

**Thai Beverage Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2012
and
Independent Auditor's Report



KPMG Phoomchai Audit Ltd.

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Independent Auditor's Report

To the Shareholders of Thai Beverage Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Thai Beverage Public Company Limited and its subsidiaries, and of Thai Beverage Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2012, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2012 and the financial performance and cash flows for the year then ended of Thai Beverage Public Company Limited and its subsidiaries, and of Thai Beverage Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying the opinion in respect of the above financial statements, I draw attention to Note 5 to the financial statements. The Group has hired independent appraisers to determine the fair value of assets and liabilities acquired for one overseas investment. However, the fair value assessment has not been completed. Therefore, goodwill is yet to be finally determined and is subject to potential amendment depending on the finalisation of the appraisal by independent appraisers.

Following the Group's purchase of this overseas investment, a significant part of the Investee's business ("the Business") was eventually sold to another party. The Investee realised a gain of Baht 119,214 million from the sale of the Business and the Group should ordinarily have recognised its proportionate share of profit according to equity accounting principles of Baht 35,191 million. However, pending finalisation of the fair value assessment referred to in the preceding paragraph, the Group has recognised its share of profit only for an amount not exceeding the fair value of the Investee, amounting to Baht 13,437 million, as determined by the available valuation report from another independent appraiser, dated 20 December 2012.

(Nirand Lilamethwat)
Certified Public Accountant
Registration No. 2316

KPMG Phoomchai Audit Ltd.
Bangkok
27 February 2013

Thai Beverage Public Company Limited and its Subsidiaries

Statements of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December 2012	31 December 2011 (Restated)	31 December 2012	31 December 2011
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents	7	4,544,966	3,442,423	28,230	11,188
Current investments	8	2,289	12,804	-	-
Trade accounts receivable	6, 9	3,582,909	3,618,526	-	-
Other receivables		898,567	962,737	12,012	12,256
Current portion of long-term loans		27,557	-	578	-
Short-term loans to and other receivables from related parties	6	1,246,307	2,289,738	24,857,102	15,237,613
Inventories	10	32,972,438	30,552,267	-	-
Other current assets	11	3,874,071	4,297,832	37,996	17,672
Total current assets		47,149,104	45,176,327	24,935,918	15,278,729
Non-current assets					
Investments in associates	12	104,319,644	149,161	-	-
Investments in subsidiaries	13	-	-	80,352,046	80,189,702
Other long-term investments	8	319,788	233,838	-	-
Long-term loans to and other receivables from related parties	6	57,385	53,461	2,314,565	645,565
Other long-term loans		2,216	-	20	-
Investment properties	14	858,720	678,274	-	-
Property, plant and equipment	15	45,320,061	43,367,421	48,737	52,799
Goodwill	16	7,038,303	7,033,920	-	-
Other intangible assets	17	158,690	171,108	15,797	14,318
Leasehold rights	18	174,167	191,672	-	-
Deferred tax assets	19	397,383	341,088	29,506	30,840
Other non-current assets	20	1,890,333	1,965,367	296,187	305,918
Total non-current assets		160,536,690	54,185,310	83,056,858	81,239,142
Total assets		207,685,794	99,361,637	107,992,776	96,517,871

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

Thai Beverage Public Company Limited and its Subsidiaries

Statements of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2012	31 December 2011 (Restated)	31 December 2012	31 December 2011
<i>(in thousand Baht)</i>					
Liabilities and equity					
<i>Current liabilities</i>					
Bank overdrafts and short-term loans					
from financial institutions	21	11,334,945	5,226,897	8,370,341	3,500,000
Trade accounts payable	6, 22	5,108,142	5,297,250	-	-
Other payables	23	4,213,194	3,685,932	165,962	153,597
Current portion of long-term loans					
from financial institutions	21	4,672,275	1,800,000	1,533,200	1,200,000
Short-term loans from and					
other payables to related parties	6, 21	302,862	145,911	9,608,376	8,924,330
Income tax payable		2,814,991	2,925,761	118,744	50,791
Short-term provisions		39,043	44,958	-	-
Other current liabilities		2,107,487	2,112,481	61,021	62,458
Total current liabilities		30,592,939	21,239,190	19,857,644	13,891,176
<i>Non-current liabilities</i>					
Long-term loans from and					
other payables to related parties	6, 21	105	449	13,874,900	10,528,000
Long-term loans from					
financial institutions	21	88,146,177	11,200,000	9,666,800	11,200,000
Deferred tax liabilities	19	1,374,053	1,252,186	-	-
Employee benefit obligations	24	2,437,451	2,340,532	134,088	139,313
Other non-current liabilities		163,681	126,919	-	-
Total non-current liabilities		92,121,467	14,920,086	23,675,788	21,867,313
Total liabilities		122,714,406	36,159,276	43,533,432	35,758,489
<i>Equity</i>					
Share capital:					
Authorised share capital	25	29,000,000	29,000,000	29,000,000	29,000,000
Issued and paid-up share capital		25,110,025	25,110,025	25,110,025	25,110,025
Difference arising from common					
control transactions		(19,718,440)	(19,732,321)	31,035	-
Premium on ordinary shares	26	17,215,737	17,215,737	17,215,737	17,215,737
Retained earnings:					
Appropriated - legal reserve	26	2,900,000	2,900,000	2,900,000	2,900,000
Unappropriated		52,399,129	32,956,589	19,157,349	15,533,620
Other components of equity	26	3,469,585	1,300,272	45,198	-
Equity attributable to owners of the Company		81,376,036	59,750,302	64,459,344	60,759,382
Non-controlling interests	5	3,595,352	3,452,059	-	-
Total equity		84,971,388	63,202,361	64,459,344	60,759,382
Total liabilities and equity		207,685,794	99,361,637	107,992,776	96,517,871

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

Thai Beverage Public Company Limited and its Subsidiaries

Statements of income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2012	2011	2012	2011
			(Restated)		
		<i>(in thousand Baht)</i>			
Income	6, 27				
Revenue from sale of goods	35	161,043,747	132,186,530	-	-
Management fees		-	-	3,382,629	3,083,243
Dividends	13	6,135	840	11,946,667	8,117,843
Interest income		73,992	37,554	981,610	373,120
Net gain on foreign exchange		-	83,586	-	267
Other income	28	756,878	672,312	62,483	6,761
Total income		161,880,752	132,980,822	16,373,389	11,581,234
Expenses	6, 27, 32				
Cost of sale of goods		115,621,965	97,453,289	-	-
Cost of rendering of services		-	-	1,258,548	1,168,966
Selling expenses	29	12,231,705	8,276,586	-	-
Administrative expenses	30	10,386,173	9,155,310	437,551	390,547
Net loss on foreign exchange		1,945,523	-	28,642	-
Loss from severe floodings in Thailand	3	-	160,277	-	-
Finance costs	33	1,401,361	454,770	1,702,949	1,191,468
Total expenses		141,586,727	115,500,232	3,427,690	2,750,981
Share of profit (loss) of associates, net of income tax	12	13,611,095	(196,639)	-	-
Profit before income tax expense		33,905,120	17,283,951	12,945,699	8,830,253
Income tax expense	34	(5,145,582)	(5,317,352)	(254,051)	(271,078)
Profit for the year		28,759,538	11,966,599	12,691,648	8,559,175
Profit attributable to:					
Owners of the Company		28,493,113	12,030,959	12,691,648	8,559,175
Non-controlling interests		266,425	(64,360)	-	-
Profit for the year		28,759,538	11,966,599	12,691,648	8,559,175
Basic earnings per share	36	1.13	0.48	0.51	0.34

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

Thai Beverage Public Company Limited and its Subsidiaries

Statements of comprehensive income

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December	For the year ended 31 December	For the year ended 31 December	For the year ended 31 December
<i>Note</i>	2012	2011 (Restated)	2012	2011
	<i>(in thousand Baht)</i>			
Profit for the year	28,759,538	11,966,599	12,691,648	8,559,175
Other comprehensive income				
Foreign currency translation				
differences for foreign operations	155,649	291,897	-	-
Revaluation of property	15 902,694	46,074	-	-
Defined benefit plan actuarial				
gains (losses)	24 (20,973)	(22,148)	21,110	35,387
Share of other comprehensive income				
of associates	1,263,831	-	-	-
Net change in fair value of				
available-for-sale investments	40,865	2,345	-	-
Income tax on other comprehensive				
income	34 (177,865)	343,950	(4,222)	(7,077)
Other comprehensive income for the				
year, net of income tax	2,164,201	662,118	16,888	28,310
Total comprehensive income				
for the year	30,923,739	12,628,717	12,708,536	8,587,485
Total comprehensive income				
attributable to:				
Owners of the Company	30,651,462	12,672,093	12,708,536	8,587,485
Non-controlling interests	272,277	(43,376)	-	-
Total comprehensive income				
for the year	30,923,739	12,628,717	12,708,536	8,587,485

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

Thai Beverage Public Company Limited and its Subsidiaries

Statements of changes in equity

Consolidated financial statements													
	Retained earnings					Other components of equity				Equity		Total	
	Issued	Difference	Ordinary			Currency	Revaluation	Fair value	Total other	Equity	Non-	Total	
Note	and paid-up	arising from	share	Legal reserve	Unappropriated	translation	surplus	changes in	components	attributable to	controlling	equity	
	share capital	common control	premium			differences		available-for-sale	of equity	owners	interests		
		transactions						investments		of the Company			
<i>(Restated)</i>													
<i>(in thousand Baht)</i>													
Year ended 31 December 2011 - restated													
Balance at 1 January 2011	25,110,025	(19,732,321)	17,215,737	2,900,000	29,741,225	(1,923,389)	2,555,518	-	632,129	55,866,795	282,607	56,149,402	
Transactions with owners, recorded directly in equity													
Dividends to owners of the Company	37	-	-	-	(8,788,509)	-	-	-	-	(8,788,509)	(64,734)	(8,853,243)	
Acquisition of non-controlling interests without a change in control		-	-	-	(77)	-	-	-	-	(77)	(30)	(107)	
Acquisition of non-controlling interests with a change in control	5	-	-	-	-	-	-	-	-	-	3,277,592	3,277,592	
Total transactions with owners, recorded directly in equity		-	-	-	(8,788,586)	-	-	-	-	(8,788,586)	3,212,828	(5,575,758)	
Comprehensive income for the year													
Profit or loss		-	-	-	12,030,959	-	-	-	-	12,030,959	(64,360)	11,966,599	
Other comprehensive income		-	-	-	(27,009)	291,897	375,033	1,213	668,143	641,134	20,984	662,118	
Total comprehensive income for the year		-	-	-	12,003,950	291,897	375,033	1,213	668,143	12,672,093	(43,376)	12,628,717	
Balance at 31 December 2011	25,110,025	(19,732,321)	17,215,737	2,900,000	32,956,589	(1,631,492)	2,930,551	1,213	1,300,272	59,750,302	3,452,059	63,202,361	
Restatement of equity balance as at 31 December 2011													
Balance at 31 December 2011													
- as reported		25,110,025	(19,732,321)	17,215,737	2,900,000	33,203,551	(1,631,492)	2,930,551	1,798	1,300,857	59,997,849	3,519,090	63,516,939
Purchase price allocation adjustment	5	-	-	-	-	(246,962)	-	-	(585)	(585)	(247,547)	(67,031)	(314,578)
Restated balance as at 31 December 2011		25,110,025	(19,732,321)	17,215,737	2,900,000	32,956,589	(1,631,492)	2,930,551	1,213	1,300,272	59,750,302	3,452,059	63,202,361

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

Thai Beverage Public Company Limited and its Subsidiaries

Statements of changes in equity

	Consolidated financial statements													
	Note	Issued and paid-up share capital	Difference arising from common control transactions	Ordinary share premium	Retained earnings		Other components of equity					Equity attributable to owners of the Company	Non-controlling interests	Total equity
					Legal reserve	Unappropriated	Currency translation differences	Revaluation surplus	Fair value changes in available-for-sale investments	Share of other comprehensive income of associates	Total other components of equity			
<i>(in thousand Baht)</i>														
Year ended 31 December 2012														
Balance at 31 December 2011 as restated adjustment	5	25,110,025	(19,732,321)	17,215,737	2,900,000	32,956,589	(1,631,492)	2,930,551	1,213	-	1,300,272	59,750,302	3,452,059	63,202,361
Transactions with owners, recorded directly in equity														
Dividends to owners of the Company	37	-	-	-	-	(9,039,609)	-	-	-	-	-	(9,039,609)	(117,556)	(9,157,165)
Reversal of difference arising from common control transactions on the disposal of investments in a subsidiary		-	13,881	-	-	-	-	-	-	-	-	13,881	(11,428)	2,453
Total transactions with owners, recorded directly in equity		-	13,881	-	-	(9,039,609)	-	-	-	-	-	(9,025,728)	(128,984)	(9,154,712)
Comprehensive income for the year														
Profit		-	-	-	-	28,493,113	-	-	-	-	-	28,493,113	266,425	28,759,538
Other comprehensive income		-	-	-	-	(10,964)	155,727	728,617	21,138	1,263,831	2,169,313	2,158,349	5,852	2,164,201
Total comprehensive income for the year		-	-	-	-	28,482,149	155,727	728,617	21,138	1,263,831	2,169,313	30,651,462	272,277	30,923,739
Balance at 31 December 2012		25,110,025	(19,718,440)	17,215,737	2,900,000	52,399,129	(1,475,765)	3,659,168	22,351	1,263,831	3,469,585	81,376,036	3,595,352	84,971,388

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

Thai Beverage Public Company Limited and its Subsidiaries

Statements of changes in equity

	Note	Issued and paid-up share capital	Ordinary share premium	Separate financial statements		Total equity
				Retained earnings		
				Legal reserve <i>(in thousand Baht)</i>	Unappropriated	
Year ended 31 December 2011						
Balance at 1 January 2011		25,110,025	17,215,737	2,900,000	15,734,644	60,960,406
Transactions with owners, recorded directly in equity						
Dividends to owners of the Company	37	-	-	-	(8,788,509)	(8,788,509)
Total transactions with owners, recorded directly in equity		-	-	-	(8,788,509)	(8,788,509)
Comprehensive income for the year						
Profit		-	-	-	8,559,175	8,559,175
Other comprehensive income		-	-	-	28,310	28,310
Total comprehensive income for the year		-	-	-	8,587,485	8,587,485
Balance at 31 December 2011		25,110,025	17,215,737	2,900,000	15,533,620	60,759,382

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

Thai Beverage Public Company Limited and its Subsidiaries
Statements of changes in equity

	Note	Issued and paid-up share capital	Difference arising from common control transactions	Separate financial statements			Total equity
				Ordinary share premium <i>(in thousand Baht)</i>	Legal reserve	Retained earnings Unappropriated	
Year ended 31 December 2012							
Balance at 1 January 2012		25,110,025	-	17,215,737	2,900,000	15,533,620	60,759,382
Transactions with owners, recorded directly in equity							
Dividends to owners of the Company	37	-	-	-	-	(9,039,609)	(9,039,609)
Reversal of difference arising from common control transactions on the disposal of investments in a subsidiary		-	31,035	-	-	-	31,035
Total transactions with owners, recorded directly in equity		-	31,035	-	-	(9,039,609)	(9,008,574)
Comprehensive income for the year							
Profit		-	-	-	-	12,691,648	12,691,648
Other comprehensive income		-	-	-	-	16,888	16,888
Total comprehensive income for the year		-	-	-	-	12,708,536	12,708,536
Balance at 31 December 2012		25,110,025	31,035	17,215,737	2,900,000	19,202,547	64,459,344

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

Thai Beverage Public Company Limited and its Subsidiaries

Statements of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
Note	2012	2011	2012	2011
		(Restated)		
	(in thousand Baht)			
Cash flows from operating activities				
Profit for the year	28,759,538	11,966,599	12,691,648	8,559,175
<i>Adjustments for</i>				
Depreciation and amortisation	3,928,795	3,426,108	23,803	24,024
Interest income	(73,992)	(37,554)	(981,610)	(373,120)
Finance costs	1,401,361	454,770	1,702,949	1,191,468
Unrealised loss on exchange	298,019	34,917	111,828	-
(Reversal of) bad and doubtful debts expense	(7,684)	16,364	-	-
Amortisation of advance payments to a specialist	50,000	50,000	9,375	9,375
Write-off (reversal of) allowance for obsolete inventories	(194,208)	288,022	-	-
Gain on sale of investment properties	-	(139,454)	-	-
(Gain) loss on disposal and write-off of property, plant and equipment and intangible assets	(15,574)	248,665	3,092	1,819
(Reversal of) impairment loss on plant and equipment	(197,055)	588,270	-	-
Gain on sale of investment	(42,760)	-	(32,975)	-
Dividends	(6,135)	(840)	(11,946,667)	(8,117,843)
Employee benefit	235,380	193,908	17,594	26,461
Share of (profit) loss of associates, net of income tax	12 (13,611,095)	196,639	-	-
Income tax expense	34 5,145,582	5,317,352	254,051	271,078
	25,670,172	22,603,766	1,853,088	1,592,437
Changes in operating assets and liabilities				
Trade accounts receivable	23,977	(570,848)	-	-
Other receivables from related parties	696,803	(1,535,293)	(4,848)	(42,609)
Inventories	(2,228,452)	(2,301,656)	-	-
Other current assets	485,967	(2,427,783)	(20,348)	(11,026)
Trade accounts payable	(182,953)	266,284	-	-
Other payables to related parties	100,744	(32,075)	158,766	123,940
Other current liabilities	435,689	579,886	38,250	4,072
Employee benefit paid	(138,888)	(103,143)	776	(18,280)
Other non-current liabilities	231,281	21,880	-	-
Cash generated from operating activities	25,094,340	16,501,018	2,025,684	1,648,534
Income tax paid	(5,368,595)	(4,353,917)	(188,985)	(348,952)
Net cash from operating activities	19,725,745	12,147,101	1,836,699	1,299,582

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

Thai Beverage Public Company Limited and its Subsidiaries

Statements of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December	For the year ended 31 December	For the year ended 31 December	For the year ended 31 December
Note	2012	2011	2012	2011
		(Restated)		
	(in thousand Baht)			
<i>Cash flows from investing activities</i>				
Interest received	73,789	37,377	867,636	317,799
Dividends received	6,135	840	11,946,667	8,117,843
Current investments	12,514	(8)	-	-
Loans to related parties	-	-	(13,570,095)	(13,107,900)
Repayment of loans to related parties	-	-	2,288,600	2,195,500
Other long-term loans	(29,833)	-	-	-
Investments in subsidiaries	39,576	-	287,915	(142,277)
Investments in associates	(90,111,990)	-	-	-
Other long-term investments	(47,068)	-	-	-
Purchase of investment properties	(161,129)	-	-	-
Sale of investment properties	-	273,217	-	-
Purchase of property, plant and equipment	(4,821,368)	(3,164,562)	(21,866)	(18,789)
Sale of property, plant and equipment	157,730	49,529	19	2,238
Purchase of intangible assets	(40,648)	(31,971)	(7,686)	(1,955)
Sale of intangible assets	218	2,538	-	-
Increase in other non-current assets	24,977	(2,225)	25	(356)
Net cash outflow on acquisition of indirect subsidiary	5	-	(9,057,106)	(386,250)
Net cash from (used in) investing activities	(94,897,097)	(11,892,371)	1,404,965	(2,637,897)
<i>Cash flows from financing activities</i>				
Interest paid	(1,352,909)	(388,673)	(1,710,104)	(1,107,557)
Dividends paid to owners of the Company	(9,039,609)	(8,788,509)	(9,039,609)	(8,788,509)
Dividends paid to non-controlling interests	(117,556)	(64,734)	-	-
Bank overdrafts	751,421	(190,673)	-	-
Proceeds from short-term loans from financial institutions	128,090,116	39,482,237	42,473,225	20,600,000
Repayment of short-term loans from financial institutions	(122,733,217)	(40,326,910)	(37,602,884)	(22,100,000)
Proceeds from loans from related parties	-	-	8,282,350	8,173,420
Repayment of loans from related parties	-	-	(4,427,600)	(5,350,700)
Proceeds from long-term loans from financial institutions	81,618,453	12,400,000	-	12,400,000
Repayment of long-term loans from financial institutions	(1,800,000)	(2,500,000)	(1,200,000)	(2,500,000)
Net cash from (used in) financing activities	75,416,699	(377,262)	(3,224,622)	1,326,654
Net increase (decrease) in cash and cash equivalents				
	245,347	(122,532)	17,042	(11,661)
Cash and cash equivalents at 1 January	3,442,423	3,358,696	11,188	22,849
Effect of exchange rate changes on balances held in foreign currencies	857,196	206,259	-	-
Cash and cash equivalents at 31 December	7	4,544,966	28,230	11,188

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

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 27 February 2013.

