

5. The opinion of Independent Financial Advisor on the Tender Offer

As Thai Beverage Public Company Limited. (hereinafter referred to as the “Tender Offeror” or “ThaiBev”) has signed an MOU to buy ordinary shares of Oishi Group Public Company Limited (hereinafter referred to as the “OISHI” or “The Company”) in the amount of 82,314,537 shares which account for 43.90 percent of the total registered and paid-up capital for the price of Baht 37.00 per share from Yodkij Business Company Limited (hereinafter referred to as the Yodkij” or the “Seller”) as a seller according to the agreement dated September 29, 2008 and price settlement has already been made in total on September 30, 2008. As a result of the transaction, the Tender Offeror has to prepare and submit a Tender Offer to purchase the remaining shares of the Company from shareholders to comply with the Notification of the Securities and Exchange Commission No. Kor. Jor 53/2002 Re: Rules, Conditions, and Methodology for Tender Offer. For the purpose of proceeding with this transaction as stated and stipulated by the rules and regulations of the Securities Exchange Commission (hereinafter referred to as the “SEC”), the Board of Directors resolved to appoint I V Global Securities Public Company Limited as the Independent Financial Advisor (hereinafter referred to as the “Financial Advisor”) to provide its opinion to the shareholders regarding the proposed tender offer. For the purpose of this proceeding, I V Global Securities Public Company Limited has carefully studied and reviewed the completeness and accuracy of the information contained in the tender offer (Form 247-4), the Company’s information and documentation, including the interview of executive management and related working officers and any public information as the basis for the valuation. The opinion of the Financial Advisor is based upon the following assumptions:

- The information that is disclosed in the tender offer and any other information received from the Company are correct and accurate
- The opinion is based upon the current position of the Company and in the case where any significant changes take place, it may affect the business operation and the Company’s financial position, as well as the shareholders’ decision on the tender offer.

5.1 *The appropriateness of the offer price in comparison to the intrinsic price as valued by various valuation methods*

The appropriateness of the Tender Offer price

The Tender Offeror made the Tender Offer to purchase the Company’s securities from the shareholders of the Company at the offering price of Baht 37.00 per share. The Financial Advisor has evaluated the value of the Company’s securities by employing several valuation methodologies as follows:

- 5.1.1 Historical Pricing Method
- 5.1.2 Book Value Method
- 5.1.3 Market Multiples Method
 - 5.1.3.1 Price to Book Multiples– P/B
 - 5.1.3.2 Price to Sales Multiple– P/S
 - 5.1.3.3 Price to Earnings Multiple– PER
 - 5.1.3.4 Enterprise Value to EBITDA – EV/EBITDA
- 5.1.4 Discounted Cash Flow Method

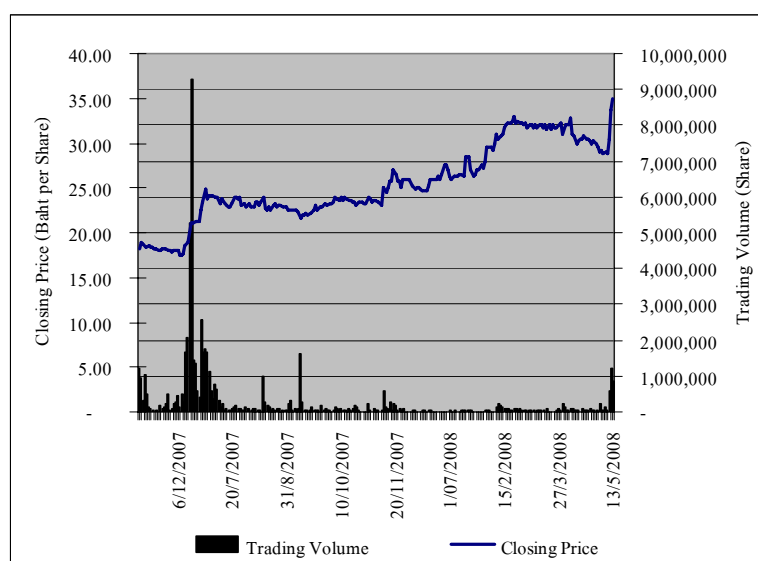
5.1.1 Historical Pricing Method

The historical pricing method is calculated by using the Company's historical price listed on the SET. The Financial Advisor considers a historical average closing price of the Company's stock listed on the SET in each period in the last twelve months from May 14, 2007 to May 13, 2008 (the date prior to disclosing the Tender Offeror's intention to purchase the Company's securities between Yodkij Business Company Limited and Thai Beverage Public Company Limited through ELCID since the price of the stock after the date already reflecting the news and price of the Tender). Details of the calculations are as follow;

Range of date used in calculation		Closing Price (Baht Per Share)			Avg. Daily	Percentage of Avg.
		High	Low	Avg.	Trading Volume (No. of shares)	Trading Volume to Total Number of Ordinary Shares
Apr 14, 08 – May 13, 08	Average closing price in last 1 month	35.25	28.50	31.90	197,350	0.11
Feb 14, 08 – May 13, 08	Average closing price in last 3 month	35.25	28.50	31.85	100,824	0.05
Nov 14, 08 – May 13, 08	Average closing price in last 6 month	35.25	24.40	30.47	70,081	0.04
Aug 14, 08 – May 13, 08	Average closing price in last 9 month	35.25	21.20	26.84	87,597	0.05
May 14, 07 – May 13, 08	Average closing price in last 12 month	35.25	17.40	22.58	238,744	0.13

In comparing the share price by using the historical pricing method, the average share price ranges in the last twelve months is from Baht 22.58 per share to Baht 31.90 per share. The lowest historical price is lower than the tender offer price of Baht 37.00 per share by Baht 14.42 or by 38.97 percent. The highest historical price is higher than the Tender Offer price of Baht 37.00 per share by Baht 5.10 or by 13.78 percent.

