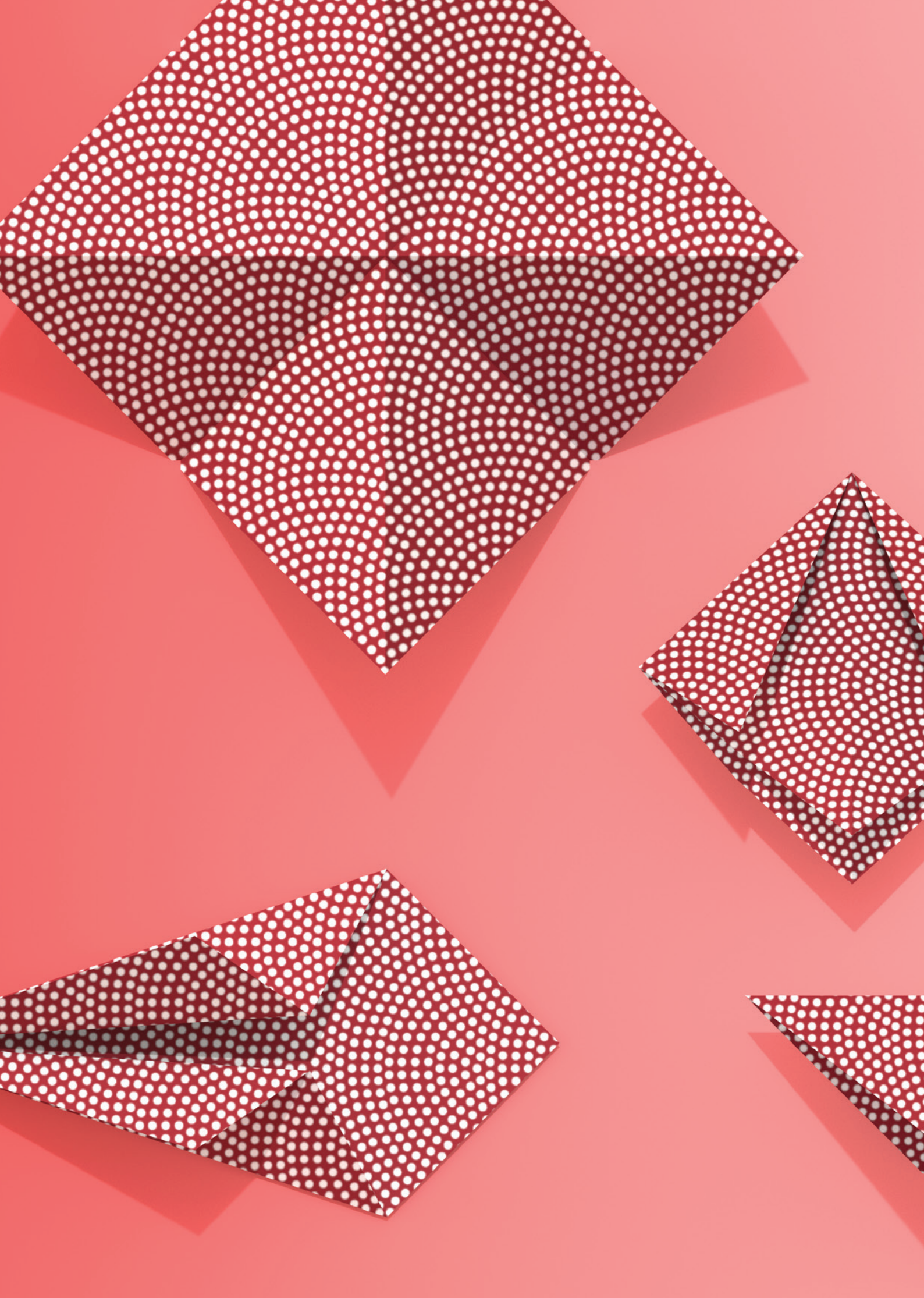




# Content

OISHI Group Public Company Limited

<a href="#">_12</a> Message From The Chairman	<a href="#">_105</a> Information on the Board of Directors and the Executives	<a href="#">_181</a> Report Of Executive Committee
<a href="#">_14</a> Message from The President & CEO	<a href="#">_125</a> Remuneration of the Board of Directors and Executives	<a href="#">_182</a> Report of the Audit Committee
<a href="#">_16</a> General Information	<a href="#">_128</a> Share Ownership of the Board of Directors and Executives	<a href="#">_186</a> Report of the Sustainability and Risk Management Committee
<a href="#">_18</a> Financial Highlights	<a href="#">_129</a> Human Capital and Human Resources Development Policy	<a href="#">_188</a> Report of the Nomination Committee
<a href="#">_20</a> Board of Director and the Executives	<a href="#">_137</a> Internal Control	<a href="#">_189</a> Report of the Remuneration Committee
<a href="#">_28</a> Business Policy and Overview	<a href="#">_139</a> Internal Information Usage	<a href="#">_190</a> Report of the Good Corporate Governance Committee
<a href="#">_52</a> Business Nature	<a href="#">_140</a> Related Party Transactions	<a href="#">_191</a> Corporate Governance Report
<a href="#">_67</a> Risk Factors	<a href="#">_167</a> Financial Status and the Company Performance	<a href="#">_217</a> Financial Statements
<a href="#">_77</a> Business Assets	<a href="#">_180</a> Report of the Board of Directors' Responsibility for the Finance Reporting	
<a href="#">_84</a> Legal Disputes		
<a href="#">_84</a> Capital Structure		
<a href="#">_88</a> Management Structure		





# THE SKY IS THE LIMIT

In a state of unexpected events, with stressful and deteriorating surroundings, individuals with vision, attitude, knowledge and expertise will not fear improvisation or the innovation of new solutions.

The integration of the ways of the samurai into our initial capital has led us to the discovery of numerous “new opportunities” available for our selection that can be swiftly implemented in response to any situation.

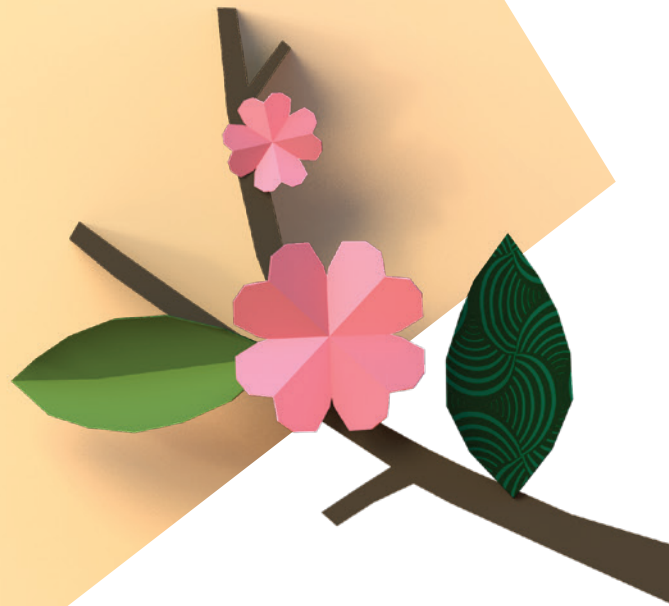
Oishi Group Public Company Limited  
has never succumbed to the obstacles and difficulties of business operations because we always believe  
that when we act, we will discover endless “possibilities.”

The Japanese believe owls are intelligent animals. Owls represent good luck and the ability to overcome obstacles.



## A New Challenge

When consumer behavior changes, business strategies were swiftly adjusted into a proactive strategy to approach customers in a specific way, targeting specific groups, both in terms of generating excitement alongside a new and unique experience. This has led Oishi to encounter a variety of target customer groups and thoroughly understand the changing consumer needs. Based on this rationale, Oishi remains a high-appealing brand among the hearts of the Thai people in every situation.







The Japanese believe that carp is a symbol of strength and good health, hence, the use of carps to symbolize the Japanese Children's Day.

## A New Value

When health and well-being become a global issue, the food and beverage industry becomes the "upstream" of a new way for living a good life.

Oishi cares about healthy food and healthy drinks well before the COVID-19 crisis. We intend to raise the level of quality even higher to create a new ceiling in this industry.

To accomplish this, we conscientiously select the best ingredients for the most miniscule ingredients to the most essential ingredients as well as develop delicious and nutritional recipes.

We integrate touchless technology to generate a whole new experience when ordering, purchasing, and accumulating in order to ensure safety, quality, and value for the "downstream" of the process.





# A New Perspective

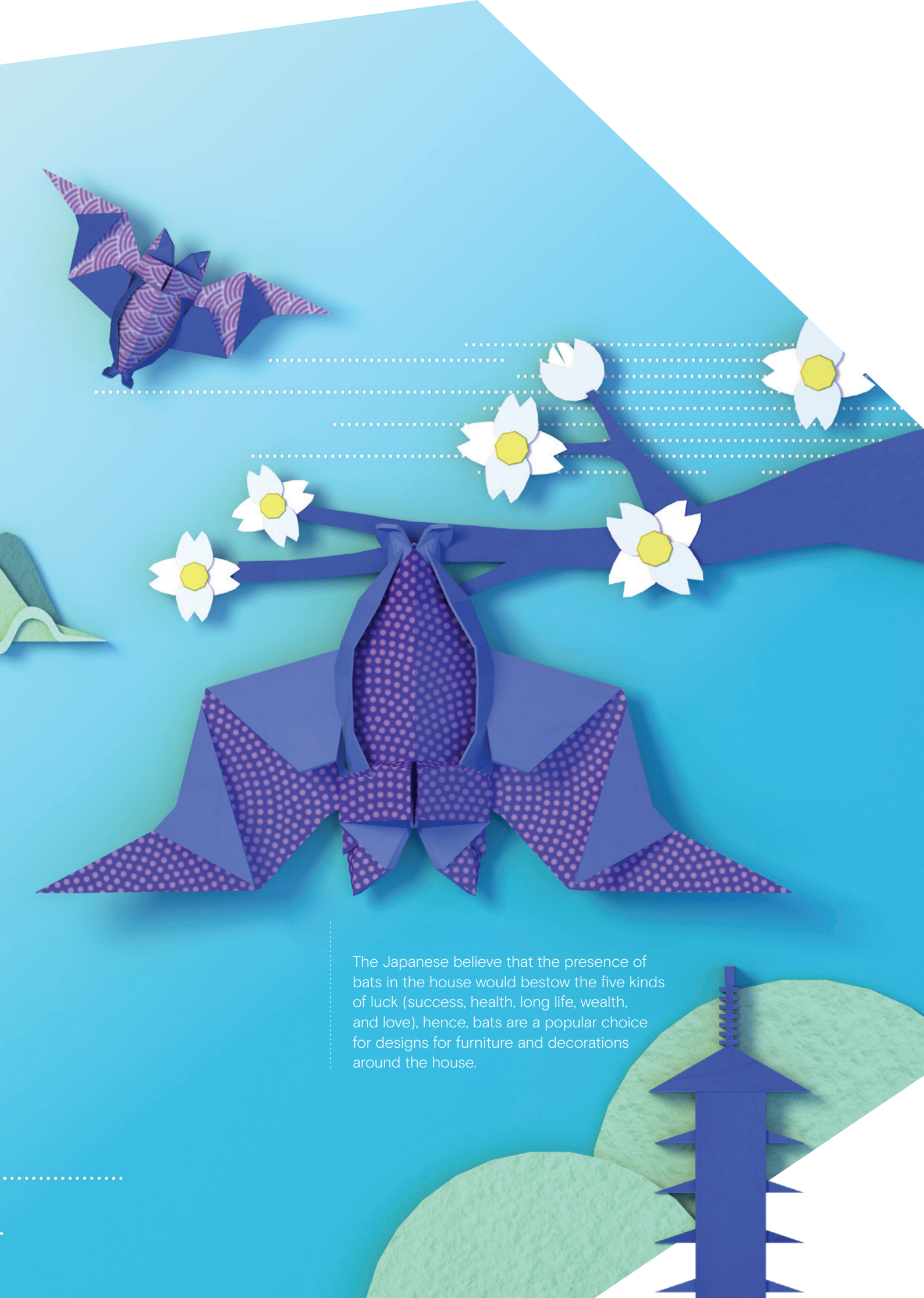
When businesses come to a halt, Oishi discovered new ways to reach out to customers to continuously create happiness families through our food and beverage. We will never stop serving our customers no matter the situation.

Our delivery and take away services have driven our creativity to the maximum. This includes the creation of special dishes just for the occasion, large delivery orders to create happiness, and orders of our famous dishes from different Oishi restaurants in a single order.

It can be said that Home Body Economy has create opportunities for Oishi to launch new branches ... at the home of our customers.





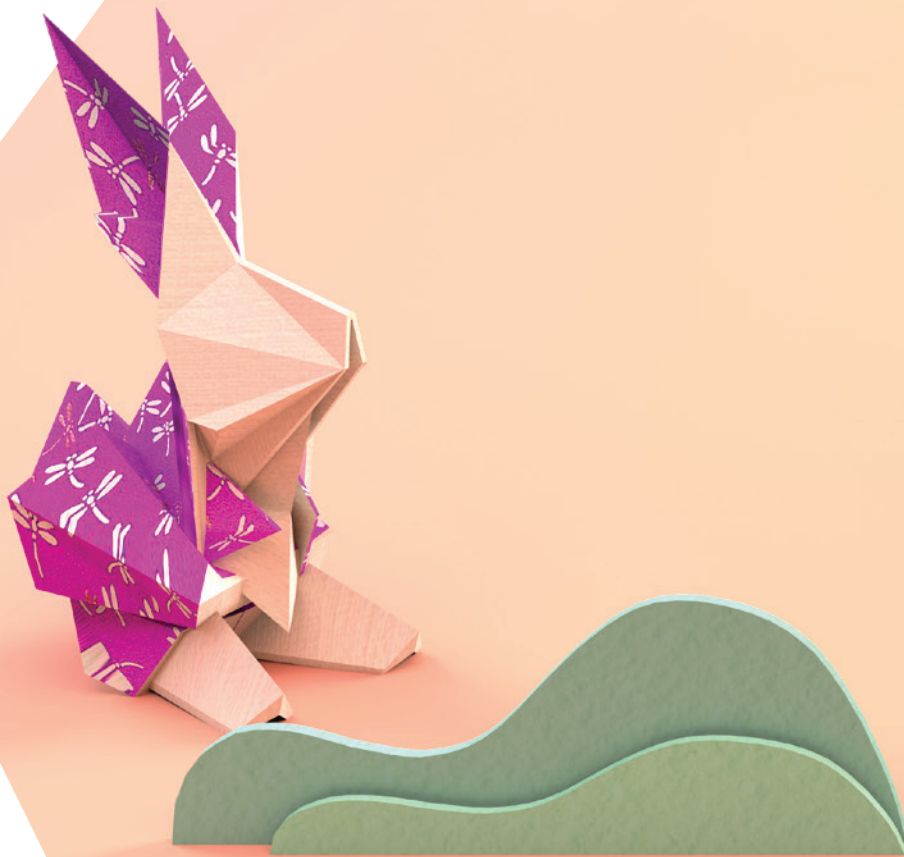


The Japanese believe that the presence of bats in the house would bestow the five kinds of luck (success, health, long life, wealth, and love), hence, bats are a popular choice for designs for furniture and decorations around the house.

# A New Platform

Following the ways of the samurai... we will not waste our efforts in bringing back the traditional way of consumption, instead, we will devote ourselves into innovating new and better alternatives for our customers.

In spite of social distancing, we are still able to provide our services through the integration of technology and creativity to develop new products and services. We intend to be fully aware of consumer needs and always make immediate responses to those needs in a timely manner.





The Japanese believe that rabbits symbolized cleverness and swiftness in overcoming obstacles.



# Message from The Chairman

OISHI Group Public Company Limited

In 2020, the world experienced major changes which negatively affected mankind in all aspects. For example, Covid-19 pandemic had severely impacted global economy, causing over million infected persons and many lives to be lost while the spread of the pandemic is still ongoing. However, the Company has successfully implemented “VISION 2020” with strategic imperatives including Growth, Diversity, Brands, Reach, and Professionalism, which clearly demonstrates management team’s capabilities.

To builds upon success in implementing “VISION 2020”, the Company is now ready to move forward with “PASSION 2025” which encompasses as follow;

1. Build which is to build new capabilities by innovating to enhance its business and service model, product offerings, and channels, as well as by partnering stakeholders to grow with sustainability.
2. Strengthen which is to strengthen leadership positions in ASEAN markets. This will be driven by an increased focus on supply chain, process innovation and digitalization, as well as on brand portfolio management.
3. Unlock which is to unlock potential to enhance stakeholder value by building partnerships, asset value creation, and developing a world class workforce.

The Company continues to preserve strong financial positions and solid business fundamentals despite very challenging Covid-19 pandemic situations. According to TRIS Rating reviews, the Company was able to receive affirmed rating at A+ based on considerations by TRIS Rating. The strong financial position and well-known brand which reflects leading market position and robust financial capability are solid foundations to serve future business expansions of the Company in order to maintain status as stable and sustainable food and beverage leader in ASEAN region.

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. Regarding market share, the Company continues to occupy top ranking market share in RTD tea market with market share of 48% . Moreover, the Company also received “Thailand’s Most Admired Brand Award 2020” for ninth consecutive years as the most trusted and admired brand in RTD tea category.

The Company continues to emphasize on business expansion in countries with high growth potentials especially in ASEAN region including market activities of Oishi Green tea in Cambodia, Laos and Malaysia. The Company's products are also exported to many countries around the world. With strong brand equity, there are great potentials for further international market expansion.

Regarding corporate social responsibilities, the Company conducted Project Oishi "Give" to battle against Covid-19 by donating Oishi food, Oishi beverage products and cash to seven hospitals through the Thai Red Cross Society namely, King Chulalongkorn Memorial Hospital, Phramongkutklao Hospital, Siriraj Hospital, Ramathibodi Hospital, Thammasat University Hospital, Rajavithi Hospital, and Bamrasnaradura Infectious Diseases Institute. Moreover, the Company also donated 3,600 liters of alcohol to Cambodia's Ministry of Health and 2,100 liters of alcohol to Laos' Ministry of Public Health for distributions to hospitals in the country to prevent the spread of Covid-19. Details regarding these activities have been fully disclosed in Corporate Social Responsibility Report.

The Company policies are to conduct business with responsibility and integrity in order to deliver safe and quality products with health benefits to consumers. The Company is also committed to creating shareholders' value and emphasizing on social responsibilities especially when considering the use of environmental resources with efficiency, prudence and sustainable preservation. This is to preserve the natural resources and environments in good conditions for the benefits of our children's sustainable livings in harmony with the environment in the future.

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 growing food and beverage business while maintaining market leading position in both Japanese food and green tea beverage businesses as a strategic part of Thai Beverage Group. I would like to express gratitude to shareholders for putting your kind trusts and supports to the Company continuously



---

**Mr. Prasit Kovilaikool**  
Chairman

# Message from The President and CEO

OISHI Group Public Company Limited

Dear Shareholders,

The 2020 COVID-19 pandemic has had a devastating impact on society and global economy, hitting businesses, including Oishi Group Public Company Limited, with some serious challenges. Though the company has been affected both directly and indirectly by the fallout of the outbreak, it has modified its policies and business plans to rebuild its income as much as possible, especially at a time of sluggish economy and drop in consumers' buying power.

For the 2020 fiscal year, which ended in September, Oishi Group's total revenue stood at 11.007 billion baht and its net profit at 1.066 billion baht. Though the earnings dropped due to the impact of the outbreak, the company still made a profit compared to its counterparts. The market share of Oishi Green Tea alone has grown to 50.8% – the highest in the past 20 years as of August 31, 2020, according to a report from the Nielsen Company (Thailand) Limited – which distinguishes us from our competitors and verifies our continuous leadership in the ready-to-drink green tea market. In addition, the company's restaurant business has been able to achieve double-digit growth through online sales as well as the opening of new outlets in new formats to cater to the current situation and changing consumer habits. Oishi Group has 270 restaurants in operation (between October 2019 and September 2020).

A quick overview for 2020 shows that the beverage business earned 6.004 billion baht, marking a 7.6% drop compared to the previous year owing to a 9.1% slowdown in ready-to-drink tea market in the country. The company, however, has risen to the challenge by developing innovative products like healthy green-tea beverages, as well as launching marketing and sales promotions. Oishi Group has also ventured into different channels for sales and distribution, improved its budget management and expanded its export markets not just in the ASEAN region but also in new prospective countries like China, Taiwan and Hong Kong. Last year was challenging for the food sector, and even though Oishi's food business earned 5.003 billion baht, it suffered a dip of 29.8% compared to the previous year. The biggest negative impact came from the two-month lockdown, which resulted in a significant drop in sales. Consequently, the company had to quickly adapt to keep up with the situation as well as make adjustments to cater to the change in consumer behavior. To this end, Oishi has come up with new strategic plans such as adopting digital technology to offer new services in stores, expanding distribution channels such as delivery and takeaway, as well as focusing on health and wellness by creating healthy recipes and products, like sandwiches made with whole wheat bread and whey protein.

Apart from business, Oishi has also initiated numerous social activities such as the “Oishi Gives Fight Against Covid-19” campaign in cooperation with the Thai Chamber of Commerce and Board of Trade of Thailand and has also donated cash and Oishi food and beverage products worth up to 24 million baht to seven hospitals via the Thai Red Cross Society. The hospitals that received the donations are: King Chulalongkorn Memorial Hospital of the Thai Red Cross Society, Phramongkutklao Hospital, Siriraj Hospital, Ramathibodi Hospital, Thammasat University Hospital, Rajavithi Hospital and the Bamrasnaradura Infectious Diseases Institute. As part of the donation, Oishi products like Oishi Gold premium green tea drink and Oishi Eato sandwiches were distributed among frontline medical personnel, health workers and related staff for three months. The company has also provided support to its employees, whether it be constant supply of face masks and 72% alcohol. The company has also had its employees undergo regular COVID-19 tests, and insurance against COVID-19 as well as made adjustments to allow as many of them to work from home as possible.

Apart from maintaining its leadership in the Japanese-style food and beverage business, last year also saw Oishi Group win several awards, such as OISHI Green Tea received “Thailand’s Most Admired Brand 2020” in the field of the most trust ready-to-drink green tea for 9<sup>th</sup> consecutive years from BrangAge magazine. Besides, OISHI Restaurants received highest scores of “Best in Innovation” from Thailand’s Most Admired Brand 2020 Survey from BrandAge magazine. Oishi Navanakorn factory also won World-class honors like TPM Excellence, Category A - 2019 from the Japan Institute of Plant Maintenance (JIPM) for its efficiency in production at its factory, which produces Oishi beverages.

On this occasion, I would like to thank the board of directors, the management team, customers, partners and all stakeholders for their trust and confidence in the company’s potential, as well as all its employees, who are determined to work hard and become an important force in business development and its growth. I hope the company will retain your trust as it continues operations based on good governance and transparency, while keeping in mind impact on society, community and the environment. We hope to lead our organization to greater heights and sustainability.



---

**Mrs. Nongnuch Buranasetkul**  
President and CEO

# General Information

OISHI Group Public Company Limited

**The Company Name:**

Oishi Group Public Company Limited  
(the "Company")

**Business Type:**

Japanese restaurants and Green Tea beverage  
under the brand "Oishi"

**Company Registration Number:**

0107547000150

**Headquarter Location:**

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

**Factory Location:****Navanakorn Industrial Estate Plant**

60/68 and 60/1120 Moo 19, Klong Neung,  
Klong Luang, Pathumthani, Thailand, 12120

**Amata Nakorn Industrial Estate Plant**

700/635 Moo 3 , BanKao,  
PanThong, Chonburi, 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

**Homepage:**

[www.oishigroup.com](http://www.oishigroup.com)

**Telephone Number:**

(02) 768-8888

**Fax Number:**

(02) 768-8889

**Registered Capital:**

Baht 375,000,000

**Paid-up Capital:**

Baht 375,000,000

**Paid-up Common Stock:**

375,000,000 ordinary shares,  
with par value of Baht 1 per share

**Trading Symbol on the Stock Exchange of Thailand:**

OISHI for ordinary shares

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

-None-



**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:**

-None-

**External Auditor:**

KPMG Phoomchai Audit Company Limited  
No. 1 Empire Tower, 48<sup>th</sup> – 50<sup>th</sup> Floor,  
South Sathorn Road, Yannawa,  
Sathorn, Bangkok 10120  
Tel. (02) 677-2000

**Legal Consultant:**

Weerawong, Chinnavat & Partners Limited  
No. 540 Mercury Tower,  
22<sup>nd</sup> 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) 078-5947

**Investor Relations:**

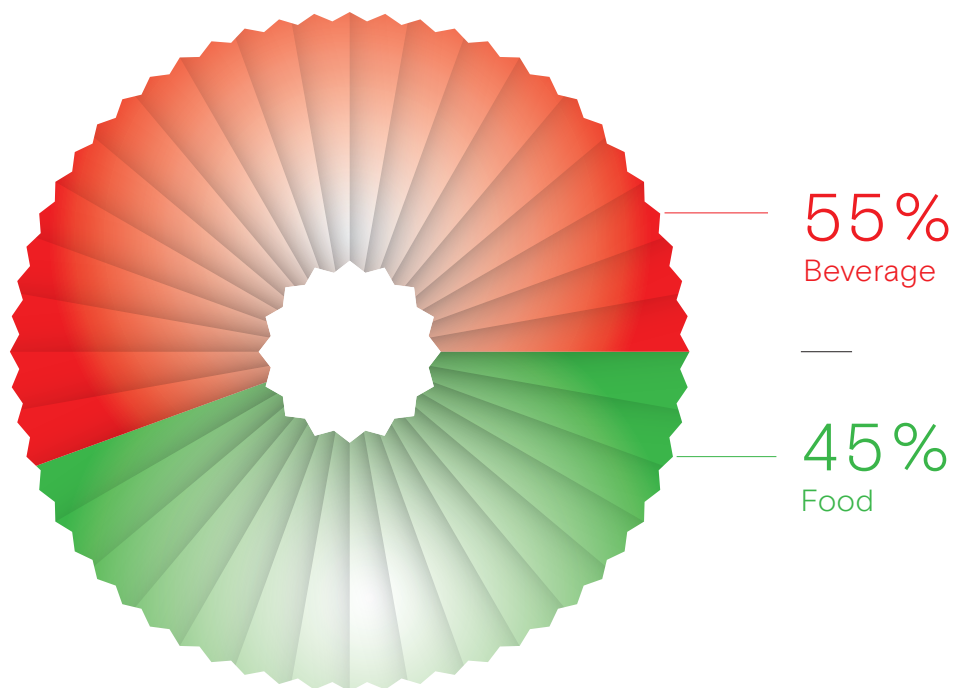
Mr. Kittithat Tanetsakunwatana  
43<sup>rd</sup> Floor, CW TOWER,  
90 Ratchadaphisek Rd.,  
Huai Khwang, Bangkok 10310, Thailand  
Tel. (02) 768-8888 Press 4  
E-mail : [investorrelations@oishigroup.com](mailto:investorrelations@oishigroup.com)

# Financial Highlights

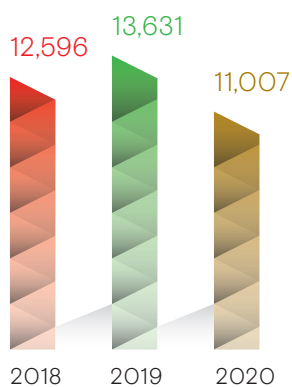
OISHI Group Public Company Limited

Proportion of Sales and Services Revenue by Business Unit

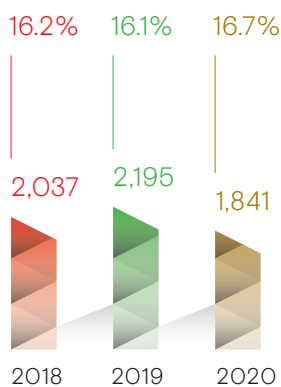
2020



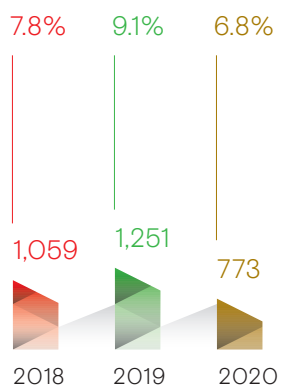
Sales and Services Revenue (Baht Million)



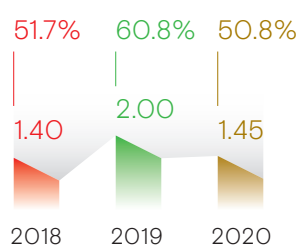
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) (Baht Million) and Margin



Normalized Net Profit (Baht Million) and Margin

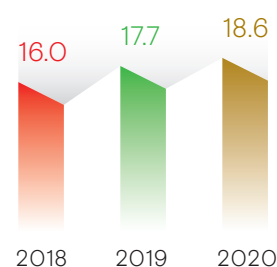


Dividend (Baht/Share)\*  
and Dividend Payout Ratio



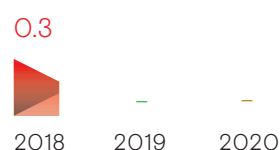
\* According to the change in the company's par value during 2020, the total number of shares increase from 187.5 million shares to 375 million shares. For easier comparison, dividend per shares in 2018-2019 are adjusted to reflect the new number of shares.

Book Value (Baht/Share)\*

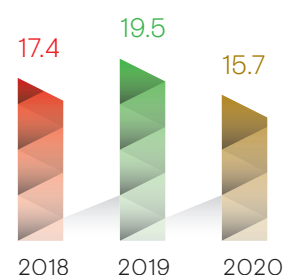


\* According to the change in the company's par value during 2020, the total number of shares increase from 187.5 million shares to 375 million shares. For easier comparison, book value per shares in 2018-2019 are adjusted to reflect the new number of shares.

Interest-Bearing Debt to  
Equities Ratio (times)



Return on Equities (%)



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

	2018 As of Sep 30, 2018	2019 As of Sep 30, 2019	2020 As of Sep 30, 2020
<b>Summary of Financial Status and Company's Performance</b>			
Total assets	9,680,224	8,407,270	8,567,908
Total liabilities	3,689,763	1,767,707	1,606,730
Interest-bearing debt	1,700,700	0	0
Total equities	5,990,461	6,639,563	6,961,178
Sales and services revenue	12,596,111	13,630,882	11,007,148
Total revenue	13,580,143	13,756,629	11,365,545
EBITDA	2,036,845	2,194,501	1,841,451
Net profit	1,008,175	1,228,899	1,065,951
Net profit attributable to equity owners of the company	1,015,256	1,234,452	1,069,644
Normalized net profit	1,059,145	1,250,669	773,207
<b>Financial Ratios</b>			
Gross margin (%)	35.6%	35.3%	32.9%
EBITDA margin (%)	16.2%	16.1%	16.7%
Net profit margin (%)	7.4%	8.9%	9.4%
Normalized net profit margin (%)	7.8%	9.1%	6.8%
Return on equity (%)	17.4%	19.5%	15.7%
Return on total assets (%)	10.4%	13.6%	12.6%
Interest-bearing debt to equities (times)	0.3	0.0	0.0
Basic earnings per share* (Baht)	2.7	3.3	2.9
Book value per share* (Baht)	16.0	17.7	18.6
Dividend per share* (Baht)	1.40	2.00	1.45

\* According to the change in the company's par value during 2020, the total number of shares increase from 187.5 million shares to 375 million shares. For easier comparison, Basic earnings per share, book value per shares, dividend per share in 2018-2019 are adjusted to reflect the new number of shares.

# Board of Director and the Executives

OISHI Group Public Company Limited



- Chairman of the Board of Directors
- Independent Director
- Nomination Committee Member
- 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. Prasit Kovilaikool



- Vice Chairman
- Chairman of the Executive Committee
- Nomination Committee Member
- Remuneration Committee Member
- Good Corporate Governance Committee Member

## Education

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

Mr. Ueychai Tantha-Obhas

## The Board of Directors



- Independent Director
- Chairman of the Audit Committee
- Chairman of the Nomination Committee
- Remuneration Committee Member
- 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, London, UK (2003)

Mr. Vikrom Koompirochana



- Independent Director
- Audit Committee Member
- Chairman of the Remuneration Committee
- Chairman of the Good Corporate Governance Committee

### **Education**

- Bachelor Degree in Accounting, Chulalongkorn University
- Master of Business Administration (MBA), Syracuse University, USA (USAID Scholarship)

Ms. Potjanee Thanavaranit

## The Board of Directors



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

### **Education**

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

Mr. Chai Jroongtanapibarn



- Director
- Vice Chairman of the Executive Committee
- 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. Sithichai Chaikriangkrai



- Director
- Executive Committee Member
- Vice Chairman of 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

**Mr. Pisanu Vichiensanth**



- Director
- President & CEO
- Executive Committee Member
- Sustainability and Risk Management Committee Member
- 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

**Mrs. Nongnuch Buranasetkul**



## The Executives

- Executive Vice President
- Executive Committee Member
- 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

Mr. Paisarn Aowsathaporn

- Senior Vice President
- 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

Mrs. Jesdakorn Ghosh





- Senior Vice President
- 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

Ms. Mekhla Netipo



- Senior Vice President
- Sustainability and Risk Management Committee Member

**Education**

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

Mr. Kritsada Wattanapakin

## The Executives

- Vice President
- 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

Mr. Thanee Pornphisutsak

- Vice President



### **Education**

- Bachelor's degree in Construction Technology Chandrakasem Rajabhat University

Mr. Suvit Sirichoo

## Company Secretary and Head of Internal Audit Department

- Company Secretary
- 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)



Mrs. Suthada Suwan

- Internal Audit Director<sup>(1)</sup>
- Secretary of the Audit Committee
- Sustainability and Risk Management Committee Member and Secretary

### **Education**

- Bachelor's Degree in Accounting, Dhurakij Bandit University
- Master's Degree in Business Administration (Finance & Banking) Ramkhamhaeng University
- CRC-Corruption Risk & Control: Technical Update CRC 2/2019 Thai Institute of Directors (IOD)



Ms. Chanatnuth Wongwan

### **Remarks**

(1) Any appointment, demotion and rotation of the head of internal audit must be endorsed by the Audit Committee.

# Business Policy and Overview

OISHI Group Public Company Limited

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](http://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

Since 2015 until now, 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 19 stores in 2021.

### 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 Marketing Strategies for Food Business**

### **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](http://www.oishidelivery.com), as well as an application of Food Aggregator. In this connection, an increasing number of delivery channels enable to provide more convenience to customers, which receives positive feedback and contributes to continuous growth ratio.
- 6) Sakae; Shabu Shabu and Japanese Suki delivers new service targeting consumers who favors premium beef.

### **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**

With the growing expansion of delivery channel which is becoming increasingly active in lifestyle of metropolitan consumers, since March 2020, the Company has been extending the service via Food Aggregators for Shabushi, Eaterium, Oishi buffet, Oishi Grand, Nikuya, Hou Yuu and Oyoki in order to increase selling capacity during the COVID-19 pandemic when dine-in service was not available.

On May 18, 2020, the Company introduced QR Code as an alternative cashless payment for delivery service in response to new normal lifestyle.

On July 1, 2020, the Company introduced delivery service via BevFood Application to increase convenience for its over 400,000 members.

On August 3, 2020 the Company operated its first Oishi Cloud Kitchen with its kitchen and staff sharing with Oishi Buffet Rama IV as a connecting platform to the center of Bangkok i.e. Sathorn and Sukhumvit, which brings together over 100 menus from Oishi restaurants, including healthy menu are available via delivery and takeaway service.

In addition, consumers will be rewarded for 1 point, equivalent to 1 Baht, for every purchase of 25 Baht via BevFood App for both dine-in and home delivery service in order to increase consumption frequency.



## **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 including the speed in order to respond to the consumer's needs.

### **4. Expansion of distribution channel strategy**

Apart from the current distribution channels such as convenient stores, supermarkets, hypermarkets, the Company has also expanded a new channel which is Food service taken care of by a sales team especially in hotel business group and other potential business e.g. food chain business group.



As far as overseas market is concerned, the Company emphasizes on securing distribution for existing customer base for Frozen Gyoza product in Myanmar and France. The expansion will also be made to other new countries in 2021. In addition, the Company has put in place development strategy to increase distribution channel in upcountries in order to expand marketing base and thoroughly reach target consumer.

#### **5. Promotion and Media Strategy**

The Company has continuously organized marketing online and offline activities as well as continuously organize promotional activities in each channel throughout the year as a means to promote brand recognition and increase the sales growth.

### **6.3 Marketing strategy for the Beverage business**

#### **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 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. Throughout 2019 into 2020, 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. Our latest addition to our premium tea offering is the launch of Oishi Gold Gyokuro that is brewed from genuine Gyokuro Japanese tea leaves which distinctively brings out the taste of 'umami'. Gyokuro tea leaves are only harvested in the Spring, when the leaves are in their first flush after being covered for 3 weeks. Gyokuro tea is special as it is grown in the soil that is rich in natural minerals built up throughout the winter.

