

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

Interim financial statements
and
Review report of Certified Public Accountant

For the three-month and six-month periods ended
30 June 2011



KPMG Phoomchai Audit Ltd.

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Review report of Certified Public Accountant

To the Board of Directors of Thai Beverage Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position as at 30 June 2011; the related statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2011 and 2010, and the related statements of changes in equity and cash flows for the six-month periods ended 30 June 2011 and 2010, of Thai Beverage Public Company Limited and its subsidiaries, and of Thai Beverage Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the auditing standard on review engagements. This Standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. I have not performed an audit and, accordingly, I do not express an audit opinion on the reviewed financial statements.

Based on my reviews, nothing has come to my attention that causes me to believe that the financial statements referred to above are not presented fairly, in all material respects, in accordance with financial reporting standards in Thailand.

As explained in notes 2 and 3 to the financial statements, with effect from 1 January 2011 the Company has adopted certain new and revised financial reporting standards. The consolidated and separate financial statements for the three-month and six-month periods ended 30 June 2010, which are included in the accompanying financial statements for comparative purposes, have been restated accordingly. 



I have previously audited the consolidated and separate financial statements for the year ended 31 December 2010 of Thai Beverage Public Company Limited and its subsidiaries, and of Thai Beverage Public Company Limited, respectively, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those financial statements in my report dated 23 February 2011. As explained in notes 2 and 3 to the accompanying financial statements, those financial statements have been restated consequent to the adoption of certain new and revised financial reporting standards. I have audited the adjustments that were applied to the restatement of those financial statements and in my opinion those adjustments are appropriate and have been properly applied. Other than the audit of those adjustments, I have not performed any auditing procedures since the date of my audit report. The consolidated and separate statements of financial position as at 31 December 2010, which are included in the accompanying financial statements for comparative purposes, are components of those restated financial statements.

A handwritten signature in black ink, appearing to read 'm. chetchotiros'.

(Nittaya Chetchotiros)
Certified Public Accountant
Registration No. 4439

KPMG Phoomchai Audit Ltd.
Bangkok
11 August 2011

Thai Beverage Public Company Limited and its Subsidiaries

Statements of financial position

As at 30 June 2011 and 31 December 2010

Assets	Note	Consolidated financial statements		Separate financial statements	
		30 June 2011 (Unaudited)	31 December 2010 (Restated)	30 June 2011 (Unaudited)	31 December 2010 (Restated)
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		1,327,965	3,358,696	1,383	22,849
Current investments		801	795	-	-
Trade accounts receivable	6, 7	1,844,875	1,921,770	-	-
Short-term loans to and other receivables					
from related parties	6	529,593	790,867	2,322,579	2,370,666
Inventories		33,369,270	27,146,320	-	-
Other current assets		2,526,451	1,970,673	23,725	18,902
Total current assets		39,598,955	35,189,121	2,347,687	2,412,417
Non-current assets					
Investments in subsidiaries	8	-	-	80,189,702	80,047,424
Investments in associates	9	129,736	122,755	-	-
Other long-term investments		13,871	13,798	-	-
Long-term loans to and					
other receivables from related parties	6	43,746	39,405	2,085,634	2,502,182
Investment properties		826,000	961,726	-	-
Property, plant and equipment	10	34,767,279	34,503,647	47,457	47,129
Intangible assets		3,202,701	3,201,714	17,776	24,043
Leasehold rights		192,809	194,092	-	-
Deferred tax assets	11	925,601	664,650	57,381	3,671
Other non-current assets		1,982,722	1,994,142	310,249	314,937
Total non-current assets		42,084,465	41,695,929	82,708,199	82,939,386
Total assets		81,683,420	76,885,050	85,055,886	85,351,803

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

Thai Beverage Public Company Limited and its Subsidiaries

Statements of financial position

As at 30 June 2011 and 31 December 2010

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		30 June 2011 (Unaudited)	31 December 2010 (Restated)	30 June 2011 (Unaudited)	31 December 2010 (Restated)
<i>(in thousand Baht)</i>					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	12	11,489,817	6,262,243	8,015,868	5,000,000
Trade accounts payable	6, 13	3,837,249	3,757,165	-	-
Current portion of long-term loans					
from financial institutions	12	200,000	2,500,000	-	2,500,000
Short-term loans from and					
other payables to related parties	6, 12	72,659	163,276	5,746,019	6,083,425
Income tax payable		2,499,255	2,225,876	88,926	144,375
Other current liabilities		3,620,819	3,459,437	109,481	144,234
Total current liabilities		21,719,799	18,367,997	13,960,294	13,872,034
Non-current liabilities					
Long-term loans from and					
other payables to related parties	6, 12	89	285	10,238,770	10,402,800
Long-term loans from					
financial institutions	12	400,000	600,000	-	-
Deferred tax liabilities	11	798,705	931,946	-	-
Employee benefit obligations	14	1,102,444	-	176,937	-
Other non-current liabilities		126,691	103,703	-	-
Total non-current liabilities		2,427,929	1,635,934	10,415,707	10,402,800
Total liabilities		24,147,728	20,003,931	24,376,001	24,274,834

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

Thai Beverage Public Company Limited and its Subsidiaries

Statements of financial position

As at 30 June 2011 and 31 December 2010

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		30 June 2011 (Unaudited)	31 December 2010 (Restated)	30 June 2011 (Unaudited)	31 December 2010 (Restated)
<i>(in thousand Baht)</i>					
Equity					
Share capital :					
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	4	(19,732,321)	(19,732,321)	-	-
Premium on ordinary shares		17,215,737	17,215,737	17,215,737	17,215,737
Retained earnings					
Appropriated - legal reserve		2,900,000	2,900,000	2,900,000	2,900,000
Unappropriated		31,079,030	30,771,126	15,454,123	15,851,207
Other components of equity		664,904	333,945	-	-
Equity attributable to owners of the Company		57,237,375	56,598,512	60,679,885	61,076,969
Non-controlling interests		298,317	282,607	-	-
Total equity		57,535,692	56,881,119	60,679,885	61,076,969
Total liabilities and equity		81,683,420	76,885,050	85,055,886	85,351,803

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

Thai Beverage Public Company Limited and its Subsidiaries

Statements of income

For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>					
Income	6				
Revenue from sale of goods		30,640,716	29,172,920	-	-
Management fees		-	-	734,742	696,844
Dividends		-	-	3,768,428	4,540,806
Interest income		5,272	3,645	58,849	60,485
Other income		175,043	80,907	1,630	2,214
Total income		30,821,031	29,257,472	4,563,649	5,300,349
Expenses	6				
Cost of sale of goods		22,252,620	21,675,473	-	-
Cost of rendering of services		-	-	298,153	215,133
Selling expenses		1,930,481	1,786,359	-	-
Administrative expenses		2,136,735	2,152,360	52,859	50,685
Finance costs		60,904	60,687	242,898	236,065
Total expenses		26,380,740	25,674,879	593,910	501,883
Profit before income tax expense		4,440,291	3,582,593	3,969,739	4,798,466
Income tax expense	16	1,320,445	970,708	78,221	78,693
Profit for the period		3,119,846	2,611,885	3,891,518	4,719,773
Profit attributable to:					
Owners of the Company		3,103,713	2,580,299	3,891,518	4,719,773
Non-controlling interests		16,133	31,586	-	-
Profit for the period		3,119,846	2,611,885	3,891,518	4,719,773
Basic earnings per share (in Baht)	17	0.12	0.10	0.16	0.19

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

Thai Beverage Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the three-month periods ended 30 June 2011 and 2010 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
	<i>(in thousand Baht)</i>			
Profit for the period	3,119,846	2,611,885	3,891,518	4,719,773
Other comprehensive income				
Foreign currency translation differences				
for foreign operations	88,276	5,284	-	-
Revaluation of property, plant and equipment	-	-	-	-
Income tax on other comprehensive income	-	-	-	-
Other comprehensive income for the period, net of income tax	88,276	5,284	-	-
Total comprehensive income for the period	3,208,122	2,617,169	3,891,518	4,719,773
Total comprehensive income attributable to:				
Owners of the Company	3,191,989	2,585,583	3,891,518	4,719,773
Non-controlling interests	16,133	31,586	-	-
Total comprehensive income for the period	3,208,122	2,617,169	3,891,518	4,719,773

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

Thai Beverage Public Company Limited and its Subsidiaries

Statements of income

For the six-month periods ended 30 June 2011 and 2010 (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
<i>(in thousand Baht)</i>					
Income	6				
Revenue from sale of goods		61,557,603	58,973,208	-	-
Management fees		-	-	1,523,056	1,448,869
Dividends	8	-	-	4,481,128	4,540,806
Interest income		7,342	3,980	107,867	122,917
Other income		212,708	149,435	3,079	4,887
Total income		61,777,653	59,126,623	6,115,130	6,117,479
Expenses	6				
Cost of sale of goods		44,858,750	43,643,065	-	-
Cost of rendering of services		-	-	575,950	483,086
Selling expenses		3,658,343	3,532,200	-	-
Administrative expenses		4,522,247	4,502,309	170,997	164,001
Finance costs		109,550	133,585	482,919	499,795
Total expenses		53,148,890	51,811,159	1,229,866	1,146,882
Profit before income tax expense		8,628,763	7,315,464	4,885,264	4,970,597
Income tax expense	16	2,521,140	2,042,859	143,779	140,643
Profit for the period		6,107,623	5,272,605	4,741,485	4,829,954
Profit attributable to:					
Owners of the Company		6,061,068	5,218,817	4,741,485	4,829,954
Non-controlling interests		46,555	53,788	-	-
Profit for the period		6,107,623	5,272,605	4,741,485	4,829,954
Basic earnings per share (in Baht)	17	0.24	0.21	0.19	0.19

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

Thai Beverage Public Company Limited and its Subsidiaries

Statements of comprehensive income

For the six-month periods ended 30 June 2011 and 2010 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2011	2010 (Restated)	2011	2010 (Restated)
	<i>(in thousand Baht)</i>			
Profit for the period	6,107,623	5,272,605	4,741,485	4,829,954
Other comprehensive income				
Foreign currency translation differences				
for foreign operations	302,171	(372,011)	-	-
Revaluation of property, plant and equipment	46,074	-	-	-
Income tax on other comprehensive income	(13,822)	-	-	-
Other comprehensive income for the period, net of income tax	334,423	(372,011)	-	-
Total comprehensive income for the period	6,442,046	4,900,594	4,741,485	4,829,954
Total comprehensive income attributable to:				
Owners of the Company	6,392,027	4,846,806	4,741,485	4,829,954
Non-controlling interests	50,019	53,788	-	-
Total comprehensive income for the period	6,442,046	4,900,594	4,741,485	4,829,954

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

Thai Beverage Public Company Limited and its Subsidiaries
Statements of changes in equity
For the six-month periods ended 30 June 2011 and 2010 (Unaudited)

Consolidated financial statements (Restated)												
(in thousand Baht)												
Note	Retained earnings				Other components of equity				Equity		Total equity	
	Issued and paid-up share capital	Difference arising from common control transactions	Ordinary share premium	Legal reserve	Unappropriated	Currency translation differences	Revaluation surplus	Total other components of equity	attributable to owners of the Company	Non-controlling interests		
Balance at 1 January 2010 - as reported	25,110,025	(19,732,233)	17,215,737	2,900,000	27,785,867	(1,331,393)	4,262,883	2,931,490	56,210,886	232,695	56,443,581	
Impact of changes in accounting policies	3	-	-	-	721,054	-	(2,005,549)	(2,005,549)	(1,284,495)	(419)	(1,284,914)	
Balance at 1 January 2010 - restated	<u>25,110,025</u>	<u>(19,732,233)</u>	<u>17,215,737</u>	<u>2,900,000</u>	<u>28,506,921</u>	<u>(1,331,393)</u>	<u>2,257,334</u>	<u>925,941</u>	<u>54,926,391</u>	<u>232,276</u>	<u>55,158,667</u>	
Transactions with owners, recorded directly in equity												
Dividends to owners of the Company	18	-	-	-	(4,519,804)	-	-	-	(4,519,804)	(38,930)	(4,558,734)	
Total transactions with owners, recorded directly in equity		-	-	-	<u>(4,519,804)</u>	-	-	-	<u>(4,519,804)</u>	<u>(38,930)</u>	<u>(4,558,734)</u>	
Comprehensive income for the period												
Profit for the period		-	-	-	5,218,817	-	-	-	5,218,817	53,788	5,272,605	
Other comprehensive income		-	-	-	-	(372,011)	-	(372,011)	(372,011)	-	(372,011)	
Total comprehensive income for the period		-	-	-	<u>5,218,817</u>	<u>(372,011)</u>	-	<u>(372,011)</u>	<u>4,846,806</u>	<u>53,788</u>	<u>4,900,594</u>	
Balance at 30 June 2010		<u>25,110,025</u>	<u>(19,732,233)</u>	<u>17,215,737</u>	<u>2,900,000</u>	<u>29,205,934</u>	<u>(1,703,404)</u>	<u>2,257,334</u>	<u>553,930</u>	<u>55,253,393</u>	<u>247,134</u>	<u>55,500,527</u>

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

Thai Beverage Public Company Limited and its Subsidiaries
Statements of changes in equity
For the six-month periods ended 30 June 2011 and 2010 (Unaudited)

