

“สิ้นกลองรบสู่ชัยชนะ”



OISHI おいしい
G·R·O·U·P
PUBLIC COMPANY LIMITED

ANNUAL REPORT 2010

รายงานประจำปี 2553 บริษัท โออิชิ กรุ๊ป จำกัด (มหาชน)

(ENG)

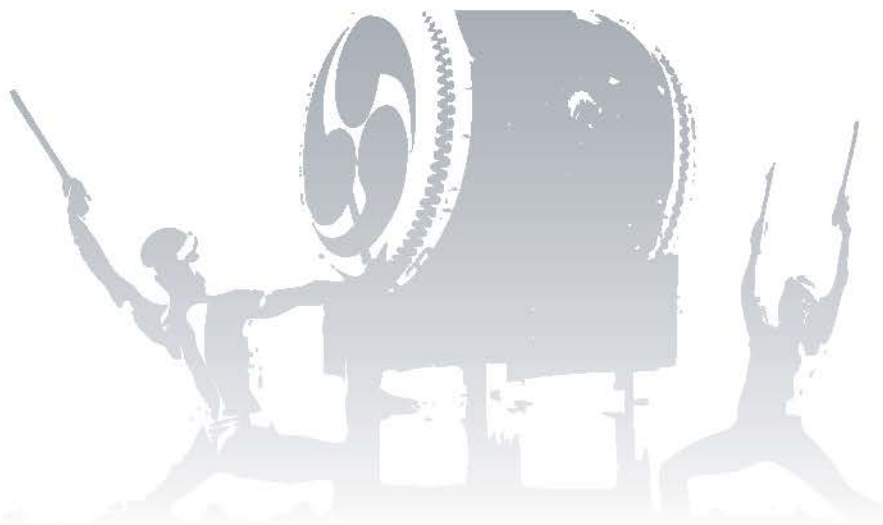


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OISHI GROUP PUBLIC COMPANY LIMITED

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Reference Security Deposit Agency



Thailand Securities Depository Company Limited

No. 62 Stock Exchange of Thailand

Building 4th, 6th, 7th floor, Rachadabhisek road, Klongtoey,

Klongtoey district, Bangkok 10110

Tel. 02-359 1201-49

External Auditor :

KPMG Phoomchai Audit Ltd.

195 Empire Tower, 22nd floor, South Sathorn road, Yannawan, Sathorn district, Bangkok 10120

Tel. : 02-677-2000 Fax : 02-677-2222

Legal Consultant :

Weerawong, Shinnawat & Piengpanor Co., Ltd.

540 Mercury Tower, 22th floor, Ploenjit, Lumpini, Pathumwan, Bangkok 10330

Tel. : 02-264-8000 Fax : 02-657-2222

Mr. Mahin Kraivixien

Thai Beverage Public Company Limited

14 Vibhavadi-Rungsit Road, Chompol, Chatuchak, Bangkok 10900

Tel. : 02-785-5252 Fax : 02-272-2323

Investor Relations

Mr. Paiboon Kujareevanich

9 UM Tower, 20th floor, Ramkhamhaeng Road, Suanluang, Bangkok 10250

Tel : 02-7172244 Ext 117 Fax : 02-717-3920

E-mail : paiboon@oishigroup.com



The Company Name	:	Oishi Group Public Company Limited
Business Type	:	Japanese restaurants, Bakery Shop and Green Tea under the brands, "Oishi", RTD Drink under the brand, "Amino Plus", and RTD coffee under the brand "Coffio".
Headquarter Location	:	20th Fl, 9 UM Tower Ramkamhang road, Suan Luang, Bangkok 10250
Company Registration Number	:	0107547000150
Homepage	:	www.oishigroup.com
Telephone Number	:	0-2717-2244
Fax Number	:	0-2717-3920
Registered Capital	:	375,000,000 Baht
Paid-up Capital	:	375,000,000 Baht
Type of Stock	:	Common Stock
Paid-up Common Stock	:	187,500,000 shares
Par value	:	2 baht per par

Oishi is holding at least 10% share of the following companies :

As of December 31, 2010 :

Company name	Business Types	Investment Amount (Million Baht)	Investment Ratio (%)	Registered Capital (Million Baht)	Paid-up Capital (Million Baht)
Oishi Trading Co., Ltd.	Production of beverage and foods	419.99	99.99	420	420
Oishi Ramen Co., Ltd.	Japanese Ramen Restaurant	157.99	99.99	158	158

Reference Security Deposit Agency



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2010 was the turbulent year for Thai economy, society and politic. The political demonstration resulted in riot and damages of public properties. The country's reputation was severely affected. On the other hand the unprecedented flood in the major parts of Thailand also caused great economic losses.

Nevertheless, I am pleased to inform the shareholders that, despite all the afore-mentioned problems, i.e., even though some of our restaurants were not accessible during the riot and the consumers have tightened their belts, the company has managed successfully to grow sales revenue for another year.

Here are some of our impressive statistics:

1. We have grown both sales revenue and net profit for the four consecutive years. The total revenues were 9,220 million Baht, an increase of 2,063 million Baht (28.8%), and net profits were 1,009 million Baht, a rise of 258 million Baht (34.4%). Such a repeat success was due to the increasing popularity of our beverage and food products, as a consequence of the introduction of new products and the effective advertising and promotions. It's nice problem that we were facing a temporary shortage of beverage production capacity.
2. The company led the RTD green tea market for seven consecutive years.
3. Oishi share price also grew continuously for the fourth year, in particular in 2010 by 150%.

We have constantly invested in the beverage business, i.e., the Cold Aseptic Filling Line (PET bottle) which will commence the commercial run in February 2011 and UHT Box Filling Line which will be operational in the third quarter of 2011. We have also opened 21 new stores in 2010 and planned for some more in 2011 at a higher growth rate.

The above successes were attributable to :

1. Our consumers have been staunchly supported the brands.
2. Beverage products have wide distribution network while our restaurants are located nationwide.
3. Our media and promotion activities are diverse and greatly received by the consumers.
4. The supports from our business partners are tremendous, including our distributors, wholesalers, retailer and the suppliers.
5. Our staff is highly competent which resulted to high speed to market.
6. We got the full supports from our parent company, Thai Beverage PLC, in every aspect, i.e., financial, production, marketing and human resources, etc.



It's normal course of business that some of our executives have left, Thai Beverage PCL has sent their capable staff to replace to enhance the team work. There are no disruption and the shareholders can be assured that your company are in the good hands.

The Board of Directors have agreed in common that, to achieve sustainable growth, apart from having good products and services, the Company shall have a clear policy of ethical business operations. We shall make sure that all parties concerned, whether they are directors or executives or staff, should strictly adhere to business ethics. Oishi Group has already adopted the same Business Ethics as stipulated by Thai Beverage PCL.

As the Chairman of the Board, I would assure the shareholders that the Board of Directors and the management team will determine to bring prosperity to both beverage and food businesses. We will grow revenue and profit continuously in line with the company's policy ; ethical business practice, transparent management, sustainable growth, high standard of production, sound financial status and on-going dividend payment.



Narong Srisa-arn
Chairman

Summary of financial status and company's performance at year end, December 31

Currency : Baht'000

Items	Consolidate (Baht'1000)		
	2010	2009	2008
Total asset	4,777,579	3,471,798	3,246,174
Total Debt	2,101,226	1,137,427	886,883
Equity	2,676,353	2,334,371	2,359,291
Sales Revenue	9,186,914	7,127,971	5,952,473
Gross revenue	9,220,285	7,156,881	5,986,202
Net Profit	1,009,482	751,330	592,468

Summary of Financial Ratios

Items	Consolidate (Baht'1000)		
	2010	2009	2008
Net Profit/Gross Revenue (%)	10.99%	10.54%	9.95%
Return/ Equity (%)	40.29%	32.01%	26.33%
Rate of Return (%)	24.47%	22.37%	19.33%
Net Profit/Share (baht)*	5.38	4.01	3.16
Dividend / Share (baht)	3.20	3.20	3.00

Remark : *Net profit per share calculated from par value at 2 baht for the comparison. As of the year end of 2010



Executive Summary



In 2010, the company had total revenue of 5,127 million baht, a 33.9% increase from the previous year. The revenue boost was the result of the company's intensive promotional campaign, particularly the "Pai Tae Tua, Tour Yok Gang with Oishi Part 3", as well as the launch of new drink flavor. In 2010, the net profit from beverage business was 772 million baht, a 40.1% increase from the previous year.

The total revenue of the restaurant business was at 4,093 million baht, an increase from the year before by 24.1%. The growth in restaurant business was the result of the same stores sales as well as the launch of new branches, and the launch of packedfood products. During the past year, the company has opened 21 new outlets, and closed five outlets with slow sales volume. Currently, the company has a total of 125 outlets (including the franchises), all of them generated 237 million baht in net profit, a 18.5% increase from the same period last year.

The company has a total sales revenue of 9,220 million baht, where 1,009 million baht is its net profit, a 34.4% increase from the previous year.





Mr. Narong Srisa-arn

Chairman of Board of Directors, and
Chairman of Remuneration Committee

Education

Master of Arts (Economics) Honorary Degree,
Thammasat University



Mr. Thapana Sirivadhanabhakdi

Vice Chairman of Board of Directors, Chairman of Executive
Committee, member of Nomination Committee
and member of Remuneration Committee

Education

Master Degree in MBA, Banking & Financial, Economic,
Boston University, USA

Bachelor of Business Administration (Finance),
Boston University, USA



Mr. Vikrom Koopirochana

Independent Director, Chairman of Audit Committee, Chairman of
Nomination Committee, and member of Remuneration Committee

Education

Honorary Degree in Humanities from
Schiller International University

Ph.D. (History), Michigan State University, USA

M.A. (History), Michigan State University, USA

B.A. (History), Chulalongkorn University, Bangkok



Mr. Narong Srisa-arn

Chairman of Board of Directors, and
Chairman of Remuneration Committee

Education

Master of Arts (Economics) Honorary Degree,
Thammasat University



Mr. Thapana Sirivadhanabhakdi

Vice Chairman of Board of Directors, Chairman of Executive
Committee, member of Nomination Committee
and member of Remuneration Committee

Education

Master Degree in MBA, Banking & Financial, Economic,
Boston University, USA

Bachelor of Business Administration (Finance),
Boston University, USA



Mr. Vikrom Koopirochana

Independent Director, Chairman of Audit Committee, Chairman of
Nomination Committee, and member of Remuneration Committee

Education

Honorary Degree in Humanities from
Schiller International University

Ph.D. (History), Michigan State University, USA

M.A. (History), Michigan State University, USA

B.A. (History), Chulalongkorn University, Bangkok



Ms. Potjanee Thanavaranit

Independent Director and member of Audit Committee

Education

Bachelor Degree in Accounting, Chulalongkorn University

Master of Business Administration (M.B.A.),

Syracuse university U.S.A



Mr. Chai Jroongtanapibarn

Independent Director, member of Audit Committee,
and Chairman of Risks Management Committee

Education

Master Degree in Accounting, Thammasat University

Bachelor Degree in Accounting, Chulalongkorn University



Mr. Prasit Kovilaikool

Independent Director, member of Nomination Committee
and member of Remuneration Committee

Education

LL.M., Columbia University, New York, U.S.A.

LL.B (2nd Class Honour) Chulalongkorn University



Mr. Matthew Kichodhan

President, Director and member of Executive Committee

Education

Master's Degree in Science Management, Imperial College,
University of London, England

Bachelor's Degree in Commerce, University of Toronto,
Canada



Mr. Yeuh-Chin Chiu

Director and Factory Advisor

Education

Bachelor Degree in Mass Communication (Printed media),
Sue Ching University



Mr. Sithichai Chaikriengkrai

Director, Vice Chairman of Executive Committee
and member of Remuneration Committee

Education

Mini MBA, Kasetsart University

Bachelor Degree in Accounting (First Honor),
Thammasat University



Mr. Ueychai Tantha-obhas

Director and Vice Chairman of Executive Committee

Education

Master Degree in MBA, Thammasat University

B. Sc Accounting, St. Louis University, Missouri, USA



Mr. Pisanu Vichiensanth

Director, member of Executive Committee and member of Risks Management Committee

Education

Ph.D. Engineering Techcal University Berlin,
West Germany

Master Brewer, The Scandinavian School
of Brewing, Denmark



Mr. Panot Sirivadhanabhakdi

Director

Education

Master of Science in Analysis, Design and Management of
Information System / the London School of Economics and
Political Science, England

Industrial Engineering and Economics / Massachusetts
University, USA

Bachelor of Science in Manufacturing Engineering / Boston
University, USA



Ms. Sureeporn Pradittasnee

Member of Executive Committee

Education

Mini MBA - Thammasat University

Bachelor of Accounting - University of the Thai Chamber of Commerce



Mr. Paiboon Kujareevanich

Company Secretary, Executive Vice President, member of Executive Committee and member of Risks Management Committee

Education

Master Degree in MBA, Thammasat University

Bachelor Degree in Accounting, Chulalongkorn University



Mr. Paisarn Aowsathaporn

Executive Vice President, member of Executive Committee and member of Risks Management Committee

Education

Master Degree Depaul University, Chicago, Illinois, U.S.A.

Bachelor Degree, Western Michigan University, Kalamazoo, Michigan U.S.A.



Mr. Aniruth Mahathorn

Vice President, member of Executive Committee,
and member of Risks Management Committee

Education

Master Degree Depaul University, Chicago, Illinois, U.S.A.

Bachelor Degree, Western Michigan University,
Kalamazoo, Michigan U.S.A.



Mr. Sanya Yossanant

Human Resource Director and member of
Risks Management Committee

Education

Master of Arts (M.A.) Major : Political Science
Ramkhamhaeng University

Bachelor of Arts (B.A.) Major : Economics,
Ramkhamhaeng University



Mr. Sa-nguan Pongswan

Internal Audit Director

Education

Executive MBA, Sasin Graduate Institute of Business
Administration of Chulalongkorn University

Bachelor Degree in Accounting, Thammasat University

Bachelor Degree in Law, Thammasat University

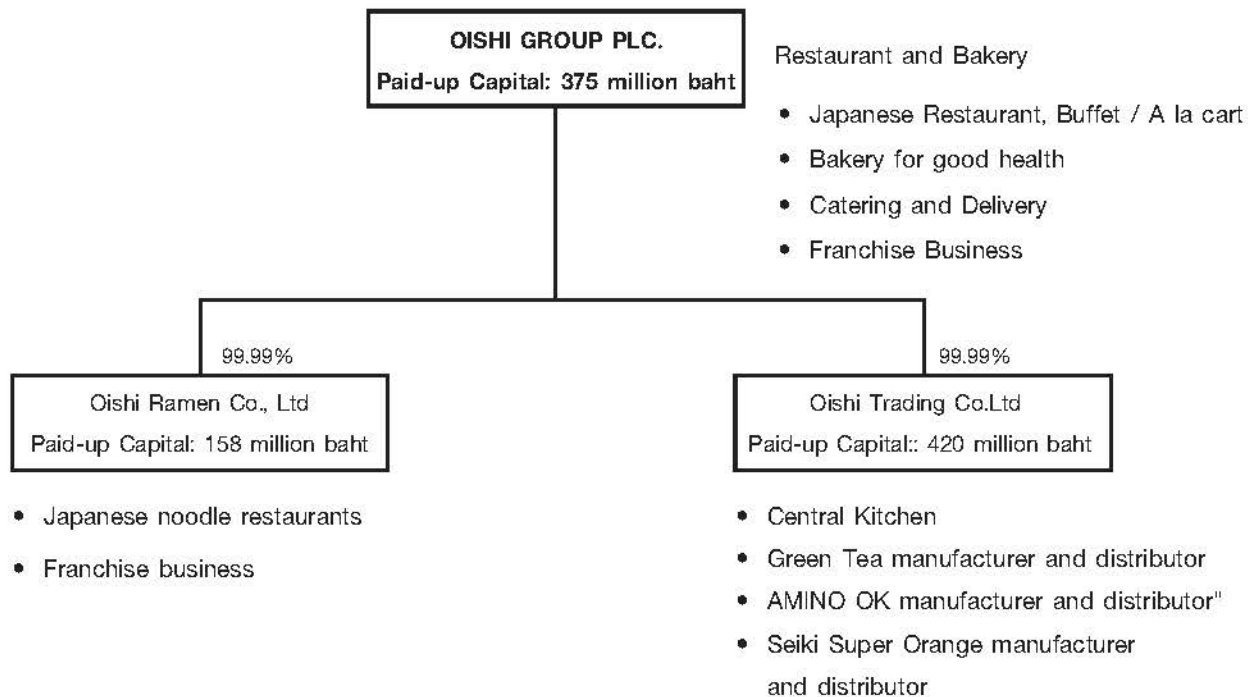
1. Business Nature

1.1 History and significant development

The history and significant development are set forth below :

1999	- Started Japanese restaurant operation under the brand "Oishi" at Sukhumvit 55 (Soi Thonglor)
2001	- Started Japanese noodle restaurant operation Oishi Ramen - "In&Out The Bakery Caf?", the healthy bakery brand entered the market.
2002	- Started Japanese buffet shabu/kaiten style under the brand "Shabushi" - "Oishi Sushi Bar" was firstly opened. - "Log Home" the dining complex started
2003	- Operated new central kitchen at Nawanakorn factory producing food and beverage products to support the selling of Oishi restaurants - "Oishi Green Tea" was launched - "OK Suki and BBQ" was opened
2004	- Oishi Group went public on March 3, 2004 - Started trading in SET under the name "OISHI" on August 25, 2004 - "Oishi Grand" has been opened at Siam Discovery with modern Japanese buffet style and luxurious image
2005	- Produced and distributed fruit juice under the name "Amino OK"
2006	- Amata Nakorn plant started its operation in June 2006 - New orange drink under the brand, "Seiki Super Orange" was introduced to the market in November 2006.
2007	- Seiki Pomegranate was launched - Oishi Black Tea was launched
2008	- March 2008, Oishi launched a new RTD product namely, "Coffio". - Maida Ookini Shokudo, a Japanese franchise restaurant was launched.
2009	- Kazokutei, the Udon and Soba franchise restaurant from Osaka was launched on November 27, 2009 - Matcha Green Tea flavor was launched in August. - Amino OK was rebranded as Amino Plus
2010	- New Green Tea flavors were launched, i.e., Goji Berry and Matcha Mineral Genmai - Additional lands were acquired, now the company got 61 rais - Mr. Tan Passakornatee resigned from the position of President - The company got two additional BOI privileges, one for the Cold Aseptic Filling project and another for the UHT project.

Oishi Group Structure



1.2 Overall business operations

Business operations consist of two categories

1.2.1 12 Japanese restaurant brands

1.2.1.1 Oishi Buffet (1 store)

The first ever Japanese food buffet in Thailand with the concept of "All you can eat"

1.2.1.2 Oishi Express (15 stores)

Same pattern with Oishi buffet with a limited time of 1 hour and 45 minute at the price per head of Baht 422.

1.2.1.3 Shabushi (41 stores)

Shabu buffet style with the ingredients come along the conveyor (kaiten) together with assorted sushi. Price per head is Baht 290 with a limited time of 1 hour and 15 minutes.

1.2.1.4 Oishi Grand (1 stores)

A distinctive and luxurious buffet atmosphere

1.2.1.5 Oishi Ramen (32 stores)

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

1.2.1.6 Oishi Delivery (8 Stores)

Home delivery service (call number 02-712-3456) during 10am-9pm to serve the convenient life style.

1.2.1.7 Maido Ookini Shokudo (3 Stores)

Japanese home cooking style

1.2.1.8 Kazokutei (5 stores)

Specialized in Japanese udon and soba.

1.2.1.9 Oishi Sushi Bar (9 stores)

Assorted sushi distributed in the kiosk.

1.2.1.10 Log Home Dining Complex (1 store)

4 outlets are available, namely, The Tepp serving tepanyaki, Grill & More serving buffet charcoal grill BBQ, Shabushi and Log Cabin

1.2.1.11 In&Out (8 Stores)

Bakery outlets

1.2.1.12 OK Suki (1 Store)

1.2.1.13 (Catering)

As at 31 December 2010, there were 125 stores nationwide (including 2 franchise stores in Phuket)

1.2.2 Beverage

The company produced and distributed the following beverage products

Beverage	Flavors	Bottle					Box		
		500 ml	470 ml	230 ml	350 ml	90 ml	1000 ml	250 ml	180 ml
Green Tea	Honey Lemon	X					X	X	
	Japanese Rice	X					X	X	
	Original	X					X	X	
	Strawberry							X	
	Lemon Black Tea	X					X	X	
	Sugar Free	X							
	Apple Kiwi	X							
	Mixed Berry	X				X			
	Slim CG 300					X			
	Chorlophyl					X			
	Goji Berry								X
	Matcha Mineral Tea		X						
Matcha Milk Tea			X						
Amino Plus	Shot					X			
	Brightenn		X						X
	Burnn		X						X
	Chargee		X						X
Coffio	Latte			X					
	Mocha			X					
	Espresso			X					

1.3 Income stream

Income by business type	Operated by	% Share of the company	Consolidated Financials					
			2010		2009		2008	
			Million Baht	%	Million Baht	%	Million Baht	%
1. Restaurant and Bakery	The company and Oishi Ramen	99.99%	5,127	56%	3,830	54%	3,317	126%
2. Beverage	The company and Oishi Trading	99.99%	4,039	44%	3,298	46%	2,636	100%
Grand Total			9,220	100%	7,128	100%	5,953	100%

1.4 Business objectives

The company aim to open 27 new stores in particular the high value brand like Shabushi to cover all key trade zone in Bangkok and upcountry

The company will also maintain the market leader in RTD green tea and will also expand consumption base for both domestic and abroad. We are launching new product variants so as to sustain the income growth.

We are planning to expand oversea market via International Beverage Holding Limited. The current export markets are Loa, Cambodia, Myanmar, Malaysia, Vietnam, Brunei, Czech Republic, Iran, Russia, Isarel, Australia, New Zealand, Switzerland, Denmark, Barbedos, Hungary and Netherland.

2. Risk Factors

2.1 The risk in new product development

Although it is common practice that all new products must pass the various processes of quality tests during the productions, there is also the process of packaging design, tasting, advertising and promotions, the processes have cost a big amount of money. Over the past year, some of the products were not able to penetrate the market because they were not popular among the consumers. In addition, there has been fierce competition in beverage market. The company has increased more intensive preparation of new product launching, in terms of quality control and the focus on the consumer's demand, in order to ensure the company's success rate.

2.2 Location for outlet expansion and current location retention

Since location is the key factor for a successful restaurant business, competition for area possession is currently radical. This is deemed a limitation for those who aim to increase the new outlet in department store or a specific community. Normally, short-term location rental contract lasts for 3 years plus another 3 years, there is a high risk that some of the company's rental contracts could not be renewed, or the rental might be increased.

2.3 Raw materials and products obsolescence

One of the key factors for food business is good quality and freshness of raw materials and products. For the company, over 50% of raw materials and products are meat product, seafood, vegetable, fruit and bread, which have short life. With this reason, effective raw material management greatly affects production cost and therefore the company competitiveness. To reduce waste of expired raw materials and to preserve quality and freshness, the company has purchase and inventory policy to make a purchase on daily basis. The materials are restored in temperature-controlled rooms. In addition, First-In-First-Out (FIFO) inventory control scheme is put in used.

2.4 The limitation of raw material

The company's commitment to produce only quality products has restricted us to buy raw materials from few suppliers. Some materials are even limited to only one supplier. Such limitation can either cost us scarcity in raw materials or reduce our power in price negotiation. At this moment, the company's Products Research Department and Purchasing Department are looking for more quality suppliers.

2.5 Fluctuation in raw material costs

Factors such as the rise of fuel cost, the use of plants as alternative energy, the drastic demand for raw materials from China has caused the rise production cost i.e. fuel, transportation, paper fiber, flour, dairy products, vegetable oil and petroleum packaging. The company therefore, has secured medium to long term contact with the suppliers to avoid possible difficulties.

2.6 Competition risks

The competitions of the food and beverage businesses are quite intense. There have been a high potential entrants who launched green tea and functional drinks. New Japanese restaurant operators also emerged constantly due the high popularity of this type of food, there are certain competitors who open their stores with the same offering and at nearby locations. However the company have policy not to cut pricing but enhance the product images by means of advertising and promotion. Nevertheless, we believe the competition is good for this industry since it will grow the market.

3. Business Operation

3.1 Business operation strategies

Oishi Group has valued the essentials of four business strategies in order to successfully operate Japanese food restaurant and green tea businesses, which are;

3.1.1 Strengthen the brand by offering high quality healthy products.

Ever since its establishment, the company has one clear principle to align business operation that offers high quality Japanese food restaurants under the umbrella brand "Oishi". It has made the brand well receptive among consumers. At present, Oishi is widely accepted and extremely popular among health conscious consumers.

3.1.2 Customer analysis and continuous marketing activities

Oishi's main target customers have covered modern and health conscious people from all age and gender. They crave for healthy food and beverages, where Japanese food and green tea can respond to their needs. In the past, the company has continuously conducted intensive marketing activities to reach this group of customers through TV, radio, and print media. However, the company has also focused on the online and other alternative media during the past year, as well as giving the significance to customer relations that allow the company to continue to improve the quality of its products and services.

3.1.3 Effective cost management

The company realizes the importance of raw material cost management and bargaining power with distributor. This is to maintain cost and company performance. Effective cost management of the company arises from Central kitchen, which is the production and distribution center creating economy of scale and bargaining power with raw material vendors.

3.1.4 Strategy to utilize the benefit of wide coverage distribution channels

The company has been dealing business with experienced distributors and is equipped with strong in-house marketing team; it ensures high accessibility of the company's products to its consumers.

3.2 Marketing Strategies for Restaurant and Health Bakery Businesses

3.2.1 Quality And Value For Money Of Product And Service

The company has a policy that focuses on quality of food. Therefore, the company has regarded the thoughtfulness during the production process seriously, from using the Reverse Osmosis filtration to the selection of quality fresh tea leaves and the use of fructose syrup in the beverage, as well as the launch of Amino Plus that respond to the demand of modern consumers, who are health-conscious and in need of the refreshing feeling of the drink; while the Coffio drink is made from carefully selected coffee beans.