#### **3. Price strategy to expand customer base**

Oishi Group 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 aims to distribute through various channels such as 1) through main distributors, Thai Beverage PCL. Group of Company and Serm Suk PCL., 2) all restaurants under Oishi Group 3) export to overseas. This is to combine all resources in the group of Company for the best of Company's benefits.

#### **5. Promotion and Media strategy**

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

### **6.4 Industry and competition**

#### **1. Market condition on Food Business**


##### **Restaurant Business**

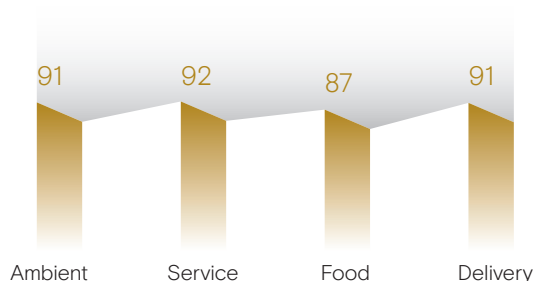
Japanese restaurant business has been growing and expanding continuously. As a result, the nature of this business tends to be highly competitive over the selection of ingredients, price from the market mechanism, promotional activities and quality of service. Oishi Group not only centered on our strategies 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 126,000 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).

Data collected from October 2019 to June 2020 uncovered 90 percent of the Overall Satisfaction Score from consumers of Oishi restaurant. Surprisingly, the Delivery service received the highest score for those 4 principles. It has grown in popularity where consumer order delivery by Call Center and websites. In addition to that, Oishi has also expanded 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 91 in 2020.

**Customer Satisfaction Score**  2020  
(% Satisfied Customer - Highly Satisfied Customer)



Customer satisfaction in services and products survey from the restaurants under Oishi Group in 2020. There are 4 key measurements describing customer's satisfaction which are detailed as follows: Ambient 91%, Service 92%, Food 87% and Delivery 91% respectively.

During the challenging flow of digital disruption, consumer behavior significantly and endlessly shifted. This has dictated the Japanese food business to adapt in responding to consumer needs by implementing the use of technology to further put in place digital marketing, brand awareness, convenience, positive service experience and especially Home Delivery. This will enhance accessibility to consumers' lifestyle and also extend opportunity and capability to position as a leading Japanese Restaurant with the following initiatives:

- Expand Delivery service to Online Own Platform, as well as Home Delivery for restaurants within Oishi Group i.e. [www.oishidelivery.com](http://www.oishidelivery.com) in addition to Call Center 1773. We also continuously develop and launch new products based on shifting consumer behavior to enhance Oishi Delivery's business opportunity and capability with its main implementation are as follows:

1. Develop to optimize website to work across more devices e.g. smartphone, tablet and computer. This includes payment gateway which accepts cash payment, credit card, and payment using QR Code.
2. Develop [www.oishidelivery.com](http://www.oishidelivery.com) and BevFood to optimize more functions: Home Delivery and Click and Collect where order can be collected at Oishi Group restaurants.
3. Increase delivery channel for Oishi Eato and Oishi Green Tea: [www.oishidelivery.com](http://www.oishidelivery.com), BevFood and Call Center 1773.
4. Integrate communication with consumers via BevFood App, which was launched in 2019, and put in place Always-On initiative to enhance service accessibility to consumers and maintain brand loyalty while increasing new consumers recruitment. BevFood also exclusively offers privileges, promotions, discounts, and reward point for every purchase either dine-in, takeaway or delivery (including [www.oishidelivery.com](http://www.oishidelivery.com) and BevFood). The features of BevFood Application also include push notification and seat reservation for Oishi Group restaurants.
5. Strengthen Online Partner Platform by focusing on expansion to Food Delivery Application e.g. GrabFood, LINE MAN, foodpanda and Shopee E-market where food order can be made and e-voucher is available for purchasing in response to consumers' lifestyle.



6. Launch a pilot cloud kitchen, namely, “Oishi Kitchen” with its first branch operated at Rama IV in order to expand delivery tradezone for Oishi Group restaurants via Food Delivery Application e.g. GrabFood, LINE MAN and foodpanda, with over 100 menus, as well as healthy Japanese meal exclusively for health-concerned consumers.

#### **Ready to Cook and Ready to Eat Business**

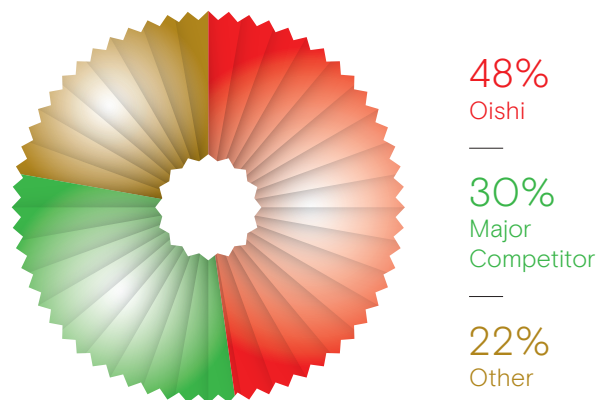
Despite the impact from the COVID-19 pandemic situation in 2020 triggering a decline of approximately 5% growth of Chilled and Frozen Ready to Eat business following with the delay of convenient store operation, it is still promising for Chilled and Frozen Ready to Eat business to grow with its new innovations in order to extend food with which contributes to consumers’ choice, quality equivalent to freshly-cooked one. So, the Company is increasing its capacity with the aim to promptly respond to current consumer behavior, the Company is driven to continuously enhance its production capacity and promote communication via online channel and social media.

## **2. Market condition of Beverage Business**

In 2019, Ready to drink beverages despite experiencing intense competition in terms of price, promotional activities and long-term impact from excise tax, the industry has rebounded to positive territory including ready to drink tea. However, in 2020 with the global impact of Covid-19 pandemic, the entire industry has faced an abrupt downturn since Q2 2020.

Despite obstacles from external shocks, Oishi continues to strengthen market leadership position with a market share of 48%.

#### **Ready to Drink Tea Market share**



#### **Remark:**

The data is provided from Nielsen Company (Thailand) Limited as of fiscal year to date September 2020.

According to the increasingly intense competition in the Green Tea industry as well as external market shocks such as the Covid-19 pandemic, 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, including identifying and exploring new channels to reach our consumers.

## 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 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.
- To have 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.
- 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 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.
- To have 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.
- 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 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
- To have 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.
- 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 Company Limited was granted the investment promotion certificate for fruit and vegetable juice production in sealed box for the factory operated in Navanakorn industrial Zone, Pathum Thani province. Promotion Certificate No. 1159 (2)/2014**

**Key privileges are summarized as follows;**

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

**Important conditions are summarized as follows;**

- To expedite training or supporting Thais to operate in place of foreign technicians or experts within designated period
- Machinery used for the promoted activities must be new machinery.
- To have 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.
- 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 Company Limited was granted the investment promotion certificate for fruit and vegetable juice production in sealed bottle for the new factory operated in Saraburi province. Promotion Certificate No.1160 (2)/2014**

**Key privileges are summarized as follows;**

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

to deduct for only one year or many years after the allowance period ends within the limit of five years.

- Exemption for dividend tax during eight years of allowance

**Important conditions are summarized as follows;**

- To expedite training or supporting Thais to operate in place of foreign technicians or experts within designated period
- Machinery used for the promoted activities must be new machinery.
- To have 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.
- 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 Company Limited was granted the investment promotion certificate for fruit and vegetable juice production in sealed bottle for the factory operated in Navanakorn industrial Zone, Pathum Thani province. Promotion Certificate No.1161(2)/2014**

**Key privileges are summarized as follows;**

- Allowed to recruit foreign technician to the country according to the approved number and period. However they have to work in specified tasks as the BOI board's agreement.

- Tariff exemption for machinery according the BOI board's agreement
- Corporate income tax exemption is allowed for 8 years since the first day with income flow from business. In the case that there is some loss during the exemption period, Oishi Trading is allowed to choose to deduct for only one year or many years after the allowance period ends within the limit of five years.
- Exemption for dividend tax during eight years of allowance

**Important conditions are summarized as follows;**

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

The Oishi Group manufacturing goods consisting of 2 companies: First, Oishi Food Service 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 Co., Ltd. is responsible for producing all the beverage products under the brand "Oishi" for Oishi Group.

As at September 30, 2020 Oishi Group has 5 manufacturing plants and 1 Central Kitchen as below;

1. Oishi Trading 60/1120 Moo 19 Navanakorn Industrial Estate, Klongnueng, Klongluang, Pathumthani 12120 (Cold Aseptic Filling in PET)
2. Oishi Trading 60/68 Moo 19 Navanakorn Industrial Estate, Klongnueng, Klongluang, Pathumthani 12120 (Hot filling and drinking water in PET)
3. Oishi Trading 60/68 Moo 19 Navanakorn Industrial Estate, Klongnueng, 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 180 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.

For Food Business, the Central Kitchen has total capacity for catering of 6,000 tons per year, Chilled Gyoza is 3,500 tons per year and sandwich is 25 million pieces per year.

With the above mentioned capacity, in the year 2020, 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;

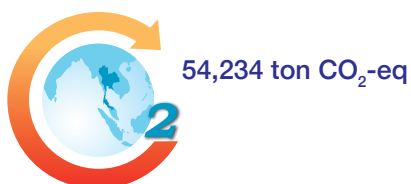
- Environmental Manager
- Water Pollution Supervisor
- Air Pollution Supervisor
- Industrial Waste Management Supervisor
- Water Pollution Operator
- Air Pollution Operator
- Industrial Waste Management Operator

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 has attended many projects and has been certified in many environmental projects;

1. 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 18,205 tonCO<sub>2</sub>-eq, 2,333 tonCO<sub>2</sub>-eq, 23,334 tonCO<sub>2</sub>-eq and 9,688 tonCO<sub>2</sub>-eq respectively. Importantly, Oishi Group has received certification from the Ministry of Natural Resources and Environment.



Oishi Group 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 has professional third-party inspectors engaged yearly to assure safety and inspect production areas i.e. building structure, electrical system, and steam boilers.

In 2020 Oishi Group has also conducted a seminar on environmental and standard system by inner house and outside sources to raise awareness to all personnel.

The seminars conducted as follows;

- Energy Conservation Awareness in total of 1 course amount to 4 hours per person
- Energy Management in total of 1 course amount to 12 hours per person
- ISO 50001 Version: 2018 in total of 1 course amount to 6 hours per person
- Internal Audit ISO 50001 in total of 1 course amount to 6 hours per person

Number of hours



### **Practice on Efficient use of Resource**

In 2020, Oishi Group executed several projects in order to enhance energy usage efficiency including raw materials and chemicals in production process as to reduce resources usage and impact it may have caused on the environment as follows:

#### **1. Energy**

In order to increase energy usage efficiency in plant in Navanakorn Industrial Estate, the Company has put in place ISO50001 2018 version as follows;

- PET Bottle Cold Beverage Production Line in Navanakorn Industrial Estate located in Pathum Thani. The process has been improved by reducing the cleaning process without parts being dismantled (Cleaning in Place, CIP). Providing that the production model has to change, it was able to save up electricity usage to 12,000 units per year and water usage up to 250,000 liters per year.
- For the UHT production line, the sterilizer (AUHT) and the pasteurizer have been improved by controlling the operation of the pump in accordance with the filling rate, enabling to reduce electricity usage by 220,000 units per year.
- For the Cold PET bottle for green tea production line in an industrial plant located in Wang Muang, Saraburi. Improvements have been made to reduce the steam pressure of the power system enabling to reduce the use of fuel oil by 70,000 liters per year.
- For Oishi Food Services plant, the power system has been improved by introducing high-efficiency motor used in cooling system. This helps to reduce electricity usage by 800,000 units per year.
- For Oishi Food Service plant, the machine efficiency has been enhanced for gyoza production line enabling to produce continuously with the maximization of Tunnel Freezer capability. This helps to reduce the use of nitrogen gas in gyoza production process by 700 tons per year.

#### **2. Water Management**

The company has put in place the efficient use of water resources including the reduction of waste water discharged outside the organization by assessing the use of water (Water Foot Print) to determine the goal to reduce water usage with the improvement projects as follows;

- For the UHT beverage production in the Navanakorn Industrial Estate plant located in Pathum Thani, the improvement has been made to a cleaning process without parts being dismantled (Cleaning in Place, CIP) by reducing the amount of water used in the final rinse process before the production process commences. This helps to reduce water usage by 37,000 cubic meters per year.
- For the Cold Aseptic Filling in PET bottle in the industrial plant located in Wang Muang, Saraburi. The CIP system has been improved by using



soft water in the CIP process instead of using reverse osmosis (RO) to filter out water, reducing the use of RO water by 36,000 cubic meters per year.

### 3. Raw Materials Management

- For the Cold Aseptic Filling in PET bottle production in the Navanakorn industrial plant located in Pathumthani, there is an improvement on extraction process in order to extract more tea concentrate from tea residue by using tea compressor. This helps to reduce the use of tea leaves by 20,000 kilograms per year.
- Oishi Food Services Plant has improved the efficiency of Saba production process by replacing with the conveying belt system. This helps reduce the raw materials usage by 10,000 kilograms per year.

### 4. Waste Management

- Oishi Food Services Plant has recycled by 10,000 kilograms of processed oil per year as assessed by certified company for hygienic management in accordance with legal requirements.
- The Company has been continuing to innovate in packaging design and development of PET bottle and is able to reduce the weight of PET bottle used in the plant located in Navanakorn, Pathum Thani. This reduces the use of plastic equivalent to 92 tons per year, including the weight of PET bottles used in the industrial plant located in Wang Muang District,

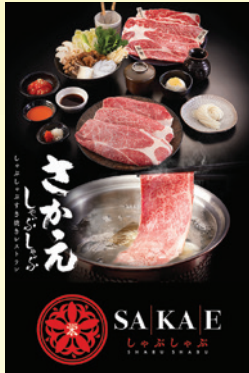
Saraburi with weight reduction causing less plastic usage equivalent to 55 tons per year.

- In addition, in order to achieve the goal of reducing the amount of waste or waste from the production process from 2015 to 2020 at least 1% per year through the 3R principles (Reduce, Reuse, Recycle), Oishi Trading Company has the ongoing projects i.e. the removal of purple bottles in Oishi Kyoho 350 ml. and 380 ml. so that Oishi Kyoho bottles can be used through recycling with other clear PET bottles. Also, perforation has been added on the label to promote recycling for Oishi products in PET bottle.

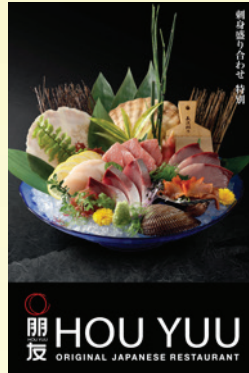
Furthermore, Oishi Group is committed to continuing to focus on education and improve the management of various resources for its maximum efficiency in order to reduce and save energy usage causing less impact but positive contribution to overall environment in a sustainable manner, reflecting the core intention of Oishi GROUP.

# JAPANESE RESTAURANTS & HOME DELIVERY

Oishi Group Public Company Limited



SAKAE



HOU YUU



OISHI GRAND



OISHI EATERIUM



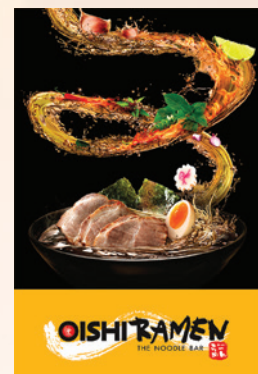
OISHI BUFFET



NIKUYA By OISHI



Shabushi By OISHI



OISHI RAMEN



KAKASHI By OISHI



OYOKI



OISHI Delivery



OISHI Kitchen



# PACKAGED FOOD

Oishi Group Public Company Limited



Gyoza Domestic



Sandwich



Gyoza in Soup



Gyoza Export



French Toast Sandwich



Ready Meal



Frozen Crab Stick

# OISHI BEVERAGE PRODUCTS

Oishi Group Public Company Limited



Oishi Green Tea  
(500 ml.)



Oishi Green Tea  
(380 ml.)



Oishi Green Tea  
(800 ml.)





Oishi Green Tea  
(350 ml.)



Oishi Green Tea UHT  
(250 ml.)



Oishi Green Tea  
Returnable Bottle  
(400 ml.)



Oishi Chakulza  
(320 ml.)



Oishi Gold  
(400 ml.)

# Business Nature

OISHI Group Public Company Limited

## 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
- Launched “Oishi Green Tea”

### 2004

- Started trading new ordinary shares in SET under the name “OISHI” on 25 August 2004
- Opened “Oishi Grand” at Siam Discovery

### 2005

- Produced and distributed fruit juice with Amino under the name “Amino OK”

### 2006

- Amata Nakorn plant started its operation.

### 2007

- Launched Oishi Black Tea with Lemon

### 2008

- 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
- Rebranded Amino OK as Amino Plus by completely changing the marketing Strategy

### 2010

- Launched New Green Tea flavor ‘Goji Berry’
- Additional lands were acquired, now the Company owns 61.5 rais
- Received two additional BOI privileges, the Cold Aseptic Filling project and the UHT project

### 2011

- Launched new green tea with juices “Oishi Fuito”
- 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”
- Launched 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
- Received an additional BOI privilege for the Cold Aseptic Filling project 2<sup>nd</sup> line
- Launched green tea in returnable bottle glass
- Set up Oishi International Holdings Limited in Hong Kong to promote international business opportunity

## 2013

- The Cold Aseptic Filling project 2<sup>nd</sup> line at Wang Muang district, Saraburi province was commercial run in March
- Opened new central kitchen at Ban Bueng 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 3<sup>rd</sup> 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 Center
- 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 Water melon” 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 and 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 Yakimiku 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 Emirates

## 2017

- All restaurants of the Company were granted certificates for achieving all requirements of GMP, HACCP and ISO 9001:2015 in the catering and operation services of Japanese restaurant segment. The Company is the first restaurant operator in Thailand and Asia who passed all above 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, Kingdom of Sweden and Republic of 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

## 2019

- Launched Ready to Cook and Ready to Eat products under the trademark "Oishi EATO" to create impactful brand awareness, which promotes effective marketing communication across the entire products portfolio
- Set up Oishi Delivery Co., Ltd. to strengthen liquidity of business operation for delivery and online service to satisfy demand of consumers in current life style
- Launched premium RTD tea, "Oishi Gold Sencha Matcha"
- Launched RTD tea with new flavor, "Oishi Apple Honey"
- Launched new product "Oishi EATO French Toast"

## 7.2 Important events in 2020

In 2020, the Company registered a change in Par Value to the Department of Business Development, Ministry of Commerce with share liquidity enhancement taken into account, resulting in a change in Par Value from Baht 2 per share to Baht 1 per share, totaling to 375,000,000 shares from 187,500,000 shares, effective from January 31, 2020 onwards.

The Company continued to be recognized as a leading company in food and beverage industry with important awards received including Thailand's Most Social Award 2020 addressing the impressive non-alcoholic beverage in social medias, as well as Thailand's Most Admired Brand 2020 as the most trusted and admired brand in RTD tea category for 9<sup>th</sup> 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 and 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 2020, 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 7<sup>th</sup> Floor, 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 in 2020 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 positive.

- 3) SHABUSHI continued to operate under the concept “Shabushi and So Much More” focusing on value and varieties of menu while introducing new menu variety every 3 months in order to penetrate the market.
  - 4) OISHI RAMEN 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).
  - 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.
  - 7) Sakae, the authentic Japanese cuisine with premium Shabu-Shabu and Japanese Suki surrounded by contemporary ambience decorated, offering fast and convenient with cordial perception.
- 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 2020, significant events related to products and activities are as follows.
- 1) Created brand awareness and brand recognition under “Oishi Eato” reflected from the image of a 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 in all product categories e.g. Stir-Fried Ramen in 2 flavors: Stir-Fried Dried Chili Ramen with Japanese Smoked Arabiki sausage and Stir-Fried Ramen with Tom Yum Flavor; French Toast Sandwich in Ready to Eat platform offering soft bread coating with egg, butter and milk; including newly-launched flavor of Corn Cheese and Caramel; Gyoza with Pork and Yakiniku Sauce Filling; Gyoza with Pork and Chicken with Wakame Seaweed served with Wasabi Seafood Sauce; Gyoza with Sautéed Mushrooms and Carrot with Spicy Sauce; Sweet Egg Category, an innovative sweet egg filled with ham and cheese, which received positive feedback from consumers.
- 3) Continued to develop and launch healthy sandwich “Oishi Eato Sandwich with Whole Grains” to satisfy the needs of the new consumers with healthy-concerned lifestyle e.g. Chicken Breast with Spinach, Tuna Bonito and Chicken Ham Mixed with Whole Grains. Other than that, the Company continued to develop a new product category of healthy sandwich rich in quality whey protein. Furthermore, in order to satisfy need of health-concerned consumers of new generation, Oishi Eato has taken selection of raw materials, as well as product formulas into consideration, which provide the best benefits to consumers e.g. a protein-rich Sandwich Category, Vitamin-B1-rich Gyoza Category and Sweet Egg claiming richness in Vitamin A and B2.
- 4) Maintained customer loyalty for frozen Oishi Gyoza in new flavors distributed in overseas and continued to seek new distribution channel in preparation for expansion to Asia-Pacific in 2021
- 5) Collaborated with Group’s related business to distribute products during COVID-19 pandemic situation as Oishi Eato products have been distributed in residential areas or metro to provide more convenience to consumers.
- 6) Expanded more distribution channels towards Food Service market by increasing the number of customers both of Horeca and Food Chain with an growing variety of product, including bakery and saucing

### **Beverage Business**

Throughout 2019 and 2020, the Company continues to develop and launched new products focusing on the area of health & wellness, with additions to our portfolio with reduced sugar content as well as full 0% sugar variants for our flagship base variants for Honey Lemon. In the past year there were major product events as follows:

1. Introduced new launches for Oishi Gold
  - Oishi Gold Gyokuro that is brewed from genuine Gyokuro Japanese tea leaves which distinctively brings out the taste of ‘umami’. Gyokuro tea leaves are only harvested in the spring, when the leaves are in their first flush after being covered for 3 weeks. Gyokuro tea is special as it is grown in the soil that is rich in natural minerals built up throughout the winter. With no sugar and low sugar choices for Oishi Gyokuro, this latest offering is granted the ‘healthier choice’ emblem.

2. Developed zero sugar content for our Oishi Green Tea base variants for Honey Lemon 0% Sugar and Original 0% Sugar variants to proactively address to the increasing needs and trends for healthier products which are all endorsed with the 'healthier choice' emblem. Consumers can now enjoy our top selling variants with healthier benefits.
3. To engage our core target of teens and excite the market, Oishi has also launched a new variant Oishi Apple Honey and Oishi Apple Honey Light using authentic flavors of Aomori Japanese apples.

### 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 4<sup>th</sup> 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 (159 stores)

###### Domestic 158 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 touristic areas with a limited time of 1 hour and 15 minutes.

###### Overseas 1 store

The Company's subsidiary has operated 1 branch of Shabushi restaurants in Myanmar in Yangon.



**5) Oishi Ramen (53 stores)**

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

**6) Oishi Delivery**

Home delivery service with call number 1773 or via [www.oishidelivery.com](http://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 (71 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. 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. As from the expansion of these new channels covering both Bangkok and other provinces, resulting restaurants in Oishi Group such as Oishi Ramen and Kakashi have also increased sales.

**7) Nikuya (11 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 (22 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 (2 stores)**

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) Sakae (1 store)**

The authentic Japanese cuisine with premium Shabu-Shabu and Japanese Suki in contemporary and cordial ambience with fast and convenient service.

As of September 30, 2020, the Company and its subsidiaries operate total restaurants of up to 269 stores of which 268 domestic stores are operating in Bangkok and key provinces and 1 overseas store is currently 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.

## **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) French Toast**

The bread with softness exclusively offered by Oishi Eato, coated with butter and milk before baking and diffusing tastefulness scent of different flavors e.g. bacon and ham cheese, corn cheese and caramel almond, which can be simply made ready by a microwave.

### **4) Gyoza**

Soft and sticky Gyoza wrappers served together with yummy sauce with various flavors as Oishi Eato Gyoza Teriyaki Pork and Oishi Eato Takoyaki Shrimp or Pork. Oishi Eato Gyoza simply heats it up in the microwave, steam, fry or teppanyaki.

## **5) 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.

## **6) 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.

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 Sweet Egg filled with ham and cheese and Sandwich with Whey Protein formula from USA, which offers tastefulness with richness in protein. 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:

		PET				RGB	UHT	Can	
Product	Flavor	800ml.	500ml.	380ml.	350ml.	400ml.	400ml.	180ml.	320ml.
Oishi Green Tea	Honey Lemon	•	•	•	•		•	•	
	Genmai	•	•	•	•			•	
	Original		•	•	•			•	
	Double Honey Lemon			•	•				
	Kyoho Grape							•	
	Kyoho Grape with nata			•	•				
	Watermelon			•	•				
	Apple Honey			•	•				
	Apple Honey Light			•					
	Honey Lemon No Sugar			•					
	Original No Sugar			•					
Oishi Gold	Genmai Cha No sugar					•			
	Genmai Cha Delight					•			
	Kabusecha No sugar					•			
	Kabusecha Delight					•			
	Sencha matcha No sugar					•			
	Sencha matcha Delight					•			
	Gyokuro No sugar					•			
	Gyokuro Delight					•			
Oishi Black Tea	Black Tea Lemon		•						
Oishi Chakulza	Honey Lemon								•
Jubjai	Jubliang		•		•				

## 7.4 Revenue Structure

		Consolidated Financial Statements					
Income by business type	Operated by	2020 (as of September 30, 2020)		2019 (as of September 30, 2019)		2018 (as of 30 September 2019)	
		Million Baht	%	Million Baht	%	Million Baht	%
Beverage business	The Company and Oishi Trading Co., Ltd	6,340	56%	6,602	48%	6,927	51%
Food and restaurant business	The Company, Oishi Ramen Co.,Ltd., Oishi Food Services Co., Ltd. and Oishi Myanmar Limited	5,026	44%	7,155	52%	6,653	49%
<b>Total</b>		<b>11,366</b>	<b>100</b>	<b>13,757</b>	<b>100</b>	<b>13,580</b>	<b>100%</b>

## 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 268 domestic stores covering Bangkok and provincial areas. (as of September 30, 2020)

#### **2. Ready to Cook and Ready to Eat Business**

In 2020, 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, as well as the Food Service Market in order to expand in parallel of market base and products. As for the international market, the Company continued

maintain original customer base for frozen Gyoza category in oversea e.g. Myanmar, Cambodia and France due to the fact that COVID-19 pandemic significantly impacted distribution in overseas.

### **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 2021 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 21 stores: Shabushi 11 stores, Kakashi 3 stores, Oishi Ramen 3 stores, Hou Yuu 1 store and closing for renovation 3 stores, permanent closing 16 stores due to its poor performance.

## 2. Ready to Cook and Ready to Eat Business

In 2020, 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 2021, the Company expects the growth on Ready to Cook and Ready to Eat business to increase by 29% from the previous year through the following 5 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
  - (5) Expansion to new Packaged Food Business in addition to frozen and chilled Ready to Cook and Ready to Eat products.
- This could be deemed as another successful milestone resulting the export performance as achieving the anticipation.

## Beverage Business

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 constantly attract the attention of the target groups. 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 1 branch 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 2021.



## **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 2020, the Company encountered the COVID-19 pandemic which negatively affected the distribution plan in new countries as production capability has been diminished.

As a result, the Company was only able to maintain its sales volume not to be less than previous year's. Therefore, in the year 2021, the Company shifted its direction to continue to increase sales volume in chilled Ready to Eat Gyoza available originally in Asia i.e.

Myanmar and Cambodia and in European countries i.e. France, United Kingdom and Switzerland, including expand its market base to other countries in Asia-Pacific region i.e. Australia and China.

## **Beverage Business**

Oishi Green Tea products have been contributing to the export revenue portion by 20% from the previous year and tend to increase continuously in many countries i.e. Cambodia, Laos, Myanmar, Malaysia, Brunei, Singapore, Taiwan, China, Korea, Kingdom of Bahrain, United Arab Emirates, Australia, New Zealand, Russia, Germany, Netherlands, Belgium, Luxembourg, Austria, Poland, France, Great Britain, Norway, Switzerland, Italy, Ireland, Hungary, Croatia, Greece, Sweden, Finland, Denmark and Iceland.

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

OISHI Group Public Company Limited

## 8.1 Food Business

### Restaurant Business

#### 1. Demographic Structure and Changing Consumer Behavior

The world is rapidly changing. Without any doubt, it affects every life and business. The COVID-19 pandemic will become an accelerator that drives trends that once were believed would take years to rise.

Internet will become basic infrastructure accessible at any time and any place, creating more convenience in life. COVID-19 will change consumption behavior to be more internet-based. Nowadays, e-commerce platforms such as e-market place or online delivery have taken an important role that is rapidly growing because the pandemic forced consumers to stay at home to avoid risks. Online purchasing behavior will surely remain even in the post-COVID period. It is predicted that e-commerce value in 2020 will reach Baht 220,000 million, or 35% increase compared to 2019. Food delivery market is also growing fast. In the last 5 years, this business has been growing and expanding around 10% each year, and that is more than the growth of restaurant business which grows around 3-4% a year. The growth of food delivery services relates to the demographic change that families are becoming smaller, and consumers are looking for faster and more convenient services, making easier the access to consumers for small and medium

businesses. Therefore, this convenience that consumers are intensely focusing on will drive entrepreneurs to shift to online market to increase business opportunities. Moreover, not only sales growth that they will achieve, but also the consumer database that allows businesses to know their consumers more and create marketing plans that suit consumption behavior and use big data more effectively. Consumers will be more and more familiar with the using of big data and will start to look for reliable businesses, so entrepreneurs will need to adjust their marketing plans to gain trust for their businesses and also make it more outstanding than their competitors.

COVID-19 has also sped up the emergence of cashless society as consumers were afraid of getting infected from touching money. People are changing to use online transaction such as mobile banking, e-payment or credit card, etc. Furthermore, the pandemic accelerated the coming of Internet of Things and new virtual experiences.

People are paying more attention to health and sanitation. The post-COVID trends will become a new normalized social responsibility standard as well as medical and public health system which are more accessible for everyone. Many businesses will have to adjust their strategies to show consumers that they understand and are well-prepared to be trustworthy in terms of cleanliness and sanitation.

## **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. The Company has been searching for more potential locations outside of malls since many restaurants inside of malls have been severely affected by COVID-19. Moreover, to expand and maximize the accessibility to our customer, Food Trucks and Grab&Go kiosks have also been launched.

## **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.

## **8. COVID-19 Risks**

"Eat hot food, use your personal spoon, wash your hands, and wear a mask" is a sentence that has been spreading throughout the society during the COVID-19 period. People are choosing to stay at home more to reduce the infection rate of the pandemic, and that severely affects many businesses. Restaurants are facing a new hard challenge and have to adjust themselves to the "new normal" in the era of COVID-19, even though there were less and less new infection cases in Thailand. Challenges such as the pandemic itself, a serious decline in tourism, or an economic downturn from the temporary closure of businesses have created chain effects on employment and purchasing power of consumers, making them more careful on their spending.

Restaurant business is now facing a huge difficulty even though the intense pandemic period has passed and the second infection wave has not yet to come, because consumers are more careful and aware of their spending than ever which results in the decrease of customers at the restaurant as well as the amount of money spent on each service each time. This decreases the earnings of business while entrepreneurs have to pay more on their business adjustment to make it suit the changed situation, such as new business plans or cleaning tools or equipment.

This will be likely to happen to almost all kinds of restaurant business. However, businesses will be damaged unequally depending on the kind of services offered. Restaurants located in a shopping mall or touristic destinations with only dine-in feature are more vulnerable to challenges. These restaurants will continuously face the decrease of income as a result of a smaller number of customers as they tend to avoid outside activities. Moreover, there will be loss from opportunity cost and raw material price fluctuation as well.

Behavioral change of Consumers in order to stay away from being infected will place a huge negative impact on business as it will create a chain reaction to wellbeing and income of employees as well. The main behavior changes that will disrupt business are: avoiding public places, staying more at home, spending more on food delivery, dining at a less crowded restaurant, and consuming more instant food at home.

## **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.

### **6. COVID-19 Risks**

People are placing much more importance on cleanliness and sanitation ever since the COVID-19 appeared. They purchase more carefully from reliable producers. Oishi packaged food is produced from the certified factories that meet international standards with safe packaging that has been strictly tested. Additionally, the Company has put in place the safety methods in its factories, making the products safe and clean for consumers.

## **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. Moreover, there are bulk purchases for the whole business group to increase the negotiating power and upstream material purchasing is also considered to avoid risks.

## **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.

## 7. COVID-19 Risks

The COVID-19 outbreak has impacted every business and industry, especially food and drink business that is essential for human survival. During the lockdown period, there was an increase of bulk purchasing on drinks for family consumption. Nevertheless, the Company has adapted to online business by opening online channel such as e-commerce and mobile application with delivery service

provided, which escalated the access to products for consumers. Consumers' consumption and purchase behavior have also changed as they have been more attentive on health, safety and proper packaging that can preserve food and is convenient for transportation, safe, and trustworthy for consumers. The Company has also developed healthier products such as low-sugar, no-sugar green tea, and Oishi Plus Vitamin C 200% as additional options for consumers.

## 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.

## 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 group which may possess some risks and affect the Company's operation in case there are changes in shareholding structure by the major shareholder or refusal in the Company's product distribution.

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

## 8.5 Risks of Investors in the Company's Securities

### 1. Risks from the Control of Major Shareholder

As of October 2, 2020, 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' Securities, which may results in Transaction Liquidity in the Stock Exchange of Thailand (SET)**

As of October 2, 2020, 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.

## 8.7 Brand Reputation Risks

At present, the organization's reputation and image are factors that greatly affect the customer buying decision process, especially for food and beverage business. OISHI group has always been aware of its brand reputation and image and, thus, operates its business with good corporate governance, transparency, and reliability. The Company also pays attention to all stakeholders including community, society, and the nation. However, the Company, sometimes, encounters inevitable external factors which pose a threat to

its reputation. As social media has become a popular communication channel for people to exchange their thoughts and comments on products and services, these online channels allow negative comments to spread quickly in a matter of minutes and may easily affect the organization's reputation and image. Therefore, the Company has set policies and risk management plans as described below:

1. Manage the Crisis Management Team to cope with any possible events that might affect the organization's reputation and image as well as appropriately and immediately manage and prevent any difficulties that might occur.
2. Provide an effective communication system with modern technology to assess the customers' action, satisfaction, expectation as well as provide them with immediate information and responses.
3. Provide news and information as well as organize activities and events that are beneficial to the society and the country continuously to ensure corporate accountability and trustworthiness.

# Business Assets

OISHI Group Public Company Limited

Business operation assets of the Company and its subsidiaries are consisting of both tangible and intangible assets. As of September 30, 2020, 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, 2020, 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, Amphoe Klong Luang, Pathumthanee province	Owner	458.00	None
Land with 182-2-19 rais with improvements at Tumbon Nong Chak, Amphoe Banbueng (Muang), Chonburi province	Owner	220.27	None
<b>Total</b>		<b>678.27</b>	

## 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, 2020, 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, Amphoe Klong Luang, Pathumthanee province	Owner	755.94	None
Building and structure at Amata Nakorn Industrial Estate, Tumbon Bankao, Amphoe Panthong, Chonburi province.	Leased	56.61	None
Building Improvements No.333 Moo 1 Highway 2089 (Muak Lek-Wang Muang) Tumbon Salaeng Phan, Amphoe Wang Muang, Saraburi province	Leased	118.52	None



<b>Buildings and Building improvements</b>	<b>Type of possession</b>	<b>Net book value (million baht)</b>	<b>Collateral for Loans</b>
Central Kitchen at Tumbon Nong Chak, Amphoe Banbueng, Chonburi province	Owner	290.01	None
Other building improvements	Leased	2.52	None
<b>Total</b>		<b>1,223.60</b>	

### 9.3 Rental Agreement

As of September 30, 2020, 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 – 2023.

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, 2020 are as follows;

<b>Area/Location</b>	<b>Rental period/Expiration</b>	<b>Net book value (million baht)</b>	<b>Collateral for Loans</b>
1 <sup>st</sup> floor, Seacon Square, No. 1053-1054 in 292.58 sq.m area	21 years and 10 months 25 Days / Expire 2024	4.59	None
The Mall Bangkok 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	3.59	None
Future Park Rangsit, Unit no. B 56 in 134 sq.m area	15 years and 6 months/ Expire 2021	1.14	None

Area/Location	Rental period/Expiration	Net book value (million baht)	Collateral for Loans
Esplanade Ratchada, Unit no. B 41 in 288 sq.m area	24 years and 2 months/ 4 days/ Expire 2031	14.08	None
Food Mall at Chulalongkorn Hospital, Unit no. A10	3 years/ Expire 2022	0.03	None
<b>Total</b>		<b>23.43</b>	

## 9.5 Tools and Machinery for Manufacturing

As of September 30, 2020, 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	2,281.59	None
Machinery-Food	199.04	None
<b>Total</b>	<b>2,480.63</b>	

## 9.6 Decoration and internal systems

As of September 30, 2020, 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	171.63	None
Internal systems	603.19	None
<b>Total</b>	<b>774.82</b>	

## 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, 2020 consist of the following:

Type of construction in progress and installation	Net book value (million baht)	Collateral for Loans
Machinery of Cold Aseptic Filling Line 1	10.94	None
Others	9.41	None
<b>Total</b>	<b>20.35</b>	

## 9.8 Other assets

Other assets were included office equipment, furniture and fixtures, restaurant utensils and vehicles. Net book value as of September 30, 2020 is 142.94 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”, “Hou Yuu”, and “SAKAE”. The Company also registered copyright for animation character “Oishi Neko” and other characters used with Chakulza products.

