

(Translation)

This translation has been prepared for the convenience of those not familiar with the Thai language. While every effort has been made to convey the meaning and effect of the original Thai language version, it should not be relied upon as a definitive document of the Tender Offeror and the Tender Offer Preparer. If there is an inconsistency between this translation and the original Thai language version, the latter shall prevail in all respects as the definitive document of the Tender Offeror and the Tender Offer Preparer.

17 September 2008

Subject Disclose the additional information in the Tender Offer Form of Thai Agri Foods Public Company Limited

To Secretary General,
Securities and Exchange Commission (the “SEC”)

Referred to Mr. Sackchai Wongmalasith, Mr. Steven Chan, and Miss Voranun Thaveesangpanich (“Tender Offerors”), delivered the Tender Offer in Form 247-4 of Thai Agri Foods Public Company Limited (“the Company”) on dated 2 September 2008, whereas Merchant Partners Securities Public Company Limited (“Tender Offer Preparer”) is the tender offer preparer.

With this opportunity, Tender Offerors and Tender Offer Preparer are pleased to disclose the additional information in the Tender Offer Form, which the details are as follows;

1. Edit Part 2 Page 4 Section 5.1.1: Shares

From

(as of 9 July 2008)

Name	Type	Amount (Million)	Percentage of total issued shares	Percentage of voting right
I. The Offerors	Ordinary	14.16	33.40	33.40
II. Persons in the same group as the Offerors	Ordinary	8.48	20.00	20.00
III. Persons under Section 258 of the persons specified in I and II	Ordinary	11.36	26.80	26.80
IV. Other agreements for additional shares acquisition by persons specified in I - III	None	-	-	-
Total		34.00	80.20	80.20

To

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Note : The details of persons in the II. Persons in the same group as the Offerors and III. Persons under Section 258 of the persons specified in I and II are in section 1.3 Shareholders (Part 3 Page 3 and 4)

2. Edit Part 3 Page 2 Section 1.2: Highlight of Financial Statement

From

Unit : Million Baht

Year	2005	2006	2007	2007	2008Q2	2008Q2
	Consolidation	Consolidation	Company	Consolidation	Company	Consolidation
Cash	157.68	69.29	71.09	95.52	30.56	48.14
Total Asset	1,594.02	1,524.92	1,642.59	1,642.41	1,793.35	1,793.04
Total Liabilities	368.52	201.20	341.58	341.61	521.47	522.16
Paid-up Capital	424.00	424.00	424.00	424.00	424	424.00
Shareholder's Equity	1,225.50	1,323.73	1,301.02	1,300.80	1,271.88	1,270.88
Core Revenue	3,326.73	3,671.45	3,146.15	3,146.15	1,599.40	1,599.40
Total Revenue	3,388.90	3,709.71	3,196.84	3,196.84	1,639.43	1,638.84
Cost of Goods Sold	2,685.19	2,927.17	2,433.82	2,433.82	1,297.90	1,297.90
Interest	5.46	5.68	3.82	3.82	1.75	1.75
Operating Profit before Tax	446.02	506.36	468.24	468.02	197.98	197.20
Net Profit	408.82	479.82	443.69	443.48	182.86	182.08
Earning per Share (Baht)	9.64	11.32	10.46	10.46	4.31	4.29
Book Value per Share (Baht)	28.90	31.22	30.68	30.68	30.00	29.97

Note : The Company is listed in the Stock Exchange of Thailand. Shareholders can view the full financial statement from the Securities and Exchange Commission (www.sec.or.th) or the SET(www.set.or.th)

To

Unit : Million Baht

Year	2005	2006	2007	2007	Jan – Jun 2008	Jan – Jun 2008
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3. Edit Part 3 Page 5 Section 1.4(2): Names of the Board of Directors expected to be after the Tender Offer

From

Upon the completion of the Tender Offer, the Offerors have no intention to alter the Board of Directors. Nevertheless, any alteration, the Company's Board of Directors will take appropriate actions to comply with the Company's Articles of Association proceed according to the Company's Articles of Association.

