

- Translation -

Opinion of the Company on the Tender Offer

(Form 250-2)

of

President Bakery Public Company Limited

The Tender Offerors

Saha Pathana Inter-Holding Public Company Limited

and

Thai President Foods Public Company Limited

Independent Financial Advisor to the Shareholders

Grant Thornton Services Limited

5 July 2017

"This English translation has been prepared solely for the convenience of the foreign shareholders of President Bakery Public Company Limited and should not be relied upon as the definitive and official document. The Thai version is the definitive and official document and shall prevail in all respects in the event of any inconsistency with this English translation."

- Translation -

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5 July 2017

Subject Submission of the Opinion of the Company on the Tender Offer (Form 250-2) of President Bakery Public Company Limited and Opinion of the Independent Financial Advisor on the Tender Offer

To Secretary General of the Office of the Securities and Exchange Commission
President of the Stock Exchange of Thailand
Shareholders of President Bakery Public Company Limited

Enclosed 1. Copy of the Opinion of the Company on the Tender Offer (Form 250-2)
2. Copy of the Opinion of the Independent Financial Advisor on the Tender Offer

Pursuant to President Bakery Public Company Limited (“Company”) receipt of a copy of the Tender Offer (Form 247-4) dated 16 June 2017 from Saha Pathana Inter-Holding Public Company Limited and Thai President Foods Public Company Limited as the Offerors, the Company has prepared the Opinion of the Company on the Tender Offer (Form 250-2) and appointed Grant Thornton Services Limited as an independent financial advisor to the shareholders of the Company in order to prepare an opinion on this tender offer.

The Company hereby submits the Opinion of the Company on the Tender Offer (Form 250-2) and a copy of the Opinion of the Independent Financial Advisor on the Tender Offer to the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, and the shareholders of the Company for your consideration. The details are set out in the enclosure.

Please be informed accordingly.

Yours sincerely

.....
(Mr. Apichart Thammanomai) (Ms. Petcharat Anantawichai)

Director

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Opinion of the Company on the Tender Offer

5 July 2017

To: Security holders of President Bakery Public Company Limited

On 16 June 2017, President Bakery Public Company Limited (hereafter referred to as “PB”, the “Business” or the “Company”) received a copy of the Tender Offer (Form 247-4) from Saha Pathana Inter-Holding Public Company Limited (hereafter referred to as “SPI”) and Thai President Foods Public Company Limited (hereafter referred to as “TF”) (Collectively referred to as the “Tender Offerors”). The details are as follows:

Security type	Number of offered securities		Offered securities as a percentage		Offer price per unit	Offer value
	Share/units	Voting rights	Of total issued securities of the Company	Of total voting rights of the Company		
Common shares	310,642,900	310,642,900	69.03	69.03	58.58	18,197,461,082
Preferred shares						
Warrant						
Convertible debenture						
Other securities (if any)						
			Total	69.03	Total	18,197,461,082

Tender offer price and tender offer period

The offer price of PB common share is THB 58.58 (Fifty-eight baht fifty-eight satang) per share (the “Offer Price”). In addition, the shareholders who accepted the Tender Offer (“Offeree”) will be subject to a brokerage fee of 0.25% of the Offer Price and value-added-tax (“VAT”) of 7.00% the brokerage fee. Therefore, the net price that the Offeree will receive is THB 58.4232985 (Fifty-eight point four-two-three-two-nine-eight-five baht). The Offer Period will be for a total of 25 business days during 9:00 a.m. to 4:00 p.m. on any business day from 21 June 2017 to 26 July 2017 (the “Offer Period”). The Offer Price is the final offer which will not be changed and the Offer Period is the final period which will not be extended, subject to the following conditions:

- The Tender Offerors may reduce the Offer Price or extend the Offer Period in the case of any event or action occurring during the Offer Period which causes severe damage to the status or assets of the Company
- The Tender Offerors may change the offer or extend the Offer Period to compete with other offerors who submitted a tender offer for shares of the Business during the Offer Period.

Conditions for the cancellation of the Tender Offer

The Tender Offerors may cancel the Tender Offer upon the occurrence of one or more of the following events:

- any event or action occurring after the submission of the Tender Offer to the Office of the Securities and Exchange Commission (the “SEC”) but within the Offer Period which causes or may cause severe damage to the status or the assets of the Business, where such event or action has not resulted from the actions of the Tender Offerors or actions for which the Tender Offerors are responsible; or
- any action conducted by the Business after the submission of the Tender Offer to the SEC but within the Offer Period which causes or may cause a significant decrease in the value of the securities of the Business; or
- any action conducted by the Business as defined in the Notification of the Capital markets Supervisory Board No. TorChor. 14/2554 Re: Actions or exempt of actions that may affect the result of Tender Offer dated 25 July 2011 (as amended).

Tender Offer Revocation Period

The Offeree can revoke the acceptance of the Tender Offer at the office of the Tender Offer Agent during 9:00 a.m. to 4:00 p.m. on any business day from 21 June 2017 to 19 July 2017 (totaling 20 business days).

PB has considered the Tender Offer in the interest of the security holders and hereby express our opinion for your consideration as follows:

1. Status of the Company relating to the historical and forecast operating results, including the assumptions used in the forecast

1.1 Business Overview

PB is a public company with common shares as listed security on the SET. The Company was incorporated on 29 October 1980 and listed on the SET since 25 December 2002. At present, PB has registered capital of THB 450,000,000, consisting of 450,000,000 common shares at the par value of THB

1 per share, and paid-up capital of THB 450,000,000, consisting of 450,000,000 common shares at the par value of THB 1 per share. The Company is headquartered at 121/84-85 RS Tower, 29th Floor, Ratchadapisek road, Din Daeng sub-district, Din Daeng district, Bangkok 10400. The Company is primarily engaged in the production and sales of bread and bakery under the trademarks such as “Farm House”, “Deliya” and “Madame Marco”. The business lines consist of wholesale bakery, retail bakery, fast food & catering and export.

1. Wholesale Bakery

The Company manufactures and distributes bakery products under the trademark “Farmhouse” in wholesale to various channels and shops. The main customers are modern trade shops and traditional retail shops, which are: Hypermarts (e.g. Tesco Lotus, Big C, Makro, etc.); Supermarkets (e.g. The Mall, Tops, Foodland, etc.); Convenience stores (e.g. 7-eleven, Tesco Lotus Express, Central Familymart, Lawson 108, Mini Big C, etc.); Shops in gasoline stations (e.g. Jiffy, Select, etc.); and Traditional retail shops (e.g. small retail shops in schools, factories, welfare shop in official places, etc.). Products distributed in wholesale bakery business are sliced bread, burger buns and hot dog buns, snack bread, snack cake and confectionery.

2. Retail Bakery

The Company distributes products through retail stores of the Company and directly sell to customers under the Company's trademarks such as Deliya, Madame Marco, Good Morning Farmhouse, and vending machines.

3. Fast food & Catering

These products are made to order and sold to fast food chains such as McDonald, KFC, Pizza Hut, Chester Grill, A&W, Santafe Steak, Jeffer Steak, MosBurger (from Japan), and Minor Food Group (Burger King, Sizzler, Diary Queen, and The Pizza Company, etc.), as well as restaurant and coffee businesses such as Chocolate Ville and The Coffee Club, which are well-known restaurants with the high sales volume throughout the world including Thailand.

4. Export Business

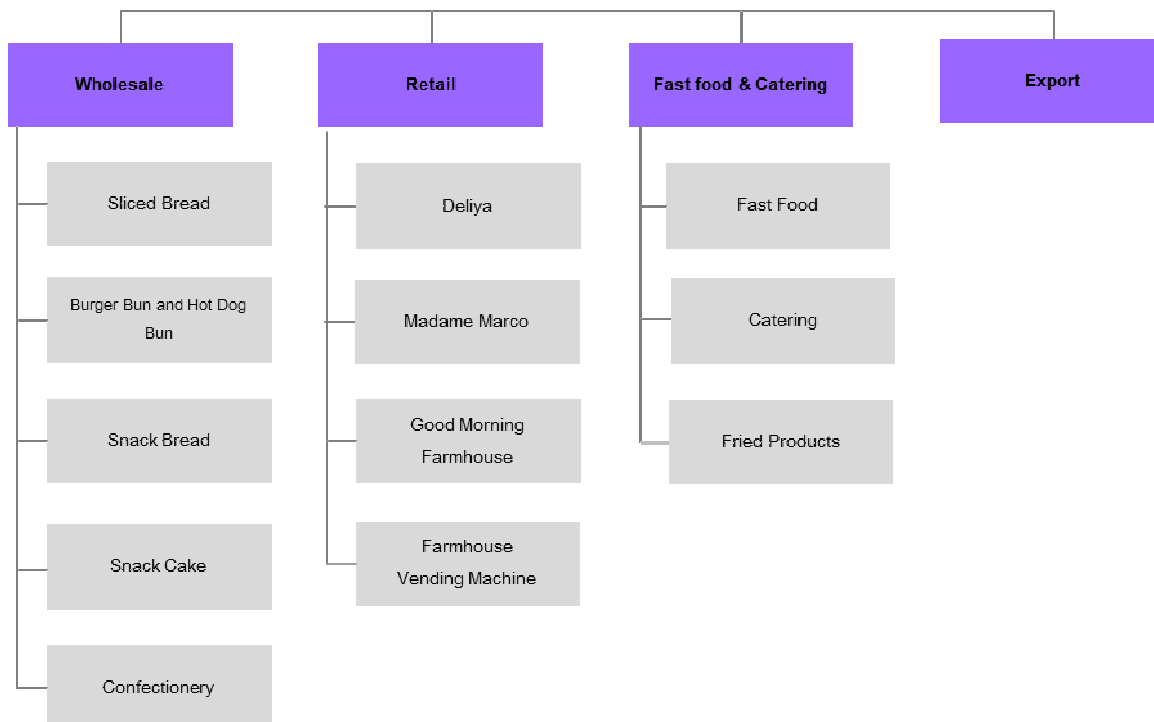
The Company has developed products to be distributed to coffee shop chain and pizza shop customers in Japan, which are well-known. In 2016, the Company sells its product through domestic agents that export such products to customers in Japan.

As of 31 March 2017, PB has investment in other entities of which PB owns at least 10.00 percent shares, as follows:

Company Name	Percentage of Ownership by PB (%)	Registered Capital (THB mm)	Paid-up Capital (THB mm)	Type of Business
President Green House Foods Co., Ltd.	39.00	15.00	15.00	Operation of restaurants named “Shinjuku Tonkatsu Saboten”

Company Name	Percentage of Ownership by PB (%)	Registered Capital (THB mm)	Paid-up Capital (THB mm)	Type of Business
President Flour Mill Co., Ltd.	10.00	600.00	600.00	Manufacturing and distribution of flour products

Product or service characteristics



1. Bakery Wholesale

The Company manufactures and distributes bakery products under the trademark “Farmhouse” in wholesale to various channels and shops. The main customers are modern trade shops and traditional retail shops, including:

- Hypermarts, e.g. Tesco Lotus, Big C, Makro, etc.
- Department stores, e.g. Tanghuaseng, Tokyu, etc.
- Supermarkets, e.g. The Mall, Tops, Foodland, etc.
- Convenience stores, e.g. 7-eleven, Tesco Lotus Express, Central Familymart, Lawson 108, Mini Big C, CJ Express, Supercheap, etc.
- Shops in gasoline stations, e.g. Jiffy, Select, etc.
- Traditional retail shops, e.g. small retail shops in schools, factories, welfare shop in official places, etc.

Product Distribute in Wholesale Bakery Business are

1.1 Sliced Bread

Sliced Bread is the first product that the Company produced and distributed. It is the product that created the most consumer awareness on Farmhouse Brand from the past to the present. Sliced bread is a key product in generating revenue for the Company, which can be consumed in various ways and are suitable for all ages, genders and every family member. Originally, the Company only offered plain sliced bread. However, the Company has since improved and increased the variety and size of the products, as follows:

(1) White Bread

White bread is sliced bread with the texture of white loaf bread. The product is suitable for all ages and genders. White bread can be used at any time and as ingredients for several kinds of food. Products in this group are 480-gram sliced bread, 240-gram sliced bread, 220-gram crustless sliced bread, and 275-gram royal bread. Royal bread is thick sliced bread with aromatic soft texture. In 2016, a new product was launched which is hokkaido milk-flavored bread, which has softness and hokkaido milk-flavored aroma.

(2) Grain Bread

Grain bread is sliced bread with a large amount of various grains as ingredients to increase nutrition value, which is in line with Thai's lifestyle that is more health conscious, especially in selecting healthy food. Products in this group consist of 500-gram whole wheat bread, 250-gram whole wheat bread, and 250-gram fine whole wheat bread, which is easier to consume and suitable for children including health-conscious customer group that dislikes the original whole wheat texture. Moreover, there are royal whole wheat (285-gram soft and thick sliced whole wheat bread) and royal 12-grain, (285-gram rich, soft and thick sliced bread with 12 kinds of nutritious grains).

1.2 Burger Bun and Hot Dog Bun

The Company distributes burger bun with sesame seeds and hotdog roll which are the products that can be used in various menus such as burgers and hotdogs with various fillings.

1.3 Snack Bread

Snack bread is a ready-to-eat bakery product packed in an individual package, fit for one serving and suitable for the lifestyle of time-driven urban consumers that require something fast, convenience, portable and can be consumed at any time and anywhere. The products come in different types, tastes and are suitable for all target groups including students, working people and everyone. Products in this group are butter roll sandwich, mini loaf raisin bread, daily sandwich, sweet sandwich, buns with sweet and meat fillings, spread bread, pae bread, raisin bread, hotdog cream bun and trio bread. In 2016, newly launched products are sweet corn milk flavored cream spread bread, sweet sandwich, Thai custard filled sandwich, strawberry cream filled sandwich, shredded chicken shrimp chili paste filled bun, durian custard filled bun, ham & egg mayonnaise whole wheat sandwich, and chicken & black pepper whole wheat sandwich.