3.2.2 Variety of Products and Services

Oishi groups have 5 target groups as following;

- (1) Oishi Japanese Buffet Restaurant and Log Home Dining Complex focus on middle to upper income group.
- (2) Shabushi, Oishi Express and OK Suki and BBQ focus on middle-income group.
- (3) Oishi Ramen focuses on teenagers and those who require fast service.
- (4) IN&OUT the Bakery Cafe focuses on middle-income group who care about health.
- (5) Oishi Sushi Bar focuses on middle-income group who cares convenience.

3.3 Marketing Strategies for the beverage business

3.3.1 The Quality of products and services

Quality is the focus of the company's policy. Green tea production process is highlighted for its production quality from hygienic water via reverse osmosis process (RO), tea leaf refinement, the use of fructose syrup instead of normal sugar until hygienic and standardized production process without preservatives and artificial coloring; while Amino Plus is launched to be in line with the modern consumers, who are health conscious and are in need of the refreshing feeling. In addition, the company has launched Coffio, the premium coffee beverage is made from carefully selected coffee beans.

3.3.2 Variety of Products

Variety becomes another focus as it encourages consumer demand and consumption consistency. The company launches 3 flavors of green tea under different package with unique style to suit consumers' need. Besides, the company has packaging adjustment and new flavor launch. Last year, the company launched the new premium "Matcha" green tea that use the best quality of green tea commonly used in the Japanese sacred tea ceremony, which are Oishi Match Mineral Tea, and Oishi Matcha Milk Tea.

3.3.3 Pricing strategy to expand the customer base

The company has two different prices of RTD green tea with the plan for customer base expansion. PET is set at 20 baht per bottle and 25 baht per bottle for CG 300 for housewives and working people, while UHT packages are priced at 35 baht and 10 baht per carton, targeting at teenagers and students. For Amino Plus and Coffio, the PET bottle is sold at 20 baht.

3.3.4 Distribution channel strategy

In order to spread wider into the target market, Oishi Group has managed product distribution through several channels, 1) through major distributor distribute to retailers. During quarter 4/2008, the company has appointed Thai Beverage Public Company Limited as replacement of Diethelm Co., Ltd in a five-year contract for distribution of Oishi's products through modern trade and wholesalers and retailers. In addition, Oishi Group has appointed Sermsuk Plc. for distributing to food outlets and grocery stores across the country since 2004. Sermsuk Plc. now operates 2,000 distributing trucks that could access approximately 28,000 shops every 3 days, 2) through Oishi Group of restaurants to reach Oishi customers, 3) through appointed dealer to access to retail shops, and. 4) through exporting

3.3.5 Sale Promotion and advertising media

The company has consistently been advertised in diverse media i.e. TV, radio, newspaper, and magazines. The company also focuses on new media such as online advertising, so that the company's communications would be more effective. The advertisement has complimented well with the company's continuous promotional activities throughout the year, as well as the "Pai Tae Tour, Tour Yok Gang" campaign, which has been widely received by the consumers and company's partners. The company also held many activities to give back to the society and the consumers i.e. the participation in festive booth at any community event; while "Pai Tae Tour, Tour Yok Gang" is aimed to boost the tourism.

3.4 Industry and competitive situation

3.4.1 Market Condition of Japanese Food

Japanese food market has grown dramatically. According to a research in 2007, there are 660 Japanese restaurants in Thailand; placing the country at the fifth biggest foreign market for Japanese restaurant business. (The top four are the U.S., China, Taiwan and South Korea). The research also found that Japanese food is the most popular foreign dish among Bangkokians (Other popular cuisines are Chinese, American, Vietnamese and Italian.) This rising trend has resulted the import of Japanese franchises that causes fierce competition. The company has therefore, bought a Japanese franchise called Maido Ookini Shokudo.

3.4.2 Market Condition of Tea beverage

In 2009, the growth of RTD green tea market has dramatically increased from the year 2008. Oishi has the continuous boost of market shares throughout the year 2009 despite the consumers have the choice to drink other beverages i.e. healthy alternative drink, fruit juices, cereal drink, and milk etc.

Several competitors has have concentrated on launching new and improved products, as well as compete with pricing strategy. However, the company is confident that it will be able to maintain at least 64% of the market share since the company has solid branding and effective marketing strategies.

3.5 BOI Investment Promotion Privilege

3.5.1 On July 30, 2003 Oishi Trading Co.,Ltd. has been granted BOI Investment Promotion Privilege for manufacturing fruit and vegetable juices in sealed packaging, which details as follow; BOI Investment Promotion Privilege no. 1475(2)/2546 for manufacturing sealed fruit and vegetable juices under the activity code 1.11: Manufacture or preservation of food or food ingredients, using modern technology.

Summary of BOI Privileges

- Highly skilled expatriate are allowed to work in the country with BOI board's designated amount and period of time. However, they are specified to do the task as the committee agreement.
- Import tariff exemption for machinery according to the committee agreement.
- Tax exemption for corporate net profit from the operation from BOI privilege must not exceed 100% of total investment excluding land and working capital. This is allowed for 8 years from the first day with income flow from the business. For the case that the company loses from operation, income tax exemption will be granted by deducting from net profit gained after exemption allowance period, which must not exceed 5 years since the day the allowance period ends. The company can choose to deduct the net profit of a year or allocate to many years.
- Exemption for dividend tax during eight years of allowance
- Allow to transfer the money in and out of the country in foreign currency.

Crucial conditions are summarized as following;

- Speed up training or supporting Thais to operate in place of foreign technicians or experts within designated period.
- Machinery getting BOI privilege must be new machinery (First hand).
- Has production capacity of sealed bottle of fruit and vegetable juice at 238.2 million liters (16 hrs/day: 300 days per year).
- The person with Thai nationality must own at least 51% of total registered share.
- Has to operate to get ISO 9000 within two years.
- The factory must be constructed within Navanakorn industrial estate in Pathumthani

3.5.2 On December 6, 2005, Oishi Trading received acceptance letter from BOI for additional investment promotion for fruit and vegetable juice production in sealed bottle for the new factory operated in Amatanakorn industrial estate.

Crucial privileges are summarized as following;

- Allow to import foreign technician to the country according to the designated number and period. However they have to work in specified tasks as the committee agreement.
- Tariff exemption for machinery according the committee agreement.
- Corporate income tax exemption is allowed for 8 years since the first day with income flow from business. The company is allowed to deduct the losses after the year of allowance. And it is allowed to choose to deduct for only one year or many years after the allowance period ends.
- Exemption for dividend tax during eight years of allowance.

Important conditions are summarized as follow;

- Speed up training or supporting Thais to operate in place of foreign technicians or experts within designated period.
- Machinery getting BOI privilege must be new machinery
- Has production capacity of sealed bottle of fruit and vegetable juice at 144 million liter (20 hrs/day: 300 days per year).
- The person with Thai nationality must own at least 51% of total registered share.
- Has to operate to get ISO 9000 within two years.
- The factory must be constructed within Amartanakorn industrial zone in Chonburi.
- During the first three years, at least one percent of employees must hold bachelor degree or higher in scientific filed or related field of research and development or design.

3.5.3 On February 25, 2010, Oishi Trading received acceptance letter from BOI for additional investment promotion for fruit and vegetable juice production in sealed bottle for the new factory operated in Navanakorn industrial Zone, Pathum Thani province.

Crucial privileges are summarized as following;

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

Important conditions are summarized as follow ;

- speed up training or supporting Thais to operate in place of foreign technicians or experts within designated period.
- Machinery getting BOI privilege must be new machinery.
- Has production capacity of sealed bottle of fruit and vegetable juice at 108 million liter (16 hrs/day: 300 days per year).
- The person with Thai nationality must own at least 51% of total registered share.
- Has to operate to get ISO 9000, or ISO 14000, or equivalent within two years.
- The factory must be constructed within the premises of Navanakorn Industrial Estate in Pathum Thani province.

3.5.4 On September 7, 2010, Oishi Trading received acceptance letter from BOI for additional investment promotion for fruit and vegetable juice production in sealed bottle for the new factory operated in Navanakorn industrial Zone, Pathum Thani province.

Crucial privileges are summarized as following ;

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

Important conditions are summarized as follow;

- Speed up training or supporting Thais to operate in place of foreign technicians or experts within designated period.
- Machinery getting BOI privilege must be new machinery.
- Has production capacity of sealed bottle of fruit and vegetable juice at 150 million liter (20 hrs/day: 300 days per year).
- The person with Thai nationality must own at least 51% of total registered share.
- Has to operate to get ISO 9000, or ISO 14000, or equivalent within two years.
- The factory must be constructed within the premises of Navanakorn Industrial Estate in Pathum Thani province.

3.6 Product and Service Procurement

Oishi Trading Co.Ltd is considered as the center for the Oishi group in sourcing and distributing raw materials. It is also responsible for storing raw material, as well as processing the materials, of which quality and standard must be preserved, and and deliver to various outlets. Also, the central kitchen produces the company's bakery and sushi, as well as all the beverages, in order to deliver to all the restaurants in the group

3.7 Business Limitation

-None-

4. Business Asset

Business operation asset has book value as of December 31, 2010 as following;

4.1 Land and land improvements

Oishi group has land and land improvements for business operation at the book value as of December 31, 2010 as the following details;

Land and Land improvements	Type of possession	Net book value (million baht)	Collateral for Loans
Land with 61-2-14.60 rai with improvements at Navanakorn Industrial Zone 2, Klong Nueng, Pathumthanee	Owner	314.27	- None -
Total		314.27	

4.2 Building and Building improvement

Buildings are used for business operation with book value as of December 31, 2010 as the following;

Buildings and Building improvements	Type of possession	Net book value (million baht)	Collateral for Loans
Green tea Plant and Central Kitcher at Navanakorn Industrial Zone 2, Klong Luang, Pathumthanee	Owner	231.93	- None -
Green tea Plant at Amata Nakorn Industrial Estate, Bankao, Panthong, Chonburi	Leased	142.82	- None -
Total		374.75	

4.3 Rental Agreement

As of December 31, 2010, the company has rental contract for Japanese food restaurant business and healthy bakery outlets with retailers for 116 contracts. Mostly they are short term with the period of three years and another three years for renewal. Many contracts will be expired in 2012-2013

4.4 Leasehold Rights

Majority of location for Oishi business are under the contract of 3 years with another 3 years for renewal. This is to lower risk of engagement and fluctuation from economic change. Only some outlets have long term agreement for location in department stores. Net book value as of December 31, 2010 is as following:

Area/Location	Rental period/Expiration	Net book value (million baht)	Collateral for Loans
1st floor, Seacon Square, No. 1053-1054 in 292.58 sq.m. area	21 years and 9 months/ Expire 2024	16.03	- None -
The Mall Ngamwongwan. GFC1A in 220 sq.m.area and GFC1B in 101sq.m. area	17 years and 9 months/ Expire 2019	7.45	- None -
The Mall Bangkapi in GF-F5A 300 sq.m.area and GF-5B in 52 sq.m area	20 years and 8 months/ Expire 2022	22.67	- None -
Central Plaza, Pinklaow, G45 in 160.15 sq.m area	13 years and 5 months/ Expire 2022	5.28	- None -
MBK, 1A 08-09 in 97.64 sq.m area	7 years/ Expire 2013	5.20	- None -
Future Park, Rangsit, B56 in 134 sq.m area	15 years and 6 months/ Expire 2021	8.64	- None -
Esplanade,Ratchada, B41 in 288 sq.m area	24 years and 2 months/ Expire 2031	26.73	- None -
Total		92.00	

4.5 Tools and Machinery for Manufacturing

As of December 31, 2010, tools and machinery for manufacturing is as following:

Type of machinery	Net book value (million baht)	Collateral for Loans
Machinery-Beverage	238.28	- None -
Machinery-Food	203.54	- None -
Total	441.82	

4.6 Decoration and internal systems

As of December 31, 2010, decoration and internal systems for business operation is as following;

Type	Net book value (million)	Collateral for Loans
Decoration	161.82	- None -
Internal systems	295.27	- None -
Total	457.09	

4.7 Construction in progress and installation

Construction in progress and installation as of December 31, 2010, is as following;

Type	Net book value (million)	Collateral for Loans
New Plant	1,257.65	- None -
Branches in Progress	1.29	- None -
Total	1,258.94	

4.8 Other assets

Other assets include office equipment, furniture and fixtures, restaurant utensils and vehicles. Net book value as of December 31, 2010 is 119.21 million baht.

4.9 Service Trademark

In March 2004, Oishi Group got approval to use service trademark for Oishi both Thai and English, together with Oishi logo and the word "Oishi" both in Thai and English, "In & Out the Bakery Cafe" logo, and "Oishi Ramen" logo.

4.10 Trademark

The Company got approved to use trademark from the Intellectual Property Department for Oishi both Thai and English, together with Oishi logo, the word "Oishi" both in Thai and English. The approval also covers Oji and Ami Mascot both in Thai and English, and "Amino OK" both in Thai and English. In 2008, the Company also got approved to use trademark for "Coffio" in English.

4.11 Investment policy for an investment in subsidiary and affiliates

As of December 31, 2010, the company has invested in 2 subsidiaries, which are Oishi Ramen Co. Ltd., Japanese noodle restaurants, and Oishi Trading Co. Ltd., manufacturing Japanese food, bakery, and RTD beverage respectively. The company is holding 99.99% shares of the share capital in both companies.

5. Legal Cases

There are no material legal cases during 2010.

6. Capital Structure

6.1 The Company's Securities

As of December 31, 2009, the company has 375 million baht of authorized capital. It can be categorized into 187.5 million common stocks, with the par value of two baht par share and 375 million baht worth of paid-up capital.

6.2 Shareholders

Major shareholders and stock holding proportion based on authorized and paid-up capital are as follow

No.	Shareholders	As of December 31, 2008	
		No. of Stocks	Percentage
1	THAI BEVERAGE PUBLIC CO., LTD	167,360,199	89.259
2	UOB KAY HIAN PRIVATE LIMITED	8,692,600	4.636
3	MR. TAN PASSAKORNNATEE	6,562,500	3.500
4	THAI END VDR CO.LTD.	1,621,500	0.865
5	MR.CHIU YUEH-CHIN	1,009,900	0.539
6	CITIBANK NOMINEES SINGAPORE PTE LTD - UBS AG LONDON BRANCH - NRBS IPB CLINT SEG	1,000,000	0.533
7	QUAM SECURITIES COMPANY LIMITED	250,000	0.133
8	STATE STREET BANK AND TRUST COMPANY	83,000	0.044
9	นายนิพนธ์ พงศ์พฤชชา	81,000	0.043
10	นายสุวัฒน์ นิยมเสถียร	78,000	0.042
11	MINORITY SHAREHOLDERS	761,301	0.406
Total		187,500,000	100

6.3 Dividend policy

The company and its subsidiaries have policy to offer dividend not lower than 40% of the net profit, after tax deduction and legal reserve. Dividend payment does not have a considerable impact on the company's performance. Dividend payment must be approved among shareholders and the Board of Directo

7. Management Structure

7.1 Management Structure

The company's board committee structure is consisted of six sets of managerial committees; Board of Directors, Executive Committee, Audit Committee, Risk Management Committee and Remuneration Committee.

7.1.1 Board of Directors

As of February 28, 2011, the 12 members of the Board of Directors are;

(1)	Mr. Narong	Srisa-arn	Chairman
(2)	Mr. Thapana	Sirivadhanabhakdi	Vice Chairman
(3)	Mr. Vikrom	Koompaichana	Independent Director and Chairman of the Audit Committee
(4)	Ms. Potjane	Thanavarani	Independent Director and Audit Committee
(5)	Mr. Chai	Jarungtanapibal	Independent Director and Audit Committee
(6)	Mr. Prasit	Kovilaikool	Independent Director
(7)	Mr. Matthew	Kichodhan ⁽¹⁾	Director and President
(8)	Mr. Yeuh	Chin Chiu	Director
(9)	Mr. Sithichai	Chaikriengkrai	Director
(10)	Mr. Ueychai	Tanta-obhas	Director
(11)	Mr. Pisanu	Vichiensanth	Director
(12)	Mr. Panot	Sirivadhanabhakdi ⁽²⁾	Director

Authorized Directors are as follow;

Two Directors have to sign an agreement with the company stamp except Mr. Vikrom Koompaichana, Mr. Chai Jarungtanapibal, and Ms. Potjane Thanavarani

Remark :

(1) Mr. Matthew Kichodhan has been appointed as director and President since September 10, 2010 to replace

Mr. Tan Passakornate which has resigned from the company's director since September 9, 2010

(2) Mr. Panot Sirivadhanabhakdi has been appointed as director since February 23, 2011 to replace

Ms. Sunisa Sukphantavorn which has resigned from the company's director since October 6, 2010

Roles and Authorities of the Board of Directors

The board must use his/her knowledge to benefit the company's business by obliging to law, objectives and obligation agreed upon shareholder conference. The board must allow internal auditing and monitoring and effective management. Also, information transparency, responsibility towards shareholders is a must. The board is obliged to refrain from any competition or anything/any business related to the business that is competing with the company. The board is allowed to appoint any person or team to be a representative for any business conduct or operation. The following deeds would need to get approval from shareholder conference before taking action;

1. Issues which are compulsory, by law, to have shareholder conference's approval.
2. Any deed that yields the board gain or loss or any deed that is obliged, by SET regulation, to have Shareholders' Meeting approval. Those who potentially have conflict of interest are, 1. the company board,

2. the major shareholders, 3. those who have the company's authority, and 4. those who have close relationship with the persons in 1, 2, and 3 via either blood line or marriage. The persons could be parents, married couples, son/daughter or close relatives, 5. Company of those mentioned in 1,2, and 3 or the company that those mentioned in 1,2, and 3 holds share/stock will not have right to vote for any issue that might initiate the conflict of interest.

The following issues would need an approval from not less than three-fourths of total votes of Board of Directors and Shareholder's attending the meeting and having voting rights.

1. Buying or transferring a part or total parts of the company's business to others.
2. Making a purchase or receiving a transfer of a private company or public company.
3. Making/changing/dismissing and agreement for company rental or assigning any party to take control over the company.
4. Making any adjustment in company registration document or the company regulations
5. Increasing or decreasing authorized capital or issuing debentures.
6. Terminating company's business.
7. Merger and acquisition with other companies.
8. Any issue remarked in SET Act and SET announcement that would need to get approval from shareholder conference e.g. buying and selling authorized capital or any interrelated business.

The board of directors requires an orientation for every new director, so that the director will acknowledge the company's expectation regarding the role, and responsibility of the director, the policy and regulation in company's management that shall be abide by the director; as well as create knowledge and understanding in the business and the operation of the company. Also, the new director is required to visit all the company's operating divisions for the readiness of the director.

The board of directors has the policy to enhance the directors with diverse knowledge and skills i.e. the directors are encouraged to take part in seminars, and training courses organized by the Thai Institute of Directors (IOD).

7.1.2 The Executive Committee

As of February 28, 2011, the 9 members of the executive committees are;

- | | |
|--------------------------------------------------|---------------|
| (1) Mr. Thapana Sirivadhanabhakdi ⁽¹⁾ | Chairman |
| (2) Mr. Ueychai Tantha-obhas | Vice Chairman |
| (3) Mr. Sithichai Chaikriengkrai | Vice Chairman |
| (4) Dr. Pisanu Vichiensanth | Director |
| (5) Ms. Sureeporn Pradittasnee ⁽²⁾ | Director |
| (6) Mr. Matthew Kichodhan ⁽³⁾ | Director |
| (7) Mr. Paiboon Kujareevanich | Director |
| (8) Mr. Paisarn Aowsathaporn | Director |
| (9) Mr. Aniruth Mahathorn | Director |

Remark :

- (1) *Mr. Narong Srisaarn and Mr. Yeuh Chin Chiu have resigned from the company's director since February 24, 2011 and the Board of Director No. 1/2011 has appointed Mr. Thapana Sirivadhanabhakdi as Chairman, Mr. Ueychai Tantha-obas and Mr. Sithichai Chaikriengkrai as Vice Chairman, Ms. Sureeporn Pradittasnee, Mr. Paiboon Kujareevanich, Mr. Paisarn Aowsathaporn, and Mr. Aniruth Mahathorn as director since February 24, 2011.*
- (2) *Ms. Sureeporn Pradittasnee has been appointed as Director since February 24, 2011 to replace Ms. Sunisa Sukphantavorn which has resigned from the Company's Director since October 6, 2010*
- (3) *Mr. Matthew Kichodhan has been appointed as Director since October 2010 to replace Mr. Tan Passakornnatee which has resigned from the company's Director since September 9, 2010.*

The Executive Committee's Roles and Authority

1. Follow the company's policy, which obliges to law and regulation, except for those issues subjected to the consent of shareholders.
2. Hold the authority to propose instruct and set business policy and strategy to the company's board of directors.
3. Set business plan, management authority, annual business budge and annual expense budget to be proposed to the company's board.
4. Effectively handle business administration of the company and its subsidiaries according to the company's business policy, goals, operational plan, budget and management authority as approved by the board of directors.
5. Handle the company's general administration that include recruiting, training, making employment, and termination of employment. The authority however, does not include the termination of vice president onwards.
6. Approve the company and its subsidiaries' business transaction as followed;
 - 6.1 Approval of credit offered by a financial institution or loan requested to a financial institution, giving collateral or making any payment for business administration e.g. branch expansion investment or any regular business expense.
 - 6.2 Approval the annual budget of the subsidiaries
 The authority heretofore mentioned has limited the approval of the executive board to 100 million baht or equivalent or as approved by the board of directors. The exemption is in the case of asset retirement, where the executive board is authorized to approve an amount fewer than 10 million baht or the payment of entertainment expense, charity and promotional products, where the executive board can authorize an amount fewer than three million baht. However, the limitation can be changed if the board of directors find appropriate.
7. Hold the authority to approve the opening of deposit account with domestic financial institutes, including the authority in payment making through the company' s deposit accounts.
8. Hold the authority to approve the budget for annual increase of salary and bonus of the employees of the company and its subsidiaries, except the post of vice president onwards.

9. Hold the authority to approve any payment as assigned by the board of directors.
10. Hold the authority to making employment, termination of employment, employment promotion, disciplinary employment, reshuffling, adjustment of salary, bonus, welfare and other benefits of employees, whose positions are not higher than managing directors. The executive board also holds the authority to make consideration regarding other meritorious efforts of employees, except those in position higher than the company's president. Also, the signature authority for employment contract is designated to the managing director or the appointed members of the executive board.
11. Hold the authority to appoint the company's representative directors and/or the administrative subcommittee in the subsidiaries, who will be successfully carrying through the management plans as assigned by the company.
12. Supervise and make decision on the company's operation and may appoint proxies to delegate for the executive board as appropriate. For example, the executive board can appoint an ad hoc subcommittee to consider the increase of salary and bonus for the employees in the level of the head of departments to the vice presidents; the executive board can also appoint ad hoc committee, who are experienced in some specific areas, to filter the works before they being presented to the executive board. The board also has the power to revoke, make amend the scope of the appointed authority.
13. The executive board is bound to conduct any duty assigned by the company's board of directors.

In addition, an approval of the above authorities must not bring to the conflict of interest for or among the Board of Directors (as of set by SEC) and sub-companies. Since those who involve in any conflict of interest will not have a right to vote.

7.1.3 The Audit Committee

The three audit committees are;

- | | | |
|-----|---------------------------|------------------------------------------|
| (1) | Mr. Vikrom Koompaichana | Chairman of the Audit Committees |
| (2) | Ms. Potjanee Thanavarani | Independent Director and Audit Committee |
| (3) | Mr. Chai Jroongtanapibarn | Audit Committee |

Term for Audit Committee

The Audit Committee has the same term as other directors.

The Audit Committee's Roles and Authority

The roles and authority of Audit Committee are;

1. Review the operation of the company, to be in-line with the Securities Law, the rules and regulations of the Stock Exchange of Thailand, and other related laws.
2. Review the Internal Control and the Internal Audit of the company, so that the company carries appropriate, sufficient and efficient Internal Control and Internal Audit systems; as well as making approval of the appointment, transference and dismissal of the head of internal audit.
3. Review the company's financial report; as well as the sufficiency of the company's disclosure of information in the case of conflict of interest, in order to certify that the company's financial report is accurate, based on the standard of certified accounting.
4. In charge of the selection, and appointment of the company's certified accountant, including considering of the accountant's fee.
5. Review any matter that might relate to the company's conflict of interest, to be in-line with the rules and regulations of the Stock Exchange of Thailand.
6. Preparing the report of the Audit Committee to be revealed on the company's Annual Report.
7. Perform other tasks as assigned by the Board of Directors, with approval from the Audit Committee.

7.1.4 The Risk Management Committee

The seven risk management committees are;

- | | | |
|-----|---------------------------|--------------------------------------------|
| (1) | Mr. Chai Jroongtanapibarn | Chairman of the Risk Management Committees |
| (2) | Dr. Pisanu Vichiensanth | Risk Management Committee |
| (3) | Mr. Paiboon Kujareevanich | Risk Management Committee |
| (4) | Mr. Paisarn Aowsathaporn | Risk Management Committee |
| (5) | Mr. Aniruth Mahathorn | Risk Management Committee |
| (6) | Mr. Thanee Pornphisutsak | Risk Management Committee |
| (7) | Mr. Sanya Yossanant | Risk Management Committee |

Remark :

* Mr. Aniruth Mahathorn, Vice President, Beverage Division has been appointed as Risk Management Committee since October 21, 2010

** Mr. Thanee Pornphisutsak, Factory General Manager has been appointed as Risk Management Committee since February 23, 2011

The Risk Management Committee's Roles and Authority

The roles and authority of Risk Management Committee are;

1. Set policy and integrated risk management framework, that thoroughly cover main business risks i.e. business and operational risks.
2. Propose to the Managing Director qualified candidates to work in each risk management team. The team will directly report to the committee.
3. Organize operational trainings and seminars on risk management. The trainings shall be consisted of the company's mission, operational process, risk evaluation criteria, risk factor ranking, and risk prevention and control strategies.
4. Approve the appropriate risk management plans that can be applied throughout the organization.
5. Review the sufficiency of the existing assurance and life insurance.
6. Follow up on the company's main risk factors, as well as, any risk indication while updating the current data.
7. Offer advises and instructions on risk management.
8. Communicate with the Audit Committee on main risk factors, to be in-line with the internal control.
9. Report to the company's board of directors regarding the risk factors and risk management.