1 General information

Thai Beverage Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 14 Vibhavadi Rangsit Road, Chomphon, Chatuchak Bangkok.

The Company was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in May 2006.

The principal businesses of Thai Beverage Public Company Limited and its subsidiaries, the “Group”, are the production, distribution of alcoholic and non-alcoholic beverages, and Japanese restaurants. Details of the Company’s subsidiaries and associates as at 31 December 2012 and 2011 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
<i>Direct subsidiaries</i>				
1. Beer Thai (1991) PCL.	Beer brewery and production of drinking water and soda water	Thailand	100.00	100.00
2. Beer Thip Brewery (1991) Co., Ltd.	Beer brewery and production of drinking water and soda water	Thailand	100.00	100.00
3. Cosmos Brewery (Thailand) Co., Ltd.	Beer brewery and production of drinking water and soda water	Thailand	100.00	100.00
4. Sangsom Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
5. Fuengfuanant Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
6. Mongkolsamai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
7. Thanapakdi Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
8. Kanchanasingkorn Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
9. Sura Bangyikhan Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
10. Athimart Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
11. S.S. Karnsura Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
12. Kankwan Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
13. Theparunothai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
14. Red Bull Distillery (1988) Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
15. United Winery and Distillery Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
16. Simathurakij Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
17. Nateechai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
18. Luckchai Liquor Trading Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
19. Sura Piset Thipparat Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
20. Modern Trade Management Co., Ltd. (formerly: Pomthip Co., Ltd.)	Beer, spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
21. Pomkit Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
22. Pomklung Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
23. Pomchok Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
24. Pomcharoen Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
<i>Direct subsidiaries (continued)</i>				
25. Pomburapa Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
26. Pompalang Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
27. Pomnakorn Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
28. Pomthip (2012) Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	-
29. Num Yuk Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
30. Num Kijjakarn Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
31. Num Palang Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
32. Num Muang Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
33. Num Nakorn Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
34. Num Thurakij Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
35. Numrungrid Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
36. Numthip Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
37. Thipchalothorn Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
38. Krittayabun Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
39. Surathip Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
40. Sunthronpirom Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
41. Piromsurang Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
42. Thai Beverage Energy Co., Ltd.	Trading of biogas	Thailand	100.00	100.00
43. Wrangyer Beverage (2008) Co., Ltd.	Production and distribution of energy drink	Thailand	-	100.00
44. Thai Molasses Co., Ltd.	Trading of molasses	Thailand	99.72	99.72
45. Feed Addition Co., Ltd.	Trading of feeds and fertilizer	Thailand	100.00	100.00
46. Pan International (Thailand) Co., Ltd.	Trading of supplies and procurement	Thailand	100.00	100.00
47. Charun Business 52 Co., Ltd.	Brick producer and distribution of spirits	Thailand	100.00	100.00
48. Thai Cooperage Co., Ltd.	Oak barrel producer	Thailand	100.00	100.00
49. Thai Beverage Recycle Co., Ltd.	Trading of bottles	Thailand	100.00	100.00
50. Thai Beverage Logistics Co., Ltd.	Transportation and distribution	Thailand	100.00	100.00
51. Thai Beverage Marketing Co., Ltd.	Import and export spirits for trading/ international marketing and non-alcoholic beverages agency	Thailand	100.00	100.00
52. Dhanasindhi Co., Ltd.	Construction	Thailand	-	100.00
53. Dhospaak Co., Ltd.	Advertising agency	Thailand	100.00	100.00
54. Thai Beverage Training Co., Ltd.	Training	Thailand	100.00	100.00
55. International Beverage Holdings Limited	Holding company	Hong Kong	100.00	100.00
56. Thai Beverage Brands Co., Ltd.	Trademark holding	Thailand	100.00	100.00
57. Beer Chang Co., Ltd.	Trademark holding and production of concentrate materials	Thailand	100.00	100.00
58. Archa Beer Co., Ltd.	Trademark holding and production of concentrate materials	Thailand	100.00	100.00
59. Sura Piset Phatra Lanna Co., Ltd.	Holding company	Thailand	100.00	100.00
60. United Products Co., Ltd.	Production and distribution of spirits	Thailand	100.00	100.00
61. Thai Drinks Co., Ltd.	Distribution of beverages	Thailand	100.00	100.00
62. Oishi Group PCL.	Japanese restaurants and distribution of foods and beverages	Thailand	89.26	89.26

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
Indirect subsidiaries				
63. Thai Thum Distillery Co., Ltd. #	Production and distribution of spirits	Thailand	99.90	99.90
64. Sura Piset Sahasan Co., Ltd. #	Trading of spirits	Thailand	100.00	100.00
65. Sura Piset Sampan Co., Ltd. #	Trading of spirits	Thailand	100.00	100.00
66. Vitayathan Co., Ltd.	Environmental public relations	Thailand	100.00	100.00
67. InterBev (Singapore) Limited	Trading of alcoholic beverages	Singapore	100.00	100.00
68. InterBev (Cambodia) Co., Ltd.	Trading of alcoholic beverages	Cambodia	100.00	100.00
69. InterBev Malaysia Sdn. Bhd.	Trading of alcoholic beverages	Malaysia	100.00	100.00
70. Best Spirits Company Limited	Trading of alcoholic beverages	Hong Kong	100.00	100.00
71. International Beverage Holdings (UK) Limited	Holding company	United Kingdom	100.00	100.00
72. International Beverage Holdings (China) Limited	Holding company	Hong Kong	100.00	100.00
73. S.P.M Foods & Beverages Co., Ltd.	Production and distribution of drinking water and energy drinks and spirits agency	Thailand	99.84	99.84
74. Oishi Trading Co., Ltd.	Production and distribution of food and beverage	Thailand	89.26	89.26
75. Oishi Ramen Co., Ltd.	Japanese ramen restaurants	Thailand	89.26	89.26
76. Oishi International Holdings Limited	International distribution of beverage	Hong Kong	89.26	-
77. Chang Beer International Co., Ltd. #	Dormant	Thailand	100.00	100.00
78. Maekhong Distillery Limited	Consultancy service	Thailand	100.00	100.00
79. Chang International Co., Ltd.	Advertising and marketing services	Thailand	100.00	100.00
80. Chang Corp Co., Ltd.	Advertising and marketing services	Thailand	100.00	100.00
81. Super Brands Company Pte. Ltd.	Trademark holding	Singapore	100.00	100.00
82. Beer Chang International Limited	Not yet operated	Singapore	100.00	100.00
83. International Beverage Trading Limited	Trading of alcoholic beverages	Bermuda	100.00	100.00
84. Serm Suk PCL.	Production and distribution of beverages	Thailand	64.66	64.66
85. InterBev Investment Limited	Holding company	Hong Kong	100.00	-
Subsidiaries of indirect subsidiaries				
86. International Beverage Holdings Limited USA, Inc. *	Trading of alcoholic beverages	United States of America	100.00	100.00
87. Blairmhor Limited **	Holding Company	United Kingdom	100.00	100.00
88. Inver House Distillers Limited *	Production and distribution of spirits	United Kingdom	100.00	100.00
89. InterBev Trading (China) Limited **	Trading of alcoholic beverages	People's Republic of China	100.00	100.00
90. Yunnan Yulinquan Liquor Co., Ltd.**	Spirits distillery	People's Republic of China	100.00	100.00
91. Blairmhor Distillers Limited **	Dormant	United Kingdom	100.00	100.00
92. Wee Beastie Limited **	Dormant	United Kingdom	100.00	100.00
93. Moffat & Towers Limited **	Dormant	United Kingdom	100.00	100.00
94. Glen Calder Blenders Limited **	Dormant	United Kingdom	100.00	100.00
95. Hankey Bannister & Company Limited **	Dormant	United Kingdom	100.00	100.00
96. R. Carmichael & Sons Limited **	Dormant	United Kingdom	100.00	100.00
97. J MacArthur Junior & Company Limited **	Dormant	United Kingdom	100.00	100.00
98. Mason & Summers Limited **	Dormant	United Kingdom	100.00	100.00
99. James Catto & Company Limited **	Dormant	United Kingdom	100.00	100.00
100. The Knockdhu Distillery Co., Ltd. **	Dormant	United Kingdom	100.00	100.00
101. Speyburn-Glenlivet Distillery Co., Ltd. **	Dormant	United Kingdom	100.00	100.00
102. The Pulteney Distillery Co., Ltd. **	Dormant	United Kingdom	100.00	100.00

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
<i>Subsidiaries of indirect subsidiaries (continued)</i>				
103. The Balblair Distillery Co., Ltd. *#	Dormant	United Kingdom	100.00	100.00
104. Serm Suk Holdings Co., Ltd. ***	Holding company	Thailand	64.66	64.66
105. Serm Suk Beverage Co., Ltd. ***	Production and distribution of beverages	Thailand	64.66	64.66
106. Serm Suk Training Co.,Ltd. ***	Human resources development and organisation	Thailand	64.66	-
107. Great Brands Limited ***	Manage brands	Hong Kong	64.66	-
108. Wrangyer Beverage (2008) Co., Ltd.	Production and distribution of energy drink	Thailand	64.66	-
<i>Associates of indirect subsidiaries</i>				
109. Liquorland Limited ****	Off licences	United Kingdom	49.49	49.49
110. Inver House Polska Limited ****	Trading of alcoholic beverages	Poland	-	84.00
111. Inver House Distribution SA *****#	Dormant	France	49.88	49.88
112. Petform (Thailand) Co., Ltd. *****	Manufacture and distribution of plastic packaging	Thailand	25.86	25.86
113. Fraser and Neave, Limited *****	Holding company	Singapore	28.63	-

- * Subsidiaries of International Beverage Holdings (UK) Limited
- ** Subsidiaries of International Beverage Holdings (China) Limited
- *** Subsidiaries of Serm Suk PCL.
- **** Associates of International Beverage Holdings (UK) Limited
- ***** Associates of Serm Suk PCL.
- ***** Associates of InterBev Investment Limited
- # These are currently non-trading

On 5 January 2011 International Beverage Trading Limited (“IBTL”) was incorporated in Bermuda with an authorised share capital of USD 0.1 million by issuing 100,000 ordinary shares with a USD 1 par value. International Beverage Holdings Limited, the Company’s subsidiary, holds the entire shares.

At the Executive Board of Directors’ meeting held on 24 January 2011, the directors approved in principle for Charun Business 52 Co., Ltd., a subsidiary of the Company, to sell its assets.

On 5 July 2011, an indirect subsidiary’s aseptic tanks at a factory in Pathumthani province collapsed, which resulted in interruption of the Cold Aseptic Filling production line. The subsidiary and the vendor investigated the cause of this incident and discussed about the responsibility with all parties concerned, along with the restoration of some production lines. Afterwards, the vendor agreed with the subsidiary to deliver new tanks for replacement free of charge while the subsidiary paid installation charges.

At the Board of Directors’ meeting held on 9 September 2011, the directors approved for Thai Beverage Logistics Co., Ltd., the Company’s subsidiary, to acquire all 265,900,484 common shares of Serm Suk Public Company Limited, “Serm Suk”, representing 100% of issued and paid up capital of Serm Suk at the offered price of Baht 58 per share from all existing shareholders. The purchase of shares was made by voluntary tender offer. As at 31 December 2011, the subsidiary held 64.66% of the issued and paid up capital of Serm Suk.

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Notes to the financial statements

At the Executive Board of Directors' meeting held on 26 December 2011, the directors approved for the Company to sell 19,998 common shares of Dhanasindhi Co., Ltd., the Company's subsidiary, representing 99.99% of total shares at the price of Baht 1,995.98 per share, equal to appraisal value by the financial advisor. The Company sold the aforementioned shares in April 2012.

At the Executive Board of Directors' meeting held on 26 December 2011, the directors approved for Feed Addition Co., Ltd., the Company's subsidiary, to sell its assets related to production and distribution of fertilizer amounting to Baht 14,687,205.21, equal to appraisal value by the financial advisor.

At the annual general meeting of the shareholders of the Company held on 27 April 2012, the shareholders approved the acquisition of 171,923,138 ordinary shares of Serm Suk Public Co., Ltd., representing 64.66% of total shares from Thai Beverage Logistics Co., Ltd., the Company's subsidiary.

At the annual general meeting of the shareholders of the Company held on 27 April 2012, the shareholders approved the acquisition of 3,499,998 ordinary shares of United Products Co., Ltd., representing 99.99% of total shares from Sura Piset Phatra Lanna Co., Ltd., the Company's subsidiary. The Company purchased the aforementioned shares in May 2012.

On 21 May 2012, Oishi International Holdings Limited, the Company's indirect subsidiary, was incorporated in Hong Kong with an authorised share capital of HKD 50,000 by issuing 50,000 ordinary shares with a HKD 1 par value.

On 1 June 2012, Great Brands Limited, the Company's subsidiary of indirect subsidiary, was incorporated in Hong Kong with an authorised share capital of HKD 1,000,000 by issuing 1,000,000 ordinary shares with a HKD 1 par value.

On 5 June 2012, Serm Suk Training Co., Ltd., the Company's subsidiary of an indirect subsidiary, was incorporated in Thailand with an authorised share capital of Baht 10,000,000 by issuing 1,000,000 ordinary shares with Baht 10 par value. The initial paid up capital was Baht 2.50 per share.

On 14 August 2012, a subsidiary of the Company acquired 313,036,775 common shares of Fraser and Neave, Limited ("F&N"), a listed company in the Singapore Exchange Securities Trading Limited (SGX), representing 22% of equity of F&N. The Group's total equity in F&N as of 31 December 2012, which included earlier and subsequent acquisitions from other existing shareholders in the market was 99,387,047 common shares, representing 28.63% of F&N. (See note 5 for additional information).

On 8 November 2012, the Company and two subsidiaries entered into sale and purchase agreements to transfer all ordinary shares of Wrangyer Beverage (2008) Co., Ltd. ("Wrangyer"), the Company's subsidiary, to an indirect subsidiary and two subsidiaries of this indirect subsidiary, for the consideration of Baht 248 million, resulted in Wrangyer becoming a subsidiary of an indirect subsidiary of the Company, effective from 30 November 2012.

On 21 November 2012, Pomthip (2012) Co., Ltd., the Company's subsidiary, was incorporated in Thailand with an authorised share capital of Baht 10,000,000 by issuing 1,000,000 ordinary shares with a Baht 10 par value.

On 16 November 2012, InterBev Investment Limited ("IBIL"), the Company's indirect subsidiary, was incorporated in Hong Kong with an authorised share capital of SGD 1,000,000 by issuing 1,000,000 ordinary shares with a SGD 1 par value. International Beverage Holdings Limited, the Company's subsidiary, holds the entire shares.

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

2 Basis of preparation of the financial statements

(a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

As at 31 December 2012, The FAP had issued a number of new and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 41.

(b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- available-for-sale financial assets are measured at fair value;
- the employee benefit obligations are measured based on actuarial valuation using the projected unit credit method.

(c) *Presentation currency*

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the financial statements and in the notes to the financial statements to the nearest thousand and the nearest million unless otherwise stated.

(d) *Use of estimates and judgements*

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 3	Impact of severe flooding in Thailand
Note 4 (v)	Current and deferred taxation
Note 5	Business combination
Note 15	Valuation of land
Note 19	Utilisation of tax losses
Note 24	Measurement of defined benefit obligations

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

3 Impact of severe flooding in Thailand

During March 2011, the Southern area of Thailand was affected by flooding. One of the Company's distilleries in Surat Thani province was temporary closed by the impact of the flood for renovation and restoration. The Company has Industrial All Risks (IAR) and Business Interruption (BI) insurance cover for this distillery. The Company has surveyed the damages together with the insurance company and believes that all damages are covered by the aforementioned insurance policies. As at 31 December 2011, the Group had recognised expected compensation from the insurer of approximately Baht 193.04 million and recognised allowance for damage to inventories and equipment and provisions in the same amount.

In September 2011, the Central area of Thailand was affected by flooding. The Company's brewery in Ayutthaya province and a food and non-alcoholic beverage factory in Pathumthani province were temporarily closed by the impact of the flooding. However, the Company has Industrial All Risks (IAR) and Business Interruption (BI) insurance cover and believes that all damages are covered by the aforementioned insurance policies.

In October 2011, a subsidiary's operations in Pathumthani province were adversely affected by the flooding in parts of Thailand. The production at this plant has ceased. Management concentrated its efforts on minimising the effects of the flooding on the subsidiary's assets and operations. Each operation units has restarted the production consecutively and already operated wholly as at the end of December 2012.

The Group has recognised the following expenses and insurance reimbursements resulting from the flood damage.

<i>Year ended 31 December</i>	Consolidated financial statements	
	2012	2011
	<i>(in million Baht)</i>	
<i>Insurance reimbursement</i>		
Received prior to 31 December	815	139
Received after 31 December	1	55
Not yet received	1,015	1,440
Accumulated insurance reimbursement recognised	1,831	1,634
Less reimbursement already recognised in previous periods	(1,634)	-
Insurance reimbursement recognised in each year	197	1,634
Write-off inventories loss from flood	-	(229)
Write-off assets loss from flood	(26)	(319)
Impairment of inventories	-	(250)
Impairment of property and equipment	(10)	(589)
Loss from business interruption	-	(173)
Other flood related expenses	(144)	(234)
Total flood related expenses	(180)	(1,794)
Net flood related profit (loss) recognised	17	(160)

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

The flood related expenses are attributable to the following functions presented in the statement of comprehensive income:

<i>Year ended 31 December</i>	Consolidated financial statements	
	2012	2011
	<i>(in million Baht)</i>	
Other income	(24)	(30)
Cost of sales of goods	(28)	25
Administrative expenses	35	165
Total flood related expenses	(17)	160

At 31 December 2012, future insurance reimbursements of Baht 1,016 million for the Group in respect of flood related expenses were considered probable, but not virtually certain. In addition, at 31 December 2012 business interruption claims of Baht 261 million for the Group were estimated. These amounts were considered as contingent assets as at 31 December 2012 but were not recognised in the Group's results for the year ended 31 December 2012.

