

(Translation)

TFMAMA 802/2561

15 August 2018

Subject: Notification of the Resolutions of the Board of Directors' Meeting of Thai President Foods Public Company Limited regarding the Voluntary Tender Offer for the Entire Securities of President Bakery Public Company Limited (“**PB**”)

To: The President
The Stock Exchange of Thailand

Enclosure: Information Memorandum regarding the Acquisition of Assets of Thai President Foods Public Company Limited

The Board of Directors' Meeting of Thai President Foods Public Company Limited (“**TFMAMA**” or the “**Company**”) No. 8/2018 held on 15 August 2018 has considered and resolved to approve the significant matters as follows:

1. Resolved to approve the Company to make a voluntary tender offer for the entire securities of PB (the “**Tender Offer**”) pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 entitled Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (as amended) to all PB's shareholders at the offering price of Baht 61.16 per share. In this connection, the Company acknowledged PB's usual declaration of its interim dividends in respect of the first six-month period commencing from 1 January 2018 to 30 June 2018 at the rate of Baht 0.75 per share according to the resolutions of the Board of Directors' Meeting of PB held on 14 August 2018. The Company will further submit an Announcement of Intention to Make a Tender Offer (Form 247-3) and an application for the Tender Offer for Securities (Form 247-4) in accordance with the procedures and timeframe specified under relevant regulations.

As the Company currently holds an aggregate of 211,062,800 shares in PB (or equivalent to 46.90 per cent of its total issued and outstanding shares), the maximum number of shares that the Company is required to offer to purchase from other PB's shareholders in light of the proposed Tender Offer shall amount to not exceeding 238,937,200 shares (or equivalent to 53.10 per cent of the total issued and outstanding shares of PB). However, the Company has received a letter of intent from Saha Pathana Inter-Holding Public Company Limited (“**SPI**”) which is one of PB's major shareholders, informing the Company that it does not wish to, and agrees not to, sell 90,450,000 shares in PB held by it during the Tender Offer and shall procure that there shall be no sale, purchase or transfer of ownership of such shares during the Tender Offer period. For such purposes, SPI further agrees to temporarily deposit the share certificates evidencing the said shares with a commercial bank with a condition that SPI will not be able to retrieve, and proceed with any acts in respect of, such share certificates during the entire Tender Offer period without the Company's consent. Based on the foregoing, the total number of PB shares that the Company shall offer to purchase from other PB shareholders (excluding those PB shares which SPI agrees not to sell) will instead amount to up to 148,487,200 shares (or equivalent to 33.00 per cent of the total issued and outstanding shares of PB), the total value of which equals to not exceeding Baht 9,082 million.

In this connection, the proposed Tender Offer is considered an acquisition of material assets pursuant to the Major Transaction Rules, the transaction size of which is of its highest value at 29.73 per cent of the total assets of the Company and its subsidiaries when calculated in accordance with the total value of consideration basis and based on its consolidated financial statements of the Company and the reviewed equity method financial statements of PB for the period ended 30 June 2018 (assuming further that all PB shareholders accept the Tender Offer but excluding those PB shares held by SPI which SPI agrees not to sell). When combining the above transaction size with those of the previous asset acquisitions occurred during the past six months, the aggregate transaction size amounts to 33.85 per cent, which is classified as Class 2 Transaction pursuant to the Major Transaction Rules. The Company is therefore required to prepare relevant information memorandum concerning the asset acquisition above and disclose the transaction to the SET as well as prepare and distribute relevant information memorandum to its shareholders within 21 days from the disclosure of this transaction to the SET. For additional information regarding the above asset acquisition by the Company, please refer to the Enclosure.

Nonetheless, the proposed Tender Offer is not considered a related party transaction pursuant to the notifications of the Capital Market Supervisory Board and the Board of Governors of the SET concerning related party transactions.

2. Resolved to approve the Company to obtain a short term financing from a financial institution in the amount not exceeding Baht 4,500 million, which will be used as a source of fund for the proposed Tender Offer.
3. Resolved to approve to authorise Mr. Suchai Ratanajiaroen and Mr. Poj Paniangvait, or Mr. Suchai Ratanajiaroen and Miss Pojjana Paniangvait, with full power and authority to perform any actions necessary for and pertaining to the Tender Offer and the obtaining of the financing as stated in paragraph nos. 1 and 2 above, including entering into any negotiation and agreement, determining, changing or amending any details or conditions necessary for or in relation to the Tender Offer and/or signing any agreement in relation to paragraph nos. 1 and 2 above, memorandum of understanding and other documents as well as liaising with government authorities or relevant regulators such as the Securities and Exchange Commissions and the SET, and performing any other actions deemed necessary and appropriate, taking into account the best interests of the Company, and within the ambit of the board of directors' approval.

