

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

Financial statements for the year ended  
31 December 2014  
and  
Independent Auditor's Report



**KPMG Phoomchai Audit Ltd.**  
50<sup>th</sup>-51<sup>st</sup> Floors, Empire Tower  
1 South Sathorn Road  
Bangkok 10120, Thailand

บริษัท เคพีเอ็มจี ภูมิภาค ไทย สอบบัญชี จำกัด  
ชั้น 50-51 เอ็มไพร์ทาวเวอร์  
1 ถนนสาทรใต้  
กรุงเทพฯ 10120

Tel: +66 2677 2000  
Fax: +66 2677 2222  
www.kpmg.co.th

## 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 2014, 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 2014 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 read 'N. Lilamethwat', with a large, stylized flourish at the end.

(Nirand Lilamethwat)  
Certified Public Accountant  
Registration No. 2316

KPMG Phoomchai Audit Ltd.  
Bangkok  
26 February 2015

# Thai Beverage Public Company Limited and its Subsidiaries

## Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
<i>(in thousand Baht)</i>					
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	2,230,079	5,101,568	37,082	763,196
Current investments	6	299	6,794	-	-
Trade accounts receivable	4, 7	3,668,298	3,890,628	-	-
Other receivables		622,990	614,919	27,509	19,838
Current portion of long-term loans		-	2,245	-	24
Short-term loans to and other receivables					
from related parties	4	452,521	248,768	12,662,773	14,985,444
Inventories	8	35,084,323	34,836,910	-	-
Other current assets	9	3,719,144	5,022,144	17,759	14,460
Assets classified as held for sale	10	1,290,505	-	-	-
<b>Total current assets</b>		<b>47,068,159</b>	<b>49,723,976</b>	<b>12,745,123</b>	<b>15,782,962</b>
<b>Non-current assets</b>					
Investments in associates	11	67,614,203	75,558,200	-	-
Investments in subsidiaries	12	-	-	101,829,893	85,446,603
Other long-term investments	6	270,525	273,794	-	-
Long-term loans to and other receivables					
from related parties	4	77,533	73,490	3,730,394	2,207,903
Investment properties	13	1,114,390	1,014,965	-	-
Property, plant and equipment	14	46,250,696	46,827,202	64,188	59,969
Goodwill	15	7,043,748	7,052,097	-	-
Other intangible assets	16	150,053	160,487	26,580	21,912
Leasehold rights	17	157,808	171,729	-	-
Deferred tax assets	18	387,296	391,897	33,235	29,401
Other non-current assets	19	1,852,918	2,081,649	277,437	286,812
<b>Total non-current assets</b>		<b>124,919,170</b>	<b>133,605,510</b>	<b>105,961,727</b>	<b>88,052,600</b>
<b>Total assets</b>		<b>171,987,329</b>	<b>183,329,486</b>	<b>118,706,850</b>	<b>103,835,562</b>

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

# Thai Beverage Public Company Limited and its Subsidiaries

## Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
<i>(in thousand Baht)</i>					
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	20	8,536,490	2,166,835	5,300,000	353
Trade accounts payable	4, 21	4,802,887	5,202,481	-	-
Other payables	22	4,378,141	3,939,234	214,213	139,470
Current portion of long-term loans					
from financial institutions	20	13,410,950	10,189,869	2,500,000	2,667,000
Short-term loans from and other payables					
to related parties	4, 20	269,702	237,729	7,793,493	7,639,931
Income tax payable		2,631,142	2,647,135	50,759	488,112
Short-term provisions		34,829	22,091	-	-
Other current liabilities		1,972,088	1,824,830	56,720	46,810
<b>Total current liabilities</b>		<b>36,036,229</b>	<b>26,230,204</b>	<b>15,915,185</b>	<b>10,981,676</b>
<b>Non-current liabilities</b>					
Long-term loans from and other payables					
to related parties	4, 20	104	104	12,568,700	17,769,700
Debentures	20	1,000,000	1,000,000	-	-
Long-term loans from financial institutions	20	26,554,794	54,342,860	4,000,000	6,500,000
Deferred tax liabilities	18	964,948	1,314,814	-	-
Employee benefit obligations	23	2,576,745	2,313,712	173,354	138,321
Other non-current liabilities		178,196	134,702	77	15
<b>Total non-current liabilities</b>		<b>31,274,787</b>	<b>59,106,192</b>	<b>16,742,131</b>	<b>24,408,036</b>
<b>Total liabilities</b>		<b>67,311,016</b>	<b>85,336,396</b>	<b>32,657,316</b>	<b>35,389,712</b>
<b>Equity</b>					
Share capital:	24				
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	24	17,215,737	17,215,737	17,215,737	17,215,737
Retained earnings:					
Appropriated - legal reserve	25	2,900,000	2,900,000	2,900,000	2,900,000
Unappropriated		73,290,094	63,010,734	40,792,737	23,189,053
Other components of equity	25	2,465,223	5,768,064	-	-
<b>Equity attributable to owners of the Company</b>		<b>101,262,639</b>	<b>94,286,120</b>	<b>86,049,534</b>	<b>68,445,850</b>
Non-controlling interests		3,413,674	3,706,970	-	-
<b>Total equity</b>		<b>104,676,313</b>	<b>97,993,090</b>	<b>86,049,534</b>	<b>68,445,850</b>
<b>Total liabilities and equity</b>		<b>171,987,329</b>	<b>183,329,486</b>	<b>118,706,850</b>	<b>103,835,562</b>

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

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Statement of income**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		For the year ended		For the year ended	
		31 December		31 December	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
<b>Income</b>	<b>4, 26</b>				
Revenue from sale of goods	34	162,039,998	155,770,536	-	-
Management fees		-	-	3,329,259	3,469,833
Dividend income	12	4,059	22,738	28,283,063	11,870,809
Interest income		105,726	68,168	884,111	975,648
Net gain on foreign exchange		66,841	259,574	22,352	341,954
Other income	27	595,787	772,260	48,217	1,980,242
<b>Total income</b>		<b>162,812,411</b>	<b>156,893,276</b>	<b>32,567,002</b>	<b>18,638,486</b>
<b>Expenses</b>	<b>4, 26, 31</b>				
Cost of sale of goods	8	114,710,097	112,033,197	-	-
Cost of rendering of services		-	-	1,559,295	1,378,504
Selling expenses	28	13,188,635	12,590,440	-	-
Administrative expenses	29	10,764,671	10,146,798	433,654	468,034
Finance costs	32	1,553,184	2,318,690	1,478,903	1,601,130
<b>Total expenses</b>		<b>140,216,587</b>	<b>137,089,125</b>	<b>3,471,852</b>	<b>3,447,668</b>
Share of profit of associates, net of income tax	4, 11	3,388,626	3,434,027	-	-
<b>Profit before income tax expense</b>		<b>25,984,450</b>	<b>23,238,178</b>	<b>29,095,150</b>	<b>15,190,818</b>
Income tax expense	33	(4,551,619)	(4,236,366)	(184,442)	(666,072)
<b>Profit for the year</b>		<b>21,432,831</b>	<b>19,001,812</b>	<b>28,910,708</b>	<b>14,524,746</b>
<b>Profit attributable to:</b>					
Owners of the Company		21,693,536	19,130,302	28,910,708	14,524,746
Non-controlling interests		(260,705)	(128,490)	-	-
<b>Profit for the year</b>		<b>21,432,831</b>	<b>19,001,812</b>	<b>28,910,708</b>	<b>14,524,746</b>
<b>Basic earnings per share (Baht)</b>	<b>35</b>	<b>0.86</b>	<b>0.76</b>	<b>1.15</b>	<b>0.58</b>

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

**Thai Beverage Public Company Limited and its Subsidiaries**  
**Statement 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	
		2014	2013	2014	2013
<i>(in thousand Baht)</i>					
<b>Profit for the year</b>		<b>21,432,831</b>	<b>19,001,812</b>	<b>28,910,708</b>	<b>14,524,746</b>
<b>Other comprehensive income</b>					
Share of other comprehensive					
income of associates	4, 11	(2,242,603)	1,191,731	-	-
Foreign currency translation					
differences for foreign operations		(1,055,438)	784,059	-	-
Revaluation of property	14	-	651,121	-	-
Defined benefit plan actuarial					
gains (losses)	23	(129,289)	218,212	(9,392)	9,963
Net change in fair value of					
available-for-sale investments		(3,173)	(26,350)	-	-
Income tax on other comprehensive					
income	33	28,668	(167,819)	1,879	(1,992)
<b>Other comprehensive income for the</b>					
<b>    year, net of income tax</b>		<b>(3,401,835)</b>	<b>2,650,954</b>	<b>(7,513)</b>	<b>7,971</b>
<b>Total comprehensive income for the year</b>		<b>18,030,996</b>	<b>21,652,766</b>	<b>28,903,195</b>	<b>14,532,717</b>
<b>Total comprehensive income</b>					
<b>    attributable to:</b>					
Owners of the Company		18,276,030	21,548,770	28,903,195	14,532,717
Non-controlling interests		(245,034)	103,996	-	-
<b>Total comprehensive income for the year</b>		<b>18,030,996</b>	<b>21,652,766</b>	<b>28,903,195</b>	<b>14,532,717</b>

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

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

**Statement of changes in equity**

	Consolidated financial statements													
	Note	Issued and paid-up share capital	Difference arising from common control transactions	Premium on ordinary shares	Retained earnings		Other components of equity					Equity attributable to owners of the Company	Non-controlling interests	Total equity
					Legal reserve	Unappropriated	Currency translation differences	Revaluation surplus	Fair value changes in available-for-sale investments	Share of other comprehensive income of associates	Total other components of equity			
<i>(in thousand Baht)</i>														
<b>Year ended 31 December 2013</b>														
<b>Balance at 1 January 2013</b>		<b>25,110,025</b>	<b>(19,718,440)</b>	<b>17,215,737</b>	<b>2,900,000</b>	<b>52,399,129</b>	<b>(1,475,765)</b>	<b>3,659,168</b>	<b>22,351</b>	<b>1,263,831</b>	<b>3,469,585</b>	<b>81,376,036</b>	<b>3,595,352</b>	<b>84,971,388</b>
<b>Transactions with owners, recorded directly in equity</b>														
<i>Distributions to owners of the Company</i>														
Dividends to owners of the Company	36	-	-	-	-	(10,546,211)	-	-	-	-	-	(10,546,211)	(269,351)	(10,815,562)
<i>Total distributions to owners of the Company</i>		-	-	-	-	(10,546,211)	-	-	-	-	-	(10,546,211)	(269,351)	(10,815,562)
<i>Changes in ownership interests in subsidiaries</i>														
Disposal of investment in subsidiary without a change in control		-	-	-	-	1,907,525	-	-	-	-	-	1,907,525	276,973	2,184,498
<i>Total changes in ownership interests in subsidiaries</i>		-	-	-	-	1,907,525	-	-	-	-	-	1,907,525	276,973	2,184,498
<b>Total transactions with owners, recorded directly in equity</b>		-	-	-	-	(8,638,686)	-	-	-	-	-	(8,638,686)	7,622	(8,631,064)
<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>		-	-	-	-	19,250,291	780,166	340,212	(13,630)	1,191,731	2,298,479	21,548,770	103,996	21,652,766
<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**
**Statement of changes in equity**

	Consolidated financial statements													
	Note	Issued and paid-up share capital	Difference arising from common control transactions	Premium on ordinary shares	Retained earnings		Other components of equity					Equity attributable to owners of the Company	Non-controlling interests	Total equity
					Legal reserve	Unappropriated	Currency translation differences	Revaluation surplus	Fair value changes in available-for-sale investments	Share of other comprehensive income of associates	Total other components of equity			
<i>(in thousand Baht)</i>														
<b>Year ended 31 December 2014</b>														
<b>Balance at 1 January 2014</b>		25,110,025	(19,718,440)	17,215,737	2,900,000	63,010,734	(695,599)	3,999,380	8,721	2,455,562	5,768,064	94,286,120	3,706,970	97,993,090
<b>Transactions with owners, recorded directly in equity</b>														
<i>Distributions to owners of the Company</i>														
Dividends to owners of the Company	36	-	-	-	-	(11,299,511)	-	-	-	-	-	(11,299,511)	(59,905)	(11,359,416)
<i>Total distributions to owners of the Company</i>		-	-	-	-	(11,299,511)	-	-	-	-	-	(11,299,511)	(59,905)	(11,359,416)
<b>Acquisition of non-controlling interest</b>		-	-	-	-	-	-	-	-	-	-	-	11,643	11,643
<b>Total transactions with owners, recorded directly in equity</b>		-	-	-	-	(11,299,511)	-	-	-	-	-	(11,299,511)	(48,262)	(11,347,773)
<b>Comprehensive income for the year</b>														
Profit or loss		-	-	-	-	21,693,536	-	-	-	-	-	21,693,536	(260,705)	21,432,831
Other comprehensive income		-	-	-	-	(114,665)	(1,061,948)	3,352	(1,642)	(2,242,603)	(3,302,841)	(3,417,506)	15,671	(3,401,835)
<b>Total comprehensive income for the year</b>		-	-	-	-	21,578,871	(1,061,948)	3,352	(1,642)	(2,242,603)	(3,302,841)	18,276,030	(245,034)	18,030,996
<b>Balance at 31 December 2014</b>		25,110,025	(19,718,440)	17,215,737	2,900,000	73,290,094	(1,757,547)	4,002,732	7,079	212,959	2,465,223	101,262,639	3,413,674	104,676,313

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

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

	<i>Note</i>	Issued and paid-up share capital	Difference arising from common control transactions	Separate financial statements		Total equity	
				Premium on ordinary shares <i>(in thousand Baht)</i>	Retained earnings Legal reserve Unappropriated		
<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	36	-	-	-	-	(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**  
**Statement of changes in equity**

	Note	Separate financial statements					Total equity
		Issued and paid-up share capital	Difference arising from common control transactions	Premium on ordinary shares	Retained earnings		
					Legal reserve	Unappropriated	
							(in thousand Baht)
<b>Year ended 31 December 2014</b>							
<b>Balance at 1 January 2014</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>
<b>Transactions with owners, recorded directly in equity</b>							
Dividends to owners of the Company	36	-	-	-	-	(11,299,511)	(11,299,511)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,299,511)</b>	<b>(11,299,511)</b>
<b>Comprehensive income for the year</b>							
Profit		-	-	-	-	28,910,708	28,910,708
Other comprehensive income		-	-	-	-	(7,513)	(7,513)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,903,195</b>	<b>28,903,195</b>
<b>Balance at 31 December 2014</b>		<b>25,110,025</b>	<b>31,035</b>	<b>17,215,737</b>	<b>2,900,000</b>	<b>40,792,737</b>	<b>86,049,534</b>

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

# Thai Beverage Public Company Limited and its Subsidiaries

## Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December		For the year ended 31 December	
Note	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
<b><i>Cash flows from operating activities</i></b>				
Profit for the year	21,432,831	19,001,812	28,910,708	14,524,746
<b><i>Adjustments for</i></b>				
Depreciation and amortisation	3,986,477	3,932,674	22,884	25,096
Interest income	(105,726)	(68,168)	(884,111)	(975,648)
Finance costs	1,553,184	2,318,690	1,478,903	1,601,130
Unrealised gain on exchange	(59,200)	(202,300)	(59)	(5,037)
Bad and doubtful debts expenses	14,185	16,085	-	-
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	136,670	(344,295)	-	-
Reversal of impairment loss on investment properties	(105,208)	-	-	-
Gain on sale of investment	-	(26,270)	-	(1,896,097)
Impairment loss on intangible assets	-	5,661	-	-
Gain on disposal and write-off of property, plant and equipment and intangible assets	(135,663)	(117,439)	(256)	(274)
Reversal of impairment loss on property, plant and equipment	(175)	(35,781)	-	-
Dividend income	(4,059)	(22,738)	(28,283,063)	(11,870,809)
Employee benefit expenses	229,782	209,246	16,966	16,267
Share of profit of associates, net of income tax	4 (3,388,626)	(3,434,027)	-	-
Income tax expense	33 4,551,619	4,236,366	184,442	666,072
	28,156,091	25,519,516	1,455,789	2,094,821
<b><i>Changes in operating assets and liabilities</i></b>				
Trade accounts receivable	207,839	(319,748)	-	-
Other receivables from related parties	(207,808)	986,789	93,652	(65,232)
Inventories	(384,084)	(1,520,177)	-	-
Other current assets	1,294,214	(859,655)	(10,970)	15,710
Trade accounts payable	(394,225)	83,854	-	-
Other payables to related parties	31,132	(65,133)	34,542	(201,927)
Other current liabilities	677,448	(596,421)	88,039	(52,140)
Other non-current liabilities	(3,544)	(27,283)	61	15
Employee benefit paid	(86,186)	(109,883)	(7,976)	(2,138)
Cash generated from operating activities	29,290,877	23,091,859	1,653,137	1,789,109
Income tax paid	(4,884,210)	(5,005,026)	(623,749)	(298,592)
<b>Net cash from operating activities</b>	<b>24,406,667</b>	<b>18,086,833</b>	<b>1,029,388</b>	<b>1,490,517</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	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
<b><i>Cash flows from investing activities</i></b>				
Interest received	106,614	67,869	885,299	1,085,148
Dividends received	2,438,284	1,651,590	28,283,063	11,870,809
Decrease in current investments	6,495	1,995	-	-
Repayment of loans to related parties	-	-	(3,544,300)	(2,335,790)
Proceeds from loans to related parties	-	-	4,262,100	12,279,666
Decrease in other long-term loans	2,004	27,528	-	-
Cash inflow (outflow) on investments in subsidiaries	-	2,563,718	(16,383,290)	(3,198,459)
Cash inflow on investments in associates	-	1,461	-	-
Cash inflow on investments in indirect subsidiary	11,643	-	-	-
Cash received from capital reduction of associate	4,464,928	33,346,305	-	-
Decrease in other long-term investments	-	38,049	-	-
Purchase of property, plant and equipment	(4,762,875)	(4,824,161)	(28,726)	(18,439)
Sale of property, plant and equipment	192,910	204,763	261	313
Purchase of intangible assets	(32,380)	(39,046)	(7,769)	(12,318)
Sale of intangible assets	942	9	-	-
Increase in leasehold rights	-	(1,000)	-	-
(Increase) decrease in other non-current assets	178,731	(241,316)	24	574
<b>Net cash from investing activities</b>	<b>2,607,296</b>	<b>32,797,764</b>	<b>13,466,662</b>	<b>19,671,504</b>
<b><i>Cash flows from financing activities</i></b>				
Interest paid	(1,258,619)	(1,771,752)	(1,500,630)	(1,599,506)
Dividends paid to owners of the Company	(11,299,511)	(10,546,211)	(11,299,511)	(10,546,211)
Dividends paid to non-controlling interests	(59,905)	(269,351)	-	-
Bank overdrafts	(40,345)	275,231	(353)	353
Proceeds from short-term loans from financial institutions	31,654,000	34,651,234	18,600,000	20,695,234
Repayment of short-term loans from financial institutions	(25,244,000)	(44,094,575)	(13,300,000)	(29,065,575)
Proceeds from loans from related parties	-	-	4,514,200	7,260,350
Repayment of loans from related parties	-	-	(9,568,870)	(5,138,700)
Proceeds from issuance of debentures	-	1,000,000	-	-
Proceeds from long-term loans from financial institutions	511,497	1,000,000	-	-
Repayment of long-term loans from financial institutions	(24,083,558)	(31,392,889)	(2,667,000)	(2,033,000)
<b>Net cash used in financing activities</b>	<b>(29,820,441)</b>	<b>(51,148,313)</b>	<b>(15,222,164)</b>	<b>(20,427,055)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,806,478)</b>	<b>(263,716)</b>	<b>(726,114)</b>	<b>734,966</b>
Cash and cash equivalents at 1 January	5,101,568	4,544,966	763,196	28,230
Foreign currency translation differences for foreign operations	(65,011)	820,318	-	-
<b>Cash and cash equivalents at 31 December</b>	<b>5</b>	<b>2,230,079</b>	<b>37,082</b>	<b>763,196</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