1.4 Snack Cake

As the Company foresaw the present market gap that there was no snack cake with acceptable standard being offered and that the Company has readiness and expertise in cake manufacturing by specialist, snack cake products were developed and distributed. Snack cake group that is manufactured and distributed by the Company consists of banana cake and 4 flavors of cake roll, including coffee flavored cake roll, pandan flavored cake roll, orange flavored cake roll and vanilla flavored cake roll. The Company also offers 4 flavors of dorayaki (which are dorayaki with custard cream filling, dorayaki with chocolate filling, dorayaki with almond cream filling, and dorayaki with chocolate chip filling), 3 flavors of sandwich cake (which are sandwich cake coffee flavored cake, sandwich cake vanilla flavored cake, sandwich cake pandan flavored cake), 2 flavors of waffle (which are waffle filling strawberry jam flavored, waffle filling blueberry jam flavored), and 5 flavors of donut cake (which are vanilla custard donut cake, chocolate custard donut cake and pandan donut cake). In 2016, newly launched products are hokkaido melon flavored custard filled donut cake, choco banana flavored custard filled donut cake, pineapple butter cake, and swiss roll which has 3 flavors including swiss roll matcha green tea cake, swiss roll hokkaido milk flavored cake, and swiss roll raspberry flavored cake.

1.5 Confectionery

Products in confectionery category consist of crispy butter toast, 4 cookies flavors (including cookies butter flavored, cookies fruit flavored, cookies raisin flavored and cookies with chocolate chip), and 3 fruit pie flavors (including pineapple fruit pie, strawberry fruit pie and blueberry fruit pie).

2. Retail

Company distribute products through Company's retail shops and sell directly to customers under the Company's trademark through these outlets.

2.1 Deliya by Farmhouse

Due to the Company's policy to expand into bread and bakery retail business (which has the tendency to grow substantially in the future) and the Company's experiences and credibility in bread and bakery business, the Company decided to open Deliya by Farmhouse shops, which bake and sell various kinds of fresh homemade bread and bakery products and deliver bakery snack boxes in Bangkok Metropolitan Region. As of the end of 2016, there are 7 branches at Chitrada School, Lotus-Lumlukka Klong 2, R.S. Tower Building Ratchada, Government Complex Chaeng Wattana, The Mall 2 Ramkamhaeng, Paradise Park and The Mall Bangkapi.

In addition to the above, Deliya also makes to order ready to eat sandwiches, cakes and confectioneries for the newly opened Lawson convenience stores with 84 branches as at the end of 2016.

2.2 Madame Marco

This product is a homemade cake with soft texture based on an original European style recipes that are prepared to add delicious taste in every step. The process starts from the selection of quality raw materials both from domestic and international. The production is based on a clean and delicate production process,

and combined with made to order system that is unique with Madame Marco cake. As a result, Madame Marco cakes will always be delicious and fresh in every order with a real taste of Europe. The products are delivered free of charge in the Bangkok Metropolitan Region. This allows Madame Marco to be “The European Delight”.

At present, Madame Marco has increased the distribution channels by opening new stores. There is a total of 23 Madame Marco shops, locating at Siam Paragon, The Mall-Ngam Wongwan, The Mall - Bang Kae, The Mall - Bangkokkapi, The Mall 2 - Ramkamhaeng, Tesco Lotus Sri Nakarin, The Mall Thapra, Mega Bangna, Paradise Park, Fashion Island, Tesco Lotus Ramintra, Central Salaya, Lotus Bangyai, The Emporium Crystal Rajapruek, The Emquartier, Robinson Srisaman, Future Park Rangsit, Tops Central Pinkloa, Tops Central Westgate, Tops Central Bang Na, Tops Central Rama 3, and Terminal 21. Madame Marco cakes offer free delivery both in the Bangkok Metropolitan Region.

2.3 Good Morning Farmhouse

Good Morning Farmhouse is distributed to sandwich sales representative under the Company's name. The objective is to create popularity in bread consumption to the general consumers and to encourage people to have a career and extra income. The representative will purchase products, which are the ingredients in making sandwiches, from the company and produces sandwiches according to the consumer demand. The representatives are selected based on the location and their readiness to provide service. The Company also provides sales knowledge to the representatives. As at the end of 2016, there are more than 57 Good Morning Farmhouse sales representatives.

2.4 Farmhouse Vending Machine

In order to emphasize on service and convenience for the consumers, the Company offers a new distribution channel by providing Farmhouse vending machine at 9 locations (such as offices, hospitals, factories and banks) with the total amount of 38 machines. Moreover, the Company delivers products twice a day in order to support the consumer demand.

3. Fast food & Catering

These products are made to order and sold to fast food chains such as McDonald, KFC, Pizza Hut, Chester Grill, A&W, Santafe Steak, Jeffer Steak, MosBurger (from Japan), and Minor Food Group (Burger King, Sizzler, Diary Queen, and The Pizza Company, etc.), as well as restaurant and coffee businesses such as Chocolate Ville and The Coffee Club, which are well-known restaurants with the high sales volume throughout the world including Thailand.

3.1 Fast food & Catering

1) Fast food

Burger and hotdog buns come in various sizes, as well as with and without sesame. The Company uses fully automatic manufacturing process to produce burger and hotdog buns with the capacity of 36,000 pieces/hour. This also includes other products such as French bread, croissant, crispy toast bread, and other products that have been developed to satisfy the customers. In 2016, the

Company manufactured football buns for McDonald. At present, the Company is considered as the largest bread supplier in the country.

In addition, frozen dough is another product that is produced and sold by the Company. The product comes in different sizes based on the order placed by fast food stores. The Company is continuously researching and developing in order to keep expanding this market in the future.

2) Catering

Apart from fast food, the Company also expanded the distribution channels into restaurants and coffee shop businesses that require bakery in their menus. Our distribution consists of existing products and newly developed products to serve each particular group of customers.

3.2 Fried Products

This product group is used as ingredients in fried food dishes and is well-liked by Thai consumers, i.e. bread crumbs. They are made from special recipe of freshly baked bread, having standard flake size without being too finely grounded and creamy white color. They can also stick to the food well, allowing the fried dishes to have an appetizing golden color, taste delicious, do not absorb oil, and stay crispy for longer. Farmhouse bread crumbs are suitable for frying both meat and vegetable.

4. Export Business

The Company has developed products to be distributed to coffee shop chain and pizza shop customers in Japan, which are well-known. In 2016, the Company sells its product through domestic agents that export such products to customers in Japan.

1.2 The shareholding structure of the Business

The list of top 11 shareholders on the latest shareholder registry of the Business as of 3 May 2017 (which is the book closing date for the right to receive dividend) adjusted by the shares directly and indirectly acquired by the Tender Offerors of 253,267,500 shares on 8 June 2017, is as follows:

Name	No. of shares	Percentage of paid up shares of PB	Percentage of Total voting rights in PB
1. The Tender Offerors and their persons under Section 258			
1) Saha Pathana Inter-Holding Public Company Limited	97,119,600	21.58	21.58
2) President Rice Products Public Company Limited (a person under Section 258 of SPI)	168,817,500	37.52	37.52
3) Thai President Foods Public Company Limited	42,237,500	9.39	9.39
Total	308,174,600	68.48	68.48

Name	No. of shares	Percentage of paid up shares of PB	Percentage of Total voting rights in PB
2. Mr. Pipat Paniangvait	14,039,850	3.12	3.12
3. Mr. Wirapat Punsak-udomsin	7,136,800	1.59	1.59
4. Saha Pathanapibul Public Company Limited	5,650,000	1.26	1.26
5. I.C.C. International Public Company Limited	4,650,000	1.03	1.03
6. People s Garment Public Company Limited	4,500,000	1.00	1.00
7. Thai Wacoal Public Company Limited	4,500,000	1.00	1.00
8. Thanulux Public Company Limited	4,500,000	1.00	1.00
9. Better Way (Thailand) Co., Ltd.	4,500,000	1.00	1.00
10. International Laboratories Corp., Ltd.	4,500,000	1.00	1.00
11. S&J International Enterprises Public Company Limited	4,500,000	1.00	1.00
12. Other Shareholders	83,348,750	18.52	18.52
Total	450,000,000	100.00	100.00

In the case that all shareholders of the Business have shown their intention to sell all of their shares in this Tender Offer, SPI will hold 252,441,050 ordinary shares, representing 56.10% of the total issued and paid-up shares of the Business and 56.10% of the total voting rights of the Business. TF will hold 197,558,950 ordinary shares, representing 43.90 % of the total issued and paid-up shares of the Business and 43.90% of the total voting rights of the Business.

Nevertheless, some of PB's shareholders have expressed their intention not to accept the Tender Offer during the Offer Period. These shareholders currently hold a total of 267,105,426 ordinary shares in PB. Therefore, the remaining number of the PB ordinary shares for the Tender Offer (excluding the shares held by the shareholders who have expressed their intention not to accept the Tender Offer during the Offer Period) by SPI and TF is 43,537,474 shares, representing 9.67% of the total issued and paid-up shares of PB and 9.67% of the total voting rights in PB.

In the case that all shareholders of the Business (except the shareholders who have declared their intention not to sell all of their shares) show their intention to sell all of their shares in this tender offer, SPI will hold 118,888,337 ordinary shares (26.42% of the total issued and paid-up shares of the Business and 26.42 % of the total voting rights of the Business) and TF will hold 64,006,237 ordinary shares (14.22% of the total issued and paid-up shares of the Business and 14.22 % of the total voting rights of the Business).

1.3 The Board of Directors

The Board of Directors as of 9 June 2017 (after the Tender Offerors have acquired the shares of the Business)

Name of Directors	Position
1. Mr. Pipat Paniangvait	Chairman of the Board
2. Mr. Apichart Thammanomai	Managing Director
3. Mr. Kamthorn Tatiyakavee	Director
4. Miss Pojjanee Paniangvait	Director
5. Mr. Pun Paniangvait	Director
6. Mrs. Malee Tangjaisanong	Director
7. Miss Petcharat Anantawichai	Director
8. Mr. Apisate Thammanomai	Director
9. Mr. Thavach Keawpitag	Director
10. Miss Panida Prayottaweekij	Director
11. Miss Suwimon Keeratipibul	Chairman of Audit Committee and Independent Director
12. Mrs. Kulpatra Sirodom	Audit Committee and Independent Director
13. Mrs. Yupa Soontrapa	Audit Committee and Independent Director
14. Mr. Boonsak Chiempricha	Audit Committee and Independent Director
15. Mrs. Aim-On Pathumaruk	Independent Director

Note: After the Tender Offer, the Tender Offerors may change the Board of Directors for the appropriateness; if there are any changes aforementioned, the Tender Offerors will comply with the relevant laws and regulations that are effective at that time.

1.4 Summary of financial statement and operating results of the Company

Summary of the financial statements for the years ended 31 December 2014-2016 and the financial statements for the three-month period ended 31 March 2017. (Equity method)

Balance Sheet statement

	31 December 2014 ¹		31 December 2015		31 December 2016		31 March 2017	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
Cash and cash equivalents	124.64	2.09%	303.94	4.52%	536.99	7.13%	678.04	8.83%
Short-term investments	1,674.34	28.13%	1,536.91	22.86%	626.52	8.32%	516.02	6.72%
Trade and other receivables	791.15	13.29%	883.74	13.14%	870.98	11.57%	796.01	10.37%
Inventories	189.82	3.19%	189.60	2.82%	205.45	2.73%	203.99	2.66%
Other current assets	37.64	0.63%	33.84	0.50%	27.59	0.37%	34.69	0.45%
Total current assets	2,817.59	47.34%	2,948.03	43.84%	2,267.53	30.12%	2,228.75	29.04%
Restricted bank deposit	-	0.00%	36.35	0.54%	36.35	0.48%	36.35	0.47%

	31 December 2014 ¹		31 December 2015		31 December 2016		31 March 2017	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
Investment in joint venture	21.85	0.37%	23.48	0.35%	24.90	0.33%	25.95	0.34%
Long-term investments	215.13	3.61%	605.89	9.01%	539.38	7.17%	562.63	7.33%
Other long-term investments	65.00	1.09%	60.00	0.89%	60.96	0.81%	66.90	0.87%
Property, plant and equipment	2,805.56	47.14%	2,920.24	43.43%	4,563.71	60.63%	4,721.11	61.51%
Advance payments for purchase of assets	1.65	0.03%	101.84	1.51%	6.67	0.09%	5.17	0.07%
Intangible assets	5.00	0.08%	7.04	0.10%	9.48	0.13%	10.36	0.13%
Leasehold rights	1.01	0.02%	0.69	0.01%	1.35	0.02%	1.24	0.02%
Deferred tax assets	9.63	0.16%	12.38	0.18%	8.79	0.12%	8.37	0.11%
Other non-current assets	8.83	0.15%	8.62	0.13%	8.55	0.11%	8.48	0.11%
Total non-current assets	3,133.66	52.66%	3,776.52	56.16%	5,260.14	69.88%	5,446.56	70.96%
Total assets	5,951.25	100.00%	6,724.56	100.00%	7,527.67	100.00%	7,675.31	100.00%
Trade and other payables	707.02	11.88%	725.48	10.79%	724.19	9.62%	605.68	7.89%
Current portion of liabilities under finance lease agreements	86.37	1.45%	73.46	1.09%	70.22	0.93%	70.64	0.92%
Corporate income tax payable	62.50	1.05%	78.78	1.17%	89.58	1.19%	120.46	1.57%
Accrued expenses	183.58	3.08%	219.68	3.27%	224.51	2.98%	134.17	1.75%
Other current liabilities	27.93	0.47%	38.44	0.57%	39.14	0.52%	28.94	0.38%
Total current liabilities	1,067.40	17.94%	1,135.84	16.89%	1,147.65	15.25%	959.89	12.51%
Liabilities under finance lease agreements - net of current portion	89.38	1.50%	70.64	1.05%	75.19	1.00%	84.47	1.10%
Long-term loans from directors	73.50	1.24%	76.99	1.14%	84.16	1.12%	87.72	1.14%
Long-term loans from employees	31.20	0.52%	34.00	0.51%	45.17	0.60%	46.75	0.61%
Provision for long-term employee benefits	78.42	1.32%	79.14	1.18%	82.99	1.10%	85.40	1.11%
Other non-current liabilities	2.09	0.04%	2.25	0.03%	2.83	0.04%	2.72	0.04%
Total non-current liabilities	274.59	4.61%	263.02	3.91%	290.34	3.86%	307.06	4.00%
Total liabilities	1,341.99	22.55%	1,398.86	20.80%	1,437.98	19.10%	1,266.94	16.51%
Registered share capital	450.00	7.56%	450.00	6.69%	450.00	5.98%	450.00	5.86%
Issued and fully paid-up share capital	450.00	7.56%	450.00	6.69%	450.00	5.98%	450.00	5.86%
Share premium	674.38	11.33%	674.38	10.03%	674.38	8.96%	674.38	8.79%
Retained earnings								
- Appropriated - statutory reserve	45.00	0.76%	45.00	0.67%	45.00	0.60%	45.00	0.59%
- Unappropriated	3,437.31	57.76%	4,161.08	61.88%	4,913.36	65.27%	5,231.76	68.16%
Other components of shareholders' equity	2.57	0.04%	(4.76)	-0.07%	6.95	0.09%	7.23	0.09%
Total shareholders' equity	4,609.26	77.45%	5,325.70	79.20%	6,089.69	80.90%	6,408.37	83.49%
Total liabilities and shareholders' equity	5,951.25	100.00%	6,724.56	100.00%	7,527.67	100.00%	7,675.31	100.00%

Remark: 1. Restated

Assets

The total assets of the Company as of 31 March 2017 amounted to THB 7,675.31 million, increased by THB 147.64 million from 31 December 2016. Key assets of the Company comprise current assets at 29.04% of the total assets and non-current assets at 70.96% of the total assets. The increase in current assets resulted from increase in cash and cash equivalent item by THB 141.05 million, and the increase in non-current assets was due to new land and building acquired to construct new product distribution center to replace the leased premise.

