

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

Financial statements for the year ended  
31 December 2013  
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 (the "Group") and of Thai Beverage Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2013, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

#### *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 present fairly, in all material respects, the financial position of the Group and Company, respectively, as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

A handwritten signature in black ink, appearing to be 'N. Lilamethwat', written in a cursive style.

(Nirand Lilamethwat)  
Certified Public Accountant  
Registration No. 2316

KPMG Phoomchai Audit Ltd.  
Bangkok  
27 February 2014

# Thai Beverage Public Company Limited and its Subsidiaries

## Statements of financial position

		Consolidated		Separate	
		financial statements		financial statements	
Assets	Note	31 December 2013	31 December 2012	31 December 2013	31 December 2012
		<i>(in thousand Baht)</i>			
<b>Current assets</b>					
Cash and cash equivalents	8	5,101,568	4,544,966	763,196	28,230
Current investments	9	6,794	2,289	-	-
Trade accounts receivable	7, 10	3,890,628	3,582,909	-	-
Other receivables		614,919	898,567	19,838	12,012
Current portion of long-term loans		2,245	27,557	24	578
Short-term loans to and other receivables from related parties	7	248,768	1,246,307	14,985,444	24,857,102
Inventories	11	34,836,910	32,972,438	-	-
Other current assets	12	5,022,144	3,874,071	14,460	37,996
<b>Total current assets</b>		<b>49,723,976</b>	<b>47,149,104</b>	<b>15,782,962</b>	<b>24,935,918</b>
<b>Non-current assets</b>					
Investments in associates	6, 13	75,558,200	104,319,644	-	-
Investments in subsidiaries	14	-	-	85,446,603	80,352,046
Other long-term investments	9	273,794	319,788	-	-
Long-term loans to and other receivables from related parties	7	73,490	57,385	2,207,903	2,314,565
Other long-term loans		-	2,216	-	20
Investment properties	15	1,014,965	858,720	-	-
Property, plant and equipment	16	46,827,202	45,320,061	59,969	48,737
Goodwill	17	7,052,097	7,038,303	-	-
Other intangible assets	18	160,487	158,690	21,912	15,797
Leasehold rights	19	171,729	174,167	-	-
Deferred tax assets	20	391,897	397,383	29,401	29,506
Other non-current assets	21	2,081,649	1,890,333	286,812	296,187
<b>Total non-current assets</b>		<b>133,605,510</b>	<b>160,536,690</b>	<b>88,052,600</b>	<b>83,056,858</b>
<b>Total assets</b>		<b>183,329,486</b>	<b>207,685,794</b>	<b>103,835,562</b>	<b>107,992,776</b>

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		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
<b>Liabilities and equity</b>		2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	22	2,166,835	11,334,945	353	8,370,341
Trade accounts payable	7, 23	5,202,481	5,108,142	-	-
Other payables	24	3,939,234	4,213,194	139,470	165,962
Current portion of long-term loans					
from financial institutions	22	10,189,869	4,672,275	2,667,000	1,533,200
Short-term loans from and					
other payables to related parties	7, 22	237,729	302,862	7,639,931	9,608,376
Income tax payable		2,647,135	2,814,991	488,112	118,744
Short-term provisions		22,091	39,043	-	-
Other current liabilities		1,824,830	2,107,487	46,810	61,021
<b>Total current liabilities</b>		<b>26,230,204</b>	<b>30,592,939</b>	<b>10,981,676</b>	<b>19,857,644</b>
<b>Non-current liabilities</b>					
Long-term loans from and					
other payables to related parties	7, 22	104	105	17,769,700	13,874,900
Debentures	22	1,000,000	-	-	-
Long-term loans from financial					
institutions	22	54,342,860	88,146,177	6,500,000	9,666,800
Deferred tax liabilities	20	1,314,814	1,374,053	-	-
Employee benefit obligations	25	2,313,712	2,437,451	138,321	134,088
Other non-current liabilities		134,702	163,681	15	-
<b>Total non-current liabilities</b>		<b>59,106,192</b>	<b>92,121,467</b>	<b>24,408,036</b>	<b>23,675,788</b>
<b>Total liabilities</b>		<b>85,336,396</b>	<b>122,714,406</b>	<b>35,389,712</b>	<b>43,533,432</b>
<b>Equity</b>					
Share capital:	26				
Authorised share capital		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)	(19,718,440)	31,035	31,035
Premium on ordinary shares	26	17,215,737	17,215,737	17,215,737	17,215,737
Retained earnings:					
Appropriated - legal reserve	27	2,900,000	2,900,000	2,900,000	2,900,000
Unappropriated		63,010,734	52,399,129	23,189,053	19,202,547
Other components of equity	27	5,768,064	3,469,585	-	-
<b>Equity attributable to owners</b>					
<b>of the Company</b>		<b>94,286,120</b>	<b>81,376,036</b>	<b>68,445,850</b>	<b>64,459,344</b>
Non-controlling interests		3,706,970	3,595,352	-	-
<b>Total equity</b>		<b>97,993,090</b>	<b>84,971,388</b>	<b>68,445,850</b>	<b>64,459,344</b>
<b>Total liabilities and equity</b>		<b>183,329,486</b>	<b>207,685,794</b>	<b>103,835,562</b>	<b>107,992,776</b>

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	
		2013	2012	2013	2012
			(Revised)		
		<i>(in thousand Baht)</i>			
<b>Income</b>	7, 28				
Revenue from sale of goods	36	155,770,536	161,043,747	-	-
Management fees		-	-	3,469,833	3,382,629
Dividend income	14	22,738	6,135	11,870,809	11,946,667
Interest income		68,168	73,992	975,648	981,610
Net gain on foreign exchange		259,574	-	341,954	-
Other income	29	772,260	756,878	1,980,242	62,483
<b>Total income</b>		<b>156,893,276</b>	<b>161,880,752</b>	<b>18,638,486</b>	<b>16,373,389</b>
<b>Expenses</b>	7, 28, 33				
Cost of sale of goods		112,033,197	115,621,965	-	-
Cost of rendering of services		-	-	1,378,504	1,258,548
Selling expenses	30	12,590,440	12,231,705	-	-
Administrative expenses	31	10,146,798	10,386,173	468,034	437,551
Net loss on foreign exchange		-	1,945,523	-	28,642
Finance costs	34	2,318,690	1,401,361	1,601,130	1,702,949
<b>Total expenses</b>		<b>137,089,125</b>	<b>141,586,727</b>	<b>3,447,668</b>	<b>3,427,690</b>
Share of profit of associates, net of income tax	6, 7, 13	3,434,027	922,750	-	-
<b>Profit before gain on purchase of investment in associate and income tax expense</b>		<b>23,238,178</b>	<b>21,216,775</b>	<b>15,190,818</b>	<b>12,945,699</b>
Gain on purchase of investment in associate	6, 7, 13	-	12,688,345	-	-
<b>Profit before income tax expense</b>		<b>23,238,178</b>	<b>33,905,120</b>	<b>15,190,818</b>	<b>12,945,699</b>
Income tax expense	35	(4,236,366)	(5,145,582)	(666,072)	(254,051)
<b>Profit for the year</b>		<b>19,001,812</b>	<b>28,759,538</b>	<b>14,524,746</b>	<b>12,691,648</b>
<b>Profit attributable to:</b>					
Owners of the Company		19,130,302	28,493,113	14,524,746	12,691,648
Non-controlling interests		(128,490)	266,425	-	-
<b>Profit for the year</b>		<b>19,001,812</b>	<b>28,759,538</b>	<b>14,524,746</b>	<b>12,691,648</b>
<b>Basic earnings per share</b>	37	<b>0.76</b>	<b>1.13</b>	<b>0.58</b>	<b>0.51</b>

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

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Statements of comprehensive income**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		For the year ended 31 December		For the year ended 31 December	
		2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
<b>Profit for the year</b>		<b>19,001,812</b>	<b>28,759,538</b>	<b>14,524,746</b>	<b>12,691,648</b>
<b>Other comprehensive income</b>					
Share of other comprehensive income					
of associates	7, 13	1,191,731	1,263,831	-	-
Foreign currency translation					
differences for foreign operations		784,059	155,649	-	-
Revaluation of property	16	651,121	902,694	-	-
Defined benefit plan actuarial					
gains (losses)	25	218,212	(20,973)	9,963	21,110
Net change in fair value of					
available-for-sale investments		(26,350)	40,865	-	-
Income tax on other comprehensive					
income	35	(167,819)	(177,865)	(1,992)	(4,222)
<b>Other comprehensive income for the</b>					
<b>    year, net of income tax</b>		<b>2,650,954</b>	<b>2,164,201</b>	<b>7,971</b>	<b>16,888</b>
<b>Total comprehensive income for the year</b>		<b>21,652,766</b>	<b>30,923,739</b>	<b>14,532,717</b>	<b>12,708,536</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		21,548,770	30,651,462	14,532,717	12,708,536
Non-controlling interests		103,996	272,277	-	-
<b>Total comprehensive income for the year</b>		<b>21,652,766</b>	<b>30,923,739</b>	<b>14,532,717</b>	<b>12,708,536</b>

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	Retained earnings				Other components of equity							Total equity	
		Issued and paid-up share capital	Difference arising from common control transactions	Premium on ordinary shares	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	Equity attributable to owners of the Company		Non-controlling interests
<i>(in thousand Baht)</i>														
<b>Year ended 31 December 2012</b>														
<b>Balance at 1 January 2012</b>		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
<b>Transactions with owners, recorded directly in equity</b>														
Dividends to owners of the Company	38	-	-	-	-	(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
<b>Total transactions with owners, recorded directly in equity</b>		-	13,881	-	-	(9,039,609)	-	-	-	-	-	(9,025,728)	(128,984)	(9,154,712)
<b>Comprehensive income for the year</b>														
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
<b>Total comprehensive income for the year</b>		-	-	-	-	28,482,149	155,727	728,617	21,138	1,263,831	2,169,313	30,651,462	272,277	30,923,739
<b>Balance at 31 December 2012</b>		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

	Consolidated financial statements													
	Note	Retained earnings				Other components of equity					Equity attributable to owners of the Company	Non-controlling interests	Total equity	
		Issued and paid-up share capital	Difference arising from common control transactions	Premium on ordinary shares	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>														
<b>Year ended 31 December 2013</b>														
<b>Balance at 1 January 2013</b>		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
<b>Transactions with owners, recorded directly in equity</b>														
<i>Distributions to owners of the Company</i>														
Dividends to owners of the Company	38	-	-	-	-	(10,546,211)	-	-	-	-	-	(10,546,211)	(269,351)	(10,815,562)
<b>Total distributions to owners of the Company</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,546,211)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,546,211)</b>	<b>(269,351)</b>	<b>(10,815,562)</b>
<i>Changes in ownership interests</i>														
Disposal of investment in subsidiary without a change in control		-	-	-	-	1,907,525	-	-	-	-	-	1,907,525	276,973	2,184,498
<b>Total changes in ownership interests</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,907,525</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,907,525</b>	<b>276,973</b>	<b>2,184,498</b>
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,638,686)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,638,686)</b>	<b>7,622</b>	<b>(8,631,064)</b>
<b>Comprehensive income for the year</b>														
Profit or loss		-	-	-	-	19,130,302	-	-	-	-	-	19,130,302	(128,490)	19,001,812
Other comprehensive income		-	-	-	-	119,989	780,166	340,212	(13,630)	1,191,731	2,298,479	2,418,468	232,486	2,650,954
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,250,291</b>	<b>780,166</b>	<b>340,212</b>	<b>(13,630)</b>	<b>1,191,731</b>	<b>2,298,479</b>	<b>21,548,770</b>	<b>103,996</b>	<b>21,652,766</b>
<b>Balance at 31 December 2013</b>		<b>25,110,025</b>	<b>(19,718,440)</b>	<b>17,215,737</b>	<b>2,900,000</b>	<b>63,010,734</b>	<b>(695,599)</b>	<b>3,999,380</b>	<b>8,721</b>	<b>2,455,562</b>	<b>5,768,064</b>	<b>94,286,120</b>	<b>3,706,970</b>	<b>97,993,090</b>

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
				Premium on ordinary shares	Retained earnings		
				Legal reserve	Unappropriated		
<i>(in thousand Baht)</i>							
<b>Year ended 31 December 2012</b>							
<b>Balance at 1 January 2012</b>		<b>25,110,025</b>	<b>-</b>	<b>17,215,737</b>	<b>2,900,000</b>	<b>15,533,620</b>	<b>60,759,382</b>
<b>Transactions with owners, recorded directly in equity</b>							
Dividends to owners of the Company	38	-	-	-	-	(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
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>31,035</b>	<b>-</b>	<b>-</b>	<b>(9,039,609)</b>	<b>(9,008,574)</b>
<b>Comprehensive income for the year</b>							
Profit		-	-	-	-	12,691,648	12,691,648
Other comprehensive income		-	-	-	-	16,888	16,888
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,708,536</b>	<b>12,708,536</b>
<b>Balance at 31 December 2012</b>		<b>25,110,025</b>	<b>31,035</b>	<b>17,215,737</b>	<b>2,900,000</b>	<b>19,202,547</b>	<b>64,459,344</b>

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	
				Premium on ordinary shares	Retained earnings		
				Legal reserve	Unappropriated		
<i>(in thousand Baht)</i>							
<b>Year ended 31 December 2013</b>							
<b>Balance at 1 January 2013</b>		<b>25,110,025</b>	<b>31,035</b>	<b>17,215,737</b>	<b>2,900,000</b>	<b>19,202,547</b>	<b>64,459,344</b>
<b>Transactions with owners, recorded directly in equity</b>							
Dividends to owners of the Company	38	-	-	-	-	(10,546,211)	(10,546,211)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,546,211)</b>	<b>(10,546,211)</b>
<b>Comprehensive income for the year</b>							
Profit		-	-	-	-	14,524,746	14,524,746
Other comprehensive income		-	-	-	-	7,971	7,971
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,532,717</b>	<b>14,532,717</b>
<b>Balance at 31 December 2013</b>		<b>25,110,025</b>	<b>31,035</b>	<b>17,215,737</b>	<b>2,900,000</b>	<b>23,189,053</b>	<b>68,445,850</b>

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	2013	2012	2013	2012
		(Revised)		
	(in thousand Baht)			
<i>Cash flows from operating activities</i>				
Profit for the year	19,001,812	28,759,538	14,524,746	12,691,648
<i>Adjustments for</i>				
Depreciation and amortisation	3,932,674	3,928,795	25,096	23,803
Interest income	(68,168)	(73,992)	(975,648)	(981,610)
Finance costs	2,318,690	1,401,361	1,601,130	1,702,949
Unrealised (gain) loss on exchanges	(202,300)	298,019	(5,037)	111,828
(Reversal of) bad and doubtful debts expenses	16,085	(7,684)	-	-
Amortisation of advance payments to a specialist	50,000	50,000	9,375	9,375
Write-off (reversal of) allowance for decline in value of inventories	(344,295)	(194,208)	-	-
(Gain) loss on disposal and write-off of property, plant and equipment and intangible assets	(117,439)	(15,574)	(274)	3,092
(Reversal of) impairment loss on plant and equipment	(35,781)	(197,055)	-	-
Impairment loss on intangible assets	5,661	-	-	-
Gain on sale of investment	(26,270)	(42,760)	(1,896,097)	(32,975)
Dividend income	(22,738)	(6,135)	(11,870,809)	(11,946,667)
Employee benefit expenses	209,246	235,380	16,267	17,594
Share of profit of associates, net of income tax	(3,434,027)	(922,750)	-	-
Gain on purchase of investment in associate	13	-	(12,688,345)	-
Income tax expense	35	4,236,366	5,145,582	666,072
		25,519,516	25,670,172	2,094,821
				1,853,088
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(319,748)	23,977	-	-
Other receivables from related parties	986,789	696,803	(65,232)	(4,848)
Inventories	(1,520,177)	(2,228,452)	-	-
Other current assets	(859,655)	485,967	15,710	(20,348)
Trade accounts payable	83,854	(182,953)	-	-
Other payables to related parties	(65,133)	100,744	(201,927)	158,766
Other current liabilities	(596,421)	435,689	(52,140)	38,250
Employee benefit paid	(109,883)	(138,888)	(2,138)	776
Other non-current liabilities	(27,283)	231,281	15	-
Cash generated from operating activities	23,091,859	25,094,340	1,789,109	2,025,684
Income tax paid	(5,005,026)	(5,368,595)	(298,592)	(188,985)
<b>Net cash from operating activities</b>	<b>18,086,833</b>	<b>19,725,745</b>	<b>1,490,517</b>	<b>1,836,699</b>