<b>Note</b>	<b>Contents</b>
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Other investments
7	Trade accounts receivable
8	Inventories
9	Other current assets
10	Non-current assets held for sale
11	Investments in associates
12	Investments in subsidiaries
13	Investment properties
14	Property, plant and equipment
15	Goodwill
16	Other intangible assets
17	Leasehold rights
18	Deferred tax
19	Other non-current assets
20	Interest-bearing liabilities
21	Trade accounts payable
22	Other payables
23	Employee benefit obligations
24	Share capital
25	Reserves
26	Operating segments
27	Other income
28	Selling expenses
29	Administrative expenses
30	Employee benefit expenses
31	Expenses by nature
32	Finance costs
33	Income tax expense
34	Promotional privileges
35	Basic earnings per share
36	Dividends
37	Financial instruments
38	Commitments with non-related parties
39	Events after the reporting period
40	Thai Financial Reporting Standards (TFRS) not yet adopted

# 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 26 February 2015.

### 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 the operation of Japanese restaurants. Details of the Company’s subsidiaries and associates as at 31 December 2014 and 2013 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
<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. Kanchanasingkorn Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
9. Sura Bangyikhan Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
10. Athimart Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
11. S.S. Karnsura Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
12. Kankwan Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
13. Theparunothai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
14. Red Bull Distillery (1988) Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
15. United Winery and Distillery Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
16. Simathurakij Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
17. Nateechai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
18. Luckchai Liquor Trading Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
19. Sura Piset Thipparat Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
20. Modern Trade Management Co., Ltd.	Beer, spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
21. Horeca Management Co., Ltd.	Beer, spirits and non-alcoholic beverages distributor	Thailand	100.00	-
22. Pomkit Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
23. Pomklung Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
24. Pomchok Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
25. Pomcharoen Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
<i>Direct subsidiaries (continued)</i>				
26. Pomburapa Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
27. Pompalang Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
28. Pomnakorn Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
29. Pomthip (2012) Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
30. Num Yuk Co., Ltd.	Spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
31. Num Kijjakarn Co., Ltd.	Spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
32. Num Palang Co., Ltd.	Spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
33. Num Muang Co., Ltd.	Spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
34. Num Nakorn Co., Ltd.	Spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
35. Num Thurakij Co., Ltd.	Spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
36. Numrungrad Co., Ltd.	Spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
37. Numthip Co., Ltd.	Spirits and non-alcoholic beverages distributor	Thailand	100.00	100.00
38. Thipchalothorn Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
39. Krittayabun Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
40. Surathip Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
41. Sunthronpirom Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
42. Piromsurang Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
43. Thai Beverage Energy Co., Ltd.	Trading of biogas	Thailand	100.00	100.00
44. Thai Molasses Co., Ltd.	Trading of molasses	Thailand	99.72	99.72
45. Feed Addition Co., Ltd.	Trading of feeds and fertilizer	Thailand	100.00	100.00
46. Pan International (Thailand) Co., Ltd.	Trading of supplies and procurement	Thailand	100.00	100.00
47. Charun Business 52 Co., Ltd.	Brick producer and distribution of spirits	Thailand	100.00	100.00
48. Thai Cooperage Co., Ltd.	Oak barrel producer	Thailand	100.00	100.00
49. Thai Beverage Recycle Co., Ltd.	Trading of bottles	Thailand	100.00	100.00
50. Thai Beverage Logistics Co., Ltd.	Transportation and distribution	Thailand	100.00	100.00
51. Thai Beverage Marketing Co., Ltd.	Import and export spirits for trading/ international marketing and non-alcoholic beverages agency	Thailand	100.00	100.00
52. Dhospaak Co., Ltd.	Advertising agency	Thailand	100.00	100.00
53. Thai Beverage Training Co., Ltd.	Training	Thailand	100.00	100.00
54. International Beverage Holdings Limited	Holding company	Hong Kong	100.00	100.00
55. Thai Beverage Brands Co., Ltd.	Trademark holding	Thailand	100.00	100.00
56. Beer Chang Co., Ltd.	Trademark holding and production of concentrate materials	Thailand	100.00	100.00
57. Archa Beer Co., Ltd.	Trademark holding and production of concentrate materials	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 (%)	
			2014	2013
<b>Direct subsidiaries (continued)</b>				
58. Sura Piset Phatra Lanna Co., Ltd.	Holding company	Thailand	100.00	100.00
59. United Products Co., Ltd.	Production and distribution of spirits	Thailand	100.00	100.00
60. Thai Drinks Co., Ltd.	Distribution of beverages	Thailand	100.00	100.00
61. Oishi Group Plc.	Japanese restaurants and distribution of foods and beverages	Thailand	79.66	79.66
62. C A C Co., Ltd.	Management of the ASEAN Economic Community (AEC) centre	Thailand	100.00	100.00
63. Chang International Co., Ltd.	Advertising and marketing services	Thailand	100.00	100.00
<b>Indirect subsidiaries</b>				
64. Thai Thum Distillery Co., Ltd. <sup>10</sup>	Production and distribution of spirits	Thailand	99.90	99.90
65. Sura Piset Sahasan Co., Ltd. <sup>10</sup>	Trading of spirits	Thailand	100.00	100.00
66. Sura Piset Sampan Co., Ltd. <sup>10</sup>	Trading of spirits	Thailand	100.00	100.00
67. Vitayathan Co., Ltd. <sup>11</sup>	Environmental public relations	Thailand	-	100.00
68. InterBev (Singapore) Limited	Trading of alcoholic beverages	Singapore	100.00	100.00
69. InterBev (Cambodia) Co., Ltd.	Trading of alcoholic beverages	Cambodia	100.00	100.00
70. InterBev Malaysia Sdn. Bhd.	Trading of alcoholic beverages	Malaysia	100.00	100.00
71. Best Spirits Company Limited	Trading of alcoholic beverages	Hong Kong	100.00	100.00
72. International Beverage Holdings (UK) Limited	Holding company	United Kingdom	100.00	100.00
73. International Beverage Holdings (China) Limited	Holding company	Hong Kong	100.00	100.00
74. S.P.M. Foods & Beverages Co., Ltd.	Production and distribution of drinking water and energy drinks and spirits agency	Thailand	99.84	99.84
75. Oishi Trading Co., Ltd.	Production and distribution of food and beverage	Thailand	79.66	79.66
76. Oishi Ramen Co., Ltd.	Japanese ramen restaurants	Thailand	79.66	79.66
77. Oishi International Holdings Limited	International distribution of beverage	Hong Kong	79.66	79.66
78. Chang Beer International Co., Ltd. <sup>10</sup>	Dormant	Thailand	100.00	100.00
79. Maekhong Distillery Limited	Consultancy service	Thailand	100.00	100.00
80. Chang Corp Co., Ltd.	Advertising and marketing services	Thailand	100.00	100.00
81. Beer Chang International Limited	Production and trading of alcoholic and non-alcoholic beverages	Singapore	100.00	100.00
82. International Beverage Trading Limited	Trading of alcoholic beverages	Bermuda	100.00	100.00
83. Sermsuk Plc.	Production and distribution of beverages	Thailand	64.66	64.66
84. InterBev Investment Limited	Holding company	Hong Kong	100.00	100.00
85. InterBev Trading (Hong Kong) Limited	Distribution and marketing of food and beverage products	Hong Kong	100.00	100.00
86. Oishi Snack Co., Ltd.	Distribution of snack	Thailand	79.66	-
<b>Subsidiaries of indirect subsidiaries</b>				
87. International Beverage Holdings Limited USA, Inc. <sup>1</sup>	Trading of alcoholic beverages	United States of America	100.00	100.00
88. Super Brands Company Pte. Ltd. <sup>3</sup>	Trademark holding	Singapore	100.00	100.00
89. Blairmhor Limited <sup>1,10</sup>	Holding company	United Kingdom	100.00	100.00
90. Inver House Distillers Limited <sup>1</sup>	Production and distribution of spirits	United Kingdom	100.00	100.00
91. InterBev Trading (China) Limited <sup>2</sup>	Trading of alcoholic beverages	People's Republic of China	100.00	100.00
92. Yunnan Yulinquan Liquor Co., Ltd. <sup>2</sup>	Spirits distillery	People's Republic of China	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 (%)	
			2014	2013
<b>Subsidiaries of indirect subsidiaries (continued)</b>				
93. Blairnhor Distillers Limited <sup>1,10</sup>	Dormant	United Kingdom	100.00	100.00
94. Wee Beastie Limited <sup>1,10</sup>	Dormant	United Kingdom	100.00	100.00
95. Moffat & Towers Limited <sup>1,10</sup>	Dormant	United Kingdom	100.00	100.00
96. Glen Calder Blenders Limited <sup>1,10</sup>	Dormant	United Kingdom	100.00	100.00
97. Hankey Bannister & Company Limited <sup>1,10</sup>	Dormant	United Kingdom	100.00	100.00
98. R. Carmichael & Sons Limited <sup>1,10</sup>	Dormant	United Kingdom	100.00	100.00
99. J MacArthur Junior & Company Limited <sup>1,10</sup>	Dormant	United Kingdom	100.00	100.00
100. Mason & Summers Limited <sup>1,10</sup>	Dormant	United Kingdom	100.00	100.00
101. James Catto & Company Limited <sup>1,10</sup>	Dormant	United Kingdom	100.00	100.00
102. The Knockdhu Distillery Co., Ltd. <sup>1,10</sup>	Dormant	United Kingdom	100.00	100.00
103. Speyburn-Glenlivet Distillery Co., Ltd. <sup>1,10</sup>	Dormant	United Kingdom	100.00	100.00
104. The Pulteney Distillery Co., Ltd. <sup>1,10</sup>	Dormant	United Kingdom	100.00	100.00
105. The Balblair Distillery Co., Ltd. <sup>1,10</sup>	Dormant	United Kingdom	100.00	100.00
106. Sermsuk Holdings Co., Ltd. <sup>4</sup>	Holding company	Thailand	64.66	64.66
107. Sermsuk Beverage Co., Ltd. <sup>4</sup>	Production and distribution of beverages	Thailand	64.66	64.66
108. Sermsuk Training Co., Ltd. <sup>4</sup>	Human resources and organisation development services	Thailand	64.66	64.66
109. Great Brands Limited <sup>4</sup>	Brands management	Hong Kong	64.66	64.66
110. Wrangyer Beverage (2008) Co., Ltd. <sup>4</sup>	Production and distribution of energy drink	Thailand	64.66	64.66
111. Oishi F&B (Singapore) Pte. Ltd. <sup>5</sup>	Brands management and consulting services	Singapore	79.66	-
112. Oishi Myanmar Limited <sup>6</sup>	Restaurant business	Union of Myanmar	43.81	-
<b>Associates of indirect subsidiaries</b>				
113. Petform (Thailand) Co., Ltd. <sup>8</sup>	Manufacture and distribution of plastic packaging	Thailand	25.86	25.86
114. Fraser and Neave, Limited <sup>9</sup>	Manufacture and distribution of food and beverage and publishing and printing	Singapore	28.54	28.54
115. Frasers Centrepoint Limited <sup>9</sup>	Development and investment in property	Singapore	28.49	-
<b>Associates of subsidiary of indirect subsidiaries</b>				
116. Liquorland Limited <sup>7</sup>	Off licences	United Kingdom	49.49	49.49

- 1 Subsidiaries of International Beverage Holdings (UK) Limited
- 2 Subsidiaries of International Beverage Holdings (China) Limited
- 3 Subsidiaries of InterBev (Singapore) Limited
- 4 Subsidiaries of Sermsuk Plc.
- 5 Subsidiaries of Oishi International Holdings Limited
- 6 Subsidiaries of Oishi F&B (Singapore) Pte. Ltd.
- 7 Associates of subsidiaries of International Beverage Holdings (UK) Limited
- 8 Associates of Sermsuk Plc.
- 9 Associates of InterBev Investment Limited
- 10 These are currently not doing the operation.
- 11 This has been registered for the liquidation.

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

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

On 3 February 2014, Oishi F&B (Singapore) Pte. Ltd., a subsidiary of indirect subsidiary of the Company, was incorporated in Singapore with an authorised and paid-up share capital of SGD 1 by issuing 1 ordinary share with a SGD 1 par value. Subsequently on 11 March 2014, the said company increased its authorised and paid-up share capital from SGD 1 to be SGD 1.52 million for the working capital and expansion of the future business. Oishi International Holdings Limited, the Company's indirect subsidiary, holds the entire share.

On 10 February 2014, Oishi International Holdings Limited, the Company's indirect subsidiary, increased its authorised share capital from HKD 0.5 million (0.5 million ordinary shares with a HKD 1 par value) to be HKD 9.4 million (9.4 million ordinary shares with a HKD 1 par value) and called the additional paid-up share capital from HKD 0.1 million to be HKD 9.4 million for the working capital and expansion of the future business.

At the Board of Directors' meeting, held on 27 February 2014, the Board of Directors unanimously approved for InterBev Investment Limited, the Company's indirect subsidiary, to increase its share capital. Subsequently on 17 June 2014 and 17 December 2014, the said indirect subsidiary increased its authorised share capital from SGD 227.63 million (227.63 million ordinary shares with a SGD 1 par value) to be SGD 817.96 million (817.96 million ordinary shares with a SGD 1 par value) and called the additional paid-up share capital from SGD 227.63 million to be SGD 817.96 million.

On 23 May 2014, Oishi F&B (Singapore) Pte. Ltd. ("OSPL"), a subsidiary of an indirect subsidiary of the Company, entered into Shareholder Agreement with a local company in the Republic of the Union of Myanmar to establish Oishi Myanmar Limited ("Oishi Myanmar") to support the expansion of the restaurant business in the Republic of the Union of Myanmar. On 9 May 2014, Oishi Myanmar has obtained the Certificate of Incorporation (Temporary) and Form of Permit (Temporary) from the government of the Republic of the Union of Myanmar with the authorised share capital of USD 2.1 million (2.1 million ordinary shares with a USD 1 par value) and the initial paid-up capital was USD 0.8 million. On 6 August 2014, OSPL paid the initial paid-up share capital of USD 0.4 million. Subsequently, on 28 August 2014, Oishi Myanmar is permanently incorporated and operated with retrospective effect since 9 May 2014.

At the Board of Directors' meeting of Sermsuk Public Company Limited ("Sermsuk"), an indirect subsidiary of the Company, held on 27 October 2014, the Board of Directors of Sermsuk approved to enter into a sale of trademark "est" between Sermsuk or its subsidiary ("Seller") and International Beverage Holding Limited ("Purchaser"), the Company's subsidiary, ("the Proposed Transaction"). In this regard, on 14 November 2014, the Board of Directors of the Company approved in principle for the Proposed Transaction and the appointment of an independent financial advisor to advise the Company on the Proposed Transaction. Subsequently on 20 November 2014, at the Board of Directors' meeting of Sermsuk, the Board of Directors approved to amend the Purchaser's name to be Super Brand Company Pte. Ltd., the Company's indirect subsidiary.

Subsequently on 23 December 2014, at the Extraordinary General Meeting of Shareholders of Sermsuk, the shareholders of Sermsuk approved the entering into the sale transaction of trademark "est" in the amount of Baht 1,300 million, which the Purchaser will make payment to the Seller on the execution date of the sale and purchase agreement, and in the second and third years, after the execution date such agreement, the Purchaser will pay the Company for its technical support and assistance, and knowledge and expert in the amount of Baht 130 million per year, totalling Baht 1,560 million. At the same date, Great Brand Limited, the subsidiary of Sermsuk, entered into Sale Agreement of Trademark "est" and Formulae with the Purchaser and registered the transferring of trademark "est" and the formulae to the Purchaser. The Purchaser has made payment for the trademark and formulae to the Seller in December 2014. In addition, the shareholders of Sermsuk approved Sermsuk to enter into a manufacturing and distribution agreement with the Purchaser or its designed person in exchange for a consideration based on actual distribution volume. The term and conditions

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

of the manufacturing and distribution agreement will be based on an arm's length basis and in the same manner that Sermasuk carries it out with other companies or contractual parties.

However, as the said transactions have been conducted among the Company's indirect subsidiaries, therefore, the said transactions have been eliminated in preparation of the Group's consolidated financial statements for the year ended 31 December 2014.

