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October 7, 2008

Subject: Revise the Opinion on the Tender Offer (Form 250-2) of the Ordinary Shares of Thai Agri Foods Public Company Limited

To: Shareholders of Thai Agri Foods Public Company Limited

Ref: The Opinion of the Company with regard to the Tender Offer (Form 250-2) dated September 23, 2008

As Thai Agri Foods Public Company Limited ("Company") filed the opinion on the subject of the Tender Offer of the company (form 250-2) and also attached the opinion of the financial advisor to the shareholders since September 23, 2008. The Company and Capital Advantage Company Limited ("Independent Financial Advisor") as the Independent Financial Advisor would like to revise the opinion of the Company regarding the Tender Offer statement as follows:

1. The table summarized the tender offer statement from Mr. Sackchai Wongmalasith, Mr. Steven Chan and Miss Voranun Thaveesangpanich (the "Tender Offerors") (page 1)

– Cancel the former table and revise to

Type of Securities	No. of Ordinary Shares on the Tender Offer Scheme		Percentage of the Offered Securities		Tender Offer Price Per Unit (Baht)	Tender Offer Value (Baht)
	Share / Unit	Voting Right	of Total Paid-up Capital	of Total Voting Right		
Ordinary shares	8,396,385	8,396,385	19.80	19.80	130.00	1,091,530,050
Preferred shares						
Warrants						
Convertible Bonds						
Others (if any)						
			Total	19.80	Total	1,091,530,050

2. Clause 1. The Company's Status regarding to the Past Operation and Future Expectation with Assumptions of Forecasts

– Add statements in Clause 1.2 Shareholding Structure (page 3) - Note:

Names of shareholders under the same group

1. Mr.Sackchai Wongmalasith
2. Persons under section 258 of Mr. Steven Chan are:
 1. Ms. Arunee Piriyanakarnkul
 2. Ms.Demi Chan
 3. Mr. Deflin Chan
3. Persons under section 258 of Ms. Voranun Thaveesangpanich are:
 1. Mr. Phonepradit Ratanavanh
 2. Ms. Nunnapas Ratanavanh
 3. Ms. Pornnapas Ratanavanh
4. Tang Freres International Limited has 2 directors, Mr. Bou Rattanavan and Mr. Bounmy Rattanavan and 3 shareholders as follows:

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Name	No. of shares	%
1. Tang Freres Sarl.	39,998	100.00
2. Mr. Bou Rattanavan	1	0.00
3. Mr. Bounmy Rattanavan	1	0.00

3. Opinion of the Shareholders' Financial Advisory whose Name is in the Approval List of Securities and Exchange Commission ("SEC")

Clause 5.1 The appropriateness of the Offering Price Compares to Price Calculated by Various Approaches with Assumptions and Consideration of the Company's Financial Status and Its Performance

3.1 Clause 6. Discounted Cash Flow Approach

3.1.1 Assumptions of the Company

- Selling Price (page 16 – 17) – Cancel the former statement and revise to

The Company will not frequently increase the selling prices since it may affect the sales volumes of the Company. The Company has the policy not to decrease its selling prices once they increased. Thus, the Company will carefully make decision based on production costs including raw materials, packaging, labor, and energy. However, the selling price in USD has continually increased since 2006, while the selling price in Thai Baht has decreased. This is due to the appreciation of Thai Baht has been more than the growth of selling price in USD.

In 2008, the Company planned to increase the selling price by 3.5% averagely from 2007, which is closed to the average increase of the Company's selling price from 2006 – Q1/2008, due to the increase of raw material and packaging prices. During 2009 – 2012, the selling prices are expected to increase around 2.5% p.a. which is closed to average increase of 2007 and the forecasted growth in 2008.

The conclusion of average selling price per CTN (USD and Baht) is as follows:

	2006	2007	2008	2009	2010	2011	2012
Growth of Selling Price per Unit (USD / CTN)	7.4%	0.3%	3.5%	2.5%	2.5%	2.5%	2.5%
Growth of Selling Price per Unit (Baht/ CTN)	-0.6%	-8.4%	-3.8%	2.5%	2.5%	2.5%	2.5%

Note: The average selling price per unit of Q1/2008 in USD and Baht increased (decreased) by 2.6% and (4.7%) respectively from 2007.