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	2013	2012	2013	2012
		(Revised)		
	(in thousand Baht)			
<b>Cash flows from investing activities</b>				
Interest received	67,869	73,789	1,085,148	867,636
Dividends received	1,651,590	6,135	11,870,809	11,946,667
Current investments	1,995	12,514	-	-
Loans to related parties	-	-	(2,335,790)	(13,570,095)
Repayment of loans to related parties	-	-	12,279,666	2,288,600
(Increase) decrease in other long-term loans	27,528	(29,833)	-	-
Net cash inflow on disposal of investments in subsidiaries	2,563,718	39,576	2,563,718	287,915
Cash outflow on investments in subsidiaries	-	-	(5,762,177)	-
Proceeds from capital reduction of investments				
in associates	33,346,305	-	-	-
Sale of investments in associates	1,461	-	-	-
Purchase of investments in associates	-	(90,111,990)	-	-
(Increase) decrease in other long-term investments	38,049	(47,068)	-	-
Purchase of investment properties	-	(161,129)	-	-
Purchase of property, plant and equipment	(4,824,161)	(4,821,368)	(18,439)	(21,866)
Sale of property, plant and equipment	204,763	157,730	313	19
Purchase of intangible assets	(39,046)	(40,648)	(12,318)	(7,686)
Sale of intangible assets	9	218	-	-
Increase in leasehold rights	(1,000)	-	-	-
(Increase) decrease in other non-current assets	(241,316)	24,977	574	25
Cash outflow on investment in indirect subsidiary	-	-	-	(386,250)
<b>Net cash from (used in) investing activities</b>	<b>32,797,764</b>	<b>(94,897,097)</b>	<b>19,671,504</b>	<b>1,404,965</b>
<b>Cash flows from financing activities</b>				
Interest paid	(1,771,752)	(1,352,909)	(1,599,506)	(1,710,104)
Dividends paid to owners of the Company	(10,546,211)	(9,039,609)	(10,546,211)	(9,039,609)
Dividends paid to non-controlling interests	(269,351)	(117,556)	-	-
Bank overdrafts	275,231	751,421	353	-
Proceeds from short-term loans from financial institutions	34,651,234	128,090,116	20,695,234	42,473,225
Repayment of short-term loans from financial institutions	(44,094,575)	(122,733,217)	(29,065,575)	(37,602,884)
Proceeds from loans from related parties	-	-	7,260,350	8,282,350
Repayment of loans from related parties	-	-	(5,138,700)	(4,427,600)
Proceeds from issuance of debentures	1,000,000	-	-	-
Proceeds from long-term loans from				
financial institutions	1,000,000	81,618,453	-	-
Repayment of long-term loans from				
financial institutions	(31,392,889)	(1,800,000)	(2,033,000)	(1,200,000)
<b>Net cash from (used in) financing activities</b>	<b>(51,148,313)</b>	<b>75,416,699</b>	<b>(20,427,055)</b>	<b>(3,224,622)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(263,716)</b>	<b>245,347</b>	<b>734,966</b>	<b>17,042</b>
Cash and cash equivalents at 1 January	4,544,966	3,442,423	28,230	11,188
Foreign currency translation difference				
for foreign operations	820,318	857,196	-	-
<b>Cash and cash equivalents at 31 December</b>	<b>8 5,101,568</b>	<b>4,544,966</b>	<b>763,196</b>	<b>28,230</b>

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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# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 27 February 2014.

### 1 General information

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

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 and distribution of alcoholic and non-alcoholic beverages, and Japanese restaurants. Details of the Company’s subsidiaries and associates as at 31 December 2013 and 2012 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2013	2012
<i>Direct subsidiaries</i>				
1. Beer Thai (1991) Plc.	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. Kanchanasingorn 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.	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
25. Pomburapa 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 (%)	
			2013	2012
<i>Direct subsidiaries (continued)</i>				
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	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. Thai Molasses Co., Ltd.	Trading of molasses	Thailand	99.72	99.72
44. Feed Addition Co., Ltd.	Trading of feeds and fertilizer	Thailand	100.00	100.00
45. Pan International (Thailand) Co., Ltd.	Trading of supplies and procurement	Thailand	100.00	100.00
46. Charun Business 52 Co., Ltd.	Brick producer and distribution of spirits	Thailand	100.00	100.00
47. Thai Cooperage Co., Ltd.	Oak barrel producer	Thailand	100.00	100.00
48. Thai Beverage Recycle Co., Ltd.	Trading of bottles	Thailand	100.00	100.00
49. Thai Beverage Logistics Co., Ltd.	Transportation and distribution	Thailand	100.00	100.00
50. Thai Beverage Marketing Co., Ltd.	Import and export spirits for trading/ international marketing and non-alcoholic beverages agency	Thailand	100.00	100.00
51. Dhospaak Co., Ltd.	Advertising agency	Thailand	100.00	100.00
52. Thai Beverage Training Co., Ltd.	Training	Thailand	100.00	100.00
53. International Beverage Holdings Limited	Holding company	Hong Kong	100.00	100.00
54. Thai Beverage Brands Co., Ltd.	Trademark holding	Thailand	100.00	100.00
55. Beer Chang Co., Ltd.	Trademark holding and production of concentrate materials	Thailand	100.00	100.00
56. Archa Beer Co., Ltd.	Trademark holding and production of concentrate materials	Thailand	100.00	100.00
57. Sura Piset Phatra Lanna Co., Ltd.	Holding company	Thailand	100.00	100.00
58. United Products Co., Ltd.	Production and distribution of spirits	Thailand	100.00	100.00
59. Thai Drinks Co., Ltd.	Distribution of beverages	Thailand	100.00	100.00
60. Oishi Group Plc.	Japanese restaurants and distribution of foods and beverages	Thailand	79.66	89.26
61. C A C Co., Ltd.	Management of the ASEAN Economic Community (AEC) centre	Thailand	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 (%)	
			2013	2012
<b>Indirect subsidiaries</b>				
62. Thai Thum Distillery Co., Ltd. #	Production and distribution of spirits	Thailand	99.90	99.90
63. Sura Piset Sahasan Co., Ltd. #	Trading of spirits	Thailand	100.00	100.00
64. Sura Piset Sampan Co., Ltd. #	Trading of spirits	Thailand	100.00	100.00
65. Vitayathan Co., Ltd.	Environmental public relations	Thailand	100.00	100.00
66. InterBev (Singapore) Limited	Trading of alcoholic beverages	Singapore	100.00	100.00
67. InterBev (Cambodia) Co., Ltd.	Trading of alcoholic beverages	Cambodia	100.00	100.00
68. InterBev Malaysia Sdn. Bhd.	Trading of alcoholic beverages	Malaysia	100.00	100.00
69. Best Spirits Company Limited	Trading of alcoholic beverages	Hong Kong	100.00	100.00
70. International Beverage Holdings (UK) Limited	Holding company	United Kingdom	100.00	100.00
71. International Beverage Holdings (China) Limited	Holding company	Hong Kong	100.00	100.00
72. S.P.M. Foods & Beverages Co., Ltd.	Production and distribution of drinking water and energy drinks and spirits agency	Thailand	99.84	99.84
73. Oishi Trading Co., Ltd.	Production and distribution of food and beverage	Thailand	79.66	89.26
74. Oishi Ramen Co., Ltd.	Japanese ramen restaurants	Thailand	79.66	89.26
75. Oishi International Holdings Limited	International distribution of beverage	Hong Kong	79.66	89.26
76. Chang Beer International Co., Ltd. #	Dormant	Thailand	100.00	100.00
77. Maekhong Distillery Limited	Consultancy service	Thailand	100.00	100.00
78. Chang International Co., Ltd.	Advertising and marketing services	Thailand	100.00	100.00
79. Chang Corp Co., Ltd.	Advertising and marketing services	Thailand	100.00	100.00
80. Beer Chang International Limited	Production and trading of alcoholic and non-alcoholic beverages	Singapore	100.00	100.00
81. International Beverage Trading Limited	Trading of alcoholic beverages	Bermuda	100.00	100.00
82. Serm Suk Plc.	Production and distribution of beverages	Thailand	64.66	64.66
83. InterBev Investment Limited	Holding company	Hong Kong	100.00	100.00
84. InterBev Trading (Hong Kong) Limited	Sales and marketing of food and beverage products	Hong Kong	100.00	-
<b>Subsidiaries of indirect subsidiaries</b>				
85. International Beverage Holdings Limited USA, Inc. *	Trading of alcoholic beverages	United States of America	100.00	100.00
86. Super Brands Company Pte. Ltd. ***	Trademark holding	Singapore	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

# 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 (%)	
			2013	2012
<i>Subsidiaries of indirect subsidiaries (continued)</i>				
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
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	64.66
107. Great Brands Limited ****	Manage brands	Hong Kong	64.66	64.66
108. Wrangyer Beverage (2008) Co., Ltd. ****	Production and distribution of energy drink	Thailand	64.66	64.66
<i>Associates of indirect subsidiaries</i>				
109. Petform (Thailand) Co., Ltd. *****	Manufacture and distribution of plastic packaging	Thailand	25.86	25.86
110. Fraser and Neave, Limited *****	Holding company	Singapore	28.54	28.63
<i>Associates of subsidiary of indirect subsidiaries</i>				
111. Liquorland Limited *****	Off licences	United Kingdom	49.49	49.49
112. Inver House Distribution SA *****##	Dormant	France	-	49.88

- \* Subsidiaries of International Beverage Holdings (UK) Limited
- \*\* Subsidiaries of International Beverage Holdings (China) Limited
- \*\*\* Subsidiaries of InterBev (Singapore) Limited
- \*\*\*\* Subsidiaries of Serm Suk Plc.
- \*\*\*\*\* Associates of subsidiaries of International Beverage Holdings (UK) Limited
- \*\*\*\*\* Associates of Serm Suk Plc.
- \*\*\*\*\* Associates of InterBev Investment Limited
- # These are currently non-trading.
- ## Currently, the investment had already been disposed by the Company.

On 13 September 2013, InterBev Trading (Hong Kong) Limited, the Company's indirect subsidiary, was incorporated in Hong Kong with an authorised share capital of HKD 10,000 by issuing 10,000 ordinary shares with a HKD 1 par value. International Beverage Holdings Limited, which is the Company's subsidiary, holds the entire shares.

At the Board of Directors meeting held on 14 May 2013, the Board of Directors unanimously approved for InterBev Investment Limited, the Company's indirect subsidiary, to increase its authorised share capital. The paid-up share capital was increased on 17 June 2013 of SGD 66.50 million and on 17 December 2013 of SGD 160.13 million.

On 21 May 2013, Oishi International Holdings Limited, which is the Company's indirect subsidiary, increased its authorised share capital from HKD 50,000 (50,000 ordinary shares with a HKD 1 par value) to be HKD 500,000 (500,000 ordinary shares with a HKD 1 par value) and called the additional paid-up share capital of HKD 50,000. The total authorised and paid-up share capital are HKD 500,000 and HKD 100,000 respectively. As at 31 December 2013, the said indirect subsidiary has not started the operation.

# 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 related Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Group’s operations and effective for accounting periods beginning on or after 1 January 2013:

<b>TFRS</b>	<b>Topic</b>
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

The adoption of these new and revised TFRS has resulted in changes in the Group’s accounting policies. The effects of these changes are disclosed in Note 4.

In addition to the above new and revised TFRS, the FAP had issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in Note 42.

#### (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) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the financial statements and in the notes to the financial statements to the nearest thousand and 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 accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

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 6	Acquisition of associate
Note 16	Valuation of property
Note 20	Utilisation of tax losses
Note 25	Measurement of defined benefit obligations
Note 39	Valuation of financial instruments

### 3 Impact of severe flooding in Thailand

During 2011, the Group's operations in Suratthani province, Ayutthaya province and Pathumthani province have been affected by the unusually severe flooding affecting parts of Thailand. The production at the plants was ceased. Each operation unit 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 reimbursement resulting from the flood damage.

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>	
	2013	2012
	<i>(in million Baht)</i>	
<i>Insurance reimbursement</i>		
Received prior to 31 December	1,780	815
Received after 31 December	-	1
Not yet received	-	1,015
<b>Accumulated insurance reimbursement recognised</b>	<b>1,780</b>	<b>1,831</b>
<i>Less reimbursement already recognised in previous periods</i>	<i>(1,831)</i>	<i>(1,634)</i>
<b>(Reversal of) insurance reimbursement recognised</b>	<b>(51)</b>	<b>197</b>
Write-off assets loss from flood	-	(26)
Impairment of property and equipment	-	(10)
Other flood related expenses	-	(144)
<b>Total flood related expenses</b>	<b>-</b>	<b>(180)</b>
<b>Net flood related profit (loss) recognised</b>	<b>(51)</b>	<b>17</b>

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

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>	
	2013	2012
	<i>(in million Baht)</i>	
Other income	(49)	(24)
Cost of sales of goods	-	(28)
Administrative expenses	100	35
<b>Total flood related expenses</b>	<b>51</b>	<b>(17)</b>

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 4 Changes in accounting policies

#### (a) Overview

From 1 January 2013, consequent to the adoption of new and revised TFRS as set out in Note 2, the Group has changed its accounting policies in the following areas:

- Accounting for the effects of changes in foreign exchange rates
- Presentation of information on operating segments

Details of the new accounting policies adopted by the Group are included in Notes 4 (b) to 4 (c) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group.

#### (b) Accounting for the effects of changes in foreign exchange rates

From 1 January 2013, the Group has adopted TAS 21 (revised 2009) Accounting for the effects of changes in foreign exchange rates.

The principal change introduced by TAS 21 (revised 2009) 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 (revised 2009) 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 (revised 2009). Foreign currencies are defined by TAS 21 (revised 2009) as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21 (revised 2009) from 1 January 2013 has not had a significant impact on the Group's reported assets, liabilities or retained earnings.

#### (c) Presentation of information on operating segments

From 1 January 2013, the Group has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, together with information on the previous policy, is given below. The new policy has been applied retrospectively and segment information included in the financial statements for the year ended 31 December 2012, which are included in the Group's 2013 financial statements for comparative purposes, has been re-presented accordingly. The change in policy only impacts presentational aspects and has no impact on the Group's reported assets, liabilities, results or earnings per share.

TFRS 8 introduces the "management approach" to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to those segments. Previously the Group presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in the Group's financial statements.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 5 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in Note 4, which addresses changes in accounting policies.

#### (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.

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.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *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.

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 the respective functional currencies of the Group entities at exchange rate at the dates of the transactions.

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

### **Notes to the financial statements**

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency 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 the functional currency using the foreign exchange rates ruling at the dates of the transactions.

Foreign currency differences arising on retranslation are generally recognised in profit or loss.

#### *Foreign operations*

The assets and liabilities of foreign operations 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 operations are stated at exchange rates ruling on the reporting date.

The revenues and expenses of foreign operations 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.

#### **(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.



## Thai Beverage Public Company Limited and its Subsidiaries

### Notes to the financial statements

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.

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.

## Thai Beverage Public Company Limited and its Subsidiaries

### Notes to the financial statements

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.

*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.*

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *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.

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	5-40 years
Building improvements	1.5-30 years
Machinery and equipment	3-40 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.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### (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 5(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.

#### *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.

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

### **Notes to the financial statements**

#### **(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.

##### *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.

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

### **Notes to the financial statements**

(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.

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.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *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.

### **(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.

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

### **Notes to the financial statements**

#### *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.

#### **(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.



# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *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.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

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

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

### **Notes to the financial statements**

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.

#### **(x) *Segment reporting***

Segment results that are reported to the Group's CEO (the chief operating decision marker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly net foreign exchange gain or loss, parts of loans and related finance costs and some items of investments.

## **6 Acquisition of associate**

### ***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 according to the sale and purchase agreements dated 18 July 2012. This acquisition was granted the waiver for obtaining approval from the shareholders by the Singapore Exchange Securities Trading Limited on the condition that the Company can seek shareholders' ratification at an extraordinary general meeting within three months from the date of the grant. Subsequently, at the extraordinary general meeting of the shareholders held on 24 October 2012, the shareholders approved the aforementioned acquisition.

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 distribution of non-alcohol beverages, 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 starting from 14 August 2012.

After 14 August 2012, a subsidiary of the Company acquired 36,762,500 common shares of F&N 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 2013, the Group's total shares in F&N represented 28.54% of F&N's total equity.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

As the initial measurement for the acquisition, mainly the purchase price allocation for property and equipment, intangible assets, deferred taxes, was not completed at the date of the original issuance of the consolidated financial statements for the year ended 31 December 2012, the fair value reported had been provisionally assessed by the management. The fair value assessment and purchase price allocation has been subsequently completed in the third quarter of 2013. The measurement period adjustments did not have a significant impact on the Group's results of operations and financial position and, therefore, the Group has not retrospectively restated the consolidated financial statements.

The comparative consolidated financial statements for the year ended 31 December 2012 have been revised to present gain on purchase in the year when the acquisition was made as shown below:

<b>Consolidated statement of income</b> <b>For the year ended 31 December 2012</b>	<b>Revised</b>	<b>As stated originally</b>
	<i>(in million Baht)</i>	
Share of profit of associates, net of income tax	923	13,611
Gain on purchase of investment in associate	12,688	-

The revision has no impact to the consolidated statement of financial position as at 31 December 2012, the consolidated statements of income and comprehensive income for the year then ended.