Please be informed accordingly.

Yours sincerely

(Ms. Sararath Tangsirimongkol)
Corporate Secretary

(Translation)

Information Memorandum regarding the Acquisition of Assets

Thai President Foods Public Company Limited

Pursuant to the Board of Directors' Meeting of Thai President Foods Public Company Limited (the "**Company**" or "**TFMAMA**") No. 8/2018 held on 15 August 2018, which has resolved to approve the Company to make a voluntary tender offer for the entire securities of President Bakery Public Company Limited ("**PB**" or the "**Target**") (the "**Tender Offer**") pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 entitled Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (as amended) (the "**Takeover Rules**") to all PB's shareholders at the offering price of Baht 61.16 per share. In this connection, the Company acknowledged PB's usual declaration of its interim dividends in respect of the first six-month period commencing from 1 January 2018 to 30 June 2018 at the rate of Baht 0.75 per share according to the resolutions of the Board of Directors' Meeting of PB held on 14 August 2018. The Company will further submit an Announcement of Intention to Make a Tender Offer (Form 247-3) and an Application for the Tender Offer for Securities (Form 247-4) in accordance with the procedures and timeframe specified under relevant regulations.

As the Company currently holds an aggregate of 211,062,800 shares in PB (or equivalent to 46.90 per cent of its total issued and outstanding shares) making PB a subsidiary which the Company has consolidated its financial statements into that of the Company, the maximum number of shares that the Company is required to offer to purchase from other PB's shareholders in light of the proposed Tender Offer shall amount to not exceeding 238,937,200 shares (or equivalent to 53.10 per cent of the total issued and outstanding shares of PB). However, the Company has received a letter of intent from Saha Pathana Inter-Holding Public Company Limited ("**SPI**") which is one of PB's major shareholders, informing the Company that it does not wish to, and agrees not to, sell 90,450,000 shares in PB held by it during the Tender Offer period and shall procure that there shall be no sale, purchase or transfer of ownership of such shares during the Tender Offer period. For such purpose, SPI further agrees to temporarily deposit the share certificates evidencing the said shares with a commercial bank with a condition that SPI will not be able to retrieve, and proceed with any acts in respect of, such share certificates during the entire Tender Offer period without the Company's consent. Based on the foregoing, the total number of PB shares that the Company shall offer to purchase from other PB shareholders (excluding those PB shares which SPI agrees not to sell) will instead amount to up to 148,487,200 shares (or equivalent to 33.00 per cent of the total issued and outstanding shares of PB), the total value of which equals to not exceeding Baht 9,082 million.

The asset acquisition above is considered the acquisition of material assets pursuant to the Capital Market Supervisory Board No. TorChor. 20/2551 entitled Rules on the Entering into Material Transactions Deemed as the Acquisition or Disposition of Assets (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand entitled Disclosure of Information and Other Acts of the Listed Company Concerning the Acquisition or Disposition of Assets, 2004 (as amended) (the "**Major Transaction Rules**"). The size of the transaction is of its highest value at 29.73

per cent of the total assets of the Company and its subsidiaries when calculated in accordance with the total value of consideration basis and based on its consolidated financial statements of the Company and the reviewed equity method financial statements of PB for the period ended 30 June 2018 (assuming further that all PB shareholders accept the Tender Offer but excluding those PB shares held by SPI which SPI agrees not to sell). When combining the above transaction size with those of the previous asset acquisitions occurred during the past six months (i.e. the investment in the building construction and new machinery of President Flour Mill Co., Ltd., one of its subsidiary, pursuant to the resolutions of its Board of Directors' Meeting No. 5/2018 held on 16 May 2018, and the establishment of a new subsidiary for the purposes of investing in and/or lending to property business pursuant to the resolutions of its Board of Directors' Meeting No. 7/2018 held on 23 July 2018, an aggregate value of which equals to Baht 1,245 million), the aggregate transaction size amounts to 33.85 per cent, which is classified as Class 2 Transaction pursuant to the Major Transaction Rules. Therefore, the Company is required to prepare relevant information memorandum concerning both asset acquisitions above and disclose the transactions to the Stock Exchange of Thailand (the "SET") as well as prepare and distribute relevant information memorandum to its shareholders within 21 days from the disclosure of these transactions to the SET. In this connection, the details of the information memorandum regarding the acquisition of assets are as follows:

1. Date Month and Year of the Transaction

The Company will make the Tender Offer and submit an Announcement of Intention to Make a Tender Offer (Form 247-3) and an Application for the Tender Offer for Securities (Form 247-4) in accordance with the procedures and timeframe specified under the Takeover Rules, such submissions are expected to occur within 20 August 2018 and 29 August 2018, respectively.

2. Parties Involved and Relationship with the Company

Tender Offeror: The Company

Tender Offeree: All other remaining shareholders of PB

Relationship with the Company: The Company has examined PB's list of shareholders as of 8 May 2018 as appeared on PB's company website and found that SPI is the major shareholder of both the Company and PB, holding more than 10 per cent of the paid-up capital of both the Company and PB. However, the proposed Tender Offer is made to all PB shareholders under the same conditions.

3. General Characteristics, Type and Value of the Transaction

3.1. General Characteristics of the Transaction

The Company will make a voluntary tender offer for the entire securities of PB pursuant to the Takeover Rules to all PB shareholders at the offering price of Baht 61.16 per share.

In this regard, as the Company currently holds an aggregate of 211,062,800 shares in PB (or equivalent to 46.90 per cent of its total issued and outstanding shares), the maximum number of shares that the Company is required to offer to purchase from other PB's shareholders in light of the proposed Tender Offer shall amount to not exceeding 238,937,200 shares (or equivalent to 53.10 per cent of the total issued and outstanding shares of PB). However, the Company has received a letter of intent from SPI which is one of PB's major shareholders, informing the Company that it does not wish to, and agrees not to, sell 90,450,000 shares in PB held by it during the Tender Offer and shall procure that there shall be no sale, purchase or transfer of ownership of such shares during the Tender Offer period. For such purposes, SPI further agrees to temporarily deposit the share certificates evidencing the said shares with a commercial bank with a condition that SPI will not be able to retrieve, and proceed with any acts in respect of, such share certificates during the entire Tender Offer period without the Company's consent. Based on the foregoing, the total number of PB shares that the Company shall offer to purchase from other PB shareholders (excluding those PB shares which SPI agrees not to sell) will instead amount to up to 148,487,200 shares (or equivalent to 33.00 per cent of the total issued and outstanding shares of PB), the total value of which equals to not exceeding Baht 9,082 million.

3.2. Transaction Value and the Calculation of the Acquisition of Assets

The details of the size of the transaction calculated in accordance with the four basis under the Major Transaction Rules and based on the consolidated financial statements of the Company and the reviewed equity method financial statements of PB for the period ended 30 June 2018 are as follows:

Calculation Basis	Calculation Method	Transaction Size (%)
Net Tangible Assets	$\frac{\text{Net Tangible Assets of PB in the Proportion Acquired by the Company}}{\text{Net Tangible Assets of the Company}}$	11.16
Net Profit	$\frac{\text{Net Profit of PB on the Proportion Acquired by the Company}}{\text{Net Profit of the Company}}$	11.13
Total Value of Consideration	$\frac{\text{Total Value Paid by the Company}}{\text{Total Assets of the Company}}$	29.73
Value of Securities Issued for the Payment	Not applicable as there is no securities issued for consideration.	

Note: The above transaction value is calculated based on the assumptions that all PB shareholders accept the Tender Offer (but excluding those PB shares held by SPI which SPI agrees not to sell as mentioned above) at the offering price of Baht 61.16 per share.

When calculating the size of this transaction according to the above basis, the transaction size is of its highest value at 29.73 per cent of the total assets of the Company and its subsidiaries when calculated in accordance with the total value of consideration basis (calculated by assuming further that all PB shareholders accept the Tender Offer but excluding those PB shares held by SPI which SPI agrees not to sell). When combining the above transaction size with those of the previous asset acquisitions occurred during the past six months, the aggregate transaction size amounts to 33.85 per cent, which is classified as Class 2 Transaction pursuant to the Major Transaction Rules. The Company is therefore required to prepare relevant information memorandum concerning the proposed asset acquisitions and disclose the transactions to the SET as well as prepare and distribute relevant information memorandum to its shareholders within 21 days from the disclosure of these transactions to the SET.