To

Upon the completion of the Tender Offer, the Offerors have no intention to alter the Board of Directors. Nevertheless, if the alteration occurs, the Company's Board of Directors will take action according to the Company's Articles of Association proceed according to the Company's Articles of Association and/or any related laws.

4. Edit Part 3 Page 7 Section 2.3: Connected Transactions

From

After the completion of the Tender Offer within 12 months, any related party transactions due to normal business between the Offerors or related person under section 258 and the Company will disclose that information according to the memorandum of association, rule, regulation, or any related practices of the Company. In order to confirm those are normal business transactions.

To

After the completion of the Tender Offer within 12 months, any related party transactions due to normal business including any additional relater party transactions between the Offerors or related person under section 258 and the Company will remain practice and disclose that information according to the memorandum of association of the Company.

5. Edit Part 4 Page 10 Section 4: The fair value of ordinary shares of the Target as appraised by a financial advisor

From

Methodologies	Price (Baht/share)
4. The fair value of ordinary shares of the Target as appraised by a financial advisor.	104.80 - 128.71

To

Methodologies	Price (Baht/share)
4. The fair value of ordinary shares of the Target as appraised by a financial advisor.	98.72 - 122.66

6. Edit Part 4 Page 14: Selling and administrative expenses

From

Selling and administrative expenses are mainly calculated by the average expenses to total revenues and adjusted for inflation and the growth of revenue.

Electricity-water-telephone expenses are based on the expenses in 2007 with growth rate 3.0% annually.

Marketing, maintenance and other expensed is accounted as percentage to total revenues.

To

Selling and administrative expenses are mainly calculated by the average expenses to total revenues and adjusted for inflation or the revenue growth, which comprises of;

Office supplies expenses are based on the expenses in 2007 with growth rate 5.0% annually.

Electricity-water-telephone expenses are based on the expenses in 2007 with growth rate 3.0% annually.

Marketing Expense is accounted for 3.70% of Sales Revenue.

Maintenance Expense is accounted for 0.11% of Sales Revenue.

Others Expense is accounted for 1.65% of Sales Revenue.

7. Edit Part 4 Page 16 Section 3 : Discount Rate

From

The discount rate calculated by the financial advisor is equal to 10.42%, which computed from the Weighted Average Cost of Capital, WACC. WACC consists of Cost of Debt and Cost of Equity, which calculated based on Capital Asset Pricing Model (CAPM).

$$K_e = R_f + [\text{Beta} * (R_m - R_f)] = 5.21 + [0.7050 * (13.05 - 5.21)] = 10.74$$

where,

Risk-free rate (Rf) = 5.21% on 10 year government bond yield (information as of 30 July 2008)
(Source: THAI BMA)

Market Return (Rm) = 13.05% based on the average return of the SET from year 1988 to 2008
(Source: SET)

Beta = 0.7050 calculated from the correlation coefficient between the return on SET and the return on food and beverage sectors over the pass 3 years (June 2005- June 2008)

- Sensitivity Analysis

Ke	WACC	Value per share
9.74%	9.51%	128.71
10.24%	9.97%	121.64
10.74%	10.42%	115.39
11.24%	10.88%	109.81
11.74%	11.33%	104.80

Therefore, the financial advisor considered that the share valuation by discounted cash flow approach including the sensitivity analysis of cost of capital (Ke) is in the range of 104.80 – 128.71 Baht/share.

The value of shares as calculated by aforementioned approaches can be summarized in the table below:

Valuation Approach	Baht/Share
(1) Book Value Approach	29.97
(2) Weighted average price Approach	109.03-125.06
(3) Relative Valuation Comparable Approach	
Price per Book Value Ratio	83.55 – 119.27
Price per Earnings Ratio	N.A.
(4) Discounted Cash Flow Approach: DCF	104.80-128.71

From the table, the financial advisor considered that the book value approach and Relative Valuation Comparable Approach can not reflect the fair value of the Company’s share since book value approach reflects the latest financial statement, does not consider Company’s ability to generate future profits, and also the lack of liquidity of the comparative shares. Moreover, the weighted average approach, the financial advisor is not considered also due to the lack in trading liquidity. Therefore, the discounted cash flow is the appropriate approach for calculated share value in this Tender Offer since DCF approach takes into consideration the Company’s ability to generate future profits and potential business and industry trend. Hence, the fair value of Company’s share is in the range of 104.80-128.71 Baht/share.