4 Significant accounting policies

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

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

Business combinations

The Group applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within the Group's equity except that any share capital of the acquired entities is recognised as part of share premium. Any cash paid for the acquisition is recognised directly in equity.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount of that interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Foreign entities

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

Goodwill and fair value adjustments arising on the acquisition of foreign entities are stated at exchange rates ruling on the reporting date.

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

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

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

(c) Derivative financial instruments

Forward exchange contracts are treated as off-statements of financial position items.

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Notes to the financial statements

(d) *Cash and cash equivalents*

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

(e) *Trade and other accounts receivable*

Trade and other accounts receivable (including balances with related parties) are stated at their invoice value less allowance for doubtful accounts.

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

(f) *Inventories*

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

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

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

(g) *Non-current assets held for sale*

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. The assets (or disposal group) are measured at the lower of their carrying value and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment properties. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(h) *Investments*

Investments in subsidiaries and associates

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

Investments in other debt and equity securities

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

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Notes to the financial statements

Marketable equity securities are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

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.

(i) *Investment properties*

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follow:

Buildings	20 years
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When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(j) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for land which is stated at its revalued amount. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent impairment losses.

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, 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. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity. The Group's policy requires an appraisal to be conducted every three to five years or when there are factors that might materially impact the value of the land, to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

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

Subsequent costs

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

Depreciation

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

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Notes to the financial statements

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 improvement	3-30 years
Buildings and constructions	10-40 years
Building improvements	1.5-30 years
Machinery and equipment	4-40 years
Oak barrels	10-20 years
Furniture, fixtures and office equipment	3-10 years
Vehicles	3-10 years

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

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

(k) *Intangible assets*

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets

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

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

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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, other than goodwill, 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:

Computer software	3-10 years
Trademarks	3-20 years
Licences	10 years

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

(l) Leasehold rights

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

Amortisation is recognised in profit or loss on a straight-line basis over the agreement period.

(m) 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 goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset 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.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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.

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Notes to the financial statements

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other 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.

(n) Interest-bearing liabilities

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

(o) Trade and other accounts payable

Trade and other accounts payable (including balances with related parties) are stated at cost.

(p) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and 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. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

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Notes to the financial statements

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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.

(q) Provisions

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 finance cost.

(r) Difference arising from common control transactions

Difference arising from common control transactions relates to the restructuring of businesses under the common control of the ultimate majority equity holder of the Company and arises from the difference between the cost of the combination and the carrying amounts of net identifiable assets at the date of combination (except for businesses acquired that are not under common control, net identifiable assets are measured at the fair value). The Company recognises the difference arising from common control transactions under equity until disposal of the investment.

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

(s) *Revenue*

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

Sale of goods and services rendered

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

When the outcome of a contract for the rendering of services can be estimated reliably, contract revenue is recognised in profit or loss by reference to the stage of completion of the contract activity at the reporting date. When the outcome of the contract cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims or incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

Investments

Revenue from investments comprises rental income from investment properties and dividend and interest income from investments and bank deposits.

Rental income

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

Interest and dividend income

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

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Notes to the financial statements

(t) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, fair value losses on financial assets at fair value through profit or loss, and impairment losses recognised on financial assets (other than trade receivables) that are recognised in profit or loss.

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

(u) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

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

Determining whether an arrangement contains a lease

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

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

(v) 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 a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; 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.

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.

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In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(w) *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, adjusted for own shares held.

5 Acquisitions of subsidiary and non-controlling interests

(a) *Serm Suk Public Company Ltd.*

During the year 2011, Thai Beverage Logistics Co., Ltd., a subsidiary of the Company, made a voluntary tender offer for all 265,900,484 ordinary shares of Serm Suk Public Company Ltd., “Serm Suk”, a company incorporated in Thailand and listed on the Stock Exchange of Thailand. Serm Suk produces and distributes soft drinks, drinking water, soda water and other beverages. The acquisition enables the Group to expand its non-alcoholic product portfolio and broadens its logistic network. The tender offer period was a total of 25 business days from 15 September 2011 to 19 October 2011.

As at 30 September 2011, the subsidiary had acquired 138,890,750 ordinary shares in Serm Suk, representing a 52.2% equity interest, for a purchase price of Baht 8,056 million. Serm Suk thereby became a subsidiary of the Group from 1 October 2011.

As at 31 December 2011, the subsidiary had acquired a total 171,923,138 ordinary shares in Serm Suk, representing a 64.66% equity interest, for a total purchase price of Baht 9,972 million. Acquisition related costs totalling Baht 24.6 million, principally comprising charges for a letter of financial support and fees for the tender offer, were included in administrative expenses in the consolidated statement of comprehensive income for the year ended 31 December 2011.

In accordance with TFRS3, management is required to make a preliminary assessment of the fair values of business acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the fair values for acquisition of business acquired during 2011 is dependent on assessment of fair values and completion of the purchase price allocation exercise.

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At the date of original issuance of the consolidated financial statements for the year ended 31 December 2011, the fair values of business acquired during 2011 had been provisionally assessed by management. Independent appraisal reports determining the fair values were subsequently finalised in the third quarter of 2012. The fair values of the business acquired were adjusted accordingly in the consolidated financial statement for the year ended 31 December 2011. The consolidated statement of income, comprehensive income, changes in equity and cash flows for year ended 31 December 2011 included in these financial statements have been restated to reflect the goodwill from the acquisition of Baht 3,975 million, from the amount previously preliminarily assessed and reported at Baht 4,100 million.

The consolidated financial statement for the year ended 31 December 2011 included in these financial statements has been restated as shown below:

<i>Consolidated statement of financial position as of 31 December 2011</i>	As stated originally	Revised
	<i>(in million Baht)</i>	
Inventories	31,645	30,552
Other long-term investments	67	161
Property, plant and equipment	42,673	43,367
Goodwill	7,159	7,034
Other intangible assets	173	171
Other payables	3,756	3,686
Deferred tax liabilities	1,299	1,252
Other components of equity	1,301	1,300
Retained earnings - Unappropriated	33,204	32,957
Non-controlling interests	3,519	3,452

Net assets at the acquisition date comprised the following:

	Carrying amounts as stated originally	Fair value adjustments	Recognised values revised
	<i>(in million Baht)</i>		
Cash and cash equivalents	915	-	915
Trade receivables – net	1,138	-	1,138
Inventories	2,397	(1,005)	1,392
Property, plant and equipment – net	8,698	802	9,500
Intangible assets	36	-	36
Deferred tax assets	458	(12)	446
Other assets	1,129	54	1,183
Trade accounts payable	(1,266)	-	(1,266)
Deferred tax liabilities	(1,308)	274	(1,034)
Other liabilities	(3,116)	80	(3,036)
Net identifiable assets	9,081	193	9,274
Goodwill on acquisition	4,100	(125)	3,975
Non-controlling interests	(3,209)	(68)	(3,277)
Consideration paid	9,972	-	9,972
Cash acquired	(915)	-	(915)
Net cash outflow	9,057	-	9,057

The goodwill is mainly attributable to Serm Suk's management and employees' skills and talents to produce beverages and to Serm Suk's distribution and logistics network.

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In the three-month period from 1 October 2011 to 31 December 2011, Serm Suk contributed revenue of Baht 4,150 million and loss of Baht 419 million to the Group's results. Serm Suk's results for the three-month period ended 31 December 2011 were adversely affected by the severe flooding occurring in parts of Thailand. If the acquisition had occurred on 1 January 2011, management estimates that the Group's consolidated revenue would have been Baht 150,269 million and the Group's consolidated profit for the year ended 31 December 2011 would have been Baht 12,441 million. In determining these amounts, management had assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2011.

(b) *Fraser and Neave, Limited*

On 14 August 2012, International Beverage Holdings Limited, a direct subsidiary of the Company, acquired 313,036,775 common shares of Fraser and Neave, Limited ("F&N"), a company incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited, representing about 22% of equity interest on that day and paid the consideration for the shares at SGD 8.88 per share amounting to SGD 2,779.8 million to 3 existing shareholders per sale and purchase agreements dated 18 July 2012. This acquisition was granted the waiver for obtaining approval from the shareholders by the Singapore Stock Exchange on the condition that the Company can seek shareholders' ratification at an extraordinary general meeting within three months from the date of the grant.

When including earlier acquisitions of 62,624,547 common shares from other existing shareholders in the market, the Group's total shares in F&N's equity was about 26% of F&N's total equity as of 14 August 2012. Following this acquisition, F&N, which carries out the principal activities of production and sale of soft drinks, dairy products and beer; development and investment in property; and printing and publishing through its subsidiaries, joint ventures and associate companies, became an associate of the Company from 14 August 2012.

After 14 August 2012, a subsidiary of the Company acquired 36,762,500 common shares from other existing shareholders in the market. Subsequently, all 412,423,822 common shares was transferred to InterBev Investment Limited, an indirect subsidiary whose entire shares held by International Beverage Holdings Limited, on 18 December 2012. As of 31 December 2012, the Group's total shares in Fraser and Neave, Limited represented 28.63% of F&N's total equity.

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

The change to the Investee's net assets at the acquisition date, not adjusted by the percentage of ownership held by the Group, comprised of the following:

	Carrying amounts	Fair value adjustments <i>(in million Baht)</i>	Recognised values
Cash and cash equivalents	26,281	-	26,281
Bank fixed deposits	15,196	-	15,196
Trade receivables - net	13,877	-	13,877
Properties and assets held for sale	155,002	-	155,002
Inventories	6,689	-	6,689
Investment in associates	37,618	-	37,618
Investment properties	71,382	-	71,382
Property, plant and equipment - net	18,801	-	18,801
Intangible assets	4,875	-	4,875
Deferred tax assets	973	-	973
Other assets	17,835	-	17,835
Trade accounts payable	(13,325)	-	(13,325)
Borrowings	(98,300)	-	(98,300)
Deferred tax liabilities	(3,238)	-	(3,238)
Other liabilities	(46,034)	-	(46,034)
Net identifiable assets	<u>207,632</u>	<u>-</u>	<u>207,632</u>
Goodwill			30,169
Non-controlling interests			(147,689)
Consideration paid			90,112
Cash acquired			(7,588)
Net cash outflow			<u>82,524</u>

The Company is presently in the process of determining the fair value of the identifiable net assets of F&N which is expected to be completed within one year from the date of purchase. In the meantime, the book value of the identifiable net assets has been used to account for the investment in associate. The adjustment of fair value of the net assets will be accounted for when the aforementioned determination is completed.

Following the Group's purchase of this overseas investment, a significant part of the Investee's business ("the Business") was eventually sold to another party. The Investee realised a gain of Baht 119,214 million from the sale of the Business and the Group should ordinarily have recognised its proportionate share of profit according to equity accounting principles of Baht 35,191 million. However, pending finalisation of the fair value assessment referred to in the preceding paragraph, the management determined that the Group should recognise its share of profit only for an amount not exceeding the fair value of the Investee, amounting to Baht 13,437 million, as determined by the available valuation report from another independent appraiser, dated 20 December 2012.

6 Related parties

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

Relationships with related parties other than direct subsidiaries, indirect subsidiaries, subsidiaries of indirect subsidiaries and associates of indirect subsidiaries (as presented in note 1) were as follows:

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

Name of entities	Country of incorporation/ nationality	Nature of relationships
1. Thai Alcohol PCL.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
2. Sint Ek Panich Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
3. Banglen Agriculture Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
4. Pisetkij Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
5. Thip Sugar Kamphaengphet Co., Ltd. (formerly: The Maewang Sugar Industry Co., Ltd.)	Thailand	Directors and controlling equity holders hold substantial shares indirectly
6. The Chonburi Sugar Corp. Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
7. Thip Sugar Sukhothai Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
8. The Suphanburi Sugar Industry Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
9. The Southeast Insurance PCL.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
10. The Southeast Life Insurance PCL.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
11. Southeast Capital Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
12. T.C.C. Technology Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
13. Thai Glass Industries PCL.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
14. Bang-Na Glass Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
15. TCC Hotel Collection Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
16. Terragro Bio-Tech Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
17. Permkha Commercial Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
18. BJC Industrial and Trading Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
19. North Park Real Estate Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
20. TCC PD 11 Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
21. Thippatana Arcade Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
22. Siam Food Products PCL.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
23. BJC Healthcare Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
24. Wattanapat Trading Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
25. Silvercord Capital (Singapore) Limited	Singapore	Directors and controlling equity holders hold substantial shares indirectly
26. Plantheon Trading Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
27. Eastern Chemical Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

Name of entities	Country of incorporation/ nationality	Nature of relationships
28. New Noble Property and Loan Fund	Thailand	Directors and controlling equity holders are the principal unit holder of this real estate investment fund
29. Dynamic Assets Property and Loan Fund	Thailand	Directors and controlling equity holders are the principal unit holder of this real estate investment fund
30. Best Fortune Property and Loan Fund	Thailand	Directors and controlling equity holders are the principal unit holder of this real estate investment fund
31. Regent Gold Property Fund	Thailand	Directors and controlling equity holders are the principal unit holder of this real estate investment fund
32. Plaza Athenee Hotel (Thailand) Co., Ltd.	Thailand	Directors and controlling equity holders are the directors and hold substantial shares indirectly
33. North Park Golf And Sports Club Co., Ltd.	Thailand	Directors and controlling equity holders are the directors and hold substantial shares indirectly
34. Berli Jucker PCL.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
35. Thai Beverage Can Co., Ltd.	Thailand	Directors and controlling equity holders hold 50% shares indirectly
36. PS Recycle Co., Ltd.	Thailand	Directors and controlling equity holders are relatives of controlling person
37. T.C.C. International Limited	Hong Kong	Controlling equity holders hold substantial shares indirectly
38. Best wishes Co., Ltd.	Hong Kong	Controlling equity holders hold substantial shares indirectly
39. Bangkok Glass Co., Ltd.	Thailand	A subsidiary holds shares
40. The Pet Co., Ltd.	Thailand	A subsidiary holds shares
41. Crown Seal Public Company Limited	Thailand	A subsidiary holds shares
42. TCC Assets Ltd.	British Virgin Island	Directors and controlling equity holders hold substantial shares directly
43. F&N Group and related parties of F&N Group	Singapore	A direct subsidiary holds 28.63% shares in Fraser and Neave, Limited, which is the parent company
44. Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group/Company.

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

Transactions

Sale of goods
 Rendering of services
 Purchase of goods/raw materials
 Receiving of services
 Purchase and sale of property, plant and equipment
 Purchase and sale of investments
 Interest income and interest expense

Pricing policies

Agreed prices which approximate market prices
 Contractual prices
 Agreed prices which approximate market prices
 Contractual prices
 Contractual prices
 Contractual prices
 Rate as mutually agreed by equity holders with reference interest rates quoted by financial institutions

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

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

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Subsidiaries				
Management fees	-	-	3,383	3,083
Cost of rendering of services	-	-	357	315
Interest income	-	-	968	363
Interest expense	-	-	1,032	830
Dividends	-	-	11,947	8,118
Other income	-	-	28	1
Administrative expenses	-	-	11	6
Purchases of investments	-	-	386	-
Increase in share capital in subsidiaries	-	-	-	143
Associates				
Share of profit of associates, net of income tax	13,611	(197)	-	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	447	423	390	358
Post-employment benefits	9	9	9	9
Total key management personnel compensation	<u>456</u>	<u>432</u>	<u>399</u>	<u>367</u>
Other related parties				
Sales of goods	903	1,192	-	-
Income of rendering of services	23	111	-	-
Purchases of raw materials and packaging	10,489	10,620	-	-
Overhead costs	201	232	-	-
Cost of rendering of services	-	-	104	103
Other income	126	354	2	4
Selling and administrative expenses	616	495	3	2
Purchases of plant and equipment	767	30	-	-
Sales of plant and equipment	19	-	-	-
Sales of investments	40	-	-	-

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

<i>Trade accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Other related companies				
Berli Jucker PCL.	52	-	-	-
TCC Holding Co., Ltd.	6	-	-	-
Terragro Bio-Tech Co., Ltd.	5	-	-	-
PS Recycle Co., Ltd.	4	10	-	-
Pisetkit Co., Ltd.	4	5	-	-
Thai Alcohol PCL.	-	221	-	-
Others	6	5	-	-
Total	<u>77</u>	<u>241</u>	<u>-</u>	<u>-</u>

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

Short-term loans to and other receivables from related parties

	Consolidated financial statements						Separate financial statements					
	Short-term loans to	2012 Other receivables	Total	Short-term loans to	2011 Other receivables	Total	Short-term loans to	2012 Other receivables	Total	Short-term loans to	2011 Other receivables	Total
Subsidiaries												
Beer Thai (1991) PCL.	-	-	-	-	-	-	92	20	112	1,230	24	1,254
Beer Thip Brewery (1991) Co., Ltd.	-	-	-	-	-	-	-	13	13	-	18	18
Cosmos Brewery (Thailand) Co., Ltd.	-	-	-	-	-	-	-	4	4	-	4	4
Sangsom Co., Ltd.	-	-	-	-	-	-	-	2	2	-	7	7
Fuengfuanant Co., Ltd.	-	-	-	-	-	-	-	2	2	-	3	3
Mongkolsamai Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Thanapakdi Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Kanchanasing Korn Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Sura Bangyikhan Co., Ltd.	-	-	-	-	-	-	-	24	24	-	24	24
Athimart Co., Ltd.	-	-	-	-	-	-	-	3	3	-	4	4
S.S. Karnsura Co., Ltd.	-	-	-	-	-	-	-	4	4	68	5	73
Kankwan Co., Ltd.	-	-	-	-	-	-	-	4	4	-	6	6
Theparunothai Co., Ltd.	-	-	-	-	-	-	-	5	5	-	4	4
Red Bull Distillery (1988) Co., Ltd.	-	-	-	-	-	-	785	21	806	1,121	25	1,146
United Winery and Distillery Co., Ltd.	-	-	-	-	-	-	-	2	2	-	2	2
Simathurakij Co., Ltd.	-	-	-	-	-	-	-	2	2	-	2	2
Nateechai Co., Ltd.	-	-	-	-	-	-	-	3	3	107	2	109
Luckchai Liquor Trading Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Sura Piset Phatra Lanna Co., Ltd.	-	-	-	-	-	-	83	-	83	-	-	-
United Products Co., Ltd.	-	-	-	-	-	-	12	-	12	-	-	-
Modern Trade Management Co., Ltd. (formerly: Pomthip Co., Ltd.)	-	-	-	-	-	-	-	12	12	-	11	11
Pomkit Co., Ltd.	-	-	-	-	-	-	-	5	5	-	5	5
Pomklung Co., Ltd.	-	-	-	-	-	-	-	6	6	-	6	6
Pomchok Co., Ltd.	-	-	-	-	-	-	-	5	5	-	5	5
Pomcharoen Co., Ltd.	-	-	-	-	-	-	-	3	3	-	5	5
Pomburapa Co., Ltd.	-	-	-	-	-	-	-	5	5	-	5	5
Pompalang Co., Ltd.	-	-	-	-	-	-	-	4	4	-	4	4
Pomnakorn Co., Ltd.	-	-	-	-	-	-	-	5	5	-	5	5
Num Yuk Co., Ltd.	-	-	-	-	-	-	-	23	23	-	25	25
Num Kijjakarn Co., Ltd.	-	-	-	-	-	-	-	19	19	-	19	19