Moreover, the Company was awarded “Most Powerful Brands in Social Media 2020” from Wisesight (Thailand) Co., Ltd., an independent authority analyzing social media who ranked Thailand’s No.1 in Social Media Analyzing Service gaining trust nationwide from consumers. The Company was also awarded “2020 Thailand’s Most Admired Brand” from BrandAge. The award emphasises the Oishi brand’s position as the leading brand on online media in the mind of consumer. In all aspects, it ensures that the Company’s trademarks are well recognized and stay in the consumers’ heart for a long time. Therefore, 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 18, 2020, 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 36 <sup>th</sup> 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. Ueychai Tantha-Obhas 2. Mr. Sithichai Chaikriangkrai 3. Mr. Pisanu Vichiensanth 4. Mrs. Nongnuch Buranasetkul 5. Mrs. Sureeporn Pradittasnee
2. Oishi Ramen Co., Ltd. (Oishi Ramen) Unit B3601 36 <sup>th</sup> 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. Ueychai Tantha-Obhas 2. Mr. Sithichai Chaikriangkrai 3. Mr. Pisanu Vichiensanth 4. Mrs. Nongnuch Buranasetkul 5. Mrs. Sureeporn Pradittasnee
3. Oishi Food Service Co., Ltd. (Oishi Food Service) Unit B3601 36 <sup>th</sup> 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. Ueychai Tantha-Obhas 2. Mr. Sithichai Chaikriangkrai 3. Mr. Pisanu Vichiensanth 4. Mrs. Nongnuch Buranasetkul 5. Mrs. Sureeporn Pradittasnee
4. Oishi Delivery Co., Ltd. (1) (Oishi Delivery) Unit B3601 36 <sup>th</sup> 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. Indirect subsidiaries

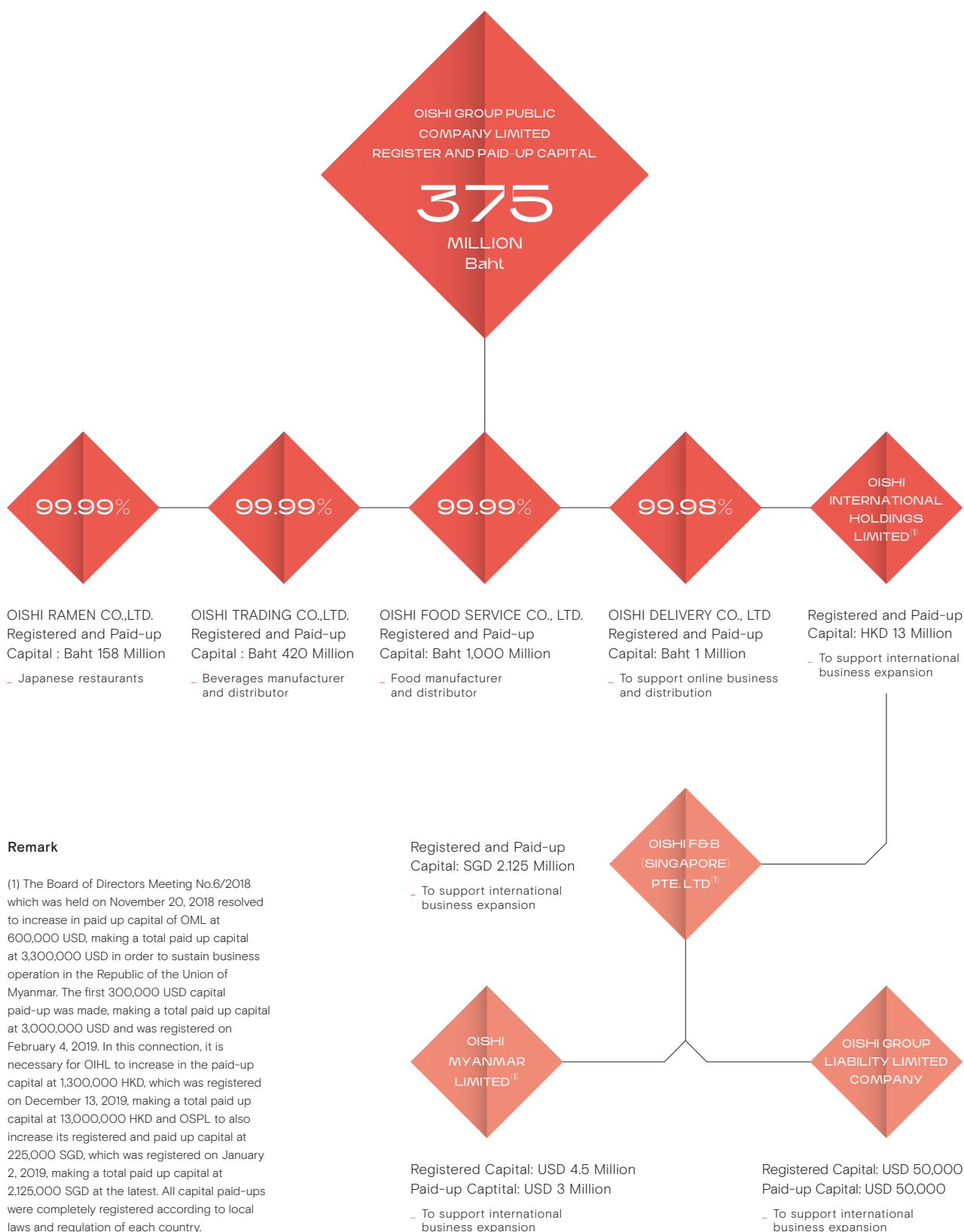
Company name	Business Types	Share Type	Registered Capital	Paid-up Capital	Number of Issue Share	Number of Shares Held	Shareholder	Investment Ratio %	Directors
1. Oishi F&B (Singapore) Pte. Ltd. (OSPL) No. 438 Alexandra Road, #05-01 Alexandra Point, Singapore 119958	To support international business expansion	Ordinary	SGD 2,125,000	2,125,000 <sup>(1)</sup>	2,125,000	2,125,000	Oishi International Holdings Limited	100	1. Mr. Paisarn Aowsathaporn 2. Mr. Kritsada Wattanapakin 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 <sup>(1)</sup>	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 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 Ghos 4. Mr. Kritsada Wattanapakin

### Remarks

- (1) 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.
- (2) The Board of Directors Meeting No. 4/2019 which was held on May 13, 2020 resolved to establish a new subsidiary in Laos, of which the registration is in progress, in partnership between OSPL, an indirect subsidiary of the Company, Oishi Ramen Co., Ltd. and L Thong Huot Telecom Co., Ltd. (LTH), a local partner in Laos.
- (3) The Board of Directors Meeting No. 5/2020 which was held on August 11, 2020 resolved to establish a new subsidiary in Cambodia, of which the registration is in progress, with its shares held by Oishi F&B (Singapore) Pte. Ltd. by 100%.

# OISHI GROUP STRUCTURE

As at November 18, 2020





## Legal Disputes

OISHI Group Public Company Limited

As at the fiscal year ended September 30, 2020, 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

OISHI Group Public Company Limited

### 11.1 Ordinary Shares

As of September 30, 2020 the Company has Baht 375 million of registered and paid-up capital.

It can be categorized into 375 million common stocks, with the par value of Baht 1 per share. All shares are registered in the Stock Exchange of Thailand.

### 11.2 Debentures

-None-

### 11.3 Shareholders

1) As of October 2, 2020, 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	298,720,398	79.66
2.	UOB KAY HIAN PRIVATE LIMITED	18,000,000	4.80
3.	DBS BANK LTD.	17,910,200	4.78
4.	Mr. Thaweechat Jurangkool	15,789,400	4.21
5.	BANK OF SINGAPORE LIMITED-THB SEG AC	9,357,400	2.50
6.	Mr. Ayuth Charnsethikul	1,960,000	0.52
7.	Mrs. Hatairat Jurangkool	1,234,200	0.33
8.	Thai NVDR Company Limited	1,201,418	0.32
9.	Ms. Orapan Assamongkol	986,400	0.26
10.	Mrs. Nipaporn Siripong	847,300	0.23
11.	Free Float shareholders	8,993,284	2.39
<b>Total</b>		<b>375,000,000</b>	<b>100</b>

**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, 2019 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, 2019, top ten shareholders of Thai Beverage Public Company Limited are as follows;

Ref	Shareholders' name	Shares	%
1.	The Central Depository (Pte) Limited	12,305,567,766	48.99
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	88,660,756	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	2018	2019	2020 <sup>(1)</sup>
Dividend per share	2.80	4.00	1.45
Shares	187.5 million shares	187.5 million shares	375 million shares
Total amount	525 million Baht	750 million Baht	543.75 million Baht
% of dividend payment	51.80	60.80	50.80

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 2020 is subjected to the shareholders' approval in the 2021 Annual General Shareholder Meeting.
- (2) On January 30, 2020, the 2020 Annual General Meeting approved the change in Par Value from 2 Baht per share to 1 Baht per share, which was later registered on January 31, 2020.

# Management Structure

OISHI Group Public Company Limited

## 12.1 Board of Directors Structure

As of November 18, 2020, 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 8 members

- 1) Mr. Prasit Kovilaikool  
Chairman and Independent Director
- 2) Mr. Ueychai Tantha-Obhas  
Vice Chairman
- 3) Mr. Vikrom Koompirochana  
Independent Director
- 4) Ms. Potjanee Thanavarant  
Independent Director
- 5) Mr. Chai Jroongtanapibarn  
Independent Director
- 6) Mr. Sithichai Chaikriangkrai  
Director
- 7) Mr. Pisanu Vichiensanth  
Director
- 8) 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. Potjanee Thanavarant, and Mr. Prasit Kovilaikool"

### Roles, Authorities and Responsibilities of the Board of Directors

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



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	-	DAP41/2005	-	-	Quality of Financial Reporting/2004 FND/2004 Business Future Series (BFS) 3: Sustainability for Directors 2018 (Singapore Institute of Directors)
2. Mr. Ueychai Tantha-Obhas	DCP90/2007	DAP BJC/2004	-	RCP29/2012	-
3. Mr. Vikrom Koompirochana	-	DAP63/2007	-	RCP39/2016	CMA Class14 Anti-Corruption for Executive Program Class of 7/2013 SFE Class of 22/2014 AACP Class of 23/2016
4. Ms. Potjaneer Thanavarant	Class of 17/2002 DCPU Class of 1/2014	-	ACP32/2010	RCP13/2006	ITG Class of 2/2016 ACEP Class of 7/2013 AACP Class of 10/2013 FGP Class of 2/2011 RCC Class of 4 / 2007 CMA Class 8 TEPCoT Class of 3/2010 ASMP Class 2 Business Future Series (BFS) 3: Sustainability for Directors 2018 (Singapore Institute of Directors)
5. Mr. Chai Jroongtanapibarn	DCP29/2003	-	ACP4/2005	-	-
6. Mr. Sithichai Chaikriangkrai	DCP26/2003 DCP Refresher Course 2/2006	-	-	-	-
7. Mr. Pisanu Vichiensanth	-	DAP BJC/2004	-	-	
8. Mrs. Nongnuch Buranasetkul	-	DAP 135/2017	-	-	

### **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 seven members of the Executive Committees are as below;

- 1) Mr. Ueychai Tantha-Obhas  
Chairman of the Executive Committee
- 2) Mr. Sithichai Chaikriangkrai  
1<sup>st</sup> Executive Vice Chairman
- 3) Mr. Lee Meng Tat  
2<sup>nd</sup> Executive Vice Chairman
- 4) Mr. Pisanu Vichiensanth  
Executive Committee
- 5) Mrs. Nongnuch Buranasetkul  
Executive Committee
- 6) Mrs. Sureeporn Pradittasnee  
Executive Committee
- 7) Mr. Paisarn Aowsathaporn  
Executive Committee

### **Roles, Authorities and Responsibilities of the Executive Committee**

1. Follow the Company's policy, which obliges to law and regulation, except for those issues subjected to obtain prior approval from the Shareholders' Meeting.
2. Hold the authority to propose, instruct and set business policy and strategy to the Board of Directors.
3. Set business plan, management authority, annual business budget and annual expense budget to be proposed to the Board of Directors for approval 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:
  - 6.1 Approval of credit offered by a financial institution or loan requested to a financial institution, giving collateral or making any payment for business administration e.g. branch expansion, raw material/machine purchasing, investment or any regular business expense.
  - 6.2 Approval of the annual budget of the subsidiaries

The authorities heretofore mentioned are under conditions as follows:

1. To approve purchase major raw materials with the limit of not exceeding Baht 1,000 million per purchase.
2. To approve other payment of not exceed Baht 100 million or equivalent or as approved by the Board of Directors. The exemption is in the case of asset write off according to Acquisition cost, where the Executive Committee is authorized to approve an amount not exceeding Baht 25 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<sup>(1)</sup> are;

- 1) Mr. Vikrom Koompirochana  
Chairman of the Audit Committee
- 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.

When the term office of a committee member expires or there is any circumstance causing any committee members to be unable to hold office until expiration of the term of office, thus reducing the number of the committee members to less than the requirement of the SEC, the Board of Directors' meeting shall appoint new committee members to fill the vacancy within three months from the date of vacancy in the Committee. If all members of the Audit Committee members are unable to hold office until expiration of the terms in any other circumstance, the retired members shall remain in office to perform his/her duties until new members have been appointed.

#### Remark

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

### Roles, Authorities and Responsibilities of the Audit Committee

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

3. Be the channel to collect the suggestion or complaint issues from both inside and outside the Company;
4. Perform other tasks as assigned by the Board of Directors, with concurrence from the Audit Committee.

#### **4. The Sustainability and Risk Management Committee**

The twelve 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  
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) Mrs. Chalita Isrankura  
Sustainability and Risk Management Committee
- 12) Mr. Suraat Chaiwongse  
Sustainability and Risk Management Committee
- 13) Ms. Chanatnuth Wongwan  
Sustainability and Risk Management Committee and Secretary to the 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:
  - 7.1 The committee performance after each Sustainability and Risk Management Committee meeting;
  - 7.2 Sustainability and risks, change of management framework including impacts of the policy and new business development;
  - 7.3 Status of risks and changes that impact level of acceptable risk;
  - 7.4 Other factors that may significantly affect the level of sustainability and risks of Oishi Group.
8. Prepare sustainability and risk management activities as well as strategy of Oishi Group and disclose in Annual Report and Sustainability Report of the Company from 2019 onwards;

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. Ueychai Tantha-obhas  
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. Potjanee Thanavarant  
Chairman of the Remuneration Committee
- 2) Mr. Vikrom Koompirochana  
Remuneration Committee
- 3) Mr. Prasit Kovilaikool  
Remuneration Committee
- 4) Mr. Ueychai Tantha-obhas  
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. Ueychai Tantha-obhas  
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 <sup>(1)</sup>

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  
Senior Vice President –  
Finance and Accounting
- 6) Mr. Thanee Pornphisutsak  
Vice President – Production
- 7) Mr. Suvit Sirichu  
Vice President – Operations  
(Shabushi and Nikuya)
- 8) Mr. Wichian Techapitikul  
Vice President – Project Development

### Remarks

- (1) The names of the Executives No.1-5 are shown in accordance with the definition of executive by the Notification of The Securities and Exchange Commission as of November 18, 2020.

## Roles, Authorities and Responsibilities of the President & CEO

1. Determine the business strategies and supervise the Company's day to day operation and management in accordance with the goal set up by Company's policies as well as the Board of Directors or Executive Committee assignment and guidance.
2. Coordinate with the head of internal audit department and the Risk Management Committee to ensure that the business operation and risks management of the Company be in line with the Objectives and Articles of Association of the Company and the resolution of the Shareholders' Meeting and Board of Directors' Meeting as well as policies and Corporate Governance Guideline.
3. Supervise and support the Human Resource Department to ensure that such department has an effective human resource management including the authorities and responsibilities as follows:
  - 3.1 Propose to the Executive Committee for approval the amendment of human resource management plan, manpower structure, remuneration structure, benefits and welfare for the Company's employee and Subsidiaries as well as setting up the procedure and criteria for the recruitment of employees whose positions are at level of Director or General Factory Manager or below. Moreover, such plan and structure shall be in line with the Company's strategies and goals.

- 3.2 Approve the annual performance evaluation method, transference improvement and succession plan for the employees.
- 3.3 Approve the hiring, promotion, level adjustment, salary adjustment, disciplinary punishment, retirement, hiring contract renewal of the employees of the Company and subsidiaries except the employees whose position is above the level of Director or General Factory Manager.
- 3.4 Approve the transference, alteration and rotation of employees within the Company itself and between the Company and its subsidiaries as well as the result of performance evaluation of all employees with the position of Director or General Factory Manager or below.
- 3.5 Approve the employee training plan.

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

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

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

The Board of Directors has set the operational goal for the Company's President & CEO and the management team. In addition, performance evaluation of the President & CEO and the management team will be done annually. The President & CEO will evaluate the performance of the management team from the director position downwards. The evaluation criteria shall be interconnected with the Company's annual strategies and plan so that the remuneration will be appropriately set, upon the approval of the Executive Committee and/or the Board of Directors, as the case may be.

# Organization Chart of Oishi Group Public Company Limited as of 18 November 2020

OISHI Group Public Company Limited



Audit Committee

Sustainability & Risk Management Committee

Nomination Committee

Remuneration Committee

Good Corporate Governance Committee

Company Secretary

Finance and  
Accounting

Production

Human  
Resources

Internal  
Audit



## 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 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 according to 1) 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 Section 28, Page 191 to page 216 of this Annual Report.

# Information on the Board of Directors and Executives

OISHI Group Public Company Limited

## Mr. Prasit Kovilaikool

Age 77

---

### **Type of Director**

Independent Director

### **Date of first appointment**

April 20, 2010

### **Current Position**

Chairman of the Board of the 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

### **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

### **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

### **No. of share(s) held in the Company**

**included holding by spouse and minor children**

None

### **Tenure as at December 2020**

10 years 8 months

---

**Positions in other listed companies**

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

**Positions in other non-listed companies**

Present	Independent Director, Chairman of the Audit Committee, Thai Beverage Public Company Limited Advisor of Property Asset Management Office The Thai Red Cross Society Counselor, (7 <sup>th</sup> Law Committee) Office of the Council of State Member of Appeals and Complaints Committee, Human Resource Management Chulalongkorn University
---------	---

**Positions in other non-listed companies**

Present	Vice Chairman of Chulalongkorn University Council Chulalongkorn University Member of the Chulalongkorn University Personel Petition Committee Chulalongkorn University
---------	---

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

None

**Experiences during the past 5 years**

2018 – 2020	Member of National Housing Policy Committee Ministry of Social Development and Human Security
1992 – April 2019	Lecturer of Legal Education Institute The Thai Bar Association
2001 – 2015	Exclusive Lecturer (B.A.), Faculty of Law Chulalongkorn University
2009 – 2016	Chulalongkorn University Council Member Chulalongkorn University

**Legal Record during the past 10 years**

None

# Mr. Ueychai Tantha-Obhas

Age 71

## **Type of Director**

Authorized Director

## **Date of first appointment**

January 26, 2006

## **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) BJC/2004
- Director Certification Program (DCP) 90/2007
- Role of the Chairman Program (RCP) 29/2012

### **Training (other Institutes)**

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

## **No. of share(s) held in the Company**

### **included holding by spouse and minor children**

None

## **Tenure** as at December 2020

14 years 11 months

## **Current Position**

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

## **Positions in other listed companies**

Present 4<sup>th</sup> Vice Chairman and  
1<sup>st</sup> Vice Chairman of  
Executive Committee  
Sermasuk  
Public Company Limited

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

Present Director and Senior Executive  
Vice President, and Chief  
Operating Officer - Thailand  
Thai Beverage  
Public Company Limited  
Chairman  
Oishi Trading Co., Ltd.  
Oishi Ramen Co., Ltd.  
Oishi Food Service Co., Ltd.  
Vice Chairman  
Red Bull Distillery  
Group of Company  
Traditional Trade Management  
Co., Ltd.  
Vice Chairman and Chairman  
of the Executive Committee  
Cash Van Management  
Company Limited  
Modern Trade Management  
Company Limited  
Horeca Management  
Company Limited

---

**Positions in other non-listed companies**

Present      **Director and Co-Chairman**  
Grand Royal Group  
International Company Limited  
Myanmar Supply Chain and  
Marketing Services  
Company Limited  
**1<sup>st</sup> Vice Chairman**  
ThaiBev Marketing Co., Ltd.  
BevTech Co., Ltd.  
**2<sup>nd</sup> Vice Chairman and  
Chairman of the Executive  
Committee**  
Thai Drinks Co., Ltd.  
**1<sup>st</sup> Vice Chairman and  
Chairman of the  
Executive Committee**  
Thai Beverage Logistics Co., Ltd.  
**Director**  
Chang Beer Co., Ltd.  
Sermasuk Training Co., Ltd.  
Food and Beverage Holding  
Co., Ltd.  
Green Bean Co., Ltd.  
International Beverage  
Holdings Limited  
Thai Beverage Training Co., Ltd.

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

None

**Experiences during the past 5 years**

May 2014 –      **1<sup>st</sup> Vice Chairman**  
Jan 2020      Thai Beverage Marketing Co., Ltd.  
Aug 2015 –      **2<sup>nd</sup> Vice Chairman**  
Jan 2019      Thai Beverage Logistics Co., Ltd.  
Oct 2016 –      **Director and Senior Executive**  
Sep 2018      **Vice President,**  
**Chief Route-to-Market**  
Thai Beverage  
Public Company Limited  
May 2010 –      **Director and**  
Sep 2016      **Executive Vice President**  
Thai Beverage  
Public Company Limited

**Legal Record during the past 10 years**

None



# Mr. Vikrom Koompirochana

Age 74

## **Type of Director**

Independent Director

## **Date of first appointment**

November 10, 2006

## **Current Position**

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

## **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 2020**

14 years 2 months

## **Positions in other listed companies**

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

## **Positions in other listed companies**

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 Advisor**  
British Chamber of  
Commerce Thailand (BCCT)  
**Chairman**  
Sports and Recreation  
Management Company Limited

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

None

## **Experiences during the past 5 years**

2013 - Apr 2016 **Independent Director and**  
**Corporate Governance**  
**Committee Member**  
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

# Ms. Potjanee Thanavaranit

Age 74

## **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

## **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)

## **Training (other Institutes)**

- 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 2020**

11 years 10 months

## **Positions in other listed companies**

Present	Independent Director and Chairman of the Audit Committee
	Bank of Ayudhya
	Public Company Limited

---

**Positions in other listed companies**

Present      Independent Director,  
Chairman of the Board,  
Audit Committee Member  
and Chairman of the  
Remuneration and  
Nomination Committee  
Univentures  
Public Company Limited  
Independent Director  
and Chairman of the  
Audit Committee  
Thai Reinsurance  
Public Company Limited  
Independent Director and  
Audit Committee Member  
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  
Chairman of the Audit and  
Evaluation Committee  
Office of The National Anti  
- Corruption Commission  
(ONACC)

**Positions in other non-listed companies**

Present      Council of State  
Office of the Council of State  
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**

Mar 2017 -      Honorary Director  
Aug 2020      Thai Investors Association  
2007 -      Qualified Member of the  
June 2020      Committee  
The Federation of Thai  
Insurance Organization  
Apr 2014 -      Independent Director and  
July 2020      Audit Committee Member  
Thai Reinsurance  
Public Company Limited  
Apr 2016 -      Independent Director and  
Nov 2017      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

**Legal Record during the past 10 years**

None

# Mr. Chai Jroongtanapibarn

Age 66

## Type of Director

Independent Director

## Date of first appointment

February 8, 2006

## Current Position

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

## 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 2020

14 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  
Team Precision Public Company Limited  
Independent Director, Chairman of the Audit Committee  
Major Cineplex Group Public Company Limited  
Independent Director, Chairman of the Board and Chairman of the Audit Committee  
TMT Steel Public Company Limited

## Positions in other listed companies

Present Independent Director  
Siam Future Development Public Company Limited  
Chairman of the Board, Independent Director and Chairman of the Nomination and Remuneration Committee  
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

2007- Present Independent Director, Audit Committee Member and Risk Management Committee Member  
Siam Food Products Public Company Limited  
2005 - Present Independent Director, Chairman of the Board and Chairman of the Audit Committee  
TMT Steel Public Company Limited  
2003 - Present Independent Director  
Siam Future Development Public Company Limited  
2002 - Present Independent Director, Chairman of the Audit Committee  
Major Cineplex Group Public Company Limited  
2000 - Present Independent Director, Chairman of the Audit Committee  
Team Precision Public Company Limited

## Legal Record during the past 10 years

None

# Mr. Sithichai Chaikriangkrai

Age 66

## Type of Director

Authorized Director

## Date of first appointment

January 26, 2006

## Current Position

Director, 1<sup>st</sup> Vice Chairman of 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

## 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 2020

14 years 11 months

## Positions in other listed companies

Present

Director

Siam Food Products  
Public Company Limited  
Univentures  
Public Company Limited  
Sermsuk  
Public Company Limited

## Positions in other listed companies

Present

Director

Berli Jucker  
Public Company Limited  
Asset World Corp  
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

Chang Beer Co., Ltd.  
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.

---

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

Present                      **Director**  
TCC Assets (Thailand) Co., Ltd.  
Thai Beverage Can Co., Ltd.  
Univentures REIT  
Management Co., Ltd.  
Food and Beverage  
Holding Co., Ltd.  
Beer Co Limited

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

None

#### **Experiences during the past 5 years**

December 2012 -    **Director**  
November 2020    Golden Land Property  
Development Public  
Company Limited  
March 2016 -        **Director**  
January 2018        Big C Supercenter  
Public Company Limited  
May 2010 -          **Director and**  
September 2016    **Executive Vice President**  
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 – Alpha Southeast Asia Magazine (2014, 2015, 2016, 2018 and 2019)
  - Best CFO in Southeast Asia – Alpha Southeast Asia Magazine (2015)
  - Asia's Best CFO (Investor Relations) – Corporate Governance Asia Magazine (2011, 2012)
  - Best CFO in Thailand – Finance Asia Magazine (2009)

# Mr. Pisanu Vichiensanth

Age 64

## **Type of Director**

Authorized Director

## **Date of first appointment**

January 26, 2006

## **Current Position**

Director, Executive Committee Member and Vice Chairman of 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, West Germany

## **Training**

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

- Director Accreditation Program (DAP) 2004

### **Training (other Institutes)**

None

### **No. of share(s) held in the Company**

### **included holding by spouse and minor children**

None

### **Tenure** as at December 2020

14 years 11 months

## **Positions in other listed companies**

None

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

Present

Director, Senior Executive Vice President and Chief Technology and Engineering

Thai Beverage

Public Company Limited

3<sup>rd</sup> Vice Chairman and

Managing Director

BevTech Company Limited

1<sup>st</sup> Vice Chairman

Chang International

Company Limited

Vice Chairman

Cosmos Brewery (Thailand)

Company Limited

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



---

**Positions in other non-listed companies**

Present	<b>Director</b> 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
---------	--

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

None

**Experiences during the past 5 years**

2014 - 2016	<b>Director,</b> <b>Executive Vice President and</b> <b>Risk Management Committee</b> <b>Member</b> Thai Beverage Public Company Limited
2004 - 2018	<b>Managing Director</b> Beer Thai (1991) Public Company Limited
2006 - 2018	<b>Managing Director</b> Cosmos Brewery (Thailand) Co., Ltd.

**Legal Record during the past 10 years**

None

# Mrs. Nongnuch Buranasetkul

Age 52

## **Type of Director**

Authorized Director

## **Date of first appointment**

February 9, 2017

## **Current Position**

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

## **Education**

- Bachelor Degree in Communication Arts  
(First Class 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

## **No. of share(s) held in the Company**

### **included holding by spouse and minor children**

None

## **Tenure** as at December 2020

3 Year 10 months

## **Positions in other listed companies**

None

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

Present

Senior Vice President, Chief  
Food Business – Thailand  
Thai Beverage  
Public Company Limited  
Director  
D2C Services Co., Ltd.  
Coffee Concepts Retail Co., Ltd.

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

Present

Director

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

---

**Positions in other non-listed companies**

Present	<b>Managing Director</b> Food of Asia Company Limited <b>President &amp; CEO</b> Oishi Trading Company Limited Oishi Ramen Company Limited Oishi Food Service Company Limited
---------	---

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

None

**Experiences during the past 5 years**

2017- Present	<b>Senior Vice President,</b> <b>Chief Food Business - Thailand</b> Thai Beverage Public Company Limited
2015 - Present	<b>Managing Director</b> Food of Asia Company Limited
2015 - Present	<b>Vice President - Office of</b> <b>Food Development</b> Thai Beverage Public Company Limited

**Legal Record during the past 10 years**

None

# Mr. Paisarn Aowsathaporn

Age 55

## **Current Position**

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

## **Education**

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

Managing Director

Oishi Myanmar Limited

Director

Oishi F&B (Singapore) Pte. Ltd.

Oishi Group Limited

Liability Company

Oishi Delivery Company Limited

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

None

## **Experiences during the past 5 years**

2010 – Present

Executive Vice President  
– Food Business

Oishi Group

Public Company Limited

## **Legal Record during the past 10 years**

None

# Mrs. Jesdakorn Ghosh

Age 51

---

## **Current Position**

Senior Vice President – Beverage Business  
and Sustainability and Risk Management  
Committee Member

## **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

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

None

### **Experiences during the past 5 years**

2015 – Present	Senior Vice President
	Oishi Group
	Public Company Limited

### **Legal Record during the past 10 years**

None

# Ms. Mekhala Nethipo

Age 50

---

## **Current Position**

Senior Vice President – Packaged Food Business

## **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.

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

None

## **Experiences during the past 5 years**

June 2016 – Senior Director, Adult and  
January 2017 Feminine 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

# Mr. Kritsada Wattanapakin

Age 41

## **Current Position**

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

## **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 and Executive  
Committee Member  
Thai Drinks Co., Ltd.

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

Present      **Director**  
Oishi International  
Holdings Limited  
Oishi F&B (Singapore) Pte. Ltd.  
Oishi Myanmar Limited  
Oishi Group Limited  
Liability Company

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

None

## **Experiences 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



# Mr. Thanee Pornphisutsak

Age 51

---

## **Current Position**

Vice President – Production and  
Sustainability and Risk Management  
Committee Member

## **Education**

- Bachelor Degree in Food Sciences and Technology, Kasetsart University

## **Training**

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

None

## **Training (other Institutes)**

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

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

None

## **Positions in other listed companies**

None

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

None

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

None

## **Experiences during the past 5 years**

2011 - April 2016    **General Factory Manager**  
Oishi Group  
Public Company Limited

## **Legal Record during the past 10 years**

None

# Mr. Suvit Sirichu

Age 45

---

## **Current Position**

Vice President – Operations

## **Education**

- Bachelor's Degree in Information Technology  
Majoring in Industrial Management  
Chandrakasem Rajabhat University

## **Training**

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

None

### **Training (other Institutes)**

None

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

None

## **Positions in other listed companies**

None

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

None

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

None

## **Experiences during the past 5 years**

November 2019 – Present	Vice President – Operations Oishi Group Public Company Limited
June 2014 – November 2019	Operations Director Oishi Group Public Company Limited

## **Legal Record during the past 10 years**

None

# Remuneration of the Board of Directors and Executives

OISHI Group Public Company Limited

## 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	2020 (October 2019 - September 2020)			
		Remuneration			Total amount (Baht)
		Retainer Fee (Baht)	Attendance Fee (Baht)	Bonus (Baht)	
1.	Mr. Prasit Kovilaikool <sup>(1) (3)</sup> Chairman Independent Director Nomination Committee Member Remuneration Committee Member	590,400	127,200	3,800,000	4,517,600
2.	Mr. Thapana Sirivadhanabhakdi <sup>(3)(5)</sup> Vice Chairman Chairman of the Executive Committee Nomination Committee Member Remuneration Committee Member Good Corporate Governance Committee Member	214,430	22,800	4,907,000	5,144,230
3.	Mr. Ueychai Tantha-Obhas <sup>(3)(6)</sup> Vice Chairman Chairman of the Executive Committee Nomination Committee Member Remuneration Committee Member Good Corporate Governance Committee Member	543,120	77,500	3,442,900	4,063,520
4.	Mr. Vikrom Koompirochana <sup>(3)</sup> Independent Director Chairman of the Audit Committee Chairman of the Nomination Committee Remuneration Committee Member Good Corporate Governance Committee Member	584,400	87,600	2,850,000	3,522,000
5.	Ms. Potjanee Thanavarani <sup>(2)(3)</sup> Independent Director Audit Committee Member Chairman of the Remuneration Committee Chairman of the Good Corporate Governance Committee	529,200	85,600	2,850,000	3,464,800

Name-Surname / Position		2020 (October 2019 - September 2020)			
		Remuneration			Total amount (Baht)
		Retainer Fee (Baht)	Attendance Fee (Baht)	Bonus (Baht)	
6.	Mr. Chai Jroongtanapibarn <sup>(3)</sup> Independent Director Audit Committee Member Chairman of the Sustainability and Risk Management Committee Good Corporate Governance Committee Member	554,400	99,400	2,850,000	3,503,800
7.	Mr. Sithichai Chaikriangkrai <sup>(3)</sup> Director 1 <sup>st</sup> Vice Chairman of the Executive Committee Member Remuneration Committee Member	452,400	75,600	3,442,900	3,970,900
8.	Mr. Pisanu Vichiensanth <sup>(3)</sup> Director Executive Committee Member Vice Chairman of the Sustainability and Risk Management Committee	488,400	83,400	2,928,600	3,500,400
9.	Mrs. Nongnuch Buranasetkul <sup>(3)</sup> Director President & CEO Executive Committee Member Sustainability and Risk Management Committee Member Good Corporate Governance Committee Member	-	-	2,928,600	2,928,600
<b>Total</b>		<b>3,956,750</b>	<b>659,100</b>	<b>30,000,000</b>	<b>34,615,850</b>

**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, 2019 to September 30, 2020 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, 2019 to September 30, 2020 was SGD 114,000. Conversion rate is SGD 1 = Baht 23.
- (3) No directors received any remuneration from the Company's subsidiaries.
- (4) No accrued compensation.
- (5) Mr. Thapana Sirivadhanabhakdi resigned from the position of Director effective on February 4<sup>th</sup>, 2020
- (6) Mr. Ueychai Tantha-Obhas was appointed as Vice Chairman, Chairman of the Executive Committee, Nomination Committee Member, Remuneration Committee Member and Good Corporate Governance Committee Member on February 13<sup>th</sup>, 2020

**2. Monetary remuneration of Company executives in the form of salary and other payments<sup>(1)</sup>, as endorsed by the Remuneration Committee and approved by the Board of Directors. Detailed are as per below:**

<b>Unit: Thousand Baht</b>	<b>2020 (October 2019 – September 2020)</b>	<b>2019 (October 2018 – September 30 2019)</b>
Salary	14,016.62	11,598.78
Bonus	5,227.30	3,418.85
Social Security Fund	24.30	21.00
Employee Benefits	716.96	2,289.84
Provident Fund	531.04	526.62
Life & Health Insurance Premium	36.56	32.43
Service fees under the Business Administrative Service Agreement	15,240.00	14,512.00
Remuneration from the Allotment of Bonus Shares under the Long-Term Incentive Plan of Thai Beverage Public Company Limited or "LTIP" <sup>(2)</sup>	538.71	477.90
<b>Total</b>	<b>36,331.49</b>	<b>32,844.99</b>

**Remarks:**

- (1) Executives remuneration in 2020 (October 1, 2019 – September 30, 2020) is consisted of the following 7<sup>(5)(6)</sup> executives: 1. Mrs. Nongnuch Buranasetkul 2. Mr. Paisarn Aowsathaporn 3. Mrs. Jesdakorn Ghosh 4. Ms. Mekhala Nethipo 5. Mr. Thanee Pornphisutsak 6. Mr. Kritsada Wattanapakin 7. Mr. Suvit Sirichu, which does not include the director's monetary remuneration made to Mrs. Nongnuch Buranasetkul under Section 14.1 clause 1.
- (2) Refer to the Annual General Meeting of Shareholder of Thai Beverage Public Company Limited ("ThaiBev") 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 2020 (from October 1, 2019 to September 30, 2020) 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 2020 (from October 1, 2019 to September 30, 2020) was Baht 9,360,000.
- (4) Mr. Suvit Sirichu was appointed to the position of Vice President effective from November 21, 2019.
- (5) No executive who receives the remuneration fee from the subsidiaries.
- (6) No accrued compensation.