Figure 1: Daily Closing Price and Trading Volume from 14 May 07 – 13 May 08



When taking the average daily trading volume during the calculation period into consideration, the average trading volume in the last twelve months is less than 250,000 shares per day or less than 0.13 percent of the Company's paid-up ordinary shares. Therefore, historical price method may not reflect the true value of the Company.

5.1.2 Book Value Method

The book value method is calculated by dividing net assets with total ordinary shares from the consolidated audited financial statement of the Company as of 30 June 2008. This valuation methodology may not reflect the current market value of the assets and may not reflect the ability to generate profit in the future of the Company. The Company's book value per share is as follows:

(Unit: In million of Baht)	Consolidated Financial Statements
Paid-up capital	375.00
Premium on share	609.40
Retain earning	
Appropriated retained earning	37.50
Un-appropriated retained earning	1,026.53
Minority Interest	-
Total Shareholders' Equity	2,048.43
Total Number of the Company's Paid-up Shares (Million Shares)	187.50
Book Value per Share (Baht per Share)	10.92

The theoretical share price using the Book Value Method is Baht 10.92 per share. This price is lower than the tender offer price of Baht 37.00 per share by Baht 26.08 per share or by 70.49 percent.

5.1.3 Market Multiples Method

The market multiples method is calculated using various price multiples of a selected listed companies in agro and food industry, food and beverage sector, conducting business similar to that of the Company consisting of business or product involved with food restaurant and beverage. The details of the ratios of each company are as follow:

- 1) Haad Thip Public Company Limited ("HTC")
- 2) Serm Suk Public Company Limited ("SSC")
- 3) Malee Sampran Public Company Limited ("MALEE")
- 4) Tipco Foods (Thailand) Public Company Limited ("TIPCO")
- 5) S & P Syndicate Public Company Limited ("S&P")

The Financial Advisor uses four market multiples to value the Company's share price, which are Price to Sales Multiples (P/S), Price to Book Multiples (P/B), Price to Earnings per Share Multiples (P/E) and Enterprise Value to Earning before Interest,

Taxes, Depreciation and Amortization Multiples (EV/EBITDA). The Financial Advisor uses the closing price as at May 13, 2008 as a closing price (P) in the calculation (the date prior to disclosing the Tender Offeror's intention to purchase the Company's securities through ELCID since the price of the stock after the date already reflecting the news and price of the Tender). For sales (S), earning per share (E) and earning before interest, taxes, depreciation and amortization (EBITDA), the Financial Advisor uses the information for the last twelve months (LTM: from July 1, 2007 to June 30, 2008), all calculated by reconciling the figure from the financial statement of those five companies. The information of the financial statements of each company is disclosed through the website of the Stock Exchange of Thailand. The book value of equity (B) comes from the number of total shareholders' equity stated in the financial statements of each company as at June 30, 2008. The enterprise value (EV) is calculated from the below equation:

$$\text{Enterprise Value} = \text{Market Capitalization of the Equity} + \text{Interest Bearing Debts} + \text{Minority Interest} - \text{Cash and Cash Equivalent}$$

$$\text{Market Capitalization of the Equity} = \text{the Number Total Paid-up Shares} \times \text{Closing Price}$$

The number of paid-up shares, interest bearing debts, minority interest, and cash and cash equivalent come from the financial statement of each company as at June 30, 2008. The closing price is the price of each company's share as at May 13, 2008.

Four market multiples of each company are as follow:

Company	Market Multiples			
	P/B	P/S	P/E	EV/EBITDA
(1) Haad Thip Public Company Limited ("HTC")	0.48	0.18	21.15	3.18
(2) Serm Suk Public Company Limited ("SSC")	0.76	0.25	21.40	3.50
(3) Malee Sampran Public Company Limited ("MALEE")	1.89	0.81	15.17	5.33
(4) Tipco Foods (Thailand) Public Company Limited ("TIPCO")	1.51	0.45	3.64	3.87
(5) S & P Syndicate Public Company Limited ("S&P")	N/A	0.13	N/A	10.95
Mean	1.16	0.36	15.34	5.37
Median	1.14	0.25	18.16	3.87
Minimum	0.48	0.13	3.64	3.18
Maximum	1.89	0.81	21.40	10.95

Source:

1. Closing price (P) comes from the website of the Stock Exchange of Thailand www.set.or.th, as at May 13, 2008
2. Sales (S), earning per share (E) and earning before interest, taxes depreciation and amortization (EBITDA) are the data from the last twelve months from July 1, 2007 to June 30, 2008 and calculated from the figure stated in the financial statements of each company disclosed through the website of the Securities and Exchange Commission at www.sec.or.th.
3. The book value of equity (B) comes from the number of total shareholders' equity stated in the financial statements of each company as at June 30, 2008 divided by the number of issued and paid-up share of each company of the same date.