Consolidated financial statements												
(in thousand Baht)												
	Note	Retained earnings			Other components of equity				Equity		Total equity	
		Issued and paid-up share capital	Difference arising from common control transactions	Ordinary share premium	Legal reserve	Unappropriated	Currency translation differences	Revaluation surplus	Total other components of equity	attributable to owners of the Company		Non-controlling interests
Balance at 31 December 2010 - as reported		25,110,025	(19,732,321)	17,215,737	2,900,000	30,111,161	(1,923,389)	4,262,883	2,339,494	57,944,096	284,274	58,228,370
Impact of changes in accounting policies	3	-	-	-	-	659,965	-	(2,005,549)	(2,005,549)	(1,345,584)	(1,667)	(1,347,251)
Balance at 31 December 2010 - restated		25,110,025	(19,732,321)	17,215,737	2,900,000	30,771,126	(1,923,389)	2,257,334	333,945	56,598,512	282,607	56,881,119
Impact of changes in accounting policies	3	-	-	-	-	(731,082)	-	-	-	(731,082)	-	(731,082)
Balance at 1 January 2011		25,110,025	(19,732,321)	17,215,737	2,900,000	30,040,044	(1,923,389)	2,257,334	333,945	55,867,430	282,607	56,150,037
Transactions with owners, recorded directly in equity												
Dividends to owners of the Company	18	-	-	-	-	(5,022,005)	-	-	-	(5,022,005)	(34,279)	(5,056,284)
Acquisition of non-controlling interests without a change in control		-	-	-	-	(77)	-	-	-	(77)	(30)	(107)
Total transactions with owners, recorded directly in equity		-	-	-	-	(5,022,082)	-	-	-	(5,022,082)	(34,309)	(5,056,391)
Comprehensive income for the period												
Profit for the period		-	-	-	-	6,061,068	-	-	-	6,061,068	46,555	6,107,623
Other comprehensive income		-	-	-	-	-	302,171	28,788	330,959	330,959	3,464	334,423
Total comprehensive income for the period		-	-	-	-	6,061,068	302,171	28,788	330,959	6,392,027	50,019	6,442,046
Balance at 30 June 2011		25,110,025	(19,732,321)	17,215,737	2,900,000	31,079,030	(1,621,218)	2,286,122	664,904	57,237,375	298,317	57,535,692

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

Thai Beverage Public Company Limited and its Subsidiaries

Statements of changes in equity

For the six-month periods ended 30 June 2011 and 2010 (Unaudited)

	Note	Separate financial statements (Restated)				Total equity
		Issued and paid-up share capital	Ordinary share premium	Retained earnings		
				Legal reserve	Unappropriated	
				<i>(in thousand Baht)</i>		
Balance at 1 January 2010 - as reported		25,110,025	17,215,737	2,900,000	15,206,658	60,432,420
Impact of changes in accounting policies	3	-	-	-	2,308	2,308
Balance at 1 January 2010 - restated		25,110,025	17,215,737	2,900,000	15,208,966	60,434,728
Transactions with owners, recorded directly in equity						
Dividends to owners of the Company	18	-	-	-	(4,519,804)	(4,519,804)
Total transactions with owners, recorded directly in equity		-	-	-	(4,519,804)	(4,519,804)
Comprehensive income for the period						
Profit for the period		-	-	-	4,829,954	4,829,954
Balance at 30 June 2010		25,110,025	17,215,737	2,900,000	15,519,116	60,744,878

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

Thai Beverage Public Company Limited and its Subsidiaries

Statements of changes in equity

For the six-month periods ended 30 June 2011 and 2010 (Unaudited)

	Note	Separate financial statements				Total equity
		Issued and paid-up share capital	Ordinary share premium	Retained earnings		
				Legal reserve	Unappropriated	
				<i>(in thousand Baht)</i>		
Balance at 31 December 2010 - as reported		25,110,025	17,215,737	2,900,000	15,847,536	61,073,298
Impact of changes in accounting policies	3	-	-	-	3,671	3,671
Balance at 31 December 2010 - restated		25,110,025	17,215,737	2,900,000	15,851,207	61,076,969
Impact of changes in accounting policies	3	-	-	-	(116,564)	(116,564)
Balance at 1 January 2011		25,110,025	17,215,737	2,900,000	15,734,643	60,960,405
Transactions with owners, recorded directly in equity						
Dividends to owners of the Company	18	-	-	-	(5,022,005)	(5,022,005)
Total transactions with owners, recorded directly in equity		-	-	-	(5,022,005)	(5,022,005)
Comprehensive income for the period						
Profit for the period		-	-	-	4,741,485	4,741,485
Balance at 30 June 2011		25,110,025	17,215,737	2,900,000	15,454,123	60,679,885

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

Thai Beverage Public Company Limited and its Subsidiaries

Statements of cash flows

For the six-month periods ended 30 June 2011 and 2010 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	6,107,623	5,272,605	4,741,485	4,829,954
<i>Adjustments for</i>				
Depreciation and amortisation	1,564,812	2,229,425	12,244	19,094
Interest income	(7,342)	(3,980)	(107,867)	(122,917)
Finance costs	109,550	133,585	482,919	499,795
Unrealised loss on exchange	32,878	3,510	-	10
(Reversal of) bad and doubtful debts expense	1,295	(2,179)	-	-
Amortisation of advance payments to a specialist	25,000	25,000	4,688	4,688
(Reversal of) allowance for obsolete inventories	106,266	(68,627)	-	-
Gain on sale of investment properties	(139,454)	-	-	-
(Gain) loss on disposal and write-off of property, plant and equipment and intangible assets	(7,169)	(72,937)	3,219	-
Impairment loss on plant and equipment	12,045	-	-	-
Dividends	-	-	(4,481,128)	(4,540,806)
Employee benefit	59,763	-	10,417	-
Income tax expense	2,521,140	2,042,859	143,779	140,643
	<u>10,386,407</u>	<u>9,559,261</u>	<u>809,756</u>	<u>830,461</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	73,858	296,625	-	-
Other receivables from related parties	256,923	473,780	136,159	84,680
Inventories	(6,329,215)	(2,384,276)	-	-
Other current assets	(556,259)	(383,964)	(4,823)	(11,566)
Trade accounts payable	73,599	361,256	-	-
Other payables to related parties	(103,603)	(75,253)	(32,539)	(2,067)
Other current liabilities	86,958	(125,773)	(38,873)	(36,883)
Other non-current liabilities	22,042	10,352	-	-
Employee benefit paid	(1,081)	-	-	-
Income tax paid	(2,340,806)	(2,314,458)	(202,982)	(72,269)
Net cash from operating activities	<u>1,568,823</u>	<u>5,417,550</u>	<u>666,698</u>	<u>792,356</u>

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

Thai Beverage Public Company Limited and its Subsidiaries

Statements of cash flows

For the six-month periods ended 30 June 2011 and 2010 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	7,412	3,873	98,543	125,344
Dividends received	-	-	4,481,128	4,540,806
Current investments	(5)	(244)	-	-
Loans to related parties	-	-	337,800	868,900
Investments in subsidiaries	-	-	(142,277)	(2,500)
Investment in indirect subsidiary	(108)	-	-	-
Long-term investments	-	(3,660)	-	-
Sale of investment properties	273,217	-	-	-
Purchase of property, plant and equipment	(1,666,072)	(1,828,180)	(6,459)	(9,976)
Sale of property, plant and equipment	26,368	78,536	837	-
Purchase of intangible assets	(7,399)	(10,001)	(1,551)	(1,461)
(Increase) decrease in other non-current assets	(13,579)	89,650	-	1,501
Net cash from (used in) investing activities	(1,380,166)	(1,670,026)	4,768,021	5,522,614
<i>Cash flows from financing activities</i>				
Interest paid	(106,120)	(133,185)	(477,068)	(505,726)
Dividends paid to owners of the Company	(5,022,005)	(4,519,804)	(5,022,005)	(4,519,804)
Dividends paid to non-controlling interests	(34,279)	(38,930)	-	-
Bank overdrafts and short-term loans from financial institutions	5,227,574	2,274,546	3,015,868	3,700,000
Loans from related parties	-	-	(472,980)	(2,934,300)
Repayment of short-term loans from other party	-	(2,200)	-	-
Repayment of long-term loans from financial institutions	(2,500,000)	(2,175,000)	(2,500,000)	(2,175,000)
Net cash used in financing activities	(2,434,830)	(4,594,573)	(5,456,185)	(6,434,830)
Net decrease in cash and cash equivalents				
	(2,246,173)	(847,049)	(21,466)	(119,860)
Cash and cash equivalents at 1 January	3,358,696	2,590,213	22,849	128,663
Effect of exchange rate changes on balances held in foreign currencies	215,442	(247,659)	-	-
Cash and cash equivalents at 30 June	1,327,965	1,495,505	1,383	8,803

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

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Note	Contents
1	General information
2	Basis of preparation of the interim financial statements
3	Changes in accounting policies
4	Common control transactions and acquisitions
5	Significant transactions
6	Related parties
7	Trade accounts receivable
8	Investments in subsidiaries
9	Investments in associates
10	Property, plant and equipment
11	Deferred tax
12	Interest-bearing liabilities
13	Trade accounts payable
14	Employee benefit obligations
15	Segment information
16	Income tax expense
17	Earnings per share
18	Dividends
19	Commitments with non-related parties
20	Events after the reporting period
21	Thai Financial Reporting Standards (TFRS) not yet adopted
22	Reclassification of accounts

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements were authorised for issue by the Board of Directors on 11 August 2011.

1 General information

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

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

The principal businesses of the Group are the production, distribution of alcoholic and non-alcoholic beverages, Japanese restaurants. Details of the Company’s subsidiaries and associates as at 30 June 2011 and 31 December 2010 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 June 2011	31 December 2010
<i>Direct subsidiaries</i>				
1. Beer Thai (1991) PCL.	Beer brewery and production of drinking water and soda water	Thailand	100.00	100.00
2. Beer Thip Brewery (1991) Co., Ltd.	Beer brewery and production of drinking water and soda water	Thailand	100.00	100.00
3. Sangsom Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
4. Fuengfuanant Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
5. Mongkolsamai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
6. Thanapakdi Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
7. Kanchanasingkorn Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
8. Sura Bangyikhan Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
9. Athimart Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
10. S.S. Karnsura Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
11. Kankwan Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
12. Theparunothai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
13. Red Bull Distillery (1988) Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
14. United Winery and Distillery Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
15. Simathurakij Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
16. Nateechai Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
17. Luckchai Liquor Trading Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
18. Sura Piset Thipparat Co., Ltd.	Spirits distillery	Thailand	100.00	100.00
19. Pomthip Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
20. Pomkit Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
21. Pomklung Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
22. Pomchok Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
23. 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 interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30	31
			June 2011	December 2010
<i>Direct subsidiaries (continued)</i>				
24. Pomburapa Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
25. Pompalang Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
26. Pomnakorn Co., Ltd.	Beer and non-alcoholic beverages distributor	Thailand	100.00	100.00
27. Num Yuk Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
28. Num Kijjakarn Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
29. Num Palang Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
30. Num Muang Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
31. Num Nakorn Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
32. Num Thurakij Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
33. Numrungrad Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
34. Numthip Co., Ltd.	Spirits distributor	Thailand	100.00	100.00
35. Thipchalothorn Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
36. Krittayabun Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
37. Surathip Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
38. Sunthronpirom Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
39. Piromsurang Co., Ltd.	Beer, spirits and non-alcoholic beverages agency	Thailand	100.00	100.00
40. Thai Beverage Energy Co., Ltd.	Trading of bio gas	Thailand	100.00	100.00
41. Wrangyer Beverage (2008) Co., Ltd.	Production and distribution of energy drink	Thailand	100.00	100.00
42. Thai Molasses Co., Ltd.	Trading of molasses	Thailand	99.72	99.72
43. Feed Addition Co., Ltd.	Trading of feeds and fertilizer	Thailand	100.00	100.00
44. Pan International (Thailand) Co., Ltd.	Trading of supplies and procurement	Thailand	100.00	100.00
45. Charun Business 52 Co., Ltd.	Brick producer and distribution of spirits	Thailand	100.00	100.00
46. Thai Cooperage Co., Ltd.	Oak barrel producer	Thailand	100.00	100.00
47. Thai Beverage Recycle Co., Ltd.	Trading of bottles	Thailand	100.00	100.00
48. Thai Beverage Logistics Co., Ltd.	Transportation and distribution	Thailand	100.00	100.00
49. Thai Beverage Marketing Co., Ltd.	Import and export spirits for trading/ international marketing and non-alcoholic beverages agency	Thailand	100.00	100.00
50. Dhanasindhi Co., Ltd.	Construction	Thailand	100.00	100.00
51. Dhospaak Co., Ltd.	Advertising agency	Thailand	100.00	100.00
52. Thai Beverage Training Co., Ltd.	Training	Thailand	100.00	100.00
53. International Beverage Holdings Limited	Holding company	Hong Kong	100.00	100.00
54. Cosmos Brewery (Thailand) Co., Ltd.	Beer brewery and production of drinking water and soda water	Thailand	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 interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 June 2011	31 December 2010
Direct subsidiaries (continued)				
58. Sura Piset Phatra Lanna Co., Ltd.	Holding company	Thailand	100.00	100.00
59. Thai Drinks Co., Ltd.	Distribution of beverages	Thailand	100.00	100.00
60. Oishi Group PCL.	Japanese restaurants and distribution of food and beverage	Thailand	89.26	89.26
Indirect subsidiaries				
61. Thai Thum Distillery Co., Ltd. #	Production and distribution of spirits	Thailand	99.90	99.90
62. Sura Piset Sahasan Co., Ltd. #	Trading of spirits	Thailand	100.00	100.00
63. Sura Piset Sampan Co., Ltd. #	Trading of spirits	Thailand	100.00	100.00
64. Vitayathan Co., Ltd.	Environmental public relations	Thailand	100.00	100.00
65. InterBev (Singapore) Limited	Trading of alcoholic beverages	Singapore	100.00	100.00
66. InterBev (Cambodia) Co., Ltd.	Trading of alcoholic beverages	Cambodia	100.00	100.00
67. InterBev Malaysia Sdn. Bhd.	Trading of alcoholic beverages	Malaysia	100.00	100.00
68. Best Spirits Company Limited	Trading of alcoholic beverages	Hong Kong	100.00	100.00
69. International Beverage Holdings (UK) Limited	Holding company	United Kingdom	100.00	100.00
70. International Beverage Holdings (China) Limited	Holding company	Hong Kong	100.00	100.00
71. United Products Co., Ltd.	Production and distribution of spirits	Thailand	100.00	99.99
72. S P M Foods and Beverages Co., Ltd.	Production and distribution of drinking water and energy drinks and spirits agency	Thailand	99.84	99.83
73. Oishi Trading Co., Ltd.	Production and distribution of food and beverage	Thailand	89.26	89.26
74. Oishi Ramen Co., Ltd.	Japanese ramen restaurants	Thailand	89.26	89.26
75. Chang Beer International Co., Ltd. #	Dormant	Thailand	100.00	100.00
76. Maekhong Distillery Limited	Consultancy service	Thailand	100.00	100.00
77. Chang International Co., Ltd. #	Dormant	Thailand	100.00	100.00
78. Chang Corp Co., Ltd. #	Dormant	Thailand	100.00	100.00
79. Super Brands Company Pte. Ltd.	Trademark holding	Singapore	100.00	100.00
80. Beer Chang International Limited	Not yet operated	Singapore	100.00	100.00
81. International Beverage Trading Limited	Trading of alcoholic beverages	Bermuda	100.00	-
Subsidiaries of indirect subsidiaries				
82. International Beverage Holdings Limited USA, Inc. *	Trading of alcoholic beverages	United States of America	100.00	100.00
83. Blairmhor Limited **	Holding Company	United Kingdom	100.00	100.00
84. Inver House Distillers Limited *	Production and distribution of spirits	United Kingdom	100.00	100.00
85. InterBev Trading (China) Limited **	Trading of alcoholic beverage	People's Republic of China	100.00	100.00
86. Yunnan Yulinquan Liquor Co., Ltd. **	Spirits distillery	People's Republic of China	100.00	100.00
87. Blairmhor Distillers Limited **	Dormant	United Kingdom	100.00	100.00
88. Wee Beastie Limited **	Dormant	United Kingdom	100.00	100.00

