

Ref. TFMAMA 902/2018

19 September 2018

Subject: Investment of Subsidiary Company
To: President of the Stock Exchange of Thailand
Enclosure: Information Memorandum regarding the Acquisition of Assets of Thai President Foods Public Company Limited

Thai President Foods Public Company Limited (the “**Company**”) would like to inform that President D Venture Co., Ltd. (“**President D Venture**”), which is the Subsidiary Company by shareholding of 70% of registered capital, will engage in co-investment with Ananda Development Public Company Limited (“**Ananda**”), which is not a connected person of the Company, in order to establish 3 Joint Venture Companies, namely Ideo Mobi Rangnam Co., Ltd, Ideo Q Sukhumvit 36 Co., Ltd, and Ideo New Rama 9 Co., Ltd. The investment has been approved by the Board of Director Meeting No. 8/2018, to be hold on 15 August 2018, as per following details,

(1) IDEO Mobi Rangnam Co., Ltd.

Type of Business: Holding shares in Property Development Company

Registered Capital: Baht 795,990,000 divided into 7,959,900 ordinary shares at the par value of 100 Baht per share

Shareholding Structure: President D Venture Co., Ltd. holds 49.00% of total ordinary shares of IDEO Mobi Rangnam Co., Ltd, and Ananda (which is not a connected person of the Company) holds 51.00% of total ordinary shares of IDEO Mobi Rangnam Co., Ltd

Directors: (1) Mr. Sermsak Khwanpuang
(2) Mr. Rachod Nantakwang
(3) Mr. Bunler Surachetcomsan
(4) Ms. Pajaree Sangprasitechoke

Two of Directors jointly sign their name together with Company’s Seal affixed to constitute legal binding of the Company

(1) IDEO Q Sukhumvit 36 Co., Ltd.

Type of Business: Holding shares in Property Development Company

Registered Capital: Baht 664,430,000 divided into 6,644,300 ordinary shares at the par value of 100 Baht per share

Shareholding Structure: President D Venture Co., Ltd. holds 49.00% of total ordinary shares of IDEO Q Sukhumvit 36 Co., Ltd. and Ananda (which is not a connected person of the Company) holds 51.00% of total ordinary shares of IDEO Q Sukhumvit 36 Co., Ltd.

Directors:

- (1) Mr. Sermsak Khwanpuang
- (2) Mr. Rachod Nantakwang
- (3) Mr. Bunler Surachetcomsan
- (4) Ms. Pajaree Sangprasitechoke

Two of Directors jointly sign their name together with Company's Seal affixed to constitute legal binding of the Company

(3) IDEO New Rama 9 Co., Ltd.

Type of Business: Holding shares in Property Development Company

Registered Capital: Baht 599,670,000 divided into 5,996,700 ordinary shares at the par value of 100 Baht per share

Shareholding Structure: President D Venture Co., Ltd. holds 49.00% of total ordinary shares of IDEO New Rama 9 Co., Ltd. and Ananda (which is not a connected person of the Company) holds 51.00% of total ordinary shares of IDEO New Rama 9 Co., Ltd.

Directors:

- (1) Mr. Sermsak Khwanpuang
- (2) Mr. Rachod Nantakwang
- (3) Mr. Bunler Surachetcomsan
- (4) Ms. Pajaree Sangprasitechoke

Two of Directors jointly sign their name together with Company's Seal affixed to constitute legal binding of the Company

The co-investment with Ananda as abovementioned constitutes an asset acquisition transaction of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (collectively, the “**Notifications on Acquisition or Disposal**”), having the highest transaction value of 3.30%, to be calculated on the total value of consideration paid or received basis from the Audited Consolidated Financial Statement for 6-month period ending on 30 June 2018. In this regard, when including the transaction of asset acquisition of the Company during the past 6-month according to calculation based on the total value of consideration paid or received basis, the aggregate transaction value is equivalent to 37.15%. This transaction, therefore, is classified as a Class 2 Asset Acquisition Transaction, i.e., a transaction with the value of equivalent to or higher than 15% but lower than 50% pursuant to the Notifications on Acquisition or Disposal. As a result, the Company is required to disclose an information memorandum on the entering into of the transaction to the Stock Exchange of Thailand (the “**Stock Exchange**”), and to serve a letter informing the shareholders of the transaction within a period of 21 days from the date on which the transaction is disclosed to the Stock Exchange.