7.1.5 The Nomination Committee

The three Nomination Committees are;

- | | | |
|-----|-------------------------------|--------------------------------------|
| (1) | Mr. Vikrom Koopairochana | Chairman of the Nomination Committee |
| (2) | Mr. Prasit Kovilaikool | Nomination Committee |
| (3) | Mr. Thapana Sirivadhanabhakdi | Nomination Committee |

The Nomination Committee Roles and Authority

The roles and authority of Nomination Committee are;

1. Nominate the qualified persons to be company director, to be approve by the Board of Directors or Shareholders' meeting where appropriate
2. Nominate the qualified persons to be company executives from the level of Vice President, to be approve by the Board of Directors or Shareholders' meeting where appropriate
3. Determine qualifications of executives from the level of Vice President
4. Carry out any other recruitment jobs as assigned by the Board of Directors and Shareholders' meeting

7.1.6 The Remuneration Committee

The five remuneration committees are;

- | | | |
|-----|------------------------------|-----------------------------------------|
| (1) | Mr. Narong Srisa-arn | Chairman of the Remuneration Committees |
| (2) | Mr. Vikrom Koopairochana | Remuneration Committee |
| (3) | Mr. Prasit Kovilaikool | Remuneration Committee |
| (4) | Mr. Tan Passakornatee | Remuneration Committee |
| (5) | Mr. Sithichai Chaikriengkrai | Remuneration Committee |

The Remuneration Committee's Roles Authority

The roles of Remuneration Committee are;

1. Set up remuneration rate and other benefits of the managerial committees. The rate will be passed on the company's boards before submitting to the shareholders' meeting for approval.
2. Set up remuneration rate and other benefits of the company's high ranking executives from the Vice Presidents, in order to submit to The Executive Boarder the Board of Directors for approval.
3. In charge of any operation regarding the Set up remuneration rate, assigned by the Board of Directors or the shareholders' meeting.

The Remuneration Policies are as follows;

- (1) Considering the remuneration based on the comparative rate with others in the same industry.
- (2) Considering based on the company's business expansion, the performance of the company and its subsidiary
- (3) Considering based on the responsibility of each party.

7.1.7 Company Secretary

As of May 8, 2008, the board of directors appointed Mr. Paiboon Kujareevanich to be the Company Secretary.

The Authority of the Company Secretary

1. Company Secretary is authorized to be the contact person and sign in documents related to the Stock Exchange of Thailand.
2. Company Secretary has duty and responsibility as stated in the Securities and Exchange Act B.E. 2008, and as regulated by the Capital Market Committee.

7.1.8 The Management Team

As of December 31, 2010, the company has 8 managerial member, which are;

- | | |
|-------------------------------|-----------------------------------------|
| (1) Mr. Matthew Kichodhan | President |
| (2) Mr. Paiboon Kujareevanich | Executive Vice President |
| (3) Mr. Paisarn Aowsathaporn | Executive Vice President, Food Division |
| (4) Mr. Aniruth Mahathorn | Vice President, Beverage Division |
| (5) Mr. Somsak Ussavathirakul | Accounting Director |
| (6) Mr. Thanee Pornphisutsak | Factory General Manager |
| (7) Mr. Sanya Yotsanan | Human Resource Director |
| (8) Mr. Sa-nguan Pongswan | Audit Director |

President Authority

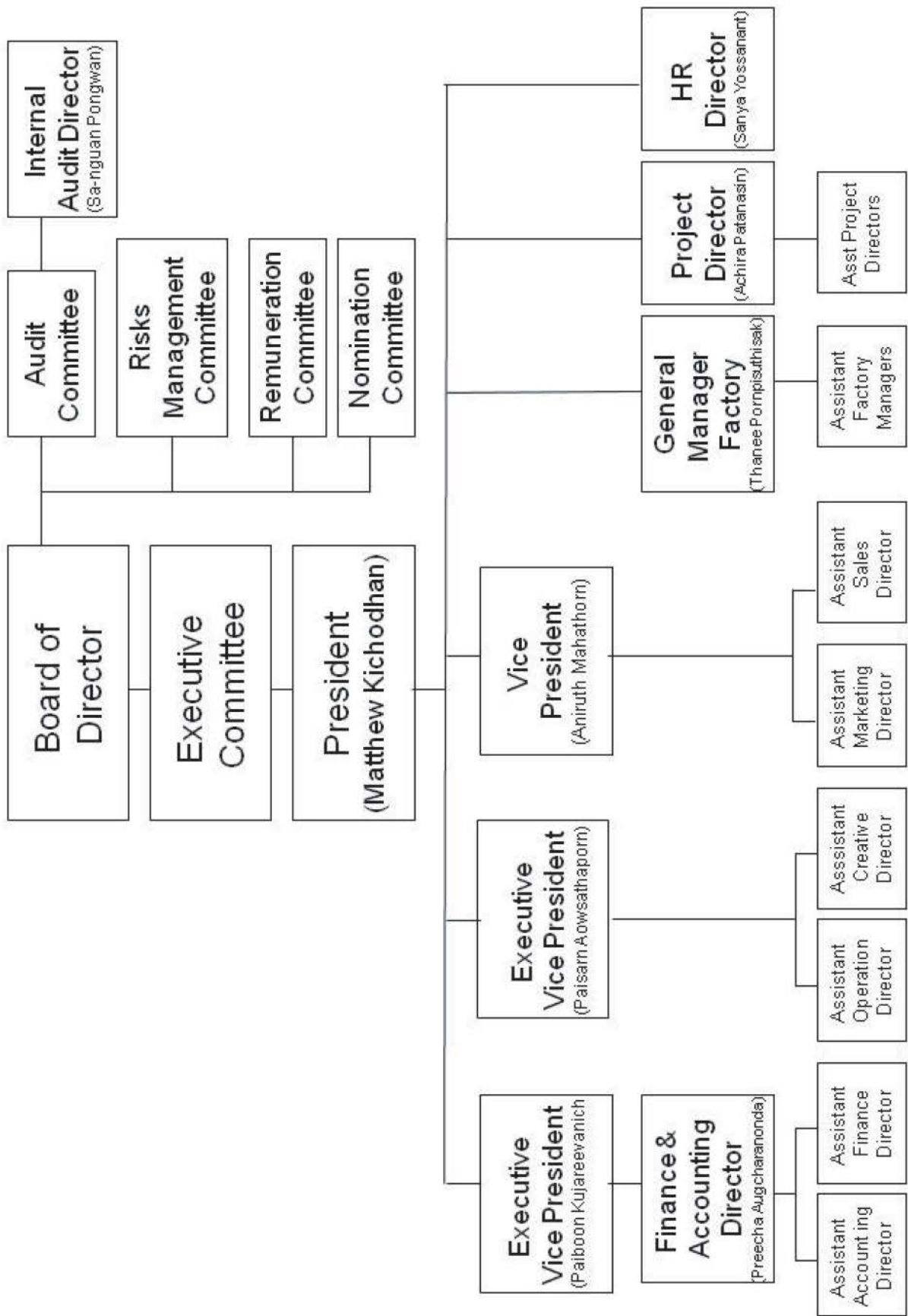
The following authorities are allowed for the Managing Director

1. Follow the company board or the Board of Directors assignment, given that such authority is obliged to the company's objectives, law and regulation.
2. Approve operating expense, sale expense, administration expense, and investment budget as of the budget approved by the company board or the Board of Directors. However, this does not include the authority to request any loan or offering any collateral.
3. Approve raw material, product, equipment and any other service procurement which relates to the company's business. Nevertheless, this does not include land procurement for outlet expansion. The managing director's authority to make any purchase does not exceed 1 million baht each.
4. Approve location search for outlet expansion and approve outlet opening and location renting for the new outlets.

The president does not have any authority to operation or involve in any interrelated business that might bring to the conflict of interest or involve in selling and purchasing the company's asset or any conflicting issues with subsidiary. Since these issues must be brought to the company board's meeting

The board of directors has set the operational goal for the company's managing director and the management team. In addition, performance evaluation of the managing director and the management team will be done annually. The managing director will evaluate the performance of the management team from the director position downwards. The evaluation criteria is based on the company's annual strategies and plan, so that the remuneration will be appropriately set, upon the approval of the board of directors and the executive board.

Organization Chart



7.2 The recruitment for Board of Directors, Independent Directors, Audit Committee and Executives

7.2.1 In the case that the Board of Directors, Independent Directors, Audit Committee and Executives reach the end of their term, or their positions become vacant, their positions will be selected by the company board, without recruiting committee since the company does not have a recruiting committee. However, the company has selected those who are qualified for their competent educational/personal background with high experience. They must also have the qualifications required by public company limited Act 1992, Section. 68 and the announcement of the Securities and Exchange Commission (SEC). After passing these selection criteria, the person will be proposed in shareholder conference according to the following procedures;

1. One shareholder has one right to vote.
2. A shareholder must use the right to vote a person or many persons for chairman but cannot separate the vote to a particular person.
3. The one who has the highest votes will be appointed a chairman and so on. The number of chairmen must be equaled to the number allowed each time. In the case that there are more than one person gaining equal vote and the number is exceeded the quota; the conference head will have a right to make a decision.

Upon the selection of the candidates for the Executives, the board of directors will follow up on the recruitment, especially the managing director and the high-ranking executive positions, in order to be certain that the executives will have knowledge and qualification that will be valuable to the company, and will be able to succeed important positions in the future.

7.2.2 Criteria for the selection of Independent Directors and the Audit Committee

The company's independent director and audit committee must possess qualifications as follows;

1. Not holding shares in excess of one percent of the total number of voting shares of the company or its subsidiary nor associated company, as well as shareholders or any stakeholders.
2. Not be and have been the director who involves in management role of the company, or an employee, or an advisor of the company who receives regular salary from the company and not be and have not been a person having controlling power over the company or the company's subsidiary, or associated company, or a subsidiary of another company in the same level of the company, unless the independent director has been discharged from the above position for more than two years before the appointment.
3. Not have and have not had any business relationship with the company or the company's parent company, subsidiary, associated company, or any juridical persons in the manner in which his/her independent discretion might be affected, and not be and have not been a substantial shareholder, director, or executive of a person having business relationship with the company or the company's parent company, subsidiary, associated company, or any juridical persons in the manner in which his/her independent discretion might be affected unless the independent director has been discharged from the above position for more than two years before the appointment.

4. Not making any business transaction regarding assets, services, give/receive financial support in the amount exceeding 20 millions baht or 3 percent of the director's net assets, unless being granted unanimous approval from the board of directors as necessary and appropriate and must not occur regularly. The director must also reveal the transaction in form 56-1/ annual report/ meeting invitation on the case by case basis.
5. Not be giving professional services such as account auditing or other services i.e. advisor, including legal or financial advisor who obtains fee more than two million baht a year unless being granted unanimous approval from the board of directors as necessary and appropriate and must not occur regularly. The director must also reveal the transaction in form 56-1/ annual report/ meeting invitation on the case by case basis.
6. Not be a person having relationship either through blood or lineage or legal registration as a father, mother, spouse, sibling or child, including as a spouse of a child of any management person or major shareholder of the company, or the company's subsidiary, or of any person having power to control the company or the company's subsidiary.
7. Not be a director appointed as a representative of a director of the company, a representative of a major shareholder of the company.
8. Not have any characteristics by which his/her independent comment or opinion on the company's operation may be affected.
9. In the case that the independent director is assigned by the board of directors to make a decision regarding the operation of the company, its parent company, subsidiary, associated company, a subsidiary of another company in the same level of the company, or juridical persons in the manner in which his/her independent discretion might be affected; the collective decision can be done, but the independent director must not also be the audit committee.
10. The independent director is allowed to serve as non-executive director or independent director of the company's affiliated company.

Oishi Group Public Co.,Ltd

Report of Director of Board, Executive Committee and Director

Year 2010

Name - Surname	Age (Year)	Education	Portion of Share Holding (%)	Relative between Director	Working Experience		
					Period	Position	Company
Narong Srisa-arn	82	<ul style="list-style-type: none"> - Master of Arts (Economics) Honorary Degree, Thammasat University - Director Accreditation Program (DAP) 	0	-	2006-Present	Chairman	Oishi Group Public Co., Ltd.
					Present	Chairman	Oishi Ramen Co., Ltd.
					Present	Chairman	Oishi Trading Co, Ltd.
					1998-Present	Independent Director	True Corporation Public Co., Ltd.
					Present	Chairman	Double A (1991) Public Co., Ltd. (Former Name: Advance Agro Public Co., Ltd.)
					Present	Vice Chairman and Vice Executive Chairman	Thai Beverages Public Co, Ltd
					Present	Vice Chairman and Executive Chairman	Beer Thai (1991) Co.,Ltd
					Present	Vice Chairman and Executive Vice Chairman	Cosmos Brewery (Thailand) Co., Ltd.
					Present	Chairman	Sura Bangyikhan Co., Ltd.
					Present	Chairman	Kaenkwan Co.,Ltd
					Present	Chairman	Thep Arunothai Co.,Ltd
					Present	Chairman	Athimart Co.,Ltd
					Present	Chairman	S.S. Kamsura Co.,Ltd
					Present	Chairman	Wrangyer Beverage (2008) Co., Ltd.
					Present	Vice Chairman	International Beverage Holdings Ltd.
					Present	Vice Chairman	International Beverage Holdings (UK) Ltd.
					Present	Executive Vice Chairman	Thai Beverage Can Co., Ltd.
					Present	Chairman	Thanakorn Vegetable Oil Products Co., Ltd.
					Present	Director	Telecom Holdings Co., Ltd.

Name-Surname	Age (Year)	Education	Portion of Share Holding (%)	Relative between Director	Working Experience		
					Period	Position	Company
Thapana Sirivadhanabhakdi	36	<ul style="list-style-type: none"> - Bachelor of Business Administration (Finance), Boston University, USA - Master Degree in MBA, Banking & Financial, Economic, Boston University, USA - Director Accreditation Program (DAP) - The Role of Compensation Committee Program, Class 4/2007, Thai Institute of Directors Association - Audit Committee Program (ACP), Class 32/2010, Thai Institute of Directors Association - Certificate of Top Executive Program, Class 8, Capital Market Academy - Certificate of Top Executive Program in Commerce and Trade, Class 3, Commerce Academy 	0	-	<p>2006-Present Vice Chairman and Executive Chairman</p> <p>2006-Present Vice Chairman</p> <p>2006-Present Vice Chairman</p> <p>2007-Present Director and Executive Chairman</p> <p>2007-Present Vice Chairman</p> <p>2008-Present Managing Director</p> <p>2004-Present Director and Executive Vice Chairman</p> <p>2004-Present Vice Chairman and Executive Chairman</p> <p>2004-Present Director and Executive Vice President</p> <p>2001-Present Executive Director</p> <p>Present Director</p> <p>Present Director</p> <p>Present Chairman</p> <p>Present Chairman</p> <p>Present Chairman and President</p> <p>Present Chairman</p> <p>Present Chairman</p> <p>Present Vice Chairman</p> <p>Present Chairman</p> <p>Present Chairman</p> <p>Present Chairman</p> <p>Present Chairman</p> <p>Present Vice Chairman</p> <p>Present Vice Chairman</p> <p>Present Vice Chairman and Executive Chairman</p> <p>Present Vice Chairman</p> <p>Present Vice Chairman</p> <p>Present Vice Chairman</p> <p>Present Chairman</p> <p>Present Chairman No. 1 and Executive Chairman</p>	<p>Oishi Group Public Co. Ltd</p> <p>Oishi Ramen Co., Ltd</p> <p>Oishi Trading Co., Ltd</p> <p>Univentre Public Co., Ltd</p> <p>Siam Food Products Public Co., Ltd</p> <p>Thai Beverage Public Co., Ltd</p> <p>Beer Thai (1991) Public Co., Ltd</p> <p>Dhospaak Co.,Ltd</p> <p>Red Bull Distillery (1988) Co.,Ltd</p> <p>Berli Jucker Public Co.,Ltd</p> <p>Beer Chang Co.,Ltd</p> <p>Thai Beverage Brand Co.,Ltd</p> <p>Charun Business 52 Co.,Ltd</p> <p>Thai Cooperage Co.,Ltd</p> <p>Thai Beverage Marketing Co.,Ltd</p> <p>Thai Molasses Co.,Ltd</p> <p>Thanasintl Co.,Ltd</p> <p>Nateechal Co.,Ltd</p> <p>Thai Beverage Recycle Co.,Ltd</p> <p>Thai Beverage Energy Co.,Ltd</p> <p>Thai Drink Co.,Ltd</p> <p>Pan International (Thailand) Co.,Ltd</p> <p>Wirangyer Beverage (2008) Co.,Ltd</p> <p>United Winery and Distillery Co.,Ltd</p> <p>Thai Beverage Logistic Co.,Ltd</p> <p>Simathurakij Co.,Ltd</p> <p>Cosmo Brewery (Thailand) Co.,Ltd</p> <p>Luckchai Liquor Trading co.,Ltd</p> <p>Feed Addition Co.,Ltd</p> <p>Thai Beverage Training Co., Ltd</p>	

Name-Surname	Age (Year)	Education	Portion of Share Holding (%)	Relative between Director	Working Experience		
					Period	Position	Company
					Present	Director	International Beverage Holdings Co.,Ltd Best Spirits Co., Ltd Blaimhor Distillers Ltd. Blaimhor Ltd InterBev (Singapore) Ltd InterBev Malaysia Sdn. Bhd. International Beverage Holdings (China) Ltd International Beverage Holdings (UK) Ltd Inver House Distillers Ltd Super Brands Co., Pte.Ltd T.C.C Technology Co.,Ltd Chula United Co.,Ltd DPiset Kij Co.,Ltd Adelfos Co.,Ltd Pathombakdi Co.,Ltd The Southeast Insurance Co.,Ltd The Southeast Life Insurance Co.,Ltd Southeast Capital Co.,Ltd
Vikrom Koopirochana	65	<ul style="list-style-type: none"> - B.A. (History), Chulalongkorn University, Bangkok - M.A. (History), Michigan State University, USA - Ph.D. (History), Michigan State University, USA - Honorary Degree in Humanities from Schiller International University - Director Accreditation Program Class 63/2007 	0	-	2006-Present 2007-Present 2007-2009 2006-2007 2003-2006 2000-2001	Chairman of the Audit Committee Honorary Advisor President Director Ambassador of Thailand Ambassador of Thailand Republic of Italy	Oishi Group Public Co. Ltd English Chamber Dragon one Public Co.,Ltd Thai Airways International Public Co., Ltd United Kingdom of Great Britain and Northern Ireland Republic of Italy
Potjanee Thanavarant	65	<ul style="list-style-type: none"> - Bachelor Degree in Accounting, Chulalongkorn University - Master of Business Administration (M.B.A), Syracuse university U.S.A - Advanced Course in General Insurance, Swiss Insurance Training Center, Switzerland (Swiss Re Scholarship) - Advanced Management Program, Australian Management College, Australia (COLOMBO Scholarship) 	0	-	Present Present Present Present	Independent Director and Audit Committee Independent Director and Audit Committee Council of State (Group 3 - Monetary Laws) Chairperson of the Public Sector Audit and Evaluation Committee	Oishi Group Public Co., Ltd Bangkok Insurance Public Co., Ltd Ministry of Commerce

Name-Surname	Age (Year)	Education	Portion of Share Holding (%)	Relative between Director	Working Experience		
					Period	Position	Company
		<ul style="list-style-type: none"> - Executive Development Program, Office of the Civil Service Commission - National Defence College, Class 42 - Directors Certification Program, Class 17/2002, Thai Institute of Directors Association - The Role of The Chairman Program, Class 13/2006, Thai Institute of Directors Association - The Role of Compensation Committee Program, Class 4/2007, Thai Institute of Directors Association - Audit Committee Program (ACP), Class 32/2010, Thai Institute of Directors Association - Certificate of Top Executive Program, Class 8, Capital Market Academy - Certificate of Top Executive Program in Commerce and Trade, Class 3, Commerce Academy 	0	-	<p>Present</p> <p>Present</p> <p>Present</p> <p>Present</p> <p>Present</p> <p>Present</p> <p>2001-2006</p> <p>2006-2008</p> <p>2001-2009</p>	<p>Qualified Committee</p> <p>Sub - Commissioner, the Development and the Promotion of Public Organization and other Organizations</p> <p>Independent - Director</p> <p>Chairman of the Board (Independent Director), Audit Committee and Chairman of Compensation and Nominating Committee</p> <p>Independent - Director</p> <p>Director-General, Department of Insurance</p> <p>Second Vice - President</p> <p>Member of the Monetary Policy Board</p>	<p>The Federation Thai Insurance Organization</p> <p>Governmental Supervision Public Sector Development Commission</p> <p>Thai Reinsurance Public Co, Ltd</p> <p>Univentures Public Co, Ltd</p> <p>Berli Jucker Public Co, Ltd</p> <p>Ministry of Commerce</p> <p>National Legislative Assembly</p> <p>Bank of Thailand</p>
Chai Jroongtanapibarn	56	<ul style="list-style-type: none"> - Master Degree in Accounting, Thammasat University - Bachelor Degree in Accounting, Chulalongkorn University - Director Certification Program (DCP) Audit Program - Audit Committee Program 	0	-	<p>2007-Present</p> <p>2000-Present</p> <p>2002-Present</p> <p>2007-Present</p> <p>1980-1997</p>	<p>Independent Director and Audit Committee</p> <p>Independent Director and Chairman of the Audit Committee</p> <p>Independent Director and Chairman of the Audit Committee</p> <p>Independent Director and Audit Committee</p> <p>Executive Director Chief Financial Officer</p>	<p>Oishi Group Public Co., Ltd</p> <p>Team Precision Public Co., Ltd</p> <p>Major Cineplex Group Public Co., Ltd</p> <p>Siam Food Products Public Co., Ltd</p> <p>Minor Group Company</p>

Name-Surname	Age (Year)	Education	Portion of Share Holding (%)	Relative between Director	Working Experience		
					Period	Position	Company
Prasit Kovilaikool	68	<ul style="list-style-type: none"> - LLB (2nd Class Honour) Chulalongkorn University - LL.M., Columbia University, New York, U.S.A. - Thai Barrister-at-Law Certificate of Human Right's Teaching, Strasbourg, France - Certificate of Property Valuation Assessment, Land Reform Office, Tiwan, associated with Lincoln Land Institute, Massachusetts, U.S.A. 	0	-	2010-Present	Independent Director	Oishi Group Public Co., Ltd
					2010-Present	Independent Director	Siam Food Products Public Co., Ltd
					2008-Present	Member, Board of Petroleum	Ministry of Energy
					2007-Present	Member, The Agricultural Futures Trading Commission	Ministry of Commerce
					2001-Present	Member of Chulalongkorn University Council	Chulalongkorn University
					1989-Present	Lecturer, Legal Education Institute of Thai Bar of the International Criminal Cooperation	
					2010-Present	Director and President	Oishi Group Public Co., Ltd
					2010-Present	Director and President	Oishi Ramen Co., Ltd
					2010-Present	Director and President	Oishi Trading Co., Ltd
					2009-Present	Senior Vice President	Thai Beverage Public Co., Ltd
Matthew Kichodhan	44	<ul style="list-style-type: none"> - Master's Degree in Science Management, Imperial College, University of London, England - Bachelor's Degree in Commerce, University of Toronto, Canada - Director Accreditation Program (DAP) - Director Certification Program (DCP) 	0	-	Present	Director	Wave Entertainment Public Co., Ltd
					Present	Director	BEC World Public Co., Ltd
					Present	Director	Ocean Glass Public Co., Ltd
					Present	Director	International Beverage Co., Ltd
					Present	Director	Best Spirits Distillers Ltd
					Present	Director	Blairmhor Ltd
					Present	Director	InterBev (Cambodia) Co., Ltd
					Present	Director	InterBev (Singapore) Co., Ltd
					Present	Director	InterBev Malaysia Sdn. Bhd.
					Present	Director	International Beverage Holdings (UK) Ltd.
Present	Director	Inver House Distillers Ltd					

Name-Surname	Age (Year)	Education	Portion of Share Holding (%)	Relative between Director	Working Experience		
					Period	Position	Company
					Present 2006-2009 2004-2006	Director Director Vice President, Business Management, Asia Pacific	International Beverage Holdings (China) Ltd Minor Corporation Public Co., Ltd
					1995-2004	Brand Marketing	Pepsi Co Inc.
					1990-1995	Director, Asia Pacific Product Group Manager	Lever Brothers (Thailand) Co., Ltd
Yeuh-Chin Chiu	50	Bachelor Degree in Mass Communication (Printed media), Sue Ching University Director Accreditation Program (DAP)	0.662	-	2000-Present 2000-Present 2001-Present	Director Director Director	Oishi Group Public Co. Ltd Oishi Ramen Co. Ltd Oishi Trading Co. Ltd
Sithichai Chaikriengkrai	56	- Bachelor Degree in Accounting (First Honor), Thammasat University - Mini MBA, Kasetsart University - Director Certification Program (DCP)	0	-	2006-Present 2008-Present 2008-Present 2008-Present	Director Director Director Director	Oishi Group Public Co. Ltd Siam Food Products Public Co. Ltd Univenture Co. Ltd Eastern Seaboard Industrial Real Estate (Rayong) Co., Ltd
					2004-Present	Director and Senior Vice President	Thai Beverages Public Co., Ltd
					2001-Present 1997-2004	Director Director and Senior Executive Vice President	Berli Jucker Public Co., Ltd Beer Thai (1991) Public Co., Ltd