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

Short-term loans to and other receivables from related parties

	Consolidated financial statements						Separate financial statements					
	Short-term loans to	2012 Other receivables	Total	Short-term loans to	2011 Other receivables	Total	Short-term loans to	2012 Other receivables	Total	Short-term loans to	2011 Other receivables	Total
<i>Subsidiaries (continued)</i>												
Num Palang Co., Ltd.	-	-	-	-	-	-	-	8	8	-	9	9
Num Muang Co., Ltd.	-	-	-	-	-	-	-	11	11	-	12	12
Num Nakorn Co., Ltd.	-	-	-	-	-	-	-	9	9	-	8	8
Num Thurakij Co., Ltd.	-	-	-	-	-	-	-	11	11	-	12	12
Numrungrad Co., Ltd.	-	-	-	-	-	-	-	16	16	-	16	16
Numthip Co., Ltd.	-	-	-	-	-	-	-	9	9	-	10	10
Thipchalothorn Co., Ltd.	-	-	-	-	-	-	530	26	556	-	24	24
Krittayabun Co., Ltd.	-	-	-	-	-	-	560	45	605	-	43	43
Surathip Co., Ltd.	-	-	-	-	-	-	358	29	387	213	28	241
Sunthronpirom Co., Ltd.	-	-	-	-	-	-	267	33	300	379	32	411
Piromsurang Co., Ltd.	-	-	-	-	-	-	84	14	98	-	15	15
Wrangyer Beverage (2008) Co., Ltd.	-	-	-	-	-	-	-	-	-	11	1	12
Thai Molasses Co., Ltd.	-	-	-	-	-	-	-	-	-	155	-	155
Dhanasindhi Co., Ltd.	-	-	-	-	-	-	-	-	-	5	1	6
Oishi Group PCL.	-	-	-	-	-	-	-	1	1	-	-	-
Thai Beverage Recycle Co., Ltd.	-	-	-	-	-	-	376	2	378	411	3	414
Thai Beverage Logistics Co., Ltd.	-	-	-	-	-	-	11,031	46	11,077	10,825	45	10,870
Thai Beverage Marketing Co., Ltd.	-	-	-	-	-	-	-	1	1	-	-	-
Dhospaak Co., Ltd.	-	-	-	-	-	-	26	-	26	228	1	229
International Beverage Holdings Limited	-	-	-	-	-	-	10,050	140	10,190	-	-	-
Total subsidiaries	-	-	-	-	-	-	24,254	601	24,855	14,753	484	15,237

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

Short-term loans to and other receivables from related parties

	Consolidated financial statements						Separate financial statements					
	Short-term loans to	2012 Other receivables	Total	Short-term loans to	2011 Other receivables	Total	Short-term loans to	2012 Other receivables	Total	Short-term loans to	2011 Other receivables	Total
	<i>(in million Baht)</i>											
Related companies												
The Southeast Insurance PCL.	-	1,121	1,121	-	1,460	1,460	-	-	-	-	-	-
Plantheon Trading Co., Ltd.	-	57	57	-	531	531	-	-	-	-	-	-
Gaew Grung Thai Co., Ltd.	-	45	45	-	-	-	-	-	-	-	-	-
Pisetkij Co., Ltd.	-	7	7	-	-	-	-	-	-	-	-	-
Best Fortune Property and Loan Fund	-	4	4	-	9	9	-	-	-	-	-	-
New Noble Property and Loan Fund	-	4	4	-	-	-	-	-	-	-	-	-
Thai Alcohol PCL.	-	2	2	-	225	225	-	2	2	-	-	-
Thip Sugar Sukhothai Co., Ltd. (formerly: The Uttaradit Sugar Industry Co., Ltd.)	-	-	-	-	36	36	-	-	-	-	-	-
The Suphanburi Sugar Industry Co., Ltd.	-	-	-	-	15	15	-	-	-	-	-	-
Thip Sugar Kamphaengphet Co., Ltd. (formerly: The Maewang Sugar Industry Co., Ltd.)	-	-	-	-	8	8	-	-	-	-	-	-
Others	-	6	6	-	6	6	-	-	-	-	1	1
Total related companies	-	1,246	1,246	-	2,290	2,290	-	2	2	-	1	1
Total	-	1,246	1,246	-	2,290	2,290	24,254	603	24,857	14,753	485	15,238

* At 31 December 2012, the Group received notice of partial of insurance reimbursement of Baht 1,831 million (31 December 2011: Baht 1,634 million), of which Baht 815 million has been already received (31 December 2011: Baht 139 million).

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

Long-term loans to and other receivables from related parties

	Consolidated financial statements						Separate financial statements					
	Long-term loans to	2012 Other receivables	Total	Long-term loans to	2011 Other receivables	Total	Long-term loans to	2012 Other receivables	Total	Long-term loans to	2011 Other receivables	Total
	<i>(in million Baht)</i>											
<i>Subsidiaries</i>												
Beer Thai (1991) PCL.	-	-	-	-	-	-	938	-	938	449	-	449
Red Bull Distillery (1988) Co., Ltd.	-	-	-	-	-	-	781	-	781	67	-	67
Surathip Co., Ltd.	-	-	-	-	-	-	176	-	176	-	-	-
Sunthronpirom Co., Ltd.	-	-	-	-	-	-	377	-	377	-	-	-
Krittayabun Co., Ltd.	-	-	-	-	-	-	32	-	32	-	-	-
Wrangyer Beverage (2008) Co., Ltd.	-	-	-	-	-	-	-	-	-	119	-	119
Pan International (Thailand) Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Total subsidiaries	-	-	-	-	-	-	2,304	1	2,305	635	1	636
<i>Related companies</i>												
North Park Real Estate Co., Ltd.	-	32	32	-	30	30	-	3	3	-	3	3
T.C.C. Technology Co., Ltd.	-	7	7	-	7	7	-	7	7	-	7	7
Best Fortune Property and Loan Fund	-	6	6	-	-	-	-	-	-	-	-	-
The Pet Co., Ltd.	-	5	5	-	5	5	-	-	-	-	-	-
New Noble Property and Loan Fund	-	-	-	-	4	4	-	-	-	-	-	-
Others	-	7	7	-	7	7	-	-	-	-	-	-
Total related companies	-	57	57	-	53	53	-	10	10	-	10	10
Total	-	57	57	-	53	53	2,304	11	2,315	635	11	646

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

<i>Summary of loans to related parties</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Short-term loans	-	-	24,254	14,753
Long-term loans	-	-	2,304	635
Total loans to related parties	-	-	26,558	15,388

Movements during the years ended 31 December of loans to related parties were as follows:

<i>Loans to related parties</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Short-term loans Subsidiaries				
At 1 January	-	-	14,753	1,977
Increase	-	-	11,670	13,108
Decrease	-	-	(2,169)	(332)
At 31 December	-	-	24,254	14,753
Long-term loans Subsidiaries				
At 1 January	-	-	635	2,499
Increase	-	-	1,788	-
Decrease	-	-	(119)	(1,864)
At 31 December	-	-	2,304	635

The currency denomination of loans to and other receivables from related parties of the Group and the Company as at 31 December 2012 and 2011 was as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Thai Baht (THB) and other functional currencies of foreign subsidiaries	-	-	16,982	15,884
Singapore Dollars (SGD)	-	-	10,190	-
Total	-	-	27,172	15,884

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

<i>Trade accounts payable to related parties</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Other related companies				
Thai Malaya Glass Co., Ltd.	848	903	-	-
Thai Beverage Can Co., Ltd.	170	158	-	-
Petform (Thailand) Co., Ltd.	162	31	-	-
Crown Seal PCL.	107	105	-	-
The Pet Co., Ltd.	58	58	-	-
Bangkok Glass Co., Ltd.	54	31	-	-
Berli Jucker Foods Co., Ltd.	13	-	-	-
Plantheon Trading Co., Ltd.	11	113	-	-
Pisetkij Co., Ltd.	11	21	-	-
PS Recycle Co., Ltd.	10	17	-	-
Berli Jucker PCL.	10	-	-	-
Others	5	1	-	-
Total	1,459	1,438	-	-

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

Short-term loans from and other payables to related parties

	Consolidated financial statements						Separate financial statements					
	Short-term loans from	2012 Other payables	Total	Short-term loans from	2011 Other payables	Total	Short-term loans from	2012 Other payables	Total	Short-term loans from	2011 Other payables	Total
<i>Subsidiaries</i>												
Beer Thip Brewery (1991) Co., Ltd.	-	-	-	-	-	-	1,193	12	1,205	132	15	147
Sangsom Co., Ltd.	-	-	-	-	-	-	475	10	485	279	7	286
Fuengfuanant Co., Ltd.	-	-	-	-	-	-	240	2	242	97	1	98
Mongkolsamai Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Thanapakdi Co., Ltd.	-	-	-	-	-	-	79	1	80	-	-	-
Kanchanasingkorn Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Sura Piset Thipparat Co., Ltd.	-	-	-	-	-	-	-	-	-	5	-	5
Sura Bangyikhan Co., Ltd.	-	-	-	-	-	-	532	8	540	320	6	326
Athimart Co., Ltd.	-	-	-	-	-	-	-	1	1	-	-	-
S.S. Karnsura Co., Ltd.	-	-	-	-	-	-	-	1	1	-	-	-
Kankwan Co., Ltd.	-	-	-	-	-	-	-	1	1	-	-	-
United Winery and Distillery Co., Ltd.	-	-	-	-	-	-	-	1	1	-	-	-
Simathurakij Co., Ltd.	-	-	-	-	-	-	129	3	132	-	2	2
Luckchai Liquor Trading Co., Ltd.	-	-	-	-	-	-	101	2	103	18	1	19
Sura Piset Phatra Lanna Co., Ltd.	-	-	-	-	-	-	-	-	-	10	-	10
Modern Trade Management Co., Ltd. (formerly: Pomthip Co., Ltd.)	-	-	-	-	-	-	171	1	172	78	1	79
Pomkit Co., Ltd.	-	-	-	-	-	-	116	3	119	230	2	232
Pomklung Co., Ltd.	-	-	-	-	-	-	394	2	396	299	2	301
Pomchok Co., Ltd.	-	-	-	-	-	-	176	2	178	124	2	126
Pomcharoen Co., Ltd.	-	-	-	-	-	-	184	1	185	266	1	267
Pomburapa Co., Ltd.	-	-	-	-	-	-	221	2	223	183	2	185
Pompalang Co., Ltd.	-	-	-	-	-	-	258	1	259	103	-	103
Pomnakorn Co., Ltd.	-	-	-	-	-	-	149	2	151	158	1	159
Num Yuk Co., Ltd.	-	-	-	-	-	-	519	5	524	1,105	4	1,109
Num Kijjakarn Co., Ltd.	-	-	-	-	-	-	404	8	412	590	7	597
Num Palang Co., Ltd.	-	-	-	-	-	-	494	2	496	466	2	468
Num Muang Co., Ltd.	-	-	-	-	-	-	527	6	533	617	4	621
Num Nakorn Co., Ltd.	-	-	-	-	-	-	500	4	504	585	3	588
Num Thurakij Co., Ltd.	-	-	-	-	-	-	381	4	385	489	4	493

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

Short-term loans from and other payables to related parties

	Consolidated financial statements						Separate financial statements					
	Short-term loans from	2012 Other payables	Total	Short-term loans from	2011 Other payables	Total	Short-term loans from	2012 Other payables	Total	Short-term loans from	2011 Other payables	Total
<i>Subsidiaries (continued)</i>												
Numrungrid Co., Ltd.	-	-	-	-	-	-	386	5	391	761	4	765
Numthip Co., Ltd.	-	-	-	-	-	-	560	3	563	486	2	488
Thipchalothorn Co., Ltd.	-	-	-	-	-	-	-	-	-	28	1	29
Krittayabun Co., Ltd.	-	-	-	-	-	-	-	-	-	405	2	407
Piromsurang Co., Ltd.	-	-	-	-	-	-	-	-	-	137	1	138
Thai Beverage Brands Co., Ltd.	-	-	-	-	-	-	-	-	-	14	-	14
Thai Beverage Energy Co., Ltd.	-	-	-	-	-	-	228	1	229	255	1	256
Thai Molasses Co., Ltd.	-	-	-	-	-	-	124	1	125	-	-	-
Thai Cooperage Co., Ltd.	-	-	-	-	-	-	126	1	127	146	1	147
Feed Addition Co., Ltd.	-	-	-	-	-	-	47	-	47	13	-	13
Pan International (Thailand) Co., Ltd.	-	-	-	-	-	-	20	1	21	25	2	27
Charun Business 52 Co., Ltd.	-	-	-	-	-	-	17	-	17	8	-	8
Thai Beverage Logistics Co., Ltd.	-	-	-	-	-	-	-	1	1	-	-	-
Thai Beverage Marketing Co., Ltd.	-	-	-	-	-	-	101	248	349	84	125	209
Dhanasindhi Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1	1
Dhospaak Co., Ltd.	-	-	-	-	-	-	-	81	81	-	48	48
Thai Beverage Training Co., Ltd.	-	-	-	-	-	-	-	3	3	-	1	1
Cosmos Brewery (Thailand) Co., Ltd.	-	-	-	-	-	-	210	2	212	84	3	87
Beer Chang Co., Ltd.	-	-	-	-	-	-	53	1	54	1	1	2
Thai Drinks Co., Ltd.	-	-	-	-	-	-	27	1	28	25	2	27
Archa Beer Co., Ltd.	-	-	-	-	-	-	2	-	2	10	-	10
Oishi Group PCL.	-	-	-	-	-	-	-	-	-	-	11	11
Total subsidiaries	-	-	-	-	-	-	9,144	436	9,580	8,636	275	8,911

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

Short-term loans from and other payables to related parties

	Consolidated financial statements						Separate financial statements					
	Short-term loans from	2012 Other payables	Total	Short-term loans from	2011 Other payables	Total	Short-term loans from	2012 Other payables	Total	Short-term loans from	2011 Other payables	Total
<i>Related companies</i>												
Dhanasindhi Co., Ltd.	-	139	139	-	-	-	-	-	-	-	-	-
The Southeast Insurance PCL.	-	37	37	-	21	21	-	-	-	-	-	-
Berli Jucker PCL.	-	27	27	-	13	13	-	-	-	-	-	-
Plaza Athenee Hotel (Thailand) Co., Ltd.	-	21	21	-	31	31	-	1	1	-	1	1
T.C.C. Technology Co., Ltd.	-	18	18	-	7	7	-	14	14	-	5	5
Southeast Capital Co., Ltd.	-	8	8	-	9	9	-	3	3	-	3	3
Business Process Outsourcing Co., Ltd.	-	8	8	-	-	-	-	8	8	-	-	-
TCC Hotel Collection Co., Ltd.	-	6	6	-	10	10	-	-	-	-	2	2
Thai Malaya Glass Co., Ltd.	-	-	-	-	11	11	-	-	-	-	-	-
Eastern Chemical Co., Ltd.	-	-	-	-	7	7	-	-	-	-	-	-
Others	-	39	39	-	37	37	-	2	2	-	2	2
Total related companies	-	303	303	-	146	146	-	28	28	-	13	13
Total	-	303	303	-	146	146	9,144	464	9,608	8,636	288	8,924

Short-term loans from and other payables to related parties of the Group and the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht and other functional currencies of foreign subsidiaries.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

Long-term loans from and other payables to related parties

	Consolidated financial statements						Separate financial statements					
	2012			2011			2012			2011		
	Long-term loans from	Other payables	Total	Long-term loans from	Other payables	Total	Long-term loans from	Other payables	Total	Long-term loans from	Other payables	Total
	<i>(in million Baht)</i>											
<i>Subsidiaries</i>												
Beer Thip Brewery (1991) Co., Ltd.	-	-	-	-	-	-	1,242	-	1,242	3,090	-	3,090
Sangsom Co., Ltd.	-	-	-	-	-	-	130	-	130	-	-	-
Fuengfuanant Co., Ltd.	-	-	-	-	-	-	325	-	325	158	-	158
Thanapakdi Co., Ltd.	-	-	-	-	-	-	234	-	234	79	-	79
Mongkolsamai Co., Ltd.	-	-	-	-	-	-	191	-	191	77	-	77
Kanchanasingkorn Co., Ltd.	-	-	-	-	-	-	320	-	320	157	-	157
Sura Piset Thipparat Co., Ltd.	-	-	-	-	-	-	118	-	118	109	-	109
Sura BangyiKhan Co., Ltd.	-	-	-	-	-	-	1,539	-	1,539	1,018	-	1,018
Athimart Co., Ltd.	-	-	-	-	-	-	264	-	264	98	-	98
S.S. Karnsura Co., Ltd.	-	-	-	-	-	-	184	-	184	-	-	-
Kankwan Co., Ltd.	-	-	-	-	-	-	261	-	261	70	-	70
Theparunothai Co., Ltd.	-	-	-	-	-	-	115	-	115	18	-	18
United Winery and Distillery Co., Ltd.	-	-	-	-	-	-	126	-	126	73	-	73
Simathurakij Co., Ltd.	-	-	-	-	-	-	577	-	577	302	-	302
Luckchai Liquor Trading Co., Ltd.	-	-	-	-	-	-	384	-	384	130	-	130
Thai Beverage Brands Co., Ltd.	-	-	-	-	-	-	14	-	14	-	-	-
Pomkit Co., Ltd.	-	-	-	-	-	-	540	-	540	309	-	309
Pomklung Co., Ltd.	-	-	-	-	-	-	136	-	136	76	-	76
Pomchok Co., Ltd.	-	-	-	-	-	-	423	-	423	352	-	352
Pom Charoen Co., Ltd.	-	-	-	-	-	-	68	-	68	48	-	48
Pomburapa Co., Ltd.	-	-	-	-	-	-	380	-	380	372	-	372
Pomnakorn Co., Ltd.	-	-	-	-	-	-	266	-	266	146	-	146
Num Yuk Co., Ltd.	-	-	-	-	-	-	702	-	702	110	-	110
Num Thurakij Co., Ltd.	-	-	-	-	-	-	755	-	755	525	-	525
Num Muang Co., Ltd.	-	-	-	-	-	-	686	-	686	375	-	375
Num Nakorn Co., Ltd.	-	-	-	-	-	-	394	-	394	163	-	163
Num Palang Co., Ltd.	-	-	-	-	-	-	9	-	9	-	-	-
Num Kijjakarn Co., Ltd.	-	-	-	-	-	-	1,710	-	1,710	1,275	-	1,275

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

Long-term loans from and other payables to related parties

	Consolidated financial statements						Separate financial statements					
	2012			2011			2012			2011		
	Long-term loans from	Other payables	Total	Long-term loans from	Other payables	Total	Long-term loans from	Other payables	Total	Long-term loans from	Other payables	Total
	<i>(in million Baht)</i>											
Subsidiaries (continued)												
Numrungrud Co., Ltd.	-	-	-	-	-	-	901	-	901	319	-	319
Numthip Co., Ltd.	-	-	-	-	-	-	172	-	172	177	-	177
Feed Addition Co., Ltd.	-	-	-	-	-	-	31	-	31	20	-	20
Pan International (Thailand) Co., Ltd.	-	-	-	-	-	-	43	-	43	23	-	23
Charun Business 52 Co., Ltd.	-	-	-	-	-	-	38	-	38	32	-	32
Thai Cooperage Co., Ltd.	-	-	-	-	-	-	60	-	60	59	-	59
Cosmos Brewery (Thailand) Co., Ltd.	-	-	-	-	-	-	177	-	177	458	-	458
Beer Chang Co., Ltd.	-	-	-	-	-	-	285	-	285	246	-	246
Archa Beer Co., Ltd.	-	-	-	-	-	-	75	-	75	64	-	64
Total	-	-	-	-	-	-	13,875	-	13,875	10,528	-	10,528

Long-term loans from and other payables to related parties of the Group and the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht and other functional currencies of foreign subsidiaries.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

<i>Summary of loans from related parties</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Short-term loans	-	-	9,144	8,636
Long-term loans	-	-	13,875	10,528
Total loans from related parties	-	-	23,019	19,164

Movements during the years ended 31 December of loans from related parties were as follows:

<i>Loans from related parties</i>	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Short-term loans				
Subsidiaries				
At 1 January	-	-	8,636	5,938
Increase	-	-	2,801	5,371
Decrease	-	-	(2,293)	(2,673)
At 31 December	-	-	9,144	8,636
Long-term loans				
Subsidiaries				
At 1 January	-	-	10,528	10,403
Increase	-	-	5,481	2,803
Decrease	-	-	(2,134)	(2,678)
At 31 December	-	-	13,875	10,528

Significant agreements with related parties

Supporting service agreements

The Company entered into supporting service agreements with subsidiaries for supporting service such as human resource, administration, accounting, finance, public relations, public co-ordination, technology, law, secretary and share register and internal audit for the period of one year from 1 January 2004 to 31 December 2004. Unless there are notifications to terminate the agreement within 30 days before the expiry date, this agreement continues to be in effect for the successive one year term. The subsidiaries are committed to pay a service fee at the rate of 0.5% of their principal revenue.