In this regard, after the Board of Directors has taken into account the overall interest of the Company, including leverages with respect to any entering into of the relevant agreement, the Board of Directors is of the view that the facts are subject to change, and the time of the information disclosure is of the essence. Accordingly, the Company did not disclose the details on the entering into of the transaction to the investors and the Stock Exchange immediately after the approval thereon was granted from the Board of Directors Meeting, as been hold on 15 August 2018. Now that the facts and details with respect to the entering into of the transaction are stable to a certain extent, the Company would like to inform the material details of and disclose the information on the entering into of the transaction, to the investors and the Stock Exchange as per enclosed details.

Please be informed accordingly.

Yours sincerely,

(Miss Sararath Tangsirimongkol)

Company Secretary

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

The Board of Directors' meeting of Thai President Foods PCL No. 8/2018 to be held on 15 August 2018, has resolved to approve President D Venture Co., Ltd. ("**President D Venture**"), which is the Subsidiary Company by shareholding of 70% of registered capital, to engage in co-investment with Ananda Development Public Company Limited ("**Ananda**"), which is not a connected person of the Company, in order to establish 3 Joint Venture Companies, namely IDEO Mobi Rangnam Co., Ltd, IDEO Q Sukhumvit 36 Co., Ltd, and IDEO New Rama 9 Co., Ltd. Such investment aims to hold the shares of property development company.

The co-investment with Ananda as abovementioned constitutes an asset acquisition transaction of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (collectively, the "**Notifications on Acquisition or Disposal**"), having the highest transaction value of 3.30%, to be calculated on the total value of consideration paid or received basis from the Audited Consolidated Financial Statement for 6-month period ending on 30 June 2018. In this regard, when including the asset acquisition transactions of the Company during the past 6-month according to calculation based on the total value of consideration paid or received basis, the total transaction value is equivalent to 37.15%. This transaction, therefore, is classified as a Class 2 Asset Acquisition Transaction, i.e., a transaction with the value of equivalent to or higher than 15% but lower than 50% pursuant to the Notifications on Acquisition or Disposal. As a result, the Company is required to disclose an information memorandum on the entering into of the transaction to the Stock Exchange of Thailand (the "**Stock Exchange**"), and to serve a letter informing the shareholders of the transaction within a period of 21 days from the date on which the transaction is disclosed to the Stock Exchange.

The Company would like to disclose the following information with regard to the entering into of the transaction:

1. Transaction Date

On 18 September 2018, President D Venture entered into Co-investment Agreement to establish IDEO Mobi Rangnam Co., Ltd ("**IDEO Mobi Rangnam**"), IDEO Q Sukhumvit 36 Co., Ltd ("**IDEO Q Sukhumvit 36**"), and IDEO New Rama 9 Co., Ltd ("**IDEO New Rama 9**")

2. Name of Related Party and its Relationship with the Company

(A) IDEO Mobi Rangnam

Co-investor: (1) President D Venture Co., Ltd.
(2) Ananda Development PCL.

Relationship with the Company: Ananda is not a connected person of the Company

(B) IDEO Q Sukhumvit 36

Co-investor: (1) President D Venture Co., Ltd.
(2) Ananda Development PCL.

Relationship with the Company: Ananda is not a connected person of the Company

(C) IDEO New Rama 9

Co-investor: (1) President D Venture Co., Ltd.
(2) Ananda Development PCL.

Relationship with the Company: Ananda is not a connected person of the Company

3. General Characteristics, Type, and Value of the Transaction

3.1 General Characteristics and Type of Transaction

President D Venture has entered into Co-investment Agreement to establish IDEO Mobi Rangnam, IDEO Q Sukhumvit 36, and IDEO New Rama 9 on 18 September 2018 by holding 3,900,351 ordinary shares equivalent to 49.00% of total shares of IDEO Mobi Rangnam, and holding 3,255,707 ordinary shares equivalent to 49.00% of total shares of Ideo Q Sukhumvit 36, and holding 2,938,383 ordinary shares equivalent to 49.00% of total shares of IDEO New Rama 9 respectively.

After the establishment of IDEO Mobi Rangnam, IDEO Q Sukhumvit 36, and IDEO New Rama 9, the joint venture company will invest in shareholding of property development company as per following details,