4. Details of Assets to be Acquired

Assets to be Acquired	Ordinary shares of PB
Amount of Assets to be Acquired and the Shareholding Post-acquisition	<ul style="list-style-type: none"> • PB ordinary shares of not exceeding 148,487,200 shares or equivalent to 33.00 per cent of the total issued and outstanding shares of PB (assuming that all PB shareholders accept the Tender Offer but excluding those PB shares held by SPI which SPI agrees not to sell) • When combining the above with the number of PB shares held by the Company prior to the Tender Offer, the Company will hold in aggregate up to 359,550,000 shares in PB or equivalent to 79.90 per cent of the total issued and outstanding shares of PB.

4.1. General Information of the Target

Company Name	President Bakery Public Company Limited
Business Type	Manufacturing and distribution of bread and other bakery products
Company Registration Number	0107545000144
Address	29 th Floor, RS Tower 121/84-85 Ratchadapisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400
Telephone Number	0 2209 3000

Facsimile Number	0 2209 3091
Issued and Paid-Up Capital	Baht 450,000,000, divided into 450,000,000 ordinary shares with a par value of one Baht per share

4.2. General Characteristics of the Business

The core business of PB is to manufacture and distribute bread and other bakery products, which can be divided into four categories as follows:

- 1) Wholesale bakery business - the manufacturing and distribution of bakery products on a wholesale basis under the trademark "Farmhouse" through several distribution channels such as hypermarket and supermarket, with sample products such as sliced bread as and ready-to-eat bread
- 2) Retail bakery business - the distribution of products via retail channels direct sale to end customers under the trademarks Deliya, Madame Marco and Good Morning Farmhouse
- 3) Fast food and food store/restaurant business - tailor made products manufactured and distributed based on orders of customers which are fast food restaurants, restaurants and cafés, such as burger bread and hotdog bun
- 4) Export business which is manufacturing of products for exportation in a form of frozen products

4.3. Summary of Financial Position and Results of Operation according to the Equity Method Financial Statements

Statement of Comprehensive Income

Unit: Baht Million

	Financial Statements based on Equity Method				
	Fiscal Year Ended 31 December			Six-month Period Ended 30 June	
	2015	2016	2017	2017	2018
Sales and Other Income	7,415.80	7,640.53	7,519.29	3,556.98	3,626.01
Total Expenses	5,965.80	6,005.71	6,033.84	2,857.26	2,887.30
Profit before share of profit from investment in joint venture, finance cost and income tax expenses	1,450.00	1,634.82	1,485.45	699.72	738.71
Profit before finance cost and income tax expenses	1,452.76	1,637.17	1,490.16	702.00	740.72
Profit for the period	1,304.66	1,462.95	1,335.54	633.75	658.53

Source: PB's financial statements

Statement of Financial Position

Unit: Baht Million

	Financial Statements based on Equity Method				
	Fiscal Year Ended 31 December			Six-month Period Ended 30 June	
	2015	2016	2017	2017	2018
Total Assets	6,724.56	7,527.67	7,997.33	7,598.91	8,195.74
Total Liabilities	2,398.86	1,437.98	1,289.67	1,283.81	1,205.63
Total Shareholders' equity	5,325.70	6,089.69	6,707.66	6,315.10	6,990.11

Source: PB's financial statements

4.4. List of top 10 Major Shareholders based on the Latest Information as of 8 May 2018

No.	Name	Number of Shares	% of Total Shares
1	Thai President Foods Public Company Limited	211,062,800	46.90
2	Sahapattana Inter-Holding Public Company Limited	97,127,400	21.58
3	Mr. Pipat Paniangvait	14,121,350	3.14
4	Ms. Apiradee Thammanomai	7,441,940	1.65
5	Mr. Wirapt Punsak-udomsin	7,136,800	1.59
6	Saha Pathanapibul Public Company Limited	5,650,000	1.26
7	I.C.C. International Public Company Limited	4,650,000	1.03
8	Thanulux Public Company Limited	4,500,000	1.00
9	Better Way (Thailand) Co., Ltd	4,500,000	1.00
10	S&J International Enterprise Public Company Limited	4,500,000	1.00
Total of 10 Major Shareholders		360,690,290	80.15