With effect from 1 January 2007, the supporting service fee rate was adjusted to 1% of the principal revenue. Service fee rate was adjusted for development of new product, experiment and quality test, analysis, research and marketing survey for new products and procurement of information.

Application service provisioning agreement

The Company entered into the application service provisioning agreement with T.C.C. Technology Co., Ltd., a related party, for the provision of ongoing support and maintenance of the systems and infrastructure and is committed to pay system, hardware and software rental fee and service fee on a monthly basis throughout the contract period for five years, effective from 31 May 2006, under the fees and conditions stated in the contract. Subsequently, the Company entered into additional agreements based on the number of users and renewed the agreements ended 31 August 2014.

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

Procurement agreement

Pan International (Thailand) Co., Ltd., the Company's subsidiary, entered into the procurement agreements with other subsidiaries, for necessary purchase and procurement services to the later subsidiaries. The procurement fee is 1% of the value of goods and services purchased under such agreement.

Molasses purchase agreements

Thai Molasses Co., Ltd., the Company's subsidiary, entered into molasses purchase and sale agreements with various related companies in order to sell to other subsidiaries within the Group. The terms and conditions of these agreements specify that the seller would sell molasses to the buyers in specified quantity, price, quality, delivery and receipt, payments, responsibility, weight, sample analysis on molasses, and quality control, etc.

Glass bottle purchase and sale agreement

Thai Beverage Recycle Co., Ltd., the Company's subsidiary, entered into the glass bottle purchase and sale agreement with Berli Jucker PCL., a related party, to purchase various types of new glass bottles in order to sell to other subsidiaries within the Group for a period of two years and eight months, effective from 1 May 2007 to 31 December 2009, under the prices and conditions stated in the contract.

On 23 December 2009, the subsidiary entered into a new glass bottle purchase and sale agreement for a period of three years, effective from 1 January 2010 to 31 December 2012, under the prices and conditions stated in the contract.

License agreements

- Three subsidiaries entered into license agreements with Beer Chang Co., Ltd., Archa Beer Co., Ltd., and Thai Beverage Brands Co., Ltd., the Company's subsidiaries, for rights and obligations for the sale of drinking water, soda water, beer, draft beer and lager beer under the trade names of "CHANG", "ARCHA" and "FEDERBRAU". The subsidiaries are committed to pay fees at a rate of 2% based on net sales at price, ex factory, excluding VAT and after deducting excise tax, contributions to the health promotion fund and Thai Public Broadcasting Service.
- Sura Bangyikhan Co., Ltd., the Company's subsidiary, entered into license agreements with 12 subsidiaries for the rights to use trademarks for white spirits and Chiang - Chun blended spirits as stipulated in the agreement. The trademark fee is from Baht 0.50 - 1.50 per bottle, based on the contents and size of the bottle. With effective from January 2010, the trademark fee was adjusted to Baht 0.50 - 1.20 per bottle, based on the contents and size of the bottle.

Sales Distributor Agreements

Thai Beverage Marketing Co., Ltd., the Company's subsidiary, entered into sales distributor agreements with two subsidiaries to sell beverage products under the prices and conditions stated in the agreements for five years, effective from 3 October 2008 to 2 October 2013.

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

Biogas purchase and sale agreement

Thai Beverage Energy Co., Ltd., the Company's subsidiary, entered into biogas purchase and sale agreements with three related companies for a period of 19 years, effective from the year 2009 to 2028, to supply biogas to use as a fuel source in spirits distillery process under the price and conditions stated in the agreements. Subsequently in 2010, the aforementioned agreements were made with additional two related companies for a period of 18 years, effective from the year 2010 to 2028.

Revolving loan agreement

In June 2011, the Company entered into revolving joint loan agreement with subsidiaries for lending loans with joint credit limit not exceeding Baht 10,000 million, bearing interest at the rate 5% per annum and repayable at call. Subsequently in September 2011, the Company entered into revolving loan agreement with a subsidiary to lend loans with credit limit of Baht 15,000 million, bearing interest at the rate 5% per annum and repayable at call.

In 2011, the Company entered into revolving loan agreements with subsidiaries to borrow loans with total credit limit of Baht 55,900 million, bearing interest at the rate 5% per annum and repayable at call.

Term loan facility agreement

In July 2012, the Company entered into term loan facility agreement with a subsidiary to lend a loan facility to finance the investment up to the amount of SGD 1,000 million which is repayable on the first anniversary date of the drawdown date or other date which the company would agree to extend.

In December 2012, International Beverage Holdings Limited, a subsidiary of the Company, entered into term loan facility agreement with an indirect subsidiary to lend a loan facility amount of SGD 3,662.3 million which is repayable in installments every 6 months over 5 years and agreeable to extend the schedule.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

Commitments with related parties

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Capital commitments				
Buildings and other constructions	38	-	-	-
Machinery and equipment	125	-	-	-
Total	163	-	-	-
Non-cancellable operating lease commitments				
Within one year	227	214	53	52
After one year but within five years	243	317	44	56
Total	470	531	97	108
Other commitments				
Purchase molasses	118	1,421	-	-
Application service provisioning agreement	67	109	67	109
Raw material purchase agreement	36	-	-	-
Brewing supervision agreement	23	24	-	-
Other agreements	51	18	37	56
Total	295	1,572	104	165

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Cash on hand	124	55	-	-
Cash at banks - current accounts	1,021	895	1	1
Cash at banks - saving accounts	2,468	2,112	27	10
Highly liquid short-term investments	932	380	-	-
Total	4,545	3,442	28	11

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

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Thai Baht (THB) and other functional currencies of foreign subsidiaries	4,401	3,217	28	11
Great Britain Pound (GBP)	81	3	-	-
Hong Kong Dollars (HKD)	34	215	-	-
United States Dollars (USD)	28	7	-	-
Others	1	-	-	-
Total	4,545	3,442	28	11

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

8 Other investments

	Consolidated financial statements		Separate financial statements	
	2012	2011 (restated)	2012	2011
<i>(in million Baht)</i>				
<i>Current investments</i>				
Short-term deposits at financial institutions	-	1	-	-
Others	2	12	-	-
	<u>2</u>	<u>13</u>	<u>-</u>	<u>-</u>
<i>Other long-term investments</i>				
Equity securities available for sale	120	73	-	-
Investment in government bonds	10	12	-	-
Other non marketable equity securities	195	154	-	-
Less allowance for decline in value of investments	(5)	(5)	-	-
	<u>200</u>	<u>161</u>	<u>-</u>	<u>-</u>
	<u>320</u>	<u>234</u>	<u>-</u>	<u>-</u>
Total	<u>322</u>	<u>247</u>	<u>-</u>	<u>-</u>

As at 31 December 2009, an indirect subsidiary invested in government bonds in the amount of Baht 8.5 million, bearing interest rates at 5.90% and 4.25% per annum and maturity in 2013 and 2014. The bonds have been pledged as collateral for electricity utilisation. Subsequently during 2010, the aforementioned indirect subsidiary invested additionally in government bonds in the amount of Baht 3.66 million, bearing interest rate at 4.125% per annum and maturity in 2016. The bonds have been pledged as collateral for natural gas utilisation.

Other investments of the Group as at 31 December 2012 and 2011 were denominated entirely in Thai Baht.

9 Trade accounts receivable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2012	2011 (in million Baht)	2012	2011
Related parties	6	77	241	-	-
Other parties		3,576	3,459	-	-
Total		<u>3,653</u>	<u>3,700</u>	<u>-</u>	<u>-</u>
Less allowance for doubtful accounts		(70)	(81)	-	-
Net		<u>3,583</u>	<u>3,619</u>	<u>-</u>	<u>-</u>
Bad debts and (reversal of) doubtful debts expense for the year		<u>(8)</u>	<u>16</u>	<u>-</u>	<u>-</u>

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Related parties				
Within credit terms	69	102	-	-
Overdue:				
Less than 3 months	4	135	-	-
6-12 months	1	4	-	-
Over 12 months	3	-	-	-
	<u>77</u>	<u>241</u>	<u>-</u>	<u>-</u>
Other parties				
Within credit terms	3,157	3,101	-	-
Overdue:				
Less than 3 months	364	299	-	-
3-6 months	24	40	-	-
6-12 months	14	5	-	-
Over 12 months	17	14	-	-
	<u>3,576</u>	<u>3,459</u>	<u>-</u>	<u>-</u>
<i>Less allowance for doubtful accounts</i>	<u>(70)</u>	<u>(81)</u>	<u>-</u>	<u>-</u>
	<u>3,506</u>	<u>3,378</u>	<u>-</u>	<u>-</u>
Net	<u>3,583</u>	<u>3,619</u>	<u>-</u>	<u>-</u>

The normal credit term granted by the Group ranges from 7 days to 165 days.

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

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Thai Baht (THB) and other functional currencies of foreign subsidiaries	3,526	3,604	-	-
Euro (EUR)	33	3	-	-
United States Dollars (USD)	13	12	-	-
Canadian Dollars (CAD)	11	-	-	-
Total	<u>3,583</u>	<u>3,619</u>	<u>-</u>	<u>-</u>

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

10 Inventories

	Consolidated financial statements		Separate financial statements	
	2012	2011 (restated)	2012	2011
	<i>(in million Baht)</i>			
Finished goods	13,586	11,860	-	-
Maturing spirits	10,145	9,316	-	-
Work in progress	4,366	4,060	-	-
Raw materials	1,727	2,971	-	-
Packaging materials	2,561	1,799	-	-
Spare parts	523	526	-	-
Others	616	767	-	-
	<u>33,524</u>	<u>31,299</u>	<u>-</u>	<u>-</u>
<i>Less</i> allowance for decline in value	<u>(552)</u>	<u>(747)</u>	<u>-</u>	<u>-</u>
Net	<u>32,972</u>	<u>30,552</u>	<u>-</u>	<u>-</u>
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	115,817	96,997	-	-
- Write-down to net realisable value	732	731	-	-
- Reversal of write-down	(927)	(275)	-	-
Net total	<u>115,622</u>	<u>97,453</u>	<u>-</u>	<u>-</u>

11 Other current assets

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Prepaid excise tax	1,526	2,948	-	-
Deposit	810	135	12	-
Refundable VAT	484	478	26	17
Refundable excise tax	694	522	-	-
Others	360	215	-	1
Total	<u>3,874</u>	<u>4,298</u>	<u>38</u>	<u>18</u>

Other current assets of the Group and the Company as at 31 December 2012 and 2011 were denominated entirely in Thai Baht and other functional currencies of foreign subsidiaries.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

12 Investments in associates

	Consolidated financial statements	
	2012	2011
	<i>(in million Baht)</i>	
At 1 January	149	123
Share of net profit (loss) of equity-accounted associates	13,611	(196)
Share of other comprehensive income of associates	1,264	-
Acquisitions	90,112	217
Translation differences of preparing consolidated financial statement	(816)	5
At 31 December	<u>104,320</u>	<u>149</u>

Following the Group's purchase of an overseas investment, a significant part of the Investee's business ("the Business") was eventually sold to another party. The Investee realised a gain of Baht 119,214 million from the sale of the Business and the Group should ordinarily have recognised its proportionate share of profit according to equity accounting principles of Baht 35,191 million. However, pending finalisation of the fair value assessment referred to in note 5, the management determined that the Group should recognise its share of profit only for an amount not exceeding the fair value of the Investee, amounting to Baht 13,437 million, as determined by the available valuation report from another independent appraiser, dated 20 December 2012.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

Investments in associates as at 31 December 2012 and 2011, and dividend income from those investments for the years then ended were as follows:

	Consolidated financial statements													
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Equity		Dividend income	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	(%)		(in million Baht)											
<i>Associates</i>														
<i>Held by indirect subsidiary</i>														
Fraser and Neave, Limited	28.63	-	1,428	-	89,294	-	-	-	89,294	-	103,995	-	-	-
<i>Held by subsidiaries of indirect subsidiaries</i>														
Liquorland Limited	49.49	49.49	69	69	18	18	-	-	18	18	130	128	-	-
Inver House Polska Limited	-	84.00	-	8	-	7	-	(7)	-	-	-	-	-	-
Inver House Distribution SA	49.88	49.88	2	2	1	1	-	-	1	1	-	-	-	-
Petform (Thailand) Co., Ltd.	25.86	25.86	75	75	30	30	-	-	30	30	195	21	-	-
Total			1,574	154	89,343	56	-	(7)	89,343	49	104,320	149	-	-

None of the Group's equity-accounted investees are publicly listed and consequently do not have published price quotations, except for Fraser and Neave, Limited which is listed on the Singapore Exchange Securities Trading Limited. Based on the closing price of SGD 9.70 per share at the reporting date, the fair value of the Group's investment in Fraser and Neave, Limited is Baht 100,161 million.

Thai Beverage Public Company Limited and its Subsidiaries
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13 Investments in subsidiaries

	Separate financial statements	
	2012	2011
	<i>(in million Baht)</i>	
At 1 January	80,190	80,047
Acquisitions	386	-
Increase in share capital in subsidiary	-	143
Disposals	(224)	-
At 31 December	<u>80,352</u>	<u>80,190</u>

The Executive Board of Directors' meeting held on 25 April 2011 unanimously approved in principle for International Beverage Holdings Limited, the Company's subsidiary, to increase its authorised share capital amounting to HKD 36.5 million; InterBev (Singapore) Limited, the Company's indirect subsidiary, to increase its authorised share capital amounting to SGD 6 million; and Super Brands Company Pte. Ltd., the Company's subsidiary of indirect subsidiary, to increase its authorised share capital amounting to SGD 8.2 million. The increase in share capital of International Beverage Holdings Limited, the Company's subsidiary, InterBev (Singapore) Limited, the Company's indirect subsidiary, and Super Brands Company Pte. Ltd., the Company's subsidiary of indirect subsidiary, were completed on 31 May 2011, 20 June 2011 and 27 June 2011, respectively.

On 15 May 2012, the Company acquired 3,499,998 ordinary shares, representing 99.99% of the share capital of United Products Co., Ltd. for a consideration of Baht 107.50 per share, totalling Baht 376.25 million from Sura Piset Phatra Lanna Co., Ltd., the Company's subsidiary.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

Investments in subsidiaries as at 31 December 2012 and 2011, and dividend income from those investments for the years then ended were as follows:

	Separate financial statements									
	Ownership interest		Paid-up capital		Cost method		Dividend income			
	2012	2011	2012	2011	2012	2011	2012	2011		
	(%)		(in million Baht)							
<i>Subsidiaries</i>										
Beer Thai (1991) PCL.	100.00	100.00	5,550	5,550	12,500	12,500	344	78		
Beer Thip Brewery (1991) Co., Ltd.	100.00	100.00	6,600	6,600	12,500	12,500	1,703	462		
Sangsom Co., Ltd.	100.00	100.00	7,500	7,500	7,500	7,500	135	90		
Fuengfuanant Co., Ltd.	100.00	100.00	900	900	900	900	66	29		
Mongkolsamai Co., Ltd.	100.00	100.00	700	700	691	691	22	6		
Thanapakdi Co., Ltd.	100.00	100.00	700	700	697	697	26	11		
Kanchanasingkorn Co., Ltd.	100.00	100.00	700	700	700	700	36	8		
Sura Bangyikhan Co., Ltd.	100.00	100.00	4,000	4,000	4,000	4,000	1,388	1,092		
Athimart Co., Ltd.	100.00	100.00	900	900	900	900	68	52		
S.S. Karnsura Co., Ltd.	100.00	100.00	800	800	800	800	51	41		
Kankwan Co., Ltd.	100.00	100.00	800	800	800	800	75	74		
Theparunothai Co., Ltd.	100.00	100.00	700	700	700	700	57	52		
Red Bull Distillery (1988) Co., Ltd.	100.00	100.00	5,000	5,000	5,000	5,000	310	305		
United Winery and Distillery Co., Ltd.	100.00	100.00	1,800	1,800	1,800	1,800	94	76		
Simathurakij Co., Ltd.	100.00	100.00	900	900	888	888	166	114		
Natechai Co., Ltd.	100.00	100.00	800	800	800	800	-	-		
Luckchai Liquor Trading Co., Ltd.	100.00	100.00	800	800	766	766	41	27		
Sura Piset Thipparat Co., Ltd.	100.00	100.00	1,000	1,000	1,010	1,010	-	-		
Modern Trade Management Co., Ltd. (formerly: Pomthip Co., Ltd.)	100.00	100.00	10	10	10	10	246	-		
Pomkit Co., Ltd.	100.00	100.00	10	10	10	10	175	74		
Pomklung Co., Ltd.	100.00	100.00	10	10	10	10	110	-		
Pomchok Co., Ltd.	100.00	100.00	10	10	10	10	104	25		
Pomcharoen Co., Ltd.	100.00	100.00	10	10	10	10	82	39		
Pomburapa Co., Ltd.	100.00	100.00	10	10	10	10	176	83		
Pompalang Co., Ltd.	100.00	100.00	10	10	10	10	57	-		
Pomnakorn Co., Ltd.	100.00	100.00	10	10	10	10	106	25		