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			30 June 2011	31 December 2010
<i>Subsidiaries of indirect subsidiaries (continued)</i>				
89. Moffat & Towers Limited *#	Dormant	United Kingdom	100.00	100.00
90. Glen Calder Blenders Limited *#	Dormant	United Kingdom	100.00	100.00
91. Hankey Bannister & Company Limited *#	Dormant	United Kingdom	100.00	100.00
92. R. Carmichael & Sons Limited *#	Dormant	United Kingdom	100.00	100.00
93. J MacArthur Junior & Company Limited *#	Dormant	United Kingdom	100.00	100.00
94. Mason & Summers Limited *#	Dormant	United Kingdom	100.00	100.00
95. James Catto & Company Limited *#	Dormant	United Kingdom	100.00	100.00
96. The Knockdhu Distillery Co., Ltd. *#	Dormant	United Kingdom	100.00	100.00
97. Speyburn-Glenlivet Distillery Co., Ltd. *#	Dormant	United Kingdom	100.00	100.00
98. The Pulteney Distillery Co., Ltd. *#	Dormant	United Kingdom	100.00	100.00
99. The Balblair Distillery Co., Ltd. *#	Dormant	United Kingdom	100.00	100.00
<i>Associates of indirect subsidiaries ***</i>				
100. Liquorland Limited	Off licences	United Kingdom	49.49	49.49
101. Inver House Polska Limited	Trading of alcoholic beverages	Poland	84.00	44.00
102. Inver House Distribution SA #	Dormant	France	50.02	50.02

- * Subsidiaries of International Beverage Holdings (UK) Limited
** Subsidiaries of International Beverage Holdings (China) Limited
*** Associates of International Beverage Holdings (UK) Limited
These are currently non-trading.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the interim financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2009) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2010. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2010.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

During 2010 and 2011, the FAP issued the following new and revised Thai Financial Reporting Standards (TFRS) relevant to the Group's operations and effective for accounting periods beginning on or after 1 January 2011:

TFRS	Topic
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 3 (revised 2009)	Business Combinations
FAP's announcement no. 18/2554	Accounting Guidance on Revaluation of Assets

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

The adoption of these new and revised TFRS has resulted in changes in the Group's accounting policies. The effects of these changes are disclosed in note 3. Except for these changes, accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2010.

In addition to the above new and revised TFRS, the FAP has issued during 2010 a number of other TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these interim financial statements except TAS 12 Income Taxes which the Group has early adopted. These new and revised TFRS are disclosed in note 21.

(b) *Presentation currency*

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

(c) *Use of estimates and judgements*

The preparation of interim 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 these estimates.

Except as disclosed below, in preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2010. Changes principally derive from the adoption of new and revised TFRS from 1 January 2011.

Judgements

The key judgements made in applying new accounting policies that have the most significant effect on the amounts recognised in these interim financial statements are as follows:

Classification of investment property

The Group has sublet a vacated warehouse but has decided not to treat this property as an investment property because it is not the Group's intention to hold it for long-term capital appreciation or rental. Accordingly, the property is still treated as a lease of property, plant and equipment.

Estimates

Measurement of defined benefit obligations

The calculation of the defined benefit obligation is sensitive to the assumptions on discount rate, salary increases and mortality rate.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

3 Changes in accounting policies

(a) Overview

From 1 January 2011, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has changed its accounting policies in the following areas:

- Presentation of financial statements
- Accounting for business combinations
- Accounting for acquisitions of non-controlling interests
- Accounting for property, plant and equipment
- Accounting for investment properties
- Accounting for borrowing costs
- Accounting for employee benefits
- Income taxes

Details of the new accounting policies adopted by the Group and the impact of the changes on the financial statements are included in notes 3(b) to 3(i) below. The impact of the changes on the 2011 and 2010 financial statements is summarised as follows:

<i>2010 financial statements</i>	<i>Note</i>	Consolidated financial statements 2010	Separate financial statements 2010
		<i>(in million Baht)</i>	
Statement of financial position			
Equity at 1 January 2010 - as reported		56,444	60,433
Changes as a result of the adoption retrospectively of:			
TAS 12 Income taxes	3(i)	(205)	2
TAS 40 Investment Property	3(f)	(1,080)	-
Equity at 1 January 2010 - restated		55,159	60,435
Equity at 31 December 2010 - as reported		58,228	61,073
Changes as a result of the adoption retrospectively of:			
TAS 12 Income taxes	3(i)	(267)	4
TAS 40 Investment Property	3(f)	(1,080)	-
Equity at 31 December 2010 - restated		56,881	61,077
Statement of comprehensive income for the three-month period ended 30 June 2010			
Profit before income tax as reported		3,583	4,799
Income tax expense as reported		(985)	(79)
Changes to income tax expense as a result of the adoption retrospectively of:			
TAS 12 Income taxes	3(i)	14	-
Income tax expense - restated		(971)	(79)
Profit - restated		2,612	4,720
Increase in basic earnings per share (in Baht)		0.001	-

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

<i>2010 financial statements</i>	Consolidated financial statements	Separate financial statements
<i>Note</i>	2010	2010
	<i>(in million Baht)</i>	
Statement of comprehensive income for the six-month period ended 30 June 2010		
Profit before income tax as reported	7,316	4,971
Income tax expense as reported	(2,207)	(142)
Changes to income tax expense as a result of the adoption retrospectively of:		
TAS 12 Income taxes	3(i) 164	1
Income tax expense - restated	(2,043)	(141)
Profit - restated	5,273	4,830
Increase in basic earnings per share (in Baht)	0.007	-
 2011 financial statements		
<i>Note</i>	Consolidated financial statements	Separate financial statements
	2011	2011
	<i>(in million Baht)</i>	
Statement of financial position		
Equity at 31 December 2010 restated	56,881	61,077
Impact of the adjustment to retained earnings as at 1 January 2011:		
TAS 19 Employee benefits, net of income tax	3(h) (731)	(117)
Equity at 1 January 2011	56,150	60,960
 Statement of comprehensive income for the three-month period ended 30 June 2011		
Increase (decrease) in profit before income tax as a result of the adoption of:		
TAS 16 Property, plant and equipment	3(e) 145	-
TAS 19 Employee benefits	3(h) (30)	(5)
Increase (decrease) in profit before income tax	115	(5)
(Increase) decrease in income tax expense as a result of the adoption of:		
TAS 12 Income taxes	3(i) (73)	-
TAS 16 Property, plant and equipment	3(e) (43)	-
TAS 19 Employee benefits	3(h) 9	1
(Increase) decrease in income tax expense	(107)	1
Increase (decrease) in profit	8	(4)
Increase in basic earnings per share (in Baht)	-	-

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

<i>2011 financial statements</i>		Consolidated financial statements	Separate financial statements
	<i>Note</i>	2011	2011
		<i>(in million Baht)</i>	
Statement of comprehensive income for the six-month period ended 30 June 2011			
Increase (decrease) in profit before income tax as a result of the adoption of:			
TAS 16 Property, plant and equipment	<i>3(e)</i>	285	-
TAS 19 Employee benefits	<i>3(h)</i>	(60)	(10)
Increase (decrease) in profit before income tax		225	(10)
(Increase) decrease in income tax expense as a result of the adoption of:			
TAS 12 Income taxes	<i>3(i)</i>	77	-
TAS 16 Property, plant and equipment	<i>3(e)</i>	(85)	-
TAS 19 Employee benefits	<i>3(h)</i>	18	3
Decrease in income tax expense		10	3
Increase (decrease) in profit		235	(7)
Increase in basic earnings per share (in Baht)		0.009	-

(b) Presentation of financial statements

The Group has adopted TAS 1 Presentation of Financial Statements (Revised 2009). Under the revised standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows; and
- Notes to the financial statements.

As a result, the Group presents all owner changes in equity in the statement of changes in equity and all non-owner changes in equity in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in equity.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

(c) *Accounting for business combinations*

The Group has adopted TFRS 3 Business Combinations (revised 2009) and TAS 27 Consolidated and Separate Financial Statements (revised 2009) for all business combinations on or after 1 January 2011. The new policy has been applied prospectively from 1 January 2011 in accordance with the transitional provisions of the revised standards.

There have been no business combinations during 2011 and, accordingly, adoption of these two revised standards has had no impact on profit or earnings per share for 2011.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. 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 are currently exercisable.

Acquisitions on or after 1 January 2011

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus
if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognized at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquiree's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Acquisitions between 1 January 2008 and 31 December 2010

Goodwill represented the excess of the cost of the acquisition over the Group's interest in the recognized amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognized immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalized as part of the cost of the acquisition.

Acquisitions prior to 1 January 2008

Goodwill was measured in the same way as described in the preceding paragraph. However, both positive and negative goodwill were amortised over their estimated useful life of 20 years. On 1 January 2008, on adoption of the former TAS 43 (revised 2007), the Group discontinued amortising goodwill. Negative goodwill carried in the financial statements as at 31 December 2007 was derecognized by crediting unappropriated retained earnings on 1 January 2008.

(d) *Accounting for acquisitions of non-controlling interests (previously termed 'minority interests')*

The Group has adopted TAS 27 Consolidated and Separate Financial Statements (revised 2009) for all acquisitions of non-controlling interests in subsidiaries. The new policy has been applied prospectively from 1 January 2011 in accordance with the transitional provisions of the revised standard. There have been no acquisitions of non-controlling interests during 2011 and, accordingly, adoption of this revised standard has had no impact on profit or earnings per share for 2011.

Under the new accounting policy, acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Previously, goodwill was recognized on the acquisition of non-controlling interests in a subsidiary, which represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of the transaction.

(e) *Accounting for property, plant and equipment*

The Group has adopted TAS 16 (revised 2009) Property, Plant and Equipment in determining and accounting for the cost and depreciable amount of property, plant and equipment.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

The principal changes introduced by the revised TAS 16 and affecting the Group are that (i) costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation; (ii) the depreciation charge has to be determined separately for each significant part of an asset; and (iii) in determining the depreciable amount, the residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The changes have been applied prospectively in accordance with the transitional provisions of the revised standard, except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively. The changes have had no impact on the profit and earnings per share for the three-month and six-month periods ended 30 June 2010 and the following impact on the 2011 financial statements:

	<i>30 June 2011</i>	
	Consolidated	Separate
	financial statements	financial statements
	<i>(in million Baht)</i>	
<i>Statement of financial position</i>		
Decrease in accumulated depreciation	285	-
Increase in carrying amount of property, plant and equipment	285	-
Increase in income tax payable	(85)	-
Increase in retained earnings	200	-
<i>Statement of comprehensive income</i>		
<i>for the three-month period ended</i>		
<i>30 June 2011</i>		
Decrease in depreciation	145	-
Increase in profit before income tax	145	-
Increase in income tax expense	(43)	-
Increase in profit	102	-
Increase in basic earnings per share (in Baht)	0.004	-
<i>Statement of comprehensive income</i>		
<i>for the six-month period ended</i>		
<i>30 June 2011</i>		
Decrease in depreciation	285	-
Increase in profit before income tax	285	-
Increase in income tax expense	(85)	-
Increase in profit	200	-
Increase in basic earnings per share (in Baht)	0.008	-

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

(f) Accounting for investment properties

The Group has adopted TAS 40 (revised 2009) Investment Property.