In order to reduce the effect from the maximum value and minimum value as much as possible, the Financial Advisor uses the median of the market multiples in the calculation, the details are as follow:

5.1.3.1 Price to Book Multiples– P/B

This methodology will take into account only the book value of the Company but it does not take into account the ability to generate the future income of the Company. The calculation will multiply book value of the Company as of 30 June 2008 multiple by the median of closing price to book multiples of the peers at 1.14x, which can be summarized as follows;

	Amount
Total shareholders' equity (In million of Baht)	2,048.43
Number of issued and paid-up share capital (million share)	187.50
Book value per share (Baht per Share)	10.92
Median price to book ratio (x)	1.14
Share price (Baht per Share)	12.45

The theoretical share price using the price to book method is Baht 12.45 per share. This theoretical share price is lower than the Tender Offer price of Baht 37.00 per share by Baht 24.55 per share or by 66.35 percent.

5.1.3.2 Price to Sales Multiples– P/S

The price to sales multiples is based on the ability to generate revenue but it is not concern the profitability of the Company. It is calculated by multiplying the Company's last twelve months sales (From 1 July 2007 to 30 June 2008) with the selected companies' median P/S ratio of 0.25x as follows:

	Amount
Trailing 12 months of sales (In million of Baht)*	5,188.12
Issued and paid-up share capital (In million of share)	187.50
Trailing 12 months sales per share (Baht per share)	27.67
Median price to sales ratio (x)	0.25
Price per share (Baht per share)	6.83

* From 1 July 2007 to 30 June 2008

The theoretical share price using the price to sales method is Baht 6.83 per share. This price is lower than the Tender Offer price of Baht 37.00 per share by Baht 30.17 per share or by 81.53 percent.

5.1.4.3 Price to Earning Multiples– P/E

The price to earning multiples is based on the ability to generate profit and can apply only with the profitable company. Moreover, it does not take into account total value of assets of the Company. It is calculated by multiplying the Company's last 12-month earnings (From 1 July 2007 to 30 June 2008) with the selected companies' median P/E ratio of 18.16x as follows:

	Amount
Trailing 12 months of earnings (In million of Baht)*	605.91
Issued and paid-up share capital (In million of share)	187.50
Trailing 12 months earnings per share (Baht per share)	3.23
Median price to earnings ratio (x)	18.16
Price per share (Baht per share)	58.65

* From 1 July 2007 to 30 June 2008

The theoretical share price using the price to earnings method is Baht 58.65 per share. This price is higher than the Tender Offer price of Baht 37.00 per share by Baht 21.65 per share or by 58.52 percent.

5.1.4.3 EV/EBITDA

This methodology is widely used in a preliminary consideration of companies' value, especially in merger and acquisition transaction because it is easy to calculate and its merit is that it includes, in the calculation, the liabilities which buyer has to repay after the transaction. Also, earnings before interest, taxes, depreciation and amortization (EBITDA), which is, in some case, used as a proxy of operating cash flow, is included in the calculation of the ratio. To calculate the value of the Company by using this methodology, the Financial Advisor will calculate the Company's EBITDA in the last twelve months and then multiply by the median of the enterprise value to earnings before interest, taxes, depreciation and amortization (EV/EBITDA) of its 5 peers of 3.87 times as follows:

	Amount
Trailing 12 months EBITDA (In million of Baht) *	907.09
Median EV/EBITDA (x)	3.87
Enterprise value (EV) (In million of Baht)	3,511.50
Less Interest Bearing Debts**	-
Less Minority Interest **	-
Add Cash and Cash Equivalent **	418.15
Shareholders' Equity Value	3,929.65
Issued and paid-up share capital (In million of shares)	187.50
Price per share (Baht per share)	20.96

* From 1 July 2007 to 30 June 2008

** As at 30 June 2008

The theoretical share price using the EV/EBITDA is Baht 20.96 per share. This price is lower than the Tender Offer price of Baht 37.00 per share by Baht 16.04 per share or by 43.36 percent.

5.1.5 Discounted Cash Flow Method

The discounted cash flow method considers the Company's ability to generate future profit by calculating net present value of projected operating cash flow by applying proper discounted rate. The Financial Advisor calculates Weighted Average Cost of Capital (WACC) to apply for the discounted rate and calculate the net present value from projected performance of the Company over a five-and-a-half year period (starting from the second half of 2008 to the ending of 2013). This method is based upon the assumptions that the Company will operate its business on a going concern without any material changes and under the current economic conditions and environment.

The Financial Advisor prepares the financial projection by using information, and assumptions received from the Company and interviewed the Company's executives, management and related persons exclusively for calculating a fair share price for comparison with the offer price of this tender offer.

There might be variations in the fair share price in the event of a material change in the economic conditions and the operating environment of the Company from the aforementioned assumptions. Hence, the fair share price under such circumstances shall not be used as a reference price for any other purpose besides the objective stated above.