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	Separate financial statements							
	Ownership interest		Paid-up capital		Cost method		Dividend income	
	2012	2011	2012	2011	2012	2011	2012	2011
	(%)		(in million Baht)					
<i>Subsidiaries (continued)</i>								
Pomthip (2012) Co., Ltd.	100.00	-	10	-	10	-	-	-
Num Yuk Co., Ltd.	100.00	100.00	10	10	10	10	522	454
Num Kijjakarn Co., Ltd.	100.00	100.00	10	10	10	10	583	586
Num Palang Co., Ltd.	100.00	100.00	10	10	10	10	118	102
Num Muang Co., Ltd.	100.00	100.00	10	10	10	10	368	339
Num Nakorn Co., Ltd.	100.00	100.00	10	10	10	10	263	215
Num Thurakij Co., Ltd.	100.00	100.00	10	10	10	10	357	319
Numrungrad Co., Ltd.	100.00	100.00	10	10	10	10	442	460
Numthip Co., Ltd.	100.00	100.00	10	10	10	10	249	214
Thipchalothorn Co., Ltd.	100.00	100.00	1	1	3	3	261	192
Krittayabun Co., Ltd.	100.00	100.00	5	5	27	27	844	382
Surathip Co., Ltd.	100.00	100.00	1	1	7	7	294	204
Sunthronpirom Co., Ltd.	100.00	100.00	5	5	25	25	271	295
Piromsurang Co., Ltd.	100.00	100.00	5	5	24	24	207	147
Thai Beverage Energy Co., Ltd.	100.00	100.00	860	860	864	864	-	-
Wrangyer Beverage (2008) Co., Ltd.	-	100.00	-	200	-	200	-	-
Thai Molasses Co., Ltd.	99.72	99.72	40	40	35	35	237	103
Feed Addition Co., Ltd.	100.00	100.00	1	1	32	32	26	37
Pan International (Thailand) Co., Ltd.	100.00	100.00	1	1	34	34	27	26
Charun Business 52 Co., Ltd.	100.00	100.00	122	122	84	84	-	-
Thai Cooperage Co., Ltd.	100.00	100.00	300	300	296	296	-	-
Thai Beverage Recycle Co., Ltd.	100.00	100.00	123	123	134	134	-	136
Thai Beverage Logistics Co., Ltd.	100.00	100.00	1,012	1,012	1,012	1,012	-	-
Thai Beverage Marketing Co., Ltd.	100.00	100.00	300	300	300	300	299	327
Dhanasindhi Co., Ltd.	-	100.00	-	20	-	24	-	31
United Products Co., Ltd.	100.00	-	350	-	376	-	-	-
Dhospaak Co., Ltd.	100.00	100.00	25	25	61	61	14	15
Thai Beverage Training Co., Ltd.	100.00	100.00	3	3	2	2	7	16
International Beverage Holdings Limited	100.00	100.00	8,006	8,006	8,006	8,006	-	-

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

	Separate financial statements								
	Ownership interest		Paid-up capital		Cost method		Dividend income		
	2012	2011	2012	2011	2012	2011	2012	2011	
	(%)		(in million Baht)						
<i>Subsidiaries (continued)</i>									
Cosmos Brewery (Thailand) Co., Ltd.	100.00	100.00	1,667	1,667	4,139	4,139	428	70	
Thai Beverage Brands Co., Ltd.	100.00	100.00	5	5	39	39	-	-	
Beer Chang Co., Ltd.	100.00	100.00	1	1	4,318	4,318	83	118	
Archa beer Co., Ltd.	100.00	100.00	1	1	130	130	24	31	
Sura Piset Phatra Lanna Co., Ltd.	100.00	100.00	1,000	1,000	1,015	1,015	-	-	
Oishi Group PCL.	89.26	89.26	375	375	6,207	6,207	385	536	
Thai Drinks Co., Ltd.	100.00	100.00	60	60	60	60	-	-	
Total			<u>54,589</u>	<u>54,449</u>	<u>80,352</u>	<u>80,190</u>	<u>11,947</u>	<u>8,118</u>	

None of the Company's subsidiaries are publicly listed and consequently do not have published price quotations, except for Oishi Group PCL. which is listed on the Stock Exchange of Thailand. Based on the closing price of Baht 157.00 per share at the reporting date, the fair value of the Company's investment in Oishi Group PCL. is Baht 26,276 million.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

14 Investment properties

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
<i>Cost</i>				
At 1 January	808	912	-	-
Acquired in business combinations	-	30	-	-
Additions	161	-	-	-
Reclassification from property, plant and equipment	101	-	-	-
Disposals	-	(134)	-	-
At 31 December	1,070	808	-	-
<i>Depreciation and impairment losses</i>				
At 1 January	130	126	-	-
Reclassification from property, plant and equipment	44	-	-	-
Depreciation charge for the year	37	4	-	-
At 31 December	211	130	-	-
<i>Net book value</i>				
At 1 January 2011	-	786	-	-
At 31 December 2011 and 1 January 2012	678	678	-	-
At 31 December 2012	859	-	-	-

The Group's investment properties as at 31 December 2012 and 2011 were revalued by Thai Property Appraisal Lynn Phillips Co., Ltd., a firm of independent professional appraisers, and the Treasury Department, Ministry of Finance. The appraised value as at 31 December 2012 was Baht 906.83 million (31 December 2011: Baht 906.83 million).

Investment properties comprise of a number of commercial properties that are leased to third parties and idle land. Property, plant and equipment (see note 15) have been transferred to investment properties, since they were no longer used by the Group and as such it was decided that those property, plant and equipment would be leased to a third party.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

15 Property, plant and equipment

	Consolidated financial statements								
	Land	Land improvement	Building, buildings and leasehold improvements	Machinery and equipment	Oak barrels <i>(in million Baht)</i>	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
<i>Cost/ revaluation</i>									
At 1 January 2011	10,959	1,492	19,234	44,277	2,709	1,059	3,150	1,431	84,311
Additions	11	4	164	399	19	149	208	2,135	3,089
Acquisitions through business combinations	4,184	15	978	3,023	-	46	932	322	9,500
Surplus on land revaluation	46	-	-	-	-	-	-	-	46
Transfers	-	38	836	2,231	-	18	11	(3,134)	-
Disposals	-	-	(87)	(922)	(18)	(60)	(41)	(1)	(1,129)
Effect of movements in exchange rates	-	-	87	85	12	2	7	1	194
At 31 December 2011 and 1 January 2012	15,200	1,549	21,212	49,093	2,722	1,214	4,267	754	96,011
Additions	134	1	521	737	29	165	422	2,856	4,865
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-
Surplus on land revaluation	944	-	-	-	-	-	-	-	944
Transfer to investment properties	(36)	7	158	1,578	-	46	7	(1,861)	(101)
Disposals	-	-	(99)	(929)	-	(76)	(162)	(4)	(1,270)
Effect of movements in exchange rates	-	-	8	22	3	-	-	(12)	21
At 31 December 2012	16,242	1,557	21,800	50,501	2,754	1,349	4,534	1,733	100,470

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

	Consolidated financial statements								
	Land	Land improvement	Building, buildings and leasehold improvements	Machinery and equipment	Oak barrels <i>(in million Baht)</i>	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
<i>Depreciation and impairment losses</i>									
At 1 January 2011	-	823	8,798	34,518	1,835	736	2,487	-	49,197
Depreciation charge for the year	-	70	878	1,962	131	135	196	-	3,372
Impairment losses	-	-	64	524	-	-	-	-	588
Disposals	-	-	(58)	(488)	(11)	(54)	(38)	-	(649)
Effect of movements in exchange rates	-	1	56	64	7	2	6	-	136
At 31 December 2011 and 1 January 2012	-	894	9,738	36,580	1,962	819	2,651	-	52,644
Depreciation charge for the year	-	72	987	2,103	132	163	396	-	3,853
Impairment losses	-	-	(37)	(192)	-	3	-	37	(189)
Transfer to investment properties	-	(20)	(53)	-	29	-	-	-	(44)
Disposals	-	-	(68)	(501)	(339)	(69)	(153)	-	(1,130)
Effect of movements in exchange rates	-	-	6	8	2	-	-	-	16
At 31 December 2012	-	946	10,573	37,998	1,786	916	2,894	37	55,150
<i>Net book value</i>									
At 1 January 2011									
Owned assets	10,959	669	10,436	9,759	874	323	660	1,431	35,111
Assets under finance leases	-	-	-	-	-	-	3	-	3
	10,959	669	10,436	9,759	874	323	663	1,431	35,114
At 31 December 2011 and 1 January 2012									
Owned assets	15,200	655	11,459	12,513	760	395	1,616	754	43,352
Assets under finance leases	-	-	15	-	-	-	-	-	15
	15,200	655	11,474	12,513	760	395	1,616	754	43,367
At 31 December 2012									
Owned assets	16,242	611	11,227	12,503	968	433	1,640	1,696	45,320
Assets under finance leases	-	-	-	-	-	-	-	-	-
	16,242	611	11,227	12,503	968	433	1,640	1,696	45,320

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

Property, plant and equipment under construction

As at 31 December 2012, an indirect subsidiary had assets under construction and installation for PET bottling beverage production by Cold Aseptic Filling project and other construction project totalling Baht 680.24 million (2011: Baht 898.69 million).

The acquisition of the aforementioned project was not capitalised with borrowing costs due to no directly related borrowing costs (2011: borrowing cost Baht 15.37 million with a capitalisation rate of 2.05% - 3.70% per annum) (see note 33).

On 27 January 2011, an indirect subsidiary revalued its land by independent appraisers by the market value basis. The said indirect subsidiary has recognised the revaluation surplus on land by Baht 46.07 million and has recognised in other comprehensive income and presented in the revaluation reserve in equity in the same amount, the related deferred tax liability of Baht 9.21 million.

During 2012, a number of subsidiaries revalued their land, which was performed by independent appraisers, on a market value basis. The said subsidiaries recognised the revaluation surplus on land of Baht 944 million that is recognised in other comprehensive income and presented in the revaluation reserve in equity in the same amount. The related deferred tax liability was Baht 174.29 million.

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2012 amounted to Baht 35,508 million (2011: Baht 30,916 million).

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

	Separate financial statements				Total
	Leasehold improvements	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	
	<i>(in million Baht)</i>				
Cost					
At 1 January 2011	10	138	18	3	169
Additions	2	18	1	1	22
Transfers	1	-	-	(1)	-
Disposals	-	(1)	(4)	-	(5)
At 31 December 2011 and 1 January 2012	13	155	15	3	186
Additions	-	9	3	5	17
Transfers	-	-	-	-	-
Disposals	-	(2)	-	(3)	(5)
At 31 December 2012	13	162	18	5	198
Depreciation and impairment losses					
At 1 January 2011	2	105	15	-	122
Depreciation charge for the year	2	13	1	-	16
Disposals	-	(1)	(4)	-	(5)
At 31 December 2011 and 1 January 2012	4	117	12	-	133
Depreciation charge for the year	3	13	1	-	17
Disposals	-	(1)	-	-	(1)
At 31 December 2012	7	129	13	-	149
Net book value					
At 1 January 2011					
Owned assets	8	33	3	3	47
Assets under finance leases	-	-	-	-	-
	8	33	3	3	47
At 31 December 2011 and 1 January 2012					
Owned assets	9	38	3	3	53
Assets under finance leases	-	-	-	-	-
	9	38	3	3	53
At 31 December 2012					
Owned assets	6	33	5	5	49
Assets under finance leases	-	-	-	-	-
	6	33	5	5	49

The gross amount of the Company's fully depreciated leasehold improvements and equipment that was still in use as at 31 December 2012 amounted to Baht 105 million (2011: Baht 102 million).

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

16 Goodwill

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<i>(in million Baht)</i>					
Cost					
At 1 January		7,193	3,203	-	-
Acquired through business combinations	5	-	3,975	-	-
Effect of movements in exchange rates		6	15	-	-
At 31 December		7,199	7,193	-	-
Impairment losses					
At 1 January		159	154	-	-
Effect of movements in exchange rates		2	5	-	-
At 31 December		161	159	-	-
Net book value					
At 1 January		7,034	3,049	-	-
At 31 December		7,038	7,034	-	-

17 Other intangible assets

	Consolidated financial statements			
	Computer software	Trademarks	Licences	Total
<i>(in million Baht)</i>				
Cost				
At 1 January 2011	136	380	18	534
Acquisitions through business combinations	15	-	21	36
Additions	29	3	-	32
Disposals	(7)	-	(11)	(18)
Effect of movements in exchange rates	1	3	-	4
At 31 December 2011 and 1 January 2012	174	386	28	588
Additions	32	8	-	40
Disposals	(2)	-	-	(2)
Effect of movements in exchange rates	-	4	-	4
At 31 December 2012	204	398	28	630

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	Consolidated financial statements			
	Computer software	Trademarks	Licenses	Total
	<i>(in million Baht)</i>			
<i>Amortisation and impairment losses</i>				
At 1 January 2011	59	320	3	382
Amortisation for the year	20	12	4	36
Disposals	-	-	(2)	(2)
Effect of movements in exchange rates	-	1	-	1
At 31 December 2011 and 1 January 2012	79	333	5	417
Amortisation for the year	28	8	21	57
Disposals	(1)	-	-	(1)
Effect of movements in exchange rates	-	(2)	-	(2)
At 31 December 2012	106	339	26	471
<i>Net book value</i>				
At 1 January 2011	77	60	15	152
At 31 December 2011 and 1 January 2012	95	53	23	171
At 31 December 2012	98	59	2	159

The amortisation of patents and trademarks is allocated to the cost of inventory and is recognised as cost of sales as inventory is sold; the amortisation of other intangible assets is included in cost of sales. The impairment loss is recognised in cost of sales in the statement of comprehensive income.

	Separate financial statements
	Computer software <i>(in million Baht)</i>
<i>Cost</i>	
At 1 January 2011	57
Additions	2
Disposals	(4)
At 31 December 2011 and 1 January 2012	55
Additions	8
Disposals	-
At 31 December 2012	63
<i>Amortisation and impairment losses</i>	
At 1 January 2011	33
Amortisation for the year	8
At 31 December 2011 and 1 January 2012	41
Amortisation for the year	6
At 31 December 2012	47

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	Separate financial statements Computer software (in million Baht)
<i>Net book value</i>	
At 1 January 2011	24
At 31 December 2011 and 1 January 2012	14
At 31 December 2012	16
18 Leasehold rights	
	Consolidated financial statements (in million Baht)
<i>Cost</i>	
At 1 January 2011	262
Effect of movements in exchange rates	14
At 31 December 2011 and 1 January 2012	276
Effect of movements in exchange rates	(2)
At 31 December 2012	274
<i>Amortisation and impairment losses</i>	
At 1 January 2011	68
Amortisation for the year	12
Effect of movements in exchange rates	4
At 31 December 2011 and 1 January 2012	84
Amortisation for the year	14
Effect of movements in exchange rates	2
At 31 December 2012	100
<i>Net book value</i>	
At 1 January 2011	194
At 31 December 2011 and 1 January 2012	192
At 31 December 2012	174

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the financial statements

19 Deferred tax

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

	Consolidated financial statements			
	Assets		Liabilities	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Total	1,101	1,002	(2,078)	(1,913)
Set off of tax	(704)	(661)	704	661
Net deferred tax assets (liabilities)	397	341	(1,374)	(1,252)

	Separate financial statements			
	Assets		Liabilities	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Total	30	31	-	-
Set off of tax	-	-	-	-
Net deferred tax assets (liabilities)	30	31	-	-

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

	Consolidated financial statements				At 31 December 2012
	At 1 January 2012	(Charged) / credited to:			
		Profit or loss	Other comprehensive income <i>(in million Baht)</i>	Acquired in business combinations	
Deferred tax assets					
Property, plant and equipment	163	28	-	-	191
Investment properties	15	6	-	-	21
Long-term investment	1	-	-	-	1
Inventories	301	22	-	-	323
Provisions	12	1	-	-	13
Employee benefit obligations	470	11	4	-	485
Loss carry forward	22	8	-	-	30
Others	18	19	-	-	37
Total	1,002	95	4	-	1,101
Set off of tax	(661)				(704)
	341				397
Deferred tax liabilities					
Property, plant and equipment	(1,845)	(13)	(174)	-	(2,032)
Others	(68)	30	(8)	-	(46)
Total	(1,913)	17	(182)	-	(2,078)
Set off of tax	661				704
	(1,252)				(1,374)
Net	(911)	112	(178)	-	(977)

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Notes to the financial statements

	Consolidated financial statements				At 31 December 2011
	At 1 January 2011	<u>(Charged) / credited to:</u>		Acquired in business combination	
		Profit or loss	Other comprehensive income <i>(in million Baht)</i>		
Deferred tax assets					
Property, plant and equipment	64	53	-	74	191
Investment properties	22	-	-	-	22
Long-term investment	1	-	-	-	1
Inventories	299	(20)	-	87	366
Provisions	12	1	-	3	16
Employee benefit obligations	313	10	13	250	586
Loss carry forward	89	(84)	-	21	26
Income tax reduction	-	(221)	(8)	-	(229)
Others	11	1	-	11	23
Total	811	(260)	5	446	1,002
Set off of tax					(661)
					341
Deferred tax liabilities					
Property, plant and equipment	(1,192)	(38)	(14)	(999)	(2,243)
Income tax reduction	-	12	354	-	366
Others	-	-	(1)	(35)	(36)
Total	(1,192)	(26)	339	(1,034)	(1,913)
Set off of tax					661
					(1,252)
Net	(381)	(286)	344	(588)	(911)

	Separate financial statements			At 31 December 2012
	At 1 January 2012	<u>(Charged) / credited to:</u>		
		Profit or loss	Other comprehensive income <i>(in million Baht)</i>	
Deferred tax assets				
Intangible asset	3	-	-	3
Employee benefit obligations	28	3	(4)	27
Total	31	3	(4)	30

	Separate financial statements			At 31 December 2011
	At 1 January 2011	<u>(Charged) / credited to:</u>		
		Profit or loss	Other comprehensive income <i>(in million Baht)</i>	
Deferred tax assets				
Intangible asset	4	1	-	5
Employee benefit obligations	50	2	(11)	41
Income tax reduction	-	(19)	4	(15)
Total	54	(16)	(7)	31

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20 Other non-current assets

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<i>(in million Baht)</i>					
Advance payments to a specialist	39	1,579	1,629	296	305
Deposits		205	218	-	-
Others		106	118	-	1
Total		1,890	1,965	296	306

21 Interest-bearing liabilities

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<i>(in million Baht)</i>					
Current					
Bank overdrafts					
Secured		1,112	336	-	-
Letter of comfort		12	39	-	-
Unsecured		5	3	-	-
Short-term loans from financial institutions					
Promissory note					
Letter of comfort		-	268	-	-
Unsecured		2,243	4,581	600	3,500
Bills of exchange					
Unsecured		7,770	-	7,770	-
Trust Receipt					
Unsecured		193	-	-	-
Bank overdrafts and short-term loans from financial institutions		11,335	5,227	8,370	3,500
Current portion of long-term loans from financial institutions					
Unsecured		1,533	1,800	1,533	1,200
Unsecured with guarantee		3,139	-	-	-
Short-term loans from related parties					
Unsecured	6	-	-	9,144	8,636
		16,007	7,027	19,047	13,336
Non-current					
Long-term loans from financial institutions					
Unsecured		9,667	11,200	9,667	11,200
Unsecured with guarantee		78,479	-	-	-

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	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<i>(in million Baht)</i>					
<i>Non-current (continued)</i>					
Long-term loans from related parties					
Unsecured	6	-	-	13,875	10,528
		<u>88,146</u>	<u>11,200</u>	<u>23,542</u>	<u>21,728</u>
Total		<u>104,153</u>	<u>18,227</u>	<u>42,589</u>	<u>35,064</u>

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

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in million Baht)</i>				
Within one year	16,007	7,027	19,047	13,336
After one year but within five years	88,146	11,200	23,542	21,728
Total	<u>104,153</u>	<u>18,227</u>	<u>42,589</u>	<u>35,064</u>

The principal features of the borrowings were as follows:

- (a) Bank overdrafts are repayable on demand. As at 31 December 2012, the Group had total overdraft facilities amounting to Baht 5,557 million (2011: Baht 4,612 million) which were partially supported by letters of comfort issued by the Company.
- (b) Short-term loans from financial institutions as at 31 December 2012, the Group had short-term loan facilities from several financial institutions totalling Baht 46,750 million (2011: Baht 41,335 million) of money market rates quoted by banks. The Group utilised short-term loans totalling Baht 2,243 million (2011: Baht 4,849 million), comprising of loans supported by promissory notes issued by the Group to several domestic financial institutions totalling Baht 2,243 million (2011: Baht 4,581 million), and an indirect subsidiary had trust receipts facility with a financial institution totalling Baht 800 million, with utilised trust receipts totalling Baht 193 million.