At the Board of Directors' meeting of InterBev (Singapore) Limited and Super Brands Company Pte. Ltd., held on 24 December 2014, the Board of Directors unanimously approved for InterBev (Singapore) Limited ("IBS") and Super Brands Company Pte. Ltd. ("SB"), the Company's indirect subsidiaries, to increase their authorised share capital amounting to SGD 52.25 million. Subsequently on 17 December 2014, IBS increased its authorised share capital from SGD 9.00 million (9.00 million ordinary shares with a SGD 1 par value) to be SGD 61.25 million (61.25 million ordinary shares with a SGD 1 par value) and called the additional paid-up share capital from SGD 9.00 million to be SGD 61.25 million and SB increased its authorised share capital from SGD 8.21 million (8.21 million ordinary shares with a SGD 1 par value) to be SGD 60.46 million (60.46 million ordinary shares with a SGD 1 par value) and called the additional paid-up share capital from SGD 8.21 million to be SGD 60.46 million.

## 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 annual accounting periods beginning on or after 1 January 2014:

TFRS	Topic
TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

	<b>TFRS</b>	<b>Topic</b>
TFRIC 10		Interim Financial Reporting and Impairment
TFRIC 13		Customer Loyalty Programmes
TFRIC 17		Distributions of Non-cash Assets to Owners
TFRIC 18		Transfers of Assets from Customers
TIC 15		Operating Leases-Incentives
TIC 27		Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TIC 32		Intangible Assets-Web Site Costs

The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2015 and have not been adopted in the preparation of these financial statements. These new and revised TFRS that are relevant to the Group's operations are disclosed in Note 40.

### **(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;
- owned land is stated at the fair value; and
- 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.

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 (v)	Current and deferred taxation
Note 14	Valuation of the recoverable amount of property, plant and equipment
Note 15	Valuation of the recoverable amount of goodwill
Note 18	Utilisation of tax losses
Note 23	Measurement of defined benefit obligations
Note 37	Valuation of financial instruments

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 3 Significant accounting policies

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

#### (a) *Basis of consolidation*

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

##### *Business combinations*

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

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

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

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

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 are translated to the functional currency at the exchange rates at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

#### *Foreign operations*

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

Goodwill and fair value adjustments arising on the acquisition of foreign operations are translated to Thai Baht at exchange rates at the reporting date.

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

Foreign exchange differences 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***

Derivative financial instruments are used to manage exposure to foreign exchange and commodity price risks arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes.

Forward exchange contracts and forward commodity price 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 available-for-sale is determined as the quoted bid price at the reporting date.

##### *Disposal of investments*

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

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

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### (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
-----------	----------

### (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.

##### *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.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *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 to 30 years
Buildings and constructions	5 to 40 years
Building improvements	2 to 33 years
Machinery and equipment	3 to 40 years
Oak barrels	10 to 20 years
Furniture, fixtures and office equipment	3 to 10 years
Vehicles	3 to 10 years

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

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

### **(k) Intangible assets**

#### *Goodwill*

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3(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.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *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 to 10 years
Trademarks	10 to 20 years
Licences	10 years
Right	10 years

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

### **(l) Leasehold rights**

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

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

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

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

#### **(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 and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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

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

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

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### (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 the government 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 bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

#### *Termination benefits*

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

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *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.

#### *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.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *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.

### *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.



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

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

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.

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 maker) 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.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 4 Related parties

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

Relationships with 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. Pisetskij 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
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

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

Name of entities	Country of incorporation/ nationality	Nature of relationships
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
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. N.C.C. Management and Development 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
53. InterContinental Singapore	Singapore	Directors and controlling equity holders hold substantial shares indirectly
54. TCC Hotel Asset Management Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
55. TCC Logistics & Warehouse Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
56. Riverside Homes Development Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
57. SMJC Real Estate Co., Ltd.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
58. Golden Land Property Development Public Co., Ltd.	Thailand	Directors hold substantial shares indirectly
59. 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
60. FCL Group and related parties of FCL Group	Singapore	A direct subsidiary holds 28.49% shares in Frasers Centrepoint Limited, which is the parent company
61. 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 transactions with related parties are explained further below:

Transactions	Pricing policies
Revenue from sale of goods	Agreed prices which approximate market prices
Revenue from rendering of services	Contractual prices
Purchase of goods/raw materials	Agreed prices which approximate market prices
Receiving of services	Contractual prices
Purchase and sale of property, plant and equipment	Contractual prices
Purchase and sale of investments	Contractual prices
Interest income and interest expense	Rate as mutually agreed with reference interest rates quoted by financial institutions

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

Year ended 31 December	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in million Baht)</i>			
<b>Subsidiaries</b>					
Management fees		-	-	3,329	3,470
Cost of rendering of services		-	-	369	407
Interest income		-	-	818	948
Interest expense		-	-	1,200	1,176
Dividend income	12	-	-	28,283	11,871
Other income		-	-	46	68
Administrative expenses		-	-	16	13
Purchases of investments		-	-	8	30
Increase in share capital of subsidiary		-	-	16,375	5,732
Disposal of investments		-	-	-	667

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

<i>Year ended 31 December</i>	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2014	2013	2014	2013
		<i>(in million Baht)</i>			
<b>Associates</b>	<i>11</i>				
Share of profit of associates, net of income tax		3,389	3,434	-	-
Share of other comprehensive income of associates		(2,243)	1,192	-	-
Dividend income		2,434	1,629	-	-
Cash received from capital reduction of associate		4,465	33,347	-	-
<b>Key management personnel</b>					
Key management personnel compensation					
Short-term employee benefits		387	454	360	416
Post-employment benefits		9	9	9	9
Total key management personnel compensation		<u>396</u>	<u>463</u>	<u>369</u>	<u>425</u>
<b>Other related parties</b>					
Revenue from sales of goods		549	377	-	-
Purchases of raw materials and packaging		9,129	9,380	-	-
Overhead costs		219	230	-	-
Cost of rendering of services		-	-	141	118
Dividend income		4	22	-	-
Other income		45	291	2	2
Selling and administrative expenses		832	703	6	4
Purchases of plant and equipment		185	440	-	-

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

<i>Trade accounts receivable from related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Associates</b>				
F&N Beverages Marketing Sdn. Bhd.	16	-	-	-
Fraser and Neave, Limited	8	4	-	-
<b>Total associates</b>	<u>24</u>	<u>4</u>	<u>-</u>	<u>-</u>
<b>Other related parties</b>				
Berli Jucker Plc.	9	20	-	-
TCC Logistics & Warehouse Co., Ltd.	7	-	-	-
PS Recycle Co., Ltd.	5	5	-	-
Terragro Bio-Tech Co., Ltd.	2	3	-	-
Pisetkit Co., Ltd.	2	2	-	-
Others	4	5	-	-
<b>Total other related parties</b>	<u>29</u>	<u>35</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>53</u>	<u>39</u>	<u>-</u>	<u>-</u>

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

**Short-term loans to and other receivables from related parties**

	Consolidated financial statements						Separate financial statements					
	Short-term loans to	2014 Other receivables	Total	Short-term loans to	2013 Other receivables	Total	Short-term loans to	2014 Other receivables	Total	Short-term loans to	2013 Other receivables	Total
<b>Subsidiaries</b>												
Beer Thai (1991) Plc.	-	-	-	-	-	-	-	1	1	661	7	668
Beer Thip Brewery (1991) Co., Ltd.	-	-	-	-	-	-	-	1	1	-	-	-
Sangsom Co., Ltd.	-	-	-	-	-	-	-	18	18	-	17	17
Fuengfuanant Co., Ltd.	-	-	-	-	-	-	-	4	4	-	5	5
Mongkolsamai Co., Ltd.	-	-	-	-	-	-	22	1	23	-	1	1
Thanapakdi Co., Ltd.	-	-	-	-	-	-	-	2	2	-	2	2
Kanchanasingkorn Co., Ltd.	-	-	-	-	-	-	-	2	2	-	2	2
Sura Bangyikhan Co., Ltd.	-	-	-	-	-	-	-	17	17	-	15	15
Athimart Co., Ltd.	-	-	-	-	-	-	-	5	5	-	4	4
S.S. Karnsura Co., Ltd.	-	-	-	-	-	-	29	5	34	-	5	5
Kankwan Co., Ltd.	-	-	-	-	-	-	-	5	5	-	5	5
Theparunothai Co., Ltd.	-	-	-	-	-	-	-	5	5	-	5	5
Red Bull Distillery (1988) Co., Ltd.	-	-	-	-	-	-	-	24	24	1,140	29	1,169
United Winery and Distillery Co., Ltd.	-	-	-	-	-	-	-	2	2	-	1	1
Simathurakij Co., Ltd.	-	-	-	-	-	-	-	3	3	-	2	2
Nateechai Co., Ltd.	-	-	-	-	-	-	-	4	4	17	3	20
Luckchai Liquor Trading Co., Ltd.	-	-	-	-	-	-	-	2	2	-	1	1
Sura Piset Phatra Lanna Co., Ltd.	-	-	-	-	-	-	22	-	22	26	-	26
United Products Co., Ltd.	-	-	-	-	-	-	-	-	-	33	-	33
Modern Trade Management Co., Ltd.	-	-	-	-	-	-	-	28	28	-	29	29
Pomkit Co., Ltd.	-	-	-	-	-	-	-	4	4	-	4	4
Pomklung Co., Ltd.	-	-	-	-	-	-	-	5	5	-	6	6
Pomchok Co., Ltd.	-	-	-	-	-	-	-	3	3	-	4	4
Pomcharoen Co., Ltd.	-	-	-	-	-	-	-	2	2	-	3	3
Pomburapa Co., Ltd.	-	-	-	-	-	-	-	4	4	-	5	5
Pompalang Co., Ltd.	-	-	-	-	-	-	-	3	3	-	3	3
Pomnakorn Co., Ltd.	-	-	-	-	-	-	-	3	3	-	4	4
Pomthip (2012) Co., Ltd.	-	-	-	-	-	-	-	6	6	-	6	6
Num Yuk Co., Ltd.	-	-	-	-	-	-	-	17	17	-	14	14

**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	2014 Other receivables	Total	Short-term loans to	2013 Other receivables	Total	Short-term loans to	2014 Other receivables	Total	Short-term loans to	2013 Other receivables	Total
<i>Subsidiaries (continued)</i>												
Num Kijjakarn Co., Ltd.	-	-	-	-	-	-	-	21	21	-	19	19
Num Palang Co., Ltd.	-	-	-	-	-	-	-	10	10	-	9	9
Num Muang Co., Ltd.	-	-	-	-	-	-	-	14	14	-	12	12
Num Nakorn Co., Ltd.	-	-	-	-	-	-	-	9	9	-	9	9
Num Thurakij Co., Ltd.	-	-	-	-	-	-	-	13	13	-	12	12
Numrungrad Co., Ltd.	-	-	-	-	-	-	-	19	19	-	17	17
Numthip Co., Ltd.	-	-	-	-	-	-	-	10	10	-	9	9
Thipchalothorn Co., Ltd.	-	-	-	-	-	-	-	22	22	76	24	100
Krittayabun Co., Ltd.	-	-	-	-	-	-	-	42	42	1,094	47	1,141
Surathip Co., Ltd.	-	-	-	-	-	-	68	28	96	329	28	357
Sunthronpirom Co., Ltd.	-	-	-	-	-	-	-	41	41	286	34	320
Piromsurang Co., Ltd.	-	-	-	-	-	-	-	15	15	-	14	14
Thai Beverage Energy Co., Ltd.	-	-	-	-	-	-	-	1	1	-	-	-
Thai Molasses Co., Ltd.	-	-	-	-	-	-	-	3	3	-	-	-
Oishi Group Plc.	-	-	-	-	-	-	-	1	1	-	1	1
Thai Beverage Recycle Co., Ltd.	-	-	-	-	-	-	248	4	252	-	2	2
Thai Beverage Logistics Co., Ltd.	-	-	-	-	-	-	11,101	46	11,147	10,682	44	10,726
Dhospaak Co., Ltd.	-	-	-	-	-	-	266	4	270	-	-	-
Chang International Co., Ltd.	-	-	-	-	-	-	179	-	179	-	-	-
International Beverage Holdings Limited	-	-	-	-	-	-	-	-	-	-	100	100
C A C Co., Ltd.	-	-	-	-	-	-	247	2	249	78	-	78
<b>Total subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,182</b>	<b>481</b>	<b>12,663</b>	<b>14,422</b>	<b>563</b>	<b>14,985</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	2014 Other receivables	Total	Short-term loans to	2013 Other receivables	Total	Short-term loans to	2014 Other receivables	Total	Short-term loans to	2013 Other receivables	Total
	<i>(in million Baht)</i>											
<b>Other related parties</b>												
Thip Sugar Kamphaengphet Co., Ltd.	-	204	204	-	42	42	-	-	-	-	-	-
Thip Sugar Sukhothai Co., Ltd.	-	148	148	-	42	42	-	-	-	-	-	-
Thai Agro Products Co., Ltd.	-	35	35	-	137	137	-	-	-	-	-	-
The Suphanburi Sugar Industry Co., Ltd.	-	28	28	-	17	17	-	-	-	-	-	-
Regent Gold Property Fund	-	22	22	-	-	-	-	-	-	-	-	-
Best Fortune Property and Loan Fund	-	4	4	-	4	4	-	-	-	-	-	-
Others	-	12	12	-	7	7	-	-	-	-	-	-
<b>Total other related parties</b>	<b>-</b>	<b>453</b>	<b>453</b>	<b>-</b>	<b>249</b>	<b>249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>453</b>	<b>453</b>	<b>-</b>	<b>249</b>	<b>249</b>	<b>12,182</b>	<b>481</b>	<b>12,663</b>	<b>14,422</b>	<b>563</b>	<b>14,985</b>



**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	2014 Other receivables	Total	Long-term loans to	2013 Other receivables	Total	Long-term loans to	2014 Other receivables	Total	Long-term loans to	2013 Other receivables	Total
<i>Subsidiaries</i>												
Beer Thai (1991) Plc.	-	-	-	-	-	-	-	-	-	669	-	669
Red Bull Distillery (1988) Co., Ltd.	-	-	-	-	-	-	2,279	-	2,279	1,141	-	1,141
Sura Piset Phatra Lanna Co., Ltd.	-	-	-	-	-	-	13	-	13	33	-	33
Surathip Co., Ltd.	-	-	-	-	-	-	251	-	251	-	-	-
Sunthronpirom Co., Ltd.	-	-	-	-	-	-	350	-	350	-	-	-
Krittayabun Co., Ltd.	-	-	-	-	-	-	20	-	20	-	-	-
Pan International (Thailand) Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Thai Beverage Recycle Co., Ltd.	-	-	-	-	-	-	577	-	577	354	-	354
C A C Co., Ltd.	-	-	-	-	-	-	229	-	229	-	-	-
<b>Total subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,719</b>	<b>1</b>	<b>3,720</b>	<b>2,197</b>	<b>1</b>	<b>2,198</b>

**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	2014 Other receivables	Total	Long-term loans to	2013 Other receivables	Total	Long-term loans to	2014 Other receivables	Total	Long-term loans to	2013 Other receivables	Total
	<i>(in million Baht)</i>											
<b><i>Other related parties</i></b>												
North Park Real Estate Co., Ltd.	-	37	37	-	34	34	-	3	3	-	3	3
Thai Commercial Investment												
Freehold and Leasehold Fund	-	9	9	-	9	9	-	-	-	-	-	-
T.C.C. Technology Co., Ltd.	-	8	8	-	8	8	-	7	7	-	7	7
Best Fortune Property and Loan Fund	-	6	6	-	6	6	-	-	-	-	-	-
New Noble Property and Loan Fund	-	5	5	-	4	4	-	-	-	-	-	-
Lertrattakarn Co., Ltd.	-	5	5	-	3	3	-	-	-	-	-	-
The Pet Co., Ltd.	-	3	3	-	3	3	-	-	-	-	-	-
Others	-	5	5	-	6	6	-	-	-	-	-	-
<b>Total other related parties</b>	<b>-</b>	<b>78</b>	<b>78</b>	<b>-</b>	<b>73</b>	<b>73</b>	<b>-</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>10</b>
<b>Total</b>	<b>-</b>	<b>78</b>	<b>78</b>	<b>-</b>	<b>73</b>	<b>73</b>	<b>3,719</b>	<b>11</b>	<b>3,730</b>	<b>2,197</b>	<b>11</b>	<b>2,208</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>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Short-term loans	-	-	12,182	14,422
Long-term loans	-	-	3,719	2,197
<b>Total</b>	<b>-</b>	<b>-</b>	<b>15,901</b>	<b>16,619</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>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Short-term loans</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	14,422	24,254
Increase	-	-	1,333	1,594
Decrease	-	-	(3,573)	(11,426)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>12,182</b>	<b>14,422</b>
<b>Long-term loans</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	2,197	2,304
Increase	-	-	2,211	747
Decrease	-	-	(689)	(854)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>3,719</b>	<b>2,197</b>