## 7 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject 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, associates of indirect subsidiaries and associates of subsidiary of indirect subsidiaries (as presented in Note 1) were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
1. Thai Alcohol Plc.	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.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
6. The Chonburi Sugar Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
7. Thai Agro Products Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
8. Thip Sugar Sukhothai 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
9. The Suphanburi Sugar Industry Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
10. The Southeast Insurance Plc.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
11. The Southeast Life Insurance Plc.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
12. Southeast Capital Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
13. T.C.C. Technology Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
14. Thai Glass Industries Plc.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
15. Bang-Na Glass Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
16. TCC Hotel Collection Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
17. Terragro Bio-Tech 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 Plc.	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
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. Lertrattakarn Co., Ltd.	Thailand	Directors hold substantial shares indirectly
30. Thai Malaya Glass Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
31. Berli Jucker Foods Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
32. Dhanasindhi Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
33. Business Process Outsourcing Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
34. Dynamic Assets Property and Loan Fund	Thailand	Directors and controlling equity holders are the principal unit holder of this real estate investment fund
35. Best Fortune Property and Loan Fund	Thailand	Directors and controlling equity holders are the principal unit holder of this real estate investment fund

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

Name of entities	Country of incorporation/ nationality	Nature of relationships
36. Regent Gold Property Fund	Thailand	Directors and controlling equity holders are the principal unit holder of this real estate investment fund
37. Thai Commercial Investment Freehold and Leasehold Fund	Thailand	Directors and controlling equity holders hold substantial shares indirectly
38. Berli Jucker Plc.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
39. Plaza Athenee Hotel (Thailand) Co., Ltd.	Thailand	Directors and controlling equity holders are the directors and hold substantial shares indirectly
40. North Park Golf And Sports Club Co., Ltd.	Thailand	Directors and controlling equity holders are the directors and hold substantial shares indirectly
41. Thai Beverage Can Co., Ltd.	Thailand	Directors and controlling equity holders hold 50% shares indirectly
42. PS Recycle Co., Ltd.	Thailand	Directors and controlling equity holders are relatives of controlling person
43. Gaew Grung Thai Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
44. T.C.C. International Limited	Hong Kong	Controlling equity holders hold substantial shares indirectly
45. Best Wishes Co., Ltd.	Hong Kong	Controlling equity holders hold substantial shares indirectly
46. Bangkok Glass Co., Ltd.	Thailand	A subsidiary holds shares
47. The Pet Co., Ltd.	Thailand	A subsidiary holds shares
48. Crown Seal Plc.	Thailand	A subsidiary holds shares
49. Petpak Co., Ltd.	Thailand	A subsidiary holds shares
50. TCC Holding Co., Ltd.	Thailand	Having common controlling equity holders
51. TCC Assets Ltd.	British Virgin Islands	Directors and controlling equity holders hold substantial shares directly
52. F&N Group and related parties of F&N Group	Singapore	A direct subsidiary holds 28.54% shares in Fraser and Neave, Limited, which is the parent company
53. 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 year ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2013	2012	2013	2012
<i>(in million Baht)</i>					
<b>Subsidiaries</b>					
Management fees		-	-	3,470	3,383
Cost of rendering of services		-	-	407	357
Interest income		-	-	948	968
Interest expense		-	-	1,176	1,032
Dividend income	14	-	-	11,871	11,947
Other income		-	-	68	28
Administrative expenses		-	-	13	11
Acquisitions		-	-	30	386
Increase in share capital of subsidiary		-	-	5,732	-
Disposal of investments		-	-	667	224
<b>Associates</b>					
	13				
Share of profit of associates, net of income tax		3,434	923	-	-
Gain on purchase of investment in associate		-	12,688	-	-
Share of other comprehensive income of associates		1,192	1,264	-	-
Dividend income		1,629	-	-	-
Capital reduction of associate		33,347	-	-	-
<b>Key management personnel</b>					
Key management personnel compensation					
Short-term employee benefits		454	447	416	390
Post-employment benefits		9	9	9	9
Total key management personnel compensation		<u>463</u>	<u>456</u>	<u>425</u>	<u>399</u>

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
<b>Other related parties</b>				
Sales of goods	375	903	-	-
Rendering of services	-	23	-	-
Purchases of raw materials and packaging	9,380	10,489	-	-
Overhead costs	230	201	-	-
Cost of rendering of services	-	-	118	104
Dividend income	22	2	-	-
Other income	291	126	2	2
Selling and administrative expenses	703	616	4	3
Purchases of plant and equipment	440	767	-	-
Sales of plant and equipment	-	19	-	-
Disposal of investments	-	40	-	-

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

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

<i>Trade accounts receivable from related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<b>Other related parties</b>				
Berli Jucker Plc.	20	52	-	-
PS Recycle Co., Ltd.	5	4	-	-
Fraser and Neave, Limited	4	-	-	-
Terragro Bio-Tech Co., Ltd.	3	5	-	-
Pisetkit Co., Ltd.	2	4	-	-
TCC Holding Co., Ltd.	-	6	-	-
Others	5	6	-	-
<b>Total</b>	<b>39</b>	<b>77</b>	<b>-</b>	<b>-</b>

**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	2013 Other receivables	Total	Short-term loans to	2012 Other receivables	Total	Short-term loans to	2013 Other receivables	Total	Short-term loans to	2012 Other receivables	Total
<b>Subsidiaries</b>												
Beer Thai (1991) Plc.	-	-	-	-	-	-	661	7	668	92	20	112
Beer Thip Brewery (1991) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	13	13
Cosmos Brewery (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	4	4
Sangsom Co., Ltd.	-	-	-	-	-	-	-	17	17	-	2	2
Fuengfuanant Co., Ltd.	-	-	-	-	-	-	-	5	5	-	2	2
Mongkolsamai Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Thanapakdi Co., Ltd.	-	-	-	-	-	-	-	2	2	-	1	1
Kanchanasingkorn Co., Ltd.	-	-	-	-	-	-	-	2	2	-	1	1
Sura Bangyikhan Co., Ltd.	-	-	-	-	-	-	-	15	15	-	24	24
Athimart Co., Ltd.	-	-	-	-	-	-	-	4	4	-	3	3
S.S. Karnsura Co., Ltd.	-	-	-	-	-	-	-	5	5	-	4	4
Kankwan Co., Ltd.	-	-	-	-	-	-	-	5	5	-	4	4
Theparunothai Co., Ltd.	-	-	-	-	-	-	-	5	5	-	5	5
Red Bull Distillery (1988) Co., Ltd.	-	-	-	-	-	-	1,140	29	1,169	785	21	806
United Winery and Distillery Co., Ltd.	-	-	-	-	-	-	-	1	1	-	2	2
Simathurakij Co., Ltd.	-	-	-	-	-	-	-	2	2	-	2	2
Nateechai Co., Ltd.	-	-	-	-	-	-	17	3	20	-	3	3
Luckchai Liquor Trading Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Sura Piset Phatra Lanna Co., Ltd.	-	-	-	-	-	-	26	-	26	83	-	83
United Products Co., Ltd.	-	-	-	-	-	-	33	-	33	12	-	12
Modern Trade Management Co., Ltd.	-	-	-	-	-	-	-	29	29	-	12	12
Pomkit Co., Ltd.	-	-	-	-	-	-	-	4	4	-	5	5
Pomklung Co., Ltd.	-	-	-	-	-	-	-	6	6	-	6	6
Pomchok Co., Ltd.	-	-	-	-	-	-	-	4	4	-	5	5
Pomcharoen Co., Ltd.	-	-	-	-	-	-	-	3	3	-	3	3
Pomburapa Co., Ltd.	-	-	-	-	-	-	-	5	5	-	5	5
Pompalang Co., Ltd.	-	-	-	-	-	-	-	3	3	-	4	4
Pomnakorn Co., Ltd.	-	-	-	-	-	-	-	4	4	-	5	5
Pomthip (2012) Co., Ltd.	-	-	-	-	-	-	-	6	6	-	-	-
Num Yuk Co., Ltd.	-	-	-	-	-	-	-	14	14	-	23	23



**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	2013 Other receivables	Total	Short-term loans to	2012 Other receivables	Total	Short-term loans to	2013 Other receivables	Total	Short-term loans to	2012 Other receivables	Total
<i>Subsidiaries (continued)</i>												
Num Kijjakarn Co., Ltd.	-	-	-	-	-	-	-	19	19	-	19	19
Num Palang Co., Ltd.	-	-	-	-	-	-	-	9	9	-	8	8
Num Muang Co., Ltd.	-	-	-	-	-	-	-	12	12	-	11	11
Num Nakorn Co., Ltd.	-	-	-	-	-	-	-	9	9	-	9	9
Num Thurakij Co., Ltd.	-	-	-	-	-	-	-	12	12	-	11	11
Numrungrad Co., Ltd.	-	-	-	-	-	-	-	17	17	-	16	16
Numthip Co., Ltd.	-	-	-	-	-	-	-	9	9	-	9	9
Thipchalothorn Co., Ltd.	-	-	-	-	-	-	76	24	100	530	26	556
Krittayabun Co., Ltd.	-	-	-	-	-	-	1,094	47	1,141	560	45	605
Surathip Co., Ltd.	-	-	-	-	-	-	329	28	357	358	29	387
Sunthronpirom Co., Ltd.	-	-	-	-	-	-	286	34	320	267	33	300
Piromsurang Co., Ltd.	-	-	-	-	-	-	-	14	14	84	14	98
Oishi Group Plc.	-	-	-	-	-	-	-	1	1	-	1	1
Thai Beverage Recycle Co., Ltd.	-	-	-	-	-	-	-	2	2	376	2	378
Thai Beverage Logistics Co., Ltd.	-	-	-	-	-	-	10,682	44	10,726	11,031	46	11,077
Thai Beverage Marketing Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1	1
Dhospaak Co., Ltd.	-	-	-	-	-	-	-	-	-	26	-	26
International Beverage Holdings Limited	-	-	-	-	-	-	-	100	100	10,050	140	10,190
C A C Co., Ltd.	-	-	-	-	-	-	78	-	78	-	-	-
<b>Total subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,422</b>	<b>563</b>	<b>14,985</b>	<b>24,254</b>	<b>601</b>	<b>24,855</b>

**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	2013 Other receivables	Total	Short-term loans to	2012 Other receivables	Total	Short-term loans to	2013 Other receivables	Total	Short-term loans to	2012 Other receivables	Total
<b>Related parties</b>												
Thai Agro Products Co., Ltd.	-	137	137	-	-	-	-	-	-	-	-	-
Thip Sugar Sukhothai Co., Ltd.	-	42	42	-	-	-	-	-	-	-	-	-
Thip Sugar Kamphaengphet Co., Ltd.	-	42	42	-	-	-	-	-	-	-	-	-
The Suphanburi Sugar Industry Co., Ltd.	-	17	17	-	-	-	-	-	-	-	-	-
Best Fortune Property and Loan Fund	-	4	4	-	4	4	-	-	-	-	-	-
Pisetkij Co., Ltd.	-	1	1	-	7	7	-	-	-	-	-	-
The Southeast Insurance Plc.*	-	-	-	-	1,121	1,121	-	-	-	-	-	-
Plantheon Trading Co., Ltd.	-	-	-	-	57	57	-	-	-	-	-	-
Gaew Grung Thai Co., Ltd.	-	-	-	-	45	45	-	-	-	-	-	-
New Noble Property and Loan Fund	-	-	-	-	4	4	-	-	-	-	-	-
Thai Alcohol Plc.	-	-	-	-	2	2	-	-	-	-	2	2
Others	-	6	6	-	6	6	-	-	-	-	-	-
<b>Total related parties</b>	<b>-</b>	<b>249</b>	<b>249</b>	<b>-</b>	<b>1,246</b>	<b>1,246</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2</b>
<b>Total</b>	<b>-</b>	<b>249</b>	<b>249</b>	<b>-</b>	<b>1,246</b>	<b>1,246</b>	<b>14,422</b>	<b>563</b>	<b>14,985</b>	<b>24,254</b>	<b>603</b>	<b>24,857</b>

\* At 31 December 2013, the Group has been fully received the insurance reimbursement (2012: Baht 815 million) as described in Note 3.

**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	2013 Other receivables	Total	Long-term loans to	2012 Other receivables	Total	Long-term loans to	2013 Other receivables	Total	Long-term loans to	2012 Other receivables	Total
	<i>(in million Baht)</i>											
<b><i>Subsidiaries</i></b>												
Beer Thai (1991) Plc.	-	-	-	-	-	-	669	-	669	938	-	938
Red Bull Distillery (1988) Co., Ltd.	-	-	-	-	-	-	1,141	-	1,141	781	-	781
Sura Piset Phatra Lanna Co., Ltd.	-	-	-	-	-	-	33	-	33	-	-	-
Surathip Co., Ltd.	-	-	-	-	-	-	-	-	-	176	-	176
Sunthronpirom Co., Ltd.	-	-	-	-	-	-	-	-	-	377	-	377
Krittayabun Co., Ltd.	-	-	-	-	-	-	-	-	-	32	-	32
Pan International (Thailand) Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Thai Beverage Recycle Co., Ltd.	-	-	-	-	-	-	354	-	354	-	-	-
<b>Total subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,197</b>	<b>1</b>	<b>2,198</b>	<b>2,304</b>	<b>1</b>	<b>2,305</b>
<b><i>Related parties</i></b>												
North Park Real Estate Co., Ltd.	-	34	34	-	32	32	-	3	3	-	3	3
Thai Commercial Investment Freehold and Leasehold Fund	-	9	9	-	-	-	-	-	-	-	-	-
T.C.C. Technology Co., Ltd.	-	8	8	-	7	7	-	7	7	-	7	7
Best Fortune Property and Loan Fund	-	6	6	-	6	6	-	-	-	-	-	-
New Noble Property and Loan Fund	-	4	4	-	-	-	-	-	-	-	-	-
The Pet Co., Ltd.	-	3	3	-	5	5	-	-	-	-	-	-
Lertrattakarn Co., Ltd.	-	3	3	-	-	-	-	-	-	-	-	-
Others	-	6	6	-	7	7	-	-	-	-	-	-
<b>Total related parties</b>	<b>-</b>	<b>73</b>	<b>73</b>	<b>-</b>	<b>57</b>	<b>57</b>	<b>-</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>10</b>
<b>Total</b>	<b>-</b>	<b>73</b>	<b>73</b>	<b>-</b>	<b>57</b>	<b>57</b>	<b>2,197</b>	<b>11</b>	<b>2,208</b>	<b>2,304</b>	<b>11</b>	<b>2,315</b>

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

<i>Summary of loans to related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2013	2012	2013	2012
			<i>(in million Baht)</i>	
Short-term loans	-	-	14,422	24,254
Long-term loans	-	-	2,197	2,304
<b>Total loans to related parties</b>	<b>-</b>	<b>-</b>	<b>16,619</b>	<b>26,558</b>

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

<i>Loans to related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2013	2012	2013	2012
			<i>(in million Baht)</i>	
<b>Short-term loans</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	24,254	14,753
Increase	-	-	1,594	11,670
Decrease	-	-	(11,426)	(2,169)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>14,422</b>	<b>24,254</b>
<b>Long-term loans</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	2,304	635
Increase	-	-	747	1,788
Decrease	-	-	(854)	(119)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>2,197</b>	<b>2,304</b>

The currency denomination of loans to and other receivables from related parties of the Group and the Company as at 31 December 2013 and 2012 was as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2013	2012	2013	2012
			<i>(in million Baht)</i>	
Thai Baht (THB) and other functional currencies of subsidiaries	-	-	17,093	16,982
Singapore Dollars (SGD)	-	-	100	10,190
<b>Total</b>	<b>-</b>	<b>-</b>	<b>17,193</b>	<b>27,172</b>

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

<i>Trade accounts payable to related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<b>Associate</b>				
Petform (Thailand) Co., Ltd.	138	162	-	-
<b>Total associate</b>	<b>138</b>	<b>162</b>	<b>-</b>	<b>-</b>
<b>Other related parties</b>				
Thai Malaya Glass Co., Ltd.	850	848	-	-
Thai Beverage Can Co., Ltd.	168	170	-	-
Crown Seal Plc.	123	107	-	-
The Pet Co., Ltd.	92	58	-	-
Berli Jucker Plc.	62	10	-	-
Petpak Co., Ltd.	34	-	-	-
Bangkok Glass Co., Ltd.	19	54	-	-
Berli Jucker Foods Co., Ltd.	14	13	-	-
PS Recycle Co., Ltd.	7	10	-	-
Siam Food Products Plc.	5	-	-	-
Plantheon Trading Co., Ltd.	-	11	-	-
Pisetkij Co., Ltd.	-	11	-	-
Others	12	5	-	-
<b>Total other related parties</b>	<b>1,386</b>	<b>1,297</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,524</b>	<b>1,459</b>	<b>-</b>	<b>-</b>