Trade and other receivables accounted for 10.37% of the total assets, decreased by THB 74.97 million from 2016 as most of the account receivables were paid on due.

As at 31 December 2016, the total assets were THB 7,527.67 million, increased from 31 December 2015 by THB 803.11 million. Key assets are as follows. Current assets amounted to THB 2,267.53 million or 30.12% of the total assets with an increase in cash and cash equivalents. Short-term investments decreased by THB 910.39 million when compare to the end of 2015, primarily due to the maturity of deposit money.

Trade and other receivables were at THB 870.98 million or 11.57% of the total assets, which decreased by THB 12.76 million when compared to the end of 2015. Most of the debtors were mainly department stores and large size stores, who settle their debts on time.

Most inventories are raw materials and packaging used in the manufacturing. Finished goods inventories are very low, due to product shelf life of 4-5 days and the products bring manufactured and distributed on a daily basis.

Non-current assets were at THB 5,260.14 million or 69.88% of the total assets, increased from the previous year by 39.29%. This is mainly due to the investment in purchasing property, plant and equipment. In 2016, three plots of land were purchased to construct distribution centers. In addition, there were costs for building construction and new machines at Bang Chan factory 2, which were a continuous investment from 2015. The Company has improved efficiency on the management of assets as the return on total assets of 20.59% has increased from previous year by 2.09%.

Liabilities

The liabilities of the Company as of 31 March 2017 amounted to THB 1,266.94 million or 16.51% of total liabilities and shareholders' equity, decreased by 11.89% from 31 December 2016 due to lower trade payables and accrued expenses. The debt to equity ratio of the Company was at 0.20 times, decreased from 0.24 times as of 31 December 2016.

As at 31 December 2016, the Company's total liabilities amounted to THB 1,437.98 million or 19.10% of total liabilities and shareholders' equity, increased from 2015 by THB 39.12 million. The liabilities are mainly trade and other payables, which are the purchase of raw materials and packaging used in the manufacturing of products. For other obligations, key parts are from the procurement contract of machinery that will be installed in the new factory, as well as operating lease related to the lease of land and buildings used as distribution center. The Company's debt to equity ratio was 0.24 times, which has always remained

at low level. The interest coverage ratio was at 217.48 times and the debt-service coverage ratio was at 0.67 times. This demonstrates the stability in the capital structure of the Company as well as the ability to service debts and other obligations of the Company.

Shareholders' Equity

The shareholders' equity as of 31 March 2017 amounted to THB 6,408.37 million or 83.49% of the total of total liabilities and shareholders' equity. The shareholders' equity increased by THB 318.68 million from 31 December 2016 due to increased operating profit. The book value of the Company increased from THB 13.53 per share in 2016 to THB 14.24 per share.

As at 31 December 2016, the shareholders' equity amounted to THB 6,089.69 million or 80.90% of total liabilities and shareholders' equity, increased from 31 December 2015 by THB 763.99 million. This is a result of increased net profit, which is partially offset by payment of dividend to shareholders at THB 706.50 million. The book value was at THB 13.53 per share, which has increased from 2015 at THB 11.83 per share, and the return on equity was at 25.63%.

Profit and loss financial statement

	31 December 2014 ¹		31 December 2015		31 December 2016		31 March 2017	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
Sales	6,853.21	99.12%	7,346.83	99.07%	7,568.75	99.06%	1,733.32	99.08%
Interest income	46.46	0.67%	49.60	0.67%	39.28	0.51%	-	0.00%
Other income	14.50	0.21%	19.37	0.26%	32.50	0.43%	16.04	0.92%
Total revenues	6,914.17	100.00%	7,415.80	100.00%	7,640.53	100.00%	1,749.36	100.00%
Cost of sales	4,188.18	60.57%	4,320.86	58.27%	4,361.99	57.09%	999.79	57.15%
Selling expenses	962.95	13.93%	972.82	13.12%	991.35	12.97%	244.44	13.97%
Administrative expenses	600.92	8.69%	672.11	9.06%	652.37	8.54%	153.61	8.78%
Total expenses	5,752.05	83.19%	5,965.80	80.45%	6,005.71	78.60%	1,397.84	79.91%
Profit before share of profit from investment in joint venture, finance cost and income tax expenses	1,162.12	16.81%	1,450.00	19.55%	1,634.82	21.40%	351.52	20.09%
Share of profit from investment in joint venture	3.54	0.05%	2.76	0.04%	2.35	0.03%	1.06	0.06%
Profit before finance cost and income tax expenses	1,165.66	16.86%	1,452.76	19.59%	1,637.17	21.43%	352.58	20.15%
Finance cost	(13.83)	-0.20%	(12.69)	-0.17%	(11.81)	-0.15%	(2.83)	-0.16%
Profit before income tax expenses	1,151.83	16.66%	1,440.07	19.42%	1,625.36	21.27%	349.75	19.99%
Income tax expenses	(109.75)	-1.59%	(135.41)	-1.83%	(162.41)	-2.13%	(31.35)	-1.79%
Profit for the period	1,042.07	15.07%	1,304.66	17.59%	1,462.95	19.15%	318.40	18.20%

Remark: 1. Restated

Sales revenue

The Company recorded total sales revenue of THB 1,733.32 million and THB 1,780.63 million in the first quarters of 2017 and 2016 respectively, representing a decrease of 2.66%. When separately analyzed by

distribution channel between the three months ended 31 March 2017 and the same quarter last year, the sales revenue from wholesale business decreased by 3.44% and the sales revenue from retail business decreased by 2.96% due to domestic economic condition and cautious spending by the consumers. In addition, some of the customers start to produce bakery products by themselves, which resulted in higher competition. However, the Company continue to regularly develop and launch new products. The sales revenue from fast food and catering business increased by 7.65% due to increased purchase orders from customers.

The Company's sales revenue for 2016 and 2015 were THB 7,568.75 million and THB 7,346.82 million, respectively, representing an increase of 3.02%. This is a result of the placement of new products, as well as ongoing advertisement and sales promotion program. The Company emphasizes on increasing sales and distributing products to reach more consumers. Sales revenue can be categorized by distribution channel, as follow:

Sales Revenue Categorized by Type of Distribution Channel

Distribution channel	2016		2015		Increase (Decrease)
	Amount (THB million)	Percentage	Amount (THB million)	Percentage	
Wholesale bakery	6,947.05	91.79%	6,626.74	90.20%	4.83%
Retail bakery	155.03	2.05%	172.53	2.35%	-10.14%
Fast food & catering	461.61	6.10%	541.78	7.37%	-14.80%
Export	5.06	0.07%	5.77	0.08%	-12.31%
Total	7,568.75	100.00%	7,346.82	100.00%	3.02%

Cost of Sales

The cost of sales in the first quarter of 2017 amounted to THB 999.79 million, decreased by 3.62% from the same quarter last year. The cost of sales to revenue from sales ratio was at 57.68%, which is lower than 58.26% during the same quarter last year. This was due to lower price of major raw material as well as due to effective production and purchasing management. As a result, the gross profit margin increased to 42.32% from 41.74% in the same quarter last year.

Cost of sales in 2016 amounted to THB 4,361.99 million, increased by THB 41.13 million or 0.95% from the previous year. The cost of sales to revenue from sales ratio decreased from 58.81% in 2015 to 57.63% in 2016, as a result of a decrease in raw material prices that caused the gross profit margin to be at 42.37% or increased by 5.97% from the previous year.

Selling and Administrative Expense

The selling and administrative expenses in the first quarter of 2017 amounted to THB 398.05 million or 22.75% of total income. The ratio of selling and administrative expenses to total revenue marginally decreased from the previous year. Nevertheless, the Company has an effective management to control the costs for transportation, product distribution, and information system.

Sales and administrative expenses consist of salary, wages, fuel expenses, advertising fees and sales promotion expenses, etc. In 2016, the expenses were THB 1,643.72 million or 21.51% of the total revenue, decreased by 0.07% from the previous year. This is a result of a decrease in fuel price during the beginning of the year that lowered the transportation cost of products and the Company did not advertise in the media during the end of the year. Furthermore, the Company has managed expenses efficiently.

Income Tax

The Company paid income tax in the first quarter of 2017 of THB 31 million, decreased by THB 4.73 million or 13.24% from the same period last year, due to lower sales revenue and profit. The ratios of income tax to total revenue in the first quarter of 2017 and 2016 were at 1.77% and 1.98%, respectively.

Financial Expense

In 2016, financial expenses were at THB 11.81 million, decreased by at 6.93% from the previous year, due to a decrease in interest payable of financial lease from lower interest rate and amount of financial lease.

Profit for the period

The Company recorded profit of THB 318.40 million for the quarter ended on 31 March 2017, decreased by 2.28% from the same period last year. This was due to lower sales revenue from higher competition in the bakery business. The Company received share of profit of THB 1.06 million in the first quarter of 2017 from investment in joint venture.

The Company has net profit of THB 1,462.95 million in 2016, increased by 12.13% from the previous year, and a net profit margin of 19.15% of the total revenue. This was due to the increase in sales volume and efficient control of expenses, including the return from investing in private funds. The Company has the earnings per share of THB 3.25.

Summary of statement of cash flow

THB million	Year ended 31 December			1 Quarter
	2014 ¹	2015	2016	2017
Net cash flow from (used in) operating activities	1,457.75	1,716.49	1,869.95	371.85
Net cash flow from (used in) investing activities	(1,875.06)	(880.89)	(874.97)	(216.57)
Net cash flow from (used in) financing activities	(571.29)	(656.30)	(761.94)	(14.23)
Net increase (decrease) in cash and cash equivalents	(988.60)	179.30	233.04	141.05

Remark: 1. Restated

Cash Flow

The net cash from operating activities of the Company in the quarter ended on 31 March 2017 amounted to THB 371.85 million, slightly decreased from the previous year. The net cash used in investing activities amounted to THB 216.57 million, decreased by THB 13.38 million due to lower short-term and long-term investment and purchase of land for new product distribution center. Additionally, the net cash used in financing activities amounted to THB 14.23 million, increased by THB 7.92 million due to lower amount of long-term loans from employees from the same quarter last year. As a result, the Company recorded cash and cash equivalent of THB 678.04 million as at 31 March 2017, an increase of THB 141.05

million which is similar to the same quarter last year. As of 31 March 2017, the Company maintained the current ratio at 2.32 times and the average days sales at 1 day. Meanwhile, the average days of debt collection of the Company stood at 43 days, and the average days of debt repayment was at 69 days. As a result, the cash cycle of the Company was at 25 days.

As for the year ended on 31 December 2016, the Company has net cash from operating activities at THB 1,869.95 million, increased by THB 153.46 million or 8.94% from the previous year. Net cash used in investing activities amounted to THB 874.97 million, decreased from the previous year by THB 5.92 million. This was a result from lower acquisition of short and long-term investments as well as decrease in the advance payment for purchase of assets. The Company has paid for machines and construction for the new factory in Bang Chan.

Net cash used in financing activities amounted to THB 761.94 million, increased by THB 105.64 million or 16.10%. This was mainly due to the dividend payment at the amount of THB 706.50 million. As a result, the Company has cash and cash equivalents of THB 233.05 million. As at 31 December 2016, the Company's liquidity ratio was at 1.98 times. The inventory turnover period is 1 day, average collection period is 42 days, and the average payment period was at 66 days. As a result, the Company's cash cycle was at 23 days. The Company was able to manage liquidity to be at a good level.

Key financial ratios

	Year ended 31 December			1 Quarter
	2014 ¹	2015	2016	2017
Current ratio (times)	2.64	2.60	1.98	2.32
Quick ratio (times)	2.43	2.40	1.77	2.07
Cash ratio (times)	1.42	1.56	1.64	0.35
Average collection period (days)	40	41	42	43
Average finished goods period (days)	1	1	1	1
Average inventory period (days)	12	12	13	11
Average payment period (days)	69	68	66	69
Cash Cycle (days)	-28	-26	-23	-25
Gross profit ratio	38.89%	41.19%	42.37%	42.32%
Net profit ratio	15.07%	17.59%	19.15%	18.20%
Return on equity	24.03%	26.26%	25.63%	24.12%
Return on assets	18.50%	20.59%	20.53%	22.20%
Debt to equity ratio (times)	0.29	0.26	0.24	0.20
Dividend payout ratio (times)	50.21%	50.07%	50.80%	N/A

1.5 Forecast operating results

In 2017, the Company has completed the construction of a new factory in Bang Chan Industrial Estate and commenced its operation. This has increased production capacity to support additional growth in production and consumer demand. In addition, the computer system is continuously improved to be modern and capable of fast management of the sale and delivery system to maintain freshness of the products.

For marketing, the Company has ongoing advertising and sales promotion to make the products well-known and accessible to consumers in all distribution channels, as well as driving sales growth.

Business plan after the Takeover

The Tender Offerors do not have policy to make any material changes to PB's core business during the 12 months after the end of the Offer Period and intend to continue the operation as conducted prior to the Tender Offer.

However, if necessary, the Tender Offerors may adjust the business plan or in case where there is any major change in financial performance, the business environment or any other events, the Tender Offerors may revise or restructure the Business's policy, organization, human resource and capital structure including disposal of operating assets of the Business to improve the Business's operation and financial performance and to avoid any material effects that may impact the operations as well as to increase its efficiency and competitiveness in the future.

2. Opinion on the correctness of the Company's information stated in the Tender Offer

The Board of Directors of the Company is of the opinion that the information relating to PB stated in the Tender Offer (Form 247-4) dated 16 June 2017 is correct in material aspect.