## 14.2 Other Benefits

- None -

# Share Ownership of the Board of Directors and Executives<sup>(1)</sup>

OISHI Group Public Company Limited

	Name	Position	Ordinary Shares		
			30 Sep. 2019	30 Sep. 2020	Increase (Decrease)
1.	Mr. Prasit Kovilaikool Spouse and minor child	Chairman and Independent Director	-	-	-
2.	Mr. Thapana Sirivadhanabhakdi <sup>(2)</sup> Spouse and minor child	Vice Chairman	-	-	-
3.	Mr. Ueychai Tantha-obhas <sup>(3)</sup> Spouse and minor child	Vice Chairman	-	-	-
4.	Mr. Vikrom Koompirochana Spouse and minor child	Independent Director and Chairman of the Audit Committee	-	-	-
5.	Ms. Potjaneer Thanavarant Spouse and minor child	Independent Director and Audit Committee	-	-	-
6.	Mr. Chai Jroongtanapibarn Spouse and minor child	Independent Director and Audit Committee	-	-	-
7.	Mr. Sithichai Chaikriangkrai Spouse and minor child	Director	-	-	-
8.	Mr. Pisanu Vichiensanth Spouse and minor child	Director	-	-	-
9.	Mrs. Nongnuch Burasethkul 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 Spouse and minor child	Senior Vice President	-	-	-
13.	Kritsada Wattanapakin Spouse and minor child	Senior Vice President	-	-	-

## Remarks:

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

(2) Mr. Thapana Sirivadhanabhakdi resigned from the Board of Directors on February 4, 2020.

(3) Mr. Ueychai Tantha-Obhas was appointed as Vice Chairman of Board of Directors effective from February 13, 2020 onwards.

# Human Capital and Human Resources Development Policy

OISHI Group Public Company Limited

## 16.1 Employees

As of September 30, 2020, Oishi Group Public Company Limited ("The Company") and its subsidiaries ("Oishi Group"/ "Organization") have a total of 6,542 employees (excluding Directors and Management team as per details under section 12) which are categorized into:

Function	Number of Employees
Corporate Functions	428
Restaurant Operations	5,119 (Excluding 26 employees under Joint Venture Restaurant Operations in Myanmar)
Production	995
<b>Total</b>	<b>6,542</b>

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

Gender	Number of Employees	Proportion by Gender
Male	2,578	39.41%
Female	3,964	60.59%
<b>Total</b>	<b>6,542</b>	<b>100%</b>

Age	Number of Employees	Proportion by Age
Under 30 years old	3,945	60.30%
Between 30-50 years old	2,259	34.53%
Above 50 years old	338	5.17%
<b>Total</b>	<b>6,542</b>	<b>100%</b>

Level	Number of Employees	Proportion by Level
Staff – Supervisory	6,314	96.52%
Assistant Manager – Manager	205	3.13%
Assistant Director – Deputy Director	8	0.12%
Director – Senior Director	15	0.23%
<b>Total</b>	<b>6,542</b>	<b>100%</b>

Employees' Remuneration  
(excluding operation employees under Joint Venture restaurant in Myanmar)

Unit : Thousand Baht	2020 (Oct 2019 – Sep 2020)
Salary	1,209,744.88
Bonus	163,888.67
Social Security Fund	40,667.23
Employee benefits	17,456.84
Provident Fund	18,334.52
Life and Health Insurance	16,532.18
Long-Term Incentive Plan (LTIP) of Thai Beverage Public Company Limited	774.01
Overtime	93,794.62
<b>Total</b>	<b>1,561,192.95</b>



## 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 2020, 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. Other than that, the Company supports passing on the knowledge and expertise within the organization putting in place supporting and developing initiatives for internal lecturer in belief to practice the body of knowledge in a sustainable 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 2020 (DJSI World 4<sup>th</sup> year Member, DJSI Emerging Markets 5<sup>th</sup> year Member)", which the Company has ranked number one for three consecutive years.

As of September 30, 2020, the Oishi Group has spent its budget on human capital development in a total amount of 3,578,523.40 Baht, averaging 547.01 Baht per person with 111,939 hours training, averaging 17.11 hours per person.

<b>Employee Training Program 2020 (as of September 30, 2020)</b>			
	<b>Training Hours</b>	<b>Numbers of Employees</b>	<b>Training Hours (Average Training Hours/person)</b>
Company Headquarters	5,188	428	12.12
Production Plants	35,594	995	35.77
Restaurant Operations	71,157	5,119	13.90
<b>Total</b>	<b>111,939</b>	<b>6,542</b>	<b>17.11</b>

## 16.3 Welfare Policy

OISHI Group believes that our continued growth and success is the result of our competent, skillful, and motivated employees. With the hope to retain its valuable employees, who help elevate the business performance, the Company offers

them with appropriate welfare, stability, and good quality of life.

In 2020, 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**

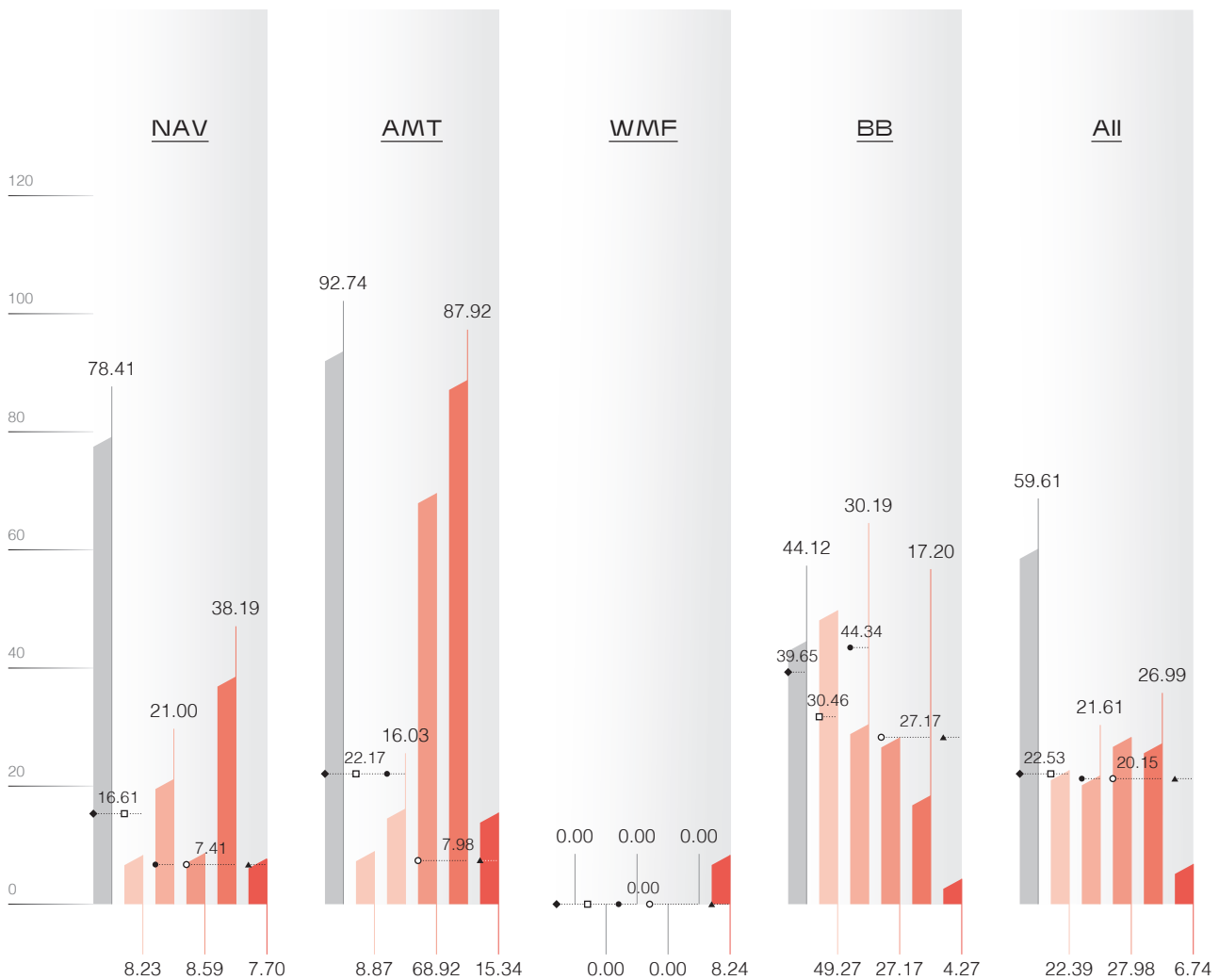
As employees are the organization's most valuable resources, therefore, the Company has a commitment to ensuring safety, occupational health and workplace environment as a part of goals and objectives are determined to controlling and preventing possible risks with review and improvement in a consistent manner. With the aim to prevent injury and sickness possibly resulted

from working, Oishi Group also ensures its business direction is being practiced in compliance with relevant laws as well as rules and regulation in relation to health and safety as set out below:

1. All employees shall maintain workplace safety.
2. Oishi Group shall improve safety and occupational health and workplace environment in order to exercise risk control and prevention.
3. Oishi Group shall promote activities in relation to safety and occupational health and workplace environment to reinforce awareness and increase participation of all employees.
4. Oishi Group shall sufficiently provide resources as deem suitable in support of achievement.
5. Commanders at all levels shall act as a good example conforming to rules and regulations in relation to safety, occupational health and workplace environment.
6. All employees shall take their own safety and their colleagues including the Company's assets into consideration during working hours.
7. All employees shall partake in the Company's measures on safety of occupational health and workplace environment.

Please see the following information on the rate of accidents, absence and injuries to continually improve safety standards of employees commencing from 2015 to 2020;

## Statistic information for Injuries Severity Rate (ISR)

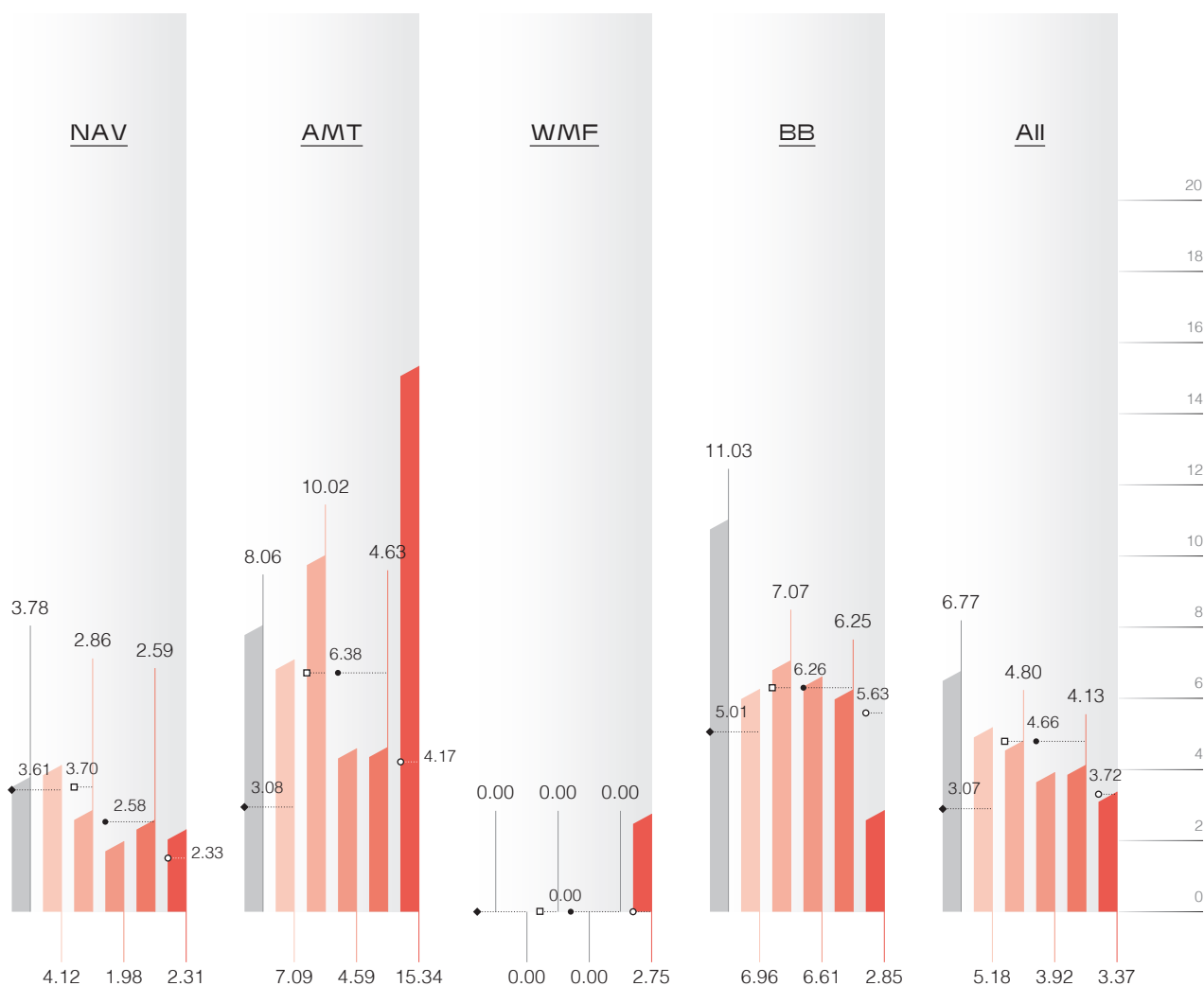


- 2015
- 2016
- 2017
- 2018
- 2019
- 2020 (Oct.)
- ◆ Target 2015
- Target 2016
- Target 2017
- Target 2018 - 2019
- ▲ Target 2020

### Remarks

NAV means the production facilities within Navanakorn 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)



- 2015
- 2016
- 2017
- 2018
- 2019
- 2020 (Oct.)
- ◆ Target 2015
- Target 2016
- Target 2017
- Target 2018 - 2019
- ▲ Target 2020

### Remarks

NAV means the production facilities within Navanakorn Industrial Estate, Pathumthani

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

WMF means the production facilities at Wang Muang, Saraburi

BB means the production facilities at Ban Bueng, Chonburi

The Injury Severity Rate (ISR) in 2019 slightly increased mainly due to significant accidents, causing employees to extend sickness leave for medical attention. With serious corrective measures and commitment of the team resulting in lower violence rate in the year 2020.

The Injury Frequency Rate (IFR) is prone to decrease as a number of accidents have declined due to the Company has the safety management system including the commitment of the employees resulting in lower IFR in 4 plants.

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

## 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 2020, the Company has set and followed Human Resources management policies continuously, the details of which are as follows:

1. All employees shall be treated fairly, with dignity and respect as a member of the Company.

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

## 16.6 Administration Policy

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

In 2020, 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 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.

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 sufficient and modern office equipment and utilities in order for the employees to achieve their maximum efficiency.
5. Nurture good relationship with external organizations and visitors as well as government bodies.
6. Promote relevant, appropriate, and regular information sharing to employees.
7. 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.

### 16.7 Employee Cooperation with Company's Business Ethics and Corporate Governance

The Company has a policy to encourage its employees to study, understand, and adhere to the Company's Business Ethics and Corporate Governance policy. OISHI Group's Business Ethics has been incorporated as a part of the Company's employee's orientation in which the details of the Company's Business Ethics is explained to all new employees. Moreover, the Company's Corporate Governance policy as well as OISHI Group's Ethics are frequently communicated and reminded to all employees via various internal communication channels such as announcement boards at

production plants, restaurant outlets, and internal intranet. These are done to ensure strict compliance of all employees as well as to encourage and continuously monitor the result of the principle and policy. No incident of employees' non-compliance to the Business Ethics and Corporate Governance policy was reported in the previous year.

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

Moreover, to emphasize the Company's intention and policy on anti-corruption and fraud, the Company has issued a notice regarding the whistle blowing, a reward for the whistle blower, and has conducted anti-corruption training programs in order to remind all employees of the importance of honesty as well as encourage them to adhere to honesty and to be mindful, and not to be neglect in their duties. Such negligent performance is very conducive to potential fraudulent actions which might cause serious damage and impact to the Company.

Therefore, in 2020, 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 Group 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 since 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

OISHI Group Public Company Limited

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 Treadway Commission Enterprise Risk Management (COSO-ETM) 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 evidence 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

OISHI Group Public Company Limited

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.

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. 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.

18.3 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

OISHI Group Public Company Limited

## 19.1 Relationships with related parties

As of 30 September 2020, 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
Luckchai Liquor Trading 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

<b>Name of entities</b>	<b>Country of incorporation /nationality</b>	<b>Nature of relationships</b>
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
Thai Beverage Recycle 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
Feed Addition 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
C.A.I. Co., Ltd.	Thailand	Direct subsidiary of parent company
Namjai ThaiBev (Social Enterprise) 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

<b>Name of entities</b>	<b>Country of incorporation /nationality</b>	<b>Nature of relationships</b>
Havi Logistics (Thailand) Limited	Thailand	Indirect subsidiary of parent company
S.P.M. Foods & Beverages Co., Ltd.	Thailand	Subsidiary of an indirect subsidiary of parent company
Serm Suk PLC.	Thailand	Subsidiary of an indirect subsidiary of parent company
Serm Suk Beverage Co., Ltd.	Thailand	Subsidiary of an indirect subsidiary of parent company
Wrangyer Beverage (2008) 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
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

<b>Name of entities</b>	<b>Country of incorporation /nationality</b>	<b>Nature of relationships</b>
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
Inter Horeca Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
CW Towers Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Asset World Retail Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
North Park Golf And Sports Club Co., Ltd.	Thailand	Directors and controlling equity holders of parent company are directors and hold substantial shares indirectly
Berli Jucker PLC.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
The Southeast Insurance PLC.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
The Southeast Life Insurance PLC.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Southeast Capital Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Thippatana Arcade Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Siam Food Products PLC.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
TCC Hotel Asset Management Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
TCC Land Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
TCC Assets (Thailand) Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly



<b>Name of entities</b>	<b>Country of incorporation /nationality</b>	<b>Nature of relationships</b>
Siriwana Co.,Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Adelfos Co.,Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Amarin Book Center Co.,Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Amarin Printing and Publishing Public Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Kasemsabbhakdi Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Kasemsubsiri Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Thai Malaya Glass Co.,Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Dhanasindhi co.,Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
T.C.C. Technology Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
F&B International Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Business Process Outsourcing Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Univentures PLC.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
The Street Retail Development Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Bang Pa-In Paper Mill Industry Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Plantheon Trading Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly

<b>Name of entities</b>	<b>Country of incorporation /nationality</b>	<b>Nature of relationships</b>
Big C Supercenter PLC.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
BJC Specialties Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Phitsanulok Big C Limited	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
The Chonburi Sugar Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Surasate Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Asia Books Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Pacific Leisure (Thailand) Limited	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Thai Retail Investment Fund	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Thai Commercial Investment Freehold and Leasehold Fund	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
Golden Ventures Leasehold Real Estate Investment Trust	Thailand	Directors and controlling equity holders of parent company hold units indirectly
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Group (whether executive or otherwise)

## 19.2 Pricing policies

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

Transactions	Pricing policies
Purchase and sale of goods	Mutually agreed price by reference to market price
Revenue from rendering of services	Contractually agreed price
Purchase and sale of fixed assets	Mutually agreed price
Purchase and sale of intangible assets	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	Mutually agreed rate base on interest rates of financial institution
Dividend income	Right to receive dividends
Other income and expense	Mutually agreed price
Claim refund from the fire	Standard rate from insurer

Significant transactions for the year ended 30 September 2020 with related parties were as follows:

Sales to parent company						
Ref	Name	Relationship	2020		2019	
			Sale	Account Receivable	Sale	Account Receivable
1	Thai Beverage PLC.	Parent company and common directorship	1,808,122	721,328	824,000	271,027
						491,428
<b>Total</b>			<b>1,808,122</b>	<b>721,328</b>	<b>824,000</b>	<b>271,027</b>
					<b>3,413,199</b>	<b>491,428</b>
Sales and rendering of services to related companies						
Ref	Name	Relationship	2020		2019	
			Sale	Account Receivable	Sale	Account Receivable
1	Num Yuk Co., Ltd.	Direct subsidiary of parent company	-	-	(3,677,193)	-
2	Numthurakij Co., Ltd.	Direct subsidiary of parent company	-	-	(7,847,169)	-
3	Nummuang Co., Ltd.	Direct subsidiary of parent company	-	-	(2,773,292)	-
4	Numnakorn Co., Ltd.	Direct subsidiary of parent company	-	-	(4,792,543)	-
5	Num Palang Co., Ltd.	Direct subsidiary of parent company	-	-	(1,718,114)	-
6	Numkijjakarn Co., Ltd.	Direct subsidiary of parent company	-	-	(5,027,125)	-
7	Numrunrod Co., Ltd.	Direct subsidiary of parent company	-	-	(6,146,825)	-
8	Numthip Co., Ltd.	Direct subsidiary of parent company	-	-	(5,607,638)	-
9	Cash Van Management Co., Ltd.	Direct subsidiary of parent company	(2,384,132)	-	(16,129,762)	-
10	Beer Thai (1991) PLC.	Direct subsidiary of parent company	-	-	-	-
11	Beer Thip Brewery (1991) Co., Ltd.	Direct subsidiary of parent company	16,005,220	2,164,905	11,507,989	2,023,933
					11,214,739	767,635

Ref	Name	Relationship	2020			2019			2018	
			Sale	Account Receivable		Sale	Account Receivable		Sale	Account Receivable
12	Cosmos Brewery (Thailand) Co., Ltd.	Direct subsidiary of parent company	1,943	-		1,514	-		8,461	-
13	Thai Beverage Energy Co., Ltd.	Direct subsidiary of parent company	-	-		-	-		4,930	-
14	Krittayabun Co., Ltd.	Direct subsidiary of parent company	-	-		873,728,674	7,285		4,252,978,725	327,762,623
15	Modern Trade Management Co., Ltd.	Direct subsidiary of parent company	(22,867)	-		(161,089,091)	-		(266,506,203)	-
16	C.A.I. Co., Ltd.	Direct subsidiary of parent company	-	-		7,850	-		-	-
17	Pomkit Co., Ltd.	Direct subsidiary of parent company	-	-		-	-		-	2,000
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	Thai Beverage Recycle Co., Ltd.	Direct subsidiary of parent company	-	577,894		-	-		-	-
23	Pan International (Thailand) Co., Ltd.	Direct subsidiary of parent company	-	-		-	-		5,346	-
24	Dhospaak Co., Ltd.	Direct subsidiary of parent company	55,589	10,400		14,550	-		142,953	-
25	Thai Beverage Training Co., Ltd.	Direct subsidiary of parent company	-	-		53,690	16,055		-	-
26	Thai Beverage Logistics Co., Ltd.	Direct subsidiary of parent company	17,501	1,966		9,807	10,660		5,850	1,691
27	Thai Beverage Marketing Co., Ltd.	Direct subsidiary of parent company	1,458	-		13,314	-		127,729	-
28	BevTech Co., Ltd.	Direct subsidiary of parent company	120,343	-		2,552	-		-	-
29	Agent Management Co., Ltd.	Direct subsidiary of parent company	-	-		-	-		19,388,630	-
30	Chang International Co., Ltd.	Direct subsidiary of parent company	255,000	255,000		-	-		486	-
31	Thai Drinks Co., Ltd.	Direct subsidiary of parent company	3,922,903,946	336,518,230		3,566,149,844	364,068,557		9,425,136	963,882

Ref	Name	Relationship	2020			2019			2018	
			Sale	Account Receivable		Sale	Account Receivable		Sale	Account Receivable
32	Food of Asia Co., Ltd.	Indirect subsidiary of parent company	1,313,904	22,458		1,272,776	73,346		183,122	26,910
33	ASM Management Co., Ltd.	Direct subsidiary of parent company	86,930	61,695		68,415	-		-	-
34	Sangsom Co., Ltd.	Direct subsidiary of parent company	121,532	130,039		-	-		-	-
35	C A C Co., Ltd.	Direct subsidiary of parent company	24,875	26,616		-	-		-	-
36	Bangkok Art Biennale Management Co., Ltd.	Indirect subsidiary of parent company	-	-		3,271	-		-	-
37	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	-
38	The Southeast Insurance PLC.	Directors and controlling equity holders of parent company hold substantial shares indirectly	21,194	-		-	-		(7,290)	-
39	Wrangyer Beverage (2008) Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	81,281	-		-	-		-	-
40	Serm Suk PLC.	Subsidiary of an indirect subsidiary of parent company	716,318,920	78,909,724		782,250,197	76,657,617		797,934,850	76,238,199
41	Serm Suk Beverage Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	14,568,750	1,484,625		16,095,000	2,226,938		7,978,125	1,113,469
42	F&N Beverages Manufacturing Sdn. Bhd.	Associate of an indirect subsidiary of parent company	14,995,057	1,456,548		13,799,866	5,849,165		12,498,286	5,946,744
43	F&N Foods Pte. Ltd.	Associate of an indirect subsidiary of parent company	-	-		2,901,969	297,187		6,762,943	214,288
44	F&N Dairies (Thailand) Limited	Associate of an indirect subsidiary of parent company	16,383,238	2,546,878		3,970,175	4,132,389		4,695,472	-

Ref	Name	Relationship	2020			2019			2018	
			Sale	Account Receivable	Sale	Account Receivable	Sale	Account Receivable	Sale	Account Receivable
45	F&B International Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	23,040	8,218	146,534	15,408	267,096	29,583		
46	Big C Supercenter PLC.	Directors and controlling equity holders of parent company hold substantial shares indirectly	43,172,586	8,411,453	41,409,834	9,952,728	41,654,556	9,867,548		
47	Kasemsubbhakdi Co.,Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	107,692	-	-	-	-	-		
48	Kasemsubsiri Co.,Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	244,290	202,760	-	-	-	-		
49	Siriwana Co.,Ltd.	Directors and controlling equity holders of parent company hold substantial shares directly	11,215	-	-	-	-	-		
50	Adelfos Co.,Ltd.	Directors and equity holders of parent company are hold substantial shares directly	366,130	-	-	-	-	-		
51	Max Asia Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	26,563,060	8,370,513	22,867,370	15,361,404	29,078,186	31,236,877		
52	The QSR of Asia Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	1,573,140	923,902	4,166	1,550	48,000	-		
53	Bistro Asia Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	-	-	-	-	48,832	-		
54	Spice of Asia Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	235,588	6,935	405,948	79,288	54,870	43,239		



Ref Name	Relationship	2020			2019			2018		
		Sale	Account Receivable		Sale	Account Receivable		Sale	Account Receivable	
55	Havi Logistics (Thailand) Limited	-	64,539,508		-	89,590,538		-	85,781,931	
56	TCC Assets (Thailand) Co., Ltd.	-	-		96,084	-		-	-	
	Indirect subsidiary of parent company									
57	Univentures PLC.	-	-		92,019	-		-	-	
	Directors and controlling equity holders of parent company hold substantial shares indirectly									
<b>Total</b>		<b>4,773,166,423</b>	<b>506,630,267</b>		<b>5,122,072,336</b>	<b>570,364,048</b>		<b>4,797,363,880</b>	<b>540,031,369</b>	
<b>Management fee to parent company</b>										
Ref Name	Relationship	2020			2019			2018		
		Amount	Account Payable		Amount	Account Payable		Amount	Account Payable	
1	Thai Beverage PLC.	12,624,000	4,211,520		9,360,000	1,378,600		9,360,000	2,503,800	
	Parent company and common directorship									
<b>Total</b>		<b>12,624,000</b>	<b>4,211,520</b>		<b>9,360,000</b>	<b>1,378,600</b>		<b>9,360,000</b>	<b>2,503,800</b>	
<b>Other expenses paid to parent company</b>										
Ref Name	Relationship	2020			2019			2018		
		Amount	Account Payable		Amount	Account Payable		Amount	Account Payable	
1	Thai Beverage PLC.	5,992,997	6,465,463		6,843,704	4,671,895		6,220,694	9,536,079	
	Parent company and common directorship									
<b>Total</b>		<b>5,992,997</b>	<b>6,465,463</b>		<b>6,843,704</b>	<b>4,671,895</b>		<b>6,220,694</b>	<b>9,536,079</b>	

**Other incomes from parent company**

Ref	Name	Relationship	2020		2019		2018	
			Amount	Account Receivable	Amount	Account Receivable	Amount	Account Receivable
1	Thai Beverage PLC.	Parent company and common directorship	157,499	15,000	111,115	6,766	22,168	-
<b>Total</b>			<b>157,499</b>	<b>15,000</b>	<b>111,115</b>	<b>6,766</b>	<b>22,168</b>	<b>-</b>

**Non-current liability - Parent company**

Ref	Name	2020		2019		2018	
		Amount	Account Receivable	Amount	Account Receivable	Amount	Account Receivable
1	Thai Beverage PLC.	1,498,573		1,579,969		1,908,391	
<b>Total</b>		<b>1,498,573</b>		<b>1,579,969</b>		<b>1,908,391</b>	

**Sale of assets to related parties**

Ref	Name	Relationship	2020		2019		2018	
			Amount	Account Receivable	Amount	Account Receivable	Amount	Account Receivable
1	Cosmos Brewery (Thailand) Co., Ltd.	Sanitary ware	-	-	-	-	53,500	-
2	BevTech Co., Ltd.	Machinery	1,017,974	-	21,547,000	23,055,290	4,500	-
3	Wrangyer Beverage (2008) Co.,Ltd.	Machinery	1,766,000	1,889,620	-	-	-	-
<b>Total</b>			<b>2,783,974</b>	<b>1,889,620</b>	<b>21,547,000</b>	<b>23,055,290</b>	<b>58,000</b>	<b>-</b>

**Other incomes from related companies**

Ref	Name	Relationship	2020			2019			2018	
			Amount	Account Receivable	Amount	Account Receivable	Amount	Account Receivable	Amount	Account Receivable
1	Cosmos Brewery (Thailand) Co., Ltd.	Direct subsidiary of parent company	-	-	4,600	-	8,598	-	-	-
2	Sangsom Co., Ltd.	Direct subsidiary of parent company	-	-	1,252	-	-	-	-	-
3	Numnakorn Co., Ltd.	Direct subsidiary of parent company	-	-	8,560	-	-	-	-	-
4	Modern Trade Management Co., Ltd.	Direct subsidiary of parent company	-	-	3,745	3,847	-	-	-	-
5	Thai Beverage Logistics Co., Ltd.	Direct subsidiary of parent company	16,811	-	70,496	-	138,163	29,747	-	-
6	Food of Asia Co., Ltd.	Indirect subsidiary of parent company	89,007	20,373	97,027	40,546	6,500	-	-	-
7	Pomkit Co., Ltd.	Direct subsidiary of parent company	-	-	369,250	-	-	-	-	-
8	Pomburapa Co., Ltd.	Direct subsidiary of parent company	-	-	459,750	-	-	-	-	-
9	Pompalang Co., Ltd.	Direct subsidiary of parent company	-	-	313,750	-	-	-	-	-
10	Pomthip (2012) Co., Ltd.	Direct subsidiary of parent company	-	-	979,750	-	-	-	-	-
11	BevTech Co., Ltd.	Direct subsidiary of parent company	1,896,045	247,579	1,682,908	38,736	1,138,831	220,251	-	-
12	Thai Drinks Co., Ltd.	Direct subsidiary of parent company	2,541,558	1,399,921	8,357,202	2,829,520	9,345,117	2,892,762	-	-
13	ASM Management Co., Ltd.	Direct subsidiary of parent company	-	-	4,371	41,204	-	-	-	-
14	Chang International Co., Ltd.	Direct subsidiary of parent company	-	-	15,088	-	-	-	-	-
15	International Beverage Holding	Direct subsidiary of parent company	1,555,366	747,053	938,488	938,488	-	-	-	-
16	Cash Van Management Co., Ltd.	Direct subsidiary of parent company	-	-	220	-	-	-	-	-
17	Num Yuk Co., Ltd.	Direct subsidiary of parent company	-	-	400	-	-	-	-	-
18	Thai Beverage Energy Co., Ltd.	Direct subsidiary of parent company	64,357	-	-	-	-	-	-	-
19	Beer Thip Brewery (1991) Co., Ltd.	Direct subsidiary of parent company	27,820	30,917	-	-	-	-	-	-
20	Thai Beverage Recycle Co., Ltd.	Direct subsidiary of parent company	5,117,675	-	-	-	-	-	-	-

Ref	Name	Relationship	2020			2019			2018		
			Amount	Account Receivable	Amount	Account Receivable	Amount	Account Receivable	Amount	Account Receivable	
21	Namjai ThaiBev (Social Enterprise) Co.,Ltd.	Direct subsidiary of parent company	96,000	-	-	-	-	-	-	-	
22	Feed Addition Co.,Ltd.	Direct subsidiary of parent company	159,069	55,934	-	-	-	-	-	-	
23	Sernsuk PLC.	Subsidiary of an indirect subsidiary of parent company	1,643,940	-	2,852,798	1,969,000	6,402,066	5,765,625			
24	The Southeast Insurance PLC.	Directors and controlling equity holders of parent company hold substantial shares indirectly	292,744,623	458,129,003	47,427,735	165,384,380	870,053,579	867,961,644			
25	The Southeast Life Insurance PLC.	Directors and controlling equity holders of parent company hold substantial shares indirectly	-	-	2,250	-	-	-	-	-	
26	T.C.C. Technology Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	-	-	25,000	-	-	-	-	-	
27	TCC Land Co., Ltd.	Directors and controlling equity holders of parent company hold substantial shares indirectly	-	-	1,000	-	-	-	-	-	
28	Spice of Asia Co.,Ltd.	Subsidiary of an indirect subsidiary of parent company	8,840	2,638	-	-	-	-	-	-	
29	The QSR of Asia Co.,Ltd.	Subsidiary of an indirect subsidiary of parent company	684,000	684,000	-	-	-	-	-	-	
30	Serm Suk Beverage Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	5,000	-	-	-	-	-	-	-	
31	F&N Beverages Marketing Sdn. Bhd.	Associate of an indirect subsidiary of parent company	(319,633)	-	319,633	308,314	5,187,355	5,153,890			

Ref	Name	Relationship	2020			2019			2018		
			Amount	Account Receivable	Amount	Account Receivable	Amount	Account Receivable	Amount	Account Receivable	
32	F&N Dairies (Thailand) Limited	Associate of an indirect subsidiary of parent company	99,188	-	155,827	-	137,112	-	-		
33	Max Asia Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	3,982,817	1,015	3,706,367	-	3,462,205	-	-		
34	Bistro Asia Co., Ltd.	Subsidiary of an indirect subsidiary of parent company	4,570	55,700	3,688	-	-	-	-		
35	Havi Logistics (Thailand) Limited	Subsidiary of an indirect subsidiary of parent company	118,670	22,645	202,783	-	41,925	-	44,860		
Total			310,535,723	461,396,778	68,003,938	171,554,034	895,921,451	882,068,779			

#### Purchases goods from related parties

Ref	Name	Relationship	2020			2019			2018		
			Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	
1	Numthurakij Co., Ltd.	Finished goods	-	-	-	-	-	390,177	-	-	
2	Nummuang Co., Ltd.	Finished goods	-	-	-	-	-	77,119	-	-	
3	Numnakorn Co., Ltd.	Finished goods	-	-	-	-	-	61,385	-	-	
4	Num Palang Co., Ltd.	Finished goods	-	-	-	-	-	159,719	-	-	
5	Numkijjakarn Co., Ltd.	Finished goods	-	-	-	-	-	101,704	-	-	
6	Numrunrod Co., Ltd.	Finished goods	-	-	-	-	-	85,151	-	-	
7	Numthip Co., Ltd.	Finished goods	-	-	-	-	-	19,680	-	-	
8	Beer Thip Brewery (1991) Co., Ltd.	Finished goods	250,362,012	26,060,161	192,884,680	16,787,884	133,765,949	11,962,714			
9	BevTech Co., Ltd.	Packaging	225,098,499	14,620,080	338,564,132	33,276,672	254,238,719	22,672,283			
10	Pomkit Co., Ltd.	Raw materials	228,363	54,189	333,817	60,742	323,464	65,047			