Name-Surname	Age (Year)	Education	Portion of Share Holding (%)	Relative between Director	Working Experience		
					Period	Position	Company
Pisanu Vichiansanth	54	<ul style="list-style-type: none"> - Ph.D.Engineering Technical University Berlin, West Germany - Master Brewer, The Scandinavian School of Brewing, Denmark - Director Accreditation Program (DAP) 	0	-	2006-Present 2004-Present 2004-Present 2004-Present 2000-2004	Director Managing Director Director and Senior Vice President Managing Director Managing Director Assistant	Oishi Group Public Co. Ltd Cosmos Brewery (Thailand) Co.,Ltd Thai Beverages Public Co. Ltd Beer Thai (1991) Public Co.,Ltd Beer Thai (1991) Public Co.,Ltd
Ueychai Tantha-obhas	60	<ul style="list-style-type: none"> - B. Sc Accounting, St. Louis University, Missouri, USA - Master Degree in MBA, Thammasat University - The European Institute of Business Administration (INSEAD) - Advance Management Programmer (AMP) - Director Accreditation Program (DAP) 	0	-	Present Present Present Present 1995-2002 1994-1995 1983-1994 1980-1983	Director Director Director Director and Senior Vice President President and Chairman Managing Director Marketing Director and President Product Manager	Oishi Trading Co. Ltd Oishi Ramen Co. Ltd Oishi Group Public Co. Ltd Thai Beverages Public Co., Ltd Rich Monde (Bangkok) Co., Ltd Sarin Property Co., Ltd Rich Monde (Bangkok) Co., Ltd Colgate Palmolive (Thailand) Co., Ltd
Palboon Kujareevanich	54	<ul style="list-style-type: none"> - Master Degree in MBA, Thammasat University - Bachelor Degree in Accounting, Chulalongkorn University 	0	-	2006-Present 2005 2003-2004 2001-2002 1991-2000	Executive Director and Executive Vice President Managing Director Deputy Managing Director Director Vice President - Sales Vice President - Finance	Oishi Group Public Co. Ltd Best Spirits Co. Ltd Thai Beverages Marketing Co. Ltd Rich Monde (Bangkok) Co., Ltd Rich Monde (Bangkok) Co., Ltd

Name-Surname	Age (Year)	Education	Portion of Share Holding (%)	Relative between Director	Working Experience		
					Period	Position	Company
Aniturn Mahathorn	41	<ul style="list-style-type: none"> - Bachelor Degree, Western Michigan University, Kalamazoo, Michigan U.S.A - Master Degree Depaul University, Chicago, Illinois, U.S.A 	0	-	Present	Executive Director and vice President	Oishi Group Public Co., Ltd
					2007-2009	Marketing Director	The Minor Food Group Public Co., Ltd
					1996-2006	Marketing Director	Pepsi Co Inc.
					1993-1995	Brand Manager	Lever Brothers (Thailand) Co., Ltd
Paisam Aowsathaporn	44	<ul style="list-style-type: none"> - Bachelor Degree in Business Administration, Indiana Institute of Technology, Fort Wayne, Indiana, USA - Master Degree International Business Administration, Johnson & Wales University 	0	-	2007-Present	Executive Director and Executive Vice President	Oishi Group Public Co. Ltd
					2004-2007	Director of Operations	Oishi Group Public Co. Ltd
					2002-2004	Operations Director and Training Director	Global Kitchen Co. Ltd
					1999-2002	Area Manager	Yum Brands
Sanya Yossanant	49	<ul style="list-style-type: none"> - Bachelor of Arts (B.A) Major : Economics, Ramkhamhaeng University - Master of Arts (M.A) Major : Political Science Ramkhamhaeng University 	0	-	Present	Human Resource Director and Risk management Committee	Oishi Group Public Co., Ltd
						Assistant Vice President Administration	The British Dispensary Co., Ltd
						Human Resource Manager	Kohler (Thailand) Public Co., Ltd
						Sr. Human Resource Manager	Samart Corporation Public Co., Ltd
Sanguan Pongswan	55	<ul style="list-style-type: none"> - Executive MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University - Bachelor Degree in Accounting, Thammasat University 	0	-	Present	Director of Internal Audit	Oishi Group Public Co., Ltd
					1999-2009	Audit Partner & Executive Director	KPMG (Thailand) Co., Ltd
					1990-1998	Audit Senior Manager & Director	KPMG (Thailand) Co., Ltd

Name-Surname	Age (Year)	Education	Portion of Share Holding (%)	Relative between Director	Working Experience		
					Period	Position	Company
		<ul style="list-style-type: none"> - Bachelor in Law, Thammasat University - High School - Assumption College, Bangkok - Certified Professional Internal Auditor of Thailand (CPIAT-The Institute of Internal Auditors of Thailand) - Certified Public Accountant (CPA-Federation of Accounting Professions under The Royal Patronage of His Majesty The King) - Certified Public Tax Auditor (CPTA-Revenue Department) 	0	-	1989-1990	Audit Manager	KPMG in The United Kingdom

Shareownership of the Board of Directors and Executives

Name	Position	Ordinary Stocks (Shares)		
		31 Dec 2010	31 Dec 2009	Increase (Decrease)
1. Mr. Narong Srisa-arn	Chairman	-	-	-
2. Mr. Thapana Sirivadhanabhakdi	Vice Chairman	-	-	-
3. Mr. Vikrom Koopairochana	Independent Director/ Chairman of the the Audit Committee	-	-	-
4. Ms. Potjaneer Thanavarant	Independent Director/ Audit Committees	-	-	-
5. Mr. Chai Jroongtanapibarn	Independent Director/ Audit Committees	-	-	-
6. Mr. Prasit Kovilaikool	Independent Director	-	-	-
7. Mr. Matthew Kichodhan	Director and Managing Director	-	-	-
8. Mr. Yeuh Chin Chiu	Director	1,009,900	1,241,500	(231,600)
9. Mr. Sithichai Chaikriengkrai	Director	-	-	-
10. Mr. Ueychai Tanth-obas	Director	-	-	-
11. Dr. Pisanu Vichiensanth	Director	-	-	-
12. Mr. Paiboon Kujareevanich	Assistant Managing Director	-	-	-
13. Mr. Paisarn Aowsathaporn	Assistant Managing Director	-	-	-

7.3 Remuneration

7.3.1 Financial incentives

7.3.1.1 The financial incentive of the company's board of directors are in the forms of monthly salary, and bonus, which can be elaborated as follows;

	Name Position	2010		Total Amount (baht)
		Monthly Salary (baht)	Bonus (baht)	
1.	Mr. Narong Srisa-arn Chairman / Chairman of the Remuneration Committee	720,000	4,851,700	5,571,700
2.	Mr. Thapana Sirivadhanabhakdi Vice Chairman	540,000	3,638,700	4,178,700
3.	Mr. Tan Passakornnatee ⁽¹⁾ Director / Remuneration Committee	-	2,425,800	2,425,800
4.	Ms. Sunisa Sukphantavorn ⁽²⁾ Director	-	2,425,800	2,425,800
5.	Mr. Vikrom Koopairochana Independent Director / Chairman of the Remuneration Committee	600,000	3,638,700	4,238,700
6.	Ms. Potjaneer Thanavarant Independent Director / Audit Committee	480,000	2,021,500	2,501,500
7.	Mr. Chai Jroongtanapibarn Independent Director/Audit Committee/ Risk Management Committee	600,000	3,638,700	4,238,700
8.	Prasit Kovilaikool Independent Director	270,000	-	270,000
9.	Mr. Yeuh-Chin Chiu Director	-	2,425,800	2,425,800
10.	Mr. Sithichai Chaikriengkrai Director / Remuneration Committee	480,000	2,425,800	2,905,800
11.	Mr. Ueychai Tantha-obhas Director	360,000	2,425,800	2,785,800
12.	Dr. Pisanu Vichiensanth Director/ Risk Management Committee	480,000	2,425,800	2,905,800
13.	Mr. Somkiat Chareonkul ⁽³⁾ Director	-	2,425,800	2,425,800
14.	Ms. Cholakarnta Boobphaves ⁽⁴⁾ Director	-	2,425,800	2,425,800
15.	Mr. Verachai Tantikul ⁽⁵⁾ Independent Director and Audit Committee	-	404,300	404,300
Total Amount of Salary and bonus		4,530,000	37,600,000	42,130,000

Remark :

- (1) Mr. Tan Passakornnatee has resigned from the company's director since September 9, 2010 and The Board of Director has appointed Mr. Matthew Kichodhan as director and President since September 2010
- (2) Ms. Sunisa Sukphantavorn has resigned from the company's director since October 6, 2010 and the Board of Director has appointed Mr. Panot Sirivadhanabhakdi as director since February 23, 2011
- (3) Mr. Somkiat Chareonkul has resigned from the company's director since March 3, 2010
- (4) Ms. Cholakarnta Boobphaves has resigned from the company's director since December 31, 2009
- (5) Mr. Verachai Tantikul has resigned from the company's director since February 24, 2009

7.3.1.2 Incentive of the company's executives in the forms of salary and bonus.

Unit : Baht	No. of Executives	2010	2009
Total Amount of Salary	8	30,252,107	26,800,740
Total Amount of Bonus	8	5,432,333	9,606,940
Grand Total		35,684,440	36,407,680

7.3.2 Independent committee participation in any training course organized by Thailand Institute of Directors (IOD)

Training Courses

Name of the Board of Directors (Total: 13)	Directors Certification Program (DCP)	Directors Accreditation Program (DAP)	Audit Committee Program (ACP)	Others
1. Mr. Narong Srisa-arn	-	Class of TCC/2004	-	-
2. Mr. Thapana Sirivadhanabhakdi	-	Class of TCC/2004	-	-
3. Mr. Vikrom Koompaichana	-	Class of 63/2007	-	-
4. Ms. Potjaneer Thanavarani***	Class of 17/2003	-	Class 32/2010	RCP Class 13/2006, RCC Class 4/2007, CMA Class 8, TEP CoT Class 3/2007
5. Mr. Chai Jroongtanapibarn	Class of 29/2003	-	Class of 4/2005	-
6. Mr. Prasit Kovilaikool	-	-	-	-
7. Mr. Yeuh-Chin Chiu	Class of 16/2004	-	-	-
8. Mr. Sithichai Chaikriengkrai	Class of 26/2003	-	-	-
9. Mr. Ueychai Tantha-obhas	Class of TCC/2004	-	-	-
10. Dr. Pisanu Vichiensanth	Class of TCC/2004	-	-	-
11. Mr. Matthew Kichodhan	-	-	-	-

7.3.3 Other Benefits

-None-

7.4 Business Operation

The Board of Directors sees the significance of the management and operation, based on honesty and transparency. The company has been strictly operating under the Code of Best Practices, regulated by the Stock Exchange of Thailand (SET). Moreover, the company's board of directors has set policies on corporate governance to be in-line with the SET's regulations, so that the company's operation will be transparent, as well as boosting the confidence of the shareholders, investors and other related parties. The company determines to improve the company's good governance to be leveled with other leading companies. The policies will then push the company forward to success and sustainable growth.

Internal Information Usage

7.5 Internal Information Usage

7.5.1 It is remarked that the Board of Directors and Management shall not bring any unpublicized internal information in use for personal benefit like stock trading. They are obliged to one-month silent period.

7.5.2 The Board of Directors and Management has been informed about the shareholding regulations either of oneself or of family required by SEC No. 59 and 275 punishment regulation as of SEC Act in 1992.

The company's punishment for those who misconduct internal information ranges from verbal warning up to terminating employment.

7.6 Human Resources

As of December 31, 2010, the company and subsidiaries have a total of 5,600 employees (Excluding the Board of Directors and Management Team as 13), categorized into;

Line of Command	Number of employees
Office	237
Restaurant	4,778
Factory	585
Total	5,600

In 2010, the total basic salary was 560 million baht.

Employee development policy

Oishi Group sees significance in the development of knowledge and capability of the employees. The company believes that every employee is a part of the company's success; therefore, personnel development is considered a long-term investment that must be done continuously. If the human resources are considered the most important element of an organization, the necessity of human resources development, in order to create applied ability and knowledge to their the employees' works, is also considered a success building factor that can make the company achieve its sustainable growth.

In 2008, the company still maintained the human resources development plan as in the year 2007. The employees were divided into three groups i.e. restaurant employees, manufacturing employees, and supporting employees. The detail is elaborated as follows;

1. Restaurant employees :

The company sets many restaurant operation training system courses to executive employees including special training for each different level. This will cause the standard services of the company requirements as two following categories;

1.1 Crew Member Training Excellence: is the training course for the front line staff such as cleaning staff, cashier, receptionist, and for the back office staff such as food preparing staff, cooks and supervisors, etc. This course emphasizes the service, maintenance and food quality.

1.2 Management Training Excellence: is the course for chief staff, intern manager, manager assistant, manger, area manager. The course emphasizes the product, inventory, human resource, cash management, leadership, planning, holding cost, expense cost, and sale and profit establishment.

2. Manufacturing Employees

Is the training that emphasizes on the production, the product quality, the cost reduction, the increase of productivity, and operational processes; in order to be in-line with the ISO 9001:2000, GMP system and HACCP system, and the ISO22000:2005 system. Moreover, the company has also arranged Technical Training and other skill improvement, and soft skill courses to the employees.

3. Supporting Employees:

The development of the supporting employees is considered another important factor that will help the company to be smoothly operated. The company expects to make the supporting employees feel as if they are the business partners by encouraging hands-on experience through in-house training and through the advice of the experienced personnel in each field, including sending the employees to join public training.

Moreover, the company has set up four training structures to improve the skill and knowledge of employees in the three groups, which are;

1. Orientation Program is the course set up for the company's new employees. It will introduce the new comers about the company, their job description and anything they need to know how to work efficiently.

2. Corporate Training Program is the course designed to help employees to apply what they learn in real working environment. The company held either In-House Training or Public Training to develop the work efficiently of the staffs.

3. Functional Training Program is the course designed to develop specialized skills and techniques i.e. knowledge on production process etc.

4. Leadership Development Program is the course specially deigned to develop the potential of the organization's leaders and management team.

In 2010, the company invested a total 2.7 million baht in human resources development.

Welfare Policy

The company believes that its successful management is the result of the competent employees, who are skillful and motivated. In addition, the employees' stability and good welfare provided by the company are the factors that help the employees reach their highest potential, as well as having good quality of life. The company therefore, has the following welfare policy;

1. Every employee will be treated fairly and respectfully as a part of the company.
2. The company will improve the environment within the company to be in tidiness and employee-friendly at all time.
3. The company will organize the sanitary cafeteria system, clean toilets, safe shuttle services, and efficient nursing room as stated by law.
4. The company has set the employees' remuneration and welfare appropriately and fairly.
5. The company encourages all employees to constantly receive news and information.
6. The company provides high technology office supply, phone and fax systems, so that employees can gain most valuable uses of the equipment.

Safety of Occupational Health and Workplace Environment Policy

Employees are considered highly valuable resources of the company; therefore, it has set up the safety of occupational health and workplace environment policy, which can be elaborated as follows;

1. Work safety is the duty of every employee.
2. The company encourages the improvement on the work condition, for the safety of every employee.
3. The company encourages activities that enhance the work safety.
4. Every level of supervisors must act as good role models by abiding by the safety rules and regulations in the workplace.
5. Every employee must regard the safety of his own and others, as well as the properties of the company at all time.
6. Every employee must cooperate with the company's measures on safety of occupational health and workplace environment.

Human Resources Policy

The company is certain that the company's administration has succeeded because of the ability, skill and good motivation of the employees. Therefore, the company has encouraged good ethics, disciplines, unity and understanding among the employees as the company's goal in human resources management. The policy is to ensure the effectiveness of the employees' skills and ability. In addition, the company has set policies on human resources management as follows:

- 1 All employees will be treated fairly and with integrity as a part of the company.
- 2 The recruitment of any employee or the transfer of his /her responsibility will be done fairly, with consideration on qualification of each position.
- 3 The company will constantly support and develop the efficiency of the employees.
- 4 The company will set the incentives for the employees fairly as it found appropriate, depending on the job description, the company performance, and the spending ability of the company.
- 5 The company encourages the employees to constantly receive related company information as appropriate.

Administration Policy

The company determines to create livable and workable scenery and environment for every employee, so that they will have pleasurable working conditions. The company is certain that the good environment, both inside and outside will motivate the employees to want to come to work everyday. Therefore, the company has set the administration policies to improve the working environment, both inside the office and outside, as follows:

- 1 Improve the internal working environment to be in order as found appropriate.
- 2 Organize the cafeteria system as well as the security system and the employees' lockers. Also, there will be improvement on the cleanliness of the toilets, the safety of employees' shuttle buses and the standards of the first-aid room as stated by law.
- 3 Organize the system of office supplies, telephones, faxes to best benefit the employees and the company.
- 4 Create good relationship with external organizations and visitors as well as the government affairs as stated by law.
- 5 The company will ensure that the employees have constantly received related company information as appropriate.

8. Internal Control

The company sees the importance of the internal control that creates efficiency, both in the executive and the operational levels. The company has therefore, set up the internal control that covers all aspects, including the accounting and finance, the operation that abides by the law and other related rules and regulations; as well as having efficient checks and balances system that can protect the investment and capital of the shareholders and the company's assets. In addition, the company has set up Internal Affairs department to inspect the operation of every department and division of the company and its supporting organizations, including providing advices regarding the internal control system that concerns crucial risks of the company; as well as evaluate the efficiency and sufficiency of the internal control, and closely monitor the internal control for the management. In addition, the company encourages the department to follow the universal standards based on International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors (IIA). The board of directors will supervise the Internal Affairs department so that it can perform its duty freely through the checks and balances system, and constantly report directly to the Audit Committee, to ensure that the internal control system continues to be a significant mechanism that pushes the company to its sustainable growth, so that the company can achieve its Vision and Mission.

The internal control's framework for the board of directors, including the Audit Committee and the internal affairs department, is based on the Internal Control Integrated Framework of the Committee of Sponsoring Organizations of the Tread way Commission (COSO) that covers in five aspects.

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information & Communication
5. Monitoring & Evaluation

The consideration is based on internal audit department, collecting information by interviewing and gathering evident from executives. The conclusion is that the internal control of the company is sufficiently efficient; moreover, the internal control satisfactory covers business transaction of shareholders, the Board of Directors, executives or other relevant parties. For other parts of internal audit, the board agreed that the level of internal control is adequate.

For the internal control of two subsidiaries, the company determined of their systems to consistent with the company's internal control framework. Besides, the company has regularly sent authorities to inspect their performance; therefore, these two subsidiaries arranged their internal control sufficiently.

In order to carry the Good Corporate Governance, the board of committee has supported executives to develop the quality of internal control system continuously.

9. Related Parties Transactions

9.1 Relationships with related parties

The company and its subsidiaries have entered into related parties transactions in 2010 as set forth below:

Name of entities	Country of incorporation /nationality	Nature of relationships
Thippattana Arcade Co., Ltd.	Thailand	Directorship
T.C.C Technology Co., Ltd.	Thailand	Directorship
South East Capital Co., Ltd.	Thailand	Directorship
The South East Insurance Co., Ltd.	Thailand	Directorship
The South East Life Insurance Co., Ltd.	Thailand	Directorship
Indara Insurance., PCL	Thailand	Shareholdership
N.C.C. Exhibition Organizer Co., Ltd.	Thailand	Directorship
F&B International Co., Ltd.	Thailand	Directorship
Thai Drink Co., Ltd.	Thailand	Directorship
Thai Beverage Logistics Co., Ltd.	Thailand	Directorship
Suraseth Co., Ltd	Thailand	Directorship
Dhospak Co., Ltd	Thailand	Directorship
Seafood Beer Garden Co., Ltd.	Thailand	Directorship
Sang Som Co., Ltd.	Thailand	Directorship
Thep arunothai Co., Ltd.	Thailand	Directorship
Lak Chai Khar Sura Co., Ltd.	Thailand	Directorship
S.P.M. Food and Beverage Co., Ltd.	Thailand	Directorship
Fueng Fu Anant Co., Ltd	Thailand	Directorship
InverBev Malaysia Sdn. Bhd.	Malaysia	Related company
Mr. Tan Passakornnatee <small>(Mr. Tan Passakornnatee has resigned from the company's director and managing director since September 2010)</small>	Thailand	Shareholder and Director

* Transactions with the related parties were presented as related party transactions and balances until September 2010.

9.2 Pricing policies

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

Transactions	Pricing policies
Purchase and sale of goods	Cost plus margin / contractually agreed price
Purchase and sale of property, plant and equipment	Net book value / mutually agreed price
Rental income and expenses	Contractually agreed price
Consultancy income	Contractually agreed price
Interest income and expenses	Interest rate close to interest of financial institution
Other income and expenses	Mutually agreed price

Significant transactions for the years ended 31 December 2010 with related parties were as follows:

Sales to parent company

Ref	Name	Relationship	Amount	Balance due
1	Thai Beverage PCL	Directorship	888,689	277,603
	Total		888,689	277,603

Sales to related companies

Ref	Name	Relationship	Amount	Balance due
1	Beer Thai 1991 PCL	Directorship	11,949	-
2	OGT Co., Ltd.	Directorship	604,740,545	-
3	Fuengfu Anan Co., Ltd.	Directorship	35,327	-
4	Theparunothai Co., Ltd.	Directorship	6,182	-
5	Lakchai Kharsura Co., Ltd.	Directorship	31,323	-
6	Pomthip Co., Ltd.	Directorship	2,446,304,685	195,333,300
7	Pomkit Co., Ltd.	Directorship	168,141,300	15,056,960
8	Pomkhleng Co., Ltd.	Directorship	134,528,603	12,639,782
9	Pomchoke Co., Ltd.	Directorship	157,041,662	15,752,241
10	Pomcharoen Co., Ltd.	Directorship	211,598,000	16,253,277
11	Pomburapha Co., Ltd.	Directorship	150,296,263	14,763,143
12	Pomphalang Co., Ltd.	Directorship	296,505,631	21,904,319
13	Pomnakorn Co., Ltd.	Directorship	85,504,021	9,726,543
14	Dhosbhak Co, Ltd.	Directorship	31,009	30,000
15	Thai Beverage Marketing	Directorship	222,290	26,000
16	InterBev Malaysia Sdn Bhd	Directorship	258,113	-
	Total		4,255,256,903	301,485,564

Purchases from related parties

Ref	Name	Items	Amount
1	SPM Food and Drink Co., Ltd.	Assets	16,000,000
	Total		16,000,000

Purchases from related parties

Ref	Name	Relationship	Amount	Balance due
1	Beer Thai 1991 PCL	Transport	29,797	-
2	Pomthip Co., Ltd.	Raw materials	772,398	174,714
3	Pomkit Co., Ltd.	Raw materials	6,038	904
4	Pomklang Co., Ltd.	Raw materials	7,130	4,924
5	Pomchoke Co., Ltd.	Raw materials	229,640	32,034
6	Pomburapha Co., Ltd.	Raw materials	65,820	17,369
7	Pomphalang Co., Ltd.	Raw materials	81,057	24,852
8	Pan-International (Thailand) Co., Ltd.	Supplies	49,675,156	9,710,261
9	Thai Drink Co., Ltd.		99,285	21,590
10	Berli Jucker PCL		32,892,605	2,961,828
	Total		83,858,926	12,948,478

Purchase of assets from related parties

Ref	Name	Items	Amount
1	TCC Techonology Co., Ltd.	Computer	279,590
2	Southeast Insurance (2000) Co., Ltd.	Insurance	2,642,816
3	Beer Thip Brewery (1991) Co., Ltd.	Transport	60,610
		Total	2,983,016

Rental paid to related parties

Ref	Name	Branch	Amount
1	Thippat Arcade Co., Ltd.	Panthip Plaza	4,876,273
2	TCC PD 11 Co., Ltd.	Log Home	12,096,000
3	Tan Passakornnatee	OK Suki	647,050
4	Kluey Kluey Co., Ltd.	Shabushi	360,000
5	Suraseth Co., Ltd.	Buffet	1,479,280
6	NCC Exhibition Organizer Co., Ltd.	Rental	5,567
7	Thai Beverage Marketing Co., Ltd.	Rental	404,800
8	Seafood Beer Garden Co., Ltd.	Rental	3,309,040
		Total	23,178,010

Promotion expenses paid in advance by related parties

Ref	Name	Relationship	Amount	Balance due
1	Pomthip Co., Ltd.	Promotion	53,061,237	48,614,708
2	Pomkit Co., Ltd.	Promotion	1,579,557	11,825
3	Pomkhleng Co., Ltd.	Promotion	901,898	29,725
4	Pomchoke Co., Ltd.	Promotion	1,521,581	12,481
5	Pomcharoen Co., Ltd.	Promotion	1,208,540	29,238
6	Pomburapha Co., Ltd.	Promotion	1,183,024	47,900
7	Pompchalang Co., Ltd.	Promotion	1,543,034	4,680
8	Pomnakorn Co., Ltd.	Promotion	692,130	17,162
	Total		61,691,001	48,767,719

Other expenses paid to related parties

Ref	Name	Relationship	Amount	Balance due
1	Sang Som Co., Ltd.	Transport	2,620	2,803
2	Pomthip Co., Ltd.	Entrant fee	13,386,924	-
3	Beer Thip (1991) Co., Ltd.	Transport	-	64,853
4	Thai Beverage Marketing Co., Ltd.	Supplies	-	433,136
5	Southeast Capital Co., Ltd.	Car Rental	896,172	78,709
6	Southeast Insurance (2000) Co., Ltd.	Insurance premium	6,095,889	104,741
7	Southeast Life Insurance Co., Ltd.	Insurance premium	904,770	-
8	Suraseth Co., Ltd.	Utilities	4,217,682	340,945
10	Indra Insurance Co., Ltd.	Insurance premium	135,028	-
13	F&B International Co., Ltd.	Services	3,738	-
14	Thippat Arcade Co., Ltd.	Utilities	3,392,730	312,605
15	TCC PD 11 Co., Ltd.	Services	-	1,008,000
16	NCC Image Co., Ltd.	Utilities	1,820	-
17	OGT Co., Ltd.	Promotion	218,154	-
18	Seafood Beer Garden	Utilities	1,604,387	113,742
19	Thank You Service Co., Ltd.	Utilities	1,529,770	-
20	Kluey Kluey Co., Ltd.	Utilities	1,131,327	-
	Total		33,521,012	2,459,535

9.3 Necessity of related parties transactions

9.3.1 Rental

Location selection based on feasibility study and rental rate is at arm length.