Key assumptions for the financial projection are as follows:

The forecast of revenue from sales, cost of goods sold and selling and administrative expenses of Oishi Group Public Company Limited ("The Company") based on the following assumptions. The Financial Advisor categorizes the business of the Company into 2 business units, namely a beverage business unit and a food business unit. The Financial Advisor conducted a financial projection based on the revenue from sales categorized from each business unit, even though the organization of the Company consists of the Company itself and 2 subsidiaries, both with 99.99 percent of shares holding by the Company. The Company's subsidiaries are 1) Oishi Trading Limited operates a business as a manufacturer and distributor of green tea under brand "Oishi Green Tea" and other such as fruit juice under brand "Amino OK", orange juice under brand "Seiki" includes the ready to drink coffee under brand "Coffio", the new product with an outsourcing production launched in this year. Moreover, Oishi Trading Company Limited was also operated as a Central Kitchen which is a manufacturer and distributor of food products under various brands to support in the group of company for example the healthy bakery restaurant under brand "In & Out" and franchise business. 2) Oishi Ramen Limited operates as manufacturer and distributor of Japanese food under brand "Oishi Ramen" and also operates business as a food manufacturer to support franchise sales.

1. Beverage Business

1.1 Sales Volume

At present, the Company has 4 beverage brands, namely 1) Oishi Green Tea, 2) Amino OK, 3) Seiki, and 4) Coffio. In the past three year, the revenue from sales of beverage comes mostly from green tea beverage which accounts for around 90 - 95 percent of beverage sales. Meanwhile, sales of Amino OK and Seiki have continuously been decreasing in the last three years. Coffio, the Company's new product, has just been launched in March 2008. From the Company's financial statement in the first half of 2008, the revenue from sale of Coffio accounted approximately for 5 percent of beverage sales. Then, as sales of Seiki and

AminoOK is now decreasing, the Financial Advisor assumes the sales volume growth for both products equal to 0.00 percent throughout the projection period. While, sales growth of Oishi Green Tea is assigned to equal to 15.00 percent in 2009, 10.00 percent in 2010 and equal to 3.00 percent from 2011 onwards. The growth rate of sales amount of Coffio is set to equal to 10.00 percent in 2009, 5.00 percent in 2010 and 3.00 percent from 2011 onwards. For a base year of 2008, sales amount of green tea beverage, Amino OK, Seiki and Coffio are set to 124.01, 1.72, 0.47 and 2.18 million liters, respectively. These sales amount calculated from annualizing the sales amount in the first half.

If we compare the Company's total capacity of beverage with the sales volume in the projection, we found that the proportion of forecasted amount sold to total beverage production capacity is still in an acceptable rate, details are as below:

Unit : million liters

	2009	2010	2011	2012	2013
Full Capacity	359.82	369.20	369.20	369.20	369.20
Utilization Rate	39.63%	42.49%	43.77%	45.08%	46.43%

1.2 Selling Price

The Financial Advisor analyzed the selling price of each product from 2006 to the first half of 2008 and then calculated the average selling price per liter in order to use as selling price in the projection. Oishi Green Tea, Amino OK and Coffio have the average selling price equal to Baht 23.15 per liter, Baht 24.39 per liter, Baht 76.08 per liter consecutively. The Financial Advisor will use the average selling price throughout the projection period. For Seiki, its average selling price had been reducing from 2006 to the first half of 2008; hence, employing the conservative approach, the Financial Advisor will use the lowest average selling price as at the first half of 2008 equals to Baht 29.54 per liter in the projection. The Financial Advisor will keep all average selling price stable throughout the projection period.

1.3 Cost of Goods Sold

1.3.1 Cost of Goods Sold

The Financial Advisor analyzed the cost of goods sold of each product from 2006 to the first half of 2008 and then calculated the proportion of cost of goods sold to sales of each product to use in the projection. Oishi Green Tea has its proportion of cost of goods sold to sales equals to the average such a proportion during 2006 to the first half of 2008 or approximately 72 percent. The Financial Advisor, however, found some increasing trends in cost of goods sold of AminoOK and Seiki. Then, to comply with a conservative approach, the Financial Advisor will choose to use, in the projection, the highest proportion of cost of goods sold to sales occurred in first half of 2008 at 86 percent and 85 percent for AminoOK and Seiki, respectively. For Coffio, as it has just been launched in 2008, the Financial Advisor will use proportion of cost of goods sold and sales occurring in the first half of this year of 70 percent in the projection. All of the proportions of cost of goods sold to sales are assumed to be constant throughout the projection period.

1.3.2 Economy of Scale

From the Company's data, the cost of manufacturing will decrease by Baht 0.008 per liter for every one million liters increasing from the current production level.

1.4 Selling and Administrative Expenses

The selling and administrative expenses of beverage business are the advertising and promotion expenses. The Financial Advisor analyzed the information in each product from 2006 to the first half of 2008 and then forecasted the ending amount of 2008. The forecasted numbers of Oishi Green Tea and, Amino OK and Coffio at the end of 2008 equal to Baht 330 million, Baht 15 million and Baht 60 million, respectively. For Oishi Green Tea the expense increases 15 percent in 2009 and increases 10 percent from 2010 onwards. For Coffio the expense increases 10 percent in 2009 and increases 5 percent from 2010 onwards. For Amino OK, though, there were no advertising and promotion expenses in the first half of 2008, the Company has, however, re-launched an advertising campaign again in the second half of 2008. Therefore, the Financial Advisor forecast such an expense equals to Baht 15 million for the year 2008 and keep it constant during the projection period. For Seiki, the advertising and promotion is very small; hence, the Financial Advisor forecast it equaling to zero during projection period.