Under the revised standard, investment property, defined as property owned to earn rentals; capital appreciation; or both, is disclosed in the financial statements separately from other property, plant and equipment and measured using either the cost model or the fair value model, with changes in fair value being recognised in profit or loss.

Previously, investment properties were included in property, plant and equipment. Plant and equipment were measured using cost model and land was measured using the revaluation model. Revaluation changes were recognised in equity or profit or loss in accordance with the provisions of TAS 16 Property, Plant and Equipment.

The Group has selected the cost model for accounting for its investment properties under the revised standard. The change in accounting policy has been applied retrospectively and the 2010 financial statements, which are included in the Group's 2011 interim financial statements for comparative purposes, have been adjusted accordingly. The carrying amounts as at 1 January 2010, 30 June 2010 and 31 December 2010 of the Group's investment property previously included in property, plant and equipment, have been reclassified to a separate account, 'Investment property' and then restated at cost less the accumulated depreciation that would have been charged had the properties been accounted for under the cost method since acquisition. Any revaluation surplus for these properties carried in equity has been reclassified to retained earnings. The difference between the carrying amount of the property under the original revaluation model and the new cost model has been taken to retained earnings. The depreciation charge for 2010 under the old revaluation method has been adjusted to the appropriate charge under the cost method. From 1 January 2011, the depreciable amount and useful life of the investment property have been reassessed in accordance with the requirements of TAS 16 (Revised 2009) – see note 3(e). The change in accounting policy in this regard has been applied prospectively in accordance with TAS 16 (Revised 2009). The impact on the 2011 and 2010 financial statements was as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2010 and 1 January 2011	1 January 2010	31 December 2010 and 1 January 2011	1 January 2010
	<i>(in million Baht)</i>			
Statement of financial position				
Decrease in revaluation reserve	(1,080)	(1,080)	-	-
Decrease in property, plant and equipment	(856)	(856)	-	-
Decrease other non-current assets	(106)	(106)	-	-
Increase in investment properties	962	962	-	-
Decrease in equity	(1,080)	(1,080)	-	-

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

(g) Accounting for borrowing costs

The Group has adopted TAS 23 (revised 2009) Borrowing Costs.

Under the revised standard, borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Under the former standard, there was also an option to expense borrowing costs on qualifying assets when incurred.

It was the Group's policy under the former TAS 23 to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Consequently the adoption of the revised standard has had no impact on reported profit or earnings per share.

(h) Accounting for employee benefits

The Group has adopted TAS 19 Employee Benefits.

Under the new policy, the Group's liability for post-employment benefits is recognised in the financial statements based on calculations performed annually by a qualified actuary using the projected unit credit method. Previously, this liability was recognised as and when payments were made.

The Group's and the Company's liabilities for post-employment benefit and other long-term employee benefit obligations as at 1 January 2011 have been determined to be Baht 1,044 million and Baht 167 million, respectively. The Group has opted to record the entire amount of this liability as an adjustment to retained earnings as at 1 January 2011, in accordance with the transitional provisions of TAS 19. The impact on the 2011 financial statements was as follows:

	Consolidated financial statements 2011	Separate financial statements 2011
	<i>(in million Baht)</i>	
Statement of financial position		
Retained earnings at 31 December 2010 – restated	30,771	15,851
Increase in employee benefit obligations	(1,044)	(167)
Increase in deferred tax asset	313	50
Retained earnings at 1 January 2011	30,040	15,734
Statement of comprehensive income for the three-month period ended 30 June 2011		
Increase in employee expenses resulting in:		
Increase in cost of sales and cost of rendering of services	(8)	(5)
Increase in selling expenses	(5)	-
Increase in administrative expenses	(17)	-
Decrease in profit before income tax	(30)	(5)
Decrease in deferred tax expense	9	1
Decrease in profit	(21)	(4)
Decrease in basic earnings per share (in Baht)	(0.001)	-

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

	Consolidated financial statements 2011	Separate financial statements 2011
	<i>(in million Baht)</i>	
<i>Statement of comprehensive income for the six-month period ended 30 June 2011</i>		
Increase in employee expenses resulting in:		
Increase in cost of sales and cost of rendering of services	(16)	(9)
Increase in selling expenses	(9)	-
Increase in administrative expenses	(35)	(1)
Decrease in profit before income tax	(60)	(10)
Decrease in deferred tax expense	18	3
Decrease in profit	(42)	(7)
Decrease in basic earnings per share (in Baht)	(0.002)	-

(i) Income tax

From 1 January 2011, the Group has applied TAS 12 Income taxes.

Under TAS 12, income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax

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

Deferred tax

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; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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.

Formerly, income tax on the profit or loss for the year comprises current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates 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 interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

The change in accounting policy has been applied retrospectively and the Group's 2010 financial statements, which are included in the Group's 2011 financial statements for comparative purposes, have been restated accordingly. The impact on the 2011 and 2010 financial statements was as follows:

	Consolidated financial statements			
	30 June 2011	1 January 2011	31 December 2010	1 January 2010
	<i>(in million Baht)</i>			
Statement of financial position				
Increase in deferred tax asset	82	313	665	702
Increase in deferred tax liability	(1)	-	(932)	(907)
Increase (decrease) in equity	81	313	(267)	(205)
	Separate financial statements			
	30 June 2011	1 January 2011	31 December 2010	1 January 2010
	<i>(in million Baht)</i>			
Statement of financial position				
Increase in deferred tax asset	3	50	4	2
Increase in equity	3	50	4	2
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Statement of comprehensive income for the three-month period ended 30 June				
Increase (decrease) in deferred tax expense	64	(14)	(1)	-
Increase (decrease) in profit	(64)	14	1	-
Increase (decrease) in basic earnings per share (in Baht)	(0.003)	0.001	-	-
Statement of comprehensive income for the six-month period ended 30 June				
Decrease in deferred tax expense	(95)	(164)	(3)	(1)
Increase in profit	95	164	3	1
Increase in basic earnings per share (in Baht)	0.004	0.007	-	-

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

4 Common control transactions and acquisitions

On 15 September 2010, International Beverage Holdings Limited, the Company's direct subsidiary, acquired the entire 2 ordinary issued shares of Beer Chang International Limited from the existing equity holders for a total amount of SGD 4,000. The said acquired company has not undertaken any business since incorporation, therefore the consolidated financial statements have not been revised as if the acquisition had taken place at the beginning of 2009. The difference between the consideration to be paid by the Company for the acquisition and the carrying amount of the net identifiable assets is included in "Difference arising from common control transactions".

5 Significant transactions

Significant transactions occurring during the six-month period ended 30 June 2011 were as follows:

- (a) On 5 January 2011 International Beverage Trading Limited ("IBTL") was incorporated in Bermuda with an authorised share capital of USD 0.1 million by issuing 100,000 ordinary shares with a USD 1 par value. International Beverage Holdings Limited, the Company's subsidiary, holds the entire shares.
- (b) At the Executive Board of Directors' meeting held on 24 January 2011, the directors approved in principle for Charun Business 52 Co., Ltd. to sell its entire assets.
- (c) During end of March 2011, Southern of Thailand was affected by the flood. One of the Company's distilleries in Surat Thani province was temporarily closed by the impacts of the flood for renovation and restoration. However, the Company has insured this distillery with insurance policy of Industrial All Risks (IAR) and Business Interruption (BI). Currently, the Company is surveying the damages together with the insurance company and believes that all damages can be covered by the aforementioned insurance policies. As at 30 June 2011, the Group recognised expected compensation from the insurer of approximately Baht 278.77 million and recognised allowance for damage in inventories and equipments and provision in the same amount.
- (d) The Executive Board of Directors' meeting held on 25 April 2011 unanimously approved in principle for International Beverage Holdings Limited, the Company's subsidiary, to increase its authorized share capital amounting to HKD 36.5 million, InterBev (Singapore) Limited, the Company's indirect subsidiary, to increase its authorized share capital amounting to SGD 6 million and Super Brands Company Pte. Ltd., the Company's subsidiary of indirect subsidiary, to increase its authorized share capital amounting to SGD 8.2 million.

6 Related parties

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

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

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

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

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Name of entities	Country of incorporation/ nationality	Nature of relationships
27. New Noble Property and Loan Fund	Thailand	Directors and controlling equity holders are the principal unit holder of this real estate investment fund
28. Dynamic Assets Property and Loan Fund	Thailand	Directors and controlling equity holders are the principal unit holder of this real estate investment fund
29. Best Fortune Property and Loan Fund	Thailand	Directors and controlling equity holders are the principal unit holder of this real estate investment fund
30. Regent Gold Property Fund	Thailand	Directors and controlling equity holders are the principal unit holder of this real estate investment fund
31. Plaza Athenee Hotel (Thailand) Co., Ltd.	Thailand	Directors and controlling equity holders are the directors and hold substantial shares indirectly
32. North Park Golf And Sports Club Co., Ltd.	Thailand	Directors and controlling equity holders are the directors and hold substantial shares indirectly
33. Berli Jucker PCL.	Thailand	Directors and controlling equity holders hold substantial shares indirectly
34. Thai Beverage Can Co., Ltd.	Thailand	Directors and controlling equity holders hold 50% shares
35. PS Recycle Co., Ltd.	Thailand	Directors and controlling equity holders are relatives of controlling person
36. T.C.C. International Limited	Hong Kong	Controlling equity holders hold substantial shares indirectly
37. Best wishes Co., Ltd.	Hong Kong	Controlling equity holders hold substantial shares indirectly
38. Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group/Company.

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

Transactions

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

Pricing policies

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

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Significant transactions for the three-month and six-month periods ended 30 June 2011 and 2010 with related parties were as follows:

<i>Three-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements		
	2011	2010	2011	2010	
	<i>(in million Baht)</i>				
Subsidiaries					
Management fees	-	-	735	697	
Cost of rendering of services	-	-	59	23	
Interest income	-	-	58	60	
Interest expense	-	-	200	184	
Dividends	-	-	3,768	4,541	
Increase in share capital in subsidiaries	-	-	143	-	
Key management personnel					
Key management personnel compensation					
Short-term employee benefit	36	34	36	34	
Total key management personnel compensation	<u>36</u>	<u>34</u>	<u>36</u>	<u>34</u>	
Other related parties					
Sales of goods	43	253	-	-	
Income of rendering of services	43	2	-	-	
Purchases of raw materials and packaging	2,861	1,560	-	-	
Overhead costs	45	53	-	-	
Cost of rendering of services	-	-	28	24	
Other income	5	18	1	2	
Administrative expenses	133	123	-	-	
Purchases of equipment	3	11	-	-	
<i>Six -month period ended 30 June</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
		<i>(in million Baht)</i>			
Subsidiaries					
Management fees		-	-	1,523	1,449
Cost of rendering of services		-	-	82	44
Interest income		-	-	107	122
Interest expense		-	-	407	387
Dividends	8	-	-	4,481	4,541
Increase in share capital in subsidiaries		-	-	143	-

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

<i>Six -month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	171	167	171	167
Post - employment benefits	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total key management personnel compensation	<u>172</u>	<u>168</u>	<u>172</u>	<u>168</u>
Other related parties				
Sales of goods	267	656	-	-
Income of rendering of services	83	3	-	-
Purchases of raw materials and packaging	6,655	3,901	-	-
Overhead costs	94	104	-	-
Cost of rendering of services	-	-	52	50
Other income	10	27	2	4
Administrative expenses	241	241	1	1
Purchases of equipment	3	13	-	-

Balances as at 30 June 2011 and 31 December 2010 with related parties were as follows:

<i>Trade accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Other related companies				
The Utaradit Sugar Industry Co., Ltd.	13	11	-	-
PS Recycle Co., Ltd.	4	4	-	-
Berli Jucker PCL.	4	-	-	-
Pisetkij Co., Ltd.	3	2	-	-
Others	<u>6</u>	<u>4</u>	<u>-</u>	<u>-</u>
Total	<u>30</u>	<u>21</u>	<u>-</u>	<u>-</u>

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Short-term loans to and other receivables from related parties