Ref	Name	Relationship	2020			2019			2018		
			Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	
11	Pomklung Co., Ltd.	Raw materials	293,113	37,966	529,791	91,683	506,264	82,387			
12	Pomchok Co., Ltd.	Raw materials	165,161	33,793	315,562	62,031	280,516	47,879			
13	Pomcharoen Co., Ltd.	Raw materials	257,251	21,417	486,776	82,262	570,698	116,510			
14	Pomburapa Co., Ltd.	Raw materials	627,571	81,029	1,806,647	194,446	1,008,573	174,220			
15	Pompalang Co., Ltd.	Raw materials	314,087	56,256	534,779	87,855	493,198	113,032			
16	Pomnakorn Co., Ltd.	Raw materials	119,647	24,232	192,571	28,584	241,623	33,391			
17	Pomthip (2012) Co., Ltd.	Raw materials	1,296,854	149,021	2,364,706	268,703	2,500,486	488,365			
18	Horeca Management Co., Ltd.	Transportation	-	-	-	-	60,469	-			
19	Pan International (Thailand) Co., Ltd.	Supply	-	-	-	-	69,076	26,360			
20	Thai Drinks Co., Ltd.	Raw materials	48,871,069	2,430,391	89,081,714	4,329,402	138,367,239	4,811,371			
21	Berli Jucker PLC.	Raw materials	-	-	-	117,700	33,304	44,940			
22	Berli Jucker Foods Co., Ltd.	Finished goods	-	-	-	-	(28,506)	-			
23	Bang Pa-In Paper Mill Industry Co., Ltd.	Supply	-	-	282,750	-	-	64,200			
24	Plantheon Trading Co., Ltd.	Raw materials	54,363,200	-	171,221,300	20,040,672	263,401,645	28,889,085			
25	Sermusuk PLC.	Raw materials	20,351,373	4,578,262	23,109,412	5,908,409	24,865,205	5,595,390			
26	S.P.M. Foods & Beverages Co., Ltd.	Raw materials	-	-	-	-	9,377,863	-			
27	Petform (Thailand) Co., Ltd.	Packaging	150,822,951	24,409,023	189,826,528	18,052,141	173,210,531	40,620,100			
28	BJC Specialties Co., Ltd.	Raw materials	6,764,884	2,627,305	6,492,897	372,082	7,656,753	1,029,264			
29	F&N Dairies (Thailand) Limited	Raw materials	5,773,168	620,741	8,205,407	1,093,522	7,645,097	1,348,158			
30	F&N United Limited	Raw materials	19,172,399	2,603,829	29,216,894	3,382,317	26,732,485	5,078,716			

Ref	Name	Relationship	2020			2019			2018		
			Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Account Payable
31	Food of Asia Co., Ltd.	Raw materials	69,300	-	69,566	63,002	151	-	-	-	-
32	Big C Supercenter PLC.	Raw materials	404,000	-	-	-	5,757	-	-	-	-
33	Phitsanulok Big C Limited	Raw materials	-	-	177,870	-	-	-	-	-	-
34	United Winery and Distillery Co., Ltd.	Raw materials	4,685	1,556	5,118	-	-	904	-	-	904
35	Siam Food Products PLC.	Raw materials	-	-	287,000	-	55,000	29,425	-	-	29,425
36	Spice of Asia Co., Ltd.	Raw materials	-	-	6,258	-	-	-	-	-	-
37	Serm Suk Beverage Co., Ltd.	Raw materials	-	-	-	304,655	-	-	-	-	-
38	Havi Logistics (Thailand) Limited	Raw materials	1,317,138,272	156,974,994	1,987,610,684	204,803,703	1,168,199,397	212,757,008	-	-	-
39	Thai Beverage Recycle Co., Ltd.	Packaging	52,416	56,085	-	-	-	-	-	-	-
40	Namjai ThaiBev (Social Enterprise) Co.,Ltd.	Raw materials	216,510	24,214	-	-	-	-	-	-	-
<b>Total</b>			<b>2,102,766,785</b>	<b>235,464,544</b>	<b>3,042,886,859</b>	<b>309,572,862</b>	<b>2,214,475,891</b>	<b>336,050,749</b>			

#### Purchase of assets from related parties

Ref	Name	Relationship	2020			2019			2018		
			Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Account Payable
1	T.C.C. Technology Co., Ltd.	Computer equipment	108,500	-	1,170,300	-	468,150	-	-	-	-
2	Berli Jucker PLC.	Office equipment	155,000	-	196,490	-	196,490	-	-	-	-
3	Beer Thip Brewery (1991) Co., Ltd.	Machinery	-	-	6,500,000	-	-	-	-	-	-
4	Kasemsabbhakdi Co., Ltd.	Office equipment	-	-	1,648,528	-	-	-	-	-	-
5	Big C Supercenter PLC.	Office equipment and machinery	9,990	-	-	-	1,299	-	-	-	-
6	S.P.M. Foods & Beverages Co., Ltd.	Machinery	644,721	689,852	-	-	1,267,035	1,355,727	-	-	-

Ref	Name	Relationship	2020			2019			2018		
			Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Account Payable
7	Inter Horeca Co., Ltd.	Office equipment	-	-	106,300	-	-	460,440	-	-	-
8	Havi Logistics (Thailand) Limited	Restaurant utensils	522,108	-	1,076,642	-	-	312,085	-	-	-
9	Dhanasindhi Co.,Ltd./	Building improvement	1,400,000	-	-	-	-	-	-	-	-
10	The Street Retail Development Co.,Ltd.	Office equipment	821,300	-	-	-	-	-	-	-	-
11	Thai Beverage Training Co.,Ltd.	Office equipment	60,931	-	-	-	-	-	-	-	-
<b>Total</b>			<b>3,722,550</b>	<b>689,852</b>	<b>10,698,259</b>	<b>1,763,924</b>	<b>2,509,009</b>	<b>1,355,727</b>			

#### Rental paid to related parties

Ref	Name	Relationship	2020			2019			2018		
			Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Account Payable
1	Sura Piset Phatra Lanna Co., Ltd.	Land Rental	33,000,000	-	33,000,000	-	30,250,000	-	-	-	-
2	Sangsom Co., Ltd.	Area Rental	258,599	-	251,369	-	-	-	-	-	-
3	Thippatana Arcade Co., Ltd.	Area Rental	2,739,133	-	4,024,229	-	3,026,765	-	-	-	-
4	ASM Management Co., Ltd.	Head office rental	32,603,152	-	33,335,079	-	33,629,390	-	-	-	-
5	Thai Beverage Logistics Co., Ltd.	Pallet rental	5,201,324	-	4,476,006	-	4,120,069	-	-	-	-
6	Southeast Capital Co., Ltd.	Car rental	1,122,744	-	1,029,182	-	1,310,814	-	-	-	-
7	The Street Retail Development Co., Ltd.	Area Rental	2,116,866	-	1,661,539	-	1,247,912	-	-	-	-
8	Asset World Retail Co., Ltd.	Area Rental	2,845,409	-	3,513,598	-	2,642,526	-	-	-	-
9	Big C Supercenter PLC.	Area Rental	50,277,328	-	59,955,826	-	35,139,875	-	-	-	-
10	Surasate Co., Ltd.	Area Rental	1,050,947	-	1,446,705	-	-	-	-	-	-



Ref	Name	Relationship	2020			2019			2018		
			Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Account Payable
11	Phitsanulok Big C Limited	Area Rental	-	-	3,607,658	-	2,454,469	-	-	-	-
12	CW Towers Co., Ltd.	Area Rental	2,168,472	-	1,584,283	-	756,010	-	-	-	-
13	Kasemsabbhakdi Co., Ltd.	Area Rental	5,106,742	-	600,000	-	-	-	-	-	-
<b>Total</b>			<b>138,490,716</b>	<b>-</b>	<b>148,485,473</b>	<b>-</b>	<b>114,577,830</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Management fee to related parties

Ref	Name	Relationship	2020			2019			2018		
			Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Account Payable
1	Food of Asia Co., Ltd.	Management fee	7,800,000	695,500	6,172,000	-	2,952,000	-	5,264,400	-	-
2	Thai Drinks Co., Ltd.	Management fee	1,680,000	149,800	1,680,000	149,800	1,680,000	149,800	149,800	-	-
<b>Total</b>			<b>9,480,000</b>	<b>845,300</b>	<b>7,852,000</b>	<b>149,800</b>	<b>4,632,000</b>	<b>5,414,200</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Other expenses paid to related parties

Ref	Name	Relationship	2020			2019			2018		
			Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Account Payable
1	Sangsom Co., Ltd.	Transportation	902,135	133,638	938,478	129,531	-	-	-	-	-
2	Num Yuk Co., Ltd.	Advertising	-	-	13,918	-	361,953	844,530	-	-	-
3	Numthurakij Co., Ltd.	Advertising	-	-	37,227	-	343,933	1,974,058	-	-	-
4	Nummuang Co., Ltd.	Advertising	-	-	29,520	-	93,538	1,047,764	-	-	-
5	Numnakorn Co., Ltd.	Advertising	-	-	67,896	-	176,467	1,617,700	-	-	-
6	Num Palang Co., Ltd.	Advertising	-	-	10,454	-	103,547	1,071,035	-	-	-

Ref	Name	Relationship	2020			2019			2018	
			Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Amount	Account Payable
7	Numkijjakarn Co., Ltd.	Advertising	-	-	196,232	-	275,716	-	1,412,960	-
8	Numrungrud Co., Ltd.	Advertising	-	-	39,109	-	350,534	-	1,468,114	-
9	Numthip Co., Ltd.	Advertising	-	-	36,563	-	241,188	-	1,542,298	-
10	Cash Van Management Co., Ltd.	Promotion	1,663,765	647,350	2,949,081	536,499	8,461,266	7,150,281	-	-
11	Modern Trade Management Co., Ltd.	Advertising	8,701,510	1,872,189	2,257,410	290,372	3,781,099	104,271,845	-	-
12	Beer Thai (1991) PLC.	Transportation	-	-	12,080	-	234,356	11,239	-	-
13	Beer Thip Brewery (1991) Co., Ltd.	Transportation	46,008	24,614	1,021,257	636,675	1,476,494	16,614	-	-
14	Cosmos Brewery (Thailand) Co., Ltd.	Service fee	785,918	-	-	-	96,821	902,861	-	-
15	Krittayabun Co., Ltd.	Dividend	-	-	-	-	-	144	-	-
16	Inter Horeca Co., Ltd.	Other expenses	-	-	30,973	-	35,235	8,035	-	-
17	Pomchok Co., Ltd.	Advertising	-	-	-	-	430	-	-	-
18	Pomnakorn Co., Ltd.	Welfare	-	-	115,794	-	63,411	-	-	-
19	Pomthip (2012) Co., Ltd.	Welfare	131,790	-	58,762	-	58,500	-	-	-
20	Dhospaak Co., Ltd.	Advertising	186,552,370	15,024,610	266,670,129	25,350,307	271,052,707	9,229,388	-	-
21	Thai Beverage Training Co., Ltd.	Training	320,315	911,495	14,060	986,594	1,047,450	1,021,476	-	-
22	C A C Co., Ltd.	Service fee	657,009	42,480	1,477,148	419,300	1,005,825	-	-	-
23	ASM Management Co., Ltd.	Service fee	3,088,442	3,025,878	3,121,721	3,145,797	2,583,349	5,019,530	-	-
24	Thai Beverage Logistics Co., Ltd.	Transportation	5,837,103	2,759,298	4,398,912	1,031,017	4,857,728	728,681	-	-
25	Chang International Co., Ltd.	Fee	-	-	-	-	-	151,495	-	-
26	Thai Drinks Co., Ltd.	Advertising	2,537,527	48,742,803	3,169,063	77,543,474	4,340,400	1,433,611	-	-
27	Horeca Management Co., Ltd.	Service fee	224,565	35,980	339,876	40,345	489,458	48,007	-	-

Ref	Name	Relationship	2020			2019			2018		
			Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Account Payable
28	BevTech Co., Ltd.	Other expenses	1,096,462	891,210	215,323	154,914	-	-	-	-	-
29	S.P.M. Foods & Beverages Co., Ltd.	Other expenses	-	-	-	-	14,625	-	-	-	-
30	Southeast Capital Co., Ltd.	Car rental	4,665,991	548,219	4,045,511	458,240	3,057,413	374,743	-	-	-
31	T.C.C. Technology Co., Ltd.	Equipment	13,685,277	3,567,766	11,962,955	2,683,405	12,222,117	3,150,681	-	-	-
32	Berli Jucker PLC.	Promotion	450,100	32,207	1,004,079	498,832	3,600	3,852	-	-	-
33	Berli Jucker Logistics Co., Ltd.	Advertising	-	-	-	-	42,000	-	-	-	-
34	The Southeast Insurance PLC.	Insurance premiums	24,440,033	25,211	21,567,326	69,662	19,361,729	-	-	-	-
35	The Southeast Life Insurance PLC.	Insurance premiums	16,570,241	-	9,770,625	-	6,775,532	-	-	-	-
36	Surasate Co.,Ltd.	Utilities	657,600	(29,372)	669,484	166,417	-	-	-	-	-
37	North Park Golf And Sports Club Co., Ltd.	Advertising	1,183,293	2,200	61,588	3,000	10,344	2,000	-	-	-
38	Asset World Retail Co., Ltd.	Service fee	1,971,604	(43,795)	3,277,108	-	4,077,343	141,527	-	-	-
39	Thippatana Arcade Co., Ltd.	Utilities	1,297,923	(98,552)	1,498,846	-	2,011,402	-	-	-	-
40	F&N Beverages Marketing Sdn. Bhd.	Promotion	8,327,279	7,876,274	(2,158,335)	-	66,765,722	67,676,099	-	-	-
41	F&N Beverages Manufacturing Sdn. Bhd.	Promotion	-	-	17,131	-	-	-	-	-	-
42	F&N Foods Pte. Ltd.	Advertising	174,661	-	175,779	-	2,544,679	4,989,069	-	-	-
43	F&N Dairies (Thailand) Limited	Other expenses	3,500	-	99,000	-	-	-	-	-	-
44	F&N United Limited	Other expenses	-	-	3,465	-	-	-	-	-	-
45	Business Process Outsourcing Co., Ltd.	Service fee	244,400	-	256,000	-	252,400	-	-	-	-
46	Sermasuk PLC.	Promotion	3,714,605	15,849,221	477,106	6,965,101	94,570	8,044,844	-	-	-
47	Agent Management Co., Ltd.	Promotion	-	-	-	-	17,243	13,750	-	-	-

Ref	Name	Relationship	2020			2019			2018	
			Amount	Account Payable	Amount	Account Payable	Amount	Account Payable	Amount	Account Payable
48	Bang Pa-In Paper Mill Industry Co., Ltd.	Supply	53,400	57,138	30,000	-	338,250	-	-	-
49	Pan International (Thailand) Co., Ltd.	Other expenses	18,200	19,474	-	-	204,079	-	-	-
50	Petform (Thailand) Co., Ltd.	Other expenses	-	-	-	-	47,245	-	-	-
51	The Street Retail Development Co., Ltd.	Service fee	1,847,284	203,081	1,482,899	124,177	1,601,478	134,494	-	-
52	Pacific Leisure (Thailand) Limited	Supply	873,600	-	1,116,700	-	138,850	-	-	-
53	TCC Hotel Asset Management Co., Ltd.	Meeting Fee	832,673	-	788,571	-	1,687,028	-	-	-
54	Food of Asia Co., Ltd.	Food	136,726	21,971	385,103	57,370	301,359	1,586	-	-
55	Max Asia Co., Ltd.	Food	153,528	3,342	281,349	27,498	142,546	21,238	-	-
56	Golden Ventures Leasehold Real Estate Investment Trust	Service fee	-	-	-	-	19,228	-	-	-
57	Big C Supercenter PLC.	Service fee	38,208,507	6,475,163	41,737,148	7,615,588	43,573,108	4,702,263	-	-
58	CW Towers Co., Ltd.	Service fee	1,025,819	106,764	861,926	244,277	626,547	73,800	-	-
59	Phitsanulok Big C Limited	Service fee	-	-	2,071,041	163,916	2,360,733	158,466	-	-
60	Spice of Asia Co., Ltd.	Food	1,138	-	-	6,696	10,280	-	-	-
61	BJC Specialties Co., Ltd.	Other expenses	5,652	-	1,750	-	6,500	-	-	-
62	Havi Logistics (Thailand) Limited	Transportation	104,261,262	3,024,502	95,963,418	3,288,493	34,723,307	380,603	-	-
63	Amarin Printing and Publishing Public Co., Ltd.	Other expenses	803,400	-	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	93,777	269,169	181,507	301,209	440	-	-	-

Ref Name Relationship			2020		2019		2018	
			Amount	Account Payable	Amount	Account Payable	Amount	Account Payable
67	Fraser and Neave, Limited	Other expenses	70,769	-	79,117	32,578	125,190	-
68	Kasemsabbhakdi Co., Ltd.	Other expenses	3,445,848	276,100	1,119	-	-	-
69	Sermasuk Beverage Co., Ltd.	Other expenses	-	-	304,655	1,156,451	-	-
70	Asia Books Co., Ltd.	Other expenses	-	-	9,906	-	-	-
71	Fraser & Neave (Singapore) Pte. Limited	Other expenses	-	-	135,265	-	-	-
72	Luckchai Liquor Trading Co.,Ltd.	Employee benefit expense	-	164,915	-	-	-	-
73	Feed Addition Co.,Ltd.	Other expenses	25,234	-	-	-	-	-
74	Namjai ThaiBev (Social Enterprise) Co.,Ltd.	Other expenses	21,600	23,112	-	-	-	-
75	Kasemsubsiri Co.,Ltd.	Utilities expenses	96,043	378,826	-	-	-	-
76	Amarin Book Center Co.,Ltd.	Other expenses	4,019	-	-	-	-	-
77	Thai Malaya Glass Co.,Ltd.	Other expenses	42,990	23,878	-	-	-	-
Total			441,952,895	112,888,359	485,985,707	134,127,733	504,695,586	230,840,681

#### Other non-current assets – Related parties

		2020	2019	2018
Ref	Name	Amount	Amount	Amount
1	Sangsom Co., Ltd.	45,000	45,000	-
2	Sura Piset Phatra Lanna Co., Ltd.	2,750,000	2,750,000	2,500,000
3	ASM Management Co., Ltd.	11,344,199	11,344,199	11,344,199
4	The Chonburi Sugar Co., Ltd.	620,000	620,000	620,000

Ref	Name	2020		2019		2018	
		Amount	Amount	Amount	Amount	Amount	Amount
5	The Street Retail Development Co., Ltd.	1,019,835		360,000		360,000	
6	Surasate Co., Ltd.	324,410		324,410		141,000	
7	Thai Commercial Investment Freehold and Leasehold Fund	237,600		237,600		237,600	
8	Thai Retail Investment Fund	585,784		1,071,334		1,071,334	
9	Thippatana Arcade Co., Ltd.	827,150		827,150		827,150	
10	Big C Supercenter PLC.	12,832,562		12,458,786		10,356,888	
11	Phitsanulok Big C Limited	1,133,697		1,133,697		1,133,697	
12	Asset World Retail Co., Ltd.	580,775		580,775		511,175	
13	T.C.C. Commercial Property Management Co., Ltd.	-		-		480,000	
14	T.C.C. Technology Co., Ltd.	412,000		412,000		1,444,130	
15	Kasemsabbhakdi Co., Ltd.	2,548,702		2,281,870		-	
16	Food of Asia Co.,Ltd.	28,037		-		-	
17	Golden Ventures Leasehold Real Estate Investment Trust	720,000		-		-	
18	Kasemsubsiri Co.,Ltd.	531,384		-		-	
<b>Total</b>		<b>36,541,335</b>		<b>34,447,021</b>		<b>31,027,173</b>	

#### Non-current liability - Related parties

Ref	Name	2020		2019		2018	
		Amount	Amount	Amount	Amount	Amount	Amount
1	BevTech Co., Ltd.	74,529		474,529		74,529	
<b>Total</b>		<b>74,529</b>		<b>474,529</b>		<b>74,529</b>	

### **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;

#### **19.3.1 Rental**

The company rents space and/or land, which may belong to related-company, to build offices, restaurants, factories and/or warehouses. We consider that the space and/or land are convenient for transportation and distribution. Moreover, the rental and service fee are based on market price and/or cost appraisal of independent appraiser.

#### **19.3.2 Sales to related parties**

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

#### **19.3.3 Purchases and expenses paid to related parties**

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

#### **19.3.4 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.

#### **19.3.5 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

OISHI Group Public Company Limited

## 20.1 Financial Statements

### Summary of the auditor's report

The auditor's report for the year ended 30 September 2020 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, 2020 the Company and its subsidiaries paid the audit fees to

- KPMG Phoomchai Audit Ltd. in the total amount of Baht 5,560,000 consisting of auditor's fee for the Company at Baht 2,610,000 and for the four subsidiary companies, Oishi Trading Co.,Ltd., Oishi Ramen Co., Ltd. , Oishi Food Service Co., Ltd. and Oishi Delivery Co., Ltd. of Baht 2,950,000
- Other related business to KPMG Phoomchai Audit Ltd. include:
  - (1) KPMG China as auditors of Oishi International Holdings Limited of HKD 36,500
  - (2) KPMG LLP as auditors of Oishi F&B (Singapore) Pte. Ltd. of SGD 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, 2020 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 -

Though, some of subsidiaries are not audited by KPMG or its related party due to the limitation in connection with such subsidiary companies. 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		
	2020 as at 30 September	2019 as at 30 September	2018 as at 30 September
Cash and cash equivalents	1,126,749	710,185	1,288,934
Trade accounts receivable	630,924	686,160	670,006
Inventories	498,153	450,857	403,770
Other current assets	563,355	288,431	1,033,023
<b>Total current assets</b>	<b>2,819,181</b>	<b>2,135,633</b>	<b>3,395,733</b>
Property, plant and equipment	5,320,608	5,885,644	5,923,901
Intangible assets	36,349	34,120	34,977
Leasehold rights	23,427	28,758	34,777
Other non-current assets	368,343	323,115	290,836
<b>Total non-current assets</b>	<b>5,748,727</b>	<b>6,271,637</b>	<b>6,284,491</b>
<b>Total assets</b>	<b>8,567,908</b>	<b>8,407,270</b>	<b>9,680,224</b>
Current portion of long term loan from financial institutions and debentures	-	-	1,700,700
Trade accounts payable	509,674	613,357	809,130
Other payables	836,255	847,592	864,387
Payables for acquisition of assets	19,653	51,190	135,124
Other current liabilities	32,395	63,022	63,802
<b>Total current liabilities</b>	<b>1,397,977</b>	<b>1,575,161</b>	<b>3,573,143</b>
Non-current provisions for employee benefits	177,509	150,343	87,535
Other non-current liabilities	31,244	42,203	29,085
Total non-current liabilities	208,753	192,546	116,620
<b>Total liabilities</b>	<b>1,606,730</b>	<b>1,767,707</b>	<b>3,689,763</b>
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	5,778,125	5,451,552	4,800,785
Other components of equity	161,552	162,303	162,708
Non-controlling interests	(401)	3,806	5,066
<b>Total equity</b>	<b>6,961,178</b>	<b>6,639,563</b>	<b>5,990,461</b>
<b>Total liabilities and equity</b>	<b>8,567,908</b>	<b>8,407,270</b>	<b>9,680,224</b>

## Summary of Financial Statements

(in thousand Baht)

Items	Consolidated		
	2020 as at 30 September	2019 as at 30 September	2018 as at 30 September
Revenue from sale of goods	10,809,196	13,569,288	12,553,794
Revenue from rendering of services	197,952	61,594	42,317
Claim refund from the fire	292,745	47,423	867,962
Other income	65,652	78,324	116,070
<b>Total revenue</b>	<b>11,365,545</b>	<b>13,756,629</b>	<b>13,580,143</b>
Cost of sales of goods	7,248,190	8,757,477	8,081,967
Cost of rendering of services	140,035	58,981	28,265
Selling and administrative expenses	2,963,494	3,579,302	3,588,981
Past service cost for employee benefit	-	21,770	-
Loss from the fire	-	15,642	710,049
<b>Total expenses</b>	<b>10,351,719</b>	<b>12,433,172</b>	<b>12,409,262</b>
<b>Profit before finance costs and tax expense</b>	<b>1,013,826</b>	<b>1,323,457</b>	<b>1,170,881</b>
Finance costs	156	20,780	44,931
Tax expense (income)	(52,281)	73,778	117,775
<b>Net profit for the year</b>	<b>1,065,951</b>	<b>1,228,899</b>	<b>1,008,175</b>
Net profit attributable to owners of the parent	1,069,644	1,234,452	1,015,256
Number of shares ('000 shares)	375,000	375,000	375,000
<b>Basic earnings per share</b>	<b>2.85</b>	<b>3.29</b>	<b>2.71</b>

## Financial Status and the Company Performance

(in thousand Baht)

Items	Consolidated		
	2020 as at 30 September	2019 as at 30 September	2018 as at 30 September
Net cash from operating activities	1,435,311	2,609,492	1,560,734
Net cash used in investing activities	(283,879)	(897,897)	(758,167)
Net cash used in financing activities	(735,161)	(2,289,993)	(960,028)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>416,271</b>	<b>(578,398)</b>	<b>(157,461)</b>

## Key Financial Ratios

Items	Consolidated		
	2020 as at 30 September	2019 as at 30 September	2018 as at 30 September
<b>Liquidity ratios</b>			
Liquidity ratio (times)	2.0	1.4	1.0
Quick ratio (times)	1.3	0.9	0.5
Cash ratio (times)	1.0	1.0	0.6
Account receivable turnover (times)	16.7	20.1	18.3
Average collection period (days)	21.5	17.9	19.7
Inventory turnover (times)	15.6	20.6	21.2
Days sale outstanding (days)	23.1	17.4	16.9
Account payable Turnover (times)	13.2	12.4	9.1
Average payment Period (days)	27.4	29.0	39.6
Cash cycle (days)	17.3	6.3	-3.0
<b>Profitability ratios</b>			
Gross margin	32.9%	35.3%	35.6%
Operating profit margin	6.0%	8.8%	1.5%
Cash to profit ratio	219.0%	217.9%	835.3%
Net profit margin	9.4%	8.9%	7.4%
Normalized net profit margin	6.8%	9.1%	7.8%
Return on equities	15.7%	19.5%	17.4%
<b>Efficiency ratios</b>			
Return on assets	12.6%	13.6%	10.4%
Return on fixed assets	33.8%	35.6%	29.7%
Asset turnover (times)	1.3	1.5	1.4
<b>Financial policy ratios</b>			
Total liabilities to equities ratio (times)	0.2	0.3	0.6
Debt to equities ratio (times)	0.0	0.0	0.3
Dividend payout	50.8%	60.8%	51.7%

## 20.3 Management's Discussion and Analysis on Operating Results

### Sales and Services Revenue

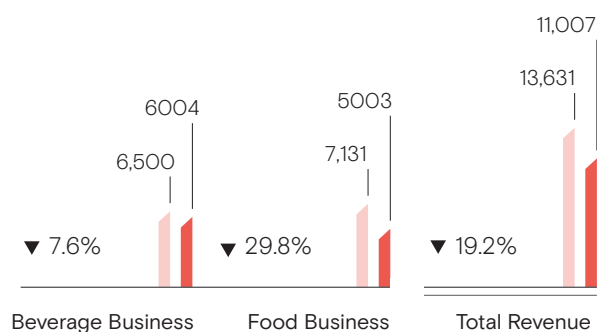
#### Overview

The total sales and services revenue of the Company for the Fiscal Year 2020 was Baht 11,007 million, a decrease of 19.2% or Baht 2,624 million from Baht 13,631 million in the Fiscal Year 2019. This was mainly due to the decrease in Food revenue. As a result, the proportion of revenue from sales and services of the beverage business to the food business reduced to 55 : 45 from 48 : 52 in the previous Fiscal Year.

#### Sales and Services Revenue

Unit: Baht Million

● 2019 ● 2020



#### Beverage business

The beverage sales and services revenue for the Fiscal Year 2020 was Baht 6,004 million, a decrease of 7.6% or Baht 496 million from Baht 6,500 million in the previous Fiscal Year, this was in-line with the domestic Ready-to-drink Tea (RTD Tea) market that declined by 9.1% according to information from The Nielsen Company (Thailand) Limited.

The decline was mainly driven by the impact of the COVID-19 pandemic that put pressure on consumers' purchasing power. In order to minimize the impact, our beverage unit consistently continued with marketing campaigns as well as promotional activities at distribution channels. These resulted in our market share extending to 47.9% (October 2019 to September 2020) compared to 44.6% during the same period last year. We then firmly sustained our leadership position in the RTD Tea market in Thailand, leaping ahead of competitors. Moreover, the situation in international markets is more challenging than the domestic market.

Export revenue declined by 18.6% due to order postponement in our key countries as a result of COVID-19 lockdowns. Contrastingly, our OEM service revenue increased significantly compared to the previous year after returning to full operation in this fiscal year.

#### Market Value of RTD Tea

(Baht Million)	12 months ended September, 30 2019	12 months ended September, 30 2020	% Changes
Market Value of RTD Tea	12,370	11,249	-9.1%

### Market Share of RTD Tea



Source: The Nielsen Company (Thailand) Limited

### Food business

The food sales for the Fiscal Year 2020 was Baht 5,003 million, a significant decrease of 29.8% or Baht 2,128 million from Baht 7,131 million in the Fiscal Year 2019. Our restaurants had temporarily closed for dine-in in compliance with the government's lockdown and social distancing measures to cope with the outbreak during Quarter 2 to 3 /2019-2020. However, takeaway and home delivery services were offered that partly helped minimize the decline in

food revenue. Then after the government released its lockdown measures and the majority of our restaurant returned to serve dine-in, there was a sign of sales recovery observed, especially during Quarter 4/ 2019-2020, that nearly back towards the level before the virus outbreak. According to the challenging situation, the Company was cautious in capital expenditure spending and opening only 4 net additional restaurant outlets in the Fiscal year 2020. Most of them are Shabushi and new brands outlets including Oyoki and Sakae. As a result, total restaurant outlet at the end of the Fiscal Year 2020 stood at 270 outlets.

### Number of restaurant outlet by brands

	As of September, 30 2019	As of September, 30 2020
Oishi Grand	1	1
Oishi Eaterium	9	9
Oishi Buffet	10	10
Shabushi*	151	159
Oishi Ramen	54	53
Nikuya	15	11
Kakashi	25	22
Others	1	5
<b>Total</b>	<b>266</b>	<b>270</b>

\*Included Shabushi Myanmar of 2 Outlets

### Cost of sales and services

#### Overview

The total cost of sales and services of the Company for the Fiscal Year 2020 was Baht 7,388 million, a decline of 16.2% or Baht 1,428 million compared to the total cost of sales and services of Baht 8,816 million for the Fiscal Year 2019.

Reduction in Cost of sales was in-line with the decline in revenue. Cost to sales ratio was 67.1%, higher than 64.7% in the previous year.

#### **Beverage business**

The beverage cost of sales and services in the Fiscal Year 2020 which was Baht 4,489 million reduced by 8.4% or Baht 413 million from Baht 4,902 million in the previous year. This was equivalent to 74.8% of beverage sales and services revenue, lower from 75.4% in the Fiscal Year 2019 thanks to raw material and packaging cost savings and an increase in factory efficiency management that resulted in lower production cost.

#### **Food business**

The food cost of sales and service in the Fiscal Year 2020 which was Baht 2,899 million decreased by 25.9% or Baht 1,015 million from the previous year. The ratio of Food cost to sales increased to 57.9% in the Fiscal Year 2020 from 54.9% in the previous year due to the reduction in food revenue. However, the Company managed to save operational costs at the restaurant including raw material costs by sourcing from suppliers that offered a better discount in comparison to volume. Also, the Company enforced tighter control over waste management at the restaurants which partially help lower the impact of the Food sales shortfall.

### **Selling Expenses**

#### **Overview**

Selling expenses for the Fiscal Year 2020 was Baht 1,132 million, a decline of 24.4% or Baht 365 million from Baht 1,497 million in the Fiscal Year 2019, thanks to stricter expense control scheme both at Beverage and Food segments.

#### **Beverage business**

Selling expenses of the beverage business in the Fiscal Year 2020 which was Baht 370 million decreased significantly by 32.8% or Baht 181 million from the Fiscal Year 2019, which was Baht 551 million. Percentage of selling expenses of beverage business was lower to 6.2% of beverage sales and services revenue from 8.5% last year. Tighter control over marketing spendings resulted in continuous lower selling expense. In addition, marketing budgets were weighted towards Brand investment and Online channel activities that reached consumers directly.

#### **Food business**

Selling expenses of the food business in the Fiscal Year 2020 was Baht 762 million, a fall of 19.5% or Baht 184 million from Baht 946 million in the Fiscal Year 2019. There were immediate and significant measures to control expenses at the restaurants as well as for Takeaway and Home Delivery services. Moreover, there were other cost savings such as a reduction in rental expenses after negotiation with landlords and a reduction in labour costs due to staff roster management. However, the higher reduction in revenue in proportion to expenses meant the ratio of selling expenses to revenue in the Fiscal Year 2020 increased to 15.2% from 13.3% in the Fiscal Year 2019.

## **Administrative Expenses**

### **Overview**

Administrative expenses for the Fiscal Year 2020 was Baht 1,832 million, a decrease of 12.0% or Baht 251 million from Baht 2,083 million in the Fiscal Year 2019. The Company managed to significantly reduce expenses related to personal and head office to maintain overall management efficiency.

### **Beverage business**

Administrative expense of the beverage business in the Fiscal Year 2020 reduced to Baht 224 million from Baht 254 million in the Fiscal Year 2019 by 11.9% or Baht 30 million. Expenses control and a reduction in administrative expenses such as Bonus and Benefits helped lower administrative expense for the beverage business.

### **Food business**

Administrative expense of the food business in the Fiscal Year 2020 decreased to Baht 1,608 million from Baht 1,828 million in the Fiscal Year 2019 by 12.1% or Baht 220 million. A reduction in administrative expense of the Food Business was from lower personal expenses such as Bonus and Benefits while expenses at the restaurant outlets were controlled in the situation of sales shortage to maintain overall management efficiency and support the model of takeaway and delivery services as previously mentioned.

### **Non-recurring items**

Referring to the fire incident at one of the Company's beverage facilities at Navanakorn Industrial Estate in November 2017, the loss was fully covered by Insurance claim for both

properties damaged in assets and business interruptions. In March 2020, the insurance company finalized the value of the claim on properties damaged. Therefore, a difference in the replacement value on the claim over the book value of assets lost was booked at Baht 293 million in the Fiscal year 2020. In the Fiscal Year 2021, the company is expected to get remaining cashflow around Baht 400 million from insurance claim on both properties damaged and business interruptions in which the Business Interruption Claim was already finalized by the insurance company.

Compared to the Fiscal Year 2019, the Company booked provision for retirement benefit amounted to Baht 22 million. This was due to the changes in the Labor Protection Act that required companies to pay severance payment of 400 days of wages for employees who are terminated and have services year more than 20 years. The amount was a one-time expense recorded in the Income Statement, without an impact to Cash Flow Statement due to its nature as a non-cash item.

## **Net Profit (Loss)**

### **Overview**

The company remained profitable during the challenging period. Our reported net profit for the Fiscal Year 2020 was Baht 1,066 million, a decrease of 13.3% or Baht 163 million from Baht 1,229 million in the Fiscal Year 2019. In terms of percentage, net profit margin in the Fiscal Year 2020 was higher to 9.7% from 9.0% in the previous year.

Normalized net profit, adjusted with non-recurring item, for the Fiscal Year 2020 was Baht 773 million, a decrease of 38.2% or Baht 478 million from the



Fiscal Year 2019. In terms of percentage, normalized net profit margin in the Fiscal Year 2020 reduced to 7.0% from 9.2% in the previous year.

Reductions in overall net profit and normalized net profit were mainly caused by the pandemic.

### Beverage business

Net profit of beverage business in the Fiscal Year 2020 which was Baht 1,249 million increased by 43.7% or Baht 380 million from Baht 869 in the Fiscal Year 2019. In terms of percentage, net profit of the beverage business in the Fiscal Year 2020 was 20.8% of beverage sales and services revenue, an increase from 13.4% in the Fiscal Year 2019.

Excluding aforementioned non-recurring expense from insurance claim in the Fiscal Year 2020 and employee provisions in the Fiscal Year 2019, normalized beverage net profit in the Fiscal Year 2020 was Baht 956 million, an increase of 9.3% or Baht 81 million from Baht 875 million in the Fiscal Year 2019. In terms of percentage, normalized net profit of beverage business in the Fiscal Year 2020 increased to 15.9% of beverage sales and services revenue from 13.5% in the Fiscal Year 2019.

Although Beverage revenue decreased slightly, Beverage net profit, normalized net profit and profitability were all improved. This was mainly driven by several measures imposed to manage expenses including raw material and packaging cost savings, increase in factory efficiency management and efficient marketing campaigns.

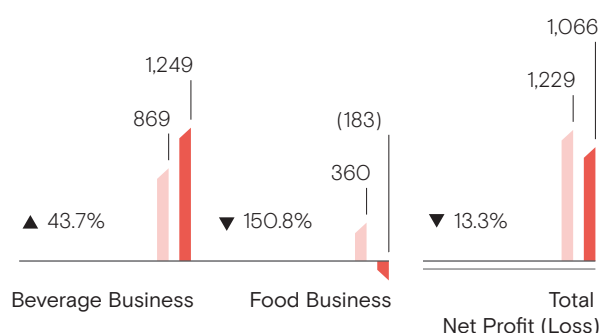
### Food business

The food business reported a loss in the Fiscal Year 2020 at Baht 183 million, a fall of 150.8% or Baht 543 million from profit at Baht 360 million in the Fiscal Year 2019. This was by reason of the COVID-19 pandemic that directly impacted the Food Business although it was partly helped by the cost control measures as aforementioned.