The currency denomination of loans to and other receivables from related parties of the Group and the Company as at 31 December 2014 and 2013 was as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Thai Baht (THB) and other functional currencies of subsidiaries	531	322	16,393	17,093
Singapore Dollars (SGD)	-	-	-	100
<b>Total</b>	<b>531</b>	<b>322</b>	<b>16,393</b>	<b>17,193</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>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Associates</b>				
Petform (Thailand) Co., Ltd.	209	138	-	-
F&N Interflavine Pte. Ltd.	31	-	-	-
Others	1	1	-	-
<b>Total associate</b>	<b>241</b>	<b>139</b>	<b>-</b>	<b>-</b>
<b>Other related parties</b>				
Thai Malaya Glass Co., Ltd.	827	850	-	-
Thai Beverage Can Co., Ltd.	180	168	-	-
Crown Seal Plc.	99	123	-	-
The Pet Co., Ltd.	85	92	-	-
Berli Jucker Plc.	37	62	-	-
Bangkok Glass Co., Ltd.	20	19	-	-
The Southeast Insurance Plc.	14	-	-	-
Petpak Co., Ltd.	9	34	-	-
PS Recycle Co., Ltd.	8	7	-	-
Siam Food Products Plc.	5	5	-	-
Berli Jucker Foods Co., Ltd.	-	14	-	-
Others	14	11	-	-
<b>Total other related parties</b>	<b>1,298</b>	<b>1,385</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,539</b>	<b>1,524</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	2014 Other payables	Total	Short-term loans from	2013 Other payables	Total	Short-term loans from	2014 Other payables	Total	Short-term loans from	2013 Other payables	Total
<i>Subsidiaries</i>												
Beer Thai (1991) Plc.	-	-	-	-	-	-	684	2	686	-	-	-
Beer Thip Brewery (1991) Co., Ltd.	-	-	-	-	-	-	423	11	434	291	7	298
Sangsom Co., Ltd.	-	-	-	-	-	-	73	9	82	158	18	176
Fuengfuanant Co., Ltd.	-	-	-	-	-	-	196	1	197	-	2	2
Thanapakdi Co., Ltd.	-	-	-	-	-	-	24	-	24	-	-	-
Kanchanasingkorn Co., Ltd.	-	-	-	-	-	-	27	1	28	159	1	160
Sura Piset Thipparat Co., Ltd.	-	-	-	-	-	-	28	1	29	51	1	52
Sura Bangyikhan Co., Ltd.	-	-	-	-	-	-	16	2	18	485	10	495
Athimart Co., Ltd.	-	-	-	-	-	-	237	1	238	297	2	299
S.S. Karnsura Co., Ltd.	-	-	-	-	-	-	-	-	-	18	1	19
Kankwan Co., Ltd.	-	-	-	-	-	-	8	-	8	152	1	153
Theparunothai Co., Ltd.	-	-	-	-	-	-	13	-	13	81	1	82
United Winery and Distillery Co., Ltd.	-	-	-	-	-	-	4	-	4	-	-	-
Simathurakij Co., Ltd.	-	-	-	-	-	-	38	2	40	6	3	9
Nateechai Co., Ltd.	-	-	-	-	-	-	49	-	49	-	-	-
Luckchai Liquor Trading Co., Ltd.	-	-	-	-	-	-	80	2	82	2	2	4
Thipchalothorn Co., Ltd.	-	-	-	-	-	-	-	1	1	-	-	-
Krittayabun Co., Ltd.	-	-	-	-	-	-	-	1	1	-	-	-
Modern Trade Management Co., Ltd.	-	-	-	-	-	-	-	2	2	68	4	72
Pomkit Co., Ltd.	-	-	-	-	-	-	75	1	76	168	3	171
Pomklung Co., Ltd.	-	-	-	-	-	-	142	2	144	95	3	98
Pomchok Co., Ltd.	-	-	-	-	-	-	47	1	48	111	3	114
Pomcharoen Co., Ltd.	-	-	-	-	-	-	60	1	61	100	1	101
Pomburapa Co., Ltd.	-	-	-	-	-	-	83	2	85	276	3	279
Pompalang Co., Ltd.	-	-	-	-	-	-	104	1	105	46	1	47
Pomnakorn Co., Ltd.	-	-	-	-	-	-	28	1	29	118	2	120
Pomthip (2012) Co., Ltd.	-	-	-	-	-	-	119	2	121	341	2	343
Num Yuk Co., Ltd.	-	-	-	-	-	-	488	4	492	650	6	656
Num Kijjakarn Co., Ltd.	-	-	-	-	-	-	650	6	656	567	9	576
Num Palang Co., Ltd.	-	-	-	-	-	-	303	2	305	121	3	124
Num Muang Co., Ltd.	-	-	-	-	-	-	457	4	461	76	6	82

**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	2014 Other payables	Total	Short-term loans from	2013 Other payables	Total	Short-term loans from	2014 Other payables	Total	Short-term loans from	2013 Other payables	Total
<i>Subsidiaries (continued)</i>												
Num Nakorn Co., Ltd.	-	-	-	-	-	-	156	3	159	425	4	429
Num Thurakij Co., Ltd.	-	-	-	-	-	-	327	4	331	309	5	314
Numrungrad Co., Ltd.	-	-	-	-	-	-	589	4	593	494	6	500
Numthip Co., Ltd.	-	-	-	-	-	-	281	3	284	373	3	376
Piromsurang Co., Ltd.	-	-	-	-	-	-	197	1	198	59	1	60
Thai Beverage Energy Co., Ltd.	-	-	-	-	-	-	394	2	396	304	1	305
Thai Molasses Co., Ltd.	-	-	-	-	-	-	157	-	157	98	-	98
Thai Cooperage Co., Ltd.	-	-	-	-	-	-	13	1	14	55	-	55
Feed Addition Co., Ltd.	-	-	-	-	-	-	5	-	5	21	-	21
Pan International (Thailand) Co., Ltd.	-	-	-	-	-	-	3	1	4	14	1	15
Charun Business 52 Co., Ltd.	-	-	-	-	-	-	1	-	1	12	-	12
Thai Beverage Logistics Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Thai Beverage Marketing Co., Ltd.	-	-	-	-	-	-	270	2	272	483	34	517
Dhospaak Co., Ltd.	-	-	-	-	-	-	-	143	143	-	92	92
Thai Beverage Training Co., Ltd.	-	-	-	-	-	-	-	4	4	-	3	3
Cosmos Brewery (Thailand) Co., Ltd.	-	-	-	-	-	-	455	3	458	196	2	198
Thipchalothorn Co., Ltd.	-	-	-	-	-	-	110	-	110	-	-	-
Beer Chang Co., Ltd.	-	-	-	-	-	-	-	1	1	35	2	37
Thai Drinks Co., Ltd.	-	-	-	-	-	-	103	2	105	56	2	58
International Beverage Holdings Limited	-	-	-	-	-	-	-	-	-	-	1	1
<b>Total subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,517</b>	<b>238</b>	<b>7,755</b>	<b>7,371</b>	<b>253</b>	<b>7,624</b>
<i>Associate</i>												
Fraser and Neave (Singapore) Pte. Ltd.	-	33	33	-	-	-	-	-	-	-	-	-
F&N Beverages Marketing Sdn. Bhd.	-	17	17	-	-	-	-	-	-	-	-	-
F&N Interflavine Pte. Ltd.	-	9	9	-	-	-	-	-	-	-	-	-
Fraser and Neave, Limited	-	1	1	-	3	3	-	-	-	-	-	-
<b>Total Associate</b>	<b>-</b>	<b>60</b>	<b>60</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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	2014 Other payables	Total	Short-term loans from	2013 Other payables	Total	Short-term loans from	2014 Other payables	Total	Short-term loans from	2013 Other payables	Total
<i>Other related parties</i>												
Dhanasindhi Co., Ltd.	-	73	73	-	108	108	-	1	1	-	-	-
T.C.C. Technology Co., Ltd.	-	31	31	-	10	10	-	26	26	-	8	8
The Southeast Insurance Plc.	-	28	28	-	33	33	-	-	-	-	-	-
TCC Hotel Asset Management Co., Ltd.	-	16	16	-	-	-	-	-	-	-	-	-
Thai Alcohol Plc.	-	15	15	-	-	-	-	-	-	-	-	-
Berli Jucker Plc.	-	10	10	-	17	17	-	-	-	-	-	-
Southeast Capital Co., Ltd.	-	9	9	-	9	9	-	3	3	-	3	3
F&B International Co., Ltd.	-	7	7	-	2	2	-	-	-	-	-	-
North Park Golf And Sports Club Co., Ltd.	-	4	4	-	4	4	-	1	1	-	-	-
Business Process Outsourcing Co., Ltd.	-	4	4	-	3	3	-	4	4	-	3	3
Plaza Athenee Hotel (Thailand) Co., Ltd.	-	1	1	-	27	27	-	-	-	-	-	-
TCC Hotel Collection Co., Ltd.	-	1	1	-	7	7	-	-	-	-	-	-
Others	-	11	11	-	15	15	-	3	3	-	2	2
<b>Total other related parties</b>	<b>-</b>	<b>210</b>	<b>210</b>	<b>-</b>	<b>235</b>	<b>235</b>	<b>-</b>	<b>38</b>	<b>38</b>	<b>-</b>	<b>16</b>	<b>16</b>
<b>Total</b>	<b>-</b>	<b>270</b>	<b>270</b>	<b>-</b>	<b>238</b>	<b>238</b>	<b>7,517</b>	<b>276</b>	<b>7,793</b>	<b>7,371</b>	<b>269</b>	<b>7,640</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					
	2014			2013			2014			2013		
	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>Subsidiaries</b>												
Beer Thip Brewery (1991) Co., Ltd.	-	-	-	-	-	-	2,329	-	2,329	1,542	-	1,542
Sangsom Co., Ltd.	-	-	-	-	-	-	-	-	-	681	-	681
Fuengfuanant Co., Ltd.	-	-	-	-	-	-	179	-	179	511	-	511
Thanapakdi Co., Ltd.	-	-	-	-	-	-	60	-	60	133	-	133
Mongkolsamai Co., Ltd.	-	-	-	-	-	-	-	-	-	15	-	15
Kanchanasingkorn Co., Ltd.	-	-	-	-	-	-	80	-	80	173	-	173
Sura Piset Thipparat Co., Ltd.	-	-	-	-	-	-	215	-	215	200	-	200
Sura Bangyikhan Co., Ltd.	-	-	-	-	-	-	604	-	604	1,972	-	1,972
Athimart Co., Ltd.	-	-	-	-	-	-	85	-	85	342	-	342
S.S. Karnsura Co., Ltd.	-	-	-	-	-	-	-	-	-	341	-	341
Kankwan Co., Ltd.	-	-	-	-	-	-	10	-	10	190	-	190
Theparunothai Co., Ltd.	-	-	-	-	-	-	15	-	15	275	-	275
United Winery and Distillery Co., Ltd.	-	-	-	-	-	-	17	-	17	51	-	51
Simathurakij Co., Ltd.	-	-	-	-	-	-	451	-	451	769	-	769
Luckchai Liquor Trading Co., Ltd.	-	-	-	-	-	-	286	-	286	443	-	443
Piromsurang Co., Ltd.	-	-	-	-	-	-	63	-	63	-	-	-
Thai Beverage Brands Co., Ltd.	-	-	-	-	-	-	7	-	7	14	-	14
Modern Trade Management Co., Ltd.	-	-	-	-	-	-	522	-	522	487	-	487
Pomkit Co., Ltd.	-	-	-	-	-	-	202	-	202	487	-	487
Pomklung Co., Ltd.	-	-	-	-	-	-	228	-	228	485	-	485
Pomchok Co., Ltd.	-	-	-	-	-	-	200	-	200	463	-	463
Pomcharoen Co., Ltd.	-	-	-	-	-	-	101	-	101	134	-	134
Pomburapa Co., Ltd.	-	-	-	-	-	-	224	-	224	348	-	348
Pompalang Co., Ltd.	-	-	-	-	-	-	124	-	124	193	-	193
Pomnakorn Co., Ltd.	-	-	-	-	-	-	185	-	185	267	-	267
Pomthip (2012) Co., Ltd.	-	-	-	-	-	-	286	-	286	-	-	-
Num Yuk Co., Ltd.	-	-	-	-	-	-	390	-	390	455	-	455
Num Thurakij Co., Ltd.	-	-	-	-	-	-	861	-	861	862	-	862
Num Muang Co., Ltd.	-	-	-	-	-	-	716	-	716	1,258	-	1,258



**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					
	2014			2013			2014			2013		
	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>Subsidiaries (continued)</b>												
Num Nakorn Co., Ltd.	-	-	-	-	-	-	690	-	690	597	-	597
Num Palang Co., Ltd.	-	-	-	-	-	-	376	-	376	557	-	557
Num Kijjakarn Co., Ltd.	-	-	-	-	-	-	948	-	948	1,494	-	1,494
Numrungrad Co., Ltd.	-	-	-	-	-	-	854	-	854	841	-	841
Numthip Co., Ltd.	-	-	-	-	-	-	699	-	699	403	-	403
Feed Addition Co., Ltd.	-	-	-	-	-	-	20	-	20	70	-	70
Pan International (Thailand) Co., Ltd.	-	-	-	-	-	-	2	-	2	51	-	51
Charun Business 52 Co., Ltd.	-	-	-	-	-	-	61	-	61	49	-	49
Thai Cooperage Co., Ltd.	-	-	-	-	-	-	107	-	107	60	-	60
Cosmos Brewery (Thailand) Co., Ltd.	-	-	-	-	-	-	245	-	245	143	-	143
Beer Chang Co., Ltd.	-	-	-	-	-	-	121	-	121	333	-	333
Archa Beer Co., Ltd.	-	-	-	-	-	-	6	-	6	81	-	81
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,569</b>	<b>-</b>	<b>12,569</b>	<b>17,770</b>	<b>-</b>	<b>17,770</b>

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

<i>Summary of loans from related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Short-term loans	-	-	7,517	7,371
Long-term loans	-	-	12,569	17,770
<b>Total</b>	<b>-</b>	<b>-</b>	<b>20,086</b>	<b>25,141</b>

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

<i>Loans from related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Short-term loans</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	7,371	9,144
Increase	-	-	2,765	2,154
Decrease	-	-	(2,619)	(3,927)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>7,517</b>	<b>7,371</b>
<b>Long-term loans</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	17,770	13,875
Increase	-	-	1,749	5,107
Decrease	-	-	(6,950)	(1,212)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>12,569</b>	<b>17,770</b>

The currency denomination of loans from and other payables to related parties of the Group and the Company as at 31 December 2014 and 2013 was as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Thai Baht (THB) and other functional currencies of subsidiaries	212	238	20,362	25,410
Singapore Dollars (SGD)	41	-	-	-
Malaysian Ringgit	17	-	-	-
<b>Total</b>	<b>270</b>	<b>238</b>	<b>20,362</b>	<b>25,410</b>

**Significant agreements with related parties**

*Supporting service agreements*

The Company entered into supporting service agreements with subsidiaries for supporting service such as human resource, administration, accounting, finance, public relations, public co-ordination, technology, law, secretary and share register and internal audit for a period of one year from 1 January 2004 to 31 December 2004. Unless there are notifications to terminate the agreement not later than 30 days prior to the expiry date, this agreement continues to be in effect for the successive one year term. The subsidiaries are committed to pay a service fee at the rate of 1% of their principal revenue.

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

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

#### *Application service provisioning agreement*

The Company entered into the application service provisioning agreement with T.C.C. Technology Co., Ltd., a related party company, for the provision of ongoing maintenance and development of the application. The Company is committed to pay the rental fee of system, computer hardware and software license and service fee on a monthly basis throughout the contract period for a period of five years, effective from 31 May 2006, under the fees and conditions stipulated in the agreement. Subsequently, the Company entered into additional agreements according to the additional number of users, which will be ended on 31 March 2016.

#### *Procurement agreements*

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

#### *Molasses purchase and sale agreements*

Thai Molasses Co., Ltd., the Company's subsidiary, entered into molasses purchase and sale agreements with various related companies in order to sell molasses to other subsidiaries within the Group, under the price and conditions stipulated in the agreements.

#### *Glass bottle purchase and sale agreement*

On 27 December 2012, Thai Beverage Recycle Co., Ltd., the Company's subsidiary, entered into the glass bottle purchase and sale agreement with Berli Jucker Plc., a related company, in order to sell glass bottle to other subsidiaries within the Group, 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 the 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 the 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 the Company's subsidiaries for the rights to use trademarks for white spirits and Chiang - Chun blended spirits as stipulated in the agreements. The trademark fee is at the rate ranging from Baht 0.50 – 1.20 per bottle, based on the content and size of the bottle.

#### *Sale distributor appointment agreements*

On 4 November 2008, Oishi Trading Co., Ltd., the Company's indirect subsidiary, entered into a sale distributor appointment agreement with another indirect subsidiary to act as a distributor for green tea products. The agreement shall be in effect until 3 November 2014. This agreement shall be automatically renewed for additional periods of one year, unless there is a written notice not to renew this agreement not later than 90 days prior to the expiration of the initial term or any renewal term.

On 4 June 2013, the said indirect subsidiary entered into a sale distributor appointment agreement with a related company 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 until 30 June 2015.

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

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

#### *Biogas purchase and sale agreements*

Thai Beverage Energy Co., Ltd., the Company's subsidiary, entered into biogas purchase and sale agreements with the 3 related companies for a period of nineteen years, effective from 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 2 related companies for a period of eighteen years, effective from 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 agreements with subsidiaries. As at 31 December 2014, the total credit limit was Baht 77,000 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, the Company's subsidiary, 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*

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 two years, effective from 21 March 2013 to 20 March 2015. Either party shall give a written notice to extend the agreement not later than 60 days prior to the expiration date of the agreement. The aforesaid subsidiary is committed to purchase the remaining of the goods and materials from the seller as the supplied price within 30 days after the expiration of the agreement. Subsequently on 25 April 2014, the said agreement has been terminated, effective from 31 May 2014 onwards.