	Consolidated financial statements						Separate financial statements					
	30 June 2011			31 December 2010			30 June 2011			31 December 2010		
	Short-term loans to	Other receivables	Total	Short-term loans to	Other receivables	Total	Short-term loans to	Other receivables	Total	Short-term loans to	Other receivables	Total
	<i>(in million Baht)</i>											
Subsidiaries												
Beer Thai (1991) PCL.	-	-	-	-	-	-	560	13	573	537	18	555
Beer Thip Brewery (1991) Co., Ltd.	-	-	-	-	-	-	-	11	11	-	17	17
Cosmos Brewery (Thailand) Co., Ltd.	-	-	-	-	-	-	-	3	3	-	5	5
Sangsom Co., Ltd.	-	-	-	-	-	-	-	1	1	-	6	6
Fuengfuanant Co., Ltd.	-	-	-	-	-	-	-	2	2	-	3	3
Mongkolsamai Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Thanapakdi Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Kanchanasingkorn Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Sura Bangyikhan Co., Ltd.	-	-	-	-	-	-	-	18	18	-	21	21
Athimart Co., Ltd.	-	-	-	-	-	-	-	2	2	-	5	5
S.S. Karnsura Co., Ltd.	-	-	-	-	-	-	135	3	138	-	4	4
Kankwan Co., Ltd.	-	-	-	-	-	-	43	3	46	-	5	5
Theparunothai Co., Ltd.	-	-	-	-	-	-	-	2	2	-	4	4
Red Bull Distillery (1988) Co., Ltd.	-	-	-	-	-	-	-	11	11	592	19	611
United Winery and Distillery Co., Ltd.	-	-	-	-	-	-	34	1	35	-	1	1
Simathurakij Co., Ltd.	-	-	-	-	-	-	-	1	1	-	2	2
Nateechai Co., Ltd.	-	-	-	-	-	-	208	1	209	-	3	3
Luckchai Liquor Trading Co., Ltd.	-	-	-	-	-	-	-	2	2	-	1	1
Sura Piset Phatra Lanna Co., Ltd.	-	-	-	-	-	-	-	-	-	7	-	7
Pomthip Co., Ltd.	-	-	-	-	-	-	153	10	163	279	11	290
Pomkit Co., Ltd.	-	-	-	-	-	-	-	3	3	-	5	5
Pomklung Co., Ltd.	-	-	-	-	-	-	-	3	3	-	5	5
Pomchok Co., Ltd.	-	-	-	-	-	-	-	3	3	-	5	5
Pomcharoen Co., Ltd.	-	-	-	-	-	-	-	3	3	-	4	4
Pomburapa Co., Ltd.	-	-	-	-	-	-	-	4	4	-	5	5
Pompalang Co., Ltd.	-	-	-	-	-	-	5	3	8	13	4	17
Pomnakorn Co., Ltd.	-	-	-	-	-	-	-	3	3	-	4	4
Num Yuk Co., Ltd.	-	-	-	-	-	-	184	16	200	30	22	52
Num Kijjakarn Co., Ltd.	-	-	-	-	-	-	-	11	11	-	19	19
Num Palang Co., Ltd.	-	-	-	-	-	-	82	5	87	-	8	8

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Short-term loans to and other receivables from related parties

	Consolidated financial statements						Separate financial statements					
	30 June 2011			31 December 2010			30 June 2011			31 December 2010		
	Short-term loans to	Other receivables	Total	Short-term loans to	Other receivables	Total	Short-term loans to	Other receivables	Total	Short-term loans to	Other receivables	Total
	<i>(in million Baht)</i>											
Subsidiaries (continued)												
Num Muang Co., Ltd.	-	-	-	-	-	-	-	7	7	-	12	12
Num Nakorn Co., Ltd.	-	-	-	-	-	-	-	5	5	-	8	8
Num Thurakij Co., Ltd.	-	-	-	-	-	-	-	7	7	-	10	10
Numrungrad Co., Ltd.	-	-	-	-	-	-	-	9	9	-	15	15
Numthip Co., Ltd.	-	-	-	-	-	-	-	6	6	-	9	9
Thipchalothorn Co., Ltd.	-	-	-	-	-	-	-	14	14	-	22	22
Krittayabun Co., Ltd.	-	-	-	-	-	-	-	25	25	-	29	29
Surathip Co., Ltd.	-	-	-	-	-	-	-	15	15	-	25	25
Sunthronpirom Co., Ltd.	-	-	-	-	-	-	-	15	15	-	25	25
Piromsurang Co., Ltd.	-	-	-	-	-	-	196	10	206	-	11	11
Wrangyer Beverage (2008) Co., Ltd.	-	-	-	-	-	-	7	1	8	-	1	1
Dhanasindhi Co., Ltd.	-	-	-	-	-	-	-	-	-	5	-	5
Thai Beverage Recycle Co., Ltd.	-	-	-	-	-	-	296	1	297	281	2	283
Thai Beverage Logistics Co., Ltd.	-	-	-	-	-	-	-	1	1	182	2	184
Dhospaak Co., Ltd.	-	-	-	-	-	-	149	1	150	48	-	48
Thai Beverage Brands Co., Ltd.	-	-	-	-	-	-	-	-	-	3	-	3
Thai Drinks Co., Ltd.	-	-	-	-	-	-	4	-	4	-	-	-
Total subsidiaries	-	-	-	-	-	-	2,056	258	2,314	1,977	380	2,357

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Short-term loans to and other receivables from related parties

	Consolidated financial statements						Separate financial statements					
	30 June 2011			31 December 2010			30 June 2011			31 December 2010		
	Short-term loans to	Other receivables	Total	Short-term loans to	Other receivables	Total	Short-term loans to	Other receivables	Total	Short-term loans to	Other receivables	Total
	<i>(in million Baht)</i>											
Related companies												
The Southeast Insurance Co., Ltd.	-	279	279	-	-	-	-	-	-	-	-	-
Plantheon Trading Co., Ltd.	-	206	206	-	759	759	-	-	-	-	-	-
The Uttaradit Sugar Industry Co., Ltd.	-	10	10	-	3	3	-	-	-	-	-	-
Best Fortune Property and Loan Fund	-	9	9	-	9	9	-	-	-	-	-	-
T.C.C. Technology Co., Ltd.	-	8	8	-	14	14	-	8	8	-	14	14
The Suphanburi Sugar Industry Co., Ltd.	-	7	7	-	-	-	-	-	-	-	-	-
The Maewang Sugar Industry Co., Ltd.	-	6	6	-	-	-	-	-	-	-	-	-
New Noble Property And Loan Fund	-	-	-	-	4	4	-	-	-	-	-	-
Others	-	5	5	-	2	2	-	1	1	-	-	-
Total related companies	-	530	530	-	791	791	-	9	9	-	14	14
Total	-	530	530	-	791	791	2,056	267	2,323	1,977	394	2,371

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Long-term loans to and other receivables from related parties

	Consolidated financial statements						Separate financial statements					
	30 June 2011			31 December 2010			30 June 2011			31 December 2010		
	Long-term loans to	Other receivables	Total	Long-term loans to	Other receivables	Total	Long-term loans to	Other receivables	Total	Long-term loans to	Other receivables	Total
	<i>(in million Baht)</i>											
<i>Subsidiaries</i>												
Beer Thai (1991) PCL.	-	-	-	-	-	-	360	-	360	1,605	-	1,605
Red Bull Distillery (1988) Co., Ltd.	-	-	-	-	-	-	751	-	751	192	-	192
Num Yuk Co., Ltd.	-	-	-	-	-	-	16	-	16	-	-	-
Pomthip Co., Ltd.	-	-	-	-	-	-	277	-	277	-	-	-
Wrangyer Beverage (2008) Co., Ltd.	-	-	-	-	-	-	149	-	149	165	-	165
Thai Beverage Recycle Co., Ltd.	-	-	-	-	-	-	115	-	115	20	-	20
Pompalang Co., Ltd.	-	-	-	-	-	-	136	-	136	113	-	113
Thai Beverage Logistics Co., Ltd.	-	-	-	-	-	-	278	-	278	395	-	395
Thai Beverage Brands Co., Ltd.	-	-	-	-	-	-	-	-	-	9	-	9
Total subsidiaries	-	-	-	-	-	-	2,082	-	2,082	2,499	-	2,499
<i>Related companies</i>												
North Park Real Estate Co., Ltd.	-	29	29	-	29	29	-	3	3	-	3	3
New Noble Property And Loan Fund	-	4	4	-	-	-	-	-	-	-	-	-
TCC PD 11 Co., Ltd.	-	3	3	-	3	3	-	-	-	-	-	-
Others	-	8	8	-	7	7	-	1	1	-	-	-
Total related companies	-	44	44	-	39	39	-	4	4	-	3	3
Total	-	44	44	-	39	39	2,082	4	2,086	2,499	3	2,502

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

<i>Summary of loans to related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Short-term loans	-	-	2,056	1,977
Long-term loans	-	-	2,082	2,499
Total loans to related parties	-	-	4,138	4,476

Movements during the six-month periods ended 30 June 2011 and 2010 of loans to related parties were as follows:

<i>Loans to related parties</i>	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Short-term loans				
Subsidiaries				
At 1 January	-	-	1,977	2,642
Increase	-	-	1,002	407
Decrease	-	-	(923)	(1,311)
At 30 June	-	-	2,056	1,738
Long-term loans				
Subsidiaries				
At 1 January	-	-	2,499	3,455
Increase	-	-	970	551
Decrease	-	-	(1,387)	(516)
At 30 June	-	-	2,082	3,490

<i>Trade accounts payable to related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Other related parties				
Berli Jucker PCL.	717	792	-	-
Plantheon Trading Co., Ltd.	337	63	-	-
Thai Beverage Can Co., Ltd.	76	85	-	-
Pisetkij Co., Ltd.	36	22	-	-
PS Recycle Co., Ltd.	12	20	-	-
The Maewang Sugar Industry Co., Ltd.	7	-	-	-
The Suphanburi Sugar Industry Co., Ltd.	7	-	-	-
Others	5	8	-	-
Total	1,197	990	-	-

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Short-term loans from and other payables to related parties

	Consolidated financial statements						Separate financial statements					
	30 June 2011			31 December 2010			30 June 2011			31 December 2010		
	Short-term loans from	Other payables	Total	Short-term loans from	Other payables	Total	Short-term loans from	Other payables	Total	Short-term loans from	Other payables	Total
	<i>(in million Baht)</i>											
Subsidiaries												
Beer Thip Brewery (1991) Co., Ltd.	-	-	-	-	-	-	814	18	832	82	15	97
Sansom Co., Ltd.	-	-	-	-	-	-	686	9	695	626	6	632
Fuengfuanant Co., Ltd.	-	-	-	-	-	-	-	-	-	90	1	91
Mongkolsamai Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Thanapakdi Co., Ltd.	-	-	-	-	-	-	-	1	1	63	1	64
Kanchanasingkom Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1	1
Sura Piset Thipparat Co., Ltd.	-	-	-	-	-	-	-	-	-	61	-	61
Sura Bangyikhan Co., Ltd.	-	-	-	-	-	-	956	5	961	-	-	-
Athimart Co., Ltd.	-	-	-	-	-	-	92	-	92	432	1	433
S.S. Karnsura Co., Ltd.	-	-	-	-	-	-	-	-	-	22	1	23
Kankwan Co., Ltd.	-	-	-	-	-	-	-	-	-	322	2	324
Theparunothai Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1	1
Simathurakij Co., Ltd.	-	-	-	-	-	-	-	1	1	39	2	41
Nateechai Co., Ltd.	-	-	-	-	-	-	-	-	-	194	1	195
Luckchai Liquor Trading Co., Ltd.	-	-	-	-	-	-	120	-	120	75	-	75
Pomkit Co., Ltd.	-	-	-	-	-	-	-	1	1	188	1	189
Pomklung Co., Ltd.	-	-	-	-	-	-	-	-	-	113	1	114
Pomchok Co., Ltd.	-	-	-	-	-	-	-	1	1	-	1	1
Pomchareon Co., Ltd.	-	-	-	-	-	-	15	-	15	65	-	65
Pomburapa Co., Ltd.	-	-	-	-	-	-	99	2	101	133	1	134
Pompalang Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1	1
Num Kijjakarn Co., Ltd.	-	-	-	-	-	-	-	3	3	429	5	434
Num Palang Co., Ltd.	-	-	-	-	-	-	-	-	-	193	1	194
Num Muang Co., Ltd.	-	-	-	-	-	-	107	1	108	392	2	394
Num Nakorn Co., Ltd.	-	-	-	-	-	-	65	1	66	235	1	236
Num Thurakij Co., Ltd.	-	-	-	-	-	-	378	3	381	143	2	145
Numrungrod Co., Ltd.	-	-	-	-	-	-	-	1	1	266	3	269
Numthip Co., Ltd.	-	-	-	-	-	-	57	-	57	223	1	224
Thipchalothorn Co., Ltd.	-	-	-	-	-	-	-	1	1	133	1	134
Krittayabun Co., Ltd.	-	-	-	-	-	-	300	4	304	-	1	1
Surathip Co., Ltd.	-	-	-	-	-	-	282	2	284	75	-	75
Sunthronpirom Co., Ltd.	-	-	-	-	-	-	202	3	205	85	1	86
Piromsurang Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1	1
Thai Beverage Brands Co., Ltd.	-	-	-	-	-	-	14	-	14	-	-	-

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Short-term loans from and other payables to related parties