To

The discount rate calculated by the financial advisor is equal to 10.42%, which computed from the Weighted Average Cost of Capital, WACC.

$$\begin{aligned}
 \text{WACC} &= K_e * E / (D+E) + K_d * D / (D+E) \\
 &= (10.74\%) * (1,300.8 / (129.21 + 1,300.8)) + (7.50\%) * (1 - (4.46\%)) * (129.21 / (129.21 + 1,300.8)) \\
 &= 10.42\%
 \end{aligned}$$

where, K_e (Cost of Equity) = $R_f + [\text{Beta} * (R_m - R_f)] = 5.21 + [0.7050*(13.05-5.21)] = 10.74$

Risk-free rate (R_f) = 5.21% on 10 year government bond yield (information as of 30 July 2008)
(Source: THAI BMA)

Market Return (R_m) = 13.05% based on the average return of the SET from year 1988 to 2008
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E = Shareholders' equity as of 31 December 2007

D = Interest-bearing debt as of 31 December 2007

t = Based on the actual tax rate paid in 2007 = 4.46% due to privilege from BOI

K_d = Cost of Debt (7.50%) referred to the MOR (Minimal Overdraft Rate) of Bangkok Bank, Krungthai Bank, Kasikorn Bank, and Siam Commercial Bank, as of 30 July 2008

Share price according to DCF approach

Unit : Million Baht	Year 2008	Year 2009	Year 2010	Year 2011	Year 2012
Net Profit	400.52	429.28	397.80	363.77	378.79
Present Value of Free Cash Flow to Firm	379.20	344.80	288.65	246.43	231.19

1,490.27 Million Baht

Present Value of Terminal Value 2,991.15 Million Baht

Add: Cash and cash equivalent as of 31/12/07 95.52 Million Baht

Add: Investment in Subsidiaries

Thai Agri Power Co., Ltd. (100%) 58.92 Million Baht

Viet World Co., Ltd. (70%) 110.12 Million Baht

Add: General Investment

Universal Rice Co., Ltd. 17.20 Million Baht

Total value of Enterprise 4,763.18 Million Baht

Less: Interest bearing debt as of 31/12/07 129.21 Million Baht

Total value of Equity 4,633.97 Million Baht

Total outstanding shares 42.4 Million Shares

Value per share **109.29** Baht

- Sensitivity Analysis

Ke	WACC	Value per share (Baht)
9.74%	9.51%	122.66
10.24%	9.97%	115.51
10.74%	10.42%	109.29
11.24%	10.88%	103.68
11.74%	11.33%	98.72

Therefore, the financial advisor considered that the share valuation by discounted cash flow approach including the sensitivity analysis of cost of capital (Ke) is in the range of 98.72 – 122.66Baht/share.

The value of shares as calculated by aforementioned approaches can be summarized in the table below:

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Please be informed accordingly,

Yours sincerely,

Tender Offerors

(Signature) **Sackchai Wongmalasith**
(Mr.Sackchai Wongmalasith)

(Signature) **Steven Chan**
(Mr. Steven Chan)

(Signature) **Voranun Thaveesangpanich**
(Ms. Voranun Thaveesangpanich)

Tender Offer Preparer

Merchant Partners Securities Public Company Limited

Kasemsit Pathomsak

(Signature)

(Mr. Kasemsit Pathomsak)

President and Chief Executive Officer

Thamnoon Ananthothai

(Signature)

(Mr. Thamnoon Ananthothai)

Executive Director