4.5 List of PB Directors as of 15 August 2018

No.	Name	Position
1	Mr. Pipat Paniangvait	Chairman of the Board
2	Mr. Apichart Thammanomai	Managing Director
3	Mr. Apisate Thammanomai	Director
4	Mr. Vichai Kulsomphob	Director
5	Ms. Pojjanee Paniangvait	Director
6	Mr. Pun Paniangvait	Director
7	Mrs. Malee Tangjaisanong	Director
8	Ms. Petcharat Anatawichai	Director
9	Mr. Thavach Kaewpitag	Director
10	Ms. Panida Prayottaweekij	Director
11	Mr. Teravuti Boonyasopon	Chairman of the Independent Committee / Chairman of the Audit Committee
12	Ms. Suwimon Keeratipibul	Independent Director / Audit Committee
13	Mrs. Yupa Soontrapa	Independent Director / Audit Committee
14	Mr. Bonsak Chiempricha	Independent Director / Audit Committee
15	Mrs. Aim-On Pathumarak	Independent Director / Audit Committee

5. Total Value of the Consideration

5.1. Consideration Value

The value of the consideration for the Tender Offer of 148,487,200 shares in PB at the offering price of Baht 61.16 per share equals to not exceeding Baht 9,082 million (calculated based on the assumptions that all PB shareholders accept the Tender Offer but excluding those PB shares held by SPI which SPI agrees not to sell).

5.2. Payment Method

The Company will pay to PB shareholders who tender their shares the consideration in cash within the second business days from the last day of the Tender Offer period, details of which shall be as specified in the Application for the Tender Offer for Securities (Form 247-4).

6. Value of the Assets to be Acquired

The total value of the assets to be acquired from this Tender Offer when calculated based on the offering price of Baht 61.16 per share and an aggregate of 148,487,200 shares in PB to be offered to purchase equals to not exceeding Baht 9,082 million.

7. Criteria for Determining the Consideration Value

The criteria for determining the total consideration value in respect of this Tender Offer is based on the historical volume weighted average trading price of PB shares for the period of 30 business days commencing from 29 June 2018 to 14 August 2018, which equals to Baht 61.16 per share.

8. Expected Benefits to the Company

The Company foresees that the entering into this transaction will be beneficial to the Company's and its shareholders as follows:

- PB will clearly and absolutely become a subsidiary of the Company through a shareholding of more than 50 per cent shares in PB, pursuant to which the consolidation of PB's financial statements into its financial statements in the future will no longer be subject to any other factors;
- it is considered an effective alternative to manage excess cash of the Company with returns in the form of consistent dividends; and
- it is considered an increase of the Company's shareholding in the leading company in Thailand's bakery industry, which generates consistent profit with relatively low volatility when comparing with other industries.

9. Source of Funds

The Company will use its cash, cash equivalent, high liquid assets and/or loans obtained from financial institution(s) with the maximum loan amount of not exceeding Baht 4,500 million pursuant to the resolutions of its Board of Directors for the proposed Tender Offer. At present, when considering the value of the cash, cash equivalent, high liquid assets held by the Company and/or loans from financial institution(s) as mentioned above, the Company will have sufficient funds to make the proposed Tender Offer.

10. The Board of the Directors' Opinion on the Transaction

The Board of the Directors' Meeting of the Company No. 8/2018 held on 15 August 2018 (excluding interested directors) has resolved to approve the Company to make the proposed Tender Offer. In this regard, the Board of Directors has considered and deemed that the entering into such transaction is reasonable and will be beneficial to the Company and its shareholders in the long term as the additional investment in PB is considered an investment in the leading bakery company in Thailand with nationwide distribution channels under its own branding, which is a strong company that generates consistent profits at relatively low volatility when comparing to other industries.

11. The Opinion of the Audit Committee and/or the Board of Directors which is different from the Board of Directors' Opinion as Specified in Paragraph 10

The Audit Committee and the Board of Directors of the Company do not have any different opinion from that resolved by the Board of Directors as specified in paragraph 10.