On 27 February 2009, the Board of Directors approved the issuance and offering of short-term bills of exchange in the amount not exceeding Baht 10,000 million. In September and October 2012, the Company issued and offered short term bills of exchange amounting to Baht 5,700 and 4,300 million, respectively, to two domestic financial institutions, the said bills represented short term bills of exchange offered to and exchanged among institutional investors and/or substantial high net worth investors as prescribed in accordance with Notifications of the Securities and Exchange Commission. As of 31 December 2012, the bills of exchange had an outstanding principal amount of Baht 7,800 million.

- (c) In November 2010, an indirect subsidiary entered into long term loans agreement with a financial institution amounting to Baht 600 million which was to be repaid monthly in 6 installments, Baht 100 million each, commencing from May 2012 to October 2012, interest was payable monthly at 2.92% per annum.

In August 2011, the Company entered into long term loans agreement with a financial institution amounting to Baht 2,400 million which is to be repaid monthly in 12 installments, of Baht 200 million each, commencing from July 2012 to June 2013, interest is payable monthly at 4.07% per annum.

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In November 2011, the Company entered into long term loan agreements with three financial institutions in the amount of Baht 10,000 million which will be repaid commencing from November 2013 to November 2016 with fixed interest payable monthly, every six months, and every three months for the financial institution No. 1, 2 and 3, respectively, with interest ranging from 3 - 4.3 % per annum. Details are as follows:

Financial institution	Amount (in million Baht)	Number of installments	Repayment Each installment (in million Baht)	Payment due
No. 1	2,000	12	166.60 (last installment 167.40)	30 Nov 13 to 13 Nov 14
No. 2				
Tranche A	1,500	1	1,500	14 Nov 14
Tranche B	1,500	1	1,500	14 May 15
Tranche C	1,000	1	1,000	16 Nov 15
No. 3				
Tranche A	1,000	1	1,000	4 May 16
Tranche B	1,000	1	1,000	4 May 16
Tranche C	1,000	1	1,000	4 Aug 16
Tranche D	1,000	1	1,000	4 Nov 16
Total	10,000			

The aforementioned long term loans from financial institutions are unsecured.

- (d) At the annual general meeting of the shareholders of a direct subsidiary held on 25 April 2012, the shareholders approved to issue debentures totalling principal amount up to Baht 3,000 million for carrying on and expansion of the business of the subsidiary with the tenor not exceeding ten years. Upon redemption of the debentures issued within the stated amount, the subsidiary can re-issue on a revolving basis under certain conditions.
- (e) In August 2012, an overseas subsidiary entered into a bridging loan facility agreement with three branches of foreign financial institutions in Singapore, amounting to SGD 2,800 million, which was to be repaid within one year. In December 2012, the direct subsidiary fully repaid the aforesaid bridge loan, including all accrued interest to the financial institutions before maturity date without any penalty fees.
- (f) In December 2012, an overseas subsidiary entered into a long term loan facility agreement with seven branches of foreign financial institutions in Singapore, amounting to SGD 3,300 million. The loan is repayable in installments every six months over the next five years. The aforesaid subsidiary had utilised the whole amount of the loan in the same month. Proceeds received from the loan used to repay short term loans from financial institutions amounting to SGD 2,800 million as disclosed in (e). The aforementioned long term loans from financial institutions are unsecured, but guaranteed by the Company.

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The currency denomination of interest-bearing liabilities as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Thai Baht (THB) and other functional currencies of foreign subsidiaries	22,535	18,227	42,589	35,064
Singapore Dollars (SGD)	81,618	-	-	-
Total	104,153	18,227	42,589	35,064

22 Trade accounts payable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
		<i>(in million Baht)</i>			
Related parties	6	1,459	1,438	-	-
Other parties		3,649	3,859	-	-
Total		5,108	5,297	-	-

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

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Thai Baht (THB) and other functional currencies of foreign subsidiaries	4,745	4,971	-	-
Australia Dollars (AUD)	151	144	-	-
Euro (EUR)	137	159	-	-
Great Britain Pound (GBP)	63	10	-	-
Others	12	13	-	-
Total	5,108	5,297	-	-

23 Other payables

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Accrued expenses	1,990	1,520	120	78
Accrued promotion expense	1,171	1,007	-	-
Assets payable	519	473	1	6
Advanced payments from customers for purchase of goods	275	267	-	-
Others	258	419	45	70
Total	4,213	3,686	166	154

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

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Thai Baht (THB) and other functional currencies of foreign subsidiaries	3,896	3,467	166	154
United States Dollars (USD)	156	27	-	-
Singapore Dollars (SGD)	104	-	-	-
Euro (EUR)	53	30	-	-
Japanese (Yen)	2	161	-	-
Others	2	1	-	-
Total	4,213	3,686	166	154

24 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Statement of financial position				
Obligations for:				
Short-term employee benefit				
- accumulated annual leave	9	6	-	-
Long-term employee benefit				
- long service award	68	83	-	-
- provision for executive incentive plan	18	27	-	-
Post-employment benefit				
- provident fund	2	2	-	-
- compensation plan based on Thai Labour law	2,358	2,250	134	139
Total	2,455	2,368	134	139
Current				
Short-term provisions	18	27	-	-
Non-current				
Employee benefit obligations	2,437	2,341	134	139
Total	2,455	2,368	134	139
Year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss:				
Compensation plan based on Thai Labour law	235	194	18	25
	235	194	18	25
Recognised in other comprehensive income:				
Actuarial (gains) losses recognised in the year	21	22	(21)	(35)
Cumulative actuarial (gains) losses recognised	43	22	(56)	(35)

Thai Beverage Public Company Limited and its Subsidiaries

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The Group adopted TAS 19 - Employee Benefits with effect from 1 January 2011. The Group and the Company opted to record the transitional obligation as at 1 January 2011, totalling Baht 1,044 million for the Group and Baht 167 million for the Company, as an adjustment to retained earnings as at 1 January 2011.

Compensation plan based on Thai Labour law

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

The statement of financial position obligation was determined as follows:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Present value of unfunded obligations	2,394	2,319	190	174
Unrecognised actuarial (gains) losses	43	22	(56)	(35)
Statement of financial position obligation	2,437	2,341	134	139

Movement in the present value of the defined benefit obligations:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Defined benefit obligations at 1 January	2,341	1,044	139	167
Benefits paid by the plan	(156)	(103)	(2)	(18)
Current service costs and interest	235	194	18	25
Actuarial (gains) losses in other comprehensive income	21	22	(21)	(35)
Acquisition of subsidiary	-	1,184	-	-
Disposal of subsidiary	(4)	-	-	-
Defined benefit obligations at 31 December	2,437	2,341	134	139

Expense recognised in profit or loss (see note 31):

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Current service costs	153	137	13	17
Interest on obligation	82	57	5	8
Total	235	194	18	25

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The expense is recognised in the following line items in the statement of comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Cost of sales and cost of rendering of services	46	55	17	24
Selling expenses	107	33	-	-
Administrative expenses	82	106	1	1
Total	235	194	18	25

Actuarial (gains) and losses recognised in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Included in retained earnings:				
At 1 January	22	-	(35)	-
Recognised during the year	21	22	(21)	(35)
At 31 December	43	22	(56)	(35)

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

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(% per annum)</i>			
Discount rate	3.5 - 3.6	3.5 - 3.6	3.6	3.6
Future salary increases	5.0 - 6.5	5.0 - 6.5	5.0	5.0

Assumptions regarding future mortality are based on published statistics and mortality tables.

25 Share capital

	Par value per share <i>(in Baht)</i>	2012		2011	
		Number	Baht	Number	Baht
		<i>(million shares / million Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	1	29,000	29,000	29,000	29,000
At 31 December					
- ordinary shares	1	29,000	29,000	29,000	29,000
Issued and paid-up					
At 1 January					
- ordinary shares	1	25,110	25,110	25,110	25,110
At 31 December					
- ordinary shares	1	25,110	25,110	25,110	25,110

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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. In respect of the Company's shares that are held by the Group, all rights are suspended until those shares are reissued.

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.

26 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, if any, 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.

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprise the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

Valuation surplus

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

Movements in reserves

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

Thai Beverage Public Company Limited and its Subsidiaries

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27 Segment information

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on mutually agreed terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise net foreign exchange gain or loss, parts loans and related finance costs, and some items of investments.

In preparing segmental information, those liabilities and related interest expense that are not specifically attributable to a particular segment are allocated on a percentage of net assets basis. Management believes this to be a fair indication of the actual use of the liabilities.

Business segments

The Group comprises the following main business segments:

<i>Spirits</i>	Production and sales of branded spirits products (mostly outside the Group);
<i>Beer</i>	Production and sales of branded beer products (mostly outside the Group);
<i>Non-alcoholic beverages</i>	Production and sales of branded water, soda, ready-to-drink coffee, energy drink, green tea and fruit flavoured drinks (mostly outside the Group); and
<i>Food</i>	Japanese restaurants and distribution of foods and beverages (mostly outside the Group)

Geographical 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, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

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Business segment results

	Spirits		Beer		Non-alcoholic beverages		Food		Elimination		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	<i>(in million Baht)</i>											
Revenue from sale of goods	93,122	84,764	34,153	32,855	28,997	10,862	5,319	4,126	(547)	(421)	161,044	132,186
Interest income	30	23	8	8	34	6	2	1	-	-	74	38
Other income	250	334	153	200	566	48	28	30	(60)	(52)	937	560
Total allocated income	93,402	85,121	34,314	33,063	29,597	10,916	5,349	4,157	(607)	(473)	162,055	132,784
Cost of sale of goods	60,489	57,488	30,349	29,472	21,882	8,392	3,273	2,512	(371)	(411)	115,622	97,453
Selling expenses	3,416	3,089	3,481	2,870	4,912	1,929	582	428	(159)	(39)	12,232	8,277
Administrative expenses	5,064	5,225	1,817	1,921	2,175	1,177	1,376	1,015	(77)	(23)	10,355	9,315
Finance costs	253	228	121	115	253	105	8	7	-	-	635	455
Total allocated expenses	69,222	66,030	35,768	34,378	29,222	11,603	5,239	3,962	(607)	(473)	138,844	115,500
Profit (loss) before												
income tax expense	24,180	19,091	(1,454)	(1,315)	375	(687)	110	195	-	-	23,211	17,284
Income tax expense (income)	5,436	5,736	(292)	(284)	(42)	(223)	44	88	-	-	5,146	5,317
Allocated profit (loss) for the year	18,744	13,355	(1,162)	(1,031)	417	(464)	66	107	-	-	18,065	11,967
<i>Unallocated items:</i>												
- Share of profit of associates											13,437	-
- Net foreign exchange loss											(1,976)	-
- Finance costs											(766)	-
Profit (loss) for the year											28,760	11,967

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Business segment financial position

	Spirits		Beer		Non-alcoholic beverages		Food		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	<i>(in million Baht)</i>									
Inventories	26,940	24,428	3,675	4,135	2,216	1,891	141	98	32,972	30,552
Property, plant and equipment	18,127	17,226	11,452	11,740	14,567	13,516	1,174	885	45,320	43,367
Other assets	9,380	9,935	3,506	3,493	11,381	10,997	1,132	1,018	25,399	25,443
Total allocated assets	54,447	51,589	18,633	19,368	28,164	26,404	2,447	2,001	103,691	99,362
<i>Unallocated items:</i>										
- Investment in associate									103,995	-
Total assets									207,686	99,362
Interest-bearing liabilities	9,468	9,080	3,052	3,751	9,730	5,109	285	287	22,535	18,227
Other liabilities	8,749	9,338	2,389	2,118	6,499	5,909	924	567	18,561	17,932
Total allocated liabilities	18,217	18,418	5,441	5,869	16,229	11,018	1,209	854	41,096	36,159
<i>Unallocated items:</i>										
- Loans from financial institutions									81,618	-
Total liabilities									122,714	36,159
Capital expenditure	1,935	1,063	196	166	2,166	15,050	609	352	4,906	16,631
Depreciation	1,454	1,427	791	1,051	1,332	694	280	204	3,857	3,376
Amortisation	17	20	6	7	36	10	13	13	72	50
(Reversal of) impairment losses	36	(1)	-	-	(225)	589	-	-	(189)	588
Gain (loss) on disposal of assets	30	20	39	10	8	115	(4)	-	73	145

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Geographical segments

The segment financial information of the Group based on geographical segments in the consolidated financial statements for the years ended 31 December was as follows:

	Consolidated financial statements		Property, plant and equipment	
	Income			
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Thailand	155,642	127,905	43,963	41,909
Overseas	6,413	4,879	1,357	1,458
Total	162,055	132,784	45,320	43,367

28 Other income

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Gain on disposal of assets	65	292	-	2
Gain on sale of investment	43	-	33	-
Revenue from sales of scraps	304	45	-	-
Others	345	335	29	5
Total	757	672	62	7

29 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Personnel	3,383	2,125	-	-
Marketing and advertising	4,277	3,022	-	-
Travelling	1,526	1,303	-	-
Transportation	1,037	753	-	-
Commission	249	206	-	-
Others	1,760	868	-	-
Total	12,232	8,277	-	-

30 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Management personnel compensation	371	358	399	367
Personnel	4,262	3,334	13	8
Idle capacity	997	1,328	-	-
Travelling	414	212	1	1
Rental	433	445	1	1
Depreciation and amortisation	847	613	1	-
Donation	515	604	3	3
Hire and services	709	695	-	-
Others	1,838	1,566	20	11
Total	10,386	9,155	438	391

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31 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Management				
Salaries and wages	223	219	223	219
Bonus	150	122	150	122
Pension costs - defined contribution plans	3	3	3	3
Others	80	88	23	23
	456	432	399	367
Other employees				
Salaries and wages	6,862	5,275	260	237
Bonus	1,465	767	92	52
Overtime and per diem allowance	707	492	12	11
Pension costs - defined contribution plans	106	96	5	5
Others	1,396	1,145	94	90
	10,536	7,775	463	395
Total employee benefit expenses	10,992	8,207	862	762

Defined benefit plans

Details of the defined benefit plans are given in note 24.

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 3% of their basic salaries and by the Group at rates ranging from 2% to 3% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

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32 Expenses by nature

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

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
<i>Included in cost of sales of goods and cost of rendering of services:</i>				
Changes in inventories of finished goods and work in progress	(2,979)	(971)	-	-
Raw materials, consumables and excise tax used	106,265	90,074	-	-
Employee benefit expenses	3,034	2,468	437	387
Depreciation and amortisation	2,215	2,177	23	24
<i>Included in selling expenses:</i>				
Marketing and sales promotion expenses	1,694	839	-	-
Advertising and public relations	2,582	2,183	-	-
<i>Included in administrative expenses:</i>				
Employee benefit expenses	4,262	3,334	412	375
Depreciation and amortisation	847	613	1	-
Rental	433	445	1	1

33 Finance costs

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
		<i>(in million Baht)</i>			
<i>Interest expense:</i>					
Related parties	6	-	-	1,032	830
Financial institutions		1,035	413	671	312
Others		3	8	-	-
Total interest expense		1,038	421	1,703	1,142
Other finance costs		363	49	-	49
		1,401	470	1,703	1,191
<i>Less amounts included in the cost of property, plant and equipment under construction</i>					
		-	(15)	-	-
Net		1,401	455	1,703	1,191

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34 Income tax expense

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<i>(in million Baht)</i>					
Current tax expense					
Current year		5,249	5,027	259	247
Adjustment for prior years		9	4	(2)	8
		<u>5,258</u>	<u>5,031</u>	<u>257</u>	<u>255</u>
Deferred tax expense	19				
Movements in temporary differences		(104)	(7)	(3)	(3)
Income tax reduction		-	209	-	19
Recognition of previously unrecognised tax losses		(8)	84	-	-
		<u>(112)</u>	<u>286</u>	<u>(3)</u>	<u>16</u>
Total income tax expense		<u>5,146</u>	<u>5,317</u>	<u>254</u>	<u>271</u>

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	Before tax	2012 Tax (expense) benefit	Net of tax	Before tax	2011 Tax (expense) benefit	Net of tax
<i>(in million Baht)</i>						
Foreign currency translation differences for foreign operations	155	-	155	292	-	292
Revaluation of property, plant and equipment	903	(174)	729	46	340	386
Available-for-sale financial assets	41	(8)	33	2	-	2
Defined benefit plan actuarial gains (losses)	(21)	4	(17)	(22)	4	(18)
Share of other comprehensive income of associates	1,264	-	1,264	-	-	-
Total	<u>2,342</u>	<u>(178)</u>	<u>2,164</u>	<u>318</u>	<u>344</u>	<u>662</u>

	Separate financial statements					
	Before tax	2012 Tax (expense) benefit	Net of tax	Before tax	2011 Tax (expense) benefit	Net of tax
<i>(in million Baht)</i>						
Defined benefit plan actuarial gains (losses)	21	(4)	17	35	(7)	28
Total	<u>21</u>	<u>(4)</u>	<u>17</u>	<u>35</u>	<u>(7)</u>	<u>28</u>

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Reconciliation of effective tax rate

	Consolidated financial statements			
	2012		2011	
	<i>Rate</i> (%)	<i>(in million</i> <i>Baht)</i>	<i>Rate</i> (%)	<i>(in million</i> <i>Baht)</i>
Profit (loss) for the year		28,759		11,967
Total income tax expense		5,146		5,317
Profit before total income tax expense		<u>33,905</u>		<u>17,284</u>
Income tax using the Thai corporation tax rate	23.00	7,798	30.00	5,185
Income tax reduction - deferred		-		209
Effect of different tax rates in foreign jurisdictions		(746)		31
Income not subject to tax		(2,710)		(179)
Expenses not deductible for tax purposes		745		98
Recognition of previously unrecognised tax losses		48		(5)
Current year losses for which no deferred tax asset was recognised		2		(26)
Under (over) provided in prior years		9		4
Total	<u>15.18</u>	<u>5,146</u>	<u>30.76</u>	<u>5,317</u>

	Separate financial statements			
	2012		2011	
	<i>Rate</i> (%)	<i>(in million</i> <i>Baht)</i>	<i>Rate</i> (%)	<i>(in million</i> <i>Baht)</i>
Profit (loss) for the year		12,692		8,559
Total income tax expense		254		271
Profit before total income tax expense		<u>12,946</u>		<u>8,830</u>
Income tax using the Thai corporation tax rate	23.00	2,978	30.00	2,649
Income tax reduction - deferred		-		19
Income not subject to tax		(2,748)		(2,435)
Expenses not deductible for tax purposes		26		30
Under (over) provided in prior years		(2)		8
Total	<u>1.96</u>	<u>254</u>	<u>3.07</u>	<u>271</u>

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

Thai Beverage Public Company Limited and its Subsidiaries

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35 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, two subsidiaries have been granted privileges by the Board of Investment relating to the production of bio-gas and the production of beverage. The privileges granted include:

The production of bio-gas

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations;
- (c) a 50% reduction in the normal tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date in (b) above; and
- (d) exemption from income tax on dividend income derived from certain promoted operations of its subsidiaries for a period of eight years.