**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	2013 Other payables	Total	Short-term loans from	2012 Other payables	Total	Short-term loans from	2013 Other payables	Total	Short-term loans from	2012 Other payables	Total
<i>Subsidiaries</i>												
Beer Thip Brewery (1991) Co., Ltd.	-	-	-	-	-	-	291	7	298	1,193	12	1,205
Sangsom Co., Ltd.	-	-	-	-	-	-	158	18	176	475	10	485
Fuengfuanant Co., Ltd.	-	-	-	-	-	-	-	2	2	240	2	242
Mongkolsamai Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1	1
Thanapakdi Co., Ltd.	-	-	-	-	-	-	-	-	-	79	1	80
Kanchanasingkorn Co., Ltd.	-	-	-	-	-	-	159	1	160	-	1	1
Sura Piset Thipparat Co., Ltd.	-	-	-	-	-	-	51	1	52	-	-	-
Sura Bangyikhan Co., Ltd.	-	-	-	-	-	-	485	10	495	532	8	540
Athimart Co., Ltd.	-	-	-	-	-	-	297	2	299	-	1	1
S.S. Karnsura Co., Ltd.	-	-	-	-	-	-	18	1	19	-	1	1
Kankwan Co., Ltd.	-	-	-	-	-	-	152	1	153	-	1	1
Theparunothai Co., Ltd.	-	-	-	-	-	-	81	1	82	-	-	-
United Winery and Distillery Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1	1
Simathurakij Co., Ltd.	-	-	-	-	-	-	6	3	9	129	3	132
Luckchai Liquor Trading Co., Ltd.	-	-	-	-	-	-	2	2	4	101	2	103
Modern Trade Management Co., Ltd.	-	-	-	-	-	-	68	4	72	171	1	172
Pomkit Co., Ltd.	-	-	-	-	-	-	168	3	171	116	3	119
Pomklung Co., Ltd.	-	-	-	-	-	-	95	3	98	394	2	396
Pomchok Co., Ltd.	-	-	-	-	-	-	111	3	114	176	2	178
Pomcharoen Co., Ltd.	-	-	-	-	-	-	100	1	101	184	1	185
Pomburapa Co., Ltd.	-	-	-	-	-	-	276	3	279	221	2	223
Pompalang Co., Ltd.	-	-	-	-	-	-	46	1	47	258	1	259
Pomnakorn Co., Ltd.	-	-	-	-	-	-	118	2	120	149	2	151
Pomthip (2012) Co., Ltd.	-	-	-	-	-	-	341	2	343	-	-	-
Num Yuk Co., Ltd.	-	-	-	-	-	-	650	6	656	519	5	524
Num Kijjakarn Co., Ltd.	-	-	-	-	-	-	567	9	576	404	8	412
Num Palang Co., Ltd.	-	-	-	-	-	-	121	3	124	494	2	496
Num Muang Co., Ltd.	-	-	-	-	-	-	76	6	82	527	6	533
Num Nakorn Co., Ltd.	-	-	-	-	-	-	425	4	429	500	4	504
Num Thurakij Co., Ltd.	-	-	-	-	-	-	309	5	314	381	4	385
Numrungrad Co., Ltd.	-	-	-	-	-	-	494	6	500	386	5	391

**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	2013 Other payables	Total	Short-term loans from	2012 Other payables	Total	Short-term loans from	2013 Other payables	Total	Short-term loans from	2012 Other payables	Total
<i>Subsidiaries (continued)</i>												
Numthip Co., Ltd.	-	-	-	-	-	-	373	3	376	560	3	563
Piromsurang Co., Ltd.	-	-	-	-	-	-	59	1	60	-	-	-
Thai Beverage Energy Co., Ltd.	-	-	-	-	-	-	304	1	305	228	1	229
Thai Molasses Co., Ltd.	-	-	-	-	-	-	98	-	98	124	1	125
Thai Cooperage Co., Ltd.	-	-	-	-	-	-	55	-	55	126	1	127
Feed Addition Co., Ltd.	-	-	-	-	-	-	21	-	21	47	-	47
Pan International (Thailand) Co., Ltd.	-	-	-	-	-	-	14	1	15	20	1	21
Charun Business 52 Co., Ltd.	-	-	-	-	-	-	12	-	12	17	-	17
Thai Beverage Logistics Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Thai Beverage Marketing Co., Ltd.	-	-	-	-	-	-	483	34	517	101	248	349
Dhospaak Co., Ltd.	-	-	-	-	-	-	-	92	92	-	81	81
Thai Beverage Training Co., Ltd.	-	-	-	-	-	-	-	3	3	-	3	3
Cosmos Brewery (Thailand) Co., Ltd.	-	-	-	-	-	-	196	2	198	210	2	212
Beer Chang Co., Ltd.	-	-	-	-	-	-	35	2	37	53	1	54
Thai Drinks Co., Ltd.	-	-	-	-	-	-	56	2	58	27	1	28
Archa Beer Co., Ltd.	-	-	-	-	-	-	-	-	-	2	-	2
International Beverage Holdings Ltd.	-	-	-	-	-	-	-	1	1	-	-	-
<b>Total subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,371</b>	<b>253</b>	<b>7,624</b>	<b>9,144</b>	<b>436</b>	<b>9,580</b>

**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	2013 Other payables	Total	Short-term loans from	2012 Other payables	Total	Short-term loans from	2013 Other payables	Total	Short-term loans from	2012 Other payables	Total
	<i>(in million Baht)</i>											
<b>Related parties</b>												
Dhanasindhi Co., Ltd.	-	108	108	-	139	139	-	-	-	-	-	-
The Southeast Insurance Plc.	-	33	33	-	37	37	-	-	-	-	-	-
Plaza Athenee Hotel (Thailand) Co., Ltd.	-	27	27	-	21	21	-	-	-	-	1	1
Berli Jucker Plc.	-	17	17	-	27	27	-	-	-	-	-	-
T.C.C. Technology Co., Ltd.	-	10	10	-	18	18	-	8	8	-	14	14
Southeast Capital Co., Ltd.	-	9	9	-	8	8	-	3	3	-	3	3
TCC Hotel Collection Co., Ltd.	-	7	7	-	6	6	-	-	-	-	-	-
North Park Golf And Sports Club Co., Ltd.	-	4	4	-	2	2	-	-	-	-	-	-
Business Process Outsourcing Co., Ltd.	-	3	3	-	8	8	-	3	3	-	8	8
Others	-	20	20	-	37	37	-	2	2	-	2	2
<b>Total related parties</b>	<b>-</b>	<b>238</b>	<b>238</b>	<b>-</b>	<b>303</b>	<b>303</b>	<b>-</b>	<b>16</b>	<b>16</b>	<b>-</b>	<b>28</b>	<b>28</b>
<b>Total</b>	<b>-</b>	<b>238</b>	<b>238</b>	<b>-</b>	<b>303</b>	<b>303</b>	<b>7,371</b>	<b>269</b>	<b>7,640</b>	<b>9,144</b>	<b>464</b>	<b>9,608</b>



**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					
	2013			2012			2013			2012		
	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>											
<b><i>Subsidiaries</i></b>												
Beer Thip Brewery (1991) Co., Ltd.	-	-	-	-	-	-	1,542	-	1,542	1,242	-	1,242
Sangsom Co., Ltd.	-	-	-	-	-	-	681	-	681	130	-	130
Fuengfuanant Co., Ltd.	-	-	-	-	-	-	511	-	511	325	-	325
Thanapakdi Co., Ltd.	-	-	-	-	-	-	133	-	133	234	-	234
Mongkolsamai Co., Ltd.	-	-	-	-	-	-	15	-	15	191	-	191
Kanchanasingorn Co., Ltd.	-	-	-	-	-	-	173	-	173	320	-	320
Sura Piset Thipparat Co., Ltd.	-	-	-	-	-	-	200	-	200	118	-	118
Sura Bangyikhan Co., Ltd.	-	-	-	-	-	-	1,972	-	1,972	1,539	-	1,539
Athimart Co., Ltd.	-	-	-	-	-	-	342	-	342	264	-	264
S.S. Karnsura Co., Ltd.	-	-	-	-	-	-	341	-	341	184	-	184
Kankwan Co., Ltd.	-	-	-	-	-	-	190	-	190	261	-	261
Theparunothai Co., Ltd.	-	-	-	-	-	-	275	-	275	115	-	115
United Winery and Distillery Co., Ltd.	-	-	-	-	-	-	51	-	51	126	-	126
Simathurakij Co., Ltd.	-	-	-	-	-	-	769	-	769	577	-	577
Luckchai Liquor Trading Co., Ltd.	-	-	-	-	-	-	443	-	443	384	-	384
Thai Beverage Brands Co., Ltd.	-	-	-	-	-	-	14	-	14	14	-	14
Modern Trade Management Co., Ltd.	-	-	-	-	-	-	487	-	487	-	-	-
Pomkit Co., Ltd.	-	-	-	-	-	-	487	-	487	540	-	540
Pomklung Co., Ltd.	-	-	-	-	-	-	485	-	485	136	-	136
Pomchok Co., Ltd.	-	-	-	-	-	-	463	-	463	423	-	423
Pomcharoen Co., Ltd.	-	-	-	-	-	-	134	-	134	68	-	68
Pomburapa Co., Ltd.	-	-	-	-	-	-	348	-	348	380	-	380
Pompalang Co., Ltd.	-	-	-	-	-	-	193	-	193	-	-	-
Pomnakorn Co., Ltd.	-	-	-	-	-	-	267	-	267	266	-	266
Num Yuk Co., Ltd.	-	-	-	-	-	-	455	-	455	702	-	702
Num Thurakij Co., Ltd.	-	-	-	-	-	-	862	-	862	755	-	755
Num Muang Co., Ltd.	-	-	-	-	-	-	1,258	-	1,258	686	-	686
Num Nakorn Co., Ltd.	-	-	-	-	-	-	597	-	597	394	-	394
Num Palang Co., Ltd.	-	-	-	-	-	-	557	-	557	9	-	9

**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					
	2013			2012			2013			2012		
	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 (continued)</i>												
Num Kijjakarn Co., Ltd.	-	-	-	-	-	-	1,494	-	1,494	1,710	-	1,710
Numrungrad Co., Ltd.	-	-	-	-	-	-	841	-	841	901	-	901
Numthip Co., Ltd.	-	-	-	-	-	-	403	-	403	172	-	172
Feed Addition Co., Ltd.	-	-	-	-	-	-	70	-	70	31	-	31
Pan International (Thailand) Co., Ltd.	-	-	-	-	-	-	51	-	51	43	-	43
Charun Business 52 Co., Ltd.	-	-	-	-	-	-	49	-	49	38	-	38
Thai Cooperage Co., Ltd.	-	-	-	-	-	-	60	-	60	60	-	60
Cosmos Brewery (Thailand) Co., Ltd.	-	-	-	-	-	-	143	-	143	177	-	177
Beer Chang Co., Ltd.	-	-	-	-	-	-	333	-	333	285	-	285
Archa Beer Co., Ltd.	-	-	-	-	-	-	81	-	81	75	-	75
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,770</b>	<b>-</b>	<b>17,770</b>	<b>13,875</b>	<b>-</b>	<b>13,875</b>



## **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 Plc., a related party, in order to sell to other subsidiaries within the Group, effective from 1 May 2007, under the prices and conditions stated in the agreement.

On 27 December 2012, the said subsidiary entered into a new glass bottle purchase and sale agreement for a period of three years, effective from 1 January 2013 to 31 December 2015, under the prices and conditions stipulated in the agreement.

#### *License agreements*

- Beer Chang Co., Ltd. and Archa Beer Co., Ltd., the Company's subsidiaries, entered into license agreements with three 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" and "ARCHA". The three 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 fund.
- 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.

#### *Appointment agreement*

On 4 November 2008, Oishi Trading Co., Ltd., the Company's indirect subsidiary, entered into an appointment agreement with another indirect subsidiary to act as a distributor for green tea products. The agreement shall be in effect for a period of 3 years effective from 4 November 2008 to 3 November 2011. Subsequently, the agreement was extended for 3 years from 4 November 2011 to 3 November 2014. This agreement shall be automatically renewed for additional terms of 1 year each, unless there is a written notice not to renew this agreement at least 90 days prior to the expiration of the initial term or any renewal term.

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

### **Notes to the financial statements**

On 4 June 2013, the indirect subsidiary entered into an appointment agreement with a related party to act as a distributor in Malaysia and Brunei according to the prices and conditions stipulated in the agreement. The agreement shall be in effect for a period of 7 months, effective from 1 June 2013 to 31 December 2013. Subsequently on 18 December 2013, the agreement has been extended for 6 months, commencing from 1 January 2014 to 30 June 2014, same as conditions stipulated in the prior agreement.

#### *Biogas purchase and sale agreements*

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 stipulated 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 loan agreement with subsidiaries for lending the loans with joint credit limit not exceeding Baht 10,000 million, bearing interest at the rate of 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 of 5% per annum and repayable at call.

In 2011, the Company entered into revolving loan agreements with subsidiaries for lending the loans with total credit limit of Baht 55,900 million, bearing interest at the rate of 5% per annum and repayable at call. Subsequently in 2013, the Company extended the credit limit and entered into the additional loan agreement with subsidiaries. As at 31 December 2013, the total credit limit was Baht 71,500 million.

#### *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 after one year from 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 to finance the investment amount of SGD 3,662.3 million which is repayable in semi-annual installments over five years and agreeable to extend the schedule.

#### *Sale and purchase goods agreement*

On 20 March 2012, a subsidiary of the Company entered into sale and purchase goods agreement with a related company according to the minimum purchase quantity per month and the prices as stipulated in the agreement. The agreement shall be in effect for a period of 1 year, effective from 21 March 2012 to 20 March 2013. Subsequently, the agreement was extended for another 2 years, effective from 21 March 2013 to 20 March 2015. Either party shall give a written notice to extend the agreement at least 60 days prior to the expiration date of the agreement. The said subsidiary is committed to purchase to remaining of the goods and materials from the seller as the supplied price within 30 days after the expiration of the agreement.

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

*Commitments with related parties*

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<b>Capital commitments</b>				
Buildings and other constructions	42	38	-	-
Machinery and equipment	48	125	-	-
<b>Total</b>	<b>90</b>	<b>163</b>	<b>-</b>	<b>-</b>
<b>Non-cancellable operating lease commitments</b>				
Within one year	262	227	49	53
After one year but within five years	256	243	35	44
<b>Total</b>	<b>518</b>	<b>470</b>	<b>84</b>	<b>97</b>
<b>Other commitments</b>				
Purchase molasses agreement	471	118	-	-
Application service provisioning agreement	37	67	37	67
Raw material purchase agreement	4	36	-	-
Brewing supervision agreement	22	23	-	-
Service agreement	-	-	35	37
Other agreements	65	51	20	-
<b>Total</b>	<b>599</b>	<b>295</b>	<b>92</b>	<b>104</b>

**8 Cash and cash equivalents**

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Cash on hand	122	124	-	-
Cash at banks - current accounts	1,501	1,021	1	1
Cash at banks - savings accounts	3,263	2,468	762	27
Highly liquid short-term investments	216	932	-	-
<b>Total</b>	<b>5,102</b>	<b>4,545</b>	<b>763</b>	<b>28</b>

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht (THB) and other functional currencies of subsidiaries	5,070	4,401	763	28
Pound Sterling (GBP)	1	81	-	-
Hong Kong Dollars (HKD)	18	34	-	-
United States Dollars (USD)	12	28	-	-
Singapore Dollars (SGD)	1	-	-	-
Euro (EUR)	-	1	-	-
<b>Total</b>	<b>5,102</b>	<b>4,545</b>	<b>763</b>	<b>28</b>

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

**9 Other investments**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<b><i>Current investments</i></b>				
Investment in government bonds	7	2	-	-
	<u>7</u>	<u>2</u>	<u>-</u>	<u>-</u>
<b><i>Other long-term investments</i></b>				
Equity securities available-for-sale	58	120	-	-
Investment in government bonds	3	10	-	-
Other non-marketable equity securities	217	195	-	-
Less allowance for decline in value of investments	(4)	(5)	-	-
	<u>216</u>	<u>200</u>	<u>-</u>	<u>-</u>
	<u>274</u>	<u>320</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u><b>281</b></u>	<u><b>322</b></u>	<u><b>-</b></u>	<u><b>-</b></u>

As at 31 December 2013, an indirect subsidiary invested in the government bonds of Baht 10.16 million, bearing interest rates of 5.90% and 4.125% per annum with maturity date in 2014 and 2016. The government bonds have been pledged as collateral for electricity and natural gas utilisation.

Other investments of the Group as at 31 December 2013 and 2012 were denominated entirely in Thai Baht.

**10 Trade accounts receivable**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Related parties	7	39	77	-	-
Other parties		3,920	3,576	-	-
<b>Total</b>		<u><b>3,959</b></u>	<u><b>3,653</b></u>	<u><b>-</b></u>	<u><b>-</b></u>
Less allowance for doubtful accounts		(68)	(70)	-	-
<b>Net</b>		<u><u><b>3,891</b></u></u>	<u><u><b>3,583</b></u></u>	<u><u><b>-</b></u></u>	<u><u><b>-</b></u></u>
Bad debts and (reversal of) doubtful debts expense for the year		<u>15</u>	<u>(8)</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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<b>Related parties</b>				
Within credit terms	35	69	-	-
Overdue:				
Less than 3 months	4	4	-	-
6-12 months	-	1	-	-
Over 12 months	-	3	-	-
	<u>39</u>	<u>77</u>	<u>-</u>	<u>-</u>
<b>Other parties</b>				
Within credit terms	3,030	3,157	-	-
Overdue:				
Less than 3 months	804	364	-	-
3-6 months	25	24	-	-
6-12 months	43	14	-	-
Over 12 months	18	17	-	-
	<u>3,920</u>	<u>3,576</u>	<u>-</u>	<u>-</u>
Less allowance for doubtful accounts	(68)	(70)	-	-
	<u>3,852</u>	<u>3,506</u>	<u>-</u>	<u>-</u>
<b>Net</b>	<u>3,891</u>	<u>3,583</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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht (THB) and other functional currencies of subsidiaries	3,813	3,526	-	-
Euro (EUR)	36	33	-	-
United States Dollars (USD)	33	13	-	-
Others	9	11	-	-
<b>Total</b>	<u>3,891</u>	<u>3,583</u>	<u>-</u>	<u>-</u>



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

**11 Inventories**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Finished goods	12,842	13,586	-	-
Maturing spirits	12,129	10,145	-	-
Work in progress	4,524	4,366	-	-
Raw materials	1,893	1,727	-	-
Packaging materials	2,540	2,561	-	-
Spare parts	529	523	-	-
Others	588	616	-	-
	<u>35,045</u>	<u>33,524</u>	<u>-</u>	<u>-</u>
<i>Less</i> allowance for decline in value	(208)	(552)	-	-
<b>Net</b>	<b><u>34,837</u></b>	<b><u>32,972</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Inventories recognised as an expense in ‘Cost of sale of goods’:				
- Cost	112,377	115,817	-	-
- Write-down to net realisable value	142	732	-	-
- Reversal of write-down	(486)	(927)	-	-
<b>Net</b>	<b><u>112,033</u></b>	<b><u>115,622</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

**12 Other current assets**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Prepaid excise tax	2,122	1,526	-	-
Deposit	1,013	810	-	12
Refundable VAT	546	484	14	26
Refundable excise tax	902	694	-	-
Others	439	360	-	-
<b>Total</b>	<b><u>5,022</u></b>	<b><u>3,874</u></b>	<b><u>14</u></b>	<b><u>38</u></b>

Other current assets of the Group and the Company as at 31 December 2013 and 2012 were denominated entirely in Thai Baht and other functional currencies of subsidiaries.