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

*Commitments with related parties*

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Capital commitments</b>				
Land	424	-	-	-
Buildings and other constructions	5	42	-	-
Machinery and equipment	21	48	-	-
<b>Total</b>	<b>450</b>	<b>90</b>	<b>-</b>	<b>-</b>
<b>Non-cancellable operating lease commitments</b>				
Within one year	258	262	44	49
After one year but within five years	276	256	34	35
<b>Total</b>	<b>534</b>	<b>518</b>	<b>78</b>	<b>84</b>
<b>Other commitments</b>				
Purchase of molasses agreements	833	471	-	-
Sale of molasses agreements	31	-	-	-
Purchase of raw material agreements	3	4	-	-
Application service provisioning agreements	32	37	32	37
Brewing supervision agreement	20	22	-	-
Service agreements	83	63	34	35
Other agreements	-	2	22	20
<b>Total</b>	<b>1,002</b>	<b>599</b>	<b>88</b>	<b>92</b>

**5 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Cash on hand	73	122	-	-
Cash at banks - current accounts	979	1,501	2	1
Cash at banks - savings accounts	1,035	3,263	35	762
Highly liquid short-term investments	143	216	-	-
<b>Total</b>	<b>2,230</b>	<b>5,102</b>	<b>37</b>	<b>763</b>

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Thai Baht (THB) and other functional currencies of subsidiaries	1,737	5,070	37	763
Pound Sterling (GBP)	358	1	-	-
United States Dollars (USD)	129	12	-	-
Singapore Dollars (SGD)	2	1	-	-
Canada Dollars (CAD)	2	-	-	-
Hong Kong Dollars (HKD)	1	18	-	-
Euro (EUR)	1	-	-	-
<b>Total</b>	<b>2,230</b>	<b>5,102</b>	<b>37</b>	<b>763</b>

### 6 Other investments

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b><i>Current investments</i></b>				
Investment in government bonds	-	7	-	-
	<u>-</u>	<u>7</u>	<u>-</u>	<u>-</u>
<b><i>Other long-term investments</i></b>				
Equity securities available-for-sale	55	58	-	-
Investment in government bonds	3	3	-	-
Other non-marketable equity securities	217	217	-	-
Less allowance for decline in value of investments	(4)	(4)	-	-
	<u>216</u>	<u>216</u>	<u>-</u>	<u>-</u>
	<b>271</b>	<b>274</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>271</b>	<b>281</b>	<b>-</b>	<b>-</b>

As at 31 December 2014, an indirect subsidiary invested in the government bonds of Baht 3.66 million (2013: Baht 10.16 million), bearing interest rate of 4.125% per annum (2013: 5.90% and 4.125% per annum) with maturity date in 2016. The government bonds have been pledged as collateral for natural gas utilisation.

Other investments of the Group as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

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

**7 Trade accounts receivable**

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in million Baht)</i>			
Related parties	4	53	39	-	-
Other parties		3,692	3,920	-	-
<b>Total</b>		<b>3,745</b>	<b>3,959</b>	-	-
Less allowance for doubtful accounts		(77)	(68)	-	-
<b>Net</b>		<b>3,668</b>	<b>3,891</b>	-	-
Bad and doubtful debts expenses for the year		14	15	-	-

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Related parties</b>				
Within credit terms	45	35	-	-
Overdue:				
Less than 3 months	7	4	-	-
3-6 months	1	-	-	-
	<b>53</b>	<b>39</b>	-	-
<b>Other parties</b>				
Within credit terms	2,956	3,030	-	-
Overdue:				
Less than 3 months	634	804	-	-
3-6 months	30	25	-	-
6-12 months	40	43	-	-
Over 12 months	32	18	-	-
	<b>3,692</b>	<b>3,920</b>	-	-
Less allowance for doubtful accounts	(77)	(68)	-	-
	<b>3,615</b>	<b>3,852</b>	-	-
<b>Net</b>	<b>3,668</b>	<b>3,891</b>	-	-

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

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

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Thai Baht (THB) and other functional currencies of subsidiaries	3,614	3,813	-	-
Euro (EUR)	34	36	-	-
United States Dollars (USD)	-	33	-	-
Others	20	9	-	-
<b>Total</b>	<b>3,668</b>	<b>3,891</b>	<b>-</b>	<b>-</b>

**8 Inventories**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Finished goods	11,785	12,842	-	-
Maturing spirits	12,466	12,129	-	-
Work in progress	5,295	4,524	-	-
Raw materials	1,624	1,893	-	-
Packaging materials	3,109	2,540	-	-
Spare parts	505	529	-	-
Others	645	588	-	-
	35,429	35,045	-	-
<i>Less</i> allowance for decline in value	(345)	(208)	-	-
<b>Net</b>	<b>35,084</b>	<b>34,837</b>	<b>-</b>	<b>-</b>
Inventories recognised as an expense in 'Cost of sale of goods':				
- Cost	114,573	112,377	-	-
- Write-down to net realisable value	309	142	-	-
- Reversal of write-down	(172)	(486)	-	-
<b>Net</b>	<b>114,710</b>	<b>112,033</b>	<b>-</b>	<b>-</b>

**9 Other current assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Prepaid excise tax	1,433	2,122	-	-
Deposits	1,230	1,013	-	-
Refundable VAT	573	546	18	14
Refundable excise tax	102	902	-	-
Others	381	439	-	-
<b>Total</b>	<b>3,719</b>	<b>5,022</b>	<b>18</b>	<b>14</b>

Other current assets of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.



# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 10 Non-current assets held for sale

At the Board of Directors' meeting of Sermsuk Public Company Limited ("Sermsuk"), an indirect subsidiary of the Company, held on 27 May 2014, the Board of Directors approved in principle for the plan to sell land and building of Sermsuk, and approved that the land sale procedure will be by public auction, with the minimum price of Baht 1,550 million. Subsequently, on 19 September 2014, a related company of Sermsuk has been recognised as the winning bidder with the price of Baht 1,809.8 million. At the Board of Director's meeting of Sermsuk, held on 29 September 2014, the Board of Directors approved the disposal of Sermsuk's land and building to the said related company and approved the appointment of an independent financial advisor to advise Sermsuk's shareholders. Subsequently, at the Extraordinary General Meeting of Shareholders held on 23 December 2014, the shareholders of Sermsuk approved the said transaction. In this regard, this transaction has been finalised and Sermsuk is expected to transfer these assets to the purchaser in April 2015.

### 11 Investments in associates

	<b>Consolidated financial statements</b>	
	2014	2013
	<i>(in million Baht)</i>	
At 1 January	75,558	104,320
Share of net profit of equity-accounted associates	3,389	3,434
Share of other comprehensive income of associates	(2,243)	1,192
Dividend income from associates	(2,434)	(1,629)
Capital reduction of associate	(4,465)	(33,347)
Translation differences on consolidation	(2,191)	1,588
<b>At 31 December</b>	<b><u>67,614</u></b>	<b><u>75,558</u></b>

At the Board of Directors meeting of Fraser and Neave, Limited ("F&N"), an associate of an indirect subsidiary of the Company, 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 ("SGX").

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 SGX. In this regard, the Group recognised the investment in FCL by allocating the investment cost based on the fair value of investment as at the acquisition date.

At the annual general meeting of the shareholders of FCL, held on 7 January 2014, the shareholders approved the dividend payment of SGD 0.0173 per share. The dividend was paid to the shareholders on 18 February 2014. In this regard, the Company's indirect subsidiary received the said dividend of approximately Baht 368 million.

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

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

At the annual general meeting of the shareholders of F&N, held on 27 January 2014, the shareholders approved the dividend payment of SGD 0.12 per share. The dividend was paid to the shareholders on 18 February 2014. In this regard, the Company's indirect subsidiary received the said dividend of approximately Baht 1,275 million.

On 11 February 2014, F&N 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 has been approved from regulatory authorities and the shareholders at the extraordinary general meeting of the shareholder of F&N held on 28 February 2014. The Company's indirect subsidiary already received capital reduction in cash amount of approximately SGD 173 million (equivalent to Baht 4,465 million).

At the Board of Directors' meeting of F&N and FCL, held on 9 May 2014, the Board of Directors of F&N and FCL approved the interim dividend payment of SGD 0.02 and SGD 0.024 per share, respectively. These interim dividend was paid to the shareholders on 12 June 2014. In this regard, the Company's indirect subsidiary received the said dividend of approximately Baht 733 million.

In June 2014, Frasers Hospitality Investments Melbourne Pte. Ltd., a subsidiary of FCL, acquired 100% of the issued shares capital of Ananke Holdings Pty Ltd. in Australia. The aggregated consideration is approximately AUD 202.7 million.

On 1 July 2014, Frasers Amethyst Pte. Ltd., a subsidiary of FCL, entered into a Bid Implementation Agreement to offer the acquisition of 100% of the issued stapled securities of Australand Property Group for cash consideration of AUD 4.48 per stapled security. The aggregated consideration is approximately AUD 2.4 billion. On 31 October 2014, the acquisition has been completed. Therefore, Australand Property Group has become a wholly-owned subsidiary of Frasers Amethyst Pte. Ltd.

On 14 July 2014, Frasers Hospitality Trust ("FHT") commenced trading on the Main Board of the Singapore Exchange Securities Trading Limited. The FCL Group holds 22% of the stapled securities of FHT through its subsidiary.

On 15 August 2014, a subsidiary of F&N entered into a conditional agreement to acquire 15 million issued share capital of Vietnam Dairy Products Joint Stock Company, a company incorporated in Socialist Republic of Vietnam. The total consideration of the acquisition is VND 1,849,955 million (equivalent to Baht 2,800 million). The said transaction was completed on 21 August 2014.

On 7 October 2014, FCL Treasury Pte. Ltd. ("FCLT"), a subsidiary of FCL, has issued SGD 200 million of 3.95 per cent notes due in 2021, under the SGD 3,000 million Multicurrency Debt Issuance Programme established by FCLT on 21 March 2012, which is guaranteed by FCL.

F&N received a letter from the lawyers of Myanmar Economic Holdings Limited ("MEHL"), F&N's joint venture partner in Myanmar Brewery Limited ("MBL"), stating MEHL's intention to issue a notice of arbitration in respect of a potential claim relating to F&N's 55% stake in MBL. On 9 September 2013, the lawyers representing MEHL sent F&N a document entitled Notice of Arbitration. F&N and MEHL have submitted their claims to the Arbitration Tribunal in Singapore. Subsequently on 31 October 2014, the arbitral tribunal has ruled that MEHL is entitled to buy F&N's 55% stake in MBL at fair value to be determined by an independent valuer to be appointed by both parties. F&N is presently reviewing the decision and considering all its options.

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

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

At the Extraordinary General meeting of the shareholders of FCL, held on 12 November 2014, the shareholders approved the proposed issue and placement of Perpetual Capital Securities to a related company, subject to a maximum of 50% of the proposed offer of SGD 600 million.

On 8 December 2014, Frasers (Thailand) Pte. Ltd. (“FTPL”), a wholly-owned subsidiary of FCL, has entered into agreements to sell its entire 49% shareholding interest in Riverside Homes Development Co., Ltd. (“RHD”) to SMJC Real Estate Co., Ltd. (“SMJC”), the Company’s related company, and its entire 40.45% shareholding in Krungthep Land Plc. (“KLand”) to Golden Land Property Development Plc., the Company’s related company. The consideration for the sale of FTPL’s entire interest in RHD and KLand are Baht 836 million and Baht 1,440 million respectively, and will be settled wholly in cash. The said transaction was completed on 12 December 2014.

## Thai Beverage Public Company Limited and its Subsidiaries

### Notes to the financial statements

Investments in associates as at 31 December 2014 and 2013, 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	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(%)								(in million Baht)					
<b>Associates</b>														
<i>Held by indirect subsidiaries</i>														
Petform (Thailand) Co., Ltd.	25.86	25.86	Baht 75 million	Baht 75 million	30	30	-	-	30	30	377	276	58	81
Fraser and Neave, Limited	28.54	28.54	SGD 845 million	SGD 1,451 million	16,372	59,056	-	-	16,372	59,056	29,118	75,140	1,491	1,548
Frasers Centrepoint Limited	28.49	-	SGD 1,760 million	-	34,605	-	-	34,605	-	37,985	-	-	885	-
<i>Held by subsidiary of indirect subsidiaries</i>														
Liquorland Limited	49.49	49.49	GBP 0.5 million	GBP 0.5 million	13	13	-	-	13	13	134	142	-	-
<b>Total</b>					<u>51,020</u>	<u>59,099</u>	<u>-</u>	<u>-</u>	<u>51,020</u>	<u>59,099</u>	<u>67,614</u>	<u>75,558</u>	<u>2,434</u>	<u>1,629</u>

The Group has the equity-accounted associates, Fraser and Neave, Limited (“F&N”) and Frasers Centrepoint Limited (“FCL”), which are listed on the Singapore Exchange Securities Trading Limited (“SGX”) with the closing price as at 31 December 2014 of SGD 2.73 per share and SGD 1.69 per share respectively (2013: the closing price of F&N was SGD 3.50 per share while FCL has not traded on SGX since 9 January 2014). The fair value calculated from the above mentioned closing price of the Group’s investments in F&N and FCL are Baht 28,031 million (2013: Baht 37,361 million) and Baht 34,705 million (2013: nil) respectively.

**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	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
		(%)		(in million Baht)									
<b>Associates</b>													
<i>Held by indirect subsidiaries</i>													
Petform (Thailand) Co., Ltd.	31 December	25.86	25.86	2,303	2,105	1,354	1,414	2,875	2,186	2,471	1,781	404	405
Fraser and Neave, Limited	31 December	28.54	28.54	66,345	374,769	16,360	302,291	65,018	117,480	61,897	97,033	3,121	20,447
Frasers Centrepoint Limited	31 December	28.49	-	516,014	-	276,146	-	90,838	-	74,738	-	16,100	-
<i>Held by subsidiary of indirect subsidiaries</i>													
Liquorland Limited	31 December	49.49	49.49	661	712	325	359	1,503	1,269	1,500	1,259	3	10
<b>Total</b>				<b><u>585,323</u></b>	<b><u>377,586</u></b>	<b><u>294,185</u></b>	<b><u>304,064</u></b>	<b><u>160,234</u></b>	<b><u>120,935</u></b>	<b><u>140,606</u></b>	<b><u>100,073</u></b>	<b><u>19,628</u></b>	<b><u>20,862</u></b>

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

**12 Investments in subsidiaries**

	<b>Separate financial statements</b>	
	2014	2013
	<i>(in million Baht)</i>	
At 1 January	85,447	80,352
Increase in share capital of subsidiary	16,375	5,732
Acquisitions	8	30
Disposals	-	(667)
<b>At 31 December</b>	<b><u>101,830</u></b>	<b><u>85,447</u></b>

At the Board of Directors' meeting held on 27 February 2014 and the Executive Board of Directors' meeting held on 28 November 2014, the Boards unanimously approved for International Beverage Holdings Limited, the Company's subsidiary, to increase its share capital. Subsequently on 17 June 2014, 17 December 2014 and 24 December 2014, the said subsidiary increased its authorised share capital from HKD 3,160.45 million (3,160.45 million ordinary shares with a HKD 1 par value) to be HKD 7,010.67 million (7,010.67 million ordinary shares with a HKD 1 par value) and called for the additional paid-up share capital from HKD 3,160.45 million to be HKD 7,010.67 million.

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

Investments in subsidiaries as at 31 December 2014 and 2013, and dividend income from those investments for the years ended were as follows:

	<b>Separate financial statements</b>								
	Ownership interest		Paid-up capital		Cost method		Dividend income		
	2014	2013	2014	2013	2014	2013	2014	2013	
	(%)		(in million Baht)						
<b><i>Subsidiaries</i></b>									
Beer Thai (1991) Plc.	100.00	100.00	5,550	5,550	12,500	12,500	316	333	
Beer Thip Brewery (1991) Co., Ltd.	100.00	100.00	6,600	6,600	12,500	12,500	323	350	
Sangsom Co., Ltd.	100.00	100.00	7,500	7,500	7,500	7,500	1,485	293	
Fuengfuanant Co., Ltd.	100.00	100.00	900	900	900	900	391	153	
Mongkolsamai Co., Ltd.	100.00	100.00	700	700	691	691	101	46	
Thanapakdi Co., Ltd.	100.00	100.00	700	700	697	697	131	84	
Kanchanasingkorn Co., Ltd.	100.00	100.00	700	700	700	700	204	106	
Sura Bangyikhan Co., Ltd.	100.00	100.00	4,000	4,000	4,000	4,000	3,216	1,772	
Athimart Co., Ltd.	100.00	100.00	900	900	900	900	453	153	
S.S. Karnsura Co., Ltd.	100.00	100.00	800	800	800	800	430	167	
Kankwan Co., Ltd.	100.00	100.00	800	800	800	800	502	162	
Theparunothai Co., Ltd.	100.00	100.00	700	700	700	700	451	146	
Red Bull Distillery (1988) Co., Ltd.	100.00	100.00	5,000	5,000	5,000	5,000	225	345	
United Winery and Distillery Co., Ltd.	100.00	100.00	1,800	1,800	1,800	1,800	108	90	
Simathurakij Co., Ltd.	100.00	100.00	900	900	888	888	602	259	
Nateechai Co., Ltd.	100.00	100.00	800	800	800	800	69	114	
Luckchai Liquor Trading Co., Ltd.	100.00	100.00	800	800	766	766	189	116	
Sura Piset Thipparat Co., Ltd.	100.00	100.00	1,000	1,000	1,010	1,010	5	10	
Modern Trade Management Co., Ltd.	100.00	100.00	10	10	10	10	1,201	390	
Horeca Management Co., Ltd.	100.00	-	2	-	2	-	-	-	
Pomkit Co., Ltd.	100.00	100.00	10	10	10	10	541	205	
Pomklung Co., Ltd.	100.00	100.00	10	10	10	10	453	186	
Pomchok Co., Ltd.	100.00	100.00	10	10	10	10	475	132	
Pomcharoen Co., Ltd.	100.00	100.00	10	10	10	10	157	85	
Pomburapa Co., Ltd.	100.00	100.00	10	10	10	10	485	189	
Pompalang Co., Ltd.	100.00	100.00	10	10	10	10	134	110	
Pomnakorn Co., Ltd.	100.00	100.00	10	10	10	10	245	138	