- (1) IDEO Mobi Rangnam will purchase the shares of Ananda MF Asia Ratchaprarop Co., Ltd. (“**AMF Ratchaprarop**”), which is the company engaging in the business of property development in IDEO Mobi Rangnam Project, in the amount of 74% of total shares from Ananda, totaling to Baht 402,892,891, and receive the right and obligation under the loan agreement from Ananda, upon which Ananda has provided AMF Ratchaprarop with the loan for project development in the amount of Baht 226,792,767 for the total repayment of principal and relevant interest.
- (2) IDEO Q Sukhumvit 36 will purchase the shares of Ananda MF Asia Thonglor Co., Ltd. (“**AMF Thonglor**”), which is the company engaging in the business of property development in IDEO Q Sukhumvit 36 Project, in the amount of 51% of total shares from Ananda, totaling to Baht 339,751,689, and receive the right and obligation under the loan agreement from Ananda, upon which Ananda has provided AMF Thonglor with the loan for project development in the amount of Baht 109,863,781 for the total repayment of principal and relevant interest.
- (3) IDEO New Rama 9 will purchase the shares of Ananda MF Asia Ramkumhaeng Co., Ltd. (“**AMF Ramkumhaeng**”), which is the company engaging in the business of property development in Ideo New Rama 9 Project, in the amount of 51% of total shares from Ananda, totaling to Baht 303,136,242, and receive the right and obligation under the loan agreement from Ananda, upon which Ananda has provided AMF Ramkumhaeng with the loan for project development in the amount of Baht 183,945,123 for the total repayment of principal and relevant interest.

3.2 Size of Transaction

The total value of such 3 Transactions is Baht 1,009,444,100, with the highest transaction value of 3.30%, to be calculated on the total value of consideration paid or received basis from the Audited Consolidated Financial Statements for 6-month period ending on 30 June 2018.

The transaction value, to be calculated by applying the calculation formula pursuant to Notifications on Acquisition or Disposal by referring to information from the Audited Consolidated Financial Statements of the Company as of 30 June 2018, is detailed as following:

- Investment in IDEO Mobi Rangnam

- (A) Net Tangible Asset (NTA) Basis:

Not applicable due to being new company and not having financial statement prior to the closing of first accounting period

- (B) Net Profit Basis:

Not applicable due to being new company and not having financial statement prior to the closing of first accounting period

- (C) Total Value of Consideration Basis:

$$\begin{aligned}
 \text{Transaction Size} &= \frac{\text{Total value of consideration paid} \times 100}{\text{Total asset value of the Company and Subsidiaries}} \\
 &= \frac{390,035,100 \times 100}{30,547,767,574.68} \\
 &= \text{Approximately 1.28\%}
 \end{aligned}$$

- (D) Value of Securities issued by the Company as consideration for the assets acquired:

Not applicable due to no issuance of securities.

- Investment in IDEO Q Sukhumvit 36

- (A) Net Tangible Asset (NTA) Basis:

Not applicable due to being new company and not having financial statement prior to the closing of first accounting period

- (B) Net Profit Basis:

Not applicable due to being new company and not having financial statement prior to the closing of first accounting period

- (C) Total Value of Consideration Basis:

$$\begin{aligned}
 \text{Transaction Size} &= \frac{\text{Total value of consideration paid} \times 100}{\text{Total asset value of the Company and Subsidiaries}} \\
 &= \frac{325,570,700 \times 100}{30,547,767,574.68} \\
 &= \text{Approximately 1.06\%}
 \end{aligned}$$

- (D) Value of Securities issued by the Company as consideration for the assets acquired:

Not applicable due to no issuance of securities.

- Investment in IDEO New Rama 9

- (A) Net Tangible Asset (NTA) Basis:

Not applicable due to being new company and not having financial statement prior to the closing of first accounting period

(B) Net Profit Basis:

Not applicable due to being new company and not having financial statement prior to the closing of first accounting period

(C) Total Value of Consideration Basis:

$$\begin{aligned} \text{Transaction Size} &= \frac{\text{Total value of consideration paid} \times 100}{\text{Total asset value of the Company and Subsidiaries}} \\ &= \frac{293,838,300 \times 100}{30,547,767,574.68} \\ &= \text{Approximately } 0.96\% \end{aligned}$$

(D) Value of Securities issued by the Company as consideration for the assets acquired:

Not applicable due to no issuance of securities.

In this regard, when including the above transaction with the transaction of asset acquisition of the Company during the past 6-month, the aggregate transaction value is equivalent to 37.15% pursuant to the Notifications on Acquisition or Disposal, therefore being classified as a Class 2 Asset Acquisition Transaction, i.e., a transaction with the value of equivalent to or higher than 15% but lower than 50% pursuant to the Notifications on Acquisition or Disposal. As a result, the Company is required to disclose an information memorandum on the entering into of the transaction to the Stock Exchange, and to serve a letter informing the shareholders of the transaction within a period of 21 days from the date on which the transaction is disclosed to the Stock Exchange.