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

**13 Investments in associates**

	<i>Note</i>	<b>Consolidated financial statements</b>	
		2013	2012 (Revised)
		<i>(in million Baht)</i>	
At 1 January		104,320	149
Share of net profit of equity-accounted associates	6	3,434	923
Gain on purchase of investment in associate	6	-	12,688
Dividend income from associates		(1,629)	-
Share of other comprehensive income of associates		1,192	1,264
Acquisitions		-	90,112
Capital reduction of associate		(33,347)	-
Translation differences on consolidation		1,588	(816)
<b>At 31 December</b>		<b>75,558</b>	<b>104,320</b>

On 10 May 2013, the Board of Directors of Fraser and Neave, Limited (“F&N”), an associate of the Group approved the interim dividend payment of SGD 0.035 per share. This interim dividend was paid on 14 June 2013.

On 31 July 2013, the Company received capital reduction in cash from F&N at SGD 3.28 per share, totalling SGD 1,352.8 million (equivalent to Baht 33,347 million). Subsequently on 2 August 2013, the Company repaid partially the Singapore Dollar denominated long-term loans with financial institutions amounting to SGD 1,000 million, prior to maturity without penalty which decreased the outstanding loans with such financial institutions from SGD 3,184.69 million to SGD 2,184.69 million. The Company repaid the domestic short-term loans with the remaining proceeds.

At the Board of Directors meeting of F&N held on 27 August 2013, the Board of Directors of F&N approved the proposed demerger of its property business by effecting a distribution in specie (the “Proposed FCL Distribution”) of all the ordinary shares in the issued share capital of Frasers Centrepoint Limited (“FCL”), a wholly owned subsidiary of F&N to the shareholders of F&N, on the basis of two ordinary shares in FCL for each ordinary share of F&N and the listing of the FCL shares on the main Board of the Singapore Exchange Securities Trading Limited.

At the extraordinary general meeting of the shareholder of F&N held on 13 November 2013, the shareholders of F&N approved the Proposed FCL Distribution. Prior to 31 December 2013, F&N subscribed for 1,806,520,790 new shares in FCL for a total subscription amount of SGD 670 million. Subsequently on 9 January 2014, F&N announced the completion of the Proposed FCL Distribution and the listing of FCL shares on the main Board of the Singapore Exchange Securities Trading Limited.

## Thai Beverage Public Company Limited and its Subsidiaries

### Notes to the financial statements

Investments in associates as at 31 December 2013 and 2012, 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	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(%)		(in million Baht)											
<b>Associates</b>														
<i>Held by indirect subsidiaries</i>														
Petform (Thailand) Co., Ltd.	25.86	25.86	75	75	30	30	-	-	30	30	276	195	81	-
Fraser and Neave, Limited	28.54	28.63	1,445	1,428	59,056	89,294	-	-	59,056	89,294	75,140	103,995	1,548	-
<i>Held by subsidiary of indirect subsidiaries</i>														
Liquorland Limited	49.49	49.49	69	69	13	18	-	-	13	18	142	130	-	-
Inver House Distribution SA	-	49.88	-	2	-	1	-	-	-	1	-	-	-	-
<b>Total</b>			<b>1,589</b>	<b>1,574</b>	<b>59,099</b>	<b>89,343</b>	<b>-</b>	<b>-</b>	<b>59,099</b>	<b>89,343</b>	<b>75,558</b>	<b>104,320</b>	<b>1,629</b>	<b>-</b>

None of the Group's equity-accounted associates 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 3.50 per share at 31 December 2013 (2012: SGD 9.70 per share), the fair value calculated from the closing price of the Group's investment in Fraser and Neave, Limited is Baht 37,361 million (2012: Baht 100,161 million). The closing price and fair value of the investment in F&N as at 31 December 2013 were mainly resulted from the business restructuring plan of Fraser and Neave, Limited, which has been started to operate as mention above.

## Thai Beverage Public Company Limited and its Subsidiaries

### Notes to the financial statements

The following summarised financial information on associates which has been accounted for using the equity method is not adjusted for the percentage of ownership held by the Group:

	Reporting date	Ownership interest		Total assets		Total liabilities		Total revenues		Total expenses		Net Profit	
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
		(%)		<i>(in million Baht)</i>									
<i>Associates</i>													
<i>Held by indirect subsidiaries</i>													
Petform (Thailand) Co., Ltd.	31 December	25.86	25.86	2,105	1,819	1,414	1,330	2,186	1,377	1,781	1,055	405	322
Fraser and Neave, Limited	31 December	28.54	28.63	374,769	473,409	302,291	147,233	117,480	220,144	97,033	79,610	20,447	140,534
<i>Held by subsidiary of indirect subsidiaries</i>													
Liquorland Limited	31 December	49.49	49.49	712	661	359	349	1,269	1,082	1,259	1,080	10	2
Inver House Distribution SA	31 December	-	49.88	-	3	-	-	-	-	-	-	-	-
<b>Total</b>				<b><u>377,586</u></b>	<b><u>475,892</u></b>	<b><u>304,064</u></b>	<b><u>148,912</u></b>	<b><u>120,935</u></b>	<b><u>222,603</u></b>	<b><u>100,073</u></b>	<b><u>81,745</u></b>	<b><u>20,862</u></b>	<b><u>140,858</u></b>

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

**14 Investments in subsidiaries**

	<b>Separate financial statements</b>	
	2013	2012
	<i>(in million Baht)</i>	
At 1 January	80,352	80,190
Acquisitions	30	386
Increase in share capital of subsidiary	5,732	-
Disposals	(667)	(224)
<b>At 31 December</b>	<b><u>85,447</u></b>	<b><u>80,352</u></b>

On 14 March 2013, the Company sold its 18,000,000 ordinary shares in Oishi Group Public Company Limited, a direct subsidiary of the Company to external parties, at the price of Baht 142.50 per share, for a net consideration totalling Baht 2,564 million. The net gain on sale of the shares amounted to Baht 1,896 million in separate financial statements.

On 29 April 2013, C A C Co., Ltd., the Company's subsidiary, was incorporated in Thailand with an authorised share capital of Baht 30,000,000 by issuing 300,000 ordinary shares with a Baht 100 par value. The initial paid-up capital was Baht 25 per share. Subsequently, the aforesaid subsidiary received payment of the remaining unpaid portion of ordinary shares of Baht 25 per share on 14 August 2013 and Baht 50 per share on 16 October 2013 respectively.

At the Board of Directors meeting held on 14 May 2013, the Board of Directors unanimously approved for International Beverage Holdings Limited, the Company's subsidiary, to increase its authorised share capital amounting to HKD 1,441 million. The paid-up share capital was increased on 17 June 2013 of HKD 411.34 million (equivalent to Baht 1,610 million) and on 17 December 2013 of HKD 988.52 million (equivalent to Baht 4,122 million).

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

Investments in subsidiaries as at 31 December 2013 and 2012, and dividend income from those investments for the years then ended were as follows:

	<b>Separate financial statements</b>								
	Ownership interest		Paid-up capital		Cost method		Dividend income		
	2013	2012	2013	2012	2013	2012	2013	2012	
	(%)		(in million Baht)						
<b><i>Subsidiaries</i></b>									
Beer Thai (1991) Plc.	100.00	100.00	5,550	5,550	12,500	12,500	333	344	
Beer Thip Brewery (1991) Co., Ltd.	100.00	100.00	6,600	6,600	12,500	12,500	350	1,703	
Sangsom Co., Ltd.	100.00	100.00	7,500	7,500	7,500	7,500	293	135	
Fuengfuanant Co., Ltd.	100.00	100.00	900	900	900	900	153	66	
Mongkolsamai Co., Ltd.	100.00	100.00	700	700	691	691	46	22	
Thanapakdi Co., Ltd.	100.00	100.00	700	700	697	697	84	26	
Kanchanasingkorn Co., Ltd.	100.00	100.00	700	700	700	700	106	36	
Sura Bangyikhan Co., Ltd.	100.00	100.00	4,000	4,000	4,000	4,000	1,772	1,388	
Athimart Co., Ltd.	100.00	100.00	900	900	900	900	153	68	
S.S. Karnsura Co., Ltd.	100.00	100.00	800	800	800	800	167	51	
Kankwan Co., Ltd.	100.00	100.00	800	800	800	800	162	75	
Theparunothai Co., Ltd.	100.00	100.00	700	700	700	700	146	57	
Red Bull Distillery (1988) Co., Ltd.	100.00	100.00	5,000	5,000	5,000	5,000	345	310	
United Winery and Distillery Co., Ltd.	100.00	100.00	1,800	1,800	1,800	1,800	90	94	
Simathurakij Co., Ltd.	100.00	100.00	900	900	888	888	259	166	
Natechai Co., Ltd.	100.00	100.00	800	800	800	800	114	-	
Luckchai Liquor Trading Co., Ltd.	100.00	100.00	800	800	766	766	116	41	
Sura Piset Thipparat Co., Ltd.	100.00	100.00	1,000	1,000	1,010	1,010	10	-	
Modern Trade Management Co., Ltd.	100.00	100.00	10	10	10	10	390	246	
Pomkit Co., Ltd.	100.00	100.00	10	10	10	10	205	175	
Pomklung Co., Ltd.	100.00	100.00	10	10	10	10	186	110	
Pomchok Co., Ltd.	100.00	100.00	10	10	10	10	132	104	
Pomcharoen Co., Ltd.	100.00	100.00	10	10	10	10	85	82	
Pomburapa Co., Ltd.	100.00	100.00	10	10	10	10	189	176	
Pompalang Co., Ltd.	100.00	100.00	10	10	10	10	110	57	
Pomnakorn Co., Ltd.	100.00	100.00	10	10	10	10	138	106	

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

	<b>Separate financial statements</b>							
	Ownership interest		Paid-up capital		Cost method		Dividend income	
	2013	2012	2013	2012	2013	2012	2013	2012
	(%)				(in million Baht)			
<i><b>Subsidiaries (continued)</b></i>								
Pomthip (2012) Co., Ltd.	100.00	100.00	10	10	10	10	67	-
Num Yuk Co., Ltd.	100.00	100.00	10	10	10	10	435	522
Num Kijjakarn Co., Ltd.	100.00	100.00	10	10	10	10	544	583
Num Palang Co., Ltd.	100.00	100.00	10	10	10	10	78	118
Num Muang Co., Ltd.	100.00	100.00	10	10	10	10	342	368
Num Nakorn Co., Ltd.	100.00	100.00	10	10	10	10	238	263
Num Thurakij Co., Ltd.	100.00	100.00	10	10	10	10	348	357
Numrungrad Co., Ltd.	100.00	100.00	10	10	10	10	400	442
Numthip Co., Ltd.	100.00	100.00	10	10	10	10	207	249
Thipchalothorn Co., Ltd.	100.00	100.00	1	1	3	3	294	261
Krittayabun Co., Ltd.	100.00	100.00	5	5	27	27	732	844
Surathip Co., Ltd.	100.00	100.00	1	1	7	7	268	294
Sunthronpirom Co., Ltd.	100.00	100.00	5	5	25	25	292	271
Piromsurang Co., Ltd.	100.00	100.00	5	5	24	24	208	207
Thai Beverage Energy Co., Ltd.	100.00	100.00	860	860	864	864	-	-
Thai Molasses Co., Ltd.	99.72	99.72	40	40	35	35	30	237
Feed Addition Co., Ltd.	100.00	100.00	1	1	32	32	43	26
Pan International (Thailand) Co., Ltd.	100.00	100.00	1	1	34	34	32	27
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	82	-
Thai Beverage Recycle Co., Ltd.	100.00	100.00	123	123	134	134	43	-
Thai Beverage Logistics Co., Ltd.	100.00	100.00	1,012	1,012	1,012	1,012	340	-
Thai Beverage Marketing Co., Ltd.	100.00	100.00	300	300	300	300	321	299
United Products Co., Ltd.	100.00	100.00	350	350	376	376	-	-
Dhospaak Co., Ltd.	100.00	100.00	25	25	61	61	12	14
Thai Beverage Training Co., Ltd.	100.00	100.00	3	3	2	2	11	7
C A C Co., Ltd.	100.00	-	30	-	30	-	-	-
International Beverage Holdings Limited	100.00	100.00	13,738	8,006	13,738	8,006	-	-
Cosmos Brewery (Thailand) Co., Ltd.	100.00	100.00	1,667	1,667	4,139	4,139	78	428

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

	<b>Separate financial statements</b>								
	Ownership interest		Paid-up capital		Cost method		Dividend income		
	2013	2012	2013	2012	2013	2012	2013	2012	
	(%)		(in million Baht)						
<b><i>Subsidiaries (continued)</i></b>									
Thai Beverage Brands Co., Ltd.	100.00	100.00	5	5	39	39	1	-	
Beer Chang Co., Ltd.	100.00	100.00	1	1	4,318	4,318	135	83	
Archa beer Co., Ltd.	100.00	100.00	1	1	130	130	22	24	
Sura Piset Phatra Lanna Co., Ltd.	100.00	100.00	1,000	1,000	1,015	1,015	-	-	
Oishi Group Plc.	79.66	89.26	375	375	5,540	6,207	134	385	
Thai Drinks Co., Ltd.	100.00	100.00	60	60	60	60	-	-	
<b>Total</b>			<b><u>60,351</u></b>	<b><u>54,589</u></b>	<b><u>85,447</u></b>	<b><u>80,352</u></b>	<b><u>11,871</u></b>	<b><u>11,947</u></b>	

None of the Company's subsidiaries are publicly listed and consequently do not have published price quotations, except for Oishi Group Plc. which is listed on the Stock Exchange of Thailand. Based on the closing price of Baht 86.50 per share at 31 December 2013 (2012: Baht 157.00 per share), the fair value of the Company's investment in Oishi Group Plc. is Baht 12,920 million (2012: Baht 26,276 million).



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

**15 Investment properties**

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<i>(in million Baht)</i>					
<b>Cost</b>					
At 1 January		1,070	808	-	-
Adjustment for the prior acquired in business combinations transaction		(4)	-	-	-
Additions		-	161	-	-
Transfer from property, plant and equipment	16	166	101	-	-
<b>At 31 December</b>		<b>1,232</b>	<b>1,070</b>	<b>-</b>	<b>-</b>
<b>Depreciation and impairment losses</b>					
At 1 January		211	130	-	-
Transfer from property, plant and equipment	16	-	44	-	-
Depreciation charge for the year		6	37	-	-
<b>At 31 December</b>		<b>217</b>	<b>211</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>					
<b>At 1 January 2012</b>		<b>678</b>	<b>678</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2012 and 1 January 2013</b>		<b>859</b>	<b>859</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2013</b>		<b>1,015</b>	<b>-</b>	<b>-</b>	<b>-</b>

Land, which was part of the Group's investment properties as at 31 December 2013 and 2012, were revalued by Thai Property Appraisal Lynn Phillips Co., Ltd. and Collier Co., Ltd., the firm of independent professional appraisers. The appraised value as at 31 December 2013 was Baht 458.87 million (2012: Baht 425.44 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 16) have been transferred to investment properties, since they were no longer used by the Group.