	Consolidated financial statements						Separate financial statements					
	30 June 2011			31 December 2010			30 June 2011			31 December 2010		
	Short-term loans from	Other payables	Total	Short-term loans from	Other payables	Total	Short-term loans from	Other payables	Total	Short-term loans from	Other payables	Total
	<i>(in million Baht)</i>											
<i>Subsidiaries (continued)</i>												
Thai Beverage Energy Co., Ltd.	-	-	-	-	-	-	169	1	170	152	1	153
Thai Molasses Co., Ltd.	-	-	-	-	-	-	192	1	193	127	-	127
Thai Cooperage Co., Ltd.	-	-	-	-	-	-	142	-	142	1	-	1
Feed Addition Co., Ltd.	-	-	-	-	-	-	28	-	28	29	-	29
Pan International (Thailand) Co., Ltd.	-	-	-	-	-	-	18	1	19	14	-	14
Charun Business 52 Co., Ltd.	-	-	-	-	-	-	8	-	8	8	-	8
Thai Beverage Logistics Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1	1
Thai Beverage Marketing Co., Ltd.	-	-	-	-	-	-	247	1	248	663	1	664
Dhanasindhi Co., Ltd.	-	-	-	-	-	-	17	-	17	-	-	-
Dhospaak Co., Ltd.	-	-	-	-	-	-	-	36	36	-	44	44
Thai Beverage Training Co., Ltd.	-	-	-	-	-	-	-	1	1	-	17	17
Cosmos Brewery (Thailand) Co., Ltd.	-	-	-	-	-	-	528	5	533	210	3	213
Beer Chang Co., Ltd.	-	-	-	-	-	-	89	1	90	7	1	8
Archa Beer Co., Ltd.	-	-	-	-	-	-	5	-	5	-	-	-
Thai Drinks Co., Ltd.	-	-	-	-	-	-	-	-	-	48	2	50
Total subsidiaries	-	-	-	-	-	-	5,630	105	5,735	5,938	127	6,065
<i>Related companies</i>												
Southeast Capital Co., Ltd.	-	15	15	-	14	14	-	3	3	-	3	3
Berli Jucker PCL.	-	14	14	-	2	2	-	-	-	-	-	-
Plaza Athenee Hotel (Thailand) Co., Ltd.	-	12	12	-	17	17	-	1	1	-	4	4
BJC Industrial and Trading Co., Ltd.	-	7	7	-	7	7	-	1	1	-	-	-
TCC Hotel Collection Co., Ltd.	-	6	6	-	5	5	-	-	-	-	-	-
T.C.C. Technology Co., Ltd.	-	6	6	-	10	10	-	6	6	-	10	10
North Park Golf And Sports Club Co., Ltd.	-	6	6	-	1	1	-	-	-	-	-	-
The Southeast Insurance Co., Ltd.	-	1	1	-	12	12	-	-	-	-	-	-
Thai Alcohol PCL.	-	-	-	-	86	86	-	-	-	-	-	-
Others	-	6	6	-	9	9	-	-	-	-	1	1
Total related companies	-	73	73	-	163	163	-	11	11	-	18	18
Total	-	73	73	-	163	163	5,630	116	5,746	5,938	145	6,083

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Long-term loans from and other payables to related parties

	Consolidated financial statements						Separate financial statements					
	30 June 2011			31 December 2010			30 June 2011			31 December 2010		
	Long-term loans from	Other payables	Total	Long-term loans from	Other payables	Total	Long-term loans from	Other payables	Total	Long-term loans from	Other payables	Total
	<i>(in million Baht)</i>											
Subsidiaries												
Beer Thip Brewery (1991) Co., Ltd.	-	-	-	-	-	-	3,564	-	3,564	3,564	-	3,564
Sangsom Co., Ltd.	-	-	-	-	-	-	49	-	49	-	-	-
Fuengfuanant Co., Ltd.	-	-	-	-	-	-	50	-	50	151	-	151
Mongkolsamai Co., Ltd.	-	-	-	-	-	-	171	-	171	241	-	241
Thanapakdi Co., Ltd.	-	-	-	-	-	-	129	-	129	176	-	176
Kanchanasingkorn Co., Ltd.	-	-	-	-	-	-	111	-	111	219	-	219
Sura Bangyikhan Co., Ltd.	-	-	-	-	-	-	380	-	380	-	-	-
Sura Piset Thipparat Co., Ltd.	-	-	-	-	-	-	43	-	43	-	-	-
Athimart Co., Ltd.	-	-	-	-	-	-	24	-	24	-	-	-
S.S. Karnsura Co., Ltd.	-	-	-	-	-	-	-	-	-	155	-	155
Kankwan Co., Ltd.	-	-	-	-	-	-	-	-	-	90	-	90
Theparunothai Co., Ltd.	-	-	-	-	-	-	38	-	38	241	-	241
United Winery and Distillery Co., Ltd.	-	-	-	-	-	-	-	-	-	176	-	176
Simathurakij Co., Ltd.	-	-	-	-	-	-	175	-	175	401	-	401
Luckchai Liquor Trading Co., Ltd.	-	-	-	-	-	-	28	-	28	-	-	-
Pomkit Co., Ltd.	-	-	-	-	-	-	300	-	300	195	-	195
Pomklung Co., Ltd.	-	-	-	-	-	-	70	-	70	20	-	20
Pomchok Co., Ltd.	-	-	-	-	-	-	294	-	294	330	-	330
Pomcharoen Co., Ltd.	-	-	-	-	-	-	34	-	34	-	-	-
Pomburapa Co., Ltd.	-	-	-	-	-	-	321	-	321	221	-	221
Pomnakorn Co., Ltd.	-	-	-	-	-	-	80	-	80	92	-	92
Num Thurakij Co., Ltd.	-	-	-	-	-	-	314	-	314	286	-	286
Num Muang Co., Ltd.	-	-	-	-	-	-	235	-	235	235	-	235
Num Nakorn Co., Ltd.	-	-	-	-	-	-	198	-	198	168	-	168
Num Kijjakarn Co., Ltd.	-	-	-	-	-	-	899	-	899	947	-	947

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Long-term loans from and other payables to related parties

	Consolidated financial statements						Separate financial statements					
	30 June 2011			31 December 2010			30 June 2011			31 December 2010		
	Long-term loans from	Other payables	Total	Long-term loans from	Other payables	Total	Long-term loans from	Other payables	Total	Long-term loans from	Other payables	Total
	<i>(in million Baht)</i>											
<i>Subsidiaries (continued)</i>												
Numrungrod Co., Ltd.	-	-	-	-	-	-	224	-	224	490	-	490
Numthip Co., Ltd.	-	-	-	-	-	-	64	-	64	64	-	64
Thipchalothorn Co., Ltd.	-	-	-	-	-	-	229	-	229	140	-	140
Krittayabun Co., Ltd.	-	-	-	-	-	-	538	-	538	145	-	145
Surathip Co., Ltd.	-	-	-	-	-	-	211	-	211	149	-	149
Sunthronpirom Co., Ltd.	-	-	-	-	-	-	411	-	411	411	-	411
Piromsurang Co., Ltd.	-	-	-	-	-	-	-	-	-	162	-	162
Thai Molasses Co., Ltd.	-	-	-	-	-	-	88	-	88	80	-	80
Feed Addition Co., Ltd.	-	-	-	-	-	-	19	-	19	10	-	10
Pan International (Thailand) Co., Ltd.	-	-	-	-	-	-	22	-	22	23	-	23
Charun Business 52 Co., Ltd.	-	-	-	-	-	-	31	-	31	28	-	28
Thai Cooperage Co., Ltd.	-	-	-	-	-	-	57	-	57	58	-	58
Cosmos Brewery (Thailand) Co., Ltd.	-	-	-	-	-	-	574	-	574	471	-	471
Beer Chang Co., Ltd.	-	-	-	-	-	-	195	-	195	195	-	195
Archa Beer Co., Ltd.	-	-	-	-	-	-	69	-	69	69	-	69
Total	-	-	-	-	-	-	10,239	-	10,239	10,403	-	10,403

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

<i>Summary of loans from related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Short-term loans	-	-	5,630	5,938
Long-term loans	-	-	10,239	10,403
Total loans from related parties	-	-	15,869	16,341

Movements during the six-month periods ended 30 June 2011 and 2010 of loans from related parties were as follows:

<i>Loans from related parties</i>	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
<i>Short-term loans</i>				
Subsidiaries				
At 1 January	-	-	5,938	7,259
Increase	-	-	3,313	574
Decrease	-	-	(3,621)	(4,503)
At 30 June	-	-	5,630	3,330
<i>Long-term loans</i>				
Subsidiaries				
At 1 January	-	-	10,403	9,743
Increase	-	-	1,538	1,369
Decrease	-	-	(1,702)	(374)
At 30 June	-	-	10,239	10,738

Significant agreements with related parties

Supporting service agreements

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

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

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Application service provisioning agreement

The Company entered into the application service provisioning agreement with T.C.C. Technology Co., Ltd., a related party, for the provision of ongoing support and maintenance of the systems and infrastructure and is committed to pay system, hardware and software rental fee and service fee on a monthly basis throughout the contract period of five years, effective from 31 May 2006, under the fees and conditions stated in the contract. Subsequently, the Company entered into additional agreements, based on the number of users, ended 31 July 2012.

Procurement agreement

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

Molasses purchase agreements

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

Glass bottle purchase and sale agreement

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

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

License agreements

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

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Sales Distributor Agreements

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

Biogas purchase and sale agreement

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

Commitments with related parties

	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Non-cancellable operating lease commitments				
Within one year	190	216	39	43
After one year but within five years	281	316	59	55
Total	471	532	98	98
Other commitments				
Purchase molasses	393	1,613	-	-
Brewing supervision agreement	25	26	-	-
Application service provisioning agreement	16	27	16	27
Other agreements	7	9	27	33
Sale molasses	-	171	-	-
Total	441	1,846	43	60

7 Trade accounts receivable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010
		<i>(in million Baht)</i>			
Related parties	6	30	21	-	-
Other parties		1,855	1,937	-	-
		1,885	1,958	-	-
Less allowance for doubtful accounts		(40)	(36)	-	-
Net		1,845	1,922	-	-

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Bad and (reversal of) doubtful debts expense for the				
- three-month period ended 30 June	-	1	-	-
- six-month period ended 30 June	<u>1</u>	<u>2</u>	<u>-</u>	<u>-</u>

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Related parties				
Within credit terms	27	21	-	-
Overdue:				
Less than 3 months	3	-	-	-
	<u>30</u>	<u>21</u>	<u>-</u>	<u>-</u>
Other parties				
Within credit terms	1,608	1,750	-	-
Overdue:				
Less than 3 months	197	158	-	-
3-6 months	28	7	-	-
6-12 months	(2)	10	-	-
Over 12 months	24	12	-	-
	<u>1,855</u>	<u>1,937</u>	<u>-</u>	<u>-</u>
<i>Less</i> allowance for doubtful accounts	(40)	(36)	-	-
	<u>1,815</u>	<u>1,901</u>	<u>-</u>	<u>-</u>
Net	<u>1,845</u>	<u>1,922</u>	<u>-</u>	<u>-</u>

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

8 Investments in subsidiaries

<i>Six-month period ended 30 June</i>	Separate financial statements	
	2011	2010
	<i>(in million Baht)</i>	
At 1 January	80,047	80,091
Increase in share capital in subsidiary	143	-
Invest in subsidiary	-	3
At 30 June	<u>80,190</u>	<u>80,094</u>

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Investments in subsidiaries as at 30 June 2011 and 31 December 2010, and dividend income from those investments for the six-month periods ended 30 June 2011 and 2010 were as follows:

	Separate financial statements							
	Ownership interest		Paid-up capital		Cost method		Dividend income	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	30 June 2010
	(%)				(in million Baht)			
Subsidiaries								
Beer Thai (1991) PCL.	100.00	100.00	5,550	5,550	12,500	12,500	78	-
Beer Thip Brewery (1991) Co., Ltd.	100.00	100.00	6,600	6,600	12,500	12,500	244	284
Sangsom Co., Ltd.	100.00	100.00	7,500	7,500	7,500	7,500	37	98
Fuengfuanant Co., Ltd.	100.00	100.00	900	900	900	900	29	59
Mongkolsamai Co., Ltd.	100.00	100.00	700	700	691	691	6	-
Thanapakdi Co., Ltd.	100.00	100.00	700	700	697	697	11	-
Kanchanasingkorn Co., Ltd.	100.00	100.00	700	700	700	700	8	26
Sura Bangyikhan Co., Ltd.	100.00	100.00	4,000	4,000	4,000	4,000	544	532
Athimart Co., Ltd.	100.00	100.00	900	900	900	900	28	68
S.S. Karnsura Co., Ltd.	100.00	100.00	800	800	800	800	30	82
Kankwan Co., Ltd.	100.00	100.00	800	800	800	800	45	102
Theparunothai Co., Ltd.	100.00	100.00	700	700	700	700	36	75
Red Bull Distillery (1988) Co., Ltd.	100.00	100.00	5,000	5,000	5,000	5,000	170	220
United Winery and Distillery Co., Ltd.	100.00	100.00	1,800	1,800	1,800	1,800	47	52
Simathurakij Co., Ltd.	100.00	100.00	900	900	888	888	63	48
Natechai Co., Ltd.	100.00	100.00	800	800	800	800	-	49
Luckchai Liquor Trading Co., Ltd.	100.00	100.00	800	800	766	766	9	12
Sura Piset Thipparat Co., Ltd.	100.00	100.00	1,000	1,000	1,010	1,010	-	-
Pomthip Co., Ltd.	100.00	100.00	10	10	10	10	-	11
Pomkit Co., Ltd.	100.00	100.00	10	10	10	10	42	-
Pomklung Co., Ltd.	100.00	100.00	10	10	10	10	-	-
Pomchok Co., Ltd.	100.00	100.00	10	10	10	10	25	61
Pomcharoen Co., Ltd.	100.00	100.00	10	10	10	10	23	-
Pomburapa Co., Ltd.	100.00	100.00	10	10	10	10	47	46
Pompalang Co., Ltd.	100.00	100.00	10	10	10	10	-	-
Pomnakorn Co., Ltd.	100.00	100.00	10	10	10	10	25	-