9.3.2 Sales to related parties

Terms of trades is at arm length and at market prices.

9.3.3 Purchases and expenses paid to related parties

Same with above

9.4 Approval process for related parties transactions

If there is potential conflict of interest, the Audit Committee will be invited to consider and give opinion in terms of suitability of such transactions. In case the Audit Committee unable to give comment, an independent advisor or external auditor will be brought in to do so do that the Board of Directors of Shareholder can make their decision.

9.5 Policy or tendency of related parties transactions in the future

The company expect that the related parties transactions are part of the normal course of business which give th maximum benefits to the company. The Board of Director shall comply to SET and SEC regulations and such transactions shall be properly disclosed according to the accounting standard.

10. Financial Status and the Company Performance

10.1 Financial Statements

Summary of the auditor's report

The auditor's report in 2010 was audited by Ms. Nittaya Chetchotiros from KPMG Phoomchai Audit Ltd. gave an opinion that that the company's financial statement is present fairly, in all material respects, in conformity with generally accepted accounting principles.

10.2 The auditor's fee

10.2.1 Audit fee

The company and subsidiaries pay audit fee 4,080,000 baht in 2010.

10.2.2 Other fees

-None-



Summary of Financial Statements

Summary of Financial Statements

Items	Consolidated ('000 baht)		
	2010	2009	2008
Cash and cash equivalents	309,403	558,390	773,207
Trade accounts Receivable – net	606,482	589,919	450,040
Inventories	495,780	204,890	196,637
Other current assets	86,957	49,786	35,344
Other long-term investments	12,160	8,500	8,500
Property, Plant and Equipment-net	2,966,079	1,635,608	1,548,504
Intangible Assets	46,708	45,220	31,767
Intangible Assets	91,995	101,674	111,352
Other non current assets	162,015	277,811	90,824
Total Assets	4,777,579	3,471,798	3,246,175
Trade accounts payable	795,542	628,816	474,815
Accrued expenses	274,484	315,097	248,516
Other accounts payable	288,149	111,252	102,372
Other current liabilities	115,736	74,961	55,916
Deferred Income	784	1,620	2,063
Long term loan	600,000	-	-
Other non-current liabilities	26,531	5,681	3,202
Total Liabilities	2,101,226	1,137,427	886,884
Registered capital	375,000	375,000	375,000
Paid up capital	375,000	375,000	375,000
Premium on share capital	609,402	609,402	609,402
Appropriated- Legal reserve	37,500	37,500	37,500
Unappropriated Retained earnings	1,654,451	1,312,469	1,337,389
Total Shareholders' equity	2,676,353	2,334,371	2,359,291
Total liabilities and Equity	4,777,579	3,471,798	3,246,175

Summary of the Company's Financial Statements

Items	Consolidated ('000 baht)		
	2010	2009	2008
Sales	9,186,914	7,127,971	5,952,473
Other Income	33,371	28,910	33,729
Total Revenue	9,220,285	7,156,881	5,986,202
Cost of sales	6,310,039	4,707,812	4,018,655
Selling and administrative expenses	1,853,209	1,695,179	1,369,492
Profit before interest expenses and income tax	1,057,037	753,890	598,055
Interest expenses	-	-	734
Income tax	47,555	2,560	4,853
Net profit	1,009,482	751,330	592,468
Number of shares ('000 shares)	187,500	187,500	187,500
Basic earnings per share (par value 2 baht)	5.38	4.01	3.16

Items	Consolidated ('000 baht)		
	2010	2009	2008
Net cash provided by operating activities	1,201,310	975,097	1,001,078
Net cash used in investing activities	-1,382,797	-413,663	-250,942
Net cash provided by financing activities	-67,500	-776,250	-375,734
Net increase in Cash and cash equivalents	-248,987	-214,816	374,402

Financial Ratio

Items	Consolidated ('000 baht)		
	2010	2009	2008
Liquidity Ratios			
Liquidity Ratio (times)	1.02	1.24	1.65
Quick Ratio (times)	0.62	1.02	1.39
Cash Ratio (times)	0.92	0.97	1.26
Account Receivable Turnover (times)	14.59	19.08	15.89
Average Collection period (days)	25.02	19.13	22.97
Inventory turnover (times)	18.01	23.45	19.26
Days sale outstanding (days)	20.26	15.57	18.95
Account payable Turnover (times)	8.86	8.53	9.24
Average Payment Period (days)	41.20	42.78	39.49
Cash Cycle (days)	4.09	-8.08	2.43
Profitability Ratios			
Gross Profit Margin	31.31%	33.95%	32.49%
Operating Profit Margin	11.14%	10.17%	9.48%
Cash to Profit Ratio	119.00%	129.78%	168.97%
Net Profit Margin	10.99%	10.54%	9.95%
Return on Equity	40.29%	32.01%	26.33%
Efficiency Ratios			
Return on Asset	24.47%	22.37%	19.33%
Return on Fixed Asset	43.87%	47.19%	39.86%
Asset Turnover	2.23	2.12	1.94
Financial Policy Ratios			
Debt to Equity Ratio (times)	0.79	0.49	0.38
Times interest earned (times)	0.22		
Dividend Payout	59.44%	79.80%	94.94%

Selling Expenses

The company has selling expenses in 2010 and 2009 equals to 851.7 million baht and 830.3 million baht respectively. When compare selling expenses over total sales in 2010 and 2009, the percentage has decreased from 11.6% to 9.3% due to decreasing in sales promotion.

Administrative Expenses, Management Benefit Expenses, and Net Foreign Exchange Loss

For the year of 2010 and 2009, company has 1,001.5 million baht and 864.9 million baht as administrative expenses, management benefit expenses and net foreign exchange loss or equivalent to 10.9% and 12.1% of sales revenue respectively. The percentage is lower due to increasing in sale.

Net Profit

For the year of 2010, the Company's net profit is Baht 1,009.5 million, or 10.9% net profit margin. Net profit is increased comparing with the same period in last year that is Baht 751.3 million or 10.5% of sales. Total net profit is increased 34.4%.

Financial Status

Assets

	December 31, 2010		December 31, 2009	
	Million Baht	% of total assets	Million Baht	% of total assets
Current assets	1,498.6	31.4%	1,403.0	40.4%
Land, buildings and Equipment (net)	2,966.1	62.1%	1,635.6	47.1%
Intangible Assets	138.7	2.9%	146.9	4.2%
Other non-current asset	174.2	3.6%	286.3	8.3%

As of December 31, 2010, the Company had total assets of 4,777.6 million baht. They had increased from the end of 2009 by 37.6% or 1,305.8 million baht. Total asset consists of 1) 1,498.6 million baht of current assets or 31.4% of total assets and 2) 3,279.0 million baht of non-current asset or 68.6% of total asset.

Current Asset

Current asset is increased 95.6 million baht or 6.8% due to

1. Cash and cash equivalent is 309.4 million baht that decreased from the end of 2009 by (44.6%) or (249.0) million baht mostly due to gain from operation activities 1,333.5 million baht, open new branches, renovation, new land, new plant and new machineries 1,535.1 million baht, investment in government bonds 3.7 million baht, cash received from sale of assets 21.0 million baht, dividend paid 667.5 million baht, and long term loan 600 million baht.
2. Account receivable-net is 606.5 million baht that increased from the end of 2009 by 2.8% or 16.6 million baht
3. Inventory is 495.8 million baht that increased from the end of 2009 by 142.0% or 290.9 million baht due to preparing stock for summer sales.

Land, Buildings, and Equipment - net

Land, Buildings, and Equipment - net is increased 1,330.5 million baht or 81.3% due to

1. Depreciation for year 2010 amounting 347.9 million baht,
2. Purchase new land and construct new plant and new machineries amounting 1,428.4 million baht,
3. Open new branches and renovate old branches amounting 270.0 million baht,
4. Disposal of machineries and equipments amounting 20.0 million.

Management's Discussion and Analysts on Operating Results

Consolidated Operating Results

(Million Baht)

	2010	2009	Compare to 2009
Sales Revenue	9,186.9	7,128.0	28.9%
Cost of sales	6,310.0	4,707.8	34.0%
Gross Profit	2,876.9	2,420.2	18.9%
Selling Expenses	851.7	830.3	2.6%
Admin. Expenses and Management Benefit Exp and Net Foreign Exchange Loss	1,001.5	864.9	15.8%
Net Profit	1,009.5	751.3	34.4%
Earnings per Share (Baht)	5.38	4.01	34.4%

Consolidated Operating Results - Classified by Business

(Million Baht)

	2010	2009	Compare to 2009
Sales Revenue - Food	4,076.5	3,298.4	23.6%
Sales Revenue - Beverage	5,110.4	3,829.6	33.4%
Total Sales Revenue	9,186.9	7,128.0	28.9%
Net Profit - Food	237.3	200.5	18.4%
Net Profit - Beverage	772.2	550.8	40.2%
Total Net Profit	1,009.5	751.3	34.4%

Sales

In 2010, the company has sales revenue totally 9,186.9 million baht, which is 28.9% increased from 2009 that had sales revenue totally 7,128.0 million baht. It can be classified as 4,076.5 million baht from sales revenue of food business or equivalent to 44.4% of total sales revenue, and 5,110.4 million baht from sales revenue of beverage business or 55.6% of total sales revenue. For the higher sales revenue when comparing to 2009, it comes from 33.4% increased in sales revenue from beverage business due to promotion campaigns (Japan Tour season 3). The sales revenue of food business is increased 23.6% due to sale promotion, and opening twenty two (22) more branches than 2009 (Buffet 3, Shabushi 11, Ramen 4, Maido 1, and Kazokutei 3).

Cost of sales

Total cost of sales of the company for 2010 is 6,310.0 million baht or equivalent to 68.7% of total sales. Total cost of sales for 2009 was 4,707.8 million baht or 66.0% of total sales. The company has higher percentage cost of sales due to higher cost of sales of beverage business and food business.

Liabilities

	December 31, 2010		December 31, 2009	
	Million Baht	% of Liabilities	Million Baht	% of Liabilities
Current liabilities	1,473.9	70.2%	1,130.1	99.4%
Other non-current liabilities	627.3	29.8%	7.3	0.6%

As of December 31, 2010, total liabilities are 2,101.2 million baht. They are increased by 84.7% or 963.8 million baht due to increased in Account Payables-Trade, Accounts payable-asset acquisition, and long term loan.

Shareholders' equity

As of December 31, 2010, total shareholders' equity is 2,676.4 million baht, which increased by 342.0 million baht from the end of 2009 or 14.7%, due to net profit for year amounting 1,009.5 million baht and dividend payment amounting 667.5 million baht.

11. Related Information

-None-



12. Corporate Social Responsibility

The catastrophe that happened to Japan on 11 June 2011 dealt a serious blow in terms of casualties, properties damages. Oishi Group PCL has been involved in raising donation for the Japanese who suffered from this natural disaster :

1. Deducted 5% from restaurants' sales to make the donation
2. Encourage the customers to donate by contributing their money in Oishi's donation boxes
3. Encourage Facebook's fan page to click Like at Oishi News Station page, for every "Like" Oishi will donate JPY 10.

In addition, the company also participated in the charitable activities to help those who suffered from flood in the South. We have contributed Baht 5 for each Like click in facebook.



13. Other related data

- None -

The company's board of director is responsible for financial statements of Oishi Group Public Company Limited and consolidated financial statements of the company and subsidiaries including financial information, presented in an annual report. The financial statements have been prepared in conformity with generally accepted accounting principles. The company chooses the most appropriated accounting practice and uses it as a standard practice. The practice is ensured an ample extent to which information disclosed for the benefit of shareholders and investors.

The company's board has organized effective risk management system and internal control system to ensure accuracy, completeness, and enough information of the financial statement and to prevent any corruption.

The company's board has appointed an Audit Committee to responsible for an auditing process both for financial statements and for internal checking and monitoring. This, in another way, is to have a risk management system. The Audit Committee's report is presented in the annual report.

The company's financial statements, the company and subsidiaries' consolidated financial statements have been audited by KPMG Phoomchai Audit Ltd. Along the auditing process, the company gave a full support on required documents. The auditor's report on auditing matter is presented in the annual report.

The company board agrees that the internal control is in satisfying level and is able to guarantee that financial statements of Oishi Group Public Company Limited and consolidated financial statements of the company and subsidiaries as of December 31, 2009 are credible based on accounting standards and related rules and regulations.



(Narong Srisa-arn)
Chairman

Report of the Audit Committee

The Audit Committee of Oishi Group Public Company Limited ("the Company") is composed of three independent members, namely, Mr. Vikrom Koompaichana, Chairman of the Audit Committee, Ms. Potjaneer Thanavarani and Mr. Chai Jroongtanapibarn, Audit Committee members. The Audit Committee members are considered by the Company to be qualified, knowledgeable and experienced persons. Their qualifications are in accordance with the requirements of the Company's Charter of Audit Committee. They are truly independent persons who are not involved in the management of the Company, neither do they hold any position in the Company, its subsidiaries and other affiliates.

During 2010, the Audit Committee had performed its duties within the scope of responsibilities assigned to it by the Board of Directors and in accordance with the regulations set by the Company in the Charter of Audit Committee, and the Code of Best Practice of the Stock Exchange of Thailand. The Audit Committee made the review of the good corporate governance, the financial statements and the appropriateness of disclosures of information regarding transactions between the Company, its subsidiaries and other affiliates, and transactions with tendency to cause conflict of interests, and the appropriateness of internal control systems. The Committee also played a role in the progressive development of internal control systems, strict monitoring of the Company's internal audit section, the selection and the appointment of the Company's statutory auditors as well as the evaluation of their compliance with professional requirements and their performances, quality of services and the appropriateness of their remuneration.

To ensure that the Company's operations are undertaken efficiently and transparently and can be audited at all steps in accordance with the policies of the Board of Directors, the Audit Committee has carried out its duty with responsibility to make sure that the Company continues to develop good corporate governance.

In 2010, 10 meetings were held by the Audit Committee and all 3 members of the Committee attended the meetings without any absence. Relevant executives were invited to the meetings to make clarifications on certain issues appeared in the course of internal audit. Corrections and improvements can accordingly be made and discrepancies can thus be prevented from recurrence.

The followings are principal performances carried out by the Audit Committee in 2010:

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

The Audit Committee reviewed the Company's Annual Financial Report and its Quarterly Reports before proposing them to the Board of Directors for approval. In so doing, the Committee ensured that facts and figures, and details contained in the financial reports, as well as information on transactions between the Company, its subsidiaries and other affiliates, or transactions with tendency to cause conflict of interests were amended correctly, and also whether the disclosures of significant information are accurate and reliable.

In this connection, the statutory auditors were invited to the meeting of the Audit Committee to discuss and clarify on some significant issues relating to the financial statements prepared by the Company's Management in compliance with Thai Accounting Standards and Thai Financial Reporting Standards including related interpretations and guidelines promulgated by the Federation of Accounting Professions and with generally accepted accounting principles in Thailand. The Audit Committee could then verify whether sufficient significant information were disclosed as required by the aforementioned standards, interpretations, guidelines and principles. Furthermore, a joint meeting was held between the Audit Committee and the statutory auditors in compliance with the Practice Guidance issued by the Stock Exchange of Thailand, allowing both parties to discuss any issues of interest to the two sides without participation of the Management.

2. Evaluation of the services of the statutory auditors

The Audit Committee carried out the evaluation of the quality of services of KPMG Phoomchai Audit Ltd., the statutory auditors, and the worthiness of their remuneration, taking into consideration the following factors - professionalism, efficiency, and independence. The Audit Committee was of the view that KPMG Phoomchai Audit Ltd., the statutory auditors, had given satisfactory services accordingly, providing the Company useful advices and recommendations, which were helpful for the Company's Annual Financial Report and internal control improvements.

3. Monitor of the Company's operations

The Audit Committee played its part in monitoring the Company's operations to ensure that the Good Corporate Governance and the Code of Best Practice of the Stock Exchange of Thailand are carried out. The Committee has continuously followed the guidelines for the strengthening of good corporate governance of the Company.

4. Approval of the scope of work and the annual audit plan of the Company's internal audit.

The Audit Committee approved the scope of work and the annual audit plan of the Company's internal audit for the year 2010. Additionally, the performances of the internal audit were regularly monitored, with the Company's risk management and internal controls being taken into consideration. Advices were consistently given to the Company's internal audit on various matters for the improvement of internal audit systems and the efficiency of their performances.

5. Approval of the scope of work and the annual audit plan of the Company's internal audit.

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

The Audit Committee performed its duties independently from the Board of Executive Directors and the Management with strong emphasis on internal controls to ensure that good governance and adequate internal controls were appropriately applied. Significant issues based on the issues reported by the internal audit were regularly presented to the Board of Directors for policy guidelines on the improvements or corrections in some sectors.

In the view of the Audit Committee, the Company's overall internal control systems are currently adequate. Discrepancies in the control systems or transactions that might cause conflict of interests and may significantly affect the Company's operations have not been noted. In addition, the Audit Committee strongly advised the Management to give careful attention to the continuous improvement of internal control systems with a view to bringing about greater efficiency and continued success of the Company's business operations and making them increasingly in compliance with relevant international standards.



(Mr. Vikrom Koompaichana)
Chairman of the Audit Committee

Report of the Risk Management Committee

The Risk Management Committee of Oishi Group Public Company Limited consists of seven committees, who are the members of the board and the executives from various departments. The committee was appointed by the board of directors to oversee the efficiency of the company's risk management. The company has also set up the roles and responsibility of the Risk Management Committee, which are:

1. Set policy and integrated risk management framework, that thoroughly cover main business risks i.e. business and operational risks.
2. Approve the appropriate risk management plans that can be applied throughout the organization.
3. Follow up on the company's main risk factors, as well as, any risk indication while updating the current data.
4. Offer advises and instructions on risk management.
5. Communicate with the Audit Committee on main risk factors, to be in line with the internal control.
6. Report to the company's board of directors regarding the risk factors and risk management.

In 2010, the committee held a total of 7 meetings, in order to perform their duty and the responsibility assigned by the Board of Directors. The Risk Management Committee has constantly reported the result of the significant risk management, including advices to the company's Board of Directors. The essence of the Risk Management Committee's performance is as follows:

1. Set up policies, strategies, and goals of risk management for the entire organization, as the guideline for efficient risk management for the executives.
2. Review the risk management policy and prepare risk management plan by evaluating from the risk factors that might affect the operation of the company. Develop risk management system that covers all aspect of the organization. Prepare risk management plan for all level by brainstorming with the executives, the employees from various departments.
3. Set up risk management system to reduce the long-term effect that the risk might cause to the company.
4. Develop efficient risk management system and supervise the appropriate risk management for the company.
5. Encourage the executives and the employees to see the significance of the risk management, and manage the risk that might obstruct the personnel to reach their goal. Support and push forward the plan of risk management for all levels of the organization, and make the policy the organizational culture.
6. Follow up on the progress of risk management in related divisions, and constantly arrange the risk evaluation.

The Risk Management Committee has performed its assigned duty thoroughly and gives out opinions to the executives freely for the highest benefits of the shareholders and all stakeholders.

The Risk Management Committee



(Mr. Chai Jroongtanapibarn)

Chairman of the Risk Management Committees

Oishi Group Public Company Limited has given the significance to the good corporate governance; it has determined to continuously improve the company's good corporate governance. The company has strictly abided by the Codes of Best Practices for listed companies. The company is certain that good corporate governance would benefit the company's business operation as well as adding value and rewarding the shareholders in the long run. Since the company has fiduciary duty to the shareholders, investors and other stakeholders, the Board of directors has been following the SET's Codes of Best Practices for listed companies, in which company's policies shall be set to be in line with the criteria of the Stock Exchange of Thailand. The policy is to ensure that the company will reach its ultimate goal in business operation and sustainable growth.

Policy on Corporate Governance

The board believes that the policy will play an important role in successful business operation. Therefore, the company's good governance policy has been set to cover in many areas:

- Certain system is set to build up confidence to the shareholders and the concerned party that fair and equal treatment will be offered to every party.
- Supervising the executive board to efficiently abide by the policy set by the board of directors, for the best interest of the shareholders within the boundary of the law and business etiquettes.
- Assist executives' performance to be transparency, auditable and information disclosure.
- Provide appropriate control and risk management systems.
- Determine code of conduct to operate business for Board of committee, executives and employees to be followed.

The company is well aware of the significance of the good corporate governance that it is the foundation of efficient organization. The company, therefore, strictly operate its institution according to conduct guided by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), based on the international code of conducts set by the Organization for Economic CO-operation and Development (OECD). The conduct comprises 5 principles on good corporate governance, which are as follows:

The board of directors is aware that shareholders are the full owners of the company, administer through the appointment the board of directors as their delegates, and have a right to make decision on any significant changes. The company supports shareholders to exercise their rights such stock selling or purchasing, transaction, profit allocation, information notification, voting in shareholders' meeting to discharge the committee, appoint account auditors and other effected issues to the company such as dividend allocation, regulations determination/adjustment and the Memorandum of Association, capital increase or decrease and particular issues' approvals.

The board of directors has the policy to treat all shareholders equally, fairly, as well as facilitating the shareholders in the meeting participation, receiving information and the rights to vote in the Shareholders' Meeting. In each meeting, the board of directors gives the opportunity to every shareholder equally to ask questions, give opinions, and advices to the company. Also, the company will assist the shareholders in the meeting to encourage the rights to vote. The company will send Proxy Forms, along with the Meeting Invitation in case the shareholders are unable to attend the meeting. The shareholders can appoint someone else or the independent directors as proxy to attend the meeting, and shall have the rights to vote as stated by the shareholders.

In the Shareholders' Meeting, the board of directors must make a letter of appointment of the meeting with specific details and send to the shareholders at least 7 days in advance for the shareholders' thorough decision. In addition, the resolution of the Board of Directors must be stated in each meeting agenda, and meeting minute must be taken for the shareholders' later inspection.

The shareholders shall acknowledge the regulations and procedures on the participation of the meeting, as well as receiving sufficient information to consider every agenda before the meeting. The shareholders also have the rights to make enquiry and can appoint a proxy to participate in the meeting. The granted proxy has the equal vote as the shareholders.

The board of directors shall organize the shareholders' Annual General Meeting within four months from ending date of the accounting period of the company. All the Shareholders Meetings other than mentioned shall be called Extraordinary Shareholders Meetings. The board of directors may call an Extraordinary Meeting at any time as deemed appropriate. During the shareholders' meeting, the company will give equal freedom to every shareholder in expressing opinion and make inquiries regarding the topics and motions of the meeting without time limitation. The meeting's chairman, the board of directors and the audit committee will participate in answering the enquiry, as well as, acknowledge every opinion of the shareholders. Every topic shall be noted in the minute of the meeting for future examination.

In addition, the board of directors has set up policies to supervise and protect the rights of the shareholders; as well as encourage every shareholder to claim their rights freely and equally. The Shareholders' policy must be complied with the company's Good Corporate Governance that is in-line with the rules and regulation of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission, including other related laws. The board also realizes and sees the importance of the shareholders' rights, and will not carry any action that might deprive the rights.

The company has valued the equal treatment toward the shareholders, and has set policies to supervise and protect the shareholders' rights, as well as encouraging every party to strictly comply with the policies. All shareholders, executives, or non-executives, major, or minority shareholders, can be ensured to receive equal and fair treatment from the company.

Moreover, the board of directors has set up policies to supervise and protect the rights of the shareholders; as well as encourage every shareholder to claim their rights freely and equally. The shareholders' policy must be complied with the company's Good Corporate Governance that is in line with the rules and regulation of the Stock Exchange of Thailand (SET), the Securities and Exchange Commission, and other related regulations. The board of directors has determined to strictly abide by the rules and regulations of the SET and SEC.

The board determines that every director and executive discloses any information regarding their stake to the company or other relevant parties to prevent any conflict of interests and capability to make a decision for the overall company. In this case, the company identified any committee and any interest earner cannot be part of related-interest transaction.

The board of directors has set preventive measures on any member or group of board of directors or executive's exploit fraud such as insider trading or disclose improperly inside information to anyone related to the board of directors or executives, which might cause damages to the shareholders.

In terms of the use of internal information, the company determined the executives must inform the Securities and Exchange Commission (SEC) in case of any change in the company's security holdings, according to the Securities and Exchange Act 1992 (2535), Section 59. Also, the disclosure of any information that has not yet been public for any personal use, including the trading of the executives and employees' stock trading are prohibited. The trading of the company's shares during the one-month period prior to the release of the company's financial budget must be avoided. Violations will be punished from probation to termination of employment. The company stated the policy in written document to prohibit all staffs from making any sale transaction upon receiving the crucial information that will affect the company's stock price, until the information is disclosed to the public 30 days in advance.

The Board of Directors is well aware that every stakeholder must be treated with care following by their rights stated in relevant laws and regulations. The board has considered creating cooperation between the company and the stakeholders for company's financial stability and cooperating benefits. There are various groups of stakeholders in the good corporate governance, essentially such as customers, employees, suppliers, shareholders or investors, creditors and communities, society or government agencies. Other stakeholders include competitors.

The Board of Directors determined policies to treat each stakeholder must be according to their rights stated in laws and regulations or company's conditions. No violation of their mentioned rights is allowed.

The Board of Directors has meant to develop a device to drive stakeholders' participation, leading to better performance and permanent satiability of the company. The Board should reveal relevant and important information to stakeholders adequately for efficiency participation.