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

**16 Property, plant and equipment**

	Consolidated financial statements									
	Note	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 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
Surplus on land revaluation		944	-	-	-	-	-	-	-	944
Transfers		-	35	195	1,578	-	46	7	(1,861)	-
Transfer to investment properties	15	(36)	(28)	(37)	-	-	-	-	-	(101)
Disposals		-	-	(99)	(929)	-	(76)	(162)	(4)	(1,270)
Translation differences on consolidation		-	-	8	22	3	-	-	(12)	21
<b>At 31 December 2012 and 1 January 2013</b>		<b>16,242</b>	<b>1,557</b>	<b>21,800</b>	<b>50,501</b>	<b>2,754</b>	<b>1,349</b>	<b>4,534</b>	<b>1,733</b>	<b>100,470</b>
Additions		148	8	295	776	47	169	42	3,357	4,842
Surplus on land revaluation		651	-	-	-	-	-	-	-	651
Transfer		-	95	856	1,814	-	39	12	(2,816)	-
Transfer to investment properties	15	(166)	-	-	-	-	-	-	-	(166)
Disposals		(2)	-	(124)	(413)	(18)	(61)	(313)	-	(931)
Translation differences on consolidation		11	-	109	98	28	1	(2)	17	262
<b>At 31 December 2013</b>		<b>16,884</b>	<b>1,660</b>	<b>22,936</b>	<b>52,776</b>	<b>2,811</b>	<b>1,497</b>	<b>4,273</b>	<b>2,291</b>	<b>105,128</b>

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

	<b>Consolidated financial statements</b>									
	<i>Note</i>	Land	Land improvement	Building, buildings and leasehold improvements	Machinery and equipment	Oak barrels	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
						<i>(in million Baht)</i>				
<b><i>Depreciation and impairment losses</i></b>										
At 1 January 2012		-	894	9,738	36,581	1,962	818	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)
Transfers		-	-	(29)	28	1	-	-	-	-
Transfer to investment properties	15	-	(20)	(24)	-	-	-	-	-	(44)
Disposals		-	-	(68)	(840)	-	(69)	(153)	-	(1,130)
Translation differences on consolidation		-	-	6	8	2	-	-	-	16
<b>At 31 December 2012 and 1 January 2013</b>		<b>-</b>	<b>946</b>	<b>10,573</b>	<b>37,688</b>	<b>2,097</b>	<b>915</b>	<b>2,894</b>	<b>37</b>	<b>55,150</b>
Depreciation charge for the year		-	76	1,044	2,084	134	169	370	-	3,877
Impairment losses		-	-	-	(23)	-	(3)	-	-	(26)
Transfers		-	-	-	(4)	-	4	-	-	-
Disposals		-	-	(95)	(365)	(11)	(61)	(304)	-	(836)
Translation differences on consolidation		-	-	51	70	18	-	(3)	-	136
<b>At 31 December 2013</b>		<b>-</b>	<b>1,022</b>	<b>11,573</b>	<b>39,450</b>	<b>2,238</b>	<b>1,024</b>	<b>2,957</b>	<b>37</b>	<b>58,301</b>
<b><i>Net book value</i></b>										
<b>At 1 January 2012</b>		<b>15,200</b>	<b>655</b>	<b>11,474</b>	<b>12,512</b>	<b>760</b>	<b>396</b>	<b>1,616</b>	<b>754</b>	<b>43,367</b>
<b>At 31 December 2012 and 1 January 2013</b>		<b>16,242</b>	<b>611</b>	<b>11,227</b>	<b>12,813</b>	<b>657</b>	<b>434</b>	<b>1,640</b>	<b>1,696</b>	<b>45,320</b>
<b>At 31 December 2013</b>		<b>16,884</b>	<b>638</b>	<b>11,363</b>	<b>13,326</b>	<b>573</b>	<b>473</b>	<b>1,316</b>	<b>2,254</b>	<b>46,827</b>

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *Property, plant and equipment under construction*

As at 31 December 2013, a group of subsidiaries had assets under construction and installation, which were consisted of the construction under the New Central Kitchen project and new warehouse construction project totalling of Baht 608 million (2012: PET bottling beverage production by Cold Aseptic Filling, the New Central Kitchen project and machinery for UHT packing project totalling of Baht 658 million).

During 2013, 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 651 million (2012: Baht 944 million) that is recognised in other comprehensive income and presented in the revaluation surplus in equity in the same amount. The related deferred tax liability was Baht 129 million (2012: Baht 174 million).

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2013 amounted to Baht 36,861 million (2012: Baht 35,508 million).

	<b>Separate financial statements</b>				Total
	Leasehold improvements	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	
	<i>(in million Baht)</i>				
<b>Cost</b>					
At 1 January 2012	13	155	15	3	186
Additions	-	9	3	5	17
Disposals	-	(2)	-	(3)	(5)
<b>At 31 December 2012 and 1 January 2013</b>	<b>13</b>	<b>162</b>	<b>18</b>	<b>5</b>	<b>198</b>
Additions	-	21	8	1	30
Disposals	-	(1)	(1)	-	(2)
<b>At 31 December 2013</b>	<b>13</b>	<b>182</b>	<b>25</b>	<b>6</b>	<b>226</b>
<b>Depreciation and impairment losses</b>					
At 1 January 2012	4	117	12	-	133
Depreciation charge for the year	3	13	1	-	17
Disposals	-	(1)	-	-	(1)
<b>At 31 December 2012 and 1 January 2013</b>	<b>7</b>	<b>129</b>	<b>13</b>	<b>-</b>	<b>149</b>
Depreciation charge for the year	3	14	2	-	19
Disposals	-	(1)	(1)	-	(2)
<b>At 31 December 2013</b>	<b>10</b>	<b>142</b>	<b>14</b>	<b>-</b>	<b>166</b>
<b>Net book value</b>					
<b>At 1 January 2012</b>	<b>9</b>	<b>38</b>	<b>3</b>	<b>3</b>	<b>53</b>
<b>At 31 December 2012 and 1 January 2013</b>	<b>6</b>	<b>33</b>	<b>5</b>	<b>5</b>	<b>49</b>
<b>At 31 December 2013</b>	<b>3</b>	<b>40</b>	<b>11</b>	<b>6</b>	<b>60</b>

The gross amount of the Company's fully depreciated leasehold improvements and equipment that was still in use as at 31 December 2013 amounted to Baht 115 million (2012: Baht 105 million).

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

**17 Goodwill**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<b>Cost</b>				
At 1 January	7,199	7,193	-	-
Translation differences on consolidation	26	6	-	-
<b>At 31 December</b>	<b>7,225</b>	<b>7,199</b>	<b>-</b>	<b>-</b>
<b>Impairment losses</b>				
At 1 January	161	159	-	-
Translation differences on consolidation	12	2	-	-
<b>At 31 December</b>	<b>173</b>	<b>161</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>				
At 1 January	7,038	7,034	-	-
<b>At 31 December</b>	<b>7,052</b>	<b>7,038</b>	<b>-</b>	<b>-</b>

**18 Other intangible assets**

	<b>Consolidated financial statements</b>			
	Computer software	Trademarks	Licences	Total
	<i>(in million Baht)</i>			
<b>Cost</b>				
At 1 January 2012	174	386	28	588
Additions	32	8	-	40
Disposals	(2)	-	-	(2)
Translation differences on consolidation	-	4	-	4
<b>At 31 December 2012 and 1 January 2013</b>	<b>204</b>	<b>398</b>	<b>28</b>	<b>630</b>
Additions	36	3	-	39
Disposals	(3)	-	4	1
Translation differences on consolidation	-	8	-	8
<b>At 31 December 2013</b>	<b>237</b>	<b>409</b>	<b>32</b>	<b>678</b>

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

	<b>Consolidated financial statements</b>			
	Computer software	Trademarks	Licences	Total
	<i>(in million Baht)</i>			
<i>Amortisation and impairment losses</i>				
At 1 January 2012	79	333	5	417
Amortisation for the year	28	8	21	57
Disposals	(1)	-	-	(1)
Translation differences on consolidation	-	(2)	-	(2)
<b>At 31 December 2012 and 1 January 2013</b>	<b>106</b>	<b>339</b>	<b>26</b>	<b>471</b>
Amortisation for the year	28	8	1	37
Impairment losses	-	6	-	6
Disposals	(1)	-	(1)	(2)
Translation differences on consolidation	-	6	-	6
<b>At 31 December 2013</b>	<b>133</b>	<b>359</b>	<b>26</b>	<b>518</b>
<i>Net book value</i>				
<b>At 1 January 2012</b>	<b>95</b>	<b>53</b>	<b>23</b>	<b>171</b>
<b>At 31 December 2012 and 1 January 2013</b>	<b>98</b>	<b>59</b>	<b>2</b>	<b>159</b>
<b>At 31 December 2013</b>	<b>104</b>	<b>50</b>	<b>6</b>	<b>160</b>

The amortisation of 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.

	<b>Separate financial statements</b>
	Computer software <i>(in million Baht)</i>
<i>Cost</i>	
At 1 January 2012	55
Additions	8
<b>At 31 December 2012 and 1 January 2013</b>	<b>63</b>
Additions	12
<b>At 31 December 2013</b>	<b>75</b>
<i>Amortisation and impairment losses</i>	
At 1 January 2012	41
Amortisation for the year	6
<b>At 31 December 2012 and 1 January 2013</b>	<b>47</b>
Amortisation for the year	6
<b>At 31 December 2013</b>	<b>53</b>
<i>Net book value</i>	
<b>At 1 January 2012</b>	<b>14</b>
<b>At 31 December 2012 and 1 January 2013</b>	<b>16</b>
<b>At 31 December 2013</b>	<b>22</b>

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

**19 Leasehold rights**

	<b>Consolidated financial statements</b> <i>(in million Baht)</i>
<i>Cost</i>	
At 1 January 2012	276
Translation differences on consolidation	(2)
<b>At 31 December 2012 and 1 January 2013</b>	<b>274</b>
Addition	1
Translation differences on consolidation	11
<b>At 31 December 2013</b>	<b>286</b>
<i>Amortisation and impairment losses</i>	
At 1 January 2012	84
Amortisation for the year	14
Translation differences on consolidation	2
<b>At 31 December 2012 and 1 January 2013</b>	<b>100</b>
Amortisation for the year	13
Translation differences on consolidation	1
<b>At 31 December 2013</b>	<b>114</b>
<i>Net book value</i>	
At 1 January 2012	<b>192</b>
At 31 December 2012 and 1 January 2013	<b>174</b>
At 31 December 2013	<b>172</b>

**20 Deferred tax**

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

	<b>Consolidated financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Total	1,297	1,101	(2,220)	(2,078)
Set off of tax	(905)	(704)	905	704
<b>Net deferred tax assets (liabilities)</b>	<b>392</b>	<b>397</b>	<b>(1,315)</b>	<b>(1,374)</b>
	<b>Separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Total	30	30	-	-
<b>Net deferred tax assets</b>	<b>30</b>	<b>30</b>	<b>-</b>	<b>-</b>

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

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

	<b>At 1 January 2013</b>	<b>Consolidated financial statements</b> (Charged) / credited to:		<b>At 31 December 2013</b>
		Profit or loss (Note 35)	Other comprehensive income	
		<i>(in million Baht)</i>		
<b><i>Deferred tax assets</i></b>				
Property, plant and equipment	191	59	-	250
Investment properties	21	-	-	21
Long-term investments	1	-	-	1
Inventories	323	(100)	-	223
Provisions	13	(5)	-	8
Employee benefit obligations	485	4	(44)	445
Loss carry forward	30	305	-	335
Others	37	(23)	-	14
<b>Total</b>	<b>1,101</b>	<b>240</b>	<b>(44)</b>	<b>1,297</b>
Set off of tax	(704)			(905)
	<b>397</b>			<b>392</b>
<b><i>Deferred tax liabilities</i></b>				
Property, plant and equipment	(2,032)	(21)	(129)	(2,182)
Others	(46)	3	5	(38)
<b>Total</b>	<b>(2,078)</b>	<b>(18)</b>	<b>(124)</b>	<b>(2,220)</b>
Set off of tax	704			905
	<b>(1,374)</b>			<b>(1,315)</b>
<b>Net</b>		<b>222</b>	<b>(168)</b>	



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

	<b>Consolidated financial statements</b>			<b>At 31 December 2012</b>
	<b>At 1 January 2012</b>	<u>(Charged) / credited to:</u>		
		Profit or loss (Note 35)	Other comprehensive income	
		<i>(in million Baht)</i>		
<b><i>Deferred tax assets</i></b>				
Property, plant and equipment	163	28	-	191
Investment properties	15	6	-	21
Long-term investments	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
<b>Total</b>	<b>1,002</b>	<b>95</b>	<b>4</b>	<b>1,101</b>
Set off of tax	(661)			(704)
	<b>341</b>			<b>397</b>
<b><i>Deferred tax liabilities</i></b>				
Property, plant and equipment	(1,845)	(13)	(174)	(2,032)
Others	(68)	30	(8)	(46)
<b>Total</b>	<b>(1,913)</b>	<b>17</b>	<b>(182)</b>	<b>(2,078)</b>
Set off of tax	661			704
	<b>(1,252)</b>			<b>(1,374)</b>
<b>Net</b>		<b>112</b>	<b>(178)</b>	

	<b>Separate financial statements</b>			<b>At 31 December 2013</b>
	<b>At 1 January 2013</b>	<u>(Charged) / credited to:</u>		
		Profit or loss (Note 35)	Other comprehensive income	
		<i>(in million Baht)</i>		
<b><i>Deferred tax assets</i></b>				
Intangible assets	3	-	-	3
Employee benefit obligations	27	2	(2)	27
<b>Total</b>	<b>30</b>	<b>2</b>	<b>(2)</b>	<b>30</b>

	<b>Separate financial statements</b>			<b>At 31 December 2012</b>
	<b>At 1 January 2012</b>	<u>(Charged) / credited to:</u>		
		Profit or loss (Note 35)	Other comprehensive income	
		<i>(in million Baht)</i>		
<b><i>Deferred tax assets</i></b>				
Intangible assets	3	-	-	3
Employee benefit obligations	28	3	(4)	27
<b>Total</b>	<b>31</b>	<b>3</b>	<b>(4)</b>	<b>30</b>

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

**21 Other non-current assets**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Advance payments to a specialist	40	1,529	1,579	287	296
Deposits		461	205	-	-
Others		92	106	-	-
<b>Total</b>		<b>2,082</b>	<b>1,890</b>	<b>287</b>	<b>296</b>

**22 Interest-bearing liabilities**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
<b>Current</b>					
Bank overdrafts					
Secured		1,218	1,112	-	-
Unsecured with letters of comfort		186	12	-	-
Unsecured		-	5	-	-
Short-term loans from financial institutions					
Promissory notes					
Unsecured		763	2,243	-	600
Bills of exchange					
Unsecured		-	7,770	-	7,770
Trust Receipts					
Unsecured		-	193	-	-
<b>Bank overdrafts and short-term loans from financial institutions</b>		<b>2,167</b>	<b>11,335</b>	<b>-</b>	<b>8,370</b>
Current portion of long-term loans from financial institutions					
Unsecured		2,667	1,533	2,667	1,533
Unsecured with guarantee		7,523	3,139	-	-
		<u>10,190</u>	<u>4,672</u>	<u>2,667</u>	<u>1,533</u>
Short-term loans from related parties					
Unsecured	7	-	-	7,371	9,144
		<u>12,357</u>	<u>16,007</u>	<u>10,038</u>	<u>19,047</u>

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

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<i>(in million Baht)</i>					
<b>Non-current</b>					
Long-term loans from financial institutions					
Unsecured		7,500	9,667	6,500	9,667
Unsecured with guarantee		46,843	78,479	-	-
		<u>54,343</u>	<u>88,146</u>	<u>6,500</u>	<u>9,667</u>
Debentures					
Unsecured		1,000	-	-	-
Long-term loans from related parties					
Unsecured	7	-	-	17,770	13,875
		<u>55,343</u>	<u>88,146</u>	<u>24,270</u>	<u>23,542</u>
<b>Total</b>		<u><b>67,700</b></u>	<u><b>104,153</b></u>	<u><b>34,308</b></u>	<u><b>42,589</b></u>

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<i>(in million Baht)</i>				
Within one year	12,357	16,007	10,038	19,047
After one year but within five years	55,343	88,146	24,270	23,542
<b>Total</b>	<u><b>67,700</b></u>	<u><b>104,153</b></u>	<u><b>34,308</b></u>	<u><b>42,589</b></u>

The principal features of the borrowings were as follows:

- (a) Bank overdrafts are repayable on demand. As at 31 December 2013, the Group had total overdraft facilities amounting to Baht 6,065 million (2012: Baht 5,557 million) which were partially supported by letters of comfort issued by the Company.
- (b) As at 31 December 2013, the Group had short-term loan facilities from several financial institutions totalling Baht 47,112 million (2012: Baht 46,750 million) with money market rates quoted by banks. The Group utilised short-term loans totalling Baht 763 million (2012: Baht 2,243 million), which was consisted of promissory notes issued by the Group to several domestic financial institutions, and an indirect subsidiary had trust receipts facility with a financial institution totalling Baht 800 million (2012: Baht 800 million). There was no outstanding utilised trust receipts as at 31 December 2013 (2012: 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. 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. Subsequently on 20 November 2012, the Board of Directors has approved an additional Baht 8,000 million for issuance and offering short-term bill of exchange. On 26 February 2013, the Board of Directors of a subsidiary approved the said subsidiary to issue and offer short-term bills of exchange of Baht 3,000 million. The total amount of the Group to issue and offer short-term bills of exchange would not exceed Baht 21,000 million. There was no outstanding principal amount of the bills of exchange as at 31 December 2013 (2012: Baht 7,800 million).

## Thai Beverage Public Company Limited and its Subsidiaries

### Notes to the financial statements

- (c) In August 2011, the Company entered into long-term loan agreement with a financial institution amounting to Baht 2,400 million which is to be monthly repaid in 12 installments, of Baht 200 million each, commencing from July 2012 to June 2013, interest is payable monthly at 4.07% per annum. As at 31 December 2013, there was no outstanding balance (2012: Baht 1,200 million).