- Raw Material Cost (page 17) – Cancel the former statement and revise to

According to the average figure of 2005 – 2007, raw material cost accounted for 28% – 30% of total cost of goods sold, which is derived from multiplying raw material cost per unit (CTN) of each product group with its sales volumes (CTN). The change of cost of goods sold is depended on the raw material prices. While 55% - 60% of total raw material expenses are coconut. From the historical date, the prices of coconut have been changed by season following the demand and supply. In 2007, the coconut prices significantly decreased. However, they have started to increase in 2008. Therefore, in the projection, raw material cost per unit is expected to increase by 0.8% from 2007 which is closed to the figure of the first quarter of 2008 and remains constant at 1.0% p.a after 2009 for the projection period.

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	2006	2007	2008	2009	2010	2011	2012
Growth of Raw Material Cost	4.1%	-14.9%	0.8%	1.0%	1.0%	1.0%	1.0%

- Packaging Cost (page 19) – Cancel the former statement and revise to

According to the average figure of 2005 – 2007, packaging cost accounted for 49% – 57% of total cost of goods sold, which is derived from packaging cost per unit (Baht/CNT) such as metal cans, paper boxes, and other plastic packages. Metal cans which are imported are contributed 70% of total packaging cost which is imported from abroad. From the historical information of 2006 and 2007, the average import prices for packaging in USD increased by 2.4% and 1.3% from the previous year respectively. However, the packaging cost per unit in USD has continually increased since 2006, while the packaging cost per unit in Thai Baht has decreased. This is due to the appreciation of Thai Baht has been more than the growth of the packaging cost per unit in USD.

In 2008, the Company is expected the packaging cost to increase 1.3%, which is equal to the increasing rate of previous year, since the metal and plastic prices are increased. For the rest of projection period, the growth of packaging cost remains constant at 1.3% p.a.

	2006	2007	2008	2009	2010	2011	2012
Growth of Average Packaging Cost per Unit (USD/CTN)	2.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Growth of Average Packaging Cost per Unit (Baht/CTN)	-5.1%	-7.5%	-5.8%	1.3%	1.3%	1.3%	1.3%

- Gross profit margin (page 19) – Cancel the former statement

3.1.2 Assumptions of Viet World

- Sales Volume (page 20) – Add the table as follows

	2552	2553	2554	2555
Sales Volume (CTN)	487,305	974,610	1,218,263	1,279,176

- 3.1.3 Conclusion for the Discounted Cash Flow Approach (page 23 - 24) – Cancel the former statement and revise to

As a result of the assumptions as shown earlier, the Company's expected gross profit margin of 2008 will decrease due to increasing cost of production arisen from increasing price of agricultural raw materials, oil and labor cost, comparing to the high gross profit margin of 2007. In Q1/2008, the gross profit is equal to 19.8%. However, the gross profit margin of 2009 is expected to increase to the normal level at around 20 - 21% and continue to increase during the projection period as a result of the Company's policy to focus more on high profit margin products.

	2005	2006	2007	2008	2009	2010	2011	2012
Gross Profit Margin	19.3%	20.3%	22.6%	19.8%	20.1%	20.4%	20.8%	21.4%

From information above, WACC can be calculated based on D/(D+E) of the Company. The summary is as follows:

Year	2008	2009	2010	2011	2012
D/(D+E)	0.13	0.18	0.18	0.16	0.13

WACC of the Company during the projection period is as follows:

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Year	2008	2009	2010	2011	2012
WACC (%)	8.51%	8.46%	8.50%	8.40%	8.50%

Based on the above information and assumptions, the Company's share value calculated by the Discounted Cash Flow approach will be approximately **Baht 134.65 per share**.

(Unit: Baht Million)

Year	2008	2009	2010	2011	2012
Free Cash Flow to the Firm	325.09	376.17	439.53	469.17	495.03
PV of Free Cash Flow to the Firm (2008 – 2012)	312.09	332.94	358.56	353.08	343.36
PV of Terminal Value	4,040.82				
Total PV of Free Cash Flow to the Firm	5,740.85				
Plus: Cash on Hand	95.52				
Less: Interest Bearing Debt	(127.21)				
Total PV of Free Cash Flow to the Firm – Net	5,709.16				
Paid-up Shares (million shares)	42.4				
Share Value as at June 30, 2008 (Baht per share)	134.65				

However, IFA found that the government bond yields have significantly decreased for the past 1 – 2 months due to the volatility in the capital market and the bond market. Consequently, the expected rate of return for shareholders and WACC are relatively low (comparing to the cost of debt). However, if there are changes in the current circumstances, WACC may change accordingly because WACC is derived from various variables such as cost of debt, required rate of return for shareholders, market return of the SET, government bond yield, Beta, future D/E ratio, etc.