The Board of Directors is well aware that the effective outcome of the company can be achieved by the contribution and support of every stakeholder. Therefore, a policy has been set to create cooperation between the company and the stakeholders that will lead to mutual benefits. The policy will as well ensure that every stakeholder will be protected and treated with care. The policy can be elaborated as follows;

- Shareholders : - The company shall be operated with transparency, under the determination to grow and giving good benefits to the shareholders in the long run.
- Employees : - Every employee will be treated fairly and will be given appropriate reward.
 - Employees are considered highly valuable resources of the company and must be treated fairly, in terms of opportunity, remuneration, potential development, as well as the stability in quality of life and safety in the workplace.
- Customers : - The company determines to continuously develop the product quality and services of the company, to ensure the highest customer satisfactory.
 - Taking good care and paying attention to the customers with all will, along with maintaining the quality and services of the products.
 - Providing a division, or personnel to receive complaints from the customers, to ensure prompt solutions to the customers' concerns.
- Suppliers : - The company shall strictly abide by the trade agreement and contracts made with the suppliers. The company determines to treat the suppliers equally and fairly, to ensure mutual benefits.
- Creditors : - The company determines to treat the creditors equally and fairly. The company will also strictly abide by conditions stated in the contract.
- Competitors : - The company will perform under the universal competition rules. The company will also treat the competitors fairly and honestly. The company will not destroy the reputation of competitors.

- Community :
- The company shall carry the sense of responsibility to the environment and the community.
 - The company shall build good conscience to everyone in the organization to take care and develop the society, environment, along with the company's sustainable growth.

In order to operate business for the best interest of others, the board of directors has set a policy, where every party is equally important, while achieving the goals of the organization. To succeed the policy, the boards of directors and executives, as well as, employees must acknowledge the standard procedure stated in the business ethic guideline, where the fair treatments toward the shareholders, customers, suppliers, competitors, the society and the employees are drawn. In addition, the board is setting up mechanisms to ensure that the business ethic will be abided by.

In addition, the company shall abide by the rules and regulations stated in the law, to ensure that the stakeholders will be treated with care.

Disclosure of Information and Transparency

The Board of Directors determined the company to disclose information related to the firm including financial and non-financial information accurately, currently, completely, transparently and reliably to every stakeholder equally.

The Board of Directors is certain that all information in financial report must contain accuracy according to the standards of the Accounting Profession Association of Thailand and were approved by independent accounting auditors. The board is aware that quality of financial report is what shareholders and outsiders have placed greatly importance.

The company sees the importance of the disclosure of information related to the firm including financial and non-financial information accurately, sufficiently and transparently to the investors and other related parties at the punctual time; the information i.e. the Annual Report, Financial Report, other significant information stated by the Stock Exchange of Thailand (SET), and information that might affect the company's stock price, shall be published through the SET's media, or an appointment of the company's executives for the enquiries of such information must be allowed. Moreover, the Board of Directors determined to set a transparency compensation payment process and asked for shareholders' approval.

Report by the Board of Directors

The board of directors is well aware how importance the credibility of financial report and the financial budget are. They show the public the company's financial status, as well as its real performance. Therefore, the board has always given full cooperation to the company's account auditors.

The board is responsible for the arrangement of the company's financial report, including the financial information shown in the annual report. It supervises the management team in preparing financial budget by providing accurate and true financial data, certified by the accountants and the standards of the Accounting Profession Association of Thailand. The board will carefully apply appropriate policies while using thorough consideration and the logics of the arrangement.



The board also acknowledges the significance of the internal auditory efficiency, as it is one of the key to successful operation, as well as, preventing any misconduct. Therefore, Audit Committee is appointed to review and supervise the internal auditory system. The Committee will also directing transparent and accurate arrangement of the company's financial record. The Audit Committees are consisted of three independent committees. The end process of financial data arrangement is when the audit committee stated their approval on the financial report in the annual report, as of December 31, 2009 that the report is credible and accurate.

Remuneration of the Board of Directors and Executives

The company has considered the remuneration of the board of directors based on the comparative rate with others in the same industry, listed in the SET. The remuneration is set to motivate the directors to continuously contribute good work at the company. The company will also consider the remuneration appropriately, based on the responsibility of the board of directors. The financial incentive of the company's board of directors is in the forms of monthly salary, and bonus

The company appointed a sub-committee to consider about remuneration for the Board of directors and executives, followed by the resolution in shareholders' meeting. The annual report will show the sum of meeting expense and compensation.

Control of the use of Internal Information

The company has set clear policy regarding the disclosure of internal information, the financial report, and the company's operation. The financial information, and other related business information shall be disclosed to the shareholders, investors, analysts, and the public. The board of directors has the responsibility to strictly and transparently abide by the policy.

In addition, the disclosure of any information that has not yet been public for any personal use, including the trading of the executives and employees' stock trading are prohibited. The trading of the company's shares during the one-month period prior to the release of the company's financial budget must be avoided.

The Board of Directors has responsibility to the shareholders, regarding the management of the company. They must supervise the management to reach the goal, and direction that benefit the shareholders as much as possible. At the same time, the board must regard the benefits of all stakeholders.

Every member in the Board of Directors has leadership, great vision and no commitment in making any decision for company's benefits and entire shareholders. The Board has set a system to separate duties between the Board of Directors and management section distinctively and ascertained every organizational activity progress legally and with ethics. Every board member understands its duty and nature of its business, thus being ready to express its own opinions independently and self-improvement to an up-to-date situation. They are well aware of their honest performance with caution and carefulness for ultimate mutual benefits and fair to every shareholder, receiving accurate and sufficient information.

The Board of Directors consists of qualified members in various skills, experiences and talents for company's sakes, including devoting their time and attempts to achieve their duties forcefully.

To perform their responsibilities efficiently and successfully, the Board has set many sub-committees to assist and scrutinize works as necessary; especially when neutrality is needed to judge and set policies and organization chart such report to the Board of Directors.

Leadership and Vision

The board of directors will approve the direction of the company's vision, mission, goals, business plans and budgets. The board's meeting will be held at least once every year quarter to follow up on the operation of the company, acknowledge the management's proceedings, as well as, set up mechanisms to evaluate the achievement of the management team, both in the short term and the long term.

All board members are qualified personnel, who possess various skills, experiences and talents for company benefits. The candidate for the director position must come from transparent selection process by the company's board of directors. The nomination of the successful candidate must be approved by the board of directors, and must be proposed as a Shareholders' meeting agenda. The company shall reveal the profile, qualification, work experience and the share ownership of the company's directors in the Annual Report.

Balance of the non-Executive Directors

The company has set up a set of committee by selecting from the criteria guided by the Stock Exchange of Thailand (SET), and must pass the approval of the company's shareholders' meeting. Currently, there are 13 members of the directors' board, which consist of four executive directors, and nine non-executive directors. Three of the non-executive directors will also be the company's Independent Directors. The Independent Directors shall serve as the company's Audit Committee. The directors must possess qualifications stated by the Stock Exchange of Thailand (SET), and shall be independent regarding the company's auditing.

Aggregation or Segregation of Positions

The chairman of the board of directors and the managing director must be two separate persons, so that their duty in supervision will be clearly divided. The head of management team will operate the company under the approval of the board of director, where representative of the major stockholders and the audit committees are included. This code of conduct would enhance the company's checks and balances system.

The Board of Directors and the executives have clear, divided responsibility. The Board of Directors are authorized to consider and approve the overall policy i.e. Vision, Mission, Strategy and Corporate Governance Policy, while the executives are required to follow the policies set by the board.

The Director's Meetings

The board of directors is set to attend the meeting once in every year quarter, while special meeting can also be held if necessary. The motions of the meeting must be clearly stated. Prior to every meeting, the company's secretary must send the meeting invitation and its attachments to the board members at least seven days before the meeting. The arrangement will give time for the board to thoroughly study the given information before the meeting. In every meeting, each board member has the power to debate, and freely expressing his/her opinion. At the same time, the company secretary will noted the meeting minutes in written document for further examination, as soon as the document is approved by the board.

In 2009, the board of directors held eight meetings in total, the participation of each board member can be summarized as follow;

Name of Directors		Position	No. of Meeting Participation
Mr. Narong	Srisa-arn	Chairman	8/10
Mr. Thapana	Sirivadhanabhakdi	Vice Chairman	7/10
Mr. Tan	Passakornnatee	Director and Managing Director	10/10
Mr. Sunisa	Sukphantavorn	Director	9/10
Mr. Yeuh	Chin Chiu	Director	9/10
Mr. Sithichai	Chaikriengkrai	Director	7/10
Mr. Somkiat	Chareonkul	Director	5/10
Mr. Ueychai	Tantha-obhas	Director	3/10
Mr. Pisanu	Vichiensanth	Director	6/10
Mr. Cholakanta Boobpaves ⁽¹⁾		Director	10/10
Mr. Vikrom	Koompirochana	Independent Director and Chairman of the Audit Committee	10/10
Mr. Verachai	Tantikul ⁽²⁾	Independent Director and Chairman of the Audit Committee	10/10
Ms. Potjane	Thanavaranit ⁽³⁾	Independent Director and Chairman of the Audit Committee	10/10
Mr. Chai Jroongtanapibarn		Independent Director and Chairman of the Audit Committee	10/10

Remark : In case the direfors are unable to attend the Board of Directors' meeting as shown above because there is solid reason, the director must notify the company in advance.

(1) Mr. Cholakanta Boobpaves has resigned since December 31, 2009.

(2) Mr. Verachai Tantikul has resigned as the company's director since February 24, 2009.

(3) Ms. Potjane Thanavaranit has been appointed as the replace of Mr. Verachai Tantikul for the director position since February 24, 2009.

Conflict of Interest

The boards of directors and executives are cautious of any possible conflict of interest that might occur. Therefore, the boards supervise the use of inside information to prevent conflict of interest. In particular, The Board of Directors appointed audit committee to consider the necessary and appropriate of any transaction occurred to any conflict of interest, stakeholders or future conflict of interest. In case the audit committee does not have expertise in certain area, independent specialists or accountants will be hired to give advices in the area. Hence, the boards will be able to use the advice as guideline in the decision making process. This solution will helps preventing any possible conflict of interest. In addition, policies have been set up to prevent such conflicts by suggesting the committee, along with the employees to avoid any personal use of inside information. The policy stated that all committees and employees avoid any transaction involving to the conflict of interest.

Moreover, the company has clearly set policies to specially scrutinize any activity that might be conflict of interest. If a director is holding stakes in any case, the director's rights to vote will be forfeited. Also, the company has set policies that prevent the director to exploit the internal information for personal use.

Control System and Internal Control

The board of directors has set up the internal control that covers all aspects, so that it abides by the law and other related rules and regulations; as well as having efficient checks and balances system that can protect the investment and capital of the shareholders and the company's assets. The company also sets the rank of approvals, the responsibility of the executives and the employees. The company's rules and regulations are stated in written document, and there must be Internal Affairs department to ensure the operation of each department is accurate, thorough and disciplined. In addition, the Audit Committee will supervise the company's operation and management to ensure the effectiveness of the company's internal control system, the credibility of the Financial Report. The Internal Affairs department must report directly to the Audit Committee, who supervise and review the company's internal control system

The company determines to encourage the Internal Affairs department to fully perform the checks and balances, by reporting directly to the Audit Committee, to ensure that the internal control system continues to be a significant mechanism that pushes the company to its sustainable growth. In each of the Audit Committee's meeting, the manager of the Internal Affairs department will report the inspection result to the Audit Committee. In addition, the committee will submit the opinion report and advice, if there is any area that should be improved, to the board in each Board of Directors' meeting.

The company has set policy on Good Corporate Governance as a guideline for business operation for the directors, the executives, the management and the employees. The Board of Directors will review and improve the policy on Good Corporate Governance annually, to be suitable for the change in the business operation, the environment, as well as the altered rules and regulations.

Oishi Group Public Company Limited and its Subsidiaries

Annual financial statements and Audit report of Certified Public Accountant

**For the years ended
31 December 2010 and 2009**



Audit Report of Certified Public Accountant

To the shareholders of Oishi Group Public Company Limited

I have audited the accompanying consolidated and separate balance sheets as at 31 December 2010 and 2009, and the related statements of income, changes in equity and cash flows for the years then ended of Oishi Group Public Company Limited and its subsidiaries, and of Oishi Group 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 express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2010 and 2009 and the results of operations and cash flows for the years then ended of Oishi Group Public Company Limited and its subsidiaries, and of Oishi Group Public Company Limited, respectively, in accordance with generally accepted accounting principles.



(Nittaya Chetchotiros)
Certified Public Accountant
Registration No. 4439

KPMG Phoomchai Audit Ltd.
Bangkok
23 February 2011

Oishi Group Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2010 and 2009

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
		<i>(in Baht)</i>			
<i>Current assets</i>					
Cash and cash equivalents	5	309,403,338	558,390,165	69,668,773	307,164,445
Trade accounts receivable	4, 6	606,481,988	589,919,103	62,727,250	65,841,401
Short-term loans to and amounts due					
from related parties	4	-	-	967,066	5,301,066
Inventories	7	495,779,483	204,889,549	46,036,310	27,659,773
Dividends receivable from a subsidiary	4	-	-	818,998,050	671,998,400
Other current assets	8	86,957,279	49,786,133	23,719,386	18,416,678
Total current assets		1,498,622,088	1,402,984,950	1,022,116,835	1,096,381,763
<i>Non-current assets</i>					
Investments in subsidiaries	9	-	-	578,000,000	578,000,000
Other long-term investments	10	12,160,000	8,500,000	-	-
Amounts due from related parties	4	6,646,395	10,815,655	6,201,030	10,370,290
Property, plant and equipment	11	2,966,078,838	1,635,608,441	582,464,629	471,169,680
Intangible assets	12	46,708,331	45,219,880	29,365,068	28,250,378
Leasehold rights	13	91,995,476	101,673,337	42,752,360	45,216,862
Other non-current assets	14	155,368,208	266,996,330	96,581,702	82,785,353
Total non-current assets		3,278,957,248	2,068,813,643	1,335,364,789	1,215,792,563
Total assets		4,777,579,336	3,471,798,593	2,357,481,624	2,312,174,326

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

Oishi Group Public Company Limited and its Subsidiaries

Balance sheets

As at 31 December 2010 and 2009

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		2010	2009	2010	2009
		<i>(in Baht)</i>			
Current liabilities					
Trade accounts payable	4, 16	795,541,567	628,816,097	265,291,439	215,100,194
Short-term loans from and amounts due to related parties	4	51,227,254	79,791,283	11,058,925	9,290,900
Accrued expenses	17	223,321,352	235,305,767	111,073,814	143,055,007
Accounts payable-assets acquisition		288,083,669	111,252,278	12,078,351	62,462,386
Income tax payable		44,101,180	350,272	37,769,040	-
Other current liabilities	18	71,635,827	74,610,725	48,196,905	60,226,212
Total current liabilities		1,473,910,849	1,130,126,422	485,468,474	490,134,699
Non-current liabilities					
Deferred income		784,732	1,619,644	567,923	1,337,210
Long-term loans from financial institution	15	600,000,000	-	-	-
Other non-current liabilities		26,530,787	5,681,362	300,000	600,000
Total non-current liabilities		627,315,519	7,301,006	867,923	1,937,210
Total liabilities		2,101,226,368	1,137,427,428	486,336,397	492,071,909
Equity					
Share capital	19				
Authorised share capital		375,000,000	375,000,000	375,000,000	375,000,000
Issued and paid-up share capital		375,000,000	375,000,000	375,000,000	375,000,000
Additional paid-in capital	20				
Premium on ordinary shares		609,402,184	609,402,184	609,402,184	609,402,184
Retained earnings					
Appropriated to legal reserve	20	37,500,000	37,500,000	37,500,000	37,500,000
Unappropriated		1,654,450,784	1,312,468,981	849,243,043	798,200,233
Total equity		2,676,352,968	2,334,371,165	1,871,145,227	1,820,102,417
Total liabilities and equity		4,777,579,336	3,471,798,593	2,357,481,624	2,312,174,326

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

Oishi Group Public Company Limited and its Subsidiaries

Statements of income

For the years ended 31 December 2010 and 2009

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<i>(in Baht)</i>					
Income	4				
Revenue from sale of goods	21, 29	9,186,914,264	7,127,970,649	4,295,333,314	2,704,752,400
Dividends income from subsidiaries	9	-	-	467,923,877	464,210,891
Other income	22	33,370,350	28,910,632	20,401,568	23,271,786
Total income		9,220,284,614	7,156,881,281	4,783,658,759	3,192,235,077
Expenses	26				
Cost of sale of goods	4	6,310,038,930	4,707,811,525	2,742,590,498	1,647,762,784
Selling expenses	4, 23	847,369,236	830,324,591	468,917,696	378,132,330
Administrative expenses	4, 24	904,322,109	793,827,070	736,864,188	625,421,354
Management benefit expenses	4, 25	77,814,440	71,027,680	77,814,440	71,027,680
Net loss on foreign exchange		23,702,667	-	-	-
Total expenses		8,163,247,382	6,402,990,866	4,026,186,822	2,722,344,148
Profit before finance costs and income tax expense		1,057,037,232	753,890,415	757,471,937	469,890,929
Finance costs	27	-	-	(627,362)	-
Profit before income tax expense		1,057,037,232	753,890,415	756,844,575	469,890,929
Income tax expense	28	(47,555,429)	(2,559,981)	(38,301,765)	-
Profit for the year		1,009,481,803	751,330,434	718,542,810	469,890,929
Basic earnings per share	30	5.38	4.01	3.83	2.51

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

Oishi Group Public Company Limited and its Subsidiaries

Statements of changes in equity

For the years ended 31 December 2010 and 2009

Consolidated financial statements

	Note	Issued and paid-up share capital	Additional paid-in capital Share premium	Retained earnings		Total equity
				Appropriated to legal reserve	Unappropriated	
				(in Baht)		
Balance at 1 January 2009		375,000,000	609,402,184	37,500,000	1,337,388,547	2,359,290,731
Profit for the year		-	-	-	751,330,434	751,330,434
Dividends	31	-	-	-	(776,250,000)	(776,250,000)
Balance at 31 December 2009 and 1 January 2010		375,000,000	609,402,184	37,500,000	1,312,468,981	2,334,371,165
Profit for the year		-	-	-	1,009,481,803	1,009,481,803
Dividends	31	-	-	-	(667,500,000)	(667,500,000)
Balance at 31 December 2010		375,000,000	609,402,184	37,500,000	1,654,450,784	2,676,352,968

Separate financial statements

	Note	Issued and paid-up share capital	Additional paid-in capital Share premium	Retained earnings		Total equity
				Appropriated to legal reserve	Unappropriated	
				(in Baht)		
Balance at 1 January 2009		375,000,000	609,402,184	37,500,000	1,104,559,304	2,126,461,488
Profit for the year		-	-	-	469,890,929	469,890,929
Dividends	31	-	-	-	(776,250,000)	(776,250,000)
Balance at 31 December 2009 and 1 January 2010		375,000,000	609,402,184	37,500,000	798,200,233	1,820,102,417
Profit for the year		-	-	-	718,542,810	718,542,810
Dividends	31	-	-	-	(667,500,000)	(667,500,000)
Balance at 31 December 2010		375,000,000	609,402,184	37,500,000	849,243,043	1,871,145,227

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

Oishi Group Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2010 and 2009

Note	Consolidated		Separate	
	2010	2009	2010	2009
	<i>(in Baht)</i>			
Cash flows from operating activities				
Profit for the year	1,009,481,803	751,330,434	718,542,810	469,890,929
<i>Adjustments for</i>				
Depreciation and amortisation	363,679,318	330,817,990	153,097,373	113,299,335
(Reversal of) allowance for obsolete and deteriorated inventory	(4,654,114)	4,633,884	1,683,477	671,483
Write off of obsolete and deteriorated inventories	31,336,299	29,701,077	6,522,660	8,477,021
Write off of other current asset	314,628	-	314,628	-
Interest income	(2,772,434)	(6,779,400)	(1,724,318)	(4,663,790)
Finance costs	-	-	627,362	-
Dividends income from subsidiaries	-	-	(467,923,877)	(464,210,891)
Unrealised (gain) loss on exchange	14,541,847	(3,725)	-	-
(Gain) loss on disposal and write off of property, plant and equipment	(995,200)	7,773,950	8,593,315	6,128,006
Deferred income	(834,912)	(443,448)	(769,287)	(377,822)
Income tax expense	47,555,429	2,559,981	38,301,765	-
	1,457,652,664	1,119,590,743	457,265,908	129,214,271
Changes in operating assets and liabilities				
Trade accounts receivable	(16,562,885)	(139,873,012)	3,114,151	(23,145,538)
Amounts due from related parties	4,169,260	(2,915,220)	8,503,260	(8,125,134)
Inventories	(317,572,119)	(42,587,561)	(26,582,674)	(14,995,851)
Other current assets	(37,444,765)	(13,721,862)	(5,617,336)	6,445,652
Other non-current assets	(20,545,553)	(12,082,845)	(13,796,349)	(13,067,196)
Trade accounts payable	166,725,470	153,999,044	50,191,245	63,939,799
Amounts due to related parties	(28,564,029)	70,401,065	1,768,025	7,581,944
Accrued expenses	(11,984,415)	(3,820,006)	(31,981,193)	28,384,692
Other current liabilities	(11,608,150)	20,474,399	(12,029,307)	15,212,611
Other-non current liabilities	20,849,425	2,479,659	(300,000)	-
Income tax paid	(3,804,521)	(4,856,143)	(532,725)	(616,579)
Net cash provided by operating activities	1,201,310,382	1,147,088,261	430,003,005	190,828,671
Cash flows from investing activities				
Interest received	2,731,425	6,926,121	1,724,317	4,663,790
Dividends received	-	-	320,924,228	804,410,081
Increase in other long-term investment	(3,660,000)	-	-	-
Sale of property, plant and equipment	21,023,243	1,422,426	342,386	143,886
Payment of property, plant and equipment	(1,395,307,140)	(575,868,848)	(317,595,118)	(249,054,607)
Payment of intangible assets	(7,584,737)	(18,134,341)	(4,767,128)	(13,866,658)
Net cash provided by (used in) investing activities	(1,382,797,209)	(585,654,642)	628,685	546,296,492

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

Oishi Group Public Company Limited and its Subsidiaries

Statements of cash flows

For the years ended 31 December 2010 and 2009

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<i>(in Baht)</i>					
<i>Cash flows from financing activities</i>					
Interest paid		-	-	(627,362)	-
Dividends paid		(667,500,000)	(776,250,000)	(667,500,000)	(776,250,000)
Proceeds from long-term loan from financial institution		600,000,000	-	-	-
Net cash used in financing activities		(67,500,000)	(776,250,000)	(668,127,362)	(776,250,000)
Net decrease in cash and cash equivalents					
		(248,986,827)	(214,816,381)	(237,495,672)	(39,124,837)
Cash and cash equivalents at beginning of year		558,390,165	773,206,546	307,164,445	346,289,282
Cash and cash equivalents at end of year	5	309,403,338	558,390,165	69,668,773	307,164,445

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

Oishi Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

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Oishi Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the years ended 31 December 2010 and 2009

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 23 February 2011.

1 General information

Oishi Group Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 20th Floor, UM Tower, 9 Ramkhamhaeng Road, Suanluang, Bangkok.

The Company was listed on the Stock Exchange of Thailand in August 2004.

The parent company during the financial year was Thai Beverage Public Company Limited which is incorporated in Thailand.

The principal businesses of the Company are engaged in the Japanese restaurant and bakery, and distribution of food and beverage.

Details of the Company’s subsidiaries as at 31 December 2010 and 2009 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest %	
			2010	2009
Oishi Trading Co., Ltd.	Manufacture and distribution of food and beverage	Thailand	99.99	99.99
Oishi Ramen Co., Ltd.	Japanese ramen restaurant	Thailand	99.99	99.99

2 Basis of preparation of the financial statements

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

The financial statements are presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

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

During 2010, the FAP announced the re-numbering of the following TFRS.

Former no.	Revised no.	Topic
TAS 11	TAS 101	Doubtful Account and Bad Debts
TAS 26	TAS 102	Income Recognition For Real Estate Business
TAS 27	TAS 103	Disclosures in the Financial Statements of Banks and Similar Financial Institutions
TAS 34	TAS 104	Accounting for Troubled Debt Restructuring

Oishi Group Public Company Limited and its Subsidiaries
Notes to the financial statements
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Former no.	Revised no.	Topic
TAS 40	TAS 105	Accounting for Investment in Debt and Equity Securities
TAS 42	TAS 106	Accounting For Investment Companies
TAS 48	TAS 107	Financial Instruments Disclosure and Presentation

The Group has adopted the revised Framework for the Preparation and Presentation of Financial Statements (revised 2009), which was issued by the FAP during 2010 and effective on 26 May 2010. The adoption of the revised framework does not have any material impact on the consolidated or separate Company's financial statements.

The FAP has issued during 2010 a number of new and revised TFRS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 35.

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

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

3 Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group").

Subsidiaries

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

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currencies transactions

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

Oishi Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

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

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

(c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate arising from investment activity. Derivative financial instruments are not used for trading purposes.

Derivative financial instrument are recognised initially at fair value; attributable transaction costs are recognised in the statement of income when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the statement of income

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

(d) Cash and cash equivalents

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

(e) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

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

(f) Inventories

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

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

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

Oishi Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

(g) Investments

Investments in subsidiaries

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

Investments in government bonds

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

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation

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

Land improvements	10	Years
Buildings and building improvements	20	Years
Decoration, office equipment, furniture and fixture	5	Years
Internal systems	5, 10	Years
Tools and machineries for manufacturing	5, 7	Years
Restaurant utensils	5	Years
Vehicles	5	Years

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

(i) Intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses. Intangible assets are amortised in the statement of income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

Software licences	10	Years
Operation rights	10	Years

(j) Leasehold rights

Leasehold rights of building area are stated at cost less accumulated amortisation and impairment losses. Leasehold rights are amortised and recognised in the statement of income on a straight-line basis over the period of the agreements.