3. Any relationship or agreement between the Company's directors and the Tender Offerors (either on behalf of oneself, as a director of the Company or as a representative of the Tender Offerors), shareholding in the Tender Offerors by the Company's directors, and existing or prospective contract/agreement between each other in various areas (e.g. management, etc.)

3.1 Relationship between the Company's directors and the Tender Offerors

Name of director	Position in the Company	Position in SPI	Position in TF
1. Mr. Pipat Paniangvait	Chairman of the Board of Directors	Director	Vice Chairman of the Board of Directors / Chief Executive Officer
2. Mr. Apichart Thammanomai	Managing Director	-	Director
3. Mr. Kamthorn Tatiyakavee	Director	-	Director
4. Miss Pojjanee Paniangvait	Director	-	Vice President
5. Mrs. Kulpatra Sirodom	Audit Committee and Independent Director	-	Chairman of the Audit Committee and Independent Director

3.2 Shareholding in the Tender Offerors by of the Company's directors

Name of director	Position	Shareholding in SPI as of 16 May 2017 (shares)	Percentage of total shares issued and paid-up with voting rights	Shareholding in TF as of 12 May 2017 (shares)	Percentage of total shares issued and paid-up with voting rights
1. Mr. Pipat Paniangvait	Chairman of the Board of Directors	8,260	0.0002	9,854,370	5.47
2. Mr. Apichart Thammanomai	Managing Director	-	-	106,750	0.06
3. Mr. Kamthorn Tatiyakavee	Director	-	-	2,548,900	1.42
4. Miss Pojjanee Paniangvait	Director	-	-	2,014,500	1.12
5. Mr. Pun Paniangvait	Director	-	-	2,000,000	1.11
6. Mrs. Kulpatra Sirodom	Audit Committee and Independent Director	-	-	101,500	0.06

3.3 Business operation in joint with or between each other

The Company has 67 car leasing contracts with SPI and makes regular purchases of chocolate-flavored raw material from TF. The Company has set policies, procedures and approval process of the related party transactions in accordance with the regulations of the SET and SEC to prevent conflict of interest when the Company enters into related party transaction with related companies and/or persons with potential conflict.

3.4 Existing or prospective contract/agreement between each other in various areas

Other than the letter of intent to not tender the securities, the directors of the Company do not have any relationship, contract, and/or agreement with the Tender Offerors.

4. Opinion of the Board of Directors of the Company to the security holders

The Company's Board of Directors' Meeting No. 7/2017 was held on 20 June 2017 to consider the Tender Offer by SPI and TF (Form 247-4) and to acknowledge the Report prepared by Grant Thornton Services Limited, who was appointed as an Independent Financial Advisor to the shareholders to provide an opinion on this tender offer. There were 15 directors who attended the meeting, as follows:

Name of Directors	Position	Attendance	Vote on the agenda
1. Mr. Pipat Paniangvait	Chairman of the Board	✓	-
2. Mr. Apichart Thammanomai	Managing Director	✓	-
3. Mr. Kamthorn Tatiyakavee	Director	✓	-
4. Miss Pojjanee Paniangvait	Director	✓	-
5. Mr. Pun Paniangvait	Director	✓	-
6. Mrs. Malee Tangjaisanong	Director	✓	✓
7. Miss Petcharat Anantawichai	Director	✓	✓
8. Mr. Apisate Thammanomai	Director	✓	✓
9. Mr. Thavach Keawpitag	Director	✓	✓
10. Miss Panida Prayottaweekij	Director	✓	✓
11. Miss Suwimon Keeratipibul	Chairman of Audit Committee and Independent Director	✓	✓
12. Mrs. Kulpatra Sirodom	Audit Committee and Independent Director	✓	-
13. Mrs. Yupa Soontrapa	Audit Committee and Independent Director	✓	✓
14. Mr. Boonsak Chiempricha	Audit Committee and Independent Director	✓	✓
15. Mrs. Aim-On Pathumaruk	Independent Director	✓	✓

For the transparency and independence for the Company's opinion on this tender offer, 6 directors with conflict of interests who attended the Board of Directors' Meeting No.7/2017 abstained from voting on such agenda. These include Mr. Pipat Paniangvait, Mr. Apichart Thammanomai, Mr. Kamthorn Tatiyakavee, Miss Pojjanee Paniangvait, Mr. Pun Paniangvait and Mrs. Kulpatra Sirodom.

4.1 Rationale to accept or reject the Tender Offer

The Company's Board of Directors has considered the Tender Offer announcement (Form 247-4) dated 16 June 2017 and the opinion of Independent Financial Advisor, Grant Thornton Services Ltd. (the "IFA"). The Company's Board of Directors is of a consistent opinion with the IFA that the information in the Tender Offer (Form 247-4) is correct in material aspect and unanimously agrees that the security holders should

consider to reject this tender offer as the Offer Price of THB 58.58 per share is lower than the fair value of the Company determined by the IFA. The IFA has assessed the fair value of the Company's shares using Sum-of-the-parts approach to be THB 59.48 per share, which is higher than the Offer Price by THB 0.90 Baht or 1.54%.

Nevertheless, the shareholders may consider the following factors for their decision.

Opportunity to sell the shares on the SET at the higher price than the Offer Price.

During the 14-business day period prior to 21 June 2017 (the date on which the Tender Offeror initiated the Tender Offer) from 1 June 2017 to 20 June 2017, the trading price of the Company's share is at THB 64 per share. Therefore, the shareholders have the option to sell the Company's shares on the SET at a higher price than the Offer Price of THB 58.58 per share during the Tender Offer Period or in the future.

The trading price reflects both internal and external factors of the Company that may impact the operation of the Company. Several of these factors are not under the control of the Company at that point in time. On this basis, the opinion of the Company's Board of Directors should only form a part, and not all inclusive, of the shareholders' consideration to accept or reject this tender offer. The shareholders should analyze relevant information, the Opinion of the IFA, and information from other relevant sources, together with the shareholders' investment time frame, investment objective, tolerance to risks and volatility of operating results, and investment view on the shares of the Company. Moreover, shareholders should consider the trading price on the SET, business potential, and business expansion policy as part of the decision.

Nonetheless, the decision whether to accept or reject the Tender Offer shall rest solely at the shareholders' discretion.

4.2 Opinion and rationale of each director of the Company and the number of shares held by each director (only in the case where the opinion of the directors of the Company in 4.1 is not unanimous)

-None-

4.3 Benefits and impacts from the business plan and policies stated in the Tender Offer, including the feasibility of said plan and policies

Business status of PB

The Tender Offerors have no intention to delist the Business's securities from the SET during the 12 months after the end of the Offer Period, except that the Tender Offerors have duties and responsibilities pursuant to the relevant laws, regulations, and rules that are enforced at the time.

The Board of Directors of the Company is of the opinion that

As the Tender Offerors have no intention to delist PB security from the SET, PB will maintain its status as a listed company on the SET. However, after the tender offer, the Company's ability to maintain its listing status on the SET may be affected by the number of shareholders that accept the Tender Offer.

In order to maintain a listing status on the SET, PB must have at least 150 minority shareholders, whom in aggregate own at least 15% of the total paid-up capital of the Company.

If the shareholders do not have the intention to sell the security, the shareholders will not have to take any action and will maintain the status as a shareholder.

Policies and plans of business operations

The Tender Offerors do not have policy to make any material changes to PB's core business during the 12 months after the end of the Offer Period and intend to continue the operation as conducted prior to the Tender Offer.

However, if necessary, the Tender Offerors may adjust the business plan or in case where there is any major change in financial performance, the business environment or any other events, the Tender Offerors may revise or restructure the Business's policy, organization, human resource and capital structure including disposal of operating assets of the Business to improve the Business's operation and financial performance and to avoid any material effects that may impact the operations as well as to increase its efficiency and competitiveness in the future.

In case that the Tender Offerors decide to make any material changes from what has been stated in the Tender Offer documents, the Tender Offerors shall obtain relevant approvals from the Board of Director's meeting and/or shareholders' meeting in accordance with the article of association, laws and regulations that are relevant and effective at that time.

Board of Directors of the Company is of the opinion that

Within the period of 12 months after the end of the Offer Period, the Offerors do not have policy to make any material changes to PB's business objectives or management. As a result, the management of the company can continue to operate as usual. The Board of Directors is of the opinion that the Company will not be affected from the business or dividend policies.

Related Party Transaction

Within the period of 12 months after the end of the Offer Period, the Tender Offerors, or any person connected with the Tender Offerors pursuant to Section 258 of the SECA, have no intention to materially change the Business's current policy regarding connected transactions. However, the related party transaction policies may change if the Business is no longer a listed entity.

Any current and future related party transactions will be carefully considered and ensured so that terms and conditions of such transactions are similar to those of normal business transactions at an arm's

length basis. There would not be any special terms or preference among the Business, its related companies, associate companies and shareholders in accordance with rules and regulations of the SET and the SEC, and to ensure that all related party transactions are conducted at arm's length basis.

Board of Directors of the Company have the opinion that

At present, the Company has set policies, procedures and approval process of the related party transactions in accordance with the regulations of the SET and SEC to prevent conflict of interest when the Company enters into related party transaction with subsidiaries, associated companies, related companies and/or persons potential conflict.

4.4 Additional opinion of the Board of Directors of the Company (only in the case where the Tender Offer is a tender offer to delist the security from the SET)

None. The Tender Offer is not a tender offer to delist the security from the SET. Nevertheless, PB does not have any plan to delist the Company from being a listed security on the SET.

5. Opinion of the advisor to the shareholders who is a financial advisor in the list approved by the Office of the SEC

Please refer to the attachment (Independent Financial Advisor's Opinion on the Tender Offer of President Bakery Public Company Limited).

PB hereby certifies that the above information is true, complete and accurate, there is no information that may be misleading to other parties in material aspect, and there is no absence of material information that should be disclosed.

(Mr. Apichart Thammanomai)

Authorized director

(Miss Petcharat Anantawichai)

Authorized director



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President Bakery Public Company Limited

Opinion of the Independent Financial Advisor on

the Tender Offer of President Bakery Public Company Limited

By Saha Pathana Inter-Holding Public Company Limited and

Thai President Foods Public Company Limited

22 June 2017

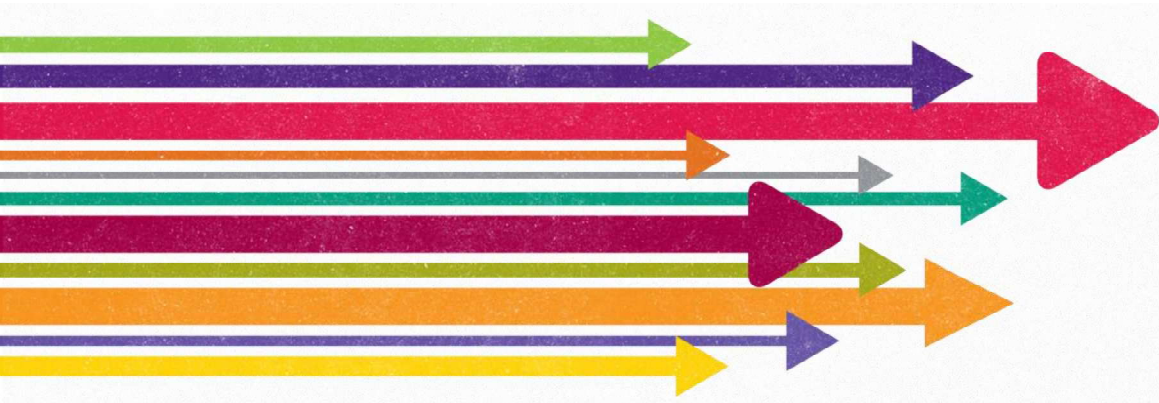




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Glossary

Entities / Organizations

BOI	Board of Investment
GTSL or the IFA	Grant Thornton Services Ltd.
PB or the Company	President Bakery Public Company Limited
PGH	President Green House Food Co., Ltd.
PFM	President Flour Mills Co., Ltd.
PH	President Holding Company Limited
PR	President Rice Products Public Company Limited
SEC	The Securities and Exchange Commission
SET	The Stock Exchange of Thailand
SPI	Saha Pathana Inter-Holding Public Company Limited
TF	Thai President Foods Public Company Limited
Tender Offerors or Offerors	Saha Pathana Inter-Holding Public Company Limited and Thai President Foods Public Company Limited
Tender Offer Preparer	Phatra Securities Public Company Limited

Others

CAPEX	Capital Expenditures
EBIT	Earning before interests and tax
EBITDA	Earning before interests, tax, depreciation and amortization
EBT	Earning before tax
EV	Enterprise value
FCFF	Free cash flow to firm
NOPAT	Net operating profit after tax
NWC	Net working capital
WACC	Weighted average cost of capital
Entire Business Transfer	Saha Pathana Inter-Holding Public Company Limited receiving the entire business transfer from President Holding Company Limited
Amalgamation	The Amalgamation between President Rice Products Public Company Limited and Thai President Foods Public Company Limited
Notification TorChor. 12/2554	The Notification of Capital Market Supervisory Board No. TorChor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers dated 13 May 2011 (as amended)
PLCA	The Public Limited Company Act B.E. 2535 (as amended)
SECA	The Securities and Exchange Act B.E. 2535 (as amended)
Tender Offer Price	THB 58.58 per share

[Translation]

This document is translated solely for convenience purpose. In the event of any inconsistency, the Thai version should be relied upon as official and definitive.

22 June 2017

Subject: Independent Financial Advisor's Opinion on the Tender Offer for the Securities
President Bakery Public Company Limited by Saha Pathana Inter-Holding Public
Company Limited and Thai President Foods Public Company Limited

To: Shareholders of President Bakery Public Company Limited

On June 9, 2017, President Bakery Public Company Limited (the "Company", "Business" or "PB") was informed by Saha Pathana Inter-Holding Public Company Limited ("SPI" or the "Offeror"), that SPI accepts the entire business transfer ("EBT") of President Holding Co., Ltd. ("PH"). As a result, SPI's direct shareholding and indirect shareholding via President Rice Products Public Company Limited in PB increased. SPI entered into the business transfer agreement dated 15 March 2017 with PH (the "BTA"). Under the BTA, PH agreed to transfer and SPI agreed to accept the transfer of the entire business of PH which undertook the business of long-term leasing of vehicles and machinery and investment business by holding shares in other companies including but not limited to 49,037,000 ordinary shares in PR, representing 32.76% of total issued and paid-up shares and 32.76% of total voting rights in PR, and 84,450,000 ordinary shares in the Company, representing 18.77% of total issued and paid-up shares and 18.77% of total voting rights in PB.