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 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 institutions	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)	29 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 Feb 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
<b>Total</b>	<b>10,000</b>			

The aforementioned long-term loans from financial institutions are unsecured.

In November 2013, the Company repaid the due long-term loans from financial institutions to the financial institution No.1 of Baht 333.20 million. In addition, on 27 December 2013, the Company repaid the long-term loan prior to the maturity date together with interest payable without any penalty fee or repayment expense. The total principle repaid prior to the maturity date was Baht 499.80 million. As at 31 December 2013, the Company had the outstanding balance of long-term loans from the financial institutions of Baht 9,167 million (2012: Baht 10,000 million).

- (d) At the annual general meeting of the shareholders of a direct subsidiary held on 25 April 2012, the shareholders approved to issue and offer the debentures not exceeding Baht 3,000 million for the operation and expansion of the business of the subsidiary with period 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. Subsequently on 7 August 2013, the aforesaid subsidiary issued the debentures totalling principle amount of Baht 1,000 million with three year redemption period on 7 August 2016 with interest rate at 4% per annum.
- (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 subsidiary fully repaid the aforesaid bridge loan, including all interest payable to the financial institutions prior to maturity date without any penalty fees.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

- (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 long-term 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. The aforesaid subsidiary repaid the partial loans prior to the maturity date without any penalty fees amounted to SGD 1,049.31 million and repaid in two installments, each installment amounted to SGD 66 million. The total repayment was SGD 132 million. The outstanding amount of the long-term loan as at 31 December 2013 was SGD 2,118.69 million
- (g) In March 2013, an indirect subsidiary entered into long-term loans agreement with a financial institution amounting to Baht 1,000 million which was to be repaid monthly in 5 installments, Baht 200 million each, commencing from November 2015 to March 2016, interest was monthly payable at 3.85% per annum.

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht (THB) and other functional currencies of foreign subsidiaries	13,237	22,535	34,308	42,589
Singapore Dollars (SGD)	54,366	81,618	-	-
Pound Sterling (GBP)	97	-	-	-
<b>Total</b>	<b>67,700</b>	<b>104,153</b>	<b>34,308</b>	<b>42,589</b>

### 23 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
Related parties	7	1,524	1,459	-	-
Other parties		3,678	3,649	-	-
<b>Total</b>		<b>5,202</b>	<b>5,108</b>	<b>-</b>	<b>-</b>

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht (THB) and other functional currencies of foreign subsidiaries	4,923	4,745	-	-
Australian Dollars (AUD)	117	151	-	-
United States Dollars (USD)	81	10	-	-
Euro (EUR)	76	137	-	-
Pound Sterling (GBP)	-	63	-	-
Others	5	2	-	-
<b>Total</b>	<b>5,202</b>	<b>5,108</b>	<b>-</b>	<b>-</b>

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

**24 Other payables**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Accrued expenses	1,559	1,990	81	120
Accrued promotion expenses	1,171	1,171	-	-
Accounts payable for purchase of assets	538	519	12	1
Advanced payments from customers for purchase of goods	453	275	-	-
Others	218	258	46	45
<b>Total</b>	<b>3,939</b>	<b>4,213</b>	<b>139</b>	<b>166</b>

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thai Baht (THB) and other functional currencies of subsidiaries	3,623	3,896	139	166
Hong Kong Dollars (HKD)	159	-	-	-
United States Dollars (USD)	51	156	-	-
Singapore Dollars (SGD)	62	104	-	-
Euro (EUR)	36	53	-	-
Pound Sterling (GBP)	7	1	-	-
Japanese Yen (JPY)	-	2	-	-
Australia Dollars (AUD)	-	1	-	-
Others	1	-	-	-
<b>Total</b>	<b>3,939</b>	<b>4,213</b>	<b>139</b>	<b>166</b>

**25 Employee benefit obligations**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<b>Statement of financial position</b>				
<b>Obligations for:</b>				
Short-term employee benefits				
- accumulated annual leave	9	9	-	-
Long-term employee benefits				
- long service award	52	68	-	-
- provision for executive incentive plan	-	18	-	-
Post-employment benefits				
- provident fund	-	2	-	-
- compensation plan based on Thai Labour law	2,253	2,358	138	134
<b>Total</b>	<b>2,314</b>	<b>2,455</b>	<b>138</b>	<b>134</b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<b>Current</b>				
Short-term provisions	-	18	-	-
<b>Non-current</b>				
Employee benefit obligations	2,314	2,437	138	134
<b>Total</b>	<b>2,314</b>	<b>2,455</b>	<b>138</b>	<b>134</b>

**Year ended 31 December**

**Recognised in statement of income:**

Compensation plan based on Thai Labour law	238	235	16	18
Actuarial gains recognised during the year	(29)	-	-	-
	<b>209</b>	<b>235</b>	<b>16</b>	<b>18</b>

**Recognised in statement of comprehensive  
income:**

Actuarial (gains) losses recognised during the year	(218)	21	(10)	(21)
Cumulative actuarial (gains) losses recognised	(175)	43	(66)	(56)

**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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Present value of unfunded obligations	2,489	2,394	204	190
Unrecognised actuarial (gains) losses	(175)	43	(66)	(56)
<b>Statement of financial position obligation</b>	<b>2,314</b>	<b>2,437</b>	<b>138</b>	<b>134</b>

Movement in the present value of the defined benefit obligations:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Defined benefit obligations at 1 January	2,437	2,341	134	139
Benefits paid by the plan	(114)	(156)	(2)	(2)
Current service costs and interest	238	235	16	18
Actuarial (gains) losses recognised in other comprehensive income	(218)	21	(10)	(21)
Actuarial gains recognised in statement of income	(29)	-	-	-
Disposal of subsidiary	-	(4)	-	-
<b>Defined benefit obligations at 31 December</b>	<b>2,314</b>	<b>2,437</b>	<b>138</b>	<b>134</b>

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

Expense recognised in statement of income:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Current service costs	153	153	11	13
Interest on obligation	85	82	5	5
Actuarial gains recognised in statement of income	(29)	-	-	-
<b>Total</b>	<b>209</b>	<b>235</b>	<b>16</b>	<b>18</b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Cost of sales and cost of rendering of services	54	46	16	17
Selling expenses	101	107	-	-
Administrative expenses	54	82	-	1
<b>Total</b>	<b>209</b>	<b>235</b>	<b>16</b>	<b>18</b>

Actuarial (gains) and losses recognised in the statement of comprehensive income:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Included in retained earnings:				
At 1 January	43	22	(56)	(35)
Recognised during the year	(218)	21	(10)	(21)
<b>At 31 December</b>	<b>(175)</b>	<b>43</b>	<b>(66)</b>	<b>(56)</b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(% per annum)</i>			
Discount rate	3.65 - 3.75	3.50 - 3.60	4.25	3.60
Future salary increases	5.00 - 6.00	5.00 - 6.50	5.00	5.00

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



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

**26 Share capital**

	Par value per share (in Baht)	2013		2012	
		Number (million shares)	Baht (million Baht)	Number (million shares)	Baht (million Baht)
<i>Authorised</i>					
At 1 January					
- ordinary shares	1	29,000	29,000	29,000	29,000
<b>At 31 December</b>					
<b>- ordinary shares</b>	<b>1</b>	<b>29,000</b>	<b>29,000</b>	<b>29,000</b>	<b>29,000</b>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	25,110	25,110	25,110	25,110
<b>At 31 December</b>					
<b>- ordinary shares</b>	<b>1</b>	<b>25,110</b>	<b>25,110</b>	<b>25,110</b>	<b>25,110</b>

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

*Share premium*

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

**27 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.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *Movements in reserves*

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

## 28 Operating segment

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.

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

**Business segment results**

	<b>Spirits</b>		<b>Beer</b>		<b>Non-alcoholic beverages</b>		<b>Food</b>		<b>Elimination</b>		<b>Total</b>	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	<i>(in million Baht)</i>											
Revenue from sale to external parties	99,866	93,056	32,925	34,376	17,013	28,293	5,967	5,319	-	-	155,771	161,044
Inter-segment revenue	50	105	10	10	5	1	9	-	(74)	(116)	-	-
Interest income	43	32	12	9	12	32	1	1	-	-	68	74
Other income	357	253	204	154	355	562	32	28	(73)	(60)	875	937
<b>Total allocated income</b>	<b>100,316</b>	<b>93,446</b>	<b>33,151</b>	<b>34,549</b>	<b>17,385</b>	<b>28,888</b>	<b>6,009</b>	<b>5,348</b>	<b>(147)</b>	<b>(176)</b>	<b>156,714</b>	<b>162,055</b>
Cost of sale of goods	67,696	60,747	28,059	30,429	12,746	21,215	3,578	3,274	(46)	(43)	112,033	115,622
Selling expenses	3,389	3,164	3,799	3,481	4,804	5,036	653	582	(54)	(31)	12,591	12,232
Administrative expenses	5,137	5,259	1,758	2,031	1,744	1,835	1,553	1,332	(47)	(102)	10,145	10,355
Finance costs	152	313	47	143	147	170	6	9	-	-	352	635
<b>Total allocated expenses</b>	<b>76,374</b>	<b>69,483</b>	<b>33,663</b>	<b>36,084</b>	<b>19,441</b>	<b>28,256</b>	<b>5,790</b>	<b>5,197</b>	<b>(147)</b>	<b>(176)</b>	<b>135,121</b>	<b>138,844</b>
<b>Profit (loss) before income tax expense</b>	<b>23,942</b>	<b>23,963</b>	<b>(512)</b>	<b>(1,535)</b>	<b>(2,056)</b>	<b>632</b>	<b>219</b>	<b>151</b>	<b>-</b>	<b>-</b>	<b>21,593</b>	<b>23,211</b>
Income tax expense (income)	4,850	5,468	(65)	(279)	(592)	(78)	43	35	-	-	4,236	5,146
<b>Allocated profit (loss) for the year</b>	<b>19,092</b>	<b>18,495</b>	<b>(447)</b>	<b>(1,256)</b>	<b>(1,464)</b>	<b>710</b>	<b>176</b>	<b>116</b>	<b>-</b>	<b>-</b>	<b>17,357</b>	<b>18,065</b>
<i>Unallocated items:</i>												
- Share of profit of associates											3,272	749
- Gain on purchase of investment in associates											-	12,688
- Net foreign exchange gain (loss)											340	(1,976)
- Finance costs											(1,967)	(766)
<b>Profit for the year</b>											<b>19,002</b>	<b>28,760</b>

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

***Business segment financial position***

	<b>Spirits</b>		<b>Beer</b>		<b>Non-alcoholic beverages</b>		<b>Food</b>		<b>Total</b>	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	<i>(in million Baht)</i>									
Inventories	27,483	26,940	4,696	3,675	2,488	2,216	170	141	34,837	32,972
Property, plant and equipment	18,053	18,132	11,230	11,454	15,530	14,560	2,014	1,174	46,827	45,320
Other assets	11,938	9,413	4,255	3,518	9,022	11,334	1,310	1,134	26,525	25,399
<b>Total allocated assets</b>	<b>57,474</b>	<b>54,485</b>	<b>20,181</b>	<b>18,647</b>	<b>27,040</b>	<b>28,110</b>	<b>3,494</b>	<b>2,449</b>	<b>108,189</b>	<b>103,691</b>
<i>Unallocated items:</i>										
- Investments in associates									75,140	103,995
<b>Total assets</b>									<b>183,329</b>	<b>207,686</b>
Interest-bearing liabilities	6,266	11,737	2,013	3,882	4,800	6,553	251	363	13,330	22,535
Other liabilities	8,761	8,808	2,675	2,410	5,070	6,417	1,131	926	17,637	18,561
<b>Total allocated liabilities</b>	<b>15,027</b>	<b>20,545</b>	<b>4,688</b>	<b>6,292</b>	<b>9,870</b>	<b>12,970</b>	<b>1,382</b>	<b>1,289</b>	<b>30,967</b>	<b>41,096</b>
<i>Unallocated items:</i>										
- Loans from financial institutions									54,369	81,618
<b>Total liabilities</b>									<b>85,336</b>	<b>122,714</b>
Capital expenditure	1,369	1,938	429	197	1,966	2,162	1,117	609	4,881	4,906
Depreciation	1,517	1,456	703	792	1,309	1,329	354	280	3,883	3,857
Amortisation	19	18	5	6	14	35	12	13	50	72
(Reversal of) impairment losses	-	36	-	-	(22)	(225)	(4)	-	(26)	(189)
Gain (loss) on disposal of assets	37	30	50	39	65	8	(11)	(4)	141	73

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

Certain operating segment information in 2012 have been reclassified to conform to the presentation in 2013. The reclassification of the operating segment information regarding the results of each reportable segment have been made because, management believes that such information is the most relevant in evaluating the results of certain segments. The new classification is more appropriate to the Group's business.

### 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:

	<b>Consolidated financial statements</b>			
	Income		Property, plant and equipment	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thailand	151,166	155,642	45,232	43,963
Overseas	5,548	6,413	1,595	1,357
<b>Total</b>	<b><u>156,714</u></b>	<b><u>162,055</u></b>	<b><u>46,827</u></b>	<b><u>45,320</u></b>

As disclosed in Note 4 (c), following the adoption of TFRS 8 - Operating Segment from 1 January 2013, the Group has changed its policy for reporting information on operation segments.

### 29 Other income

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Gain on disposal of assets	150	65	-	-
Gain on sale of investment	26	43	1,896	33
Revenue from sales of scraps	125	304	-	-
Others	471	345	84	29
<b>Total</b>	<b><u>772</u></b>	<b><u>757</u></b>	<b><u>1,980</u></b>	<b><u>62</u></b>

### 30 Selling expenses

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Personnel expenses	3,386	3,383	-	-
Marketing and advertising expenses	4,840	4,277	-	-
Travelling expenses	1,480	1,526	-	-
Transportation expenses	808	1,037	-	-
Commission expenses	248	249	-	-
Others	1,828	1,760	-	-
<b>Total</b>	<b><u>12,590</u></b>	<b><u>12,232</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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

**31 Administrative expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Management personnel compensation	365	371	425	399
Personnel expenses	4,108	4,262	12	13
Idle capacity	595	997	-	-
Travelling expenses	375	414	2	1
Rental fee	491	433	1	1
Depreciation and amortisation charges	866	847	1	1
Donation	691	515	5	3
Hire and service fees	455	709	-	-
Others	2,201	1,838	22	20
<b>Total</b>	<b>10,147</b>	<b>10,386</b>	<b>468</b>	<b>438</b>

**32 Employee benefit expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<b><i>Management</i></b>				
Salaries and wages	220	223	220	223
Bonus	168	150	168	150
Pension costs - defined contribution plans	4	3	4	3
Others	71	80	33	23
	<b>463</b>	<b>456</b>	<b>425</b>	<b>399</b>
<b><i>Other employees</i></b>				
Salaries and wages	7,459	6,862	279	260
Bonus	868	1,465	32	92
Overtime and per diem allowance	654	707	15	12
Pension costs - defined contribution plans	116	106	6	5
Others	1,431	1,396	93	94
	<b>10,528</b>	<b>10,536</b>	<b>425</b>	<b>463</b>
<b>Total employee benefit expenses</b>	<b>10,991</b>	<b>10,992</b>	<b>850</b>	<b>862</b>

*Defined benefit plans*

Details of the defined benefit plans are given in Note 25.

*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.