Oishi Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

(k) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in the statement of income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(l) Interest-bearing liabilities

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

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Deferred income

Deferred income from franchise agreements is recognised in the statement of income on a straight-line basis over the terms of the agreements.

(o) Employee benefits

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of income as incurred.

(p) Revenue

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

Sale of goods and services rendered

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

Oishi Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Rental income

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

Franchise income

Franchise income is recognised in the statement of income on a straight-line basis over the term of the agreements.

Subsidized income

Subsidized income is recognised in the statement of income on the accrual basis according to the agreed content stated in the contract or over the term of the agreements.

Interest and dividend income

Interest income is recognised in the statement of income on the accrual basis. Dividend income is recognised in the statement of income on the date the Group's right to receive payments is established.

(q) Expenses

Operating leases

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of income for the accounting period in which they are incurred.

Finance costs

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

(r) Income tax

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.

4 Related party transactions and balances

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Oishi Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the years ended 31 December 2010 and 2009

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Group were as follows:

Name of entities	Country of incorporation /nationality	Nature of relationships
Thai Beverage Public Company Limited	Thailand	Parent company and directorship
Oishi Trading Co., Ltd.	Thailand	Subsidiary and directorship
Oishi Ramen Co., Ltd.	Thailand	Subsidiary and directorship
O.G.T. Co., Ltd.*	Thailand	Related company of the Company's shareholder
Pan International (Thailand) Co., Ltd.	Thailand	Directorship
TCC PD 11 Co., Ltd.	Thailand	Directorship
Thank You Service Co., Ltd. *	Thailand	Directorship
Kluey Kluey Co., Ltd. *	Thailand	Directorship
Berli Jucker Public Co., Ltd.	Thailand	Directorship
Pomthip Co., Ltd.	Thailand	Directorship
Pomburapa Co., Ltd.	Thailand	Directorship
Pomklung Co., Ltd.	Thailand	Directorship
Pomchok Co., Ltd.	Thailand	Directorship
Pomkit Co., Ltd.	Thailand	Directorship
Pomcharoen Co., Ltd.	Thailand	Directorship
Pompalang Co., Ltd.	Thailand	Directorship
Pomnakorn Co., Ltd.	Thailand	Directorship
Thai Beverage Marketing Co., Ltd.	Thailand	Directorship
Beer Thai (1991) Public Co., Ltd.	Thailand	Directorship
Beer Thip Bewery (1991) Co., Ltd.	Thailand	Directorship
Surathip Co., Ltd.	Thailand	Directorship
Thippatana Arcade Co., Ltd.	Thailand	Directorship
T.C.C. Technology Co., Ltd.	Thailand	Directorship
Southeast Capital Co., Ltd.	Thailand	Directorship
The Southeast Insurance Co., Ltd.	Thailand	Directorship
The Southeast Life Insurance Co., Ltd.	Thailand	Directorship
Indara Insurance Public Co., Ltd.	Thailand	Some common shareholder
N.C.C. Exhibition Organizer Co., Ltd.	Thailand	Directorship
N.C.C. Management and Development Co., Ltd.	Thailand	Directorship
N.C.C. Image Co., Ltd.	Thailand	Directorship
F&B International Co., Ltd.	Thailand	Directorship
Thai Drink Co., Ltd.	Thailand	Directorship
Thai Beverage Logistic Co., Ltd.	Thailand	Directorship
Surasate Co., Ltd.	Thailand	Directorship
Dhospaak Co., Ltd.	Thailand	Directorship
Sea Food Bear Garden Co., Ltd.	Thailand	Directorship
Sansom Co., Ltd.	Thailand	Directorship
Theparunothai Co., Ltd.	Thailand	Directorship
Luckchai Liquor Trading Co., Ltd.	Thailand	Directorship
S P M Foods & Beverages Co., Ltd.	Thailand	Directorship
Fuengfuanant Co., Ltd.	Thailand	Directorship

* Transactions with the related parties were presented as related party transactions and balances until September 2010.

Oishi Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Name of entities	Country of incorporation /nationality	Nature of relationships
InterBev Malaysia Sdn. Bhd.	Malaysia	Indirect subsidiary of parent company
Managing director (Mr.Tan Passakornmatee)* (Has resigned from the position of director and president on September 2010)	Thailand	Shareholder and director

* Transactions with the related parties were presented as related party transactions and balances until September 2010.

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

Transactions	Pricing policies
Purchase and sale of goods	Cost plus margin / contractually agreed price
Purchase and sale of property, plant and equipment	Net book value / mutually agreed price
Rental income and expenses	Contractually agreed price
Consultancy income	Contractually agreed price
Interest income and expenses	Interest rate close to interest of financial institution
Other income and expenses	Mutually agreed price

Significant transactions for the years ended 31 December 2010 and 2009 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Parent				
Sales of goods	889	239	881	239
Subsidiaries				
Sales of goods	-	-	5,110	2,969
Sales of property	-	-	-	47
Interest income	-	-	802	1,047
Consultancy income	-	-	4,320	4,320
Other income	-	-	883	1,085
Purchase of goods	-	-	445,848	206,294
Purchase of property	-	-	6,423	5,566
Rental expense	-	-	3,731	3,755
Other expense	-	-	1,858	981
Interest expense	-	-	627	-
Other related parties				
Sales of goods	4,255,257	3,255,291	1,061,910	186,284
Sales of property	16,000	-	-	-
Purchase of goods	83,859	46,421	1,067	956
Purchase of property	2,983	988	280	913
Rental expense	23,178	16,525	21,943	15,289
Promotion expenses	61,691	95,414	16,266	6,837
Other expense	33,521	24,672	21,505	11,877
Directors' remuneration	42,130	34,620	42,130	34,620

Oishi Group Public Company Limited and its Subsidiaries
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For the years ended 31 December 2010 and 2009

Directors' remuneration

At the annual general meeting of the shareholders of the Company held on 20 April 2010, the shareholders approved the directors' remuneration for the year 2010 and remuneration for former directors in the amount not exceeding Baht 10 million and Baht 37.6 million, respectively.

At the annual general meeting of the shareholders of the Company held on 24 April 2009, the shareholders approved the directors' remuneration for the year 2009 and remuneration for former directors in the amount not exceeding Baht 10 million and Baht 30 million, respectively.

Balances as at 31 December 2010 and 2009 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<i>(in thousand Baht)</i>				
Trade accounts receivable from related parties				
Parent				
Thai Beverage Public Company Limited	278	-	269	-
Subsidiaries				
Oishi Trading Co., Ltd.	-	-	52	15
Oishi Ramen Co., Ltd.	-	-	212	143
Other related parties				
Pomthip Co., Ltd.	195,296	224,259	39,372	49,915
Pomkit Co., Ltd.	15,057	13,566	38	66
Pomburapa Co., Ltd.	14,763	12,181	902	85
Pomklung Co., Ltd.	12,640	7,559	826	94
Pomchok Co., Ltd.	15,752	13,704	751	56
Pomcharoen Co., Ltd.	16,291	11,516	-	56
Pompalang Co., Ltd.	21,904	18,968	845	103
Pomnakorn Co., Ltd.	9,726	5,867	451	100
O.G.T. Co., Ltd.*	-	95,866	-	271
Other	56	40	56	40
Total	301,763	403,526	43,774	50,944

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<i>(in thousand Baht)</i>				
Short-term loans to and amounts due from related parties				
Comprising:				
Amounts due from related parties	-	-	967	5,301
Short-term loans to a related party	-	-	-	-
Total	-	-	967	5,301
Amounts due from related parties				
Subsidiaries				
Oishi Trading Co., Ltd.	-	-	889	5,258
Oishi Ramen Co., Ltd.	-	-	78	43
Total	-	-	967	5,301

Oishi Group Public Company Limited and its Subsidiaries
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For the years ended 31 December 2010 and 2009

Movements during the years ended 31 December 2010 and 2009 of short-term loans to a related party were as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
At 1 January	-	-	-	-
Increase	-	-	1,028,000	470,000
Decrease	-	-	(1,028,000)	(470,000)
At 31 December	-	-	-	-

Interest rate of short-term loans to a related party ranges from 0.75% to 1.75% per annum (2009: 1% per annum).

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Dividend receivable				
Oishi Trading Co., Ltd.	-	-	818,998	671,998
Total	-	-	818,998	671,998

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Amounts due from related parties				
- long term				
Other related parties				
Kluey Kluey Co., Ltd.*	-	4,180	-	4,180
TCC PD 11 Co., Ltd.	3,024	3,024	3,024	3,024
Thippatana Arcade Co., Ltd.	1,801	1,802	1,356	1,356
Sea Food Bear Garden Co., Ltd.	1,041	1,041	1,041	1,041
Surasate Co., Ltd.	780	769	780	769
Total	6,646	10,816	6,201	10,370

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Trade accounts payable to related parties				
Subsidiaries				
Oishi Trading Co., Ltd.	-	-	22,908	37,687
Oishi Ramen Co., Ltd.	-	-	354	19
Other related parties				
Pan International (Thailand) Co., Ltd.	9,710	9,449	-	-
Berli Jucker Public Co., Ltd.	2,962	4,792	-	-
Others	276	324	232	275
Total	12,948	14,565	23,494	37,981

Oishi Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<i>Short-term loans from and amounts due to related parties</i>	<i>(in thousand Baht)</i>			
<i>Comprising:</i>				
Amounts due to related parties	51,227	79,791	11,059	9,291
Short-term loans from related party	-	-	-	-
Total	51,227	79,791	11,059	9,291

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<i>Amounts due to related parties</i>	<i>(in thousand Baht)</i>			
Subsidiary				
Oishi Ramen Co., Ltd.	-	-	125	264
Other related parties				
Pomthip Co., Ltd.	48,615	71,672	8,659	7,128
Dhospaak Co., Ltd.	-	1,253	-	-
TCC PD 11 Co., Ltd.	1,008	-	1,008	-
Thai Beverage Marketing Co., Ltd.	433	400	433	400
Surasate Co., Ltd.	341	360	341	360
Thippatana Arcade Co., Ltd.	313	549	261	497
Others	517	5,557	232	642
Total	51,227	79,791	11,059	9,291

Movements during the year ended 31 December 2010 of short-term loans from a related party was as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
At 1 January	-	-	-	-
Increase	-	-	229,000	-
Decrease	-	-	(229,000)	-
At 31 December	-	-	-	-

Interest rate of short-term loans from a related party ranges from 0.75% to 1.75% per annum (2009: Nil).

Oishi Group Public Company Limited and its Subsidiaries
Notes to the financial statements
For the years ended 31 December 2010 and 2009

Commitments with related parties

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
<i>Non-cancellable operating lease commitments</i>				
Within one year	7,754	17,259	9,850	20,303
After one year but within five years	5,093	10,626	15,318	21,618
After five years	-	4,378	16,434	23,692
Total	12,847	32,263	41,602	65,613

Significant agreements under non-cancellable operating lease commitments

Property leases agreement

On 21 December 2009, the Company entered into two lease building agreements at Bangrak district with a related company. The agreements are for 3 years from 23 December 2009 to 22 December 2012 with monthly rental fee of Baht 66,500 and Baht 81,225.

On 1 September 2009, the Company entered into a lease building agreement at Bangsue district with a related company. The agreement is for 3 years from 1 September 2009 to 31 August 2012 with monthly rental fee of Baht 59,490.

On 1 August 2009, the Company entered into a lease building agreement at Pathumwan district with a related company. The agreement is for 3 years from 1 August 2009 to 31 July 2012 with monthly rental fee of Baht 112,870.

On 1 April 2009, the Company entered into a partial area lease agreement of a project at Lopburi province with a related company. The agreement is for 1 year from 1 April 2009 to 31 March 2010. Subsequently on 1 April 2010, the agreement was renewed for 1 year from 1 April 2010 to 31 March 2011. The Company agreed to pay yearly rental fee based on percentage of revenue under the conditions as stipulated in the agreement.*

On 16 January 2009, the Company entered into a lease building agreement at Chiang Mai province with a related company. The agreement is for 3 years from 16 January 2009 to 15 January 2012 with monthly rental fee of Baht 45,060.

On 17 January 2008, the Company entered into lease agreements for land and building, infrastructure, equipment and furniture at Soi Thonglor with a related company. The agreements are for 3 years from 27 December 2007 to 26 December 2010 with rental fee rate as follows:

- Monthly rental fee ranging from Baht 734,000 to Baht 908,000 for land and building.
- Monthly rental fee of Baht 100,000 for infrastructure, equipment and furniture.

On 9 November 2007, the Company entered into a partial area lease agreement of a project at Lopburi province with a related company. The agreement is for 3 years from 9 November 2007 to 8 November 2010 with monthly rental fee ranging from Baht 40,000 to Baht 60,000.*

* Transactions with the related parties were presented as related party transactions and balances until September 2010.

Oishi Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the years ended 31 December 2010 and 2009

The Company and Oishi Trading Co., Ltd., a subsidiary, entered into four cars lease agreements with a related company. The each agreement is for 5 years, due within May 2013 and August 2015 with monthly rental fee ranging from Baht 19,200 to Baht 30,000. Subsequently on 27 April 2010, a lease agreement was canceled.

On 1 December 2006, the Company entered into a lease building agreement at Chonburi province with a related party. The agreement is for 3 years from 1 December 2006 to 30 November 2009 with monthly rental fee of Baht 71,050. Subsequently on 29 January 2010, the Company entered into a new agreement from 1 February 2010 to 31 January 2011 with monthly rental fee of Baht 71,050.*

On 1 August 2006, Oishi Ramen Co., Ltd., a subsidiary, entered into an area lease agreement of building at Nonthaburi province with a related company. The agreement is for 3 years from 1 August 2006 to 31 July 2009. Subsequently on 1 August 2009, the agreement was renewed for 3 years from 1 August 2009 to 31 July 2012 with monthly rental fee of Baht 59,232 and Baht 59,233, respectively.

* Transactions with the related parties were presented as related party transactions and balances until September 2010.

Sublease memorandums

The Company entered into sublease memorandums with Oishi Ramen Co., Ltd., a subsidiary, as follows:

- Area of two department stores for which the subsidiary owns leasehold rights, with monthly lease fee of Baht 240,000.
- Area of another department store, with monthly lease fee of Baht 72,954.

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
<i>Other commitments</i>				
Service agreements	8,801	8,992	7,741	7,096
Purchase orders for goods and supplies	-	6,030	-	-
Total	8,801	15,022	7,741	7,096

Other agreements

Distributing goods agreements

On 3 October 2008, the Company and Oishi Trading Co., Ltd., a subsidiary, entered into appointment agreements with related companies that have authority and responsibility to act as a distributor for ready-to-drink products. The agreements are for 5 years from 3 October 2008 to 2 October 2013.

Oishi Group Public Company Limited and its Subsidiaries
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5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Cash on hand	14,355	10,619	13,176	9,552
Cash at banks - current accounts	956	520	518	204
Cash at banks - savings accounts	164,092	547,251	55,975	297,408
Highly liquid short-term investments	130,000	-	-	-
Total	309,403	558,390	69,669	307,164

Cash and cash equivalents of the Group and the Company as at 31 December 2010 and 2009 were denominated entirely in Thai Baht.

6 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
		<i>(in thousand Baht)</i>			
Related parties	4	301,763	403,526	43,774	50,944
Other parties		304,719	186,393	18,953	14,897
Total		606,482	589,919	62,727	65,841

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	301,763	375,007	43,774	50,933
Overdue:				
Less than 3 months	-	28,519	-	11
Total	301,763	403,526	43,774	50,944
Other parties				
Within credit terms	293,484	185,688	18,832	14,439
Overdue:				
Less than 3 months	5,014	625	121	404
3 - 6 months	6,165	70	-	54
6 - 12 months	56	10	-	-
Total	304,719	186,393	18,953	14,897
Grand total	606,482	589,919	62,727	65,841

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

Oishi Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the years ended 31 December 2010 and 2009

Trade accounts receivable of the Group as at 31 December 2010 were denominated in Thai Baht (2009: a balance in United States Dollars amounting to Baht 1.01 million and remaining amounts were denominated in Thai Baht). Trade accounts receivable of the Company as at 31 December 2010 and 2009 were denominated entirely in Thai Baht.

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Finished goods	325,434	64,927	20,308	5,757
Raw materials	154,295	133,083	24,151	19,084
Production supplies	23,273	18,756	4,147	3,705
	<u>503,002</u>	<u>216,766</u>	<u>48,606</u>	<u>28,546</u>
Less allowance for deteriorated inventories	(7,223)	(11,877)	(2,570)	(886)
Net	<u>495,779</u>	<u>204,889</u>	<u>46,036</u>	<u>27,660</u>

The cost of inventories which is recognised as an expense and included in 'cost of sale of goods' for the year ended 31 December 2010 amounted to Baht 6,310 million (2009: Baht 4,708 million) for the consolidated and Baht 2,743 million (2009: Baht 1,648 million) for the separate financial statements.

8 Other current assets

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Refundable import duty	18,747	841	-	-
Undue vat	12,170	12,789	4,648	6,558
Refundable value added tax	9,338	-	-	-
Other	46,702	36,156	19,071	11,859
Total	<u>86,957</u>	<u>49,786</u>	<u>23,719</u>	<u>18,417</u>

9 Investments in subsidiaries

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
At 1 January	-	-	578,000	578,000
Acquisitions	-	-	-	-
Disposals	-	-	-	-
At 31 December	<u>-</u>	<u>-</u>	<u>578,000</u>	<u>578,000</u>

Oishi Group Public Company Limited and its Subsidiaries
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Investments in subsidiaries as at 31 December 2010 and 2009, and dividend income from those investments for the years then ended were as follows:

	Ownership interest		Separate financial statements				
	2010	2009	Paid-up capital	Cost method		Dividend income	
	(%)		2010	2010	2009	2010	
			<i>(in million Baht)</i>				2009
Subsidiaries							
Oishi Trading Co., Ltd.	99.99	99.99	420	420	420	462	462
Oishi Ramen Co., Ltd.	99.99	99.99	158	158	158	6	2
Total			578	578	578	468	464

Oishi Group Public Company Limited and its Subsidiaries
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10 Other long-term investments

Other long-term investments as at 31 December 2010 and 2009 are investments in government bonds

	Interest rate 2010 2009 (% per annum)		Consolidated financial statements		Separate financial statements	
			2010	2009	2010	2009
			<i>(in thousand Baht)</i>			
Redemption						
2013	4.25	4.25	2,000	2,000	-	-
2014	5.90	5.90	6,500	6,500	-	-
2016	4.125	-	3,660	-	-	-
Total			12,160	8,500	-	-

Oishi Trading Co., Ltd., a subsidiary, has pledged the bonds as collateral for electricity and natural gas consumption in whole amount.

Other long-term investments of the Group as at 31 December 2010 and 2009 were denominated entirely in Thai Baht.

Oishi Group Public Company Limited and its Subsidiaries
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11 Property, plant and equipment

	Consolidated financial statements										Total	
	Land	Land improvement	Building and improvement	Decoration	Internal systems	Tools and machinery for manufacturing (in thousand Baht)	Office equipment, furniture and fixtures	Restaurant utensils	Vehicles	Assets under construction and installation		
Cost												
At 1 January 2009	159,138	6,488	522,877	232,737	212,056	1,177,444	149,403	90,290	14,655	79,302	2,644,390	
Additions	-	-	2,989	40,508	44,416	64,279	18,146	9,932	703	231,786	412,759	
Transfers	-	-	269	30,895	64,680	102,060	12,234	1,985	-	(212,123)	-	
Disposals	-	-	(985)	(16,515)	(8,116)	(9,435)	(3,456)	(3,032)	(844)	-	(42,383)	
At 31 December 2009 and												
1 January 2010	159,138	6,488	525,150	287,625	313,036	1,334,348	176,327	99,175	14,514	98,965	3,014,766	
Additions	151,788	400	1,135	36,981	40,169	70,917	40,599	12,218	-	1,313,896	1,698,403	
Transfers	-	-	-	37,371	92,100	41,871	10,488	2,095	-	(183,925)	-	
Disposals	-	-	-	(16,530)	(8,159)	(88,477)	(11,677)	(3,995)	(10,665)	-	139,503	
At 31 December 2010	310,926	6,888	526,285	345,447	437,446	1,358,659	215,737	109,493	3,849	1,258,936	4,573,666	
Depreciation												
At 1 January 2009	-	2,238	98,962	124,879	61,841	638,553	93,718	67,284	8,411	-	1,095,886	
Depreciation charge for the year	-	649	26,222	39,546	35,666	179,939	21,628	10,573	2,235	-	316,458	
Disposals	-	-	(29)	(14,555)	(3,771)	(8,467)	(2,930)	(2,590)	(844)	-	(33,186)	
At 31 December 2009 and												
1 January 2010	-	2,887	125,155	149,870	93,736	810,025	112,416	75,267	9,802	-	1,379,158	
Depreciation charge for the year	-	660	26,383	47,185	52,787	186,083	24,867	8,696	1,247	-	347,908	
Disposals	-	-	-	(13,425)	(4,350)	(79,275)	(10,800)	(3,529)	(8,100)	-	(119,479)	
At 31 December 2010	-	3,547	151,538	183,630	142,173	916,833	126,483	80,434	2,949	-	1,607,587	
Net Book Value												
At 1 January 2009	159,138	4,250	423,915	107,858	150,215	538,891	55,685	23,006	6,244	79,302	1,548,504	
At 31 December 2009 and												
1 January 2010	159,138	3,601	399,995	137,755	219,300	524,323	63,911	23,908	4,712	98,965	1,635,608	
At 31 December 2010	310,926	3,341	374,747	161,817	295,273	441,826	89,254	29,059	900	1,258,936	2,966,079	

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2010 amounted to Baht 464.12 million (2009: Baht 305.56 million).

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The Group's property plant and equipment have been placed under negative pledge as described in note 15 to the financial statements.

Assets under construction and installation

As at 31 December 2010 assets under construction and installation of the Group comprised Cold-Aseptic-Filling beverage and PET bottle production project and UHT packaging machine project (as described in note 33) totalling Baht 1,244.13 million (2009: Baht 32.10 million).

Capitalised borrowing costs relating to the acquisition of the said projects amounted to Baht 4.98 million (2009: nil), with a capitalization rate of 1.30% to 2.92% per annum (2009: not applicable) (see note 27).

Oishi Group Public Company Limited and its Subsidiaries

Notes to the financial statements

For the years ended 31 December 2010 and 2009

	Separate financial statements							Total
	Decoration	Internal systems	Tools and machinery for manufacturing	Office equipment, furniture and fixtures	Restaurant utensils	Vehicles	Assets under construction and installation	
	<i>(in thousand Baht)</i>							
Cost								
At 1 January 2009	196,881	128,366	153,471	91,961	80,824	1,341	9,426	662,270
Additions	40,196	38,888	40,282	14,189	8,776	-	99,597	241,928
Transfers	30,895	27,527	31,060	12,235	1,984	-	(103,701)	-
Disposals	(14,523)	(6,323)	(6,403)	(2,219)	(2,650)	(41)	-	(32,159)
At 31 December 2009 and								
1 January 2010	255,449	188,458	218,410	116,166	88,934	1,300	5,322	872,039
Additions	36,740	38,504	43,578	24,083	11,376	-	112,930	267,211
Transfers	37,371	36,505	30,499	10,488	2,095	-	(116,958)	-
Disposals	(16,530)	(8,149)	(7,360)	(6,477)	(3,895)	-	-	(42,411)
At 31 December 2010	311,030	255,318	285,127	144,260	98,510	1,300	1,294	1,096,839
Depreciations								
At 1 January 2009	100,878	26,708	74,339	55,082	61,047	498	-	318,552
Depreciation charge for the year	34,877	23,926	27,100	12,995	9,046	260	-	108,204
Disposals	(13,088)	(2,634)	(5,860)	(1,935)	(2,329)	(41)	-	(25,887)
At 31 December 2009 and								
1 January 2010	122,667	48,000	95,579	66,142	67,764	717	-	400,869
Depreciation charge for the year	44,032	37,274	40,640	17,143	7,635	260	-	146,984
Disposals	(13,425)	(4,344)	(6,527)	(5,739)	(3,444)	-	-	(33,479)
At 31 December 2010	153,274	80,930	129,692	77,546	71,955	977	-	514,374
Net Book Value								
At 1 January 2009	96,003	101,658	79,132	36,879	19,777	843	9,426	343,718
At 31 December 2009 and 1 January 2010	130,792	140,458	122,831	50,024	21,170	583	5,322	471,170
At 31 December 2010	157,756	174,388	155,435	66,714	26,555	323	1,294	582,465

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2010 amounted to Baht 210.30 million (2009: Baht 185.60 million)

The Company's property plant and equipment have been placed under negative pledge as described in note 15 to the financial statements.

Oishi Group Public Company Limited and its Subsidiaries
Notes to the financial statements
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12 Intangible assets

	Consolidated financial statements		
	Software licences	Operation rights	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 January 2009	32,704	6,646	39,350
Additions	6,963	11,171	18,134
At 31 December 2009 and 1 January 2010	39,667	17,817	57,484
Additions	7,234	351	7,585
Disposals	(6)	-	(6)
At 31 December 2010	46,895	18,168	65,063
Amortisation			
At 1 January 2009	7,197	386	7,583
Amortisation charge for the year	3,466	1,215	4,681
At 31 December 2009 and 1 January 2010	10,663	1,601	12,264
Amortisation charge for the year	4,285	1,808	6,093
Disposals	(2)	-	(2)
At 31 December 2010	14,946	3,409	18,355
Net book value			
At 1 January 2009	25,507	6,260	31,767
At 31 December 2009 and 1 January 2010	29,004	16,216	45,220
At 31 December 2010	31,949	14,759	46,708
	Separate financial statements		
	Software licences	Operation rights	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 January 2009	13,776	6,646	20,422
Additions	2,695	11,171	13,866
At 31 December 2009 and 1 January 2010	16,471	17,817	34,288
Additions	4,417	351	4,768
Disposals	(6)	-	(6)
At 31 December 2010	20,882	18,168	39,050
Amortisation			
At 1 January 2009	3,022	386	3,408
Amortisation charge for the year	1,415	1,215	2,630
At 31 December 2009 and 1 January 2010	4,437	1,601	6,038
Amortisation charge for the year	1,841	1,808	3,649
Disposals	(2)	-	(2)
At 31 December 2010	6,276	3,409	9,685
Net book value			
At 1 January 2009	10,754	6,260	17,014
At 31 December 2009 and 1 January 2010	12,034	16,216	28,250
At 31 December 2010	14,606	14,759	29,365

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Operation rights

Operation rights comprise the initial license fee and license fee for operating a chain of Japanese restaurants. Further details are disclosed in note 33.