4. Details of the assets to be acquired

President D Venture has entered into Co-investment Agreement to establish IDEO Mobi Rangnam, IDEO Q Sukhumvit 36, and IDEO New Rama 9 on 18 September 2018. In this regard, President D Venture shall hold 3,900,351 ordinary shares equivalent to 49.00% of total shares of IDEO Mobi Rangnam at the value of 100 Baht per share, totaling to Baht 390,035,100, and hold 3,255,707 ordinary shares equivalent to 49.00% of total shares of IDEO Q Sukhumvit 36 at the value of 100 Baht per share, totaling to Baht 325,570,700, and hold 2,938,383 ordinary shares equivalent to 49.00% of total shares of IDEO New Rama 9 at the value of 100 Baht per share, totaling to Baht 293,838,300 respectively.

(A) IDEO Mobi Rangnam

- Registered Capital: Baht 795,990,000 divided into 7,959,900 ordinary shares at the par value of 100 Baht per share

- Main Objective: Holding shares in property development company, i.e. AMF Ratchaprarop
- Shareholding Structure:

Shareholder	No. of Shares	Percent
President D Venture Co., Ltd.	3,900,351	49.00
Ananda Development Public Company Limited	4,059,549	51.00

- Board of Directors
 1. Mr. Sermsak Khwanpuang
 2. Mr. Rachod Nantakwang
 3. Mr. Bunler Surachetcomsan
 4. Ms. Pajaree Sangprasitechoke

Two of Directors jointly sign their name together with Company's Seal affixed to constitute legal binding of the Company

(B) IDEO Q Sukhumvit 36

- Registered Capital: Baht 664,430,000 divided into 6,644,300 ordinary shares at the par value of 100 Baht per share
- Main Objective: Holding shares in property development company, i.e. AMF Thonglor
- Shareholding Structure:

Shareholder	No. of Shares	Percent
President D Venture Co., Ltd.	3,255,707	49.00
Ananda Development Public Company Limited	3,388,593	51.00

- Board of Directors
 1. Mr. Sermsak Khwanpuang
 2. Mr. Rachod Nantakwang
 3. Mr. Bunler Surachetcomsan
 4. Ms. Pajaree Sangprasitechoke

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(C) IDEO New Rama 9

- Registered Capital: Baht 599,670,000 divided into 5,996,700 ordinary shares at the par value of 100 Baht per share
- Main Objective: Holding shares in property development company, i.e. AMF Ramkumhaeng
- Shareholding Structure:

Shareholder	No. of Shares	Percent
President D Venture Co., Ltd.	2,938,383	49.00
Ananda Development Public Company Limited	3,058,317	51.00

- Board of Directors
 1. Mr. Sermsak Khwanpuang
 2. Mr. Rachod Nantakwang
 3. Mr. Bunler Surachetcomsan
 4. Ms. Pajaree Sangprasitechoke

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5. Total Value of Consideration and Value of the Acquired Assets

The value of investment in IDEO Mobi Rangnam by President D Venture is calculated by the value of 3,900,351 ordinary shares, equivalent to 49.00% of total share of IDEO Mobi Rangnam at the value of 100 Baht per share, totaling to Baht 390,035,100.

The value of investment in IDEO Q Sukhumvit 36 by President D Venture is calculated by the value of 3,255,707 ordinary shares, equivalent to 49.00% of total share of IDEO Q Sukhumvit 36 at the value of 100 Baht per share, totaling to Baht 325,570,700.

The value of investment in IDEO New Rama 9 by President D Venture is calculated by the value of 2,938,383 ordinary shares, equivalent to 49.00% of total share of IDEO New Rama 9 at the value of 100 Baht per share, totaling to Baht 293,838,300.

6. Basis used to determine the total value of consideration

The value of consideration is based on share subscription price for investment in IDEO Mobi Rangnam, and based on par value for investment in IDEO Q Sukhumvit 36 and IDEO New Rama9

7. Expected Benefits to the Company

The Company foresees that the entering into this transaction will be beneficial as following:

(A) Expand business opportunity of the Company

(B) Return of dividend payment from such 3 companies after having continuous revenue from their investment project, thus increasing future income and net profit of the Company

8. Sources of Funds

The funds for this transaction shall be obtained from the cash flow of the Company.

9. Opinions of the Board of Directors on the entering into of the transaction

The Board of Directors' meeting of the Company No. 8/2018 has resolved to approve President D Venture, which is the Subsidiary Company, to invest in IDEO Mobi Rangnam, IDEO Q Sukhumvit 36, and IDEO New Rama 9 in order to diversify revenue of the Company as well as to expand business opportunity of the Company into property development sector. Therefore, the Board of Directors shall consider that the entering into such transaction is reasonable and will be beneficial to the Company and the shareholders

10. Opinions of the Audit Committee and/or directors of the Company which are different from those of the Board of Directors as specified in Clause 9

The Audit Committee had no opinion that was contrary to that of the Board of Directors.