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

	Separate financial statements							
	Ownership interest		Paid-up capital		Cost method		Dividend income for six-month period ended	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	30 June 2010
	(%)				(in million Baht)			
<i>Subsidiaries (continued)</i>								
Num Yuk Co., Ltd.	100	100	10	10	10	10	268	221
Num Kijjakarn Co., Ltd.	100	100	10	10	10	10	361	445
Num Palang Co., Ltd.	100	100	10	10	10	10	57	86
Num Muang Co., Ltd.	100	100	10	10	10	10	207	224
Num Nakorn Co., Ltd.	100	100	10	10	10	10	132	130
Num Thurakij Co., Ltd.	100	100	10	10	10	10	191	180
Numrungrad Co., Ltd.	100	100	10	10	10	10	289	221
Numthip Co., Ltd.	100	100	10	10	10	10	128	89
Thipchalothorn Co., Ltd.	100	100	1	1	3	3	74	72
Krittayabun Co., Ltd.	100	100	5	5	27	27	48	98
Surathip Co., Ltd.	100	100	1	1	7	7	33	69
Sunthronpirom Co., Ltd.	100	100	5	5	25	25	140	122
Piromsurang Co., Ltd.	100	100	5	5	24	24	70	67
Thai Beverage Energy Co., Ltd.	100	100	860	860	864	864	-	-
Wrangyer Beverage (2008) Co., Ltd.	100	100	200	200	200	200	-	-
Thai Molasses Co., Ltd.	99.72	99.72	40	40	35	35	15	6
Feed Addition Co., Ltd.	100	100	1	1	32	32	23	15
Pan International (Thailand) Co., Ltd.	100	100	1	1	34	34	17	19
Charun Business 52 Co., Ltd.	100	100	122	122	84	84	-	-
Thai Cooperage Co., Ltd.	100	100	300	300	296	296	-	-
Thai Beverage Recycle Co., Ltd.	100	100	123	123	134	134	116	52
Thai Beverage Logistics Co., Ltd.	100	100	1,012	1,012	1,012	1,012	-	-
Thai Beverage Marketing Co., Ltd.	100	100	300	300	300	300	327	124
Dhanasindhi Co., Ltd.	100	100	20	20	24	24	7	17
Dhospaak Co., Ltd.	100	100	25	25	61	61	15	17
Thai Beverage Training Co., Ltd.	100	100	3	3	3	3	12	-
International Beverage Holdings Limited	100	100	8,006	7,863	8,006	7,863	-	-
Cosmos Brewery (Thailand) Co., Ltd.	100	100	1,667	1,667	4,139	4,139	30	-

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

	Separate financial statements						Dividend income	
	Ownership interest		Paid-up capital		Cost method		for six-month period ended	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	30 June 2010
	(%)				(in million Baht)			
<i>Subsidiaries (continued)</i>								
Thai Beverage Brands Co., Ltd.	100	100	5	5	39	39	-	-
Beer Chang Co., Ltd.	100	100	1	1	4,318	4,318	71	65
Archa beer Co., Ltd.	100	100	1	1	130	130	19	30
Sura Piset Phatra Lanna Co., Ltd.	100	100	1,000	1,000	1,015	1,015	-	-
Oishi Group PCL.	89.26	89.26	375	375	6,206	6,206	284	347
Thai Drinks Co., Ltd.	100	100	60	60	60	60	-	-
Total			<u>54,449</u>	<u>54,306</u>	<u>80,190</u>	<u>80,047</u>	<u>4,481</u>	<u>4,541</u>

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

9 Investments in associates

<i>Six-month period ended 30 June</i>	Consolidated financial statements	
	2011	2010
	<i>(in million Baht)</i>	
At 1 January	123	128
Translation of financial statement differences	7	(10)
At 30 June	130	118

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Investments in associates as at 30 June 2011 and 31 December 2010 were as follows:

	Ownership interest		Paid-up capital		Consolidated financial statements				At cost - net		Equity method	
	30	31	30	31	Cost method		Impairment		30	31	30	31
	June	December	June	December	June	December	June	December	June	December	June	December
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	(%)				(in million Baht)							
<i>Associates</i>												
<i>Held by subsidiaries of indirect subsidiaries</i>												
Liquorland Limited	49.49	49.49	69	69	18	18	-	-	18	18	130	123
Inver House Polska Limited	84.00	44.00	8	8	7	4	(7)	(4)	-	-	-	-
Inver House Distribution SA	50.02	50.02	2	2	1	1	-	-	1	1	-	-
Total			79	79	26	23	(7)	(4)	19	19	130	123

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

10 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the six-month periods ended 30 June 2011 and 2010 were as follows:

	Consolidated financial statements			
	2011		2010	
	Acquisitions and transfers in - at cost	Disposals and transfers/ out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers/ out - net book value
	<i>(in million Baht)</i>			
Land	-	-	153	-
Revaluation surplus on land	46	-	-	-
Land improvement	2	-	-	-
Buildings, buildings and leasehold improvements	48	(5)	59	(1)
Machinery and equipment	154	(9)	164	(4)
Oak barrels	9	-	-	-
Furniture, fixtures and office equipment	65	(1)	68	(1)
Vehicles	54	(1)	157	-
Assets under construction and installation	1,392	-	1,304	-
Total	1,770	(16)	1,905	(6)

	Separate financial statements			
	2011		2010	
	Acquisitions - at cost	Disposals - net book value	Acquisitions - at cost	Disposals - net book value
	<i>(in million Baht)</i>			
Leasehold improvements	-	-	2	-
Furniture, fixtures and office equipment	8	-	2	-
Assets under construction and installation	1	-	1	-
Total	9	-	5	-

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

11 Deferred tax

Deferred tax assets and liabilities determined after appropriate offsetting are included in the statement of financial position as follows:

	Consolidated financial statements		Separate financial statements		
	30 June 2011	31 December 2010	30 June 2011	31 December 2010	
	<i>Note</i>				
		<i>(in million Baht)</i>			
Deferred tax assets		926	665	57	4
Deferred tax liabilities		(799)	(932)	-	-
Net		127	(267)	57	4

**Impact of the adjustment to
retained earnings as at
1 January 2011:**

TAS 19 Employee benefits	3(h)	313	50
Deferred tax asset at 1 January 2011		46	54

Movements in deferred tax assets and liabilities before offsetting during the six-month periods ended 30 June 2011 and 2010 were as follows:

	At 1 January 2011	Consolidated financial statements (Charged) / credited to:		At 30 June 2011
		Profit or loss (Note 16)	Other comprehensive income	
		<i>(in million Baht)</i>		
Deferred tax assets				
Property, plant and equipment	64	-	-	64
Investment properties	22	-	-	22
Long-term investment	279	-	-	279
Inventories	299	94	-	393
Provisions	12	(1)	-	11
Employee benefit obligations	313	18	-	331
Loss carry forward	89	(31)	-	58
Others	11	2	-	13
Total	1,089	82	-	1,171
Set off of tax				(245)
				926
Deferred tax liabilities				
Property, plant and equipment	(1,043)	13	(14)	(1,044)
Total	(1,043)	13	(14)	(1,044)
Set off of tax				245
				(799)
Net	46	95	(14)	127

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

	Consolidated financial statements		
	At 1 January 2010	<u>(Charged) / credited to:</u>	At 30 June 2010
		Profit or loss (Note 16) (in million Baht)	
<i>Deferred tax assets</i>			
Property, plant and equipment	63	2	65
Investment properties	22	-	22
Long-term investment	279	-	279
Inventories	297	58	355
Provisions	11	-	11
Loss carry forward	157	97	254
Others	9	7	16
Total	838	164	1,002
<i>Deferred tax liabilities</i>			
Property, plant and equipment	(1,043)	-	(1,043)
Total	(1,043)	-	(1,043)
Net	(205)	164	(41)

	Separate financial statements		
	At 1 January 2011	<u>(Charged) / credited to:</u>	At 30 June 2011
		Profit or loss (Note 16) (in million Baht)	
<i>Deferred tax assets</i>			
Intangible asset	4	-	4
Employee benefit obligations	50	3	53
Total	54	3	57

	At 1 January 2010	<u>(Charged) / credited to:</u>	At 30 June 2010
		Profit or loss (Note 16) (in million Baht)	
	<i>Deferred tax assets</i>		
Intangible asset	2	1	3
Total	2	1	3

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

12 Interest-bearing liabilities

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		30 June 2011	31 December 2010	30 June 2011	31 December 2010
<i>(in million Baht)</i>					
Current					
Bank overdrafts					
Secured		134	566	-	-
Letter of comfort		65	-	-	-
Unsecured		229	2	16	-
Short-term loans from financial institutions					
Letter of comfort		552	94	-	-
Unsecured		10,510	5,600	8,000	5,000
Bank overdrafts and short-term loans from financial institutions		11,490	6,262	8,016	5,000
Current portion of long-term loans from financial institutions					
Unsecured		200	2,500	-	2,500
Short-term loans from related parties					
Unsecured	6	-	-	5,630	5,938
		11,690	8,762	13,646	13,438
Non-current					
Long-term loans from financial institutions					
Unsecured		400	600	-	-
Long-term loans from related parties					
Unsecured	6	-	-	10,239	10,403
		400	600	10,239	10,403
Total		12,090	9,362	23,885	23,841

The periods to maturity of interest-bearing liabilities as at 30 June 2011 and 31 December 2010 were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
<i>(in million Baht)</i>				
Within one year	11,690	8,762	13,646	13,438
After one year but within five years	400	600	10,239	10,403
Total	12,090	9,362	23,885	23,841

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

The principal features of the borrowings were as follows:

- (a) Bank overdrafts are repayable on demand. As at 30 June 2011, the Group had total overdraft facilities amounting to Baht 4,761 million (*31 December 2010: Baht 4,411 million*) which are partially supported by letter of comfort issued by the Company.
- (b) Short-term loans from financial institutions. As at 30 June 2011, the Group had short-term loan facilities from several financial institutions totalling Baht 39,761 million (*31 December 2010: Baht 37,671 million*) of money market rates quoted by bank. The facilities are supported by unsecured promissory notes issued by the Group to several domestic financial institutions totalling Baht 10,510 million (*31 December 2010: Baht 5,600 million*) and to an overseas financial institution amounting to Baht 552 million (*31 December 2010: Baht 94 million*) and by a letter of comfort issued by the Company, totalling Baht 11,062 million (*31 December 2010: Baht 5,694 million*).

On 27 February 2009, the Board of Directors approved the issuance and offering of short-term bill of exchange in the amount not exceeding Baht 10,000 million.

- (c) In 2007, the Company entered into a long-term loan agreement with a financial institution in the amount of Baht 4,500 million which is to be repaid monthly in 12 installments, Baht 375 million each, commencing in February 2009. Interest is payable monthly at 5.60% per annum for the first year and 5.75% per annum afterwards. Subsequently, the Company has been granted the reduction of interest rate to 4.50% per annum for the first year and 4.75% per annum afterwards. The last installment of long-term loan was paid in January 2010.

In 2008, the Company entered into a long-term loan agreement with a financial institution amounting to Baht 3,190 million which is to be repaid monthly in 11 installments, Baht 300 million each for the first 10 installments and Baht 190 million for the last installment, from 30 December 2009 to 29 October 2010 with a fixed interest payable monthly at 5% per annum. The last installment for long-term loan was paid in October 2010.

In November 2009, the Company entered into long term loans with two financial institutions amounting to Baht 3,000 million which is to be repaid monthly in six installments, Baht 500 million each, commencing from December 2010 to May 2011, interest is payable monthly at 2.11% per annum. The last installment for long-term loan was paid in May 2011.

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

13 Trade accounts payable

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
		2011	2010	2011	2010
		<i>(in million Baht)</i>			
Related parties	6	1,197	990	-	-
Other parties		2,640	2,767	-	-
Total		3,837	3,757	-	-

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

14 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Statements of financial position obligations for:				
Compensation plan based on Thai Labor law	1,103	-	177	-
	1,103	-	177	-
<i>Three-month period ended 30 June</i>				
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Statement of comprehensive income recognised in profit or loss:				
Compensation plan based on Thai Labor law	30	-	5	-
	30	-	5	-
<i>Six-month period ended 30 June</i>				
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Statement of comprehensive income recognised in profit or loss:				
Compensation plan based on Thai Labor law	60	-	10	-
	60	-	10	-

The Group adopted TAS 19 - Employee Benefits with effect from 1 January 2011; the effect on the financial statements is discussed in note 3(h). As stated in note 3(h), the Group and the Company have opted to record the entire amount of the transitional obligation as at 1 January 2011, totalling Baht 1,044 million for the Group and Baht 167 million for the Company, as an adjustment to retained earnings as at 1 January 2011.