On 8 June 2017, SPI completed the acceptance of the entire business transfer of PH under the BTA. Upon completion of the EBT, SPI's direct shareholding in PB increased from 2.82% to 21.58% of total issued and paid-up shares and 21.58% of total voting rights in PB directly, which does not exceed the trigger point for making a mandatory tender offer for all securities of PB. However, on the acquisition of additional shares of PR from the acceptance of the EBT from PH, SPI's shareholding in PR increased from 3.01% to 35.76% of total issued and paid-up shares and 35.76% of total voting rights in PR resulting in PR's becoming a related person of SPI under Section 258 of the Securities and Exchange Act B.E. 2535 (as amended) (the "SECA"). Therefore, SPI is required to include PR's holding of 37.52% of total issued and paid-up shares and 37.52% of total voting rights in PB with its direct shareholding in PB which also increased on the same day. Upon completion of the EBT, SPI's total shareholding in PB including that of its related person under Section 258 of the SECA equals 59.10% of total issued and paid-up shares and 59.10% of total voting rights in PB resulted in SPI's direct and indirect shareholding in PB exceeding the trigger point for making a mandatory tender offer as

prescribed under the Notification TorChor. 12/2554. Therefore, SPI is required to make a mandatory tender offer for all ordinary shares in PB.

Thus, the Company has appointed Grant Thornton Services Limited (“GTSL” or “IFA”) as the Company’s Independent Financial Advisor to render opinion to the Company’s shareholders regarding this Tender Offer for Securities. To render the opinion, the IFA has based its information on the Company’s data and information as detailed in Section 2 Practice and information used in the preparation of the IFA’s opinion. The IFA has no reasons to doubt that the received information has lacked accuracy and completeness which may affect significantly the opinion rendered. In addition, this report has been based on the current economy, the current market condition and other factors as well as the information and documents received at the preparation of this IFA’s opinion. In the event of significant changes to such information in the future, which may affect the opinion of the IFA, the IFA has no obligations to update, review or affirm the IFA’s opinion.

The Company’s shareholders should study all relevant details in the IFA’s Opinion and all other supplementary documents attached with the Form 250-2 delivered to the Company’s shareholders before making any decision.



1. Executive Summary

Since SPI agreed to accept the transfer of the entire business of PH which undertook investment business by holding shares in the Company including but not limited to 84,450,000 ordinary shares in PB, representing 18.77% of total issued and paid-up in PB and 49,037,000 ordinary shares in PR, representing 32.76% of total issued and paid-up shares in PR. Upon completion of the EBT, SPI's shareholding in PR increased to 35.76% of total issued and paid-up shares resulting in PR's becoming a related person of SPI under Section 258 of the Securities and Exchange Act B.E. 2535 (as amended) (the "SECA"). After the entire business transfer completed, SPI's total shareholding in PB, including PR shareholding in PB, equals 59.10% of total issued and paid-up shares resulted in SPI's direct and indirect shareholding in PB exceeding the trigger point for making a mandatory tender offer. To comply with the duties after the transfer of the entire business of PH, therefore, SPI is required to make a mandatory tender offer for all ordinary shares in PB.

Thai President Foods Public Company Limited ("TF") has informed SPI of its intention to participate in making a tender offer for all shares in PB under which TF has expressed its intention to acquire one-half of the number of the ordinary shares being tendered in the Tender Offer for all shares in PB in accordance with the resolutions of the Annual General Meeting of Shareholders of TF No. 46/2017 on 25 April 2017. The details are as follows.

Type of the Offered Securities	Ordinary shares of President Bakery Public Company Limited
Offer Price	The net price to be received will be THB 58.4232985 This is a tender offer price of THB 58.58 per share, less the fee for the payment of a brokerage fee of 0.25% of the offer price and a value added tax 7.00% of the brokerage fee
Offer Period	On every business day from 21 June 2017 and 26 July 2017. Such Offer Period is the final period which will not be extended (Final Period)
Tender Offer Revocation Period	On any business day from 21 June 2017 and 19 July 2017 inclusive (totaling 20 business days)
Payment Date	Within 3 business days from the last day of the Offer Period, which is 1 August 2017

The Company has appointed Grant Thornton Services Limited as the Independent Financial Advisor to render opinion to the Company's shareholders regarding this Tender Offer for Securities. The IFA has summarized the reasons and other relevant information for the shareholders to consider accepting and/or rejecting the Tender Offer as follows:

1) Appropriateness of the Offering Price

The IFA has calculated the value of PB shares employing 5 financial valuation approaches as follows: 1. Book Value Approach 2. Adjusted Book Value Approach 3. Market Price Approach 4. Market Comparable Approach and 5. Sum-of-the-Parts Approach. The IFA views that the appropriate method to value PB shares is Sum-of-the-Parts Approach. Thus, the appropriate share price of PB is THB 59.48 per share. Therefore, the IFA views that the offering price at THB 58.58 per share is **not appropriate** as it is lower than the IFA's valuation.

2) The trading price in the SET is higher than the Offering Price.

The Company's trading price of the ordinary shares in the SET from 16 May 2017 to 15 June 2017 is between THB 63.43 – 63.99 per share. This is higher than the Offering Price at THB 58.58 per share, that is 8.28% - 9.24%. Therefore, if the shareholders do not wish to further hold the Company's



ordinary shares, selling in the SET will provide a higher return than accept the Tender Offer. Nevertheless, the Company's ordinary shares have a low trading liquidity. During the above period, the average trading share is 19,985.52 shares per day. Thus, the shareholders who do not respond to the Tender Offer may not be able to sell their shares at the desired price and period.

3) The Amalgamation after the Tender Offer

After the Tender Offer of the Company's all ordinary shares, TF which is one of the Offerors and PR which is the Company's major shareholder will proceed with the Amalgamation and become the New Company ("New Co"). The Amalgamation will result in the Company becoming a subsidiary of the New Co. However, the requirement for New Co. to make a tender offer for all securities in PB will be exempted. If the shareholders do not intend to hold their shares that may be affected by the change in the shareholding structure from the Amalgamation, the shareholders may consider to sell their shares in this tender offer if concerned that their shares can not be sold on the SET at the desired price and time.

4) If a large number of shareholders respond to the Tender Offer, risk may occur as follows

- (1) After the Amalgamation, SPI and New Co. will hold shares in the Company of at least 68.48%. In the case that SPI and New Co. hold more than 75% of total shares in the Company together with SPI and New Co. being person under Section 258 or concert party, SPI and New Co. will have an absolute control of the Company by both proposing and voting on important shareholder resolutions that require special resolution (e.g. capital increase or decrease, amalgamation, acquisition or disposal of key assets, debenture issuance, etc.)
- (2) the Company may expose to the risk of delisting from the SET if a significant number of minority shareholders accept the Tender Offer, which may cause the Company to have shareholders of less than 150 shareholders and the free float percentage of less than 15.0% of total paid-up of the Company
- (3) The trading volume of the Company's ordinary shares may decrease significantly due to the fewer shareholders, affecting share liquidity in the market. Thus, shareholders may not be able to sell at the desired price and time.

5) Other factors to be considered

- (1) The Offerors do not have an intention to delist the Company from the SET and does not have any plan or policy to materially change the Company's business operation.
- (2) The Offerors have no intention to either sell or transfer a significant amount of the issued share capital of PB both currently hold and to be acquired from this Tender Offer to any person.
- (3) The Offerors, or any person connected with the Tender Offerors pursuant to Section 258 of the SECA, have no intention to materially change the Business's current policy regarding connected transactions.
- (4) The Tender Offer Preparer (Phatra Securities Public Company Limited) has verified that the sources of funds of the Tender Offerors for the tender offer for all securities of PB are sufficient to conduct the tender offer for all securities of PB



Based on the information and rationale mentioned above, the IFA has the opinion that the shareholders should reject the Tender Offer.

In addition, the IFA has considered the Tender Offeror's policies and business plan mentioned in the Tender Offer and analyzed the benefits and effects including its possibilities. The shareholders should take into consideration the information and the IFA's opinion in all aspects provided herein as a basis to accept or reject this Tender Offer.

Nevertheless, the shareholders should study information on the Tender Offer (Form 247-4), an opinion of the Company on the Tender Offer (Form 250-2) and the IFA's opinion to make a decision whether to accept or reject this Tender Offer. Nevertheless, the decision to accept or reject rests solely upon the shareholders' discretion.



2. Practice and Information Used in the Preparation of the IFA's Opinion

Grant Thornton Services Ltd., as an independent financial advisor approved by the Securities and Exchange Commission and independent from the Company, has considered and studied information related to the Tender Offer from the Company's information and other relevant information that are provided by the Company or are publicly available, including:

- Tender Offer document (Form 247-4) and related information memorandum
- Annual registration statement (Form 56-1) of the Company and other related companies
- Auditor's reports and financial statements
- Financial projection and underlying assumptions
- Interview with the management and related officers of the Company and related companies
- Statistical data regarding the SET, economic condition, and relevant industries

The IFA's opinion is based on the assumption that information, documents, and draft agreements, as well as interview with the management and officers of the Company and related companies are true and correct. The IFA has considered and studied the information with prudence and exercise reasonable care according to professional conduct. In additions, the IFA assumes that the agreements and business arrangements are enforceable and legally binding without any information, incident, or conditions that may affect the Tender Offer. Nonetheless, there is no probable cause for the IFA to believe that such information is materially incomplete to the extent that the validity of the information received may be significantly affected.

The IFA's opinion is expressed based on the current economic condition and other factors at the time of the preparation. Such information may materially change in the future and affect the IFA's opinion. Nevertheless, the IFA has no obligations to update, review or confirm the IFA's opinion herein.

The IFA's opinion is prepared for the use and benefits of the Company's shareholders. The decision to accept or reject the Tender Offer is subject to the shareholders' discretion. The shareholders should study the information attached to this meeting invitation letter in order to exercise discretion in determining the appropriate resolution.



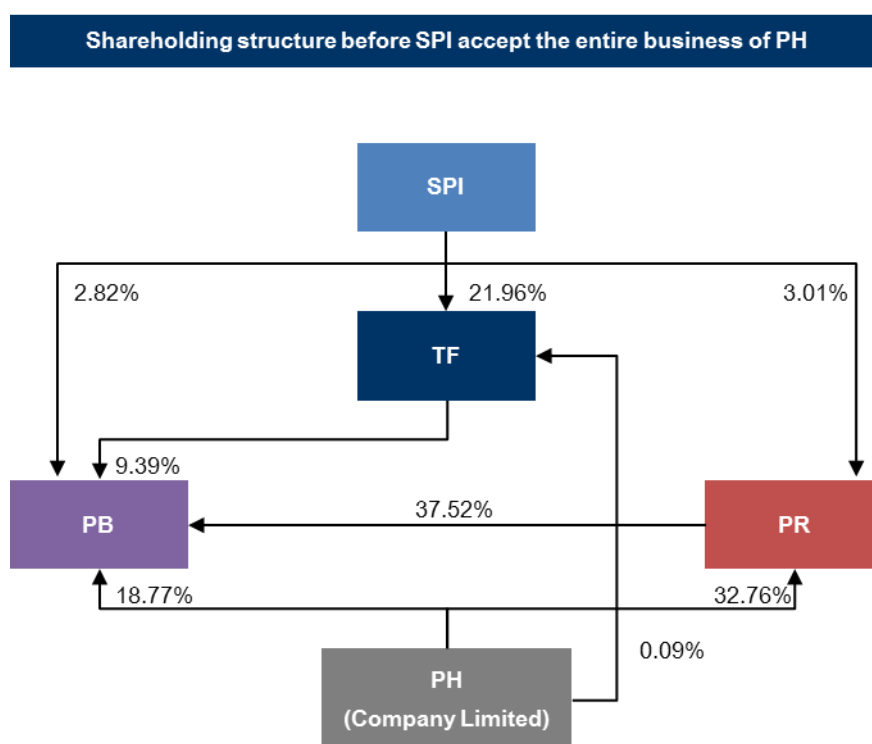
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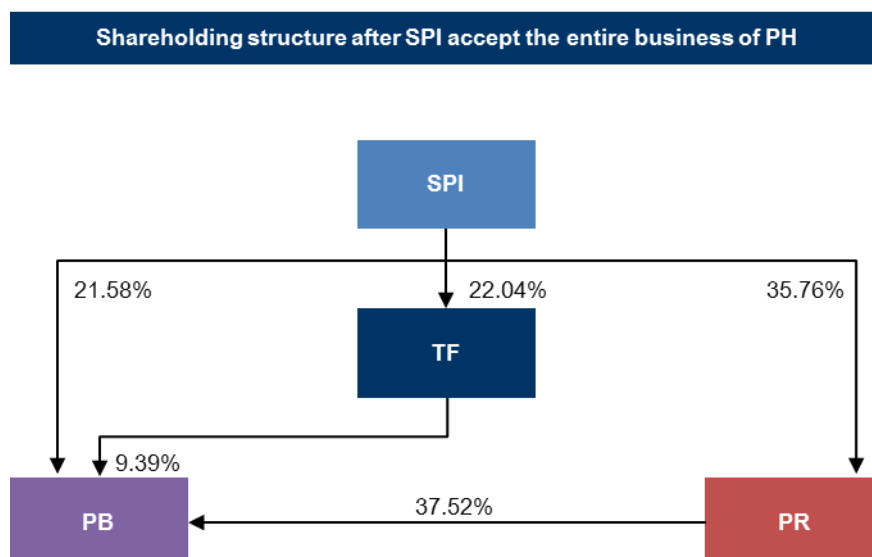
3.1 Transaction Overview

Saha Pathana Inter-Holding Public Company Limited (“SPI”) entered into the business transfer agreement dated 15 March 2017 with President Holding Co., Ltd. (“PH”) (the “BTA”). Under the BTA, PH agreed to transfer and SPI agreed to accept the transfer of the entire business of PH which undertook the business of long-term leasing of vehicles and machinery and investment business by holding shares in other companies including but not limited to 49,037,000 ordinary shares in PR, representing 32.76% of total issued and paid-up shares and 32.76% of total voting rights in the Company, and 84,450,000 ordinary shares in the Company, representing 18.77% of total issued and paid-up shares and 18.77% of total voting rights in the Company.