1.5 Corporate Income Tax

The Company's beverage business was originated from building its manufacturing base in Navanakorn where it received a BOI privilege which will expire in 2011. Recently, the Company expanded its manufacturing base to Amata Nakorn, also with a BOI which will expire in 2014. Moreover, the Company plans to invest in an Aseptic Line which will be applied for the BOI privilege in the future. Therefore, the Financial Advisor assumes all the profit from beverage business will not be subject to corporate income tax throughout the projection period.

1.6 Capital Expenditure (CAPEX)

- 1.6.1 The Company plans to invest in TretaPak Line of green tea because at present the capacity of green tea TetraPak is run almost at full capacity. The investment amount worth Baht 83.10 million approximately. The Company has already invested in the line and forecasted that a CAPEX of Baht 72.23 million will be used in 2008 and of Baht 11.87 million will be used in 2009. The project will be completed and the Company can depreciate assets in 2009. The depreciation period is ranging from to 5-10 years.
- 1.6.2 The Company plans to invest in Aseptic Line of green tea in order to reduce the cost of packaging. The investment worth Baht 1,363.10 million approximately. The Company forecasts to invest in the Aseptic Line of Baht 1,022.36 million in 2009 and Baht 340.78 million in 2010. The project will be completed and the Company can depreciate assets in 2010. The depreciation period is ranging from 5 to 20 years. However, the size of the investment falls in the range that the Company have to comply with rules and regulations regarding the acquisition and disposal of the Company's assets and approval from the shareholders' meeting is mandatory. The Company is planning to propose the investment to the shareholders' meeting in the beginning of 2009.

2. Foods Business

2.1 The number of restaurants

The Financial Advisor analyzed the information of revenue from sales of food starting from 2006 to the first half of 2008, and then categorized the food restaurant into 5 categories which are 1) The Japanese buffet restaurant under brand "Oishi", "Oishi Express" and "Oishi Grand" 2) ramen restaurant under brand "Oishi Ramen" 3) Shabu-Shabu restaurant under brand "Shabushi" 4) bakery under brand "In & Out" and 5) Other restaurant i.e. Log Home for the example. From the historical data, the Financial Advisor found that more than 85 percent of the revenue from sales of food came solely from the Japanese buffet restaurant, ramen restaurant and Shabushi restaurant therefore the Company has been concentrating on expanding these categories in order to cover

target group. Due to the historical data in each year, the Company usually found a new more restaurant in such a 3 categories in the average amount of 5 restaurants annually. The data was classified into 1 Japanese buffet restaurant annually, 2 ramen restaurants annually and 2 Shabushi restaurants annually. The Financial Advisor employs such an average number of expansion shops as a benchmark to project in 2008 and applies a constant number of restaurant expansions thereafter. The total number of restaurants as at the ending of 2008 will equal to 84 restaurants. For bakery restaurant and other restaurant, the Company has no plan to expand the number substantially so that the Financial Advisor assumed that there is no growth number of expansion restaurants throughout the projection period.

2.2 The revenue from sales of food

The Financial Advisor analyzed the revenue from sales of food from 2006 to the first half of 2008 and found that the revenue from sales of food in each restaurant per year is quite stable. The Financial Advisor used the average sales per restaurant in yearly basis as a forecasting base which are Baht 61.00 million, Baht 13.00 million, Baht 33.00 million, Baht 7.00 million and Baht 10.00 million per shop per annum for Japanese Buffet restaurant, Ramen restaurant, Shabushi restaurant, Bakery and other restaurants, respectively. The Financial Advisor applies a constant sales growth of 3 percent annually from 2008 onwards.

2.3 Cost of goods sold

During the last three year, the Company had a very efficient cost management and had a relatively constant proportion of cost of goods sold to the revenue from sales of food at around 51 percent. Therefore the Financial Advisor assumed the proportion of cost of good sold to the revenue from sales of food remains constant throughout the projection period

2.4 Selling and Administrative Expenses

Selling and administrative expenses comprise of advertising and promotion expenses, salary and employee benefits, utility expenses, amortization expenses and others. The proportion of selling and administrative expenses to the revenue from sales of food has been stable in the past years therefore the Financial Advisor kept the average rate of such a proportion constant throughout the projection period at 33.60 percent.

2.5 Corporate Income Tax

Due to the fact that food business operates under the Company itself has a corporate income tax rate of 25 percent (The tax privilege from the Company's listing status will be expired at 2009; hence, the corporate income tax rate of food business will equal to 30 percent starting from 2010 onwards), while net profit operated under the subsidiary companies having corporate income tax rate equals to 30 percent. Consequently, the effective corporate income tax rate will be divided into 2 steps. The first step is from 2008 to 2009, the Financial Advisor applied the average number of the past three years of corporate income tax rate which equals to 27 percent. The second step is from 2010 to 2013, the Financial Advisor applied the corporate income tax rate equals to 30 percent.