The production of beverage

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations; and
- (c) exemption from income tax on dividend income derived from certain promoted operations of its subsidiaries for a period of eight years.

As promoted companies, the aforementioned subsidiaries must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Promoted businesses	4,252	4,796	-	-
Non-promoted businesses	156,792	127,390	-	-
Total income	161,044	132,186	-	-

Privileges granted to business operator in Free Zone

Also in 2004 another subsidiary was granted approval from the Customs Department to operate in a "Free Zone", whereby the subsidiary obtains privileges related to the payment of import and export taxes, valued added tax and excise tax. Various other privileges are also granted.

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36 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2012 and 2011 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht / million shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>28,493</u>	<u>12,031</u>	<u>12,692</u>	<u>8,559</u>
Number of ordinary shares outstanding	<u>25,110</u>	<u>25,110</u>	<u>25,110</u>	<u>25,110</u>
Basic earnings per share (in Baht)	<u>1.13</u>	<u>0.48</u>	<u>0.51</u>	<u>0.34</u>

37 Dividends

At the meeting of the Board of Directors held on 14 August 2012, the directors adopted a resolution to approve the interim dividend payment for the year 2012 of 25,110 million ordinary shares at Baht 0.14 per share, totalling Baht 3,515 million. The interim dividend was paid to shareholders on 11 September 2012.

At the annual general meeting of the shareholders of the Company held on 27 April 2012, the shareholders approved the appropriation of dividend of Baht 0.37 per share, amounting to Baht 9,290 million. On 8 September 2011, the interim dividend of Baht 0.15 per share was paid, totalling Baht 3,766 million. The remaining dividend of Baht 0.22 per share, totalling Baht 5,524 million was paid on 24 May 2012.

At the meeting of the Board of Directors held on 28 February 2012, the directors agreed to propose a dividend payment for the year of Baht 0.37 per share, totalling Baht 9,290 million. The interim dividend paid was Baht 0.15 per share, totalling Baht 3,766 million. The remaining dividend payment is Baht 0.22 per share, totalling Baht 5,524 million was paid on 24 May 2012.

At the meeting of the Board of Directors held on 11 August 2011, the directors adopted a resolution to approve the interim dividend payment for the year 2011 of 25,110 million ordinary shares at Baht 0.15 per share, totalling Baht 3,766 million. The interim dividend was paid to shareholders on 8 September 2011.

At the annual general meeting of the shareholders of the Company held on 29 April 2011, the shareholders approved the appropriation of dividend of Baht 0.35 per share, amounting to Baht 8,788 million. On 8 September 2010, the interim dividend of Baht 0.15 per share was paid, totalling Baht 3,766 million. The remaining dividend of Baht 0.20 per share, totalling Baht 5,022 million, was paid on 26 May 2011.

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38 Financial instruments

Financial risk management policies

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

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

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 21). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

The effective interest rates of loans receivable as at 31 December and the periods in which the loans receivable mature or re-price were as follows:

	Effective interest rate (% per annum)	Separate financial statements		
		Within 1 year	After 1 year but within 5 years (in million Baht)	Total
2012				
Current				
Loans receivable - related parties	5.00	24,254	-	24,254
Non-current				
Loans receivable - related parties	5.00	-	2,304	2,304
Total		24,254	2,304	26,558
2011				
Current				
Loans receivable - related parties	5.00	14,753	-	14,753
Non-current				
Loans receivable - related parties	5.00	-	635	635
Total		14,753	635	15,388

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

	Effective interest rate (% per annum)	Consolidated financial statements		
		Within 1 year	After 1 year but within 5 years (in million Baht)	Total
2012				
Current				
Bank overdrafts	2.02	1,129	-	1,129
Loans payable - financial institutions	3.06	2,436	-	2,436
Bills of exchange	3.23	7,770	-	7,770
Current portion of long-term loans	2.67	4,672	-	4,672
Non-current				
Loans payable - financial institutions	2.04	-	88,146	88,146
Total		16,007	88,146	104,153
2011				
Current				
Bank overdrafts	2.46	378	-	378
Loans payable - financial institutions	3.41	4,849	-	4,849
Current portion of long-term loans	3.69	1,800	-	1,800
Non-current				
Loans payable - financial institutions	3.49	-	11,200	11,200
Total		7,027	11,200	18,227
Separate financial statements				
	Effective interest rate (% per annum)	Separate financial statements		
		Within 1 year	After 1 year but within 5 years (in million Baht)	Total
2012				
Current				
Loans payable - financial institutions	3.21	600	-	600
Current portion of long-term loans	4.12	1,533	-	1,533
Loans payable - related parties	5.00	9,144	-	9,144
Bills of exchange	3.23	7,770	-	7,770
Non-current				
Loans payable - financial institutions	3.39	-	9,667	9,667
Loans payable - related parties	5.00	-	13,875	13,875
Total		19,047	23,542	42,589
2011				
Current				
Loans payable - financial institutions	3.45	3,500	-	3,500
Current portion of long-term loans	4.07	1,200	-	1,200
Loans payable - related parties	5.00	8,636	-	8,636
Non-current				
Loans payable - financial institutions	3.49	-	11,200	11,200
Loans payable - related parties	5.00	-	10,528	10,528
Total		13,336	21,728	35,064

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Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales of goods which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

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

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2012	2011	2012	2011
		<i>(in million Baht)</i>			
<i>Singapore Dollars</i>					
Current portion of long-term loans from financial institutions		(3,139)	-	-	-
Long-term loans from financial institutions		(78,479)	-	-	-
Other payables	23	(104)	-	-	-
Gross statement of financial position exposure		(81,772)	-	-	-
<i>United States Dollars</i>					
Cash and cash equivalents	7	28	7	-	-
Trade accounts receivable	9	13	12	-	-
Other receivables		2	2	-	-
Trade accounts payable		(10)	(12)	-	-
Other payables	23	(156)	(27)	-	(1)
Gross statement of financial position exposure		(123)	(18)	-	(1)
Estimated forecast purchase of assets		-	(95)	-	-
Estimated forecast purchase of goods		(661)	(707)	-	-
Estimated forecast other liabilities		(25)	(2)	-	-
Gross exposure		(809)	(822)	-	(1)
Forwards to buy foreign currency		221	499	-	-
Net exposure		(588)	(323)	-	(1)
<i>Euro</i>					
Cash and cash equivalents		1	-	-	-
Trade accounts receivable	9	33	3	-	-
Trade accounts payable	22	(137)	(159)	-	-
Other payables	23	(53)	(30)	-	-
Gross statement of financial position exposure		(156)	(186)	-	-
Estimated forecast purchase of goods		(372)	(691)	-	-
Estimated forecast purchase of assets		(76)	(645)	-	-
Other provisions		(172)	-	-	-
Gross exposure		(776)	(1,522)	-	-

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		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2012	2011	2012	2011
		<i>(in million Baht)</i>			
<i>Euro (continued)</i>					
Forwards to buy foreign currency		437	633	-	-
Net exposure		(339)	(889)	-	-
<i>Great Britain Pound</i>					
Cash and cash equivalents		81	3	-	-
Short-term loans from financial institutions		-	(221)	-	-
Trade accounts payable		(63)	(10)	-	-
Other payables		(1)	(1)	-	-
Gross statement of financial position exposure		17	(229)	-	-
Estimated forecast purchase of goods		(15)	-	-	-
Estimated forecast payment for advertising		(119)	(59)	-	-
Gross exposure		(117)	(288)	-	-
Forwards to buy foreign currency		64	59	-	-
Net exposure		(53)	(229)	-	-
<i>Australia Dollars</i>					
Trade accounts payable	22	(151)	(144)	-	-
Other payables		(1)	-	-	-
Gross statement of financial position exposure		(152)	(144)	-	-
Estimated forecast purchase of goods		(288)	(868)	-	-
Gross exposure		(440)	(1,012)	-	-
Forwards to buy foreign currency		420	782	-	-
Net exposure		(20)	(230)	-	-
<i>Hong Kong Dollars</i>					
Cash and cash equivalents	7	34	215	-	-
Gross statement of financial position exposure		34	215	-	-
<i>Japanese Yen</i>					
Other payables	23	(2)	(161)	-	-
Gross statement of financial position exposure		(2)	(161)	-	-
Estimated forecast purchase of machinery		(284)	(8)	-	-
Other provisions		(2)	-	-	-
Gross exposure		(288)	(169)	-	-

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	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Japanese Yen (continued)				
Forwards to buy foreign currency	282	160	-	-
Net exposure	(6)	(9)	-	-
Other foreign currencies				
Trade accounts receivable	11	-	-	-
Trade accounts payable	(2)	-	-	-
Gross statement of financial position exposure	9	-	-	-
Other provisions	(1)	-	-	-
Gross exposure	8	-	-	-
Net exposure	8	-	-	-

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.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables and loans to and other receivables from related parties is taken to approximate the carrying value.

The fair value of other long-term investments is taken to approximate the carrying value. Interest rates of investment in government bonds are fixed.

The fair value of trade accounts payable, loans from related parties and other parties, other payables from related parties, and other current liabilities is taken to approximate the carrying value.

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The fair value of loans is taken to approximate the carrying value. The loans are bearing interest at rates closed to current market rate.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Fair values of forward exchange contracts at 31 December were as follows:

	Currency denomination		Consolidated financial statements	
	2012	2011	2012	2011
	<i>(in million)</i>		<i>(in million Baht)</i>	
Currency forwards				
Assets				
Singapore Dollars (SGD)	399.10	0.70	10,058	17
Great Britain Pound (GBP)	-	0.04	-	2
Total			10,058	19
Liabilities				
Euro (EUR)	11	15	436	636
Great Britain Pound (GBP)	4	4	188	183
Australia Dollars (AUD)	13	24	415	769
United States Dollars (USD)	7	16	223	504
Japanese Yen (Yen)	789	387	281	159
Total			1,543	2,251

39 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
Capital commitments				
<i>Contracted but not provided for:</i>				
Land	52	86	-	-
Buildings and other constructions	641	131	-	-
Machinery and equipment	1,028	251	-	-
Computer software	7	14	-	-
Total	1,728	482	-	-
Non-cancellable operating lease commitments				
Within one year	455	365	8	6
After one year but within five years	379	342	17	10
After five years	91	113	-	-
Total	925	820	25	16
Other commitments				
Forward contracts to buy foreign currencies	2,224	2,226	-	-
Forward contracts to sell foreign currencies	(11)	(19)	-	-
Goods and raw materials purchase agreements	1,376	2,365	-	-
Specialist agreements	1,242	1,316	210	222

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	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in million Baht)</i>			
<i>Other commitments (continued)</i>				
Unused letters of credit for goods and supplies	366	219	-	-
Service agreements	747	525	1	8
Advertising services and sponsorship agreements	509	270	-	-
Molasses purchase agreements	959	195	-	-
Bank guarantees	368	296	40	34
Other agreements	31	4	-	-
Total	7,811	7,397	251	264

Significant capital commitments

An indirect subsidiary has entered into factory building construction and machinery installation agreements with several companies due to in 2009, the said indirect subsidiary has invested in Cold-Aseptic-Filling beverage and PET bottle production project in the amount not exceeding Baht 1,430 million. Subsequently in 2010, the said indirect subsidiary has also invested in UHT packaging machine project in the amount not exceeding Baht 980 million. The aforementioned project has already operated in 2011.

Significant other commitments

Specialist agreements

In 2004, the Company and four subsidiaries entered into production and blending control agreements with a specialist for a period of 40 years from 1 August 2004 to 1 August 2044. Under the agreements, the Company and its subsidiaries are obliged to pay monthly service fees of Baht 4.3 million which are to be annually increased by 5% for the first 20 years from 1 August 2004 to 1 August 2024. Afterwards, the Company and its subsidiaries have to pay monthly service fees of Baht 0.25 million until the expiration of the agreements. Service fee under the agreements totalled Baht 1,766.2 million. Subsequently, the addendums were made on 5 January 2006, under which the Company and its subsidiaries have to pay additional amount to this specialist amounting to Baht 2,000 million. Therefore, the total service fees under the agreements both outstanding and already paid by the Company and its subsidiaries amounted to Baht 3,766.2 million.

As at 31 December 2012 the remaining commitments to be paid, relating to these agreements, amounted to Baht 1,241.7 million.

Sponsorship agreement

On 10 February 2012, a subsidiary has entered into a sponsorship agreement with two football clubs in Spain, for a period of three years from 27 February 2012 to 30 June 2015 and from 1 January 2012 to 31 December 2014 respectively in order to promote the Company's products as specified in the agreement, whereby the Company is granted a license to utilise the trade names, trademarks, images and logos of the owner parties. The subsidiary is obliged to pay total amounts of Euro 6.55 million during three years at the condition specified in the agreements.

In 2010, a subsidiary renewed a sponsorship agreement with Everton Football Club, in the United Kingdom, for a period of three years from 1 June 2011 to 31 May 2014 in order to promote the Group's businesses globally. Under the agreement, the subsidiary is obliged to pay a minimum amount of GBP 0.6 million and a maximum amount of GBP 2.6 million per year, dependent on the performance of Everton football team in each year.

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Distributor agreement

In 2008, an indirect subsidiary renewed a distributor agreement with a local company to act as a distributor for green tea products for a period of three years from 4 November 2008 to 3 November 2011. Subsequently, the said subsidiary renewed the aforementioned agreement for another three years from 4 November 2011 to 3 November 2014.

Hot-fill PET bottle trading agreement

In 2005, an indirect subsidiary entered into a hot-fill PET bottle trading agreement with a local bottle manufacturing company according to the quantity required from the indirect subsidiary on a monthly basis at the price specified in the agreement. The agreement is for a 15-year period, commencing 150 days after the agreement date.

Material and package trading agreement

In 2007, a subsidiary and an indirect subsidiary entered into a material and package trading agreement with a local company for distribution of products to the Group's shops and for materials and packaging management. The two subsidiaries committed to pay the service charge at the rate specified in the agreement for a period of three years from 1 April 2007 to 31 March 2010 with the renewal option for another three years. Subsequently in April 2010, the said subsidiaries entered into new agreements for a period of two years and eight months from 1 May 2010 to 31 December 2012.

Transportation agreement

In 2007, a subsidiary and an indirect subsidiary entered into a transportation agreement with a local company to transport products from factory to the destination. Transportation cost is calculated for each trip at the rate stated in the agreement. The term of the agreement is three years from 1 November 2007 to 31 October 2010. Subsequently, on 1 February 2010, the said subsidiaries entered into a new agreement due to the transportation fee rate adjustment. The term of the agreement is three years from 1 January 2010 to 31 December 2012 and may be extended for successive terms of one year each or terminated if any party does not comply with the terms and conditions stated in the agreement or if not less than 30 days prior written notice is given by any one party to the other.

License agreement

A subsidiary entered into a license agreement with an overseas company for operating Japanese restaurants in the Kingdom of Thailand as the master license for a period of 10 years from 20 May 2008. Unless there is a notification to terminate the agreement within 180 days before the expiration, this agreement continues to be in effect for the successive 10 years term. The subsidiary committed to pay Initial License Fee, License Fee and Royalty Fee as stated in the agreement. Subsequently at the Executive Board of Directors' meeting held on 10 August 2011, the directors agreed to terminate the aforementioned agreement. The subsidiary was not subject to pay for any compensation for termination before the expiration.

On 29 June 2009, the said subsidiary entered into a license agreement with another overseas company for operating Japanese restaurants in the Kingdom of Thailand as the master license for a period of 10 years from 29 June 2009. Unless there is a notification to terminate the agreement within 180 days before the expiration, this agreement continues to be in effect for the successive 10 years term. The subsidiary committed to pay Initial License Fee, License Fee and Royalty Fee as stated in the agreement.

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

Natural gas trading agreement

On 30 September 2009, an indirect subsidiary entered into a natural gas trading agreement with a local company at the condition specified in the agreement for a period of 7 years from 21 December 2009 to 30 November 2016 with the renewal option by written notice not less than 90 days before the expiration.

40 Events after the reporting period

- (a) At the Board of Directors' meeting held on 27 February 2013, the directors agreed to propose a dividend payment for the year of Baht 0.42 per share, totalling Baht 10,546 million. The interim dividend paid was Baht 0.14 per share, totalling Baht 3,515 million. The remaining dividend payment is Baht 0.28 per share, totalling Baht 7,031 million.
- (b) At the annual general meeting of the shareholders of an associate of the Group held on 29 January 2013, the shareholders approved the appropriation of dividend of SGD 0.12 per share for the year ended 30 September 2012. This dividend was paid on 21 February 2013.

41 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following new and revised TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TFRS are expected to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

TFRS	Topic	Year effective
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013
TFRS 8	Operating Segments	2013

The Group has not adopted TAS 21 (revised 2009) *The Effects of Changes in Foreign Exchange Rates*, which is expected to become effective for annual financial periods beginning on or after 1 January 2013.

Management expects to adopt and apply the revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of the new standard assessed to have the greatest potential impact on the financial statements in the period of initial application. These standards are as follows:

TAS 21 (revised 2009) – The effects of changes in foreign exchange rates

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht. Accordingly, the adoption of TAS 21 from 1 January 2013 is not expected to have a significant impact on the Group's reported assets, liabilities or retained earnings.

Thai Beverage Public Company Limited and its Subsidiaries

Notes to the financial statements

TFRS 8 – Operating segments

The principal change introduced by TFRS 8 is the introduction of the concept of presenting operating segments based on the information that internally is provided to the Group/Company's chief operating decision maker. Since the change in accounting policy only impacts disclosure aspects, there is no impact on the Group/Company's financial statements.

42 Reclassification of accounts

Certain accounts in the 2011 financial statements have been reclassified to conform to the presentation in the 2012 financial statements. Significant reclassifications were as follows:

	Before reclass.	2011 Consolidated financial statements		After reclass.
		Restated from purchase price allocation* (in million Baht)	Reclass.	
<i>Statement of financial position</i>				
Available-for-sale investments	73	-	(73)	-
Other long-term investments	67	94	73	234
Other intangible assets	271	(2)	(98)	171
Other non-current liabilities	225	-	(98)	127
		<u>92</u>	<u>-</u>	
<i>Statement of comprehensive income</i>				
Dividends	-	-	1	1
Net gain on foreign exchange	-	-	84	84
Other income	761	(4)	(85)	672
		<u>(4)</u>	<u>-</u>	

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

- * These items are not reclassifications. They represent the restatement of financial statements to reflect the result of independent appraisers and purchase price allocation of business acquired in 2011. (See note 5 for additional information)