On 8 June 2017, SPI completed the acceptance of the entire business transfer of PH under the BTA. Upon completion of the EBT, SPI’s direct shareholding in PB increased from 2.82% to 21.58% of total issued and paid-up shares and 21.58% of total voting rights in PB directly, which does not exceed the trigger point for making a mandatory tender offer for all securities of PB. However, on the acquisition of additional shares of PR from the acceptance of the EBT from PH, SPI’s shareholding in PR increased from 3.01% to 35.76% of total issued and paid-up shares and 35.76% of total voting rights in PR resulting in PR’s becoming a related person of SPI under Section 258 of the Securities and Exchange Act B.E. 2535 (as amended) (the “SECA”). Therefore, SPI is required to include PR’s holding of 37.52% of total issued and paid-up shares and 37.52% of total voting rights in PB with its direct shareholding in PB which also increased on the same day. Upon completion of the EBT, SPI’s total shareholding in PB including that of its related person under Section 258 of the SECA equals 59.10% of total issued and paid-up shares and 59.10% of total voting rights in PB resulted in SPI’s direct and indirect shareholding in PB exceeding the trigger point for making a mandatory tender offer as prescribed under the Notification TorChor. 12/2554. Therefore, SPI is required to make a mandatory tender offer for all ordinary shares in PB.

Figure 3-1: Shareholding structure before SPI accept the entire business of PH



**Figure 3-2: Shareholding structure after SPI accept the entire business of PH**

In respect of the Tender Offer of all ordinary shares of PB, TF participates in making a tender offer for all shares in PB jointly with SPI (altogether the “Tender Offerors”), under which TF will purchase one-half of total number of the ordinary shares tendered in such Tender Offer in accordance with the resolutions of the Board of Directors of TF No. 3/2017 and the Annual General Meeting of Shareholders of TF No. 46/2017 held on 25 April 2017 to approve the Co-Tender Offer of PB jointly with SPI. In respect of the Tender Offer for all securities in PB, TF informed SPI in the letter dated 15 March 2017 of its intention to participate in making the Tender Offer for all securities in PB

The Offer Price of THB 58.58 per share (the “Tender Offer Price”) was the highest price at which SPI acquired the ordinary shares in PB during the 90-day period prior to the submission of the tender offer by SPI and TF to the Office of Securities and Exchange Commission pursuant to the rules under the Notification TorChor. 12/2554.

On 9 June 2017, SPI submitted the Announcement of Intention to Make a Tender Offer (Form 247-3) and the Tender Offer (Form 247-4) to the SEC on 16 June 2017, which can be summarized as follows;

3.1.1 Name of the Tender Offerors

- Saha Pathana Inter-Holding Public Company Limited
- Thai President Foods Public Company Limited

3.1.2 Type and Amount of the Offered Securities

- 310,642,900 ordinary shares of the Company, representing 69.03% of the total issued and paid-up shares of the Company and 69.03% of the total voting rights of the Company.
- With regard to TF's intention to acquire one-half of the number of the ordinary shares being tendered in the Tender Offer for all shares in PB, the amount of remaining PB shares to be tendered by SPI is 155,321,450 ordinary shares, representing 34.52% of the total issued and paid-up shares of the Company and 34.52% of the total voting rights of the Company. Similarly, the amount of PB shares to be tendered by TF is 155,321,450 ordinary shares, representing



34.52% of the total issued and paid-up shares of the Company and 34.52% of the total voting rights of the Company.

- Nevertheless, some of PB's shareholders have expressed their intention not to accept the Tender Offer during the Offer Period. These shareholders currently hold a total of 267,105,426 PB shares, representing 59.36% of the total issued and paid-up shares of the Company and 59.36% of the total voting rights in the Company. This number has taken into account 168,817,500 PB shares held by PR, representing 37.52% of the total voting rights of the Company.
- Therefore, the number of the PB ordinary shares remaining for the Tender Offer (excluding the shares being held by the shareholders who have expressed their intention not to accept the Tender Offer during the Offer Period) by SPI and TF is 43,537,474 shares, representing 9.67% of the total issued and paid-up shares of PB and 9.67% of the total voting rights in PB. If such remaining shares are divided in half, the number of the PB ordinary shares remaining for the Tender Offer by SPI is 21,768,737 shares, representing 4.84% of the total issued and paid-up shares of PB and 4.84% of the total voting rights in PB, and the number of the PB ordinary shares remaining for the Tender Offer by TF is 21,768,737 shares, representing 4.84% of the total issued and paid-up shares of PB and 4.84% of the total voting rights in the PB.

3.1.3 Offer Price

- The Offer Price of PB share is THB 58.58 per share. In addition, shareholders who accept the Tender Offer are subjected to payment of a brokerage fee of 0.25% of the Offer Price and a value added tax of 7.00% of the brokerage fee. Therefore, the net price to be received by the Offeree will be THB 58.4232985 per share. Such Offer Price is the final offer which will not be changed (subject to the conditions specified in Section 3.1.5)

3.1.4 Offer Period

- The Offer Period will be a total of 25 business days from 21 June 2017 and 26 July 2017 during the office hours of the Tender Offer Agent from 9:00 a.m. to 4:00 p.m. Such Offer Period is the final period which will not be extended

3.1.5 Conditions of Change to the Tender Offer

The Tender Offerors may change the Tender Offer. Conditions of change in the Tender Offer are as follows:

- The Tender Offerors may reduce the Offer Price or extend the Offer Period in the case of any event or action occurring during the Offer Period which causes severe damage to the status or assets of the Company
- The Tender Offerors may change the offer or extend the Offer Period to compete with another Offerors who has submitted a tender offer for shares of the Business during the Offer Period.

3.1.6 Conditions for Cancellation of the Tender Offer

The Tender Offerors may cancel the Tender Offer upon the occurrence of one or more of the following events:



- any event or action occurring after the submission of the Tender Offer to the Office of the Securities and Exchange Commission (the "SEC") but within the Offer Period which causes or may cause severe damage to the status or the assets of the Company, where such event or action has not resulted from the actions of the Tender Offerors or actions for which the Tender Offerors are responsible; or
- any action conducted by the Company after the submission of the Tender Offer to the SEC but within the Offer Period which causes or may cause a significant decrease in the value of the securities of the Company; or
- any action conducted by the Business as defined in the Notification of the Capital markets Supervisory Board No. TorChor. 14/2554 Re: Actions or exempt of actions that may affect the result of Tender Offer dated 25 July 2011 (as amended)

3.1.7 Tender Offer Revocation Period

- The Offeree is able to revoke its acceptance of the Tender Offer at the office of the Tender Offer Agent on any business day from 21 June 2017 to 19 July 2017 (totaling 20 business days) during the hours of 9:00 a.m. to 4:00 p.m.

3.1.8 Payment Conditions

- The Tender Offerors will make payment to the Offeree within 3 business days from the last day of the Offer Period, which is August 1, 2017. The Acceptance Form submitted by the Offeree must be correct and completed and the transfer of the tendered shares must be completed.

3.1.9 Source of Funds

- In the event that all shareholders of the Business except the Tender Offerors, sell all of their shares in the Tender Offer, SPI, as the person obligated to make the mandatory tender offer for all securities of the Company, shall make a Tender Offer for 310,642,900 ordinary shares of the Company, representing 69.03% of the total issued and paid-up shares of the Company with the required funds of THB 18,197,461,082 at the Offer Price of THB 58.58 per share
- Nevertheless, some of PB's shareholders (including PR) have expressed their intention not to sell their PB shares in the Tender Offer. These shareholders currently hold a total of 267,105,426 shares, representing 59.36% of the total issued and paid-up shares of PB and 59.36% of the total voting rights in PB. This amount is equivalent to THB 15,647,035,855 at the Offer Price of THB 58.58 per share.
- The required funds for SPI to make the Tender Offer for all of the remaining securities of the Company except that of shareholders who declared their intentions not to sell all of their shares are THB 2,550,425,227 for 43,537,474 shares, representing 9.67% of the total issued and paid-up shares of PB and 9.67% of the total voting rights in PB at the Offer Price of THB 58.58 per share.
- TF, as the Co-Tender Offerors for the Tender Offer for all securities of the Company, needs to prepare one-half of SPI's required funds for the Tender Offer for all securities of the Company. In the event that all shareholders of the Company except the Tender Offerors, sell all of their shares in the Tender Offer which equals to 310,642,900 ordinary shares of the Company, representing



69.03% of the total issued and paid-up shares of the Company and 69.03% of the total voting rights of the Company. TF will purchase one-half of the tendered shares with the required funds of THB 9,098,730,541 for 155,321,450 ordinary shares of the Company, representing 34.52% of the total issued and paid-up shares of the Company and 34.52% of the total voting rights in the Company, at the Offer Price of THB 58.58 per share.

- Nevertheless, some of PB's shareholders (including PR) have expressed their intention not to sell their PB shares in the Tender Offer. These shareholders currently hold a total of 267,105,426 PB shares, representing 59.36% of the total issued and paid-up shares of PB and 59.36% of the total voting rights in PB. This amount is equivalent to THB 15,647,035,855 at the Offer Price of THB 58.58 per share.
- Therefore, the required funds for TF to make the Tender Offer for one-half of all of the remaining securities of the Business except that of the Tender Offerors and PB's shareholders who declare their intentions not to sell all of their shares in the Tender Offer are THB 1,275,212 for 21,768,737 shares, representing 4.84% of the total issued and paid-up shares of PB and 4.84% of the total voting rights in PB at the Offer Price of THB 58.58 per share.
- SPI, as the person obligated to make the mandatory tender offer for all securities of the Business, has the source of funds of THB 31,087,000,000 for the Tender Offer which is sufficient to cover the required funds for the tender offer of all securities in PB (except for those held by the Tender Offerors but include those held by shareholders who declare their intentions not to sell all of their shares) as follows;
 1. Credit facility from Sumitomo Mitsui Banking Corporation, Bangkok Branch in the amount of THB 3,000,000,000
 2. Credit facility from Bangkok Bank Public Company Limited in the amount of THB 14,044,000,000
 3. Credit facility from Bank of Ayudhya Public Company Limited in the amount of THB 14,043,000,000
- Moreover, TF, as the Co-Tender Offerors for the Tender Offer of all securities of PB, has the source of funds of THB 9,320,626,937 which is sufficient to cover half of the required funds for the tender offer of all securities in PB (except for those held by the Tender Offerors but include those held by shareholders who declare their intentions not to sell all of their shares) as follows;
 1. Bank deposit with Bangkok Bank Public Company Limited, Kasikorn Bank Public Company Limited, Bank of Ayudhya Public Company Limited, Tisco Bank Public Company Limited, and Citibank N.A. Bangkok Branch in the total amount of THB 4,202,481,772
 2. Credit facility from Kasikorn Bank Public Company Limited for the tender offer for all securities of PB in the amount of THB 4,500,000,000
 3. Available-for-sale investments in private fund in the amount of THB 618,145,165



4. Summary of the Offerors and the Company

4.1 Information on the Offerors - Saha Pathana Inter-Holding Public Company Limited

4.1.1 Overview of SPI's Business and Major Development

Saha Pathana Inter Holding Public Company Limited (“Company”) was incorporated on 5 April 1972, under the name of Saha Pathana Investment Co., Ltd., with the initial registered capital of 6 million baht. Presently, the Company has a registered capital of 582,923,188 baht with paid-up capital of 494,034,300 baht. The Company's core businesses are divided into three categories: investment, rental and services and industrial parks.

Table 4-1: SPI's significant development

Period	Description
1972	Increase of registered capital to 10,000,000 baht
1973	Increase of registered capital to 40,000,000 baht
1974	Establishment of Saha Group Industrial Park Sriracha, Chonburi Province
1977	Listing in the Stock Exchange of Thailand (SET)
1978	Increase of registered capital to 60,000,000 baht
1983	Increase of registered capital to 120,000,000 baht
1984	Change of the company name to Saha Pathana Inter Holding Co., Ltd.
1986	Increase of registered capital to 240,000,000 baht
1988	Increase of registered capital to 350,000,000 baht
1989	Establishment of Saha Group Industrial Park Kabinburi and Saha Group Industrial Park Lamphun Increase of registered capital to 800,000,000 baht
1994	Registration as a public company limited on the 9 th of May
2003	Change of the par value of the ordinary shares from 10 baht to 1 baht per share.
2004	Relocation the headquarter from No. 2156, New Petchburi Road, Bangkapi, Huay Kwang, Bangkok 10310 to No. 530 Sathupradit 58, Bang Pongpang, Yannawa, Bangkok 10120
2007	Registration the 4 th branch at No. 196 Moo 11, Wang Dan, Kabinburi, Prachinburi Province to operate golf course business under the name of “Kabinburi Sport Club”
2009	Registration the 5 th branch at No. 269 Moo 15, Mae Kasa, Mae Sot, Tak Province due to the business expansion to the area
2014	Registration the 6 th branch at No. 1 Moo 6, Surasak Sub-district, Sriracha District, Chonburi Province to operate the shopping mall under the name of “J-Park Sriracha Nihon Mura” Establishment of “KBSC Hotel” located in Wang Dan, Kabinburi, Prachinburi Province, which is the only hotel in Prachinburi Province located on a golf course
2016	According to the Extraordinary General Meeting of Shareholders No.1/2016 on September 20, 2016 approved the Company to issued and offered debentures with aggregated principal amount no exceeding 15,000 million Baht. On February 9, 2017, total of two series, Debenture offering worth a total of Value 2,000 Million Baht ; Series 2 due in 2024 Value 1,000 Million Baht, Interest Rate 3.44% per year

4.1.2 Shareholding Structure of the Group Company

Operation Policy of the Group Company

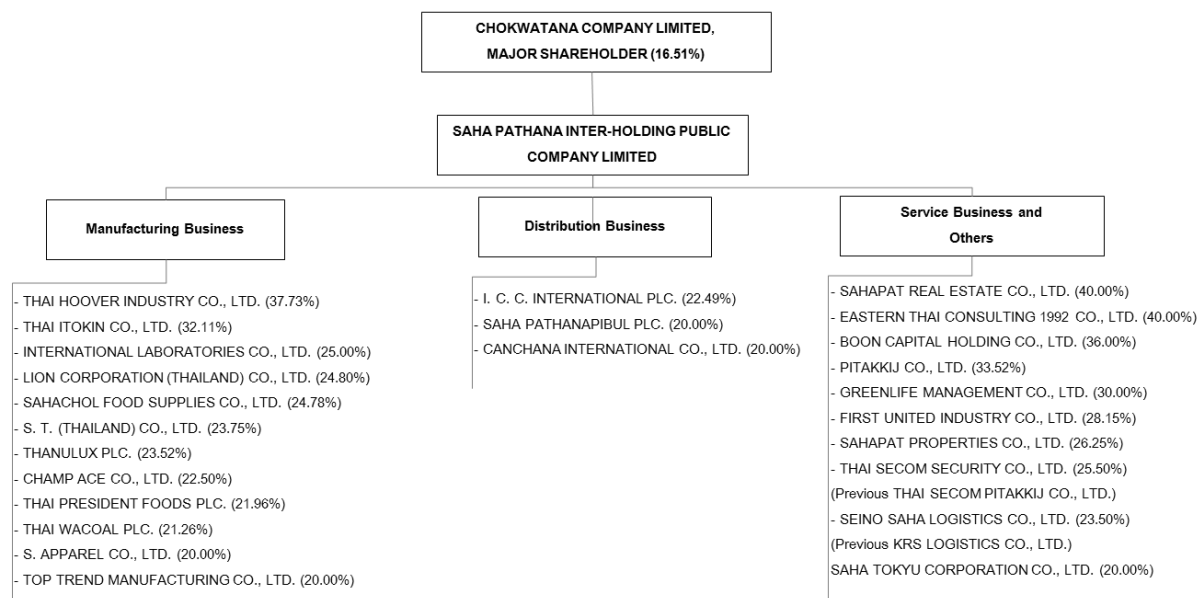
The Company and subsidiaries jointly reviewed the potentiality of investment project and joint investment opportunities by considering the group's synergy and mutual business benefits. According to the Group's investment policy, the Company with the most relevant operation or investment value to such a joint venture is required to monitor the operation of the business. Nowadays, the company has an investment team to analyze and follow up on each project. This, therefore helps to identify business concerns and report a timely solution to suggest the corrective action. The operation of individual jointed venture is authorized by the Board of



Directors of that particular company venture. The company has also continuously expanded its business lines in manufacturing, distribution, service and others.