**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	
	2014	2013	2014	2013	2014	2013	2014	2013
	(%)				(in million Baht)			
<i>Subsidiaries (continued)</i>								
Pomthip (2012) Co., Ltd.	100.00	100.00	10	10	10	10	158	67
Num Yuk Co., Ltd.	100.00	100.00	10	10	10	10	1,571	435
Num Kijjakarn Co., Ltd.	100.00	100.00	10	10	10	10	2,274	544
Num Palang Co., Ltd.	100.00	100.00	10	10	10	10	816	78
Num Muang Co., Ltd.	100.00	100.00	10	10	10	10	1,534	342
Num Nakorn Co., Ltd.	100.00	100.00	10	10	10	10	1,028	238
Num Thurakij Co., Ltd.	100.00	100.00	10	10	10	10	1,384	348
Numrungrad Co., Ltd.	100.00	100.00	10	10	10	10	1,226	400
Numthip Co., Ltd.	100.00	100.00	10	10	10	10	835	207
Thipchalothorn Co., Ltd.	100.00	100.00	1	1	3	3	373	294
Krittayabun Co., Ltd.	100.00	100.00	5	5	27	27	698	732
Surathip Co., Ltd.	100.00	100.00	1	1	7	7	293	268
Sunthronpirom Co., Ltd.	100.00	100.00	5	5	25	25	250	292
Piromsurang Co., Ltd.	100.00	100.00	5	5	24	24	393	208
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	283	30
Feed Addition Co., Ltd.	100.00	100.00	1	1	32	32	121	43
Pan International (Thailand) Co., Ltd.	100.00	100.00	1	1	34	34	71	32
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	10	82
Thai Beverage Recycle Co., Ltd.	100.00	100.00	123	123	134	134	35	43
Thai Beverage Logistics Co., Ltd.	100.00	100.00	1,012	1,012	1,012	1,012	846	340
Thai Beverage Marketing Co., Ltd.	100.00	100.00	300	300	300	300	289	321
United Products Co., Ltd.	100.00	100.00	350	350	376	376	-	-
Dhospaak Co., Ltd.	100.00	100.00	25	25	61	61	31	12
Thai Beverage Training Co., Ltd.	100.00	100.00	3	3	2	2	6	11
C A C Co., Ltd.	100.00	100.00	30	30	30	30	-	-
International Beverage Holdings Limited	100.00	100.00	30,114	13,738	30,114	13,738	-	-
Cosmos Brewery (Thailand) Co., Ltd.	100.00	100.00	1,667	1,667	4,139	4,139	128	78



**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	
	2014	2013	2014	2013	2014	2013	2014	2013
	(%)		(in million Baht)					
<b><i>Subsidiaries (continued)</i></b>								
Thai Beverage Brands Co., Ltd.	100.00	100.00	5	5	39	39	10	1
Beer Chang Co., Ltd.	100.00	100.00	1	1	4,318	4,318	404	135
Archa beer Co., Ltd.	100.00	100.00	1	1	130	130	92	22
Sura Piset Phatra Lanna Co., Ltd.	100.00	100.00	1,000	1,000	1,015	1,015	-	-
Oishi Group Plc.	79.66	79.66	375	375	5,540	5,540	232	134
Thai Drinks Co., Ltd.	100.00	100.00	60	60	60	60	-	-
Chang International Co., Ltd.	100.00	-	5	-	5	-	-	-
<b>Total</b>			<b><u>76,734</u></b>	<b><u>60,351</u></b>	<b><u>101,830</u></b>	<b><u>85,447</u></b>	<b><u>28,283</u></b>	<b><u>11,871</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 70.00 per share at 31 December 2014 (2013: Baht 86.50 per share), the fair value of the Company's investment in Oishi Group Plc. is Baht 10,455 million (2013: Baht 12,920 million).

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

**13 Investment properties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<i>Note</i>	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Cost</b>				
At 1 January	1,232	1,070	-	-
Adjustment for the prior acquired in business combinations transaction	-	(4)	-	-
Transfer from property, plant and equipment	14	166	-	-
<b>At 31 December</b>	<b>1,232</b>	<b>1,232</b>	<b>-</b>	<b>-</b>
<b>Depreciation and impairment losses</b>				
At 1 January	217	211	-	-
Depreciation charge for the year	6	6	-	-
Reversal of allowance for impairment losses	(105)	-	-	-
<b>At 31 December</b>	<b>118</b>	<b>217</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>				
<b>At 1 January 2013</b>	<b>859</b>	<b>859</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2013 and 1 January 2014</b>	<b>1,015</b>	<b>1,015</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2014</b>	<b>1,114</b>	<b>-</b>	<b>-</b>	<b>-</b>

In November 2014, the Group's investment properties were revalued by independent appraiser, which considered valuation using the market value basis. As at 31 December 2014, the appraised value of investment properties was Baht 1,934 million (2013: Baht 1,500.87 million).

Investment properties comprise of a number of commercial properties that are leased to third parties and unused land.

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

**14 Property, plant and equipment**

	Note	Consolidated financial statements								
		Land	Land improvement	Building, buildings and leasehold improvements	Machinery and equipment	Oak barrels <i>(in million Baht)</i>	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
<b>Cost/ revaluation</b>										
At 1 January 2013		16,242	1,557	21,800	50,501	2,754	1,349	4,534	1,733	100,470
Additions		148	8	295	776	47	169	42	3,357	4,842
Surplus on land revaluation		651	-	-	-	-	-	-	-	651
Transfers		-	95	856	1,814	-	39	12	(2,816)	-
Transfer to investment properties	13	(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 and 1 January 2014</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>
Additions		-	3	470	761	54	206	26	3,259	4,779
Transfer		-	93	1,291	2,196	-	32	71	(3,683)	-
Transfer to assets held for sale	10	(1,281)	-	(45)	-	-	-	-	-	(1,326)
Disposals		-	-	(39)	(347)	(5)	(65)	(254)	(6)	(716)
Translation differences on consolidation		(6)	-	(67)	(69)	(17)	(1)	4	(1)	(157)
<b>At 31 December 2014</b>		<b>15,597</b>	<b>1,756</b>	<b>24,546</b>	<b>55,317</b>	<b>2,843</b>	<b>1,669</b>	<b>4,120</b>	<b>1,860</b>	<b>107,708</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 <i>(in million Baht)</i>	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
<b><i>Depreciation and impairment losses</i></b>										
At 1 January 2013		-	946	10,573	37,688	2,097	915	2,894	37	55,150
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 and 1 January 2014</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>
Depreciation charge for the year		-	83	1,122	2,078	131	183	341	-	3,938
Impairment losses		-	-	-	(37)	-	-	-	-	(37)
Transfers		-	6	74	(42)	-	(1)	-	(37)	-
Transfer to assets held for sale	<i>10</i>	-	-	(36)	-	-	-	-	-	(36)
Disposals		-	-	(29)	(280)	(4)	(62)	(253)	-	(628)
Translation differences on consolidation		-	-	(31)	(42)	(12)	-	4	-	(81)
<b>At 31 December 2014</b>		<b>-</b>	<b>1,111</b>	<b>12,673</b>	<b>41,127</b>	<b>2,353</b>	<b>1,144</b>	<b>3,049</b>	<b>-</b>	<b>61,457</b>
<b><i>Net book value</i></b>										
<b>At 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 and 1 January 2014</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>
<b>At 31 December 2014</b>		<b>15,597</b>	<b>645</b>	<b>11,873</b>	<b>14,190</b>	<b>490</b>	<b>525</b>	<b>1,071</b>	<b>1,860</b>	<b>46,251</b>

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

During 2010-2013, the plot of land of subsidiaries were revalued by independent appraiser, which considered valuation using the market value basis. In this regard, an indirect subsidiary recognised the revaluation surplus on land of Baht 651 million which was recognised in other comprehensive income and presented as the revaluation surplus in equity of equivalent amount net off related deferred tax liability of Baht 129 million in 2013.

In 2014, the Group reviewed the recoverable amount of property, plant and equipment in accordance with Thai Financial Reporting Standard and found that the recoverable amount of property, plant and equipment as at 31 December 2014 exceeded its carrying amount.

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2014 amounted to Baht 37,490 million (2013: Baht 36,861 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 2013	13	162	18	5	198
Additions	-	21	8	1	30
Disposals	-	(1)	(1)	-	(2)
<b>At 31 December 2013 and 1 January 2014</b>	<b>13</b>	<b>182</b>	<b>25</b>	<b>6</b>	<b>226</b>
Additions	-	15	-	9	24
Transfers	-	2	-	(2)	-
Disposals	-	(10)	-	-	(10)
<b>At 31 December 2014</b>	<b>13</b>	<b>189</b>	<b>25</b>	<b>13</b>	<b>240</b>
<b>Depreciation and impairment losses</b>					
At 1 January 2013	7	129	13	-	149
Depreciation charge for the year	3	14	2	-	19
Disposals	-	(1)	(1)	-	(2)
<b>At 31 December 2013 and 1 January 2014</b>	<b>10</b>	<b>142</b>	<b>14</b>	<b>-</b>	<b>166</b>
Depreciation charge for the year	3	14	3	-	20
Disposals	-	(10)	-	-	(10)
<b>At 31 December 2014</b>	<b>13</b>	<b>146</b>	<b>17</b>	<b>-</b>	<b>176</b>
<b>Net book value</b>					
<b>At 1 January 2013</b>	<b>6</b>	<b>33</b>	<b>5</b>	<b>5</b>	<b>49</b>
<b>At 31 December 2013 and 1 January 2014</b>	<b>3</b>	<b>40</b>	<b>11</b>	<b>6</b>	<b>60</b>
<b>At 31 December 2014</b>	<b>-</b>	<b>43</b>	<b>8</b>	<b>13</b>	<b>64</b>

The gross amount of the Company's fully depreciated leasehold improvements and equipment that was still in use as at 31 December 2014 amounted to Baht 176 million (2013: Baht 115 million).

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

**15 Goodwill**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Cost</b>				
At 1 January	7,225	7,199	-	-
Translation differences on consolidation	(16)	26	-	-
<b>At 31 December</b>	<b>7,209</b>	<b>7,225</b>	<b>-</b>	<b>-</b>
<b>Impairment losses</b>				
At 1 January	173	161	-	-
Translation differences on consolidation	(8)	12	-	-
<b>At 31 December</b>	<b>165</b>	<b>173</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>				
At 1 January	7,052	7,038	-	-
<b>At 31 December</b>	<b>7,044</b>	<b>7,052</b>	<b>-</b>	<b>-</b>

Goodwill as at 31 December was consisted of:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Subsidiaries</b>				
Sermsuk Plc.	3,976	3,976	-	-
Oishi Group Plc.	2,147	2,147	-	-
S.P.M. Foods & Beverages Co., Ltd.	547	547	-	-
United Products Co., Ltd.	159	159	-	-
Others	215	223	-	-
<b>Total</b>	<b>7,044</b>	<b>7,052</b>	<b>-</b>	<b>-</b>

In 2014, the Group reviewed the recoverable amount of goodwill and found that the recoverable amount of goodwill as at 31 December 2014 exceeded its carrying amount.

Recoverable amount corresponds to the higher of the asset's fair value less costs to sell and its value in use, calculated using the discounted cash flows method. An impairment loss is recognised for any significant excess of an asset's carrying amount over its recoverable amount.

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

**16 Other intangible assets**

	<b>Consolidated financial statements</b>				
	Computer software	Trademarks	Licences <i>(in million Baht)</i>	Right	Total
<i>Cost</i>					
At 1 January 2013	204	398	28	-	630
Additions	36	3	-	-	39
Disposals	(3)	-	4	-	1
Translation differences on consolidation	-	8	-	-	8
<b>At 31 December 2013 and 1 January 2014</b>	<b>237</b>	<b>409</b>	<b>32</b>	<b>-</b>	<b>678</b>
Additions	31	-	-	2	33
Disposals	(2)	(3)	(11)	-	(16)
Translation differences on consolidation	-	(5)	-	-	(5)
<b>At 31 December 2014</b>	<b>266</b>	<b>401</b>	<b>21</b>	<b>2</b>	<b>690</b>
<i>Amortisation and impairment losses</i>					
At 1 January 2013	106	339	26	-	471
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 and 1 January 2014</b>	<b>133</b>	<b>359</b>	<b>26</b>	<b>-</b>	<b>518</b>
Amortisation for the year	23	7	1	-	31
Disposals	(1)	-	(6)	-	(7)
Translation differences on consolidation	-	(2)	-	-	(2)
<b>At 31 December 2014</b>	<b>155</b>	<b>364</b>	<b>21</b>	<b>-</b>	<b>540</b>
<i>Net book value</i>					
<b>At 1 January 2013</b>	<b>98</b>	<b>59</b>	<b>2</b>	<b>-</b>	<b>159</b>
<b>At 31 December 2013 and 1 January 2014</b>	<b>104</b>	<b>50</b>	<b>6</b>	<b>-</b>	<b>160</b>
<b>At 31 December 2014</b>	<b>111</b>	<b>37</b>	<b>-</b>	<b>2</b>	<b>150</b>

**Separate  
financial statements**  
Computer software  
*(in million Baht)*

<i>Cost</i>	
At 1 January 2013	63
Additions	12
<b>At 31 December 2013 and 1 January 2014</b>	<b>75</b>
Additions	8
<b>At 31 December 2014</b>	<b>83</b>

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

	<b>Separate financial statements</b> Computer software (in million Baht)
<i>Amortisation and impairment losses</i>	
At 1 January 2013	47
Amortisation for the year	6
<b>At 31 December 2013 and 1 January 2014</b>	<b>53</b>
Amortisation for the year	3
<b>At 31 December 2014</b>	<b>56</b>
<i>Net book value</i>	
At 1 January 2013	16
At 31 December 2013 and 1 January 2014	22
At 31 December 2014	27

**17 Leasehold rights**

	<b>Consolidated financial statements</b> (in million Baht)
<i>Cost</i>	
At 1 January 2013	274
Addition	1
Translation differences on consolidation	11
<b>At 31 December 2013 and 1 January 2014</b>	<b>286</b>
Translation differences on consolidation	(3)
<b>At 31 December 2014</b>	<b>283</b>
<i>Amortisation and impairment losses</i>	
At 1 January 2013	100
Amortisation for the year	13
Translation differences on consolidation	1
<b>At 31 December 2013 and 1 January 2014</b>	<b>114</b>
Amortisation for the year	12
Translation differences on consolidation	(1)
<b>At 31 December 2014</b>	<b>125</b>
<i>Net book value</i>	
At 1 January 2013	174
At 31 December 2013 and 1 January 2014	172
At 31 December 2014	158

**18 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>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Total	1,662	1,297	(2,240)	(2,220)
Set off of tax	(1,275)	(905)	1,275	905
<b>Net deferred tax assets (liabilities)</b>	<b>387</b>	<b>392</b>	<b>(965)</b>	<b>(1,315)</b>



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

	Separate financial statements			
	Assets		Liabilities	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Total	33	30	-	-
<b>Net deferred tax assets</b>	<b>33</b>	<b>30</b>	<b>-</b>	<b>-</b>

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

	Consolidated financial statements			
	At 1 January 2014	(Charged) / credited to:		At 31 December 2014
		Profit or loss (Note 33)	Other comprehensive income	
	<i>(in million Baht)</i>			
<b>Deferred tax assets</b>				
Property, plant and equipment	250	8	-	258
Investment properties	21	(21)	-	-
Long-term investments	1	-	-	1
Inventories	223	(9)	-	214
Provisions	8	(1)	-	7
Employee benefit obligations	445	10	25	480
Loss carry forward	335	347	-	682
Others	14	6	-	20
<b>Total</b>	<b>1,297</b>	<b>340</b>	<b>25</b>	<b>1,662</b>
Set off of tax	(905)			(1,275)
	<b>392</b>			<b>387</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	(2,182)	(24)	3	(2,203)
Others	(38)	-	1	(37)
<b>Total</b>	<b>(2,220)</b>	<b>(24)</b>	<b>4</b>	<b>(2,240)</b>
Set off of tax	905			1,275
	<b>(1,315)</b>			<b>(965)</b>
<b>Net</b>		<b>316</b>	<b>29</b>	

	Consolidated financial statements			
	At 1 January 2013	(Charged) / credited to:		At 31 December 2013
		Profit or loss (Note 33)	Other comprehensive income	
	<i>(in million Baht)</i>			
<b>Deferred tax assets</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>

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

	<b>Consolidated financial statements</b>			
	<b>At 1 January 2013</b>	<u>(Charged) / credited to:</u>		<b>At 31 December 2013</b>
		Profit or loss (Note 33)	Other comprehensive income	
<b>Deferred tax liabilities</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
	<u><b>(1,374)</b></u>			<u><b>(1,315)</b></u>
<b>Net</b>		<u><b>222</b></u>	<u><b>(168)</b></u>	

	<b>Separate financial statements</b>			
	<b>At 1 January 2014</b>	<u>(Charged) / credited to:</u>		<b>At 31 December 2014</b>
		Profit or loss (Note 33)	Other comprehensive income	
<b>Deferred tax assets</b>				
Intangible assets	3	-	-	3
Employee benefit obligations	27	2	1	30
<b>Total</b>	<b>30</b>	<b>2</b>	<b>1</b>	<b>33</b>

	<b>Separate financial statements</b>			
	<b>At 1 January 2013</b>	<u>(Charged) / credited to:</u>		<b>At 31 December 2013</b>
		Profit or loss (Note 33)	Other comprehensive income	
<b>Deferred tax assets</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>

**19 Other non-current assets**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2014	2013	2014	2013
		(in million Baht)			
Advance payments to a specialist	38	1,479	1,529	277	287
Deposits		263	461	-	-
Others		111	92	-	-
<b>Total</b>		<u><b>1,853</b></u>	<u><b>2,082</b></u>	<u><b>277</b></u>	<u><b>287</b></u>

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

**20 Interest-bearing liabilities**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2014	2013	2014	2013
<i>(in million Baht)</i>					
<b>Current</b>					
Bank overdrafts					
Secured		1,029	1,218	-	-
Unsecured with letters of comfort		334	186	-	-
Short-term loans from financial institutions - promissory notes					
Unsecured		7,173	763	5,300	-
<b>Bank overdrafts and short-term loans from financial institutions</b>		<b>8,536</b>	<b>2,167</b>	<b>5,300</b>	<b>-</b>
Current portion of long-term loans from financial institutions					
Unsecured		2,900	2,667	2,500	2,667
Unsecured with guarantee		10,511	7,523	-	-
		13,411	10,190	2,500	2,667
Short-term loans from related parties					
Unsecured	4	-	-	7,517	7,371
<b>Total current</b>		<b>21,947</b>	<b>12,357</b>	<b>15,317</b>	<b>10,038</b>
<b>Non-current</b>					
Long-term loans from related parties					
Unsecured	4	-	-	12,569	17,770
Debentures					
Unsecured		1,000	1,000	-	-
Long-term loans from financial institutions					
Unsecured		4,600	7,500	4,000	6,500
Unsecured with guarantee		21,955	46,843	-	-
		26,555	54,343	4,000	6,500
<b>Total non-current</b>		<b>27,555</b>	<b>55,343</b>	<b>16,569</b>	<b>24,270</b>
<b>Grand total</b>		<b>49,502</b>	<b>67,700</b>	<b>31,886</b>	<b>34,308</b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
<i>(in million Baht)</i>				
Within one year	21,947	12,357	15,317	10,038
After one year but within five years	27,555	55,343	16,569	24,270
<b>Total</b>	<b>49,502</b>	<b>67,700</b>	<b>31,886</b>	<b>34,308</b>

## Thai Beverage Public Company Limited and its Subsidiaries

### Notes to the financial statements

The principal features of the borrowings were as follows:

- (a) Bank overdrafts of the Group are repayable on demand. As at 31 December 2014, the Group had total overdraft amounting to Baht 6,114 million (2013: Baht 6,065 million) which were partially supported by the letters of comfort issued by the Company.
- (b) As at 31 December 2014, the Group had short-term loan facilities from several financial institutions totalling Baht 47,966 million (2013: Baht 47,112 million) with money market rates quoted by the financial institutions. The Group utilised short-term loans totalling Baht 7,173 million (2013: Baht 763 million), which 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 (2013: Baht 800 million).
- (c) 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 institution	Amount (in million Baht)	Number of installments	Repayment Each installment (in million Baht)	Payment due
No. 1	2,000	12	166.60 (last installment 167.40)	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.