If using the risk free rate of 6.54% p.a. which is based on 29-year government bond yield as at June 23, 2008, the date before the Board of Director's meeting to approve the share delisting of the Company, to determine the expected rate of return for shareholders, the expected rate of return for shareholders will be 9.75% p.a. and WACC will be as follows:

Year	2008	2009	2010	2011	2012
WACC (% p.a.)	9.23%	9.15%	9.19%	9.11%	9.23%

(Unit: Baht Million)

Year	2008	2009	2010	2011	2012
Free Cash Flow to the Firm	325.09	376.17	439.53	469.17	495.03
PV of Free Cash Flow to the Firm (2008 – 2012)	311.05	329.75	352.87	345.22	333.47
PV of Terminal Value	3,613.42				
Total PV of Free Cash Flow to the Firm	5,285.78				
Plus: Cash on Hand	95.52				
Less: Interest Bearing Debt	(127.21)				
Total PV of Free Cash Flow to the Firm – Net	5,254.09				
Paid-up Shares (million shares)	42.4				
Share Value as at June 30, 2008 (Baht per share)	123.92				

Based on using the risk free rate of 6.54% p.a., which is 29-year government bond yield as at June 23, 2008, the Company's share value will be approximately **Baht 123.92 per share**.

In fact, IFA's assumptions used to determine the fair value of the Company's shares under the Discounted Cash Flow approach has been verified by the Company and is based under the current economic condition and circumstances. If there are any changes in the economic condition and circumstances that will materially affect the assumptions and variables used herein, the future operating results of the Company might not be as projected and the share price of the Company may also change accordingly.

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3.2 Clause 7. Dividend Discount Model: DDM

Assumption of Dividend Growth (g) (page 24 - 25) – Cancel the former statement and revise to

Dividend Growth (g) = Based on the Company's dividend payout policy, which is at least 50% of net profit annually, the interview with the managements and the historical dividend amount during 2001 – 2007, which was in the range of Baht 9 – 11 per share as shown in the table above. In 2007, the dividend amount was increased to Baht 11 per share due to the Company would like to use the benefits of tax privilege from BOI, which will be expired in 2010. Regarding to the privilege, the Company's shareholders are exempt from income tax on dividends. Thus after 2010 the dividend amount is expected to be Baht 11 per share. So the dividend growth should therefore be 0% p.a. (g = 0.00% p.a.).

3.3 Revise the table summarized the valuation of the Company's shares (page 26 - 27)

– Cancel the former statement and revise to

The table below compares the Company's share value calculated by the above methods with the tender offer price:

(Unit: Baht per share)

Valuation Approach	Valuation Price	Offer Price	Higher (Lower) than the Offer Price	Higher (Lower) than the Offer Price (%)
Book Value	29.97	130.00	(100.03)	(76.95)
Adjusted Book Value	45.07	130.00	(84.93)	(65.33)
Market Value	109.03 – 125.06	130.00	(20.97) – (4.94)	(16.13) – (3.80)
Price to Book Value Ratio	30.67 – 44.71	130.00	(99.33) – (85.29)	(76.41) – (65.61)
Price to Earnings Ratio	68.17 – 106.10	130.00	(61.83) – (23.90)	(47.56) – (18.38)
Discounted Cash Flow	134.65*	130.00	4.65	3.58
Dividend Discount Model	123.44**	130.00	(6.56)	(5.05)

Note: * Share value calculated from WACC of 8.40% - 8.51% p.a.

** Share value calculated from K_e of 8.91% p.a.

The above table shows that share values derived from all valuation approaches are in a range of Baht 29.97 – 134.65 per share.

However, if using the risk free rate of 6.54% p.a. which is based on 29-year government bond yield as at June 23, 2008, the date before the Board of Director's meeting to approve the share delisting of the Company, to determine the expected rate of return for shareholders, the expected rate of return for shareholders will be 9.75% p.a. And the summary of the Company's share value calculated by the above methods with the tender offer price is as follows:

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(Unit: Baht per share)

Valuation Approach	Valuation Price	Offer Price	Higher (Lower) than the Offer Price	Higher (Lower) than the Offer Price (%)
Book Value	29.97	130.00	(100.03)	(76.95)
Adjusted Book Value	45.07	130.00	(84.93)	(65.33)
Market Value	109.03 – 125.06	130.00	(20.97) – (4.94)	(16.13) – (3.80)
Price to Book Value Ratio	30.67 – 44.71	130.00	(99.33) – (85.29)	(76.41) – (65.61)
Price to Earning Ratio	68.17 – 106.10	130.00	(61.83) – (23.90)	(47.56) – (18.38)
Discounted Cash Flow	123.92*	130.00	(6.08)	(4.68)
Dividend Discount Model	112.80**	130.00	(17.20)	(13.23)

Note: * Share value calculated from WACC of 9.11% - 9.23% p.a.