As of 31 December 2016, the Company has no shareholding in the subsidiaries; however, 25 associates in total. The shareholding structure can be divided into the following business lines:

Figure 4-1: Shareholding in the associate



Source: Annual Registration Statement (56-1 form)

4.1.3 Business Operation

The Company's main businesses can be divided into 3 main types of businesses according to these following details:

investment in share capital

The Company has invested in share capital in various businesses with an objective to add value to the Company in the long term. The Company has invested in the businesses that enhance other businesses undertaken by the companies in the group or in business that will possibly be undertaken in the future due to its profitable potentiality. The Company will therefore get the return in the form of dividends. The Company currently invests in three major lines of businesses which are production, distribution, services and other businesses. As of 31 March 2016, the Company has investments in the shares of 159 companies in total.

Rental and services

The Company operates rental and service businesses with the objective of accommodating the growth and enhancing the competitiveness of all companies in Saha Group. The business includes land and building leasing and utility services. The company generates revenue in the form of rental and utility fees as well as electricity and stream services provided to companies in Saha Group Industrial Park in Sriracha. Moreover, the Company has launched a hotel and golf course service by gaining income in the form of golf course fees, food and beverage and others. Additionally, we serve as the intermediary of applying for international brand licenses and trademarks and transfer the right to use notable foreign brands, such as Guy Laroche, Elle and Absorba to other affiliate companies in Saha Group by gaining an income from royalty fees. For domestic trademarks, the Company has already made contracts with the brand licensors and we allow our affiliates to manufacture



and distribute products under those brands by gaining income as trademark fees. In addition to the above services, the Company also provides the following services to companies in Saha Group: consultation, business planning, management and implementation services, and channels of distribution through activities such as business matching, cooperation with government and private sector to develop products and packaging to meet customer needs.

Industrial parks

The Company operates its business development for industries to support the expansion of production capacity of the group and to support the government's policy of income distribution in rural areas. However, the Company plans to sell lands to general investors to increase revenues from selling lands. The Company currently operates 4 Industrial Parks in Sriracha District of Chonburi Province, Kabinburi District of Prachinburi Province and Lamphun District of Lamphun Province and Mae Sot District of Tak Province which has managed to become a Special Economic Zone.

Table 4-2: Summary of three main business types of the SPI

Business Operations	Operated by	% of shares	2014		2015		2016	
			THB thousand	%	THB thousand	%	THB thousand	%
Investment in Share Capital								
Share of profit from investments in associates	Associates	20-40	1,080,519	25.67	1,186,547	28.18	1,401,276	30.75
Dividend	Other Companies	0.03-19.99	195,523	4.65	244,030	5.80	369,273	8.10
Rental and Services	SPI		2,610,867	62.03	2,429,453	57.23	2,425,279	53.22
Industrial Parks	SPI		170,888	4.06	181,877	4.32	271,795	5.96
Other	SPI		151,339	3.59	168,828	4.47	89,749	1.97
Total			4,209,136	100.00	4,210,735	100.00	4,557,372	100.00

Source: Annual Registration Statement (56-1 form)

Procurement of Products and Services of Investment in Share Capital

The Company invests in shares of companies and the businesses which relates to or enhances current business operations. Additionally, the Company is investing in new businesses which we believe are capable of generating worthwhile returns, by searching for high potential partners with new technology and effective business operations. Some partners are suggested by current joint investors, financial institutions and Department of International Trade Promotion, Ministry of Commerce. In case that the Company's business partner is willing to establish factory or business operation in Saha Group Industrial Parks, the Company will provide assistance by suggesting location and securing permits of related government organizations with the aim of assisting the partner to achieve its business goal. In terms of finding a location for business operation, the Company has lands and office buildings inside four Saha Group Industrial Parks available for lease or sale as well as vacant factories for rent at Mae Kasa Sub-district, Mae Sot District, Tak Province, at negotiable prices which will assist the partner to have a potential location for manufacturing products and maximizing its profits in the short term.



Procurement of Products and Services of Rental and Service

The Company provides lands and finished buildings in Saha Group Industrial Parks, including land development outside Saha Group Industrial Parks by constructing finished buildings for rent, such as, office buildings, polyclini and the J-Park Sriracha Nihon Mura project as a shopping mall business in Surasak Sub-district of Sriracha, Chonburi by means of offering the rent for lands, buildings and shops. It aims to serve investors who desire to conduct businesses within the parks, including personnel in accounting, law, foreign affairs and other fields. Copyrights and trademarks of foreign renowned products which are both popular and much sought after for both domestic and international markets are made available by both the company and the affiliates. Their registration or copyright registration will be made by the company to ensure product diversification, which could create revenues from the increasing productivity, as well as creating our own new trademarks generally accepted by markets to reduce copyright costs in production. In addition, the company makes the optimum use of its plain area by constructing a golf course as its new service.

Procurement of Products and Services of Industrial Park Business

The Company has arranged each of Saha Group Industrial Parks' land with consideration on the location, water resource, other public utilities, policy and requirements of the authority, project design and project layout, as well as the study of the environmental impact and determination of the need to expand by the companies in the group. The company has arranged the public utility service properly and sufficiently for the need of the company which are willing to invest in the Industrial Park. Such land development is required to be undertaken step-by-step in accordance with the need to utilize the resources optionally without any disadvantage in the investment.

4.1.4 Shareholder structure

As of 16 May 2017, SPI has a paid-up capital of THB 582,923,188 Baht with 494,034,300 ordinary shares at the par value of THB 1. The name and ownership proportion of major shareholders are as follows:

Table 4-3: SPI's major shareholders

No.	Name	No. of shares	%
1	CHOKWATANA COMPANY LIMITED	81,562,322	16.51%
2	I.C.C. INTERNATIONAL PUBLIC COMPANY LIMITED	49,241,856	9.97%
3	SAHA PATHANAPIBUL PUBLIC COMPANY LIMITED	38,159,873	7.72%
4	SMBC NIKKO SECURITIES INC. - CLIENT ACCOUNT	20,220,550	4.09%
5	UNI CENTRAL COMPANY LIMITED	20,195,960	4.09%
6	MR. WEERAPAT PUNSAK-UDOMSIN	18,835,100	3.81%
7	NOMURA SECURITIES CO LTD-CLIENT A/C	17,625,000	3.57%
8	I.D.F. COMPANY LIMITED	16,546,216	3.35%
9	UNI WEALTH COMPANY LIMITED	13,740,310	2.78%
10	MR. SAKORN SUKSRIWONG	10,168,200	2.06%
11	Other shareholders (apart from 10 major shareholders listed above)	207,738,913	42.05%
	Total	494,034,300	100.00%

Remark: as of book closing date on 31 May 2017



4.1.5 Board of directors and management team

As at 11 May 2017, the SPI's Board of Directors consists of 18 members as follows:

Table 4-4: SPI's Board of Directors

No.	Name	Position
1	Mr.Boonsithi Chokwatana	Chairman of the Board of Directors and Chairman of the Executives
2	Mr.Boonpakorn Chokvathana	Vice Chairman
3	Mr.Tanong Srichit	President and Director
4	Mr.Vichai Kulsomphob	Director
5	Mr.Samreng Manoonpol	Director
6	Mr.Manu Leelanuwatana	Director
7	Miss.Sirikul Dhanasarnsilp	Director
8	Mr.Karmthon Punsak-Udomsin	Director
9	Mr.Pipat Paniangvait	Director
10	Mr.Sujarit Patchimnan	Director
11	Mr.Boonchai Chokwatana	Director
12	Mr.Boonkiet Chokwatana	Director
13	Mr.Surachai Danaitangtrakul	Independent Director
14	Mr.Nophorn Bhongsvej	Independent Director and Chairman of Audit Committee
15	Mrs.Punnee Worawuthichongsathit	Independent Director and Audit Committee
16	Mr.Sompong Sungrungsan	Independent Director
17	Mr.Nipon Poapongsakorn	Independent Director
18	Miss. Narumon Saardchom	Independent Director and Audit Committee

Source: Setsmart

Authorized Directors: Any two of these following eleven directors are jointly sign with the Company's seal.

Table 4-5: List of authorized directors of SPI

No.	Name
1.	Mr.Boonpakorn Chokvathana
2.	Mr.Boonsithi Chokwatana
3.	Mr.Samreng Manoonpol
4.	Mr.Tanong Srichit
5.	Mr.Vichai Kulsomphob
6.	Mr.Boonchai Chokwatana
7.	Mr.Boonkiet Chokwatana
8.	Mr.Manu Leelanuwatana
9.	Mr.Pipat Paniangvait
10.	Mr.Karmthon Punsak-Udomsin
11.	Miss.Sirikul Dhanasarnsilp

Source: Form 56-1 of 2016

Table 4-6: Management of SPI

No.	Name	Position
1	Mr.Boonsithi Chokwatana	Chairman of the Executive Board
2	Mr.Tanong Srichit	Executive Director
3	Mr.Vichai Kulsomphob	Executive Director
4	Mr.Samreng Manoonpol	Executive Director
5	Mr.Manu Leelanuwatana	Executive Director
6	Miss.Sirikul Dhanasarnsilp	Executive Director
7	Mr.Manus Ongsaranakom	Executive Director

Source: Form 56-1 of 2016

**Table 4-7: List of SPI's executive board.**

No.	Name	Position
1	Mr. Tanong Srichit	President
2	Mr. Vichai Kulsomphob	First Executive Vice President and Chief Financial Officer
3	Mr. Chuto Chirakunakorn	Assistant Vice President
4	Mrs. Tasanee Intapura	Office Administration Manager
5	Mr. Sontaya Tabkhans	Environment Manager
6	Mr. Tinakorn Bunnag	Land Development Manager
7	Mr. Watchara Yaemkaew	Landscape Manager
8	Mr. Amphol Wattanaworaphong	Property Marketing Manager

Source: Form 56-1 of 2016

4.1.6 Financial position and performance

Table 4-8: Balance sheet statement of SPI

	31 December 2014		31 December 2015		31 December 2016		31 March 2017	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
Cash and cash equivalents	81.2	0.37%	337.53	1.46%	104.14	0.42%	143.43	0.55%
Temporary investments	-	0.00%	-	0.00%	-	0.00%	100	0.39%
Trade and other receivables - related parties	218.97	1.00%	165.73	0.72%	172.46	0.69%	219.8	0.85%
Trade and other receivables - others	33.76	0.15%	28.55	0.12%	26.65	0.11%	28.99	0.11%
Short - term loans to related parties	30	0.14%	-	0.00%	-	0.00%	-	0.00%
Inventories	1.9	0.01%	2.22	0.01%	2.43	0.01%	2.81	0.01%
Total current assets	365.84	1.67%	534.03	2.31%	305.67	1.22%	495.03	1.91%
Investments in associates	12,879.41	58.93%	13,638.77	59.07%	15,027.77	60.07%	15,366.59	59.24%
Investments in related parties - Available-for-sale investment	3,059.43	14.00%	2,847.60	12.33%	3,219.26	12.87%	3,440.83	13.27%
Investments in related parties - Other long-term investments	1,209.40	5.53%	1,211.89	5.25%	1,404.18	5.61%	1,453.80	5.60%
Other long-term investments - Available-for-sale investment	64.44	0.29%	183.65	0.80%	111.99	0.45%	121.67	0.47%
Other long-term investments - Other long-term investments	48.26	0.22%	41.82	0.18%	41.82	0.17%	41.82	0.16%
Real estate under to buy and to sell contract	45.33	0.21%	59.35	0.26%	0.62	0.00%	33.61	0.13%
Real estate for sale	641.14	2.93%	722	3.13%	631.52	2.52%	606.67	2.34%
Investment properties	2,061.65	9.43%	2,365.81	10.25%	2,778.97	11.11%	2,891.40	11.15%
Property, plant and equipment	1,203.53	5.51%	1,178.61	5.10%	1,232.18	4.93%	1,209.34	4.66%
Intangible assets	12.32	0.06%	11.13	0.05%	10.52	0.04%	10.13	0.04%
Deferred tax assets	172.24	0.79%	181.02	0.78%	161.96	0.65%	173.3	0.67%
Other non-current assets	91.27	0.42%	112.14	0.49%	89.24	0.36%	94.93	0.37%
Total non-current assets	21,488.41	98.33%	22,553.79	97.69%	24,710.03	98.78%	25,444.09	98.09%
Total assets	21,854.25	100.00%	23,087.82	100.00%	25,015.70	100.00%	25,939.12	100.00%
Bank overdrafts and loans from financial institutions	213.4	0.98%	-	0.00%	560	2.24%	-	0.00%
Trade and other payables	253.19	1.16%	335.45	1.45%	252.72	1.01%	259.99	1.00%
Current portion of long - term debt	366.68	1.68%	300	1.30%	300	1.20%	-	0.00%