### Net Profit (loss)

Unit: Baht Million

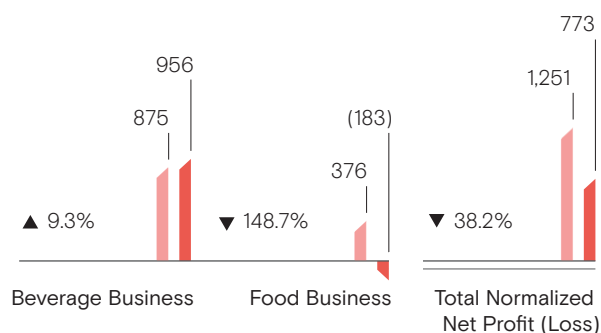
● 2019 ● 2020



### Normalized Net Profit (loss)

Unit: Baht Million

● 2019 ● 2020



## Profit and Loss separated by business segment

in million Baht	2020	% to Sales and Services Revenue	2019	% to Sales and Services Revenue	Increase (Decrease)	Percentage
Sales and services revenue-Beverages	6,004	100.0%	6,500	100.0%	(496)	(7.6)
Sales and services revenue-Foods	5,003	100.0%	7,131	100.0%	(2,128)	(29.8)
<b>Total sales and services revenue</b>	<b>11,007</b>	<b>100.0%</b>	<b>13,631</b>	<b>100.0%</b>	<b>(2,624)</b>	<b>(19.3)</b>
Cost of sales and services-Beverages	4,489	74.8%	4,902	75.4%	(413)	(8.4)
Cost of sales and services-Foods	2,899	57.9%	3,914	54.9%	(1,015)	(25.9)
<b>Total cost of sales and services</b>	<b>7,388</b>	<b>67.1%</b>	<b>8,816</b>	<b>64.7%</b>	<b>(1,428)</b>	<b>(16.2)</b>
Selling expense-Beverages	370	6.2%	551	8.5%	(181)	(32.8)
Selling expense-Foods	762	15.2%	946	13.3%	(184)	(19.5)
<b>Total selling expense</b>	<b>1,132</b>	<b>10.3%</b>	<b>1,497</b>	<b>11.0%</b>	<b>(365)</b>	<b>(24.4)</b>
Administrative expense-Beverages	224	3.7%	254	3.9%	(30)	(11.9)
Administrative expense-Foods	1,608	32.1%	1,828	25.6%	(220)	(12.1)
<b>Total administrative expense</b>	<b>1,832</b>	<b>16.6%</b>	<b>2,083</b>	<b>15.3%</b>	<b>(251)</b>	<b>(12.0)</b>
Net profit-Beverages	1,249	20.8%	869	13.4%	380	43.7
Net profit-Foods	-183	-3.7%	360	5.0%	(543)	(150.8)
<b>Total net profit</b>	<b>1,066</b>	<b>9.7%</b>	<b>1,229</b>	<b>9.0%</b>	<b>(163)</b>	<b>(13.3)</b>
Normalized net profit-Beverages	956	15.9%	875	13.5%	81	9.3
Normalized net profit-Foods	-183	-3.7%	376	5.3%	(559)	(148.7)
<b>Total normalized Net profit</b>	<b>773</b>	<b>7.0%</b>	<b>1,251</b>	<b>9.2%</b>	<b>(478)</b>	<b>(38.2)</b>

## Financial Status

### Assets

Total assets as at the end of September 2020 was Baht 8,568 million, consisting of current assets at Baht 2,819 million and non-current assets at Baht 5,749 million. Total assets at the end of September 2020 increased from Baht 8,407 million at the end of September 2019 by Baht 161 million or 1.9%. This was due to an increase in Current assets by Baht 684 million as a result of higher Cash and cash equivalent and Insurance receivable in Other current assets Items. Cash and cash equivalents stood at Baht 1,127 million at the end of September 2020, higher by Baht 417 million due mainly to increase in Cashflow from Operation during the period, partly offset by investment and dividend payment for shareholders. In contrast, Non-current assets decreased by Baht 523 million, mainly from a reduction in property plant and equipment due to depreciation expenses for the period, partly negated by purchases of machinery and equipment during the year.

### Liabilities

Total liabilities at the end of September 2020 were Baht 1,607 million, consisting of Current liabilities of Baht 1,398 million and Non-current liabilities of Baht 209 million. Total liabilities decreased by 9.1% or Baht 161 million from total liabilities of Baht 1,768 million as of the end of September 2019 due mainly to a decline in account payables. This resulted from lowering purchase orders on account of lower sales. Our financial position remained strong with the

debt-free status, as there was no interest-bearing debt on the balance sheet, thanks to efficiency in operating cash flow management.

### Shareholders' Equity

Total equity as of the end of September 2020 was Baht 6,961 million, an increase of Baht 322 million or 4.8% from at the end of September 2019. The increase in retained earnings from additional net profit during the twelve months was a key reason for the increase in equity; although this was slightly negated by dividend payments.

### Cash flows

In the Fiscal Year 2020, net cash and cash equivalents of the Company increased by Baht 417 million from the Fiscal Year 2019 with details as follows:

#### Cash flow from operating activities

Net cash flow from operating activities of the Company in the Fiscal Year 2020 was Baht 1,435 million, a decline of Baht 1,174 million or 45.0% from the Fiscal Year 2019. Lower cash flow from operating activities was mainly as a result of lower profit during the Fiscal Year 2020 while there was an additional of Baht 750 million partial insurance claim received in the Fiscal Year 2019.

#### Cash flow from investing activities

Net cash flow used in investing activities of the Company in the Fiscal Year 2020 was Baht 284 million, a decrease of Baht 614 million or 68.4% from the Fiscal Year 2019. As a result of the COVID-19 pandemic, the company became cautious in outlet

expansion that resulted in lower investment in the Fiscal Year 2020. In addition, in the Fiscal Year 2019, there was an extra investment concerning the final payment for the reinstallation of the UHT production lines which were affected by the fire incident. Nevertheless, the investment paid for UHT production lines was fully 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 2020 was Baht 735 million, which was mainly used for the dividend payment to shareholders. Cash flow spent in financing activities was lowered by Baht 1,555 million or 67.9% from the Fiscal Year 2019 which was the year that total matured bond of Baht 1,701 million was repaid.

## **Financial ratio analysis**

### **Liquidity**

In the Fiscal Year 2020, the liquidity ratio was 2.0 times, a higher in comparison to 1.4 times in the Fiscal Year 2019, as a result of higher cash and cash equivalent that reflected the Company's strong liquidity position.

### **Profitability**

Although the Company's net profit margin in the Fiscal Year 2020 improved thanks to extra profit from the insurance claim, other Profitability ratios were lower from the Fiscal Year 2019. The COVID-19 pandemic was a major cause of lower profit.

### **Efficiency**

In the Fiscal Year 2020, the Company's efficiency ratios reduced from the previous Fiscal Year. Return on assets decreased to 12.6% from 13.6% due to a reduction in net profit while total assets grew. Return on fixed assets fall to 33.8% from 35.6%, mainly due to lower net profit in proportion to the property, plant and equipment. Moreover, total asset turnover declined slightly to 1.3 times from 1.5 times in the previous Fiscal Year, owing to sales shortfall.

### **Financial Policy**

The Company's debt to equity ratio of the Fiscal Year 2020 was 0.0 times, a stable from the ratio in the Fiscal Year 2019. Base on the normal operational situation, additional debt raise is not required for the Company in the short to medium terms since internal cash flow is enough to sustain the future investment plan and on-going business. With the Company's prudent and cautious financial management, our balance sheet was considered very strong with a certain amount of room for future financing and investment.

Besides, the Company announced a dividend payout ratio at 50.8% for the operation of the Fiscal Year 2020, slightly reduced comparing to 60.8% in the Fiscal Year 2019. However, our payout ratio was still higher than our dividend payout policy at 40%.

## Key drivers which could affect future operations and financial status

- The COVID-19 pandemic that has started in the Fiscal Year 2020 has been a major issue for the Company's operation, especially in the Food Business. There had been a lot of government's measures to control the widespread of the virus including Lockdown that made the Company's restaurant outlets had been unable to serve dine-in service. Although the lockdown was released and the operation gradually returned to normal, there is a risk of the second or third waves of the pandemic which will unavoidably become a negative impact on the Company's performance. Nevertheless, the Company is fully aware of the situation and prepares several measures to handle the situation in case it happened. This is including preparation plans for Takeaway and Home Delivery services and tighter control over costs which will partially help lessen the impact. At the same time, strong balance sheet and sufficient cash flow from zero debt status will be a thick cushion and competitive advantage amid the challenging situation.
- There is a trend regards the growing number of people around the world seeking healthier lifestyles and consuming less sugar. Shifting towards changing in consumer behaviours and saving sugar tax cost at the same time, the Company has gradually reduced sugar levels in the recipes of most of our beverage portfolio. Also, more of the Beverage SKUs were launched in the past few years that is more premium and contain no sugar.
- 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.
- To build on the success of the "VISION 2020" strategic roadmap, the Company is ready with another 6-year business plan, "PASSION 2025" with three domains including BUILD, STRENGTHEN, and UNLOCK. If the Company develops to reach the strategic targets and development milestones as planned, we will grow together with the mother company, Thai Beverage PLC, to become a stable and sustainable ASEAN leader.

# Report of the Board of Directors' Responsibility for the Finance Reporting

OISHI Group Public Company Limited

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, 2020 are reliable under generally accepted accounting standards, and also in compliance with relevant laws and regulations.



---

**Mr. Prasit Kovilaikool**  
Chairman



---

**Mrs. Nongnuch Buranasetkul**  
President & CEO

# Report Of Executive Committee

OISHI Group Public Company Limited

The Executive Committee of Oishi Group Public Company Limited ("The Company") consists of 7 members: The Directors and the senior executives of the related functions, were appointed by the Board of Directors who deems appropriated the number as well as knowledge, experience and expertise of the members. The Executive Committee of which the Chairman is Mr. Ueychai Tantha-Obhas, has carried out duties as per policy and direction approved by the Board of Directors, in order to ensure effectiveness and efficiency of business operation, including the duties of revision, monitoring, filtering significant matters to the Board of Directors for endorsement or approval as the case may be.

In 2020, the Executive Committee has a total of 12 meetings, so as to consider significant matters of the Company by reporting business performance with feasible solution as well as suggestions to the Board of Directors. In this connection, in order to ensure accuracy and suitability of information for consideration, the Executive Committee has carried out duties as set out below:

- Determine the policy, strategic objective and direction as well as budget of the Company and its subsidiaries for each business unit before proposing to the Board of Directors for approval and put into practice as the set goals.
- Monitor, assess and respond to the business performance and significant investment of the Company and its subsidiaries i.e. new segment of business investment, joint venture investment, possible business opportunity, including follow-up on performance of major investments to ensure conformance to Board of Directors' direction.
- Consider and endorse of quarterly and annual budget before proposing to the Board of Directors for approval.
- Consider and approve of business transaction which supports the Company's normal business with general trading conditions with the amount of not exceeding Baht 60 Million and term of no more than 5 consecutive years, as approved by the Board of Directors No. 8/2008, held on August 11, 2008.

The Executive Committee has a strong commitment to taking account of the best benefits of the Company, shareholders as well as other related parties by carrying out duties with care and honesty, putting in place business development at full capacity and determining business direction of the Company in agreement with laws, morality and good corporate governance principles to sustainably and stably ensure prosperity with awareness of business changing.



---

**Mr. Ueychai Tantha-Obhas**  
The Chairman of the Executive Committee

# Report Of The Audit Committee

OISHI Group Public Company Limited

The Audit Committee of Oishi Group Public Company Limited (the Company) consists 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 2020, 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 is undertaken efficiently and transparently, auditable at all steps in accordance with the policies of the Board of directors, the Audit Committee has carried out its duty with responsibility to ensure that the Company continues to develop good corporate governance which is an important part to sustainably and stably push the Company growth.

In 2020, 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 2020.

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

- 1.1) The Audit Committee reviewed the Company's 2020 Annual Financial Report and quarterly reports before proposing them to the Board of Directors for approval. The Committee ensured that facts and figures contained in the financial reports, related information on transaction between the Company, its subsidiaries and other affiliates or transactions with tendency to cause conflict of interest were accurately prepared and reliably disclosed.



1.2) In this connection, the statutory auditors were invited to the meeting of the Audit Committee to discuss and clarify on some significant issues relating to the financial statements prepared by the Company's management in compliance with Thai Accounting Standards and Thai financial Reporting Standard including related interpretations and guideline promulgated by the Federation of Accounting Professions. The Audit Committee can then verify whether sufficient information was disclosed as required by the aforementioned standards, interpretations, guidelines and principles.

1.3) The Audit Committee 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, in consideration 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**

- 5.1 Consideration and approval of the scope of work and audit plan for 2020, including the monitoring of the Company's internal audit, risk management, internal control, monitoring information technology and digital by monitoring the risk of leakage of information. Advices were consistently given to the Company's internal audit on various matters for the efficiency of their performances and the improvement of the internal audit systems.
- 5.2 The Audit Committee has given full support to the internal audit for its works relating to the Company's policy on the prevention of corruption. Importance has also been given not only to the whistle blowers but also information provided through the Company's website. The internal audit gives training to management, staffs in head office, manufacturing plants and restaurants to build their conscious against corruption, the training was overwhelmed by many participants, management and staffs.
- 5.3 The Audit Committee has fully encouraged and supported the internal audit staff to attend annual trainings from the Institute of Internal Auditors of Thailand to enhance their technical knowledge and the newly developed standards. The experiences gained are beneficial for the improvements of their performance and in-house training for audit staff.

## **6. Review the adequacy and suitability of the internal control systems and activities**

The Audit Committee regularly reviewed the adequacy and suitability of the Company's internal control systems and activities. In this regard, reports presented by the internal audit, including those relating to fraud or risk of fraud, were carefully considered and followed up to ensure that correct internal control systems were undertaken and improvements on controls and preventive measures were properly and timely carried out by the Company's management as advised by the Audit Committee.

## **7. Roles of the Audit Committee**

- 7.1 The Audit Committee performed its duties independently from the Board of Directors and Management with strong emphasis on internal controls to ensure that good governance and adequate internal controls were appropriately applied. This includes regular reports to the Board of Directors, in consideration of reports received from internal audit during the year 2020.
- 7.2 The Audit Committee has implemented assessment report for the Audit Committee in 2020 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 2020, the great pandemic of COVID-19, occurred and affected social and economic dimensions of every country without showing any signs of reducing severity. Thailand is one of the best countries in terms of dealing with the impacts of COVID-19, however, the pandemic has dictated both way of life and way of work in the nation to change unavoidably.

During the pandemic situation, the Company has fully prepared to cope with the impacts of COVID-19. The Internal Audit Department has also adjusted the way of work by allowing its team members to work from home, harmonizing it with the way of work of the Company while maintaining the standardized internal control system.

The Audit Committee and the executives were very well-aware that the impacts from the pandemic would continue for a long time, so it is necessary to closely monitor in order to prevent the possible impacts from the second wave of the COVID-19. Consequently, strict safety methods, as well as the "New Normal" way of work, were put in place to help create stability for the Internal Audit Department and ensure trustworthiness of the internal control system for the stakeholders.

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 Koompirochana**  
Chairman of the Audit Committee

# Report Of Sustainability and Risk Management Committee

OISHI Group Public Company Limited

In 2020, Thailand and all nations worldwide were facing the great COVID-19 pandemic, which has significantly threatened our safety and forced us to change our way of life, leading us to the unpredictable future. The Sustainability and Risk Management Committee of Oishi Group Public Company Limited (the "Company") has consistently evaluated and managed emerging COVID-19 risks in every possible aspect to ensure business continuity and gain trust from all our stakeholders as well as guarantee safety for both the Company's employees and customers.

In 2020, the Sustainability and Risk Management Committee of the Company consists of 12 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 Charter of the Sustainability and Risk Management Committee, which was approved by the Board of Directors, so as to ensure effectiveness and efficiency of overall risk management activities of the Company, including the duties of invention, revision, manage, follow up and report related matters to the Sustainability and Risk Management Committee to the Board of Directors.

In 2020, 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) Appointed 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) Monitored, assessed, responded 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 independent views and suggestions to the management with a special focus on managing risks and preparing methods to cope with the impacts of COVID-19, which the Sustainability and Risk Management Committee has considered and agreed that the Company has continuously implemented to the fullest with the consideration of economy, environment, society and culture, including those who participated in the operations in which enhance the Company to carry on its stability and growth.

On behalf of the Sustainability and Risk Management Committee



---

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

# Report of the Nomination Committee

OISHI Group Public Company Limited

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 Kovilaikool and Mr. Ueychai Tantha-Obhas 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 2020 the Nomination Committee held 2 meetings as planned and attended by all Committee members. The results of the meetings have been regularly reported to the Board of Directors, with the following summary of key actions:

1. Consideration the nomination of a qualified person for the Vice President position for the Board of Directors consideration and appointment.
2. 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 2021 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

OISHI Group Public Company Limited

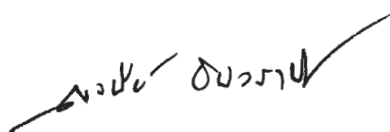
The Remuneration Committee of Oishi Group Public Company Limited (the Company) comprises of 5 members, of which 3 members are independent directors. Ms. Potjanee Thanavarant served as the Chairman of the Committee and Mr. Prasit Kovilaikool, Mr. Vikrom Koompirochana, Mr. Ueychai Tantha-Obhas and Mr. 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 2020, 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' 2020 bonus as approved by the 2020 Annual General Meeting of Shareholders
2. Consideration and opinionated the 2021 Company Directors' remuneration and bonus to the Board of Directors for consideration and propose to the 2021 Annual General Meeting of Shareholders
3. Consideration and opinionated for the Board of Directors' approval of the Company and its subsidiaries 2020 bonus and 2021 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. Potjanee Thanavarant**  
Chairman of the Remuneration Committee

# Report of the Good Corporate Governance Committee

OISHI Group Public Company Limited

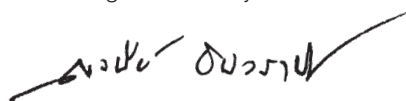
The Board of Directors of Oishi Group PCL (the "Company") realize the importance of good corporate governance as the foundation upon which to create sustainable growth of the Company. In 2014, the Board of Directors has appointed the Good Corporate Governance Committee. The objective of the Committee 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. Currently, the Good Corporate Governance Committee consist of 5 directors, 3 of which are independent directors. Ms. Potjanee Thanavarani served as the Chairman of the Committee and Mr. Vikrom Koompirochana, Mr. Chai Jroongtanapibarn, Mr. Ueychai Tantha-Obhas and Mrs. Nongnuch Buranasetkul as the member of the Committee.

In 2020, the Good Corporate Governance Committee held 2 meetings in accordance with the Charter and plan. 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. Consideration and endorsement of the report on the compliance of good corporate governance to be exhibited in 2020 Annual Report.
3. Acknowledgment of the assessment of the Annual General Shareholders' meeting of the year 2020 by the Thai Investors Association.
4. Acknowledgment of the evaluation of the 2020 good corporate governance principle of listed company, as assessed by the Institute of Directors which has received excellent rates level and higher scores than last year including reconsideration and providing advices on the improvement of the Company's assessment score.
5. Consideration and endorsement of the report on the compliance of good corporate governance prior to the Annual General Meeting.
6. Consideration and endorsement of the training course, namely, "Oishi Anti-Corruption and Organizational Code of Conduct".
7. Acknowledgment of the assessment of Form 56-1/Annual Report (Form 56-1 One Report)

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

With such determination and dedication to advance the Company's good corporate governance practice, the good corporate governance for listed company evaluation score has been improving steadily. In 2020, the Company has received excellent rated level from the 2020 good corporate governance principle of listed company for 3 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. Potjanee Thanavarani**  
**Chairman of the Good Corporate Governance Committee**



# Corporate Governance Report

OISHI Group Public Company Limited

Oishi Group Public Company Limited (the “Company”) sees the significance of a good corporate governance system. 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”), 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.

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 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 2020, 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 recognizes the importance of all shareholders, major shareholders, free float 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.

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. 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, 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 this regard, shareholders are able to submit proxy and other relevant document to the Company in advance for verification as it promotes time management on the meeting day. Following the meeting day, a complete and verifiable minutes of the Meeting will be arranged via website of the Company and SEC within time as determined by relevant laws, rules and regulations.

In 2020, the Company organized the Annual General Meeting of Shareholders on Thursday, January 30, 2020 at 2.00 p.m. at Grand Hall I, 2<sup>nd</sup> 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 2020.

### **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 proxy 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](mailto: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 encourage 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 2020 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 free float 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. 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.
8. 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 2020 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.

9. No additional agenda is considered in the meeting and no change has been made to the significant information without prior notification to the shareholders.
10. 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.

The Company has received 98.5 marks from the evaluation under the annual quality assessment of the 2020 Annual General Meeting of Shareholders conducted by Thai Investor Association.

In addition, the Board of Directors has 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 sees and places 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, 2020, the Board of Directors did not receive any complaint regarding the breach of the right of shareholders, for this reason the above mentioned execution reflects that the Board of Directors has ensured proper management on the subject matter.

### Equal treatments to shareholders

The Board of Directors sees significance in equal and fair treatments for all shareholders, whether they are major shareholders, institutional shareholders, foreign investors, and free float 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 its attachments in both Thai and English versions.
3. The invitation letter and its 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 invites independent parties i.e. representatives of audit firm and retail shareholders to participate in the audit of vote casting in the ordinary meeting of shareholders, which is disclosed in the minutes of ordinary meeting of shareholders.
6. The Company allocates to the shareholders 1 voting right per share.
7. The Board of Directors has determined that all Directors and executives are to disclose the information and report on their interests and those of related persons in accordance with the criteria and methods determined by the Board of Directors and/or related laws. This is to provide an opportunity for the Board of Directors to consider any transactions of the Company which may incur conflicts of interest and enable it to make decision for the interest of the Company. In this regard, Directors and executives of the Company who involve in any transactions entered into with the Company shall not be entitled to make decisions relating to such transactions.
8. The Board of Directors has determined measures, of which related communications are made clearly to the Board of Directors and executives to ensure understanding of their duty to report on securities of the Company owned by them, their spouse, and offspring who are minors as well as report the changes thereof to SEC as required by the law. In addition, Directors and executives of the Company are obliged to report their ownership in securities of the Company in the meeting of Board of Directors on a regular basis. The securities of the Company owned by Directors

and executives were disclosed in Section 15. On page 128 of 2020 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.

As of September 30, 2020, the Board of Directors received no complaints with regards to unfair treatments toward shareholders including there were no relate transactions and the trading of assets that were not in accordance with the rules prescribed by the SEC and SET or any crimes regarding the use of insider information of Directors and executives. This reflected that the policies or guidelines determined by the Board of Directors were adequate and appropriate.

## Role of stakeholders

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

Additionally, the Company realized that the improved performance of the Company could be achieved from great support of all stakeholders.

Thus, the Company has determined the policy to encourage cooperation between the Company and stakeholders to create mutual benefits, to assure that all stakeholders are entitled to sound protection and treatment, and to see significance of all stakeholders. Details can be summarized as seen below.

### 1. Shareholders

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

### 2. Employees

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. 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 e.g., 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) in order to promote and develop knowledge and capability of the employees to their goals 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 Navanakorn Industrial Estate and Wang Muang Plants have also received certification for TIS/ OHSAS 18001 Occupational Health and Safety Management System (OHSMS), ISO 45001. In addition, Wang Muang Plant received the National Excellent Safety Establishment Award including consecutive Zero Accident Award from 2018-2020.

TPM (Total Productive Management) has been applied to improve the efficiency of the safety operation system. In 2020 Navanakorn Plant received TPM Excellence Award from JIPM in Japan.

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. Please see in details in clause 16.4 Safety of Occupational Health and Workplace Environment Policy on page 131.

In addition, the Company also organizes safety education activities such as training for safety management system requirements ISO45001, Risk Assessment FMEA for finding risks in the production process and find a systematic solution. Organizing fire evacuation drills by the local municipal fire department is a real drill for all employees of all level which must be evacuated from the actual work point and fulfilled their responsible duties according to the plan.

Moreover, the Company regards and is well aware of the human right and therefore ensure that no policy allowed discrimination, but providing equal opportunities for all employees. There is no discrimination in recruiting and hiring process where people of any races, skin colors, genders, religions, nationalities and political opinion are entitled to consideration. All employees receive fair treatment and appropriate remuneration. Additionally, diversified CSR activities are organized by Oishi Group of companies to encourage employees to engage in community and society development as well.

### **3. Customers**

The Company 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 e.g., 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 has activated Customer Voice Recipient ; 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, 2020, the Company organized a total of 4 training courses on the environment, namely Consciousness of Energy Conservation, Energy Management System, ISO50001: Version 2018 and Internal Audit ISO50001: Version 2018 hosted by internal and external personnel, the average of 28 hours of training per employee increased from 9.4 in comparison to the year of 2019.

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 46 of 2020 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, 2020, 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 whistleblowing 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's has issued a notice regarding the whistle-blowing and reward for the whistle-blower to remind all employees of the importance of as well as encourage them to adhere to honesty and to be mindful not to be negligence in their duties, which opens up and promotes corruption and, in turn, results in damages to the Company.

The Company 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 2020, the Company organized training “Oishi’s power to fight corruption and promote ethics in the organization” by its head of the Internal Audit Department, as the person who supports the work of the Audit Committee in code of conducts and 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 create 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](mailto: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 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. The goal of the guideline is to ensure the Company’s and its subsidiaries’ appropriate, effective, flexible and standardize complaint filing and whistle-blowing process on par with other leading Companies as well as creating confidence among all stakeholders, including the employees, that all will be protected from persecution, penalization and mistreatment as a result of informing or whistle-blowing to the Oishi group, except where such action was done with malintent or with the intention of destroying the Company or other person, illegal or contradicting with the Company’s discipline. The Company has disclosed details available at [www.oishigroup.com](http://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, 2020, 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, 2020, 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:-

- 1.1 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.
- 1.2 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.
- 1.3. 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 180 of 2020 Annual

Report. Also, the Board of Directors supervises 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 2020 as the auditor of the Company for the financial report for the fiscal year ending September 30, 2020. 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 182-185 of the annual report, and opine that the financial statements of the Company and subsidiaries as at September 30, 2020 were correct, complete, and fairly presented.

- 1.4 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.

For the fiscal year of 2020, the Company organized the meetings with analysts 4 times during the year.

- 1.5 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.

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

### **2.1 Oversight on the use of insider information**

The Company regards that the use of insider information is among key responsibilities of directors, executives, and employees whereby all parties are expected to keep the information confidential, especially the internal information which has yet to be disclosed to the public or that which incurs significant impact toward the business operation or share price.

It is determined that there would be no abuse of opportunity or information received in the tenure of Directors, senior executives, or employees of the Company for personal gain. Moreover, certain information is restricted and to be disclosed only to Directors and related senior executives of the Company. In addition, the Company requires that executives should report their ownership in securities and the changes thereof to SEC as per the section 59 of the Securities and Exchange Act B.E 2535. Additionally, the Company has determined policies in writing to prohibit Directors, executives, and employees to whom the insider information is disclosed, and their spouse, and children who are minors, to conduct sale and purchase transactions of the Company's securities prior to the announcement of the financial statements of the Company to the public for a period of at least one month. Any violation against the said policy shall incur disciplinary actions, which range from warnings to termination of employment as well as court trial as per the laws. Related announcements and communications are regularly disseminated to Directors, executives, and all employees of the Company in advance. Besides, the Company puts in place policy compelling its Directors and Executive Directors to report to the Company Secretary regarding any stock trading one day prior to the purchasing date.

### **2.2 Conflict of interest**

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



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

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

In addition, to prevent the conflict of interest, the Company has established the policy overseeing any transactions which may incur the conflict of interest whereby Directors who have any conflict of interest in any agenda shall abstain from

voting or not engaging in consideration of the agenda. In addition, policies and methods were determined to prevent executives and related persons to exploit the insider information for personal gain.

As of September 30, 2020, 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 18, 2020, the Board of Directors consisted of 8 directors, 4 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 Section 12. Management Structure in the page 88 of 2020 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 Section 12. Management Structure from in the page 102 of 2020 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.

### **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 be entitled to 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, at the time the Board will vote, requires at least 2 from 3 of the numbers of all directors to constitute quorum and the Chairman of the Board of Directors is to chair the meeting. In case the Chairman is absent from the meeting or could not perform the task at the meeting of the Board of Directors, the Vice Chairman is

to chair the meeting. If there is no Vice Chairman or the Vice Chairman could not perform the task, directors are entitle to select a director to chair the meeting.

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

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

### **Sub-committees Meeting**

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

The number of meetings as well as details on attendance of the Board of Directors and Sub-committees of each Board of Directors are recorded as of November 18, 2020 as set out below:

## Details of meeting attendance of Directors<sup>(1)</sup>

Name	Board of Directors Meeting	Audit Committee Meeting	Executive Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	Sustainability and Risk Management Committee Meeting <sup>(2)</sup>	Good Corporate Governance Committee Meeting	Non Executive Director Meeting
Mr. Prasit Kovilaikool	5/5	-	-	2/2	2/2	-	-	1/1
Mr. Thapana Sirivadhanabhakdi <sup>(2)</sup>	1/5	-	3/12	-	-	-	-	-
Mr. Ueychai Tantha-Obhas <sup>(3)</sup>	5/5	-	12/12	2/2	1/2	-	2/2	-
Mr. Vikrom Koompirochana	5/5	6/6	-	2/2	2/2	-	2/2	1/1
Ms. Potjanee Thanavarant	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. Pisanu Vichiensanth	5/5	-	12/12	-	-	5/6	2/2	-
Mrs. Nongnuch Buranasetkul	5/5	-	12/12	-	-	6/6	-	-

### Remarks

- (1) In case of absence from the meeting of Board of Directors and sub-committees as per the above table due to inevitable matter, Directors shall notify their absence in advance.
- (2) Mr. Thapana Sirivadhanabhakdi resigned from Vice Chairman, Chairman of the Executive Committee, Nomination Committee member, Remuneration Committee member and Good Corporate Governance Committee member on February 4, 2020.
- (3) Mr. Ueychai Tantha-Obhas was appointed to be Vice Chairman, Chairman of the Executive Committee, Nomination Committee member, Remuneration Committee member and Good Corporate Governance Committee member on February 13, 2020.

## 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 Board of Directors 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 18, 2020 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 PCL group of Companies has determined the “2020 Vision” (2015 – 2020) 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 2020, the Non-Executive Directors (4 from 4 members) organized one meeting without attendance of the management and Executive Directors on November 18, 2020.

### **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 - to re-elect independent directors who have served for more than 3 terms or 9 years for another term. Apart from retiring by rotation, the Board of Directors may leave the office as stipulated by the laws or the Article of Association of the Company. In a case where Director position is vacant due to reasons other than retirement by rotation, the Board of Directors are entitled to select persons whose qualifications are not prohibited by the laws to fill in the vacancy unless such office has less than 2 months term. The newly appointed director shall serve at the remaining term of office. In this regard, the appointment requires approval of the

Board of Directors with the votes of not less than three-fourth of remaining directors.

## 10. 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.

In 2020, the Board of Director as well as all of the sub-committee had completed the self-assessment form, both for each individual director as well as as a committee.

## **11. Determination of Director Remuneration**

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

In this regard, the Board of Directors assigned the Remuneration Committee to consider all types of remuneration of directors and members of all sub-committees i.e. monthly and lump sum remuneration, 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 continuously and steadily 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:-

- 15.1. Has authority to contact and sign in documents to be submitted to the Stock Exchange of Thailand; and

15.2. Has roles and responsibilities as stipulated by the laws on securities and exchange and rules and regulations determined Capital Market Supervisory Board and/or other supervising agencies.

## **16. Sub-committees**

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

In addition, the Board of Directors has determined that details of the structure, compositions, roles, duties and responsibilities, performance, attendance, amount of remuneration of the Board of Directors, the sub-committees, and signatory Directors are to be described in Section 12. Management Structure on page 88 of 2020 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 Section 8. Risk Factors on page 67 of 2020 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 has reviewed and revised 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 18, 2020, 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 non-compliance matters	Reason
1. The Company's free float portion of the share should be larger than 40 percent	The Company's free float portion of the share is in alignment with the regulation of the SET.
2. The Board of Directors should utilize the service of professional search firms or the director pool in the process of finding new director	The Board of Directors and appointed the Nomination Committee, whose members are qualified experts from various professions, to consider and nominate appropriate individuals to be considered and appointed as a new Directors as per the Company's nomination procedure. The Nomination Committee has always been able to consider and nominate individuals with the appropriate expertise, qualification and experience for the position of the Company's Directors. Therefore, the Company's current nomination procedure and principles should be considered as sufficiently appropriate and effective.
3. More than 50 percent of the member of the Board of Directors should be Independent Directors	The Board of Directors consists of experts with diverse qualification, capability and experience. 4 out of the total of 8 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 whose opinions are considered independent according to the relevant rules and regulations, despite the fact that all 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 qualified 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.