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

**33 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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<b><i>Included in cost of sales of goods and cost of rendering of services:</i></b>				
Changes in inventories of finished goods and work in progress	15	(2,979)	-	-
Raw materials, consumables and excise tax used	103,484	106,265	-	-
Employee benefit expenses	3,132	3,034	399	437
Depreciation and amortisation	2,357	2,215	24	23
<b><i>Included in selling expenses:</i></b>				
Marketing and sales promotion expenses	1,948	1,694	-	-
Advertising and public relations	2,892	2,582	-	-
<b><i>Included in administrative expenses:</i></b>				
Employee benefit expenses	4,473	4,262	437	412
Depreciation and amortisation	866	847	1	1
Rental fee	491	433	1	1

**34 Finance costs**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2013	2012	2013	2012
		<i>(in million Baht)</i>			
<b><i>Interest expense:</i></b>					
Related parties	7	-	-	1,176	1,032
Financial institutions		2,315	1,035	425	671
Exchange differences		3	3	-	-
<b>Total interest expense</b>		<b>2,318</b>	<b>1,038</b>	<b>1,601</b>	<b>1,703</b>
Other finance costs		1	363	-	-
<b>Total</b>		<b>2,319</b>	<b>1,401</b>	<b>1,601</b>	<b>1,703</b>

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

**35 Income tax expense**

*Income tax recognised in profit or loss*

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<i>(in million Baht)</i>					
<b>Current tax expense</b>					
Current year		4,446	5,249	670	259
Under (over) provided in prior years		12	9	(2)	(2)
		<u>4,458</u>	<u>5,258</u>	<u>668</u>	<u>257</u>
<b>Deferred tax expense</b>	20				
Movements in temporary differences		83	(104)	(2)	(3)
Recognition of previously unrecognised tax losses		(305)	(8)	-	-
		<u>(222)</u>	<u>(112)</u>	<u>(2)</u>	<u>(3)</u>
<b>Total income tax expense</b>		<u>4,236</u>	<u>5,146</u>	<u>666</u>	<u>254</u>

*Income tax recognised in other comprehensive income*

	Consolidated financial statements					
	Before tax	2013 Tax (expense) benefit	Net of tax	Before tax	2012 Tax (expense) benefit	Net of tax
<i>(in million Baht)</i>						
Share of other comprehensive income of associates	1,192	-	1,192	1,264	-	1,264
Foreign currency translation differences for foreign operations	784	-	784	155	-	155
Revaluation of property Available-for-sale financial assets	651	(129)	522	903	(174)	729
Defined benefit plan actuarial gains (losses)	(26)	5	(21)	41	(8)	33
	218	(44)	174	(21)	4	(17)
<b>Total</b>	<u>2,819</u>	<u>(168)</u>	<u>2,651</u>	<u>2,342</u>	<u>(178)</u>	<u>2,164</u>

	Separate financial statements					
	Before tax	2013 Tax (expense) benefit	Net of tax	Before tax	2012 Tax (expense) benefit	Net of tax
<i>(in million Baht)</i>						
Defined benefit plan actuarial gains (losses)	10	(2)	8	21	(4)	17
<b>Total</b>	<u>10</u>	<u>(2)</u>	<u>8</u>	<u>21</u>	<u>(4)</u>	<u>17</u>



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

*Reconciliation of effective tax rate*

	<b>Consolidated financial statements</b>			
	2013		2012	
	<i>Rate</i> (%)	<i>(in million</i> <i>Baht)</i>	<i>Rate</i> (%)	<i>(in million</i> <i>Baht)</i>
Profit for the year		19,002		28,759
Total income tax expense		4,236		5,146
Profit before total income tax expense		<u>23,238</u>		<u>33,905</u>
Income tax using the Thai corporation tax rate	20.00	4,648	23.00	7,798
Effect of different tax rates in foreign jurisdictions		(98)		(746)
Income not subject to tax		(1,337)		(2,710)
Expenses not deductible for tax purposes		938		745
Recognition of previously unrecognised tax losses		(2)		48
Current year losses for which no deferred tax asset was recognised		75		2
Under provided in prior years		12		9
<b>Total</b>		<u><b>18.23</b></u>		<u><b>5,146</b></u>

	<b>Separate financial statements</b>			
	2013		2012	
	<i>Rate</i> (%)	<i>(in million</i> <i>Baht)</i>	<i>Rate</i> (%)	<i>(in million</i> <i>Baht)</i>
Profit for the year		14,525		12,692
Total income tax expense		666		254
Profit before total income tax expense		<u>15,191</u>		<u>12,946</u>
Income tax using the Thai corporation tax rate	20.00	3,038	23.00	2,978
Income not subject to tax		(2,374)		(2,748)
Expenses not deductible for tax purposes		4		26
Over provided in prior years		(2)		(2)
<b>Total</b>		<u><b>4.38</b></u>		<u><b>254</b></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

## Notes to the financial statements

### 36 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 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 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:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Promoted businesses	4,909	4,252	-	-
Non-promoted businesses	150,862	156,792	-	-
<b>Total income</b>	<b><u>155,771</u></b>	<b><u>161,044</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

#### ***Privileges granted to business operator in Free Zone***

In 2004, a 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.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 37 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2013 and 2012 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	
	2013	2012	2013	2012
	<i>(in million Baht / million shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>19,130</u>	<u>28,493</u>	<u>14,525</u>	<u>12,692</u>
Number of ordinary shares outstanding	<u>25,110</u>	<u>25,110</u>	<u>25,110</u>	<u>25,110</u>
<b>Earnings per share (basic) (in Baht)</b>	<b><u>0.76</u></b>	<b><u>1.13</u></b>	<b><u>0.58</u></b>	<b><u>0.51</u></b>

### 38 Dividends

At the meeting of the Board of Directors held on 14 August 2013, the Board of Directors approved the interim dividend payment for the year 2013 of 25,110 million ordinary shares at Baht 0.14 per share, totalling Baht 3,515 million.

At the annual general meeting of the shareholders of the Company held on 25 April 2013, the shareholders approved the appropriation of dividend of Baht 0.42 per share, amounting to Baht 10,546 million. On 11 September 2012, the interim dividend of Baht 0.14 per share was paid, totalling Baht 3,515 million. The remaining dividend of Baht 0.28 per share, totalling Baht 7,031 million was paid on 22 May 2013.

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.

### 39 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 and 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.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *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 22). 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
<b>2013</b>				
<b>Current</b>				
Loans receivable - related parties	5.00	14,422	-	14,422
<b>Non-current</b>				
Loans receivable - related parties	5.00	-	2,197	2,197
<b>Total</b>		<b>14,422</b>	<b>2,197</b>	<b>16,619</b>
<b>2012</b>				
<b>Current</b>				
Loans receivable - related parties	5.00	24,254	-	24,254
<b>Non-current</b>				
Loans receivable - related parties	5.00	-	2,304	2,304
<b>Total</b>		<b>24,254</b>	<b>2,304</b>	<b>26,558</b>

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

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
<b>2013</b>				
<b>Current</b>				
Bank overdrafts	1.84	1,404	-	1,404
Loans payable - financial institutions	2.93	763	-	763
Current portion of long-term loans - financial institutions	2.28	10,190	-	10,190
<b>Non-current</b>				
Debentures	4.00	-	1,000	1,000
Loans payable - financial institutions	2.01	-	54,343	54,343
<b>Total</b>		<b>12,357</b>	<b>55,343</b>	<b>67,700</b>
<b>2012</b>				
<b>Current</b>				
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 - financial institutions	2.67	4,672	-	4,672
<b>Non-current</b>				
Loans payable - financial institutions	2.04	-	88,146	88,146
<b>Total</b>		<b>16,007</b>	<b>88,146</b>	<b>104,153</b>
<b>Separate financial statements</b>				
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in million Baht)	Total
<b>2013</b>				
<b>Current</b>				
Current portion of long-term loans - financial institutions	3.57	2,667	-	2,667
Loans payable - related parties	5.00	7,371	-	7,371
<b>Non-current</b>				
Loans payable - financial institutions	3.25	-	6,500	6,500
Loans payable - related parties	5.00	-	17,770	17,770
<b>Total</b>		<b>10,038</b>	<b>24,270</b>	<b>34,308</b>
<b>2012</b>				
<b>Current</b>				
Loans payable - financial institutions	3.21	600	-	600
Current portion of long-term loans - financial institutions	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
<b>Non-current</b>				
Loans payable - financial institutions	3.39	-	9,667	9,667
Loans payable - related parties	5.00	-	13,875	13,875
<b>Total</b>		<b>19,047</b>	<b>23,542</b>	<b>42,589</b>

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

*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:

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in million Baht)</i>			
<b>Singapore Dollars</b>					
Cash and cash equivalents	8	1	-	-	-
Loans to and other receivables from related parties	7	-	-	100	10,190
Interest-bearing liabilities	22	(54,366)	(81,618)	-	-
Other payables	24	(62)	(104)	-	-
<b>Gross statement of financial position exposure</b>		<b>(54,427)</b>	<b>(81,722)</b>	<b>100</b>	<b>10,190</b>
Forwards to sell foreign currency		-	-	-	(9,889)
<b>Net exposure</b>		<b>(54,427)</b>	<b>(81,722)</b>	<b>100</b>	<b>301</b>
<b>United States Dollars</b>					
Cash and cash equivalents	8	12	28	-	-
Trade accounts receivable	10	33	13	-	-
Other receivables		2	2	-	-
Trade accounts payable	23	(81)	(10)	-	-
Other payables	24	(51)	(156)	-	-
<b>Gross statement of financial position exposure</b>		<b>(85)</b>	<b>(123)</b>	<b>-</b>	<b>-</b>
Estimated forecast purchase of goods		(676)	(661)	-	-
Estimated forecast other liabilities		(27)	(25)	-	-
<b>Gross exposure</b>		<b>(788)</b>	<b>(809)</b>	<b>-</b>	<b>-</b>
Forwards to buy foreign currency		17	221	-	-
<b>Net exposure</b>		<b>(771)</b>	<b>(588)</b>	<b>-</b>	<b>-</b>

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

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in million Baht)</i>			
<b><i>Euro</i></b>					
Cash and cash equivalents	8	-	1	-	-
Trade accounts receivable	10	36	33	-	-
Other receivables		1	-	-	-
Trade accounts payable	23	(76)	(137)	-	-
Other payables	24	(36)	(53)	-	-
<b>Gross statement of financial position exposure</b>		<b>(75)</b>	<b>(156)</b>	<b>-</b>	<b>-</b>
Estimated forecast purchase of goods		(95)	(372)	-	-
Estimated forecast purchase of assets		(138)	(76)	-	-
Other provisions		(149)	(172)	-	-
<b>Gross exposure</b>		<b>(457)</b>	<b>(776)</b>	<b>-</b>	<b>-</b>
Forwards to buy foreign currency		53	437	-	-
<b>Net exposure</b>		<b>(404)</b>	<b>(339)</b>	<b>-</b>	<b>-</b>
<b><i>Pound Sterling</i></b>					
Cash and cash equivalents	8	1	81	-	-
Interest-bearing liabilities	22	(97)	-	-	-
Trade accounts payable	23	-	(63)	-	-
Other payables	24	(7)	(1)	-	-
<b>Gross statement of financial position exposure</b>		<b>(103)</b>	<b>17</b>	<b>-</b>	<b>-</b>
Estimated forecast purchase of goods		-	(15)	-	-
Estimated forecast payment for advertising		(130)	(119)	-	-
<b>Gross exposure</b>		<b>(233)</b>	<b>(117)</b>	<b>-</b>	<b>-</b>
Forwards to buy foreign currency		-	64	-	-
<b>Net exposure</b>		<b>(233)</b>	<b>(53)</b>	<b>-</b>	<b>-</b>
<b><i>Australia Dollars</i></b>					
Trade accounts payable	23	(117)	(151)	-	-
Other payables	24	-	(1)	-	-
<b>Gross statement of financial position exposure</b>		<b>(117)</b>	<b>(152)</b>	<b>-</b>	<b>-</b>
Estimated forecast purchase of goods		(367)	(288)	-	-
<b>Gross exposure</b>		<b>(484)</b>	<b>(440)</b>	<b>-</b>	<b>-</b>
Forwards to buy foreign currency		162	420	-	-
<b>Net exposure</b>		<b>(322)</b>	<b>(20)</b>	<b>-</b>	<b>-</b>

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

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in million Baht)</i>			
<b><i>Hong Kong Dollars</i></b>					
Cash and cash equivalents	8	18	34	-	-
Other payables	24	(159)	-	-	-
<b>Gross statement of financial position exposure</b>		<b>(141)</b>	<b>34</b>	<b>-</b>	<b>-</b>
<b><i>Japanese Yen</i></b>					
Other payables	24	-	(2)	-	-
<b>Gross statement of financial position exposure</b>		<b>-</b>	<b>(2)</b>	<b>-</b>	<b>-</b>
Estimated forecast purchase of machinery		(470)	(284)	-	-
Other provisions		-	(2)	-	-
<b>Gross exposure</b>		<b>(470)</b>	<b>(288)</b>	<b>-</b>	<b>-</b>
Forwards to buy foreign currency		54	282	-	-
<b>Net exposure</b>		<b>(416)</b>	<b>(6)</b>	<b>-</b>	<b>-</b>
<b><i>Other foreign currencies</i></b>					
Trade accounts receivable	10	9	11	-	-
Other receivables		4	-	-	-
Trade accounts payable	23	(5)	(2)	-	-
Other payables	24	(1)	-	-	-
<b>Gross statement of financial position exposure</b>		<b>7</b>	<b>9</b>	<b>-</b>	<b>-</b>
Other provisions		(1)	(1)	-	-
<b>Gross exposure</b>		<b>6</b>	<b>8</b>	<b>-</b>	<b>-</b>

***Credit risk***

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

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



# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *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 receivables and loans to and other receivables from related parties is taken to approximate the carrying value.

The fair value of other non-quoted long-term investments is taken to approximate the carrying value based on comparison with underlying net assets value.

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.

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:

	<b>Currency denomination</b>		<b>Consolidated financial statements</b>	
	2013	2012	2013	2012
	<i>(in million)</i>		<i>(in million Baht)</i>	
<b>Currency forwards</b>				
<b>Assets</b>				
Hong Kong Dollars (HKD)	4.26	-	17	-
Singapore Dollars (SGD)	0.24	399.10	6	10,058
Pound Sterling (GBP)	0.03	-	1	-
<b>Total</b>			<b>24</b>	<b>10,058</b>
<b>Liabilities</b>				
Australian Dollars (AUD)	6	13	161	415
Japanese Yen (JPY)	170	789	53	281
Euro (EUR)	1	11	52	436
United States Dollars (USD)	1	7	17	223
Pound Sterling (GBP)	-	4	-	188
<b>Total</b>			<b>283</b>	<b>1,543</b>

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

**40 Commitments with non-related parties**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<b>Capital commitments</b>				
<i>Contracted but not provided for:</i>				
Land	2	52	-	-
Buildings and other constructions	227	641	-	-
Machinery and equipment	1,307	1,028	-	-
Computer software	4	7	-	-
<b>Total</b>	<b>1,540</b>	<b>1,728</b>	<b>-</b>	<b>-</b>
<b>Non-cancellable operating lease commitments</b>				
Within one year	489	455	12	8
After one year but within five years	492	379	26	17
After five years	99	91	-	-
<b>Total</b>	<b>1,080</b>	<b>925</b>	<b>38</b>	<b>25</b>
<b>Other commitments</b>				
Forward contracts to buy foreign currencies	286	1,580	-	-
Forward contracts to sell foreign currencies	(25)	(10,154)	-	(10,152)
Goods and raw materials purchase agreements	1,212	1,376	-	-
Specialist agreements	1,164	1,242	197	210
Unused letters of credit for goods and supplies	102	366	-	-
Service agreements	658	747	4	1
Advertising services and sponsorship agreements	866	509	-	-
Molasses purchase agreements	1,668	959	-	-
Bank guarantees	354	368	42	40
Other agreements	35	31	-	-
<b>Total</b>	<b>6,320</b>	<b>(2,976)</b>	<b>243</b>	<b>(9,901)</b>

**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 2013 the remaining commitments to be paid, relating to these agreements, amounted to Baht 1,163.9 million (2012: Baht 1,241.7 million).

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

### **Notes to the financial statements**

#### *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.

#### *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. Subsequently, on 15 November 2006, the said indirect subsidiary entered into new agreement for a period of fourteen years and two months from 1 December 2006 to 31 January 2021.

#### *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. 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 with the renewal option for another three years.

#### *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. On 1 July 2010, the indirect subsidiary amended the period of agreement, for two years starting from 1 July 2010 to 30 June 2012. The agreement will be extended for successive terms of one year if no 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.

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

### **Notes to the financial statements**

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.

#### *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.

## **41 Events after the reporting period**

At the Board of Directors' meeting held on 27 February 2014, the Board of Directors agreed to propose a dividend payment for the year of Baht 0.44 per share, totalling Baht 11,048 million. The interim dividend paid was Baht 0.14 per share, totalling Baht 3,515 million. The remaining dividend payment is Baht 0.30 per share, totalling Baht 7,533 million.

At the Board of Directors' meeting held on 27 February 2014, the Board of Directors unanimously approved for International Beverage Holdings Limited, the Company's subsidiary, to increase its authorised share capital amounting to HKD 2,460 million, and InterBev Investment Limited, the Company's indirect subsidiary, to increase its authorised share capital amounting to SGD 400 million.

On 19 February 2014, an overseas subsidiary partially repaid the long-term loan from financial institution prior to the maturity date without any penalty fees. The total repaid principle prior to the maturity date amounting to SGD 60.32 million. Therefore, the outstanding amount of the long-term loan was SGD 2,058.37 million (*2013: SGD 2,118.69 million*).

On 11 February 2014, an associate of the Company announced a proposed capital reduction exercise involving a cash distribution to its shareholders of SGD 0.42 per ordinary share. Based on the number of existing issued shares, as at the date of this announcement, an aggregate amount was approximately SGD 607 million. The proposed capital reduction is subjected to approval from regulatory authorities and approval from shareholders and the Company's indirect subsidiary will receive capital reduction in cash amount of approximately SGD 173 million.

On 10 January 2014, the Company repaid the remaining long-term loan from financial institution to a domestic financial institution prior to the maturity date without any penalty fees amounting to Baht 1,167 million.

## Thai Beverage Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### 42 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the new and revised TFRS that have been issued but are not yet effective. Those new and revised TFRS that are applicable to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

TFRS	Topic	Year effective
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investments in Associates	2014
TAS 31 (revised 2012)	Interests in Joint Ventures	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 2 (revised 2012)	Share-based Payment	2014
TFRS 3 (revised 2012)	Business Combinations	2014
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TFRIC 13	Customer Loyalty Programmes	2014
TFRIC 17	Distributions of Non-cash Assets to Owners	2014
TFRIC 18	Transfers of Assets from Customers	2014
TIC 15	Operating Leases-Incentives	2014
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014
TIC 32	Intangible Assets-Web Site Costs	2014

Management expects to adopt and apply these new and 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 these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.