2.6 Capital Expenditure (CAPEX)

According to the historical data of the Company during 2006 to the first half of 2008, the Financial Advisor found that the average cost of investment for restaurant expansion per year was approximately Baht 150 million. Those investments are mainly from the investment in equipment and decoration, therefore the Financial Advisor will fully depreciate the capital expenditure in 10 years.

4. Working capital

– Account receivable	approximately 13.00 times per year
– Inventory	approximately 12.00 times per year
– Account payable	approximately 8.50 times per year
– Accrued expense	approximately 16.50 times per year

3 Terminal value

Terminal value is calculated by using a Perpetuity Growth Model. However, as a projection period is relatively short and during the projection period the Company is projected to grow at a relatively high growth rate, the Financial Advisor, by employing the conservative approach, will assume a terminal growth rate of 0.00 percent to reduce effects of terminal value to the Company's share price.

4 Discount rate

Since, the Company currently has no financial debts and also has no policy to use credit facilities; the Financial Advisor will use the expected return to equity (K_e) as a discount rate. K_e will be estimated using the Capital Assets Pricing Theory (the CAPM), details are as follow;

$$K_e = R_f + \beta (R_m - R_f)$$

Where;

- R_f = Risk free rate; the Financial Advisor uses 5-year Government Bonds which is consistent with a period of projection at 4.10 percent per annum. (Source: Zero Coupon Yield Curve from ThaiBMA.com as at October 9, 2008)
- R_m = Expected rate of return from investment in the stock market at 17.43 percent per annum. (Source: Bloomberg as of October 9, 2008, which is estimated from overall growth rate of business, earnings, dividend payouts, and current prices of the stocks in the market)
- β = Calculating by using variance between daily market return and daily return of the Company's five peers. Average beta from those peers equal to 0.59. Details of the calculation are as follow:

Company	β
(1) Haad Thip Public Company Limited ("HTC")	0.66
(2) Serm Suk Public Company Limited ("SSC")	0.47
(3) Malee Sampran Public Company Limited ("MALEE")	0.58
(4) Tipco Foods (Thailand) Public Company Limited ("TIPCO")	0.69
(5) S & P Syndicate Public Company Limited ("S&P")	0.55
Average	0.59

Source: Adjusted Beta from Bloomberg as at October 9, 2008.

Calculating K_e by applying the above numbers in K_e calculation equation, the K_e is equal to 12.00 percent.

R_f	4.10%
R_m	17.43%
$(R_m - R_f)$	13.33%
Average β	0.59
K_e	11.96%
	<u>≈ 12.00%</u>

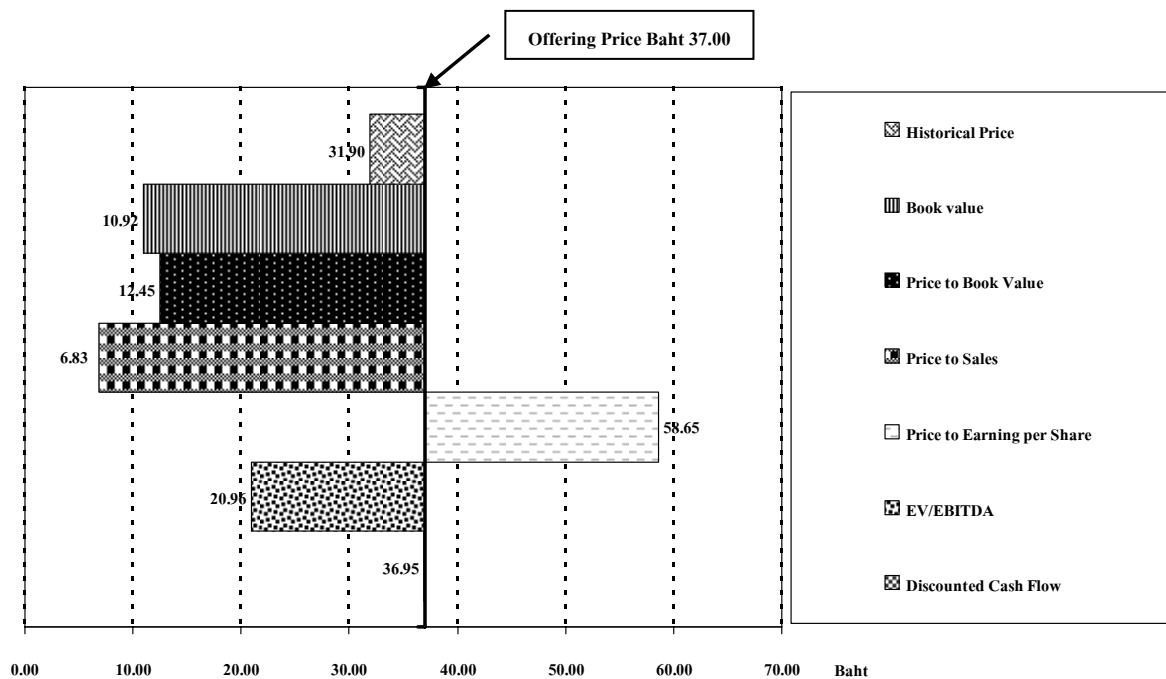
Based on the aforementioned assumptions, the Financial Advisor has valued the share price of the Company applying Discounted Cash Flow Approach (DCF) to be Baht 36.95 per share. In addition, the Financial Advisor has conducted the sensitivity on the share value with the discounted rate between 11.00 percent to 13.00 percent per annum and terminal growth of (2) – 2 percent per annum. Theoretical price of the Company is in the range of Baht 33.75 – 41.03 per share, which the lowest range of the value is lower than the offering price of Baht 37.00 per share by Baht 3.25 per share or 8.78 percent, and the highest range of the value is higher than the offering price by Baht 4.03 per share or 10.89 percent. Details of the calculation are as follows:

		Terminal Growth				
		-2.0%	-1.0%	0.0%	1.0%	2.0%
Discount Rate	11.0%	36.44	38.31	40.53	43.19	46.43
	11.5%	34.97	36.67	38.66	41.03	43.91
	12.0%	33.61	35.15	36.95	39.08	41.63
	12.5%	32.34	33.75	35.38	37.29	39.57
	13.0%	31.16	32.44	33.92	35.65	37.70

Summary of the Results of the Different Valuation Methodologies

Shares Valuation Method		Valuation (Baht)	Higher (Lower) than the Offering Price (Percent)
5.1.1	Historical Price Method	17.40 – 35.25	(52.57) – (4.73)
5.1.2	Book Value Method	10.92	(70.49)
5.1.3	Market Multiples Method		
5.1.3.1	Price to Book Value	12.45	(66.35)
5.1.3.2	Price to Sales	6.83	(81.53)
5.1.3.3	Price to Earning per Share	58.65	58.52
5.1.3.4	EV/EBITDA	20.96	(43.36)
5.1.4	Discounted Cash Flow	33.75 – 41.03	(8.78) – 10.89

Figure 2: Share valuation by each method comparing to the offering price



Remark : For Historical Price Method using highest average price of Baht 31.90 per share and Discounted Cash Flow Method using a Base Case price at Baht 36.95 per share to plot in the graph.

5.2 *The reasons that shareholders should accept the Tender Offer*

Reasonable Tender Offer price

From several valuation methodologies as stated in the content 5.1.1 to 5.1.4, the Company's share price is in the range of Baht 6.83 – 58.65 per share.

The Financial Advisor is of the opinion that the Discounted Cash Flow method is the most appropriate methodology to value the shares of the Company because the discounted cash flow method is the only method taking into account the past performance and the Company's ability to generate future revenue and profit. It is better than other methodologies.

Historical pricing method may not reflect actual value of the Company because the floating shares of the Company are relatively illiquid during the past 12 months. The average trading volume per day of the Company's shares is less than 250,000 shares or less than 0.13 percent of the paid-up shares of the Company. The valuation price under this method depends on demand and supply of shares under a specific point of time, which may not reflect actual value based on fundamental of the Company, and its future financial status.

The book value method reflects only the value of net assets at this specific point of time and does not reflect the profitability and future prospect of the Company. Also, the net assets value of the Company reports at its historical purchasing price which is not an appropriate figure to be used in valuing the Company. The Financial Advisor does not present the adjusted book value method in this Independent Financial Advisor report due to the fact that (1) the Company does not have an up-to-date appraisal report of its fixed assets. Moreover, the latest appraisal report available was dated on March 21, 2005 and details of the machinery specified in the report is different from the machinery used in production nowadays, and (2) in 2006, the Company invested in its new product line at Amata Nakorn plant, and so far such a new investment has not been appraised yet. Consequently, without the fair value of fixed assets, adjusted book value method cannot reflect the true value of the Company.

Moreover, Market Multiples Method might not reflect the real value of the shares of the Company because the portion of goods and service manufacturing (Product mix), and the performance of each listed company in Food and Drink sector of Agricultures and Food industry are various, and different. The business models and portion of products sold are also different. Also, the price of stocks in the Stock Exchange of Thailand depends on overall market conditions. In 2008, the politic issue and the recent world finance and economics crisis result in negative effects on the Stock Exchange of Thailand directly. As a result, the share price in the Stock Exchange of Thailand may not appropriately reflect companies' fundamental. Then, Market Multiples Method is not appropriate. Besides, the Company's share price deriving from P/E is very high, as a result of a high variance of P/E of the Company's peers – a maximum of 21.15x and a minimum of 3.34x. With such a variance and a very few sample, even the median can become biased. A relatively high median of P/E of 18.16x is used in the calculation. However, if we calculate the price to earnings multiples at the offering price of Baht 37.00 per share by using the trailing earnings per share from the last 12 months starting from July 1, 2007 to June 30, 2008 of Baht 3.23 per share, we will find that the Tender Offeror offers to purchase the Company's shares at P/E Ratios equals to 11.46 times.

In accordance with the stated rationale, the Financial Advisor is of the opinion that the discounted cash flow is the most appropriate valuation methodology. The appropriate share price of the Company derived from such methodology falls in the range of Baht 33.75 – 41.03 per share, with an average price for the base case equals to Baht 36.95 per share which is slightly lower than the Tender Offer price of Baht 37.00 per share.