** Share value calculated from K_e of 9.75% p.a.

3.4 Revise the IFA Opinion on the tender offer price (page 27)

– Cancel the former statement

In conclusion, the fair value of the Company's shares will be in the range of **Baht 123.44 – 138.23 per share**, which is lower than the tender offer price by Baht 6.42 per share and higher than the tender offer price by Baht 8.32 per share respectively.

However, if using the risk free rate of 6.54% p.a. which is based on 29-year government bond yield as at June 23, 2008, the date before the Board of Director's meeting to approve the share delisting of the Company, to determine the expected rate of return for shareholders, the expected rate of return for shareholders will be 9.75% p.a. In this case, the fair value of the Company's shares will be in the range of **Baht 112.80 – 126.83 per share**, which is lower than the tender offer price by Baht 17.20 per share and Baht 3.17 per share respectively.

– Revise to

In conclusion, the fair value of the Company's shares will be in the range of **Baht 123.44 – 134.65 per share**, which is lower than the tender offer price by Baht 6.42 per share and higher than the tender offer price by Baht 4.65 per share respectively.

However, if using the risk free rate of 6.54% p.a. which is based on 29-year government bond yield as at June 23, 2008, the date before the Board of Director's meeting to approve the share delisting of the Company, to determine the expected rate of return for shareholders, the expected rate of return for shareholders will be 9.75% p.a. In this case, the fair value of the Company's shares will be in the range of **Baht 112.80 – 123.92 per share**, which is lower than the tender offer price by Baht 17.20 per share and Baht 6.08 per share respectively.

4. Clause 5.3 Reasons to Deny the Tender Offer

Cancel the statement in Clause 5.3.1 (page 28 - 29) and add the following statement in 5.2

5.2.3 The Tender Offer Price Is in the Appropriate Price Range Calculated in Accordance to No. (4) of the SEC Notification No. Kor Jor. 53/2545 regarding Rules, Conditions and Procedures for Holding of Securities for Business Takeover

IFA views that if consider the appropriateness of tender offer price in accordance to Section 58 concerning the tender offer for delisting of the SEC Notification No. Kor Jor. 35/2545 regarding rules, conditions and procedures for holding of securities for business takeover, the tender offer price at Baht 130.00 per share is appropriate since it is in the appropriate price range calculated in accordance to No. (4). The details are as follows:

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(1) The highest price at which the Tender Offerors or the persons under Section 258 of the Tender Offerors acquired the ordinary shares or the preferred shares during the 90 days period before the filing of the tender offer to the SEC.	- N/A -
(2) The weighted average price of the shares during the five business days before the date of the resolution of the Board of Directors for the proposal of the share delisting to the shareholders' meeting.	Baht 120.50 per share
(3) The Company's net asset value calculated based on the adjusted book value which reflects the latest market prices of the assets and liabilities of the Company	Baht 45.07 per share
(4) The fair value of the Company calculated by the Discounted Dividend Model and the Discounted Cash Flow approach, worked out by the IFA.	Baht 123.44 – 134.65 per share

5. The Summary of the Opinion of the Independent Financial Advisor (page 31 - 32)

– Cancel the former statement and revise to

In consideration of appropriateness of tender offer price in accordance to Section 58 concerning the tender offer for delisting of the SEC Notification No. Kor Jor. 35/2545 regarding rules, conditions and procedures for holding of securities for business takeover, the tender offer price at Baht 130.00 per share is appropriate since it is in the appropriate price range calculated by the IFA which is between Baht 123.44 – 134.65 per share. Additionally, for the past 1 – 2 months, the government bond yields have significantly decreased due to the volatility in the capital market and bond market. Consequently, the expected rate of return for shareholders and WACC are relatively low (comparing to the cost of debt). In fact, if there are changes in the current circumstances, WACC may change accordingly because WACC is derived from various variables such as cost of debt, required rate of return for shareholders, market return of the SET, government bond yield, Beta, future D/E ratio, etc.

Therefore, if using the 29-year government bond yield as at June 23, 2008 which is a date before the Board of Directors' meeting to consider the delisting of the Company as the risk free rate, the appropriated share price will be in the range of Baht 112.80 – 123.92 per share.

Therefore, after considered the appropriateness of the tender offer price as well as Pros and Cons of the tender offer for the delisting of the Company's shares, shareholders shall accept the tender offer. However, the final decision shall be at own discretionary of the shareholders.

Yours sincerely,

Capital Advantage Company Limited

(Mr. Patchara Netsuwan)
Managing Director