During 2014, the Company repaid the long-term loan of Baht 2,667 million. As at 31 December 2014, the Company had the outstanding balance of long-term loans from the financial institutions of Baht 6,500 million (2013: Baht 9,167 million).

- (d) On 25 April 2012, the shareholders of a direct subsidiary 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.

## Thai Beverage Public Company Limited and its Subsidiaries

### Notes to the financial statements

- (e) 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 five years. The aforementioned long-term loans from financial institutions are unsecured, but guaranteed by the Company. During the year, the aforesaid subsidiary repaid the loan according to the payment schedule of SGD 297.00 million. In addition, on 19 February 2014, 11 April 2014 and 17 October 2014, the aforesaid subsidiary repaid the partial loans prior to the maturity date without any penalty fees totalling SGD 531.27 million. The outstanding balance of this long-term loan as at 31 December 2014 was SGD 1,290.42 million or equivalent to Baht 31,955 million (2013: SGD 2,118.69 million or equivalent to Baht 54,366 million).
- (f) 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 outstanding balance of the long-term loans as at 31 December 2014 was Baht 1,000 million (2013: Baht 1,000 million).
- (g) In December 2014, an overseas subsidiary entered into a long-term loan facility agreement with the foreign financial institution in the amount of GBP 10 million with three year period. The long-term loan is repayable in 12 consecutive quarterly installments. The first 11 installments shall be repayable in the amount of GBP 250,000 and the final installment shall be repayable in the remaining amount. The outstanding balance of the long-term loan as at 31 December 2014 was GBP 10 million or equivalent to Baht 511 million (2013: nil).

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Thai Baht (THB) and other functional currencies of subsidiaries	17,548	13,237	31,886	34,308
Singapore Dollars (SGD)	31,954	54,366	-	-
Pound Sterling (GBP)	-	97	-	-
<b>Total</b>	<b>49,502</b>	<b>67,700</b>	<b>31,886</b>	<b>34,308</b>

## 21 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in million Baht)</i>			
Related parties	4	1,539	1,524	-	-
Other parties		3,264	3,678	-	-
<b>Total</b>		<b>4,803</b>	<b>5,202</b>	<b>-</b>	<b>-</b>

## Thai Beverage Public Company Limited and its Subsidiaries

### Notes to the financial statements

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Thai Baht (THB) and other functional currencies of subsidiaries	4,490	4,923	-	-
Australian Dollars (AUD)	131	117	-	-
United States Dollars (USD)	86	81	-	-
Euro (EUR)	64	76	-	-
Singapore Dollars (SGD)	31	-	-	-
Others	1	5	-	-
<b>Total</b>	<b>4,803</b>	<b>5,202</b>	<b>-</b>	<b>-</b>

## 22 Other payables

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Accrued expenses	1,789	1,559	158	81
Accrued promotion expenses	1,420	1,171	-	-
Accounts payable for purchase of assets	489	538	9	12
Advanced payments from customers for purchase of goods	376	453	-	-
Others	304	218	47	46
<b>Total</b>	<b>4,378</b>	<b>3,939</b>	<b>214</b>	<b>139</b>

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Thai Baht (THB) and other functional currencies of subsidiaries	4,076	3,623	214	139
Japanese Yen (JPY)	113	-	-	-
Euro (EUR)	106	36	-	-
United States Dollars (USD)	43	51	-	-
Singapore Dollars (SGD)	39	62	-	-
Hong Kong Dollars (HKD)	-	159	-	-
Pound Sterling (GBP)	-	7	-	-
Others	1	1	-	-
<b>Total</b>	<b>4,378</b>	<b>3,939</b>	<b>214</b>	<b>139</b>

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

**23 Employee benefit obligations**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<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	57	52	-	-
Post-employment benefits				
- compensation plan based on Thai Labour law	<u>2,511</u>	<u>2,253</u>	<u>173</u>	<u>138</u>
<b>Total</b>	<b><u>2,577</u></b>	<b><u>2,314</u></b>	<b><u>173</u></b>	<b><u>138</u></b>
<b>Year ended 31 December</b>				
<b>Recognised in statement of income:</b>				
Compensation plan based on Thai Labour law	239	238	17	16
Actuarial gains recognised during the year	<u>(9)</u>	<u>(29)</u>	<u>-</u>	<u>-</u>
	<b><u>230</u></b>	<b><u>209</u></b>	<b><u>17</u></b>	<b><u>16</u></b>
<b>Recognised in statement of comprehensive income:</b>				
Actuarial (gains) losses recognised during the year	<u>129</u>	<u>(218)</u>	<u>9</u>	<u>(10)</u>
Cumulative actuarial gains recognised	<u>(46)</u>	<u>(175)</u>	<u>(57)</u>	<u>(66)</u>

**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.

Movement in the present value of the defined benefit obligations:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Defined benefit obligations at 1 January	2,314	2,437	138	134
Benefits paid by the plan	(96)	(114)	9	(2)
Current service costs and interest	239	238	17	16
Actuarial (gains) losses recognised in other comprehensive income	129	(218)	9	(10)
Actuarial gains recognised in statement of income	<u>(9)</u>	<u>(29)</u>	<u>-</u>	<u>-</u>
<b>Defined benefit obligations at 31 December</b>	<b><u>2,577</u></b>	<b><u>2,314</u></b>	<b><u>173</u></b>	<b><u>138</u></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>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Current service costs	144	153	11	11
Interest on obligation	95	85	6	5
Actuarial gains recognised in statement of income	(9)	(29)	-	-
<b>Total</b>	<b>230</b>	<b>209</b>	<b>17</b>	<b>16</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>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Cost of sales and cost of rendering of services	57	54	17	16
Selling expenses	99	101	-	-
Administrative expenses	74	54	-	-
<b>Total</b>	<b>230</b>	<b>209</b>	<b>17</b>	<b>16</b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Included in retained earnings:				
At 1 January	(175)	43	(66)	(56)
Recognised during the year	129	(218)	9	(10)
<b>At 31 December</b>	<b>(46)</b>	<b>(175)</b>	<b>(57)</b>	<b>(66)</b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2014	2013	2014	2013
	<i>(% per annum)</i>			
Discount rate	3.00 - 3.30	4.25	3.30	4.25
Future salary increases	5.00 - 6.00	5.00 - 6.00	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**

**24 Share capital**

	Par value per share (in Baht)	2014		2013	
		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.

**25 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.

## **26 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 information*

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 information, revenue is based on the geographical location of customers. 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>	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	<i>(in million Baht)</i>											
Revenue from sale to external customers	104,511	99,866	35,183	32,925	15,766	17,013	6,580	5,967	-	-	162,040	155,771
Inter-segment revenue	81	50	10	10	9	5	22	9	(122)	(74)	-	-
Interest income	79	43	20	12	6	12	1	1	-	-	106	68
Other income	227	357	206	204	215	193	64	32	(68)	(73)	644	713
<b>Total allocated income</b>	<b>104,898</b>	<b>100,316</b>	<b>35,419</b>	<b>33,151</b>	<b>15,996</b>	<b>17,223</b>	<b>6,667</b>	<b>6,009</b>	<b>(190)</b>	<b>(147)</b>	<b>162,790</b>	<b>156,552</b>
Cost of sale of goods	70,183	67,696	28,817	28,059	11,773	12,746	4,025	3,578	(88)	(46)	114,710	112,033
Selling expenses	4,003	3,389	3,846	3,799	4,635	4,804	750	653	(45)	(54)	13,189	12,591
Administrative expenses	5,128	5,137	2,196	1,758	1,703	1,744	1,791	1,553	(57)	(47)	10,761	10,145
Finance costs	170	152	47	47	203	147	9	6	-	-	429	352
<b>Total allocated expenses</b>	<b>79,484</b>	<b>76,374</b>	<b>34,906</b>	<b>33,663</b>	<b>18,314</b>	<b>19,441</b>	<b>6,575</b>	<b>5,790</b>	<b>(190)</b>	<b>(147)</b>	<b>139,089</b>	<b>135,121</b>
<b>Share of profit of associates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>162</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>162</b>
<b>Profit (loss) before income tax expense</b>	<b>25,414</b>	<b>23,942</b>	<b>513</b>	<b>(512)</b>	<b>(2,159)</b>	<b>(2,056)</b>	<b>92</b>	<b>219</b>	<b>-</b>	<b>-</b>	<b>23,860</b>	<b>21,593</b>
Income tax expense (income)	5,107	4,850	117	(65)	(960)	(592)	18	43	-	-	4,552	4,236
<b>Allocated profit (loss) for the year</b>	<b>20,307</b>	<b>19,092</b>	<b>396</b>	<b>(447)</b>	<b>(1,469)</b>	<b>(1,464)</b>	<b>74</b>	<b>176</b>	<b>-</b>	<b>-</b>	<b>19,308</b>	<b>17,357</b>
<i>Unallocated items:</i>												
- Share of profit of associates											3,230	3,272
- Net gain on foreign exchange											19	340
- Finance costs											(1,124)	(1,967)
<b>Total unallocated items</b>											<b>2,125</b>	<b>1,645</b>
<b>Profit for the year</b>											<b>21,433</b>	<b>19,002</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>	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	<i>(in million Baht)</i>									
Inventories	28,863	27,483	3,466	4,696	2,503	2,488	252	170	35,084	34,837
Property, plant and equipment	18,502	18,053	10,623	11,230	14,945	15,530	2,181	2,014	46,251	46,827
Other assets	9,455	11,938	2,311	4,255	10,503	9,022	1,280	1,310	23,549	26,525
<b>Total allocated assets</b>	<b>56,820</b>	<b>57,474</b>	<b>16,400</b>	<b>20,181</b>	<b>27,951</b>	<b>27,040</b>	<b>3,713</b>	<b>3,494</b>	<b>104,884</b>	<b>108,189</b>
<i>Unallocated items:</i>										
- Investments in associates									67,103	75,140
<b>Total assets</b>									<b>171,987</b>	<b>183,329</b>
Interest-bearing liabilities	8,554	6,266	1,969	2,013	6,667	4,800	358	251	17,548	13,330
Other liabilities	8,827	8,761	2,926	2,675	4,799	5,070	1,257	1,131	17,809	17,637
<b>Total allocated liabilities</b>	<b>17,381</b>	<b>15,027</b>	<b>4,895</b>	<b>4,688</b>	<b>11,466</b>	<b>9,870</b>	<b>1,615</b>	<b>1,382</b>	<b>35,357</b>	<b>30,967</b>
<i>Unallocated items:</i>										
- Loans from financial institutions									31,954	54,369
<b>Total liabilities</b>									<b>67,311</b>	<b>85,336</b>

Capital expenditure, depreciation, amortisation, and gain (loss) on disposal of assets based on business segments for the year ended 31 December 2014 and 2013 were as follows:

**Reportable segments**

Capital expenditure	1,613	1,369	332	429	2,234	1,966	633	1,117	4,812	4,881
Depreciation	1,542	1,517	701	703	1,254	1,309	446	354	3,943	3,883
Amortisation	18	19	4	5	11	14	10	12	43	50
(Reversal of) impairment losses	-	-	-	-	-	(22)	-	(4)	-	(26)
Gain (loss) on disposal of assets	32	37	89	50	50	65	(5)	(11)	166	141

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

Certain operating segment information in 2013 have been reclassified to conform to the presentation in 2014. 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 information

The geographical financial information of the Group in the consolidated financial statements as at 31 December and for the years ended 31 December was as follows:

	Consolidated financial statements			
	Revenue		Property, plant and equipment	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Thailand	154,609	151,166	44,228	45,232
Overseas	8,181	5,548	2,023	1,595
<b>Total</b>	<b>162,790</b>	<b>156,714</b>	<b>46,251</b>	<b>46,827</b>

### 27 Other income

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Gain on disposal of assets	167	150	-	-
Reversal of impairment loss on assets	105	-	-	-
Revenue from sales of scraps	96	125	-	-
Revenue from sales of by products	30	29	-	-
Other service income	17	67	-	-
Insurance reimbursement and others	10	85	-	-
Gain on sale of investment	-	26	-	1,896
Others	171	290	48	84
<b>Total</b>	<b>596</b>	<b>772</b>	<b>48</b>	<b>1,980</b>

### 28 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Personnel expenses	3,582	3,386	-	-
Marketing and advertising expenses	5,117	4,840	-	-
Travelling expenses	1,389	1,480	-	-
Transportation expenses	878	808	-	-
Commission expenses	228	248	-	-
Others	1,995	1,828	-	-
<b>Total</b>	<b>13,189</b>	<b>12,590</b>	<b>-</b>	<b>-</b>

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

**29 Administrative expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Personnel expenses	4,441	4,108	21	12
Management personnel compensation	381	365	369	425
Depreciation and amortisation charges	925	866	1	1
Idle capacity	514	595	-	-
Travelling expenses	382	375	3	2
Rental fee	593	491	1	1
Donation	672	691	7	5
Hire and service fees	607	455	-	-
Others	2,250	2,201	32	22
<b>Total</b>	<b>10,765</b>	<b>10,147</b>	<b>434</b>	<b>468</b>

**30 Employee benefit expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Management</b>				
Salaries and wages	205	220	205	220
Bonus	133	168	133	168
Pension costs - defined contribution plans	4	4	3	4
Others	54	71	28	33
	<b>396</b>	<b>463</b>	<b>369</b>	<b>425</b>
<b>Other employees</b>				
Salaries and wages	7,699	7,459	316	279
Bonus	1,253	868	108	32
Overtime and per diem allowance	614	654	16	15
Pension costs - defined contribution plans	123	116	7	6
Others	1,553	1,431	94	93
	<b>11,242</b>	<b>10,528</b>	<b>541</b>	<b>425</b>
<b>Total employee benefit expenses</b>	<b>11,638</b>	<b>10,991</b>	<b>910</b>	<b>850</b>

*Defined benefit plans*

Details of the defined benefit plans are given in Note 23.

*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**

**31 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>	
	2014	2013	2014	2013
	<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	162	15	-	-
Raw materials, consumables and excise tax used	105,549	103,484	-	-
Employee benefit expenses	3,218	3,132	506	399
Depreciation and amortisation	2,451	2,357	22	24
<b><i>Included in selling expenses:</i></b>				
Employee benefit expenses	3,582	3,386	-	-
Marketing and sales promotion expenses	2,598	1,948	-	-
Advertising and public relations	2,519	2,892	-	-
<b><i>Included in administrative expenses:</i></b>				
Employee benefit expenses	4,822	4,473	390	437
Depreciation and amortisation	925	866	1	1
Rental fee	593	491	1	1

**32 Finance costs**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2014	2013	2014	2013
		<i>(in million Baht)</i>			
<b><i>Interest expense:</i></b>					
Related parties	4	-	-	1,200	1,176
Financial institutions		1,564	2,315	279	425
Exchange differences		1	3	-	-
<b>Total interest expense</b>		<b>1,565</b>	<b>2,318</b>	<b>1,479</b>	<b>1,601</b>
Other finance costs		1	1	-	-
<b>Total</b>		<b>1,566</b>	<b>2,319</b>	<b>1,479</b>	<b>1,601</b>
<i>Less</i> amounts included in the cost of property, plant and equipment		(13)	-	-	-
<b>Net</b>		<b>1,553</b>	<b>2,319</b>	<b>1,479</b>	<b>1,601</b>

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

**33 Income tax expense**

*Income tax recognised in profit or loss*

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<i>(in million Baht)</i>					
<b>Current tax expense</b>					
Current year		4,868	4,446	188	670
Under (over) provided in prior years		-	12	(2)	(2)
		<u>4,868</u>	<u>4,458</u>	<u>186</u>	<u>668</u>
<b>Deferred tax expense</b>	18				
Movements in temporary differences		31	83	(2)	(2)
Recognition of previously unrecognised tax losses		(347)	(305)	-	-
		<u>(316)</u>	<u>(222)</u>	<u>(2)</u>	<u>(2)</u>
<b>Total income tax expense</b>		<u>4,552</u>	<u>4,236</u>	<u>184</u>	<u>666</u>

*Income tax recognised in other comprehensive income*

	Consolidated financial statements					
	2014			2013		
	Before tax	Tax benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<i>(in million Baht)</i>						
Share of other comprehensive income of associates	(2,243)	-	(2,243)	1,192	-	1,192
Foreign currency translation differences for foreign operations	(1,056)	-	(1,056)	784	-	784
Revaluation of property	-	3	3	651	(129)	522
Defined benefit plan actuarial gains (losses)	(129)	25	(104)	218	(44)	174
Net change in fair value of available-for-sale investments	(3)	1	(2)	(26)	5	(21)
<b>Total</b>	<u>(3,431)</u>	<u>29</u>	<u>(3,402)</u>	<u>2,819</u>	<u>(168)</u>	<u>2,651</u>