Compensation plan based on Thai Labor law

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

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Present value of unfunded obligations	1,103	-	177	-
Statement of financial position obligation	1,103	-	177	-

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Movement in the present value of the defined benefit obligations:

	Consolidated		Separate	
	financial statements		financial statements	
<i>Six-month period ended 30 June</i>	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Defined benefit obligations at 1 January	1,044	-	167	-
Benefits paid by the plan	(1)	-	-	-
Current service costs and interest	60	-	10	-
Defined benefit obligations at 30 June	1,103	-	177	-

Expense recognised in profit or loss:

	Consolidated		Separate	
	financial statements		financial statements	
<i>Three-month period ended 30 June</i>	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Current service costs	19	-	3	-
Interest on obligation	11	-	2	-
Total	30	-	5	-

	Consolidated		Separate	
	financial statements		financial statements	
<i>Six-month period ended 30 June</i>	2011	2010	2011	2010
	<i>(in million Baht)</i>			
Current service costs	38	-	6	-
Interest on obligation	22	-	4	-
Total	60	-	10	-

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

	Consolidated		Separate	
	financial statements		financial statements	
	2011	2010	2011	2010
	<i>(in million Baht)</i>			
<i>Three-month period ended 30 June</i>				
Cost of sales and cost of rendering of services	8	-	5	-
Selling expenses	5	-	-	-
Administrative expenses	17	-	-	-
Total	30	-	5	-
<i>Six-month period ended 30 June</i>				
Cost of sales and cost of rendering of services	16	-	9	-
Selling expenses	9	-	-	-
Administrative expenses	35	-	1	-
Total	60	-	10	-

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

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

	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	(<i>% per annum</i>)			
Discount rate	4.1	4.1	4.1	4.1
Future salary increases	5.0	5.0	5.0	5.0

15 Segment information

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

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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 juice flavour (mostly outside the group); and
<i>Food</i>	Japanese restaurants, bakery shops and distribution of food and beverage (mostly outside the group)

Geographical segments

Operating units of the Group are mainly located in Thailand. Portions of product produced from these units are exported directly or indirectly through foreign subsidiaries to external customers. Certain operating units of subsidiaries are located in foreign countries.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Business segment results

Revenue and results, based on business segments, in the consolidated financial statements for the three-month periods ended 30 June 2011 and 2010 were as follows:

	Spirits		Beer		Non-alcoholic beverages		Food		Elimination		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	<i>(in million Baht)</i>											
Revenue from sale of goods	20,458	17,845	7,581	8,699	1,689	1,814	1,020	846	(107)	(31)	30,641	29,173
Interest income	3	1	1	1	1	1	-	1	-	-	5	4
Other income	162	47	18	29	4	13	4	3	(13)	(11)	175	81
Total revenues	20,623	17,893	7,600	8,729	1,694	1,828	1,024	850	(120)	(42)	30,821	29,258
Cost of sale of goods	13,809	12,023	6,647	7,959	1,293	1,208	610	504	(107)	(18)	22,252	21,676
Selling expenses	851	535	645	844	343	337	102	94	(10)	(24)	1,931	1,786
Administrative expenses	1,263	1,194	408	531	206	211	262	216	(3)	-	2,136	2,152
Finance costs	41	40	15	15	5	5	1	1	-	-	62	61
Total expenses	15,964	13,792	7,715	9,349	1,847	1,761	975	815	(120)	(42)	26,381	25,675
Profit (loss) before income tax expense	4,659	4,101	(115)	(620)	(153)	67	49	35	-	-	4,440	3,583
Income tax expense (income)	1,410	1,160	(28)	(213)	(84)	-	22	24	-	-	1,320	971
Profit (loss) for the period	3,249	2,941	(87)	(407)	(69)	67	27	11	-	-	3,120	2,612

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Business segments capital expenditure, depreciation, amortisation and gain on disposal of assets for the three-month periods ended 30 June 2011 and 2010 were as follows:

	Spirits		Beer		Non-alcoholic beverages		Food		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	<i>(in million Baht)</i>									
Capital expenditure										
Property, plant and equipment	223	154	26	128	18	805	123	52	390	1,139
Intangible assets	-	1	-	1	1	1	-	3	1	6
Depreciation	358	566	267	401	108	99	49	42	782	1,108
Amortisation	5	10	2	1	1	1	3	3	11	15
Gain on disposal of property, plant and equipment	5	19	2	9	-	8	-	-	7	36

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Business segment results

Revenue and results, based on business segments, in the consolidated financial statements for the six-month periods ended 30 June 2011 and 2010 were as follows:

	Spirits		Beer		Non-alcoholic beverages		Food		Elimination		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	<i>(in million Baht)</i>											
Revenue from sale of goods	40,575	36,762	15,735	17,212	3,413	3,394	2,013	1,660	(178)	(55)	61,558	58,973
Interest income	5	1	1	1	1	1	-	1	-	-	7	4
Other income	189	110	33	41	8	17	8	6	(25)	(24)	213	150
Total revenues	40,769	36,873	15,769	17,254	3,422	3,412	2,021	1,667	(203)	(79)	61,778	59,127
Cost of sale of goods	27,392	24,696	13,932	15,726	2,508	2,285	1,200	975	(173)	(39)	44,859	43,643
Selling expenses	1,495	1,224	1,372	1,532	609	628	204	180	(22)	(32)	3,658	3,532
Administrative expenses	2,751	2,680	907	1,078	368	335	504	417	(8)	(8)	4,522	4,502
Finance costs	72	84	29	38	8	10	1	2	-	-	110	134
Total expenses	31,710	28,684	16,240	18,374	3,493	3,258	1,909	1,574	(203)	(79)	53,149	51,811
Profit (loss) before income tax expense	9,059	8,189	(471)	(1,120)	(71)	154	112	93	-	-	8,629	7,316
Income tax expense (income)	2,720	2,378	(119)	(341)	(131)	(20)	51	26	-	-	2,521	2,043
Profit (loss) for the period	6,339	5,811	(352)	(779)	60	174	61	67	-	-	6,108	5,273

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Business segments capital expenditure, depreciation, amortisation and gain on disposal of assets for the six-month periods ended 30 June 2011 and 2010 were as follows:

	Spirits		Beer		Non-alcoholic beverages		Food		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	<i>(in million Baht)</i>									
Capital expenditure										
Property, plant and equipment	400	388	42	319	1,129	1,092	153	106	1,724	1,905
Intangible assets	4	3	1	2	1	1	1	4	7	10
Depreciation	708	1,127	537	798	200	191	98	82	1,543	2,198
Amortisation	10	21	3	2	2	2	7	6	22	31
Gain on disposal of property, plant and equipment	10	50	6	15	1	8	-	-	17	73

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Business segments financial position

Business segment assets and liabilities as at 30 June 2011 and 31 December 2010 were as follows:

	Spirits		Beer		Non-alcoholic beverages		Food		Total	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>									
Inventories	28,030	21,712	4,115	4,331	1,116	1,000	108	103	33,369	27,146
Property, plant and equipment	17,137	17,398	12,007	12,574	4,791	3,767	832	765	34,767	34,504
Other assets	7,857	9,214	1,891	2,065	2,754	2,781	1,045	1,175	13,547	15,235
Total Assets	53,024	48,324	18,013	18,970	8,661	7,548	1,985	2,043	81,683	76,885
Interest-bearing borrowings	6,632	5,808	3,646	2,109	1,654	1,288	158	157	12,090	9,362
Other liabilities	7,937	7,719	2,156	1,231	1,265	1,026	700	666	12,058	10,642
Total liabilities	14,569	13,527	5,802	3,340	2,919	2,314	858	823	24,148	20,004

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Geographic segments

The segment financial information of the Group based on geographical segments in the consolidated financial statements for the six-month periods ended 30 June was as follows:

	Consolidated financial statements			
	Revenue		Property, plant and equipment	
	30 June 2011	30 June 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
Thailand	59,521	57,228	33,332	33,149
Overseas	2,257	1,899	1,435	1,355
Total	61,778	59,127	34,767	34,504

16 Income tax expense

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
<i>(in million Baht)</i>					
Six-month period ended 30 June					
Current tax expense					
Current year		2,609	2,206	139	142
Adjustments for prior years		7	1	8	-
		2,616	2,207	147	142
Deferred tax expense					
Movements in temporary differences	<i>11</i>	(126)	(67)	(3)	(1)
Benefit of tax losses recognised		31	(97)	-	-
		(95)	(164)	(3)	(1)
Total		2,521	2,043	144	141

Reconciliation of effective tax rate

	Consolidated financial statements			
	2011		2010	
	<i>Rate (%)</i>	<i>(in million Baht)</i>	<i>Rate (%)</i>	<i>(in million Baht)</i>
Profit before income tax expense		8,629		7,315
Income tax using the Thai corporation tax rate	30.00	2,589	30.00	2,195
Effect of different tax rates		(19)		(25)
Income not subject to tax		(142)		(140)
Expenses not deductible for tax purposes		45		16
Others		48		(3)
Total		29.22	2,521	27.93

Reconciliation of effective tax rate

	Separate financial statements			
	2011		2010	
	<i>Rate (%)</i>	<i>(in million Baht)</i>	<i>Rate (%)</i>	<i>(in million Baht)</i>
Profit before income tax expense		4,885		4,971
Income tax using the Thai corporation tax rate	30.00	1,465	30.00	1,491
Income not subject to tax		(1,344)		(1,362)
Expenses not deductible for tax purposes		23		12
Total		2.95	144	2.82

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

17 Earnings per share

The calculations of basic earnings per share for the three-month and six-month periods ended 30 June 2011 and 2010 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the period as follows:

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
	<i>(in million Baht / million shares)</i>			
<i>Three-month period ended 30 June</i>				
Profit attributable to ordinary shareholders of the Company (basic)	3,104	2,580	3,892	4,719
Number of ordinary shares outstanding	<u>25,110</u>	<u>25,110</u>	<u>25,110</u>	<u>25,110</u>
Basic earnings per share (in Baht)	<u>0.12</u>	<u>0.10</u>	<u>0.15</u>	<u>0.19</u>
<i>Six-month period ended 30 June</i>				
Profit attributable to ordinary shareholders of the Company (basic)	6,061	5,219	4,741	4,829
Number of ordinary shares outstanding	<u>25,110</u>	<u>25,110</u>	<u>25,110</u>	<u>25,110</u>
Basic earnings per share (in Baht)	<u>0.24</u>	<u>0.21</u>	<u>0.18</u>	<u>0.19</u>

18 Dividends

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

At the annual general meeting of the shareholders of the Company held on 29 April 2010, the shareholders approved the appropriation of dividend of Baht 0.33 per share, amounting to Baht 8,286 million. On 10 September 2009, the interim dividend of Baht 0.15 per share was paid, totalling Baht 3,766 million. The remaining dividend of Baht 0.18 per share, totalling Baht 4,520 million, was paid on 26 May 2010.

19 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
<i>Capital commitments</i>				
<i>Contracted but not provided for:</i>				
Buildings and other constructions	213	319	-	-
Machinery and equipment	457	907	-	-
Total	<u>670</u>	<u>1,226</u>	<u>-</u>	<u>-</u>

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	<i>(in million Baht)</i>			
<i>Non-cancellable operating lease commitments</i>				
Within one year	346	348	6	6
After one year but within five years	329	300	9	11
After five years	38	19	-	-
Total	713	667	15	17
<i>Other commitments</i>				
Forward contracts to buy foreign currencies	2,772	3,831	-	-
Forward contracts to sell foreign currencies	(13)	-	-	-
Goods and raw materials purchase agreements	2,158	2,777	-	-
Specialist agreements	1,352	1,386	228	234
Unused letters of credit for goods and supplies	418	801	-	-
Service agreements	441	560	18	6
Advertising services and sponsorship agreements	462	327	-	-
Molasses purchase agreements	261	191	-	-
Bank guarantees	254	191	36	37
Other agreements	32	3	-	-
Total	8,137	10,067	282	277

Significant capital commitments

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

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Significant other commitments

Specialist agreements

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

As at 30 June 2011 the remaining commitments to be paid, relating to these agreements, amounted to Baht 1,351.8 million.

Sponsorship agreement

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

Distributor agreement

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

Hot-fill PET bottle trading agreement

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

Material and package trading agreement

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

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

Transportation agreement

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

License agreement

A subsidiary entered into a license agreement with an overseas company for operating Japanese restaurants in the Kingdom of Thailand as the master license for a period of 10 years from 20 May 2008. Unless there is a notification to terminate the agreement within 180 days before the expiration, this agreement continues to be in effect for the successive 10 years term. The subsidiary committed to pay Initial License Fee, License Fee and Royalty Fee as stated in the agreement.

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

Natural gas trading agreement

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

Supply agreement

On 1 June 2010, an indirect subsidiary entered into a supply agreement to purchase Aseptic Preforms and Aseptic Plastic Closures to support its aseptic fillings line with a local company, whereby the subsidiary agreed to buy the raw material at category and price specified in the terms and conditions of the agreement. The agreement has been effective until 31 August 2011 unless the counterparties agree otherwise.

20 Events after the reporting period

- (a) On 5 July 2011, there was an incident that an indirect subsidiary's aseptic tanks at a factory in Pathumthani province had collapsed, which resulted in interruption of the Cold Aseptic Filling production line. The aforementioned company and the vendor have investigated the cause of this incident and discussed about the responsibility with all parties concerned, along with the restoration of some production lines. The result of impact will be evaluated and summarised by the next quarter.
- (b) At the meeting of the Board of Directors held on 11 August 2011, the directors had adopted a resolution to approve the interim dividend payment for the year 2011 of 25,110 million ordinary shares at Baht 0.15 per share, totalling Baht 3,766 million.

Thai Beverage Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2011 (Unaudited)

21 Thai Financial Reporting Standards (TFRS) not yet adopted

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

22 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2010 and the statements of income for the three-month and six-month periods ended 30 June 2010, which are included in the 2011 interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2011 interim financial statements. These reclassifications have principally been made following changes in accounting policies consequent to the adoption of new and revised TFRS as disclosed in note 3. Other significant reclassifications were as follows:

	Consolidated financial statements		
	Before reclass.	Reclass. <i>(in million Baht)</i>	After reclass.
<i>Statement of income for the three-month period ended 30 June 2010</i>			
Revenue from sale of goods	29,392	(219)	29,173
Cost of sales of goods	21,257	419	21,676
Selling expenses	1,892	(106)	1,786
Administrative expenses	2,599	(447)	2,152
Directors' remuneration	85	(85)	-
		<u> -</u>	
<i>six-month period ended 30 June 2010</i>			
Revenue from sale of goods	59,407	(434)	58,973
Other Income	150	(1)	149
Cost of sales of goods	42,760	883	43,643
Selling expenses	3,758	(226)	3,532
Administrative expenses	5,399	(897)	4,502
Directors' remuneration	195	(195)	-
		<u> -</u>	

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