13 Leasehold rights

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
<i>Cost</i>				
At 1 January	156,473	156,473	56,885	56,885
At 31 December	<u>156,473</u>	<u>156,473</u>	<u>56,885</u>	<u>56,885</u>
<i>Amortisation</i>				
At 1 January	54,800	45,121	11,668	9,203
Amortisation charge for the year	9,677	9,679	2,465	2,465
At 31 December	<u>64,477</u>	<u>54,800</u>	<u>14,133</u>	<u>11,668</u>
<i>Net book value</i>				
At 1 January	<u>101,673</u>	<u>111,352</u>	<u>45,217</u>	<u>47,682</u>
At 31 December	<u>91,996</u>	<u>101,673</u>	<u>42,752</u>	<u>45,217</u>

Leasehold rights

The Company

As at 31 December 2010 and 2009, the Company had leasehold rights in 2 department stores, for the operation of restaurants, which are amortised over the period of agreements for approximately 21-24 years.

Subsidiary

As at 31 December 2010 and 2009, Oishi Ramen Co., Ltd., a subsidiary, had leasehold rights in 5 department stores, for the operation of restaurants, which are amortised over the period of agreements for approximately 7-20 years.

14 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Deposit - rental	102,382	84,802	90,556	77,613
Advance payment - assets	44,504	176,572	-	-
Deposit - utilities	4,611	4,925	4,527	4,126
Other	3,871	697	1,499	1,046
Total	<u>155,368</u>	<u>266,996</u>	<u>96,582</u>	<u>82,785</u>

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15 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
<i>Non-current</i>				
Long-term loan from a financial institution				
Unsecured	600,000	-	-	-
Total	600,000	-	-	-

In November 2010, Oishi Trading Co., Ltd., a subsidiary, enter into a long-term loan agreement with a financial institution in the amount of Baht 600 million which is to be repaid monthly in 6 installments, Baht 100 million each, commencing in May 2012. Interest is payable monthly at rate of 2.92% per annum. The loan agreement contains certain covenants and restrictions, including maintenance of certain financial ratios.

The Group has obtained credit facilities from commercial banks consisting of bank overdrafts, short-term loans, letters of guarantee, letters of credit, forward contracts and other. Under the memorandums of loan agreements made with the certain commercial banks, the Group has pledged that a substantial portion of the Group's property, plant and equipment will not be transferred, mortgaged, pledged, guaranteed or treated to cause any encumbrance or preferential right to those assets as long as the Group has not repaid its loans and/or is still being held responsible to the bank unless a written permission from the bank is obtained.

As at 31 December 2010 the Group had unutilized credit facilities amounting to Baht 2,425.06 million and USD 40.03 million (2009: Baht 2,133.76 million and USD 24.10 million).

The interest-bearing liability of the Group as at 31 December 2010 was denominated entirely in Thai Baht.

16 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
		<i>(in thousand Baht)</i>			
Related parties	4	12,948	14,565	23,494	37,981
Other parties		782,594	614,251	241,797	177,119
Total		795,542	628,816	265,291	215,100

Trade accounts payable of the Group as at 31 December 2010 was denominated entirely in Thai Baht, (2009: a balance in United States Dollars amounting to Baht 0.32 million and remaining amount was denominated in Thai Baht). Trade accounts payable of the Company as at 31 December 2010 and 2009 were denominated entirely in Thai Baht.

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17 Accrued expenses

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Marketing expenses	89,640	127,868	36,889	78,165
Accrued personnel expenses	60,811	55,449	52,731	48,006
Others	72,870	51,989	21,454	16,884
Total	223,321	235,306	111,074	143,055

18 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Revenue from the advance sale of coupons	18,676	18,098	18,676	18,098
Withholding tax payable	13,147	9,124	6,269	4,935
Value added tax	6,239	14,308	5,639	6,107
Retention	1,254	15,805	1,254	15,581
Others	32,320	17,276	16,359	15,505
Total	71,636	74,611	48,197	60,226

19 Share capital

	Par value per share <i>(in Baht)</i>	2010		2009	
		Number	Baht	Number	Baht
		<i>(thousand shares / thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	2	187,500	375,000	187,500	375,000
At 31 December					
- ordinary shares	2	187,500	375,000	187,500	375,000
Issued and paid-up					
At 1 January					
- ordinary shares	2	187,500	375,000	187,500	375,000
At 31 December					
- ordinary shares	2	187,500	375,000	187,500	375,000

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20 Additional paid-in capital and legal reserves

Share premium

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

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

21 Segment information

Segment information is presented in respect of the Group’s business segments 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.

Business segments

The Group comprises the following main business segments:

Food	Japanese restaurants business, ramen and bakery
Beverage	Production and distribution of green tea and fruit juice flavour and distribution of coffee

Geographic segments

The Group does not present information on geographic segments as the management considers that export sales are insignificant.

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Business segments results

	Segment foods		Segment beverage		Total	
	2010	2009	2010	2009	2010	2009
	<i>(in million Baht)</i>					
Revenue from sale of goods						
- External sales	4,075	3,298	856	575	4,931	3,873
- Inter company sales	1	-	4,255	3,255	4,256	3,255
Other income	17	19	16	10	33	29
Total income	4,093	3,317	5,127	3,840	9,220	7,157
Cost of sale of goods	2,616	2,054	3,694	2,654	6,310	4,708
Selling and administrative expenses	1,181	1,027	594	597	1,775	1,624
Directors' remuneration	34	33	44	38	78	71
Total expenses	3,831	3,114	4,332	3,289	8,163	6,403
Profit before income tax expense	262	203	795	551	1,057	754
Tax expense	(26)	(3)	(22)	-	(48)	(3)
Profit for the year	236	200	773	551	1,009	751

Business segments financial position

	Segment foods		Segment beverage		Total	
	2010	2009	2010	2009	2010	2009
	<i>(in million Baht)</i>					
Inventories	103	89	393	116	496	205
Property, plant and equipment	763	642	2,203	994	2,966	1,636
Other assets	554	682	762	949	1,316	1,631
Total assets	1,420	1,413	3,358	2,059	4,778	3,472
Trade accounts payable	353	292	443	337	796	629
Accrued expenses	141	145	82	90	223	235
Long-term loan from a financial institution	-	-	600	-	600	-
Other liabilities	169	100	313	173	482	273
Total liabilities	663	537	1,438	600	2,101	1,137
Capital expenditure	313	284	1,393	147	1,706	431
Depreciation and amortisation	187	155	176	176	363	331
Gain on disposal of assets	1	-	10	-	11	-

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22 Other income

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Interest income	2,772	6,779	1,724	4,664
Revenue from sale of by-product	3,840	2,792	1,184	551
Subsidize income	2,270	3,539	2,270	3,539
Rental income	2,288	1,891	-	-
Net gain on foreign exchange	-	187	-	48
Gain on disposal of property, plant and equipment	10,192	-	61	60
Others	12,008	13,723	15,162	14,410
Total	33,370	28,911	20,401	23,272

23 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Promotion expenses	61,691	95,414	16,266	6,837
Rental expense	273,156	228,359	249,637	205,185
Advertising expenses	512,522	506,552	203,015	166,110
Total	847,369	830,325	468,918	378,132

24 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2010	2009	2009	2008
	<i>(in thousand Baht)</i>			
Personnel	415,245	378,478	365,756	329,799
Office	143,147	111,113	132,189	99,959
Depreciation and amortisation	128,509	106,616	112,457	86,199
Others	217,421	197,620	126,462	109,464
Total	904,322	793,827	736,864	625,421

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25 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Management				
Salaries	34,782	31,421	34,782	31,421
Remuneration	37,600	30,000	37,600	30,000
Others	5,433	9,607	5,433	9,607
	<u>77,815</u>	<u>71,028</u>	<u>77,815</u>	<u>71,028</u>
Other employees				
Wages and salaries	585,900	547,568	397,506	338,942
Contribution to defined benefit plans	6,716	4,558	4,318	2,915
Others	221,637	134,309	91,730	79,884
	<u>814,253</u>	<u>686,435</u>	<u>493,554</u>	<u>421,741</u>
Total	<u>892,068</u>	<u>757,463</u>	<u>571,369</u>	<u>492,769</u>

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2% to 5% of their basic salaries and by the Group at rates ranging from 2% to 5% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

26 Expenses by nature

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

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
		<i>(in thousand Baht)</i>			
Change in inventories of finished goods		(260,507)	7,908	(14,551)	(508)
Raw materials and consumables used		5,407,362	3,737,911	2,538,722	1,490,558
Employee benefit expenses	25	892,068	757,463	571,369	492,769
Depreciation of property, plant and equipment	11	347,908	316,458	146,984	108,204
Amortisation of intangible assets	12	6,093	4,681	3,649	2,630
Amortisation of leasehold rights	13	9,677	9,679	2,465	2,465
Advertising and promotion expenses		574,213	601,966	219,281	172,947
Rental expense		293,657	232,618	259,306	211,725
Loss on exchange		23,703	-	-	-
Others		869,073	734,307	298,962	241,554
Total expenses		<u>8,163,247</u>	<u>6,402,991</u>	<u>4,026,187</u>	<u>2,722,344</u>

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27 Finance costs

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<i>(in thousand Baht)</i>					
Interest expense					
Subsidiary	4	-	-	627	-
Bank loans		4,982	-	-	-
		<u>4,982</u>	<u>-</u>	<u>627</u>	<u>-</u>
Assets under construction	11	(4,982)	-	-	-
Net		<u>-</u>	<u>-</u>	<u>627</u>	<u>-</u>

28 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
<i>(in thousand Baht)</i>				
Current tax expense	<u>47,555</u>	<u>2,560</u>	<u>38,302</u>	<u>-</u>

Consolidated financial statements

The current tax expense in the consolidated statements of income is less than the amount determined by applying the Thai corporation tax rate to accounting profit for the year principally because:

- (a) a significant portion of the Group's profit was derived from promoted activities which are not subject to tax for the year 2010 amounting to Baht 719 million (2009: Baht 693 million).
- (b) unutilised tax losses brought forward from the previous year have been utilised during the year to set-off against the current year's tax charge amounting to Baht 137 million (2009: Baht 51 million).

Separate financial statements

The current tax expense in the separate statements of income is less than the amount determined by applying the Thai corporation tax rate to accounting profit for the year principally because:

- (a) the Company has dividends income which are not subject to tax for the year 2010 amounting to Baht 467 million (2009: Baht 464 million).
- (b) the Company has capital expenditures which are subject to tax deduction amounting to Baht 47 million (2009: Baht 46 million).
- (c) unutilised tax losses brought forward from the previous year have been utilised during the year to set-off against the year 2010 charge amounting to Baht 102 million.

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Income tax reduction

Royal Decree No. 387 B.E. 2544 dated 5 September 2001 grants companies listed on the Stock Exchange of Thailand a reduction in the corporate income tax rate from 30% to 25% for taxable profit not exceeding Baht 300 million for the five consecutive accounting periods beginning on or after enactment.

The Company had used the reduced tax rate as above until 31 December 2009.

The subsidiaries have calculated income tax on their taxable profit for the years ended 31 December 2010 and 2009 at the 30% corporate income tax rate.

29 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, Oishi Trading Co., Ltd., a subsidiary, has been granted privileges by the Board of Investment. The privileges granted include:

Promotional certificate no.	1475(2)/2546	1223(4)/2549	1214(2)/2553	1954(2)/2553
Date	3 September 2003	2 March 2006	25 February 2010	7 September 2010

Promotional privileges

(a) exemption from import duties on machinery used for production which has been granted privileges by the Board of Investment	import within 3 March 2006	import within 2 September 2008	import within 25 August 2012	import within 7 March 2013
(b) exemption from corporate income tax on net profit from the business operations under the said promotional privileges for 8 years from the date that income is first derived from such operations. In case of loss during the tax exemption, it could be deducted from the net profit after the exemption period not exceeding five years from the date of expiration	the first date of derived income 18 October 2003	the first date of derived income 28 September 2006	Not yet operation	Not yet operation
(c) exemption from the inclusion of dividend income derived under the promotional privileges for computation of corporate income tax	8 years	8 years	8 years	8 years

As a promoted company, the subsidiary must comply with certain terms and conditions prescribed in the promotional certificate.

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Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Promoted business	3,924,017	3,625,835	-	-
Non-promoted business	5,262,897	3,502,136	4,295,333	2,704,752
Total Revenue	9,186,914	7,127,971	4,295,333	2,704,752

30 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2010 and 2009 were based on the profit for the years attributable to equity holders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in million Baht / in million shares)</i>			
Profit attributable to equity holders of the Company (basic)	1,009.48	751.33	718.54	469.89
Number of ordinary shares outstanding	187.50	187.50	187.50	187.50
Basic earnings per share (in Baht)	5.38	4.01	3.83	2.51

31 Dividends

At the board of directors' meeting of the Company held on 9 August 2010, the directors approved the appropriation of interim dividend of Baht 1.50 per share, amounting to Baht 281.25 million. The dividend was paid to shareholders in September 2010.

At the board of directors' meeting of the Company held on 11 August 2009, the directors approved the appropriation of interim dividend of Baht 1.14 per share, amounting to Baht 213.75 million. The dividend was paid to shareholders in September 2009, subsequently at the annual general meeting of the shareholders of the Company held on 20 April 2010, the shareholders approved the appropriation of dividends of Baht 3.20 per share, amounting to Baht 600 million. However, since September 2009, the interim dividend paid was Baht 1.14 per share. The remaining dividend payment is Baht 2.06 per share, totaling Baht 386.25 million. The remaining dividend was paid to shareholders in May 2010.

At the annual general meeting of the shareholders of the Company held on 24 April 2009, the shareholders approved the appropriation of dividend of Baht 3 per share, amounting to Baht 562.5 million. The dividend was paid to shareholders in May 2009.

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32 Financial instruments

Financial risk management policies

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

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

Capital management

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

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (Note 15). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates. The Group does not expect that changes in interest rates will materially affect its operations.

Foreign currency risk

As at 31 December 2010 the Group had foreign currency risk relating to purchase machinery agreements in the amount of Euro 16.17 million and Yen 537.19 million (2009: Euro 1.36 million and Yen 1,399.49 million). The Group primarily utilized forward exchange contracts to hedge the said agreements (as disclosed in Note 33 to the financial statements). The Group is also exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies and at the reporting date there were no significant concentrations of foreign currencies risk.

Credit risk

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

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

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Liquidity risk

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

Determination of fair values

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

The fair value of trade and other receivables and loans to and amounts due from related parties are taken to approximate the carrying value.

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

The fair value of trade and other payables, loans from and amounts due to related parties and other liabilities are taken to approximate the carrying value.

The fair value of loan is taken to approximate the carrying value, the borrowing interest rate are approximate market interest rate.

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

33 Commitments with non related parties

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Capital commitments				
<i>Contracted but not provided for:</i>				
Cold-Aseptic-Filling beverage and PET bottle production project				
- Building and other constructions	50,210	294,508	-	-
- Machinery and equipment*	37,917	622,052	-	-
	88,127	916,560	-	-
UHT packaging machine project				
- Building and other constructions	253,414	-	-	-
- Machinery and equipment*	674,660	-	-	-
	928,074	-	-	-

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	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
Other projects				
- Building and other constructions	2,350	6,180	-	-
- Machinery and equipment	6,529	2,198	415	844
	<u>8,879</u>	<u>8,378</u>	<u>415</u>	<u>844</u>
Total	<u>1,018,551</u>	<u>924,938</u>	<u>415</u>	<u>844</u>

* Under the commitments, Oishi Trading Co., Ltd, a subsidiary, entered into letter of credit contracts and forward contracts with commercial banks amounting to Baht 708.98 million (2009: Baht 551.24 million) and Baht 729.41 million (2009: Baht 572.79 million), respectively. These forward contracts classified by currencies were as follow:

Currency:	Amount in contract (Foreign currency)		Fair value (Baht currency)	
	2010	2009	2010	2009
	<i>(in million)</i>		<i>(in thousand Baht)</i>	
Euro	12.98	1.36	519,437	65,010
Yen	541.97	1,399.49	201,346	507,712
Total			<u>720,783</u>	<u>572,722</u>

Significant agreements under capital commitments

Cold-Aseptic-Filling beverage and PET bottle production project

In 2009, the shareholders approved the investment for the factory construction and the installation for Cold-Aseptic-Filling beverage and PET bottling production machines in the amount of Baht 1,430 million under a condition that the project is promoted by the Board of Investment (BOI). The said project has been operated under Oishi Trading Co., Ltd., a subsidiary.

As at 31 December 2010, Oishi Trading Co., Ltd. has entered into the various agreements with local and foreign companies for the said project approximately totaling Baht 1,277 million (2009: Baht 1,122 million).

UHT packaging machine project

In 2010, the directors approved investment in UHT packaging machine project in the amount of Baht 980 million (excluding the land) under a condition that the project is promoted by the Board of Investment (BOI). The said project has been operated under Oishi Trading Co., Ltd., a subsidiary.

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As at 31 December 2010, Oishi Trading Co., Ltd. has entered into agreements with a local and a foreign company for the said project approximately totaling Baht 889 million.

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
<i>Non-cancellable operating lease commitments</i>				
Within one year	164,813	115,926	110,736	80,764
After one year but within five years	143,026	112,365	113,004	73,792
After five years	19,460	24,552	9,660	9,952
Total	327,299	252,843	233,400	164,508

Significant agreements under non-cancellable operation lease commitment:

Area lease agreements

The Company entered into area lease agreements with local companies for restaurant business. The agreements are for 1 year to 3 years, due within 2011 to 2012. The Company agreed to pay monthly rental fee based on percentage of sale and conditions as stipulated in the agreements.

Factory building lease agreement

On 15 November 2006, Oishi Trading Co., Ltd., a subsidiary, entered into a factory building lease agreement with a local company for production of food and beverage. The agreement is for a 14 years and 2 months period (From 1 December 2006 to 31 January 2021) with monthly rental of Baht 200,000.

UHT packing machine lease agreement

On 30 December 2009, Oishi Trading Co., Ltd., a subsidiary, entered into a UHT packing machine lease agreement with a local company. The agreement is for a 24 months period (From 1 January 2010 to 31 December 2011), with quarterly rental rate of Baht 3 million.

Forklift agreements

Oishi Trading Co., Ltd., a subsidiary, entered into lease agreements, forklifts and other equipments, with various companies. The agreements are for 1 year to 3 years, due within 2011 to 2013, with the monthly rental rate as specified in the agreements.

Store lease agreements

Oishi Trading Co., Ltd., a subsidiary, entered into store lease agreements with various companies. The agreements are for 6 month to 1 year, due within 2011, with the monthly rental rate as specified in the agreements.

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	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2010	2009	2010	2009
	<i>(in thousand Baht)</i>			
<i>Other Commitments</i>				
Purchase orders for goods and supplies	23,071	289,746	-	-
Service agreements	249,354	231,155	223,390	196,166
Advertisement contracts	8,880	1,277	27	-
Other	747	-	59	-
Total	282,052	522,178	223,476	196,166

Other agreements

Distributing goods agreement

On 2 November 2005, Oishi Trading Co., Ltd., a subsidiary, entered into an appointment agreement with a local company to act as a distributor for green tea products. The agreement is for 3 years from 4 November 2005 to 3 November 2008. On 3 November 2008, the agreement was extended for 3 years from 4 November 2008 to 3 November 2011.

Hot-fill PET bottle trading agreement

On 22 August 2005, Oishi Trading Co., Ltd., a subsidiary, entered into a hot-fill PET bottle trading agreement with a local bottle manufacturing company according to the quantity required from the 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 packing trading agreements

On 1 February 2007, the Company and Oishi Ramen Co., Ltd., a 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 Company and its subsidiary agreed to pay the service charge at the rate specified in the agreement. The said agreement has a 3-year period from 1 April 2007 to 31 March 2010 with a renewal option for another 3 years. Subsequently on 30 April 2010, the Company and the said subsidiary entered into new agreements. The terms of these new agreements were 2 years and 8 months from 1 May 2010 to 31 December 2012 with the renewal option for another 3 years.

Transportation agreements

On 1 November 2007, the Company and Oishi Trading Co., Ltd., a 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 was 3 years from 1 November 2007 to 31 October 2010. On 1 February 2010 the said subsidiary entered into a new transportation agreement due to fee rate change. The term of the new agreement was 3 years from 1 January 2010 to 31 December 2012 and may be extended for successive periods of 1 year each or terminated if any party does not comply with the terms and conditions as stipulated in the agreement or not less than 30 days' prior written notice given by any one party to the other.

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Consultancy fee agreement

The Company paid consultancy fee to a company of Baht 600,000 per month. This fee is included in other expenses.

License agreements

The Company entered into a license agreement for operating a chain of Japanese restaurants in the Kingdom of Thailand as the master license for the period 10 years from 20 May 2008. This agreement shall be automatically renewed for additional terms of 10 years each, unless there is a written notice not to renew this agreement at least 180 days prior to the expiration of the initial term of any renewal term. The Company committed to pay Initial License Fee, License Fee and Royalty Fee as stipulated in the agreement.

On 29 June 2009, the Company entered into a license agreement for operating another chain of Japanese restaurants in the Kingdom of Thailand as the master license with another foreign company, for the period of 10 years from 29 June 2009. This agreement shall be automatically renewed for additional terms of 10 years each, unless there is a written notice not to renew this agreement at least 180 days prior to the expiration of the initial term or of any renewal term. Under the agreement the Company committed to pay Initial License Fee and Royalty Fee as stipulated in the agreement.

Purchase natural gas agreement

On 30 September 2009, Oishi Trading Co., Ltd., a subsidiary, entered into a purchase natural gas agreement with a local company. The subsidiary agreed to pay disbursements and comply with conditions in the agreement. The agreement is for a 7-year period from 21 December 2009 to 30 November 2016 with renewal if not less than 90 days' prior written notice is given by any one party to the other as stipulated in the agreement.

Supply agreement

On 1 June 2010, Oishi Trading Co., Ltd., a subsidiary, entered into a supply agreement to purchase Aseptic preforms and Aseptic Plastic Closures to support its aseptic filling 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.

34 Events after the reporting date

At the board of directors' meeting held on 23 February 2011, the directors agreed to propose a dividend payment for the year of Baht 3.20 per share, totalling Baht 600 million. In September 2010, the interim dividend paid was Baht 1.50 per share, totalling Baht 281.25 million. The remaining dividend payment is Baht 1.70 per share, totalling Baht 318.75 million.

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35 Thai Financial Reporting Standards (TFRS) not yet adopted

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

TFRS	Topic	Year effective
TAS 1 (revised 2009)	Presentation of Financial Statements	2011
TAS 2 (revised 2009)	Inventories	2011
TAS 7 (revised 2009)	Statement of Cash Flows	2011
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors	2011
TAS 10 (revised 2009)	Events after the Reporting Period	2011
TAS 12	Income tax	2013
TAS 16 (revised 2009)	Property, Plant and Equipment	2011
TAS 17 (revised 2009)	Leases	2011
TAS 18 (revised 2009)	Revenue	2011
TAS 19	Employee Benefits	2011
TAS 23 (revised 2009)	Borrowing Costs	2011
TAS 24 (revised 2009)	Related Party Disclosures	2011
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements	2011
TAS 33 (revised 2009)	Earnings per Share	2011
TAS 34 (revised 2009)	Interim Financial Reporting	2011
TAS 36 (revised 2009)	Impairment of Assets	2011
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets	2011
TAS 38 (revised 2009)	Intangible Assets	2011

Management expects to adopt and apply these new TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of those new and revised TFRS that will become effective from 2011 assessed to have the greatest potential impact on the financial statements in the period of initial application. These standards are as follows:

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TAS 16 (revised 2009) – Property, plant and equipment

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 revised TAS 16 (revised 2009) permits as a transitional provision that these changes may be introduced prospectively from the year of introduction. Management intends to adopt this transitional provision and accordingly the introduction of the revised TAS 16 (revised 2009) from 1 January 2011 has no impact on the financial statements of 2010 or prior years. Management is currently reviewing the impact on the financial statements of introducing the revised TAS 16 (revised 2009) from 1 January 2011.

TAS 19 – Employee benefits

Prior to the introduction of TAS 19, there was no Thai accounting standard covering employee benefits and the Group/Company does not presently account for the costs of post-employment benefits under defined benefit plans; other long-term employee benefits; and termination benefits until such costs are incurred. The new TAS 19 includes the requirements to recognise and account for such costs in the period in which the service is performed. The requirements are complex and require actuarial assumptions to measure the obligation and expense. Moreover, the obligations are measured on a discounted basis because they may be settled many years after the employees render the related service. The transitional provisions of TAS 19 permit the transitional liability to be recognised and accounted for in one of four different ways:

1. retrospectively
2. immediately in equity (retained earnings) at the transition date
3. immediately in profit or loss at the transition date
4. as an expense on a straight-line basis over up to five years from the transition date

Management has determined that the transitional liability as at 1 January 2011 for post-employment benefits is Baht 20.30 million for the Group and Baht 14.99 million for the Company. Management intends to adopt transitional provision 2 to recognise and account for this liability.



一条の矢は折るべく、十条は折るべからず

(ichijou no ya wa orubeku, juujou wa orubekarazu)

One arrow may break, but ten will not.

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