# FINANCIAL STATEMENT

# Independent Auditor's Report

Oishi Group Public Company Limited and its Subsidiaries

## 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 2020, 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 2020 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 5 and 11 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
The Group's businesses sell highly competitive consumer products which are susceptible to the risk of obsolescence. 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 following:</p> <ul style="list-style-type: none"> <li>• gaining an understanding of the policy and process which management use for measuring net realisable value of inventories. Considering design and implementation of the controls over the process including the preparation and approval of the selling plan;</li> <li>• 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;</li> <li>• sampling items in inventory aging report to evaluate inventory aging classification;</li> <li>• observed the inventory count including considering the condition of inventories;</li> <li>• evaluating the appropriateness of the provision for each type of inventory including potential bias by management based on the history of actual losses. Identifying and analysing changes in assumptions from the prior period and assessing the consistency of the assumptions for all products and comparing assumptions with publicly available information; and</li> <li>• evaluating the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.</li> </ul>

### *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  
18 November 2020



# Statement of Financial Position

Oishi Group Public Company Limited and its Subsidiaries

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 September		30 September	
		2020	2019	2020	2019
(in Baht)					
<b>Current assets</b>					
Cash and cash equivalents	8	1,126,748,904	710,184,677	167,852,118	32,643,323
Trade accounts receivable	7, 9	630,924,350	686,160,239	39,097,530	30,672,677
Other receivables	4, 7, 10	508,241,724	250,086,868	119,406,708	25,690,912
Dividend receivable from subsidiaries	7	-	-	-	708,998,200
Short-term loans to subsidiaries	7	-	-	28,000,000	106,000,000
Inventories	11	498,153,315	450,856,813	32,696,500	35,279,234
Other current assets		55,113,464	38,344,765	12,565,811	6,660,821
<b>Total current assets</b>		<b>2,819,181,757</b>	<b>2,135,633,362</b>	<b>399,618,667</b>	<b>945,945,167</b>
<b>Non-current assets</b>					
Investments in subsidiaries	12	-	-	1,581,075,270	1,590,081,072
Long-term loan to subsidiary	7	-	-	100,000,000	-
Property, plant and equipment	13	5,320,607,726	5,885,643,695	123,992,745	148,662,829
Intangible assets		36,348,521	34,120,107	12,544,408	15,959,770
Leasehold rights		23,427,422	28,757,935	18,668,837	21,144,483
Deferred tax assets	27	73,325,329	21,406,716	72,056,989	27,165,095
Other non-current assets	7, 14	295,017,648	301,708,403	167,060,027	165,320,979
<b>Total non-current assets</b>		<b>5,748,726,646</b>	<b>6,271,636,856</b>	<b>2,075,398,276</b>	<b>1,968,334,228</b>
<b>Total assets</b>		<b>8,567,908,403</b>	<b>8,407,270,218</b>	<b>2,475,016,943</b>	<b>2,914,279,395</b>

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

# Statement of Financial Position

Oishi Group Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		30 September		30 September	
Liabilities and equity	Note	2020	2019	2020	2019
(in Baht)					
<b>Current liabilities</b>					
Trade accounts payable	7, 16	509,674,128	613,356,994	125,659,792	161,260,053
Payables for acquisition of assets	7	19,652,527	51,190,196	1,809,596	4,169,409
Other payables	7, 17	836,255,283	847,592,391	262,055,922	281,195,752
Short-term loans from subsidiaries	7	-	-	-	565,000,000
Current tax payable		-	26,607,938	-	4,224,026
Other current liabilities		32,395,325	36,414,197	9,544,492	12,151,597
<b>Total current liabilities</b>		<b>1,397,977,263</b>	<b>1,575,161,716</b>	<b>399,069,802</b>	<b>1,028,000,837</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	27	27,567,294	34,920,259	-	-
Non-current provisions for employee benefits	18	177,508,944	150,343,174	101,295,910	90,779,023
Other non-current liabilities	7	3,676,572	7,282,263	478,820	345,495
<b>Total non-current liabilities</b>		<b>208,752,810</b>	<b>192,545,696</b>	<b>101,774,730</b>	<b>91,124,518</b>
<b>Total liabilities</b>		<b>1,606,730,073</b>	<b>1,767,707,412</b>	<b>500,844,532</b>	<b>1,119,125,355</b>
<b>Equity</b>					
Share capital:	19				
Authorised share capital 375,000,000 ordinary shares, par value at Baht 1 per share) (2019: 187,500,000 ordinary shares, par value at Baht 2 per share)		375,000,000	375,000,000	375,000,000	375,000,000
Issued and paid-up share capital 375,000,000 ordinary shares, par value at Baht 1 per share) (2019: 187,500,000 ordinary shares, par value at Baht 2 per share)		375,000,000	375,000,000	375,000,000	375,000,000
Share premium on ordinary shares	19	609,402,184	609,402,184	609,402,184	609,402,184
Retained earnings					
Appropriated to legal reserve	20	37,500,000	37,500,000	37,500,000	37,500,000
Unappropriated		5,778,125,036	5,451,551,835	952,270,227	773,251,856
Other components of equity	20	161,552,439	162,303,206	-	-
<b>Equity attributable to owners of the parent</b>		<b>6,961,579,659</b>	<b>6,635,757,225</b>	<b>1,974,172,411</b>	<b>1,795,154,040</b>
Non-controlling interests		(401,329)	3,805,581	-	-
<b>Total equity</b>		<b>6,961,178,330</b>	<b>6,639,562,806</b>	<b>1,974,172,411</b>	<b>1,795,154,040</b>
<b>Total liabilities and equity</b>		<b>8,567,908,403</b>	<b>8,407,270,218</b>	<b>2,475,016,943</b>	<b>2,914,279,395</b>

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

# Statement of Comprehensive Income

Oishi Group Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 30 September		Year ended 30 September	
		2020	2019	2020	2019
		(in Baht)			
<b>Revenue</b>	7, 21				
Revenue from sale of goods		10,809,196,195	13,569,287,856	2,720,498,153	4,238,681,847
Revenue from rendering of services		197,952,064	61,593,761	-	-
Dividend income from subsidiaries	12	-	-	1,070,197,340	897,997,750
Interest income		5,922,827	10,295,571	3,014,186	12,385,379
Claim refund from the fire	4	292,744,623	47,422,735	-	-
Other income		59,729,727	68,028,748	132,317,821	52,299,762
<b>Total revenue</b>		<b>11,365,545,436</b>	<b>13,756,628,671</b>	<b>3,926,027,500</b>	<b>5,201,364,738</b>
<b>Expenses</b>	7, 21				
Cost of sales of goods		7,248,189,759	8,757,476,854	1,629,815,891	2,386,452,344
Cost of rendering of services		140,035,146	58,980,756	-	-
Distribution costs	22	1,131,665,442	1,496,686,903	471,167,171	619,629,990
Administrative expenses	23	1,831,828,128	2,082,616,061	943,142,353	1,164,807,581
Past service cost for employee benefit from amendment of the Labor Protection Act	18	-	21,769,959	-	12,948,662
Loss from the fire	4	-	15,641,913	-	-
Finance costs	26	156,198	20,779,707	4,546,521	23,747,170
<b>Total expenses</b>		<b>10,351,874,673</b>	<b>12,453,952,153</b>	<b>3,048,671,936</b>	<b>4,207,585,747</b>
<b>Profit before income tax expense</b>		<b>1,013,670,763</b>	<b>1,302,676,518</b>	<b>877,355,564</b>	<b>993,778,991</b>
Tax income (expense)	27	52,280,719	(73,777,707)	40,300,374	(17,028,766)
<b>Profit for the year</b>		<b>1,065,951,482</b>	<b>1,228,898,811</b>	<b>917,655,938</b>	<b>976,750,225</b>
<b>Other comprehensive income</b>					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		(1,262,680)	(351,487)	-	-
<b>Total item that will be reclassified subsequently to profit or loss</b>		<b>(1,262,680)</b>	<b>(351,487)</b>	<b>-</b>	<b>-</b>

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

# Statement of Comprehensive Income

Oishi Group Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 30 September		Year ended 30 September	
		2020	2019	2020	2019
(in Baht)					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Losses on remeasurements of defined employee benefit plans	18, 27	(11,343,481)	(26,481,556)	(4,546,959)	(15,548,510)
Income tax relating to items that will not be reclassified	27	3,272,863	5,296,311	909,392	3,109,702
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>(8,070,618)</b>	<b>(21,185,245)</b>	<b>(3,637,567)</b>	<b>(12,438,808)</b>
<b>Other comprehensive expense for the year, net of tax</b>		<b>(9,333,298)</b>	<b>(21,536,732)</b>	<b>(3,637,567)</b>	<b>(12,438,808)</b>
<b>Total comprehensive income for the year</b>		<b>1,056,618,184</b>	<b>1,207,362,079</b>	<b>914,018,371</b>	<b>964,311,417</b>
<b>Profit (loss) attributable to :</b>					
Owners of the parent		1,069,643,819	1,234,451,611	917,655,938	976,750,225
Non-controlling interests		(3,692,337)	(5,552,800)	-	-
<b>Profit for the year</b>		<b>1,065,951,482</b>	<b>1,228,898,811</b>	<b>917,655,938</b>	<b>976,750,225</b>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the parent		1,060,822,434	1,212,862,045	914,018,371	964,311,417
Non-controlling interests		(4,204,250)	(5,499,966)	-	-
<b>Total comprehensive income for the year</b>		<b>1,056,618,184</b>	<b>1,207,362,079</b>	<b>914,018,371</b>	<b>964,311,417</b>
<b>Basic earnings per share</b>	28	<b>2.85</b>	<b>3.29</b>	<b>2.45</b>	<b>2.60</b>

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

	Note	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	Translating foreign operations	Unappropriated	Revaluation surplus on land				Total other components of equity
Year ended 30 September 2019											
Balance at 1 October 2018											
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											
Comprehensive income for the year											
Profit or loss											
Other comprehensive income											
Total comprehensive income (expense) for the year											
Balance at 30 September 2019											
Year ended 30 September 2020											
Balance at 1 October 2019											
Transactions with owners, recorded directly in equity											
<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											
Profit or loss											
Other comprehensive income											
Total comprehensive income (expense) for the year											
Balance at 30 September 2020											

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

# Statement of Changes in Equity

Oishi Group Public Company Limited and its Subsidiaries

## Separate financial statements

				Retained earnings				
				Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve (in Baht)	Unappropriated	Total equity
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								
Distributions to owners of the parent								
Dividends to owners of the Company	29			-	-	-	(562,500,000)	(562,500,000)
Total transactions with owners, recorded directly in equity				-	-	-	(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
Year ended 30 September 2020								
Balance at 1 October 2019				375,000,000	609,402,184	37,500,000	773,251,856	1,795,154,040
Transactions with owners, recorded directly in equity								
Distributions to owners of the parent								
Dividends to owners of the Company	29			-	-	-	(735,000,000)	(735,000,000)
Total transactions with owners, recorded directly in equity				-	-	-	(735,000,000)	(735,000,000)
Comprehensive income for the year								
Profit				-	-	-	917,655,938	917,655,938
Other comprehensive expense				-	-	-	(3,637,567)	(3,637,567)
Total comprehensive income for the year				-	-	-	914,018,371	914,018,371
Balance at 30 September 2020				375,000,000	609,402,184	37,500,000	952,270,227	1,974,172,411

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	
		2020	2019	2020	2019
(in Baht)					
<b>Cash flows from operating activities</b>					
Profit for the year		1,065,951,482	1,228,898,811	917,655,938	976,750,225
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Depreciation and amortisation		827,599,942	871,044,400	65,634,705	90,022,404
Other expenses from the fire	4	-	15,641,913	-	-
Reversal of impairment losses on plant and equipment		-	(4,050,000)	-	-
Write-off of obsolete and deteriorated inventories	11	806,861	4,616,220	-	-
Impairment losses on investment in subsidiary	12	-	-	10,005,602	9,221,782
Interest income		(5,922,827)	(10,295,571)	(3,014,186)	(12,385,379)
Dividend income from subsidiaries	7, 12	-	-	(1,070,197,340)	(897,997,750)
Finance costs	26	156,198	20,779,707	4,546,521	23,747,170
Unrealised (gain) loss on exchange		(1,355,040)	434,634	63,424	378,577
(Gain) loss on disposal of and write-off of plant and equipment		(871,176)	(3,981,266)	128,269	(45,816)
(Gain) loss on disposal of intangible assets		6,168	3,269	(99,497)	2,285
Gain from sale of other investment		(176,737)	-	(176,737)	-
Claim refund from the fire	4, 7	(292,744,623)	(47,422,735)	-	-
Defined employee benefit expenses	18	18,173,799	15,361,450	10,669,680	9,539,851
Past service cost for employee benefit from amendment of the Labor Protection Act	18	-	21,769,959	-	12,948,662
Expenses in relation to long-term incentive plan		1,391,784	1,168,769	307,218	260,380
Tax expense (income)	27	(52,280,719)	73,777,707	(40,300,374)	17,028,766
		1,560,735,112	2,187,747,267	(104,776,777)	229,471,157
<b>Changes in operating assets and liabilities</b>					
Trade accounts receivable		55,718,299	(16,284,820)	(8,424,853)	27,941,679
Other receivables		34,764,770	(14,234,335)	(93,707,344)	310,253
Inventories		(48,103,363)	(51,703,401)	2,582,734	4,707,542
Other current assets		(7,260,305)	45,802,523	(5,144,200)	1,774,746
Other non-current assets		(16,647,442)	(12,426,817)	(3,810,441)	8,962,613
Trade accounts payable		(103,682,867)	(195,855,927)	(35,600,262)	(21,412,327)
Other payables		(13,846,524)	21,722,759	(19,177,651)	(35,045,295)
Other current liabilities		(4,018,645)	1,929,874	(2,607,105)	(4,887,976)
Other non-current liabilities		(3,524,295)	(2,792,279)	(173,893)	-
Employee benefit paid	18	(1,940,455)	(419,846)	(1,431,442)	(88,722)
Transfer in of employee benefit obligations	18	288,453	10,771	3,088,695	721,518
Transfer out of employee benefit obligations	18	(699,508)	(395,225)	(6,357,005)	(2,830,104)
Net cash generated from (used in) operating		1,451,783,230	1,963,100,544	(275,539,544)	209,625,084
Insurance reimbursement received	4	-	750,000,000	-	-
Compensation paid from the fire		-	(36,191,073)	-	-
Advance income tax received		23,338,197	2,101,204	2,071,393	-
Taxes paid		(39,834,326)	(69,518,361)	(8,666,944)	(29,374,158)
<b>Net cash from (used in) operating activities</b>		<b>1,435,287,101</b>	<b>2,609,492,314</b>	<b>(282,135,095)</b>	<b>180,250,926</b>

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	
		2020	2019	2020	2019
(in Baht)					
<b>Cash flows from investing activities</b>					
Interest received		6,102,812	13,192,093	3,014,186	15,346,380
Dividends received		-	-	1,779,195,540	289,799,310
Increase in short-term loans to subsidiaries	7	-	-	(550,000,000)	(2,258,390,000)
Proceeds from repayment of short-term loans to subsidiaries	7	-	-	628,000,000	2,762,390,000
Increase in long-term loan to subsidiary	7	-	-	(100,000,000)	-
Acquisition of investment in subsidiary	12	-	-	(999,800)	(5,479,500)
Acquisition of building improvement and equipment		(284,724,444)	(928,931,400)	(40,002,046)	(49,925,553)
Proceeds from sale of equipment		3,973,981	22,888,548	1,781,978	2,660,623
Acquisition of intangible assets		(9,384,300)	(5,047,343)	(1,545,200)	(3,053,340)
Proceeds from sale of intangible assets		-	1,243	2,303,070	183
Acquisition of investment		(200,000,000)	-	(200,000,000)	-
Proceeds from sale of investment		200,176,737	-	200,176,737	-
<b>Net cash from (used in) investing activities</b>		<b>(283,855,214)</b>	<b>(897,896,859)</b>	<b>1,721,924,465</b>	<b>753,348,103</b>
<b>Cash flows from financing activities</b>					
Interest paid		(156,198)	(31,034,796)	(4,580,575)	(33,968,204)
Proceed from capital increase in non-controlling interests in a subsidiary		-	4,242,051	-	-
Dividend paid to owners of the Company	29	(735,000,000)	(562,500,000)	(735,000,000)	(562,500,000)
Dividends paid to non-controlling interests		(4,460)	(690)	-	-
Proceeds from short-term loans from subsidiaries	7	-	-	1,859,200,000	1,307,000,000
Repayment of short-term loans from subsidiaries	7	-	-	(2,424,200,000)	(742,000,000)
Repayment of debentures		-	(1,700,700,000)	-	(1,700,700,000)
<b>Net cash used in financing activities</b>		<b>(735,160,658)</b>	<b>(2,289,993,435)</b>	<b>(1,304,580,575)</b>	<b>(1,732,168,204)</b>
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		416,271,229	(578,397,980)	135,208,795	(798,569,175)
Effect of exchange rate changes on cash and cash equivalents		(1,262,680)	-	-	-
Effect of exchange differences on translating foreign operations		1,555,678	(351,487)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>416,564,227</b>	<b>(578,749,467)</b>	<b>135,208,795</b>	<b>(798,569,175)</b>
Cash and cash equivalents at 1 October 2019 / 2018		710,184,677	1,288,934,144	32,643,323	831,212,498
<b>Cash and cash equivalents at 30 September</b>	8	<b>1,126,748,904</b>	<b>710,184,677</b>	<b>167,852,118</b>	<b>32,643,323</b>
<b>Non-cash transactions</b>					
Payables for acquisition of assets		19,652,527	51,190,196	1,809,596	4,169,409

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
1	General information
2	Basis of preparation of the financial statements
3	Change in accounting policy
4	Impact of fire
5	Significant accounting policies
6	Impact of COVID-19 Outbreak
7	Related parties
8	Cash and cash equivalents
9	Trade accounts receivable
10	Other receivables
11	Inventories
12	Investments in subsidiaries
13	Property, plant and equipment
14	Other non-current assets
15	Interest-bearing liabilities
16	Trade accounts payable
17	Other payables
18	Non-current provisions for employee benefits
19	Share capital
20	Reserves
21	Segment information and disaggregation of revenue
22	Distribution costs
23	Administrative expenses
24	Employee benefit expenses
25	Expenses by nature
26	Finance costs
27	Income tax
28	Basic earnings per share
29	Dividends
30	Financial instruments
31	Commitments with non-related parties
32	Event after the reporting period
33	Thai Financial Reporting Standards (TFRS) not yet adopted
34	Reclassification of accounts

# 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 18 November 2020.

## 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, 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 2020 and 2019 were as explained in Note 12.

## 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 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements. The Group has initial applied TFRS 15 *Revenue from Contracts with Customers* which replaces TAS 18 *Revenue*, TAS 11 *Construction Contracts* and related interpretations. The details of accounting policies are disclosed in note 5 (p).

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 33.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

*(b) Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company's functional currency.

*(c) 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 2020 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 4	Impact of fire;
Note 5 (t) and 27	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
Note 18	Measurement of defined benefit obligations: key actuarial assumptions;
Note 30	Determining the fair value of financial instruments on the basis of significant unobservable inputs.

### **3 Change in accounting policy**

The Group has initially applied TFRS 15 *Revenue from Contracts with Customers* ("TFRS 15") from 1 October 2019. TFRS 15 establishes a comprehensive framework for determining how much and when revenue is recognised.

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amount collected on behalf of third parties, value added tax or other sale taxes and after deduction of any trade discount 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. Under TAS 18, the Group recognised revenue from sale of goods when the significant risks and rewards of ownership of the goods were transferred to the buyer, and recognised revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue was recognised if there was continuing management involvement with the goods or there were significant uncertainties regarding recovery of the consideration due.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

The Group has adopted TFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (1 October 2019). Accordingly, the Group has not restated the information presented for 2019 and presented them as previously reported, under TAS 18 and related interpretations. Additionally, the disclosure requirements under TFRS 15 have not been applied to comparative information.

The detail and quantitative impact of the changes in accounting policies are disclosed as follows:

a. 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.

b. Payment to a customer

The Group makes payments to its retailers for product placement (“slotting fees”), promotion events or advertising. Under TAS 18, the Group recognised such amounts as distribution costs. Under TFRS 15, it is required that the Group will consider whether the Group receives distinct goods or services from the customer. If so, then the Group recognises such payments as an expense when the distinct goods or services are consumed. In contrast, if not, such payments are recognised as a reduction of revenue. If the payment exceeds the fair value of the goods or services received, then the excess is recognised as a reduction of revenue. As a result, this results in decreases in revenue and distribution costs.

The following tables summarise the impacts of initial application of TFRS 15 on the consolidated financial statements:

## Consolidated financial statements

<i>Statement of comprehensive income for the year ended 30 September 2020</i>	Amounts as reported	Adjustments (in million Baht)	Amounts without adoption of TFRS 15
Revenue from sale of goods	10,809	(9)	10,818
Cost of sales of goods	7,248	40	7,208
Distribution costs	1,132	(49)	1,181

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## 4 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. Subsequently in March 2020, the insurance company has finalized the compensation payable for factory asset to the said subsidiary totaling Baht 1,008 million. 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. However, the compensation payable for business interruption that have been affected by fire was still in the process of finalizing the compensation payable to the said subsidiary. 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>	<b>Consolidated financial statements</b>	
	2020	2019
	<i>(in million Baht)</i>	
Insurance reimbursement	293	47
<b>Net reimbursement</b>	<b>293</b>	<b>47</b>
Other expenses relating to the fire	-	(16)
<b>Total expenses relating to the fire</b>	<b>-</b>	<b>(16)</b>
<b>Net arising from the fire</b>	<b>293</b>	<b>31</b>

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## *Insurance reimbursements receivable*

Movements during the year ended 30 September 2020 and 2019 of insurance reimbursements receivable were as follows:

	<b>Consolidated financial statements</b>	
	2020	2019
	<i>(in million Baht)</i>	
At 1 October 2019 and 2018	165	868
Increase	293	47
Insurance reimbursement received	-	(750)
<b>At 30 September</b>	<b>458</b>	<b>165</b>

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

## **5 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Except as explained in note 3.

### **(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.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

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

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

## **(c) 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.

## **(d) Trade and other accounts receivable**

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories. Bad debts are written off when incurred.

## **(e) Inventories**

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

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

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

## **(f) Investments**

### *Investments in subsidiaries*

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



# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## *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.

## **(g) Property, plant and equipment**

### *Recognition and measurement*

#### *Owned assets*

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.

#### *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.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

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

## *Subsequent costs*

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

## *Depreciation*

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

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

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

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

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

## **(h) 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.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## *Subsequent expenditure*

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

## *Amortisation*

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

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

Software licences	10 years
-------------------	----------

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

### **(i) 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.

### **(j) 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.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## *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.

## **(k) Interest-bearing liabilities**

Interest-bearing liabilities are recognised as stated in the agreement.

## **(l) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

## **(m) Employee benefits**

### *Defined contribution plans*

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

### *Defined benefit plans*

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

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

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

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

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

## *Termination benefits*

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

## *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## **(n) Provision**

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

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## **(o) Measurement of fair values**

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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 financial 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 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 or indirectly.
- Level 3: inputs for the asset or liability that are not based on unobservable input.

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

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

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## **(p) Revenue**

### ***Accounting policies for revenue recognition in 2020***

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

#### *Sale of goods and services*

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data. The Group recognises revenue from rendering of services when services are provided.

#### *Customer loyalty programme*

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 recognised as contract liabilities and revenue is recognised when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The stand-alone selling prices of the points is estimated based on discount provided to customers and the likelihood that the customers will redeem the points, and the estimate shall be reviewed at the end of the reporting period.

### ***Accounting policies for revenue recognition in 2019***

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.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## *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.

## **(q) Investment income**

Investment income comprises dividend and interest income. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

## **(r) 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 periods of time to be prepared for its intended use or sale.

## **(s) 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.

## **(t) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.



# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

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.

## **(u) 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.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## **(v) Related parties**

A related party is 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.

## **6 Impact of COVID-19 Outbreak**

In March 2020, in an effort to contain the impact of COVID-19 Outbreak, Bangkok governor and provincial governments decided to temporarily shut down the Group's restaurant service facilities on 23 March 2020. As a result, the Group's business suffered a significant impact during April to May 2020. The Group was not able to sell products and provide services to the customers who would like to dine in the restaurants. However, products can be pick up from the branches or home delivery service.

In this situation, the Group temporarily shut down 5 places of the Group's restaurant service in March 2020 and temporarily shut down 2 additional places in April 2020. However, the temporarily shut down restaurants were open as normal operation in May 2020.

The management is monitoring the situation to ensure the safety of its staff as well as to adapt its services and operations in response to the situation.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## 7 Related parties

Relationships with subsidiaries are described in note 12. 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
Luckchai Liquor Trading 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
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

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

Name of entities	Country of incorporation/ nationality	Nature of relationships
Thai Beverage Training Co., Ltd.	Thailand	Direct subsidiary of parent company
Thai Beverage Recycle 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
Feed Addition 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
C.A.I. Co., Ltd.	Thailand	Direct subsidiary of parent company
Namjai ThaiBev (Social Enterprise) 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 Management 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
Wrangyer Beverage (2008) 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
Petform (Thailand) Co., Ltd.	Thailand	Associate of subsidiary of an indirect subsidiary of parent company

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
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
Adelfos Co., Ltd.	Thailand	Directors and equity holders of parent company are hold substantial shares directly
Amarin Book Center Co., Ltd.	Thailand	Directors and equity holders of parent company are 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
Siriwana Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares directly
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
The Southeast Insurance PLC.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
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
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

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
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
Surasate 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 substantial shares indirectly
Kasemsubsiri Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Thai Malaya Glass Co., Ltd.	Thailand	Directors and controlling equity holders of parent company hold substantial shares indirectly
Dhanasindhi 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 shares indirectly

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

Name of entities	Country of incorporation/ nationality	Nature of relationships
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

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

Transactions	Pricing policies
Purchase and sale of goods	Mutually agreed price by reference to market price
Revenue from rendering of services	Contractually agreed price
Purchase and sale of fixed assets	Mutually agreed price
Purchase and sale of intangible assets	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	Mutually agreed rate base on interest rates of financial institution
Dividend income	Right to receive dividends
Other income and expense	Mutually agreed price
Claim refund from the fire	Standard rate from insurer

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

Year-ended 30 September	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
<b>Parent</b>				
Revenue from sale of goods	1,808	824	348	202
Other income	157	111	140	92
Management fee	12,624	9,360	12,624	9,360
Other expenses	5,923	6,844	3,435	4,426



# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

<i>Year-ended 30 September</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Revenue from sale of goods	-	-	4,611	2,951
Dividend income	-	-	1,070,197	897,998
Interest income	-	-	1,856	6,515
Management service income	-	-	108,259	18,699
Other income	-	-	12,117	16,542
Sale of equipment	-	-	1,204	1,501
Sale of intangible assets	-	-	2,303	-
Purchase of goods	-	-	33,356	54,653
Purchase of equipment	-	-	143	44
Rental expenses	-	-	2,442	3,783
Interest expenses	-	-	4,391	2,967
Other expenses	-	-	27,545	41,538
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	52,682	46,309	47,549	39,076
Post-employment benefits	717	609	558	466
Past service cost for employee benefit from amendment of the Labor Protection Act	-	1,681	-	1,171
<b>Total key management personnel compensation</b>	<b>53,399</b>	<b>48,599</b>	<b>48,107</b>	<b>40,713</b>
<b>Other related parties</b>				
Revenue from sale of goods	4,756,783	5,118,260	276,018	224,059
Revenue from rendering of services	16,383	3,812	-	-
Claim refund from the fire	292,745	47,423	-	-
Sale of equipment	2,784	21,547	-	-
Other income	17,791	20,581	2,828	4,460
Purchase of goods	2,102,767	3,042,887	1,213,137	1,766,367
Purchase of equipment	3,723	10,698	181	182
Management fee	9,480	7,852	7,800	6,172
Rental expenses	138,491	148,485	46,730	57,737
Other expenses	441,953	485,986	125,605	178,869

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## ***Directors' remuneration***

At the annual general meeting of the shareholders of the Company held on 30 January 2020, the shareholders approved the directors' remuneration and bonus for the year 2020 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 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.

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

<b><i>Trade accounts receivable - related parties</i></b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Parent	721	271	196	129
Subsidiaries	-	-	219	237
Other related parties	506,630	570,364	34,921	23,708
<b>Total</b>	<b>507,351</b>	<b>570,635</b>	<b>35,336</b>	<b>24,074</b>

<b><i>Other receivables - related parties</i></b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Parent	15	7	15	7
Subsidiaries	-	-	106,381	9,511
Other related parties*	463,286	194,609	1,728	2,115
<b>Total</b>	<b>463,301</b>	<b>194,616</b>	<b>108,124</b>	<b>11,633</b>

\*As at 30 September 2020, the Group has insurance reimbursements receivable with a related company in totaling Baht 458 million (2019: Baht 165 million) as disclosed in Note 4.

<b><i>Dividend receivable from subsidiaries</i></b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	-	708,998

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

<i>Short-term loans to subsidiaries</i>	Interest rate		Separate financial statements		
	At 30 September (% per annum)	At 1 October	Increase (in thousand Baht)	Decrease (in thousand Baht)	At 30 September
<i>2020</i>					
Subsidiaries	2.20	<u>106,000</u>	550,000	(628,000)	<u>28,000</u>
<i>2019</i>					
Subsidiaries	2.20 - 2.51	<u>610,000</u>	2,258,390	(2,762,390)	<u>106,000</u>

<i>Long-term loan to subsidiary</i>	Interest rate		Separate financial statements		
	At 30 September (% per annum)	At 1 October	Increase (in thousand Baht)	Decrease (in thousand Baht)	At 30 September
<i>2020</i>					
Subsidiary	2.20	<u>-</u>	100,000	-	<u>100,000</u>

<i>Other non-current assets - related parties</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related parties	<u>36,541</u>	<u>34,447</u>	<u>18,335</u>	<u>18,741</u>

<i>Trade accounts payable - related parties</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	3,159	5,414
Other related parties	<u>235,465</u>	<u>309,573</u>	<u>112,549</u>	<u>138,207</u>
<b>Total</b>	<b>235,465</b>	<b>309,573</b>	<b>115,708</b>	<b>143,621</b>

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related parties	<b>690</b>	<b>1,764</b>	-	-

## *Other payables - related parties*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Parent	10,677	6,051	8,015	3,480
Subsidiaries	-	-	10,496	38,782
Other related parties	113,734	134,279	25,545	21,494
<b>Total</b>	<b>124,411</b>	<b>140,330</b>	<b>44,056</b>	<b>63,756</b>

<i>Short-term loan from subsidiaries</i>	<b>Interest rate</b>		<b>Separate financial statements</b>		
	At 30 September (% per annum)	At 1 October	Increase (in thousand Baht)	Decrease (in thousand Baht)	At 30 September
<b>2020</b>					
Subsidiaries	2.20	<b>565,000</b>	1,859,200	(2,424,200)	-
<b>2019</b>					
Subsidiaries	2.20	-	1,307,000	(742,000)	<b>565,000</b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Parent	1,499	1,580	339	345
Other related party	74	475	-	-
<b>Total</b>	<b>1,573</b>	<b>2,055</b>	<b>339</b>	<b>345</b>

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

<i>Commitments with related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Capital commitments</b>				
<i>Contracted but not provided for:</i>				
Machinery and equipment	-	2,306	-	-
<b>Future minimum lease payment under non-cancellable operating lease</b>				
Within one year	53,804	39,081	29,222	21,690
After one year but within five years	26,508	20,698	12,357	8,141
<b>Total</b>	<b>80,312</b>	<b>59,779</b>	<b>41,579</b>	<b>29,831</b>
<b>Other commitments</b>				
Service agreements	70,160	98,837	17,158	20,102
Purchase orders for goods and supplies	51,465	34,259	25,296	4,422
Advertise contracts	12	4,711	12	167
Others	8,819	15,062	7,532	13,869
<b>Total</b>	<b>130,456</b>	<b>152,869</b>	<b>49,998</b>	<b>38,560</b>

## *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 2020 to 2023. 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.

Oishi Trading Co., Ltd. ("lessee"), the Company's subsidiary, entered into a land and together with construction thereon lease agreement in Saraburi province with a related company ("lessor"). The agreement is for a period of three years from 1 September 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.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

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 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 agreements are for a period of three years from 23 May 2017 to 22 May 2020. The Company and the said subsidiaries entered the new agreements with a party. The agreements are for a period of one year and seven months, effect from 23 May 2020 to 31 December 2021. The Company and the said subsidiaries are committed to pay rental and service fee on the rates as stipulated in the agreements.

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. Subsequently, the said subsidiary entered the new agreement with a party. The agreement is for a period of three years from 1 August 2020 to 31 July 2023 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.

## *Online distribution system service agreement*

The Company and Oishi Ramen Co., Ltd., the Company’s subsidiary, entered into the online distribution system service agreement with Oishi Delivery Co., Ltd., the Company’s subsidiary. This agreement is from 1 April 2020 to 30 September 2022. The service fee is stipulated in the agreement. 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 30 days prior to the expiration of the initial term or any renewal term.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## *Sale and purchase sauce agreement*

Oishi Food Service Co., Ltd., the Company's subsidiary, entered into the sale and purchase sauce agreement with a related company for providing, manufacturing and distributing. This agreement is for a period of one year, effect from 1 January 2020 to 31 December 2020 according to the terms and conditions as stipulated in the agreement.

## ***Other agreements***

### *Sales distributor appointment agreements*

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 are for a period of three years, effective from 1 January 2020 to 31 December 2022. The renewals are subject to receipt of written notice to renew the agreements at least six months prior to the expiry date.

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 is 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 is 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 is 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 is for a period of one

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

year and two months, effective from 1 August 2019 to 30 September 2020. Subsequently on 1 October 2020, the Company entered the new agreement with a party at the price and conditions as stipulated in the agreement. The agreement is for a period of two years, effective from 1 October 2020 to 30 September 2022. The renewals are subject to receipt of written notice to renew the agreement at least 90 days prior to the expiry date. The new agreement is currently being considered and signed by the Company and the party.

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 is 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 is 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 is 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.

## *Service agreement*

The Company entered into a service agreement with Oishi Delivery Co., Ltd., the Company's subsidiary, for providing accounting service and operation of business. The agreement is for a period of two years and six months from 1 April 2020 to 30 September 2022. The Company agreed to charge a service fee monthly based on the rates as stipulated in the agreement.



# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## *Business consulting service agreement*

The Company entered into a business consulting service agreement with Oishi Trading Co., Ltd., the Company's subsidiary, for providing service in management and operation of business. The agreement is for a period of three years from 1 October 2019 to 30 September 2022. The Company agreed to charge a service fee monthly based on the rates as stipulated in the agreement.

## *Purchase and sale agreements*

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 1 July 2018 to 30 June 2021.

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 is 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 is for a period of one year, effective from 1 October 2019 to 30 September 2020. Subsequently on 24 September 2020, the said subsidiary entered the new agreement with a party. The agreement is for a period of one year, effective from 1 October 2020 to 30 September 2021 at the price and conditions as stipulated in the agreement. The new agreement is currently being considered and signed by the Company and the party.

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 is for a period of one year and one hundred and thirty-three days, effective from 20 May 2019 to 30 September 2020. Subsequently on 1 October 2020, the Company entered the new agreement with a party at the price and conditions as stipulated in the agreement. The agreement is for a period of three years, effective from 1 October 2020 to 30 September 2023. 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.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## *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*

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. 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. Subsequently on 11 December 2019, the said subsidiary entered the new agreement with a party. The agreement is for a period of three years, effective from 1 December 2019 to 30 November 2022. The said subsidiary agreed to pay the service fee monthly at the rate as stipulated in the said agreement.

## *Service agreement*

The Company entered into a service agreement with Oishi Ramen Co., Ltd., the Company's subsidiary, for providing service in restaurant business. The agreement is for a period of one year from 1 January 2019 to 31 December 2019 with service fee as stipulated in the agreement. Subsequently, the parties have entered the new agreement. The agreement is for a period of one year from 1 January 2020 to 31 December 2020 with service fee as stipulated 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. Subsequently on 1 October 2020, the said subsidiary has entered the new agreement with a party at the price and conditions as stipulated in the agreement. The agreement is for a period of three years, effective from 1 October 2020 to 30 September 2023. 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 180 days prior to the expiration of the initial term or any renewal term.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## *Trade mark licence agreements*

The Company entered into trade marks 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 products in Malaysia, Brunei and Singapore with the fees and conditions as specified in the agreement. The agreement is for a period of three years up to 31 December 2019. Subsequently, the Company and related companies have agreed to extend the term for a further of three months up until 31 March 2020. At the expiry date, the Company entered the new agreement with a party. The agreement is for a period of five years and six months, effective from 1 April 2020 to 30 September 2025 on the same terms and conditions as stipulated in the agreement.

## *Sale and purchase of material and package agreement*

On 1 September 2018, 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 agreement. The agreement is 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. Subsequently on 1 October 2019, the Company entered the new agreement with a party. The agreement is for a period of three months, effective from 1 October 2019 to 31 December 2019 according to the terms and conditions as stipulated in the agreement. Subsequently on 1 December 2019, the Company entered the new agreement with a party. The agreement is for a period of two months, effective from 1 January 2020 to 29 February 2020, Subsequently on 1 March 2020, the Company entered the new agreement with a party. The agreement is for a period of three years, effective from 1 March 2020 to 28 February 2023 according to the terms and conditions as stipulated in the agreement.

## *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 and quality inspection of goods and services to the Company and said subsidiary. This agreement is for a period of three years, effective from 1 October 2019 to 30 September 2022. 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.

## *Transportation agreements*

Oishi Food Service Co., Ltd., the Company's subsidiary, entered into transportation agreements with a related company. The agreements are for a period of two years, effective from 26 June 2019 to 25 June 2021 according to the transportation fee as stipulated in the agreements.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## *Sale and purchase of recycled materials agreement*

The Company entered into the sale and purchase of recycled materials agreement with a related company. This agreement is for a period of one year, effect from 1 October 2019 to 30 September 2020 according to the prices as stipulated in the agreement.

## 8 Cash and cash equivalents

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	12,585	15,969	6,147	8,690
Cash at banks - current accounts	13,282	15,036	56	56
Cash at banks - savings accounts	1,100,882	679,180	161,649	23,897
<b>Total</b>	<b>1,126,749</b>	<b>710,185</b>	<b>167,852</b>	<b>32,643</b>

## 9 Trade accounts receivable

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Note	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Related parties	7	507,351	570,635	35,336	24,074
Other parties		123,573	115,525	3,762	6,599
<b>Total</b>		<b>630,924</b>	<b>686,160</b>	<b>39,098</b>	<b>30,673</b>

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

Aging analyses for trade accounts receivable were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Related parties</b>				
Within credit terms	467,051	504,336	34,931	23,900
Overdue:				
Less than 3 months	39,888	61,630	282	51
3 - 6 months	4	4,526	-	-
6 - 12 months	145	117	-	97
Over than 12 months	263	26	123	26
<b>Total</b>	<b>507,351</b>	<b>570,635</b>	<b>35,336</b>	<b>24,074</b>
<b>Other parties</b>				
Within credit terms	100,426	89,419	2,637	5,595
Overdue:				
Less than 3 months	16,263	22,121	624	448
3 - 6 months	2,867	1,057	-	1
6 - 12 months	1,223	1,061	47	12
Over than 12 months	2,794	1,867	454	543
<b>Total</b>	<b>123,573</b>	<b>115,525</b>	<b>3,762</b>	<b>6,599</b>
<b>Grand total</b>	<b>630,924</b>	<b>686,160</b>	<b>39,098</b>	<b>30,673</b>

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

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## 10 Other receivables

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Related parties	7	463,301	194,616	108,124	11,633
Other parties					
Prepaid expenses		16,032	30,495	6,375	10,255
Others		28,909	24,976	4,908	3,803
Total		508,242	250,087	119,407	25,691

## 11 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Finished goods	206,011	187,538	1,526	1,039
Work in progress	11,886	12,070	-	-
Raw materials	164,385	203,788	25,233	29,156
Production supplies	19,897	16,969	5,938	5,084
Spare parts	96,716	43,807	-	-
	498,895	464,172	32,697	35,279
Less allowance for obsolete and deteriorated inventories	(742)	(13,315)	-	-
<b>Net</b>	<b>498,153</b>	<b>450,857</b>	<b>32,697</b>	<b>35,279</b>
Inventories recognised as an expense in 'cost of sale of goods':				
- Cost	7,247,383	8,752,861	1,629,816	2,386,452
- Write-down to net realisable value	807	4,616	-	-
<b>Net</b>	<b>7,248,190</b>	<b>8,757,477</b>	<b>1,629,816</b>	<b>2,386,452</b>

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## 12 Investments in subsidiaries

	<b>Separate financial statements</b>	
	<b>2020</b>	<b>2019</b>
	<i>(in thousand Baht)</i>	
At 1 October 2019 and 2018	1,590,081	1,593,823
Increase in subsidiary's share capital	1,000	5,479
Allowance for impairment	(10,006)	(9,221)
<b>At 30 September</b>	<b>1,581,075</b>	<b>1,590,081</b>

There are no acquisitions and disposals of investments in subsidiaries during the year ended 30 September 2020.

On 14 December 2018, Oishi International Holdings Limited, a direct subsidiary of the Company, increased its authorised 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 authorised 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 authorised 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).

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).