	Separate financial statements					
	2014			2013		
	Before tax	Tax benefit	Net of tax	Before tax	Tax expense	Net of tax
<i>(in million Baht)</i>						
Defined benefit plan actuarial gains (losses)	(9)	1	(8)	10	(2)	8
<b>Total</b>	<u>(9)</u>	<u>1</u>	<u>(8)</u>	<u>10</u>	<u>(2)</u>	<u>8</u>



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

*Reconciliation of effective tax rate*

	<b>Consolidated financial statements</b>			
	2014		2013	
	<i>Rate (%)</i>	<i>(in million Baht)</i>	<i>Rate (%)</i>	<i>(in million Baht)</i>
Profit for the year		21,433		19,002
Total income tax expense		4,552		4,236
Profit before total income tax expense		<u>25,985</u>		<u>23,238</u>
Income tax using the Thai corporation tax rate	20.00	5,197	20.00	4,648
Effect of different tax rates in foreign jurisdictions		(138)		(98)
Income not subject to tax		(616)		(464)
Expenses not deductible for tax purposes		27		65
Current year losses for which no deferred tax asset was recognised		82		75
Others		-		10
<b>Total</b>	<b><u>17.52</u></b>	<b><u>4,552</u></b>	<b><u>18.23</u></b>	<b><u>4,236</u></b>

	<b>Separate financial statements</b>			
	2014		2013	
	<i>Rate (%)</i>	<i>(in million Baht)</i>	<i>Rate (%)</i>	<i>(in million Baht)</i>
Profit for the year		28,911		14,525
Total income tax expense		184		666
Profit before total income tax expense		<u>29,095</u>		<u>15,191</u>
Income tax using the Thai corporation tax rate	20.00	5,819	20.00	3,038
Income not subject to tax		(5,657)		(2,374)
Expenses not deductible for tax purposes		24		4
Over provided in prior years		(2)		(2)
<b>Total</b>	<b><u>0.63</u></b>	<b><u>184</u></b>	<b><u>4.38</u></b>	<b><u>666</u></b>

*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. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with tax clarification issued by the FAP in 2012.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 34 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>	
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
Promoted businesses	5,090	4,909	-	-
Non-promoted businesses	156,950	150,862	-	-
<b>Total income</b>	<b><u>162,040</u></b>	<b><u>155,771</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

### 35 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2014 and 2013 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	
	2014	2013	2014	2013
	<i>(in million Baht / million shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>21,694</u>	<u>19,130</u>	<u>28,911</u>	<u>14,525</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>0.86</u></b>	<b><u>0.76</u></b>	<b><u>1.15</u></b>	<b><u>0.58</u></b>

### 36 Dividends

At the meeting of the Board of Directors held on 14 August 2014, the Board of Directors unanimously approved the interim dividend payment for 2014 of Baht 0.15 per share, totalling Baht 3,767 million. The said dividend was paid to the shareholders on 11 September 2014.

At the annual general meeting of the shareholders of the Company held on 25 April 2014, the shareholders had the resolution to approve the appropriation of dividend of Baht 0.44 per share, totalling Baht 11,048 million. On 11 September 2013, a portion of the said dividend has been paid as the interim dividend of Baht 0.14 per share, totalling Baht 3,515 million. The remaining dividend of Baht 0.30 per share, totalling Baht 7,533 million, was paid to the shareholders on 22 May 2014.

At the meeting of the Board of Directors held on 14 August 2013, the Board of Directors unanimously approved the interim dividend payment for 2013 of Baht 0.14 per share, totalling Baht 3,515 million. The said dividend was paid to the shareholders on 11 September 2013.

At the annual general meeting of the shareholders of the Company held on 25 April 2013, the shareholders had the resolution to approve the appropriation of dividend of Baht 0.42 per share, totalling Baht 10,546 million. On 11 September 2012, a portion of the said dividend has been paid as the interim dividend of Baht 0.14 per share, totalling Baht 3,515 million. The remaining dividend of Baht 0.28 per share, totalling Baht 7,031 million, was paid to the shareholders on 22 May 2013.

### 37 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 20). 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>2014</b>				
<b>Current</b>				
Short-term loans receivable - related parties	5.00	12,182	-	12,182
<b>Non-current</b>				
Long-term loans receivable - related parties	5.00	-	3,719	3,719
<b>Total</b>		<b>12,182</b>	<b>3,719</b>	<b>15,901</b>
<b>2013</b>				
<b>Current</b>				
Short-term loans receivable - related parties	5.00	14,422	-	14,422
<b>Non-current</b>				
Long-term 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>

# 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>2014</b>				
<b>Current</b>				
Bank overdrafts	1.87	1,363	-	1,363
Short-term loans payable - financial institutions	2.37	7,173	-	7,173
Current portion of long-term loans - financial institutions	2.18	13,411	-	13,411
<b>Non-current</b>				
Debentures	4.00	-	1,000	1,000
Long-term loans payable - financial institutions	2.17	-	26,555	26,555
<b>Total</b>		<b>21,947</b>	<b>27,555</b>	<b>49,502</b>
<b>2013</b>				
<b>Current</b>				
Bank overdrafts	1.84	1,404	-	1,404
Short-term 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
Long-term 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>Separate financial statements</b>				
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in million Baht)	Total
<b>2014</b>				
<b>Current</b>				
Short-term loans payable - financial institutions	2.30	5,300	-	5,300
Current portion of long-term loans - financial institutions	3.06	2,500	-	2,500
Short-term loans payable - related parties	5.00	7,517	-	7,517
<b>Non-current</b>				
Long-term loans payable - financial institutions	3.38	-	4,000	4,000
Long-term loans payable - related parties	5.00	-	12,569	12,569
<b>Total</b>		<b>15,317</b>	<b>16,569</b>	<b>31,886</b>
<b>2013</b>				
<b>Current</b>				
Current portion of long-term loans - financial institutions	3.57	2,667	-	2,667
Short-term loans payable - related parties	5.00	7,371	-	7,371
<b>Non-current</b>				
Long-term loans payable - financial institutions	3.25	-	6,500	6,500
Long-term 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>

**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>	2014	2013	2014	2013
		<i>(in million Baht)</i>			
<b><i>Singapore Dollars</i></b>					
Cash and cash equivalents	5	2	1	-	-
Trade accounts payable	21	(31)	-	-	-
Loans to (from) and other receivables from (payables to) related parties	4	(41)	-	-	100
Interest-bearing liabilities	20	(31,954)	(54,366)	-	-
Other payables	22	(39)	(62)	1	-
<b>Gross statement of financial position exposure</b>		<b><u>(32,063)</u></b>	<b><u>(54,427)</u></b>	<b><u>1</u></b>	<b><u>100</u></b>
<b><i>United States Dollars</i></b>					
Cash and cash equivalents	5	129	12	-	-
Trade accounts receivable	7	-	33	-	-
Other receivables		16	2	-	-
Trade accounts payable	21	(86)	(81)	-	-
Other payables	22	(43)	(51)	-	-
<b>Gross statement of financial position exposure</b>		<b>16</b>	<b>(85)</b>	<b>-</b>	<b>-</b>
Estimated forecast purchase of goods		(1,084)	(676)	-	-
Estimated forecast other liabilities		(824)	(27)	-	-
<b>Gross exposure</b>		<b><u>(1,892)</u></b>	<b><u>(788)</u></b>	<b>-</b>	<b>-</b>
Forwards to buy foreign currency		65	17	-	-
<b>Net exposure</b>		<b><u>(1,827)</u></b>	<b><u>(771)</u></b>	<b>-</b>	<b>-</b>

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

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
<i>(in million Baht)</i>					
<b>Euro</b>					
Cash and cash equivalents	5	1	-	-	-
Trade accounts receivable	7	34	36	-	-
Other receivables		-	1	-	-
Trade accounts payable	21	(64)	(76)	-	-
Other payables	22	(106)	(36)	-	-
<b>Gross statement of financial position exposure</b>		<b>(135)</b>	<b>(75)</b>	-	-
Estimated forecast purchase of goods		(476)	(95)	-	-
Estimated forecast payment for advertising		(24)	-	-	-
Estimated forecast purchase of assets		(32)	(138)	-	-
Other provisions		(33)	(149)	-	-
<b>Gross exposure</b>		<b>(700)</b>	<b>(457)</b>	-	-
Forwards to buy foreign currency		11	53	-	-
<b>Net exposure</b>		<b>(689)</b>	<b>(404)</b>	-	-
<b>Pound Sterling</b>					
Cash and cash equivalents	5	358	1	-	-
Interest-bearing liabilities	20	-	(97)	-	-
Trade accounts payable	21	(1)	-	-	-
Other payables	22	-	(7)	-	-
<b>Gross statement of financial position exposure</b>		<b>357</b>	<b>(103)</b>	-	-
Estimated forecast payment for advertising		(763)	(130)	-	-
<b>Gross exposure</b>		<b>(406)</b>	<b>(233)</b>	-	-
<b>Australian Dollars</b>					
Trade accounts payable	21	(131)	(117)	-	-
<b>Gross statement of financial position exposure</b>		<b>(131)</b>	<b>(117)</b>	-	-
Estimated forecast purchase of goods		(55)	(367)	-	-
<b>Gross exposure</b>		<b>(186)</b>	<b>(484)</b>	-	-
Forwards to buy foreign currency		77	162	-	-
<b>Net exposure</b>		<b>(109)</b>	<b>(322)</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>	2014	2013	2013	2012
		<i>(in million Baht)</i>			
<b><i>Hong Kong Dollars</i></b>					
Cash and cash equivalents	5	1	18	-	-
Other payables	22	-	(159)	-	-
<b>Gross statement of financial position exposure</b>		<b>1</b>	<b>(141)</b>	<b>-</b>	<b>-</b>
<b><i>Japanese Yen</i></b>					
Other payables	22	(113)	-	-	-
<b>Gross statement of financial position exposure</b>		<b>(113)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Estimated forecast purchase of machinery		-	(470)	-	-
<b>Gross exposure</b>		<b>(113)</b>	<b>(470)</b>	<b>-</b>	<b>-</b>
Forwards to buy foreign currency		-	54	-	-
<b>Net exposure</b>		<b>(113)</b>	<b>(416)</b>	<b>-</b>	<b>-</b>
<b><i>Other foreign currencies</i></b>					
Cash and cash equivalents	5	2	-	-	-
Trade accounts receivable	7	20	9	-	-
Other receivables		-	4	-	-
Trade accounts payable	21	-	(5)	-	-
Other payables to related parties	4	(17)	-	-	-
Other payables	22	(1)	(1)	-	-
<b>Gross statement of financial position exposure</b>		<b>4</b>	<b>7</b>	<b>-</b>	<b>-</b>
Other provisions		-	(1)	-	-
<b>Gross exposure</b>		<b>4</b>	<b>6</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>Consolidated financial statements</b>			
	Foreign currency denomination			
	2014	2013	2014	2013
	<i>(in million)</i>		<i>(in million Baht)</i>	
<b><i>Currency forwards</i></b>				
<b>Assets</b>				
Hong Kong Dollars (HKD)	-	4.26	-	17
Singapore Dollars (SGD)	-	0.24	-	6
Pound Sterling (GBP)	-	0.03	-	1
<b>Total</b>			<u>-</u>	<u>24</u>
<b>Liabilities</b>				
Australian Dollars (AUD)	3	6	76	161
United States Dollars (USD)	2	1	65	17
Pound Sterling (GBP)	1	-	43	-
Euro (EUR)	-	1	11	52
Japanese Yen (JPY)	-	170	-	53
<b>Total</b>			<u>195</u>	<u>283</u>

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

**38 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>
	2014	2013	2014	2013
	<i>(in million Baht)</i>			
<b>Capital commitments</b>				
<i>Contracted but not provided for:</i>				
Land	-	2	-	-
Buildings and other constructions	234	227	-	-
Machinery and equipment	205	1,307	-	-
Computer software	2	4	-	-
<b>Total</b>	<b>441</b>	<b>1,540</b>	<b>-</b>	<b>-</b>
<b>Non-cancellable operating lease commitments</b>				
Within one year	535	489	12	12
After one year but within five years	547	492	21	26
After five years	89	99	-	-
<b>Total</b>	<b>1,171</b>	<b>1,080</b>	<b>33</b>	<b>38</b>
<b>Other commitments</b>				
Purchases of molasses agreements	1,954	1,668	-	-
Purchases of goods and raw materials agreements	1,684	1,212	-	-
Advertising servicer and sponsorship agreements	1,229	866	-	-
Specialist agreements	1,082	1,164	183	197
Bank guarantees	1,032	354	44	42
Service agreements	809	658	1	4
Unused letters of credit for goods and supplies	240	102	-	-
Forward contracts to buy foreign currencies	198	286	-	-
Forward contracts to sell foreign currencies	-	(25)	-	-
Other agreements	17	35	-	-
<b>Total</b>	<b>8,245</b>	<b>6,320</b>	<b>228</b>	<b>243</b>

**Other significant commitments**

*Specialist agreements*

In 2004, the Company and four subsidiaries entered into production and blending control agreements with a specialist for a period of forty 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 2014, the remaining commitments to be paid, relating to these agreements, amounted to Baht 1,082.2 million (2013: Baht 1,163.9 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 agreements, 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 as the conditions specified in the agreements.

In 2014, a subsidiary entered into an advertising services agreement and a sponsorship agreement with Everton Football Club, in the United Kingdom, for a period of three years from 1 June 2014 to 31 May 2017 in order to promote the Group's businesses globally. Under the conditions as stipulated in the agreements, the subsidiary is obliged to pay a minimum payment of GBP 0.75 million and a maximum payment of GBP 3.05 million per year and minimum special bonus with the minimum amount of GBP 0.03 million and the maximum amount of GBP 1.70 million per year, depending on performance of Everton football in each year.

#### *Material and package trading agreement*

The Company's subsidiary and Oishi Ramen Co., Ltd., the Company's indirect subsidiary, entered into a material and package trading agreement with a local company for distribution of their products to the Group's restaurants and for materials and packaging management to the Company's subsidiary and its indirect subsidiary. The Company's subsidiary and its indirect subsidiary agreed to pay the service charge at the rate as specified in the agreement for a period of three years, from 1 January 2014 to 31 December 2016.

#### *Transportation agreement*

The Company's subsidiary and Oishi Trading Co., Ltd., the Company's indirect subsidiary, entered into a transportation agreement with a local company to transport their products from factory to the defined destination. Transportation cost is calculated for each trip at the rate as specified in the agreement. The agreement shall be in effect for a period of two years from 1 July 2010 to 30 June 2012. Unless there is notification from either party to terminate the agreement at the expiration date, this agreement continues to be in effect for a successive one year term.

#### *Purchase natural gas agreement*

On 30 September 2009, Oishi Trading Co., Ltd., the Company's indirect subsidiary, entered into a purchase natural gas agreement with a local company. The aforesaid indirect subsidiary agreed to pay disbursements and comply with the conditions as stipulated in the agreement. This agreements shall be in effect for a period of seven years, from 21 December 2009 to 30 November 2016, with a renewal option whereby either party gives a written notification to other not later than 90 days prior to the expiration date.

## **39 Events after the reporting period**

- (a) On 21 January 2015, Sinomax International Pte. Ltd. ("Sinomax"), an indirect wholly-owned subsidiary of FCL, has entered into a conditional agreement to sell its entire shareholding interest in Beijing Sin Hua Yan Real Estate Development Co., Ltd. ("BJSYH") to Beijing Haina Junan Investment Co., Ltd. The completion of the transaction is subject to the fulfilment of certain conditions as set out in the agreement. The consideration for the sale of Sinomax's entire shareholding interest in BJSYH is approximately RMB 357.4 million (approximately Baht 1,894.31 million), and will be settled in cash.

# Thai Beverage Public Company Limited and its Subsidiaries

## Notes to the financial statements

- (b) On 13 February 2015, Food of Asia Co., Ltd., the Company's direct subsidiary, was incorporated in Thailand with an authorised share capital of Baht 10 million by issuing 1 million ordinary shares with Baht 10 par value. The initially called up capital was Baht 2.5 million, equivalent to 25%.
- (c) On 13 February 2015, Cash Van Management Co., Ltd., the Company's direct subsidiary, was incorporated in Thailand with an authorised share capital of Baht 10 million by issuing 1 million ordinary shares with Baht 10 par value. The initially called up capital was Baht 2.5 million, equivalent to 25%.
- (d) On 23 February 2015, an overseas direct subsidiary partially repaid the Singapore Dollar denominated long-term loans with financial institutions, prior to the maturity date together with interest payable without any penalty fee. The repaid principle amounting to SGD 378.78 million. After the loan repayment, the outstanding balance of the aforesaid long-term loan was SGD 911.64 million (31 December 2014: SGD 1,290.42 million).
- (e) At the Board of Directors' meeting held on 26 February 2015, the Board unanimously approved for International Beverage Holdings Limited ("IBHL"), the Company's subsidiary, to increase its authorised share capital amounting to SGD 1,000 million and approved in principle for IBHL to increase in authorised share capital of InterBev Investment Limited, the Company's indirect subsidiary.
- (f) At the Board of Directors' meeting held on 26 February 2015, the Board of Directors agreed to propose a dividend payment for the year of Baht 0.61 per share, totalling Baht 15,317 million. The interim dividend paid was Baht 0.15 per share, totalling Baht 3,767 million. The remaining dividend payment is Baht 0.46 per share, totalling Baht 11,550 million.

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

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic	Year effective
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 11 (revised 2014)	Construction Contracts	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures	2015

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

<b>TFRS</b>	<b>Topic</b>	<b>Year effective</b>
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015
TAS 40 (revised 2014)	Investment Property	2015
TFRS 3 (revised 2014)	Business Combinations	2015
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 11	Joint Arrangements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
TSIC 15 (revised 2014)	Operating Leases - Incentives	2015
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	2015
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services	2015
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs	2015
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease	2015
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 13 (revised 2014)	Customer Loyalty Programmes	2015
TFRIC 14	TAS 19 (revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2015
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate	2015
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners	2015
TFRIC 18 (revised 2014)	Transfers of Assets from Customers	2015

The Group 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.