Benefits and/or effects from the policies and plans of business operations as proposed by the Tender Offeror, including the likelihood of the said policies and plans

The Financial Advisor is of the opinion that the Company is going to have continuous operation after the Tender Offer with reasons as follows:

Company Status

The Tender Offeror has no intention to delist the Company's shares from the SET within the next 12 months after the ending period of this Tender Offer and also the Tender Offeror will not sell the Company's share in a significant amount within the next 12 months, except for the case that the Tender Offeror need to restructure its shareholding structure or to reorganize of its business in order to maximize the benefits of the shareholders. In case that the feedback of the Tender Offer having caused the Company not to comply with the rules and regulations of the SET regarding a proportion of the free float, the Tender Offeror will consider selling some of their shares in order to comply with the free float shareholders according to the rules and regulations of the SET.

At present, the Company is one of the listed companies which have not complied with the rules and regulations regarding a proportion of free float shareholders for more than 2 years. Then, the Tender Offeror might be able to sell some of the shares acquired during this Tender Offer earlier than a 12-month period as stated in the Tender Offer to solve the Company's free float problem. However, in accordance with the Notification of the SET regarding Maintaining Listing Status in the SET B.E. 2544 requires numbers of minority shareholders not less than 150 persons and holding not less than 15 percent of paid-up shares of the Company.

Future Plan and Policy

The Financial Advisor is of the opinion that the Company will not be affected from the policy and the future business plan of the Tender Offeror, as the Tender Offeror has no plan or policy to change the Company's core businesses or disposal of any of the Company's core assets (except in the case of replacing them with newer ones) and/or changing in dividend policy within 12 months after the Tender Offer having been completed. Also, the Tender Offeror will not delist the Company's securities from the Stock Exchange of Thailand within 12 months after the Tender Offer. The Financial Advisor considered this Tender Offer only as a restructuring of shareholding structure of a group of major shareholders of the Tender Offeror. The control over the Company will remain in the same group of shareholders because formerly the Tender Offeror's major shareholders held the Company's shares indirectly via Yodkij Business Company Limited which has been the Company's shareholder since 2006 and Yodkij Business Company Limited sold its shares to the Tender Offeror until reaching the trigger point. Also, the same group of Tender Offeror's shareholders holds a significant portion of shares in the Tender Offeror itself. Consequently, the Financial Advisor is of the opinion that, after the Tender Offer, the Company will not be affected from the Tender Offer's attempt to change the Company's policy, management and directors. In addition, the Tender Offeror still has a policy to do businesses in Japanese restaurants, bakery and beverage business as it is before the Tender Offer. However, the Tender Offeror may increase the Company's potential by the benefit of Synergy and Economy of Scale, for instance;

1) Use the same network and distribution channel between the Company and the Tender Offeror by utilizing the network and distribution channel of the Tender Offeror which cover all regions in Thailand and the efficient logistic network as a major tool to expand the sales of goods and broaden the sale areas. At present, the Company agreed to appoint the Tender Offeror to be its major distributor in place of its existing distributor whose contract has already been expired in September 2008.

2) The Tender Offeror will consider sharing its business resources with the Company for the optimum benefit of both parties. The Tender Offeror will assign its teams many units to assist the Company, such as combining procurement units to increase bargaining power over supplies, sharing training and seminar for employees, sharing knowledge to improve IT systems, or even helping support the Company's investment in the future. Anyhow, at present, the Company has already received the usefulness from the utilization of the same resources with the Tender Offeror e.g. from the bargaining power with the suppliers.

Nonetheless, shareholders who reject this Tender Offer might face with the following situations;

Liquidity of the Company's Shares

If there are many shareholders selling shares to the Tender Offeror, the minority shareholders who do not sell the shares to the Tender Offeror this time might receive impact from the illiquidity of shares of the Company and might not sell shares at their required price or at the period when they want to sell in the future through the SET. In the past, the shares of the Company have had low liquidity.

Voting Right in Major Transaction and Voting Power in Management of the Tender Offeror

From the current share proportion of the Tender Offeror equaling to 43.90 percent of the total issued and paid up share capital, if additional shares of over 6.10 percent of the paid-up shares are sold in the Tender Offer, the Tender Offeror could pass any agendas in the shareholders' meeting requiring a majority vote.

In the case where, the Tender Offeror can gain more than 75 percent of the total issued and paid up share capital, the Tender Offeror will have almost an absolute control over the shareholders' meeting and the Tender Offer can pass any resolutions requiring super majority vote, such as the capital increase, the takeover, the merger and acquisition, the related transaction, delisting and the dividend policy.

However, the veto of 10 percent voting right of the total issued and paid up share capital can deny the delisting of the Company from the SET

Conclusion of the Opinion by the Independent Financial Advisor

From consideration of the information and reasons mentioned above, the Financial Advisor views that **the tender offer price of Baht 37.00 per share is appropriate and that the shareholders should accept the tender offer.**

The decision to accept or reject this tender offer depends upon the shareholders' views and judgments based on the aforementioned reasons and opinion as provided by the Financial Advisor. The Final decision; therefore, is at the discretionary of shareholders.

I V Global Securities Public Company Limited hereby warrants that this report is prudently and professionally evaluated for the beneficiaries of the Company's shareholders.

- Sriporn Suthipongse -

(Mrs. Sriporn Suthipongse)

President and Chief Executive Offer

I V Global Securities Public Company Limited

The Financial Advisor