# Notes To The Financial Statements

Oishi Group Public Company Limited and Its Subsidiaries

Investments in subsidiaries as at 30 September 2020 and 2019, and dividend income from those investments for the years then ended, were as follows:

Separate financial statements													
Type of business	Country of operation	Ownership interest		Paid-up capital		Cost		Impairment		At cost - Net		Dividend income	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		(%)		(in thousands)				(in thousand Baht)					
Direct subsidiaries													
	Oishi Trading Co., Ltd.	99.99	99.99	Baht 420,000	Baht 420,000	420,000	420,000	-	-	420,000	420,000	991,198	818,998
	Oishi Ramen Co., Ltd.	99.99	99.99	Baht 158,000	Baht 158,000	158,000	158,000	-	-	158,000	158,000	78,999	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 Delivery Co., Ltd.	99.99	-	Baht 1,000	-	1,000	-	-	-	1,000	-	-	-
	Oishi International Holdings Limited												
		100.00	100.00	HKD 13,000	HKD 13,000	55,586	55,586	(53,509)	(43,503)	2,077	12,083	-	-
Total						1,634,584	1,633,584	(53,509)	(43,503)	1,581,075	1,590,081	1,070,197	897,998

## Indirect subsidiaries

Oishi F&B (Singapore) Pte. Ltd.	Brand management and consulting services	Singapore	100.00	100.00	SGD 2,125	SGD 2,125
Oishi Myanmar Limited	Japanese restaurant	Myanmar	55.00	55.00	USD 3,000	USD 3,000
Oishi Group Limited Liability Company	Marketing management consulting services	Vietnam	100.00	100.00	USD 50	USD 50

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



# Notes To The Financial Statements

Oishi Group Public Company Limited and Its Subsidiaries

## 13 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>Cost/ revaluation</i>											
At 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)
<b>At 30 September 2019 and</b>											
1 October 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
Additions	-	-	5,846	3,429	26,526	34,886	14,590	3,886	-	164,024	253,187
Transfers	-	-	20,836	50,568	49,070	43,415	20,829	6,478	-	(191,196)	-
Disposals/written-off	-	-	(30,165)	(55,714)	(45,258)	(296,983)	(22,074)	(6,703)	(3)	-	(456,900)
<b>At 30 September 2020</b>	<b>663,126</b>	<b>39,832</b>	<b>2,123,215</b>	<b>928,332</b>	<b>1,943,214</b>	<b>6,077,855</b>	<b>537,115</b>	<b>168,496</b>	<b>3,890</b>	<b>20,346</b>	<b>12,505,421</b>

(in thousand Baht)

# 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
<i>(in thousand Baht)</i>											
<b>Depreciation and impairment losses</b>											
At 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
Impairment losses*	-	-	-	-	-	-	-	-	-	(4,565)	(4,565)
Disposals/written-off	-	-	(108,148)	(44,543)	(39,874)	(33,095)	(13,619)	(6,424)	-	-	(245,703)
<b>At 30 September 2019 and</b>											
<b>1 October 2019</b>	-	<b>21,489</b>	<b>831,147</b>	<b>732,873</b>	<b>1,229,414</b>	<b>3,478,574</b>	<b>400,141</b>	<b>126,271</b>	<b>3,581</b>	-	<b>6,823,490</b>
Depreciation charge for the year	-	3,203	98,871	78,609	156,189	413,394	49,403	15,414	37	-	815,120
Disposals/written-off	-	-	(30,406)	(54,782)	(45,574)	(294,748)	(21,686)	(6,599)	(2)	-	(453,797)
<b>At 30 September 2020</b>	-	<b>24,692</b>	<b>899,612</b>	<b>756,700</b>	<b>1,340,029</b>	<b>3,597,220</b>	<b>427,858</b>	<b>135,086</b>	<b>3,616</b>	-	<b>7,184,813</b>

\*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 and written-off some of assets totaling Baht 171 million (2019: Baht 89 million).

# Notes To The Financial Statements

Oishi Group Public Company Limited and Its Subsidiaries

## Consolidated financial statements

<i>Net book value</i>		<i>(in thousand Baht)</i>							Total
<i>Owned assets</i>		Land	Land improvements	Buildings and building improvements	Decoration	Internal systems	Tools and machinery for manufacturing	Office equipment, furniture and fixtures	
At 1 October 2018	663,126	20,447	1,255,778	208,974	685,272	2,399,308	125,197	43,070	5,923,901
At 30 September 2019 and 1 October 2019	663,126	18,343	1,295,551	197,176	683,462	2,817,963	123,629	38,564	5,885,644
At 30 September 2020	663,126	15,140	1,223,603	171,632	603,185	2,480,635	109,257	33,410	5,320,608

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 30 September 2020 amounted to Baht 2,913.59 million (2019: Baht 2,441.73 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
<b>Cost</b>									
At 1 October 2018	540,316	506,696	499,154	475,476	232,944	94,137	320	445	1,874,012
Additions	2,895	350	4,270	4,245	7,421	804	-	28,525	44,265
Transfers	7,993	4,153	10,491	7,050	4,082	2,251	-	(28,970)	-
Disposals/written-off	(45,041)	(37,717)	(38,439)	(20,835)	(14,383)	(6,964)	-	-	(142,544)
<b>At 30 September 2019 and 1 October 2019</b>	<b>506,163</b>	<b>473,482</b>	<b>475,476</b>	<b>475,476</b>	<b>230,064</b>	<b>90,228</b>	<b>320</b>	<b>-</b>	<b>1,775,733</b>
Additions	1,037	313	4,245	4,245	5,862	981	-	25,205	37,643
Transfers	7,151	5,251	7,050	7,050	3,977	1,776	-	(25,205)	-
Disposals/written-off	(32,637)	(29,224)	(20,835)	(20,835)	(15,957)	(4,586)	-	-	(103,239)
<b>At 30 September 2020</b>	<b>481,714</b>	<b>449,822</b>	<b>465,936</b>	<b>465,936</b>	<b>223,946</b>	<b>88,399</b>	<b>320</b>	<b>-</b>	<b>1,710,137</b>
<b>Depreciation</b>									
At 1 October 2018	489,771	470,487	451,759	451,759	191,390	78,607	320	-	1,682,334
Depreciation charge for the year	23,128	17,177	21,341	21,341	16,438	6,582	-	-	84,666
Disposals	(44,326)	(37,420)	(37,452)	(37,452)	(14,145)	(6,587)	-	-	(139,930)
<b>At 30 September 2019 and 1 October 2019</b>	<b>468,573</b>	<b>450,244</b>	<b>435,648</b>	<b>435,648</b>	<b>193,683</b>	<b>78,602</b>	<b>320</b>	<b>-</b>	<b>1,627,070</b>
Depreciation charge for the year	15,418	9,918	15,291	15,291	14,475	5,300	-	-	60,402
Transfers	-	-	(84)	(84)	84	-	-	-	-
Disposals/written-off	(32,167)	(29,196)	(20,288)	(20,288)	(15,252)	(4,425)	-	-	(101,328)
<b>At 30 September 2020</b>	<b>451,824</b>	<b>430,966</b>	<b>430,567</b>	<b>430,567</b>	<b>192,990</b>	<b>79,477</b>	<b>320</b>	<b>-</b>	<b>1,586,144</b>
<b>Net book value</b>									
<b>Owned assets</b>									
At 1 October 2018	50,545	36,209	47,395	47,395	41,554	15,530	-	445	191,678
At 30 September 2019 and 1 October 2019	37,590	23,238	39,828	39,828	36,381	11,626	-	-	148,663
At 30 September 2020	29,890	18,856	35,369	35,369	30,956	8,922	-	-	123,993

The gross amount of the Company's fully depreciated equipment that was still in use as at 30 September 2020 amounted to Baht 1,433.45 million (2019: Baht 1,459.46 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.

	<b>Consolidated financial statements</b>	
	2020	2019
	<i>(in million Baht)</i>	
Balance at 1 October 2019 / 2018	663	663
<b>Credited other comprehensive income</b>		
Revaluation of land	-	-
<b>Balance at 30 September</b>	<b>663</b>	<b>663</b>

### *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.

<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between key unobservable inputs and fair value measurement</b>
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

## 14 Other non-current assets

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
<b>Related parties</b>					
Deposits	7	36,541	34,447	18,335	18,741
<b>Other parties</b>					
Deposits		245,808	234,792	148,625	144,507
Receivable from Revenue					
Department		10,651	30,498	-	2,071
Others		2,018	1,971	100	2
<b>Total</b>		<b>295,018</b>	<b>301,708</b>	<b>167,060</b>	<b>165,321</b>

## 15 Interest-bearing liabilities

As at 30 September 2020, the Group had unutilised credit facilities totaling Baht 2,975.95 million and USD 1.50 million (2019: Baht 2,973.95 million and USD 2.85 million) and the Company had unutilised credit facilities totaling Baht 2,685.95 million (2019: Baht 2,653.95 million).

## 16 Trade accounts payable

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Related parties	7	235,465	309,573	115,708	143,621
Other parties		274,209	303,784	9,952	17,639
<b>Total</b>		<b>509,674</b>	<b>613,357</b>	<b>125,660</b>	<b>161,260</b>

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## 17 Other payables

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
<b>Related parties</b>	<b>7</b>	<b>124,411</b>	<b>140,330</b>	<b>44,056</b>	<b>63,756</b>
<b>Other parties</b>					
Personnel expenses		166,662	251,905	85,060	140,501
Utilities expenses		151,655	43,785	69,879	12,101
Accrued expenses		126,001	97,325	13,655	11,698
Marketing expenses		74,121	123,214	7,439	5,621
Advances received		55,212	29,468	15,157	20,173
Rental expenses		26,973	25,136	10,396	9,756
Retention		15,116	18,035	1,461	1,266
Maintenance expenses		14,981	2,941	-	-
Others		81,123	115,453	14,953	16,324
<b>Total</b>		<b>836,255</b>	<b>847,592</b>	<b>262,056</b>	<b>281,196</b>

## 18 Non-current provisions for employee benefits

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Statement of financial position:</b>				
<b>Non-current provisions for:</b>				
Post-employment benefits				
- Defined benefit plan	<b>177,509</b>	<b>150,343</b>	<b>101,296</b>	<b>90,779</b>
<b>Year ended 30 September</b>				
<b>Statement of comprehensive income:</b>				
<b>Recognised in profit or loss:</b>				
Post-employment benefits				
- Defined benefit plan	<b>18,174</b>	<b>37,131</b>	<b>10,670</b>	<b>22,489</b>
<b>Recognised in other comprehensive income:</b>				
Actuarial losses recognised in the year	<b>11,343</b>	<b>26,481</b>	<b>4,547</b>	<b>15,549</b>
Cumulative actuarial losses recognised	<b>58,599</b>	<b>47,255</b>	<b>24,644</b>	<b>20,097</b>

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## 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.

<b>Present value of the defined benefit obligations</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 October 2019 and 2018	150,343	87,535	90,779	54,939
<b>Include in profit or loss</b>				
Current service cost	15,768	12,301	9,217	7,639
Past service cost	-	21,770	-	12,949
Interest on obligation	2,406	3,060	1,453	1,901
	<b>18,174</b>	<b>37,131</b>	<b>10,670</b>	<b>22,489</b>
<b>Include in other comprehensive income</b>				
Actuarial losses				
- Financial assumptions	2,085	15,620	1,117	9,030
- Experience adjustment	9,258	10,861	3,430	6,519
	<b>11,343</b>	<b>26,481</b>	<b>4,547</b>	<b>15,549</b>
<b>Others</b>				
Transfer from related companies	288	11	3,089	721
Transfer to related companies	(699)	(395)	(6,357)	(2,830)
Benefit paid	(1,940)	(420)	(1,432)	(89)
	<b>(2,351)</b>	<b>(804)</b>	<b>(4,700)</b>	<b>(2,198)</b>
<b>At 30 September</b>	<b>177,509</b>	<b>150,343</b>	<b>101,296</b>	<b>90,779</b>

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 has 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 well as past service cost recognised increased.



# 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).

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	(%)			
Discount rate	1.50	1.60	1.50	1.60
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 2020, the weighted-average duration of the defined benefit obligation was 10 years (2019: 10 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.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Increase	Decrease	Increase	Decrease
	(in thousand Baht)			
<b>At 30 September 2020</b>				
Discount rate (0.5% movement)	(10,104)	10,944	(5,418)	5,851
Future salary growth (0.5% movement)	10,461	(9,780)	5,593	(5,244)
<b>At 30 September 2019</b>				
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)

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

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## 19 Share capital

Consolidated/Separated financial statement					
Par value per share (in Baht)		2020		2019	
		Number	Baht	Number	Baht
(thousand shares/thousand Baht)					
<b>Authorised</b>					
At 1 October 2019 and 2018					
- ordinary shares	2	187,500	375,000	187,500	375,000
Reduction in par value					
- from Baht 2 to Baht 1	1	187,500	-	-	-
<b>At 30 September</b>					
- ordinary shares	2	-	-	187,500	375,000
- ordinary shares	1	375,000	375,000	-	-
<b>Issued and paid-up</b>					
At 1 October 2019 and 2018					
- ordinary shares	2	187,500	375,00	187,500	375,000
Reduction in par value					
- from Baht 2 to Baht 1	1	187,500	-	-	-
<b>At 30 September</b>					
- ordinary shares	2	-	-	187,500	375,000
- ordinary shares	1	375,000	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.

### Reduction in par value

At the annual general meeting of the shareholders of the Company held on 30 January 2020, the shareholders approved a change of its Par Value, from the original value of Baht 2 per share to Baht 1 per share and approved the amendment Memorandum of Association as to reflect such change in the Par Value. This will result in the increase in number of ordinary shares, from 187.50 million shares to 375.00 million shares. In addition, the registered and paid-up capital of the Company will remain the same at Baht 375.00 million. The Company has completed the registration process with regards to the change in Par Value with the Department of the Business Development, Ministry of Commerce on 31 January 2020.

### Share premium

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

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## 20 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.

## 21 Segment information and disaggregation of revenue

The Group has two reportable segments, as described below, which are the Group’s strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments.

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

Information regarding the results of each reportable segment is included below. Performance is measured based on segment net profit, as included in the internal management reports that are reviewed by the Group’s chief operating decision maker. Segment net profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## Information about reportable segments

<i>For the year ended 30 September</i>	<b>Consolidated financial statements</b>					
	<b>Food Segment</b>		<b>Beverage Segment</b>		<b>Total reportable segments</b>	
	2020	2019	2020	2019	2020	2019
	<i>(in million Baht)</i>					
<b>Information about reportable segments</b>						
Related parties	352	87	4,423	5,032	4,775	5,119
Other parties	4,651	7,044	1,581	1,468	6,232	8,512
<b>Total revenue</b>	<b>5,003</b>	<b>7,131</b>	<b>6,004</b>	<b>6,500</b>	<b>11,007</b>	<b>13,631</b>
<b>Disaggregation of revenue</b>						
<b>Primary geographical markets</b>						
Thailand	4,965	7,065	4,850	5,082	9,815	12,147
Overseas	38	66	1,154	1,418	1,192	1,484
<b>Total revenue</b>	<b>5,003</b>	<b>7,131</b>	<b>6,004</b>	<b>6,500</b>	<b>11,007</b>	<b>13,631</b>
<b>Timing of revenue recognition</b>						
At a point in time	5,003	7,131	6,004	6,500	11,007	13,631
Other income	23	23	37	45	60	68
Claim refund from the fire	-	-	293	47	293	47
Interest income	-	2	6	8	6	10
Interest expense	-	-	-	21	-	21
Depreciation and amortisation	302	343	526	528	828	871
Profit (loss) before income tax	(243)	451	1,257	852	1,014	1,303
Tax expense (income)	(60)	91	8	(17)	(52)	74
Net profit (loss)	(183)	360	1,249	869	1,066	1,229
Capital expenditure	202	293	61	557	263	850
Segment assets	2,449	2,266	6,119	6,141	8,568	8,407
Segment liabilities	893	986	714	782	1,607	1,768

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

<i>For the year ended 30 September</i>	<b>Separated financial statements</b>				<b>Total reportable segments</b>	
	<b>Food Segment</b>		<b>Beverage Segment</b>			
	2020	2019	2020	2019	2020	2019
	<i>(in million Baht)</i>					
<b>Disaggregation of revenue</b>						
<b>Primary geographical markets</b>						
Thailand	2,445	4,015	275	224	2,720	4,239
Overseas	-	-	-	-	-	-
<b>Total revenue</b>	<b>2,445</b>	<b>4,015</b>	<b>275</b>	<b>224</b>	<b>2,720</b>	<b>4,239</b>
<b>Timing of revenue recognition</b>						
At a point in time	2,445	4,015	275	224	2,720	4,239

## **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**

	<b>Consolidated financial statements</b>			
	<b>Revenue</b>		<b>Property, plant and equipment</b>	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Thailand	10,172	12,175	5,314	5,878
Overseas	1,194	1,582	7	8
<b>Total</b>	<b>11,366</b>	<b>13,757</b>	<b>5,321</b>	<b>5,886</b>

## **Major customer**

Revenue from major customers of the Group's food and drink segments for the year ended 30 September 2020 represents approximately Baht 3,923 million (2019: Baht 3,566 million) of the Group's total revenues.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## ***Promotional privileges Annoucement of Board of Investment No. Por. 14/2541 dated 30 December 1998***

The Group has been granted promotional certificates by the Office of the Board of Investment for the production of beverages from plants, vegetables, and fruits in seal containers. The Group has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

<b><i>For the year ended 30 September</i></b>	<b>Consolidated financial statements</b>					
	<b>2020</b>			<b>2019</b>		
	Promoted business	Non-promoted business	Total	Promoted business	Non-promoted business	Total
	<i>(in million Baht)</i>					
Local sales	4,067	5,748	9,815	4,199	7,948	12,147
Export sales	1,142	50	1,192	1,474	10	1,484
<b>Total</b>	<b>5,209</b>	<b>5,798</b>	<b>11,007</b>	<b>5,673</b>	<b>7,958</b>	<b>13,631</b>

## **22 Distribution costs**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<i>(in thousand Baht)</i>			
Rental and space service expenses	527,111	653,170	296,201	394,324
Advertising and promotion expenses	396,526	655,000	86,298	153,169
Personnel expenses	66,259	67,073	37,470	36,724
Transportation expenses	50,121	53,146	1,848	339
Fee and service expenses	12,757	8,408	9,604	6,381
Others	78,891	59,890	39,746	28,693
<b>Total</b>	<b>1,131,665</b>	<b>1,496,687</b>	<b>471,167</b>	<b>619,630</b>

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## 23 Administrative expenses

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Personnel expenses	907,888	1,085,180	580,782	739,315
Office expenses	239,006	279,199	132,354	170,186
Depreciation and amortisation	234,498	276,814	49,387	67,578
Idle cost	139,919	135,727	-	-
Hire and service expenses	112,709	130,044	72,736	86,138
Rental expenses	45,838	45,796	27,585	27,898
Others	151,970	129,856	80,298	73,693
<b>Total</b>	<b>1,831,828</b>	<b>2,082,616</b>	<b>943,142</b>	<b>1,164,808</b>

## 24 Employee benefit expenses

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Note	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Salaries and wages		1,388,155	1,540,851	624,459	758,912
Remuneration		30,010	25,889	30,010	25,889
Defined benefit plans	18	18,174	15,361	10,670	9,540
Past service cost for employee benefit from amendment of the Labor Protection Act	18	-	21,770	-	12,949
Defined contribution plans		18,362	16,746	9,450	9,266
Others		280,000	387,671	113,900	212,154
<b>Total</b>		<b>1,734,701</b>	<b>2,008,288</b>	<b>788,489</b>	<b>1,028,710</b>

### *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.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## 25 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:

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in progress		(18,289)	(10,373)	(487)	(222)
Raw materials and consumables used		4,961,066	6,297,323	1,120,896	1,833,798
Employee benefit expenses		1,695,694	1,976,588	788,489	1,028,710
Depreciation and amortisation		804,899	852,229	65,635	90,023
Excised tax used		761,315	779,337	-	-
Rental expenses		643,900	771,958	348,508	451,258
Utilities expenses		457,468	498,392	121,224	157,366
Advertising and promotion expenses		396,526	655,000	86,298	153,169
Spare parts and maintenance expense		177,429	236,384	30,903	36,035
Idle cost	23	139,919	135,727	-	-
Transportation expenses		56,544	60,317	3,270	1,782
Finance costs	26	156	20,780	4,547	23,747
Loss from the fire	4	-	15,642	-	-
Others		275,248	164,648	479,389	431,920
<b>Total expenses</b>		<b>10,351,875</b>	<b>12,453,952</b>	<b>3,048,672</b>	<b>4,207,586</b>

## 26 Finance costs

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
<b>Interest expense</b>					
Subsidiaries	7	-	-	4,391	2,967
Financial institutions		156	20,780	156	20,780
<b>Total</b>		<b>156</b>	<b>20,780</b>	<b>4,547</b>	<b>23,747</b>



# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## 27 Income tax

### Income tax recognised in profit or loss

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Current tax expense</b>				
Current year	35	57,368	-	23,576
Under provided in prior year	3,683	5,927	3,683	851
	<b>3,718</b>	<b>63,295</b>	<b>3,683</b>	<b>24,427</b>
<b>Deferred tax expense</b>				
Movements in temporary differences	(2,297)	(911)	(1,902)	(7,398)
Benefit of tax losses recognised	(53,702)	11,394	(42,081)	-
	<b>(55,999)</b>	<b>10,483</b>	<b>(43,983)</b>	<b>(7,398)</b>
<b>Total income tax</b>	<b>(52,281)</b>	<b>73,778</b>	<b>(40,300)</b>	<b>17,029</b>

### Income tax recognised in other comprehensive income

	<b>Consolidated financial statements</b>					
	2020		2019			
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
	<i>(in thousand Baht)</i>					
Defined benefit plan actuarial losses	<b>(11,343)</b>	<b>3,272</b>	<b>(8,071)</b>	<b>(26,481)</b>	<b>5,296</b>	<b>(21,185)</b>

	<b>Separate financial statements</b>					
	2020		2019			
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
	<i>(in thousand Baht)</i>					
Defined benefit plan actuarial losses	<b>(4,547)</b>	<b>909</b>	<b>(3,638)</b>	<b>(15,549)</b>	<b>3,110</b>	<b>(12,439)</b>

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## Reconciliation of effective tax rate

	Consolidated financial statements			
		2020		2019
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before total income tax expense		1,013,671		1,302,677
Income tax using the Thai corporation tax rate	20.00	202,734	20.00	260,535
Income not subject to tax		(254,837)		(187,849)
Income tax reduction - current		(72)		-
Expenses for tax incentive		(14,402)		(13,830)
Expenses not deductible for tax purposes		4,302		6,373
Under provided in prior year		3,683		5,927
Current year losses for which no deferred tax asset was recognised		1,749		2,622
Recognition of previously unrecognised tax losses		9,649		-
Others		(5,087)		-
<b>Total</b>	<b>(5.16)</b>	<b>(52,281)</b>	<b>5.66</b>	<b>73,778</b>

	Separate financial statements			
		2020		2019
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before total income tax expense		877,356		993,779
Income tax using the Thai corporation tax rate	20.00	175,471	20.00	198,756
Income not subject to tax		(214,039)		(179,599)
Expenses for tax incentive		(3,517)		(3,377)
Under provided in prior year		3,683		851
Expenses not deductible for tax purposes		2,286		398
Others		(4,184)		-
<b>Total</b>	<b>(4.59)</b>	<b>(40,300)</b>	<b>1.71</b>	<b>17,029</b>

Deferred tax assets and liabilities At 30 September	Consolidated financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
		(in thousand Baht)		
Total	96,942	37,671	(51,184)	(51,184)
Set off of tax	(23,617)	(16,264)	23,617	16,264
<b>Net deferred tax assets (liabilities)</b>	<b>73,325</b>	<b>21,407</b>	<b>(27,567)</b>	<b>(34,920)</b>

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

<i>Deferred tax assets and liabilities</i> <i>At 30 September</i>	<b>Separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Deferred tax assets</b>	<b>72,057</b>	<b>27,165</b>	<b>-</b>	<b>-</b>

Movements in deferred tax balances are as follows:

	<b>Consolidated financial statements</b>		
	<b>(Charged) / Credited to:</b>		
	<b>At 1 October 2019</b>	<b>Profit or loss Other comprehensive income</b>	<b>At 30 September 2020</b>
	<i>(in thousand Baht)</i>		
<b>Deferred tax assets</b>			
Inventories	14	(14)	-
Defined employee benefit obligations	24,075	708	28,055
Tax loss carry forward	10,493	53,702	64,195
Others	3,089	1,603	4,692
<b>Total</b>	<b>37,671</b>	<b>55,999</b>	<b>96,942</b>
<b>Deferred tax liabilities</b>			
Revaluation surplus on land	(41,184)	-	(41,184)
Provision for insurance reimbursement from fire	(10,000)	-	(10,000)
<b>Total</b>	<b>(51,184)</b>	<b>-</b>	<b>(51,184)</b>
<b>Net</b>	<b>(13,513)</b>	<b>55,999</b>	<b>45,758</b>

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

	At 1 October 2018	Consolidated financial statements (Charged) / Credited to:		At 30 September 2019
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>Deferred tax assets</b>				
Inventories	397	(383)	-	14
Defined employee benefit obligations	13,836	4,943	5,296	24,075
Tax loss carry forward	21,887	(11,394)	-	10,493
Others	382	2,707	-	3,089
<b>Total</b>	<b>36,502</b>	<b>(4,127)</b>	<b>5,296</b>	<b>37,671</b>
<b>Deferred tax liabilities</b>				
Revaluation surplus on land	(41,184)	-	-	(41,184)
Provision for insurance reimbursement from fire	(3,644)	(6,356)	-	(10,000)
<b>Total</b>	<b>(44,828)</b>	<b>(6,356)</b>	<b>-</b>	<b>(51,184)</b>
<b>Net</b>	<b>(8,326)</b>	<b>(10,483)</b>	<b>5,296</b>	<b>(13,513)</b>

	At 1 October 2019	Separate financial statements (Charged) / Credited to:		At 30 September 2020
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>Deferred tax assets</b>				
Defined employee benefit obligations	16,744	577	909	18,230
Investments in subsidiaries	8,701	2,001	-	10,702
Tax loss carry forward	-	42,081	-	42,081
Others	1,720	(676)	-	1,044
<b>Total</b>	<b>27,165</b>	<b>43,983</b>	<b>909</b>	<b>72,057</b>

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

	At 1 October 2018	Separate financial statements (Charged) / Credited to:		At 30 September 2019
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>Deferred tax assets</b>				
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
<b>Total</b>	<b>16,657</b>	<b>7,398</b>	<b>3,110</b>	<b>27,165</b>

## 28 Basic earnings per share

The calculations of basic earnings per share for the years ended 30 September 2020 and 2019 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	
	2020	2019	2020	2019
	(in million Baht/in million shares)			
Profit attributable to ordinary shareholders of the Company (basic)	1,069.64	1,234.45	917.66	976.75
Number of ordinary shares outstanding	375.00	375.00	375.00	375.00
<b>Earnings per share (basic) (in Baht)</b>	<b>2.85</b>	<b>3.29</b>	<b>2.45</b>	<b>2.60</b>

At the Annual General Meeting of the Shareholders of the Company held on 30 January 2020, the shareholders approved a change of its Par Value, from the original value of Baht 2 per share to Baht 1 per share. This will result in the increase in number of ordinary shares, from 187.50 million shares to 375.00 million shares. The registered and paid-up capital of the Company will remain the same at Baht 375.00 million. The Company adjusted the new weighted average number of ordinary share for calculations of the basic earnings per share for the year ended 30 September 2020 as if the change in par value started from 1 October 2018.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## 29 Dividends

At the Board of Directors' meeting of the Company held on 13 May 2020, the Board of Directors approved the interim dividend payment from the net profit for the six-month period ended 31 March 2020 of Baht 0.51 per share, totaling Baht 191.25 million, which was paid to the shareholders in June 2020.

At the Annual General Meeting of the Shareholders of the Company held on 30 January 2020, the shareholders approved the appropriation of dividend 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 was paid to the shareholders in February 2020.

At the Board of Directors' meeting of the Company held on 2 May 2019, the Board of Directors 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.

## 30 Financial instruments

### *Financial risk management policies*

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## *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 loan interest rates is mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings. The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

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 After 1 year but within 5 years (in thousand Baht)	Total
<b>2020</b>				
<b>Current</b>				
Short-term loans to subsidiaries	2.20	28,000	-	28,000
<b>Non-current</b>				
Long-term loan to subsidiary	2.20	-	100,000	100,000
<b>Total</b>		<b>28,000</b>	<b>100,000</b>	<b>128,000</b>
<b>2019</b>				
<b>Current</b>				
Short-term loans to subsidiaries	2.20 - 2.51	106,000	-	106,000
<b>Total</b>		<b>106,000</b>	<b>-</b>	<b>106,000</b>

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

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)	Separate financial statements		Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	
<b>2019</b>				
<b>Current</b>				
Short-term loans from subsidiaries	2.20	565,000	-	565,000
<b>Total</b>		<b>565,000</b>	<b>-</b>	<b>565,000</b>

## Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales goods 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	
	2020	2019 (in thousand Baht)	2020	2019
<b>Japanese Yen</b>				
Other payables	(52)	(78)	-	(29)
<b>Gross balance in statement of financial position exposure</b>	<b>(52)</b>	<b>(78)</b>	<b>-</b>	<b>(29)</b>
<b>Euro</b>				
Other receivables	-	271	-	-
<b>Gross balance in statement of financial position exposure</b>	<b>-</b>	<b>271</b>	<b>-</b>	<b>-</b>
<b>United States Dollars</b>				
Cash and cash equivalents	53,074	39,309	-	-
Trade accounts receivable	7,854	11,849	-	-
Other receivables	26	103	9,988	6,526
Other payables	(31,855)	(47,888)	-	-
<b>Gross balance in statement of financial position exposure</b>	<b>29,099</b>	<b>3,373</b>	<b>9,988</b>	<b>6,526</b>



# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Singapore Dollars</i></b>				
Trade accounts receivable	-	297	-	-
Other payables	(107)	(123)	(107)	(33)
<b>Gross balance in statement of financial position exposure</b>	<b>(107)</b>	<b>174</b>	<b>(107)</b>	<b>(33)</b>
<b><i>Malaysian Ringgit</i></b>				
Trade accounts receivable	1,457	5,849	-	-
Other receivables	-	308	-	-
Other payables	(8,139)	-	(8,139)	-
<b>Gross balance in statement of financial position exposure</b>	<b>(6,682)</b>	<b>6,157</b>	<b>(8,139)</b>	<b>-</b>

## ***Credit risk***

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

## ***Liquidity risk***

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

## ***Carrying amount and fair values***

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

Separate financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
(in million Baht)					
<b>30 September 2020</b>					
<i>Financial assets not measured at fair value</i>					
Short-term loans to subsidiaries	28	-	-	28	28
Long-term loan to subsidiary	100	-	-	100	100
<b>30 September 2019</b>					
<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)

## Financial instruments not measured at fair value

The fair value of said short-term loans to subsidiaries and long-term loan to subsidiary is determined to be Level 3 under the fair value hierarchy because the fair value of short-term loans to subsidiaries and long-term loan to subsidiary has inputs for the asset that are unobservable.

The fair value of said short-term loans from subsidiaries is determined to be Level 3 under the fair value hierarchy because the fair value of short-term loans from subsidiaries has inputs for the liability that are unobservable.

## 31 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
<b><i>Capital commitments</i></b>				
<i>Contracted but not provided for:</i>				
Machinery and equipment	11,700	65,273	889	5,282
Buildings and other constructions	2,162	18,724	-	-
Internal system	6,594	-	-	-
Decoration	4,404	-	-	-
Program computer	1,014	2,885	1,003	2,129
<b>Total</b>	<b>25,874</b>	<b>86,882</b>	<b>1,892</b>	<b>7,411</b>
<b><i>Future minimum lease payment under non-cancellable operating leases</i></b>				
Within one year	225,747	221,597	118,893	129,378
After one year but within five years	186,906	173,762	105,153	110,426
After five years	3,076	3,620	3,076	3,620
<b>Total</b>	<b>415,729</b>	<b>398,979</b>	<b>227,122</b>	<b>243,424</b>

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## *Significant agreements under non-cancellable operation leases*

### *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 2020 to 2031. The Company is committed to pay monthly rental fees based on fixed rates or percentage of sale as conditions stipulated in the agreements.

Oishi Ramen Co., Ltd., the Company's subsidiary, entered into area lease agreements for restaurant business with local companies. The agreements are for one year to three years, ending between 2020 to 2023. 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., and Oishi Food Service Co., Ltd., the Company's subsidiaries, entered into forklifts and equipment lease agreements with local companies. The periods of the agreements are for three years to five years, ending between 2021 to 2023. The said subsidiaries are committed to pay monthly rental fees as conditions stipulated in the agreements.

### *Store lease agreements*

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Other Commitments</i></b>				
Service agreements	463,557	450,022	285,643	298,926
Purchase orders for goods and supplies	100,009	146,487	-	-
Bank guarantees	24,055	26,050	200	200
Advertisement contracts	2,356	18,334	358	2,815
Others	68,679	69,533	8,228	10,239
<b>Total</b>	<b>658,656</b>	<b>710,426</b>	<b>294,429</b>	<b>312,180</b>

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## ***Other agreements***

### *Transportation agreement*

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

### *Purchase and sale 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 said subsidiary agreed to pay the fee and complied with the conditions as stipulated in the agreement. The agreement is 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 party has 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 fee and comply with the conditions as stipulated in the agreement.

### *Purchase and sale agreement*

On 2 January 2019, the Company entered into a purchase and sale of raw material agreement with a local company at the price and conditions as specified in the agreement. The agreement is for one year period from 1 January 2019 to 31 December 2019. Subsequently, the Company entered the new agreement with a party. The agreement is for a period of one year from 1 January 2020 to 31 December 2020.

### *Food delivery online agreements*

The Company and Oishi Ramen Co., Ltd., the Company's subsidiary entered into the Food delivery online agreements with local companies. The agreements are for a period of one year, due within 2020 and 2021 with terms and conditions as stipulated in the agreement.

### *Manufacturing agreement*

On 1 May 2015, Oishi Trading Co., Ltd., the Company's subsidiary entered into 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. At the expiration date, the agreement shall be renewed for additional terms of five years, starting from 1 May 2020 and finish on 30 April 2025 on the same terms and conditions as stipulated in the agreement.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## *Sale and purchase sauce agreement*

Oishi Food Service Co., Ltd., the Company's subsidiary, entered into the sale and purchase sauce agreement with a local company for providing, manufacturing and distributing. This agreement is for a period of one year, effect from 1 January 2020 to 31 December 2020 according to the terms and conditions as stipulated in the agreement.

## **32 Event after the reporting period**

At the Board of Directors' meeting of the Company held on 18 November 2020, the Board of Directors passed a resolution to the Annual General Meeting of the Shareholders of the Company to approve the appropriation of dividend of Baht 1.45 per share, totaling Baht 543.75 million. In June 2020, the Company paid an interim dividend of Baht 0.51 per share, totaling Baht 191.25 million. The remaining dividend payment shall be Baht 0.94 per share, totaling Baht 352.50 million.

## **33 Thai Financial Reporting Standards (TFRS) not yet adopted**

New and revised TFRS, which are relevant to the Group's operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the Group's financial statements in annual reporting periods beginning on or after 1 October 2020, are as follows:

<b>TFRS</b>	<b>Topic</b>
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

\* *TFRS - Financial instruments standards*

### **(a) 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. These changes have no material impact on the financial statements.

# Notes To The Financial Statements

Oishi Group Public Company Limited and its Subsidiaries

## (b) 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. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

The preliminary impact assessment of initially applying TFRS 16 on the financial statements is as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
<i>Statement of financial position</i>	2020	2020
<i>At 1 October</i>	<i>(in thousand Baht)</i>	
Increase in right-of-use assets	414,199	237,164
Decrease in leasehold rights	(23,427)	(18,669)
Increase in lease liabilities	(358,075)	(200,357)
Increase in provision of dismantling or restore	(32,697)	(18,138)

## 34 Reclassification of accounts

Certain accounts in the 2019 financial statements have been reclassified to conform to the presentation in the 2020 financial statements.

	<b>Separate financial statements</b>		
	2019		
	Before reclassified	Reclassified	After reclassified
	<i>(in thousand Baht)</i>		
<i>Statement of comprehensive income</i>			
Cost of sales of goods	2,351,221	35,231	2,386,452
Distribution costs	654,861	(35,231)	619,630
		-	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.

Note

Note





This report is printed on environmentally-friendly paper made from wood that have been sourced in an environmentally-friendly manner according to the sustainable forestry worldwide in order to achieve our sustainability policy.



**OISHI GROUP PUBLIC COMPANY LIMITED**

Registration No. 0107547000150

Unit B3601 36<sup>th</sup> Floor, CW Tower, 90  
Ratchadaphisek Rd., Huai Khwang,  
Bangkok 10310, Thailand

Tel : (02) 768-8888  
Fax : (02) 768-8889



[www.oishigroup.com](http://www.oishigroup.com)