	31 December 2014		31 December 2015		31 December 2016		31 March 2017	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
Current provisions for employee benefits	-	0.00%	-	0.00%	5.99	0.02%	5.99	0.02%
Total current liabilities	833.27	3.81%	635.45	2.75%	1,118.71	4.45%	265.98	1.03%
Investments payable	0.6	0.00%	0.6	0.00%	0.6	0.00%	0.6	0.00%
Amount received in advance	79.4	0.36%	32.87	0.14%	24.52	0.10%	36.86	0.14%
Deposits	77.55	0.35%	83.16	0.36%	86.46	0.35%	89.87	0.35%
Contingent liabilities from guarantees	12.92	0.06%	4.57	0.02%	4.57	0.02%	4.57	0.02%
Long-term loans	966.64	4.42%	1,500.00	6.50%	900	3.60%	-	0.00%
Debentures	-	0.00%	-	0.00%	-	0.00%	2,000.00	7.71%
Employee benefit obligations	96.36	0.44%	72.44	0.31%	50.5	0.23%	51.69	0.20%
Deferred tax liabilities	433.88	1.99%	401.48	1.74%	452.76	1.81%	500.3	1.93%
Total non-current liabilities	1,667.34	7.63%	2,095.12	9.07%	1,519.41	6.10%	2,683.90	10.35%
Total liabilities	2,500.61	11.44%	2,730.57	11.83%	2,638.12	10.55%	2,949.88	11.37%
Authorized share capital	800	3.66%	800	3.47%	800	3.20%	800	3.08%
Issued and paid-up share capital	494.03	2.26%	494.03	2.14%	494.03	1.97%	494.03	1.90%
Premium on share capital	1,041.36	4.77%	1,041.36	4.51%	1,041.36	4.16%	1,041.36	4.01%
Premium on treasury stock of associates	6.15	0.03%	6.15	0.03%	6.15	0.02%	6.15	0.02%
Retained earnings - Legal reserve	80	0.37%	80	0.35%	80	0.32%	80	0.31%
- General reserve	280	1.28%	280	1.21%	280	1.12%	280	1.08%
- Unappropriated	13,923.65	63.71%	15,177.78	65.74%	16,682.58	66.69%	17,032.89	65.66%
Other components of equity	3,514.52	16.08%	3,277.93	14.20%	3,793.45	15.16%	4,054.81	15.63%
Total shareholders' equity	19,353.64	88.56%	20,357.25	88.17%	22,377.58	89.45%	22,989.24	88.63%
Total liabilities and shareholders' equity	21,854.25	100.00%	23,087.82	100.00%	25,015.70	100.00%	5,939.12	100.00%

Source: Audited annual financial statement of SPI from 2014 – 2016 and Reviewed financial statement of SPI ended 31 March 2017

Asset

As at 31 December 2016, the company has total assets Baht 25,016 million, increase Baht 1,928 million or 8%, consisting of investments 79%, real estate for sale 11%, property, plant and equipment 5% of total assets, respectively. Most of the increasing is investments in associated companies as increase of profit from investment under the equity method is applied and investment properties is increasing for the expansion in the future.

Current assets are Baht 306 Million decrease of Baht 228 million or 43%, resulting from decreasing of cash and cash equivalents Baht 233 million or 69%, while the account receivable and loans to affiliate are increasing Baht 5 million or 3%. The investments in share capital is Baht 19,805 million, increase of Baht 1,881 million or 10%, most from the investment in associated companies by using equity method and long-term investments increase Baht 1,581 million, the investment available for sale increase Baht 300 million.

The real estate for sale and investment properties are Baht 3,410 million, increase of Baht 322 million or 10%, result from the company buy land for the expansion in the future. Property, plant and equipment is Baht 1,232 million, increase of Baht 53 million or 5%. Other non-current assets are Baht 89 million, decrease of Baht 23 million or 21%. The company has received a rebate for withholding income tax from Revenue department.



As of 31 December 2016, the real estate for sale, investment properties, property, plant and equipment are recognized at cost Baht 4,643 million. They are real estate in the Industrial Park that located at 3 major provinces, Chonburi, Prachinburi and Lamphun which are near to downtown and main highway, the community, convenient for transport and there are Air field with the private license from the Commercial Aviation Department. Every industrial park, there is more than 20% green area, which is suitable for establishment of manufacturing plants. The book value of the assets is much lower than the market value. Thus, the quality of the asset suitably facilitates the business operation. Land sale has been made with proper payment within the payment schedule of contract. Therefore, the company has no risk on business operation.

Liabilities and source of fund for investments

The total liabilities as of 31 December 2016 are Baht 2,638 million decrease of Baht 92 million or 3%, most from trade and other payables and loans from financial institutions and current portion of long - term debt Baht 1,113 million increased Baht 478 million or 75%. Non-current liabilities Baht 1,525 million, decrease of Baht 570 million or 27 %, most from the decreasing of long-term loan Baht 600 million.

In 2016, the company pays dividend amount Baht 163 million or 12% of the net profit from the preceding year. In 2016, the company has pays interim dividend as a result of pays dividend increasing.

The debt to equity ratio is 0.12 times, close to the preceding year. The interest coverage ratio is 24.74 times, compared with the preceding year of 20.71 times. Result from the cash flow from operating activities is increasing, while the interest expenses is decreasing.

Table 4-9: Profit and loss statement of SPI

	31 December						31 March 2017	
	2014		2015		2016		2017	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
Revenues								
Business line: Investment								
Share of profit from investment in associates by equity method	1,127.97	26.80%	1,264.08	30.02%	1,444.03	31.69%	341.34	32.61%
Dividend income	195.52	4.65%	244.03	5.80%	369.27	8.10%	109.11	10.42%
Total	1,323.49	31.44%	1,508.11	35.82%	1,813.30	39.79%	450.45	43.03%
Business line: Rental and services								
Facility income	2,239.83	53.21%	2,041.38	48.48%	2,026.17	44.46%	487.69	46.59%
Consulting and services income	368.77	8.76%	388.07	9.22%	399.11	8.76%	91.90	8.78%
Gain on exchange rate	2.27	0.05%	0.28	0.01%	0.39	0.01%	0.19	0.02%
Total	2,610.87	62.03%	2,409.73	57.23%	2,425.67	53.23%	579.79	55.39%
Business line: Industrial park								
Sales of real estate	170.89	4.06%	181.88	4.32%	271.80	5.96%	6.83	0.65%
Total	170.89	4.06%	181.88	4.32%	271.80	5.96%	6.83	0.65%
Other income								
Sales of goods	76.72	1.82%	-	0.00%	-	0.00%	-	0.00%
Gain on disposal of assets	0.53	0.01%	0.06	0.00%	4.20	0.09%	0.11	0.01%
Gain on investment	0.04	0.00%	6.42	0.15%	4.41	0.10%	-	0.00%



	31 December						31 March 2017	
	2014		2015		2016		2017	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
Reversible impairment loss of investment	4.03	0.10%	3.24	0.08%	21.00	0.46%	6.74	0.64%
Reversible impairment loss of assets	-	0.00%	56.73	1.35%	-	0.00%	-	0.00%
Reversible loss on guarantee	-	0.00%	8.35	0.20%	-	0.00%	-	0.00%
Interest income	1.81	0.04%	3.73	0.09%	1.04	0.02%	0.13	0.01%
Doubtful account (reversal)	-	0.00%	-	0.00%	1.26	0.03%	-	0.00%
Others	20.75	0.49%	12.49	0.30%	14.70	0.32%	2.67	0.26%
Total	103.89	2.47%	91.02	2.16%	46.61	1.02%	-	0.00%
Total revenue	4,209.14	100.00%	4,210.73	100.00%	4,557.37	100.00%	1,046.72	100.00%
Expenses								
Business line: Services								
Cost of facility	2,076.09	49.32%	1,863.20	44.25%	1,844.54	40.47%	446.31	42.64%
Cost of services	255.87	6.08%	305.75	7.26%	328.69	7.21%	69.52	6.64%
Loss on exchange rate	0.50	0.01%	0.53	0.01%	0.06	0.00%	0.02	0.00%
Business line: Industrial park								
Cost of sales of real estate	16.65	0.40%	20.67	0.49%	63.36	1.39%	0.27	0.03%
Cost of goods sold	74.86	1.78%	-	0.00%	-	0.00%	-	0.00%
Loss on sales of assets	0.92	0.02%	-	0.00%	-	0.00%	-	0.00%
Loss on disposal of investment	-	0.00%	-	0.00%	9.33	0.20%	-	0.00%
Loss on disused of assets	-	0.00%	-	0.00%	1.82	0.04%	12.14	1.16%
Doubtful accounts	1.52	0.04%	3.50	0.08%	-	0.00%	-	0.00%
Total expenses	2,426.40	57.65%	2,193.65	52.10%	2,247.81	49.32%	528.26	50.47%
Gross Operation Profit	1,782.73	42.35%	2,017.09	47.90%	2,309.56	50.68%	518.46	49.53%
Administrative expenses	476.24	11.31%	489.63	11.63%	490.86	10.77%	126.80	12.11%
Share of loss on investment in associates by equity method	47.45	1.13%	77.54	1.84%	42.75	0.94%	12.03	1.15%
Impairment loss of investments	56.66	1.35%	85.82	2.04%	38.62	0.85%	24.63	2.35%
Impairment loss of assets	-	0.00%	8.94	0.21%	-	0.00%	-	0.00%
Finance costs	57.66	1.37%	46.69	1.11%	43.77	0.96%	13.23	1.26%
Profit before income tax	1,144.72	27.20%	1,308.47	31.07%	1,693.55	37.16%	341.77	32.65%
Income tax	5.42	0.13%	8.62	0.20%	(11.28)	-0.25%	10.05	0.96%
Profit for the period	1,150.14	27.32%	1,317.09	31.28%	1,682.27	36.91%	351.82	33.61%

Source: Audited annual financial statement of SPI from 2014 – 2016 and Reviewed financial statement of SPI ended 31 March 2017

Revenue

Performance of the major income

The company earns total revenue of Baht 4,557 million in 2016, increase of Baht 346 million or 8%. Total expenses are Baht 2,864 million, decrease of Baht 38 million or 1%. Net profit from operating performance is Baht 1,682 million, increase of Baht 365 million or 28%, result of increasing from performance of each business as follow.



1. Revenue from Investments business and others

Investments: the company has profit from investment in associated companies by using equity method Baht 1,444 million increased of Baht 180 million or 14%. For dividend income Baht 369 million increase of Baht 125 million or 51%. The Saha Group has joined the government and private trade fair project, so the group continued to remain profitable. While others company paid dividend from the previous year business performance as a result of receive dividend increasing in 2016.

Others income: In 2016, others income is Baht 47 million decrease Baht 44 million or 48%, most of the increasing comes from Reversible of contingent liabilities from guarantees and Investment Properties Baht 65 million in 2015.

2. Revenue from rent and service business

The company has total of Baht 2,426 million from rent and service business income in 2016, decreasing of Baht 5 million or 0.21%, most of the decreasing from electricity and steam in come but does not exceed the price made by the Provincial Electricity Authority, while other services increased of Baht 11 million or 3%.

3. Revenue from industrial park business

The company has the real estate for sale amount Baht 271 million in 2016, increase of Baht 89 million, or 49%, the company recognizes revenue from sale of land when transferring the land to buyer.

Table 4-10: Revenue structure of SPI

	31 December			31 March	Increase (Decrease) %	
	2014	2015	2016	2017	2015/2014	2016/2015
Business line: Investment	1,427	1,599	1,860	450.45	12.05%	16.32%
Business line: Rental and services	2,611	2,430	2,426	579.79	-6.93%	-0.16%
Business line: Industrial park	171	182	271	6.83	6.43%	48.90%
Total	4,209	4,211	4,557	1,037.07	0.05%	8.22%

Source: Form 56-1 of SPI of 2016

Expense

The company has cost of goods sold and cost of services Baht 2,248 million, increase of Baht 54 million, or 2%, most of the decreasing from cost of Public utility. The company has management cost is better. Cost of sales of real estate increased of Baht 42 million or 200% and impairment loss decreased of Baht 57 million or 60%. The company recorded impairment loss on disposal on investment in 2015, while the finance cost is Baht 44 million decrease of Baht 2 million or 4%.

Table 4-11: Table compare for expense

	31 December			31 March	Increase (Decrease) %	
	2014	2015	2016	2017	2015/2014	2016/2015
Cost of sale and service	2,426	2,194	2,248	N/A	-9.56%	2.46%
Administrative expenses	476	490	491	N/A	2.94%	0.20%
Loss from investment by equity method	47	77	43	N/A	63.83%	-44.16%
Impairment loss of securities and assets	57	95	38	N/A	66.67%	-60.00%
Finance costs	58	46	44	N/A	-20.69%	-4.35%
Total expenses	3,064	2,902	2,864	N/A	-5.29%	-1.31%

Source: Form 56-1 of SPI of 2016

**Table 4-12: Summarize of SPI' Cash flow statement**

(THB Million)	31 December			31 March
	2014	2015	2016	2017
Net cash received by (used in) operating activities	746.85	851.45	971.64	93.75
Net cash received by (used in) investing activities	(502.37)	(734.78)	(1,002.00)	(294.45)
Net cash received by (used in) financing activities	(230.89)	139.65	(203.03)	240.00
Net increase (decrease) in cash and cash equivalents	13.59	256.32	(233.39)	39.30

Source: Audited annual financial statement of SPI from 2014 – 2016 and Reviewed financial statement of SPI ended 31 March 2017

Table 4-13: Key financial ratios of SPI

	31 December		
	2014	2015	2016
Liquidity Ratios			
Current Ratio (Times)	0.44	0.84	0.27
Liquidity of Cash flow from Operation (Times)	0.66	1.16	1.11
Account Receivable Turnover (Times)	12.93	11.6	13.71
Average Collection Period (Day)	28	31	26
Account Payable Turnover (Times)	9.45	7.44	7.61
Average Payment Period (Day)	38	48	47
Cash Cycle (Day)	-10	-17	-21
Profitability Ratios			
Gross Profit Margin	40.90	46.50	50.17
Net Profit Margin	27.32	31.28	36.91
Return on Equity (ROE)	5.94	6.47	7.52
Efficiency Ratios			
Return on Total Assets	5.47	5.82	7.04
Return on Fixed Assets	14.91	16.01	19.01
Total Assets Turnover (Times)	0.20	0.19	0.19
Financial Policy Ratios			
Debt-Equity Ratio	0.13	0.13	0.12
Time Interest Earned	15.35	20.71	24.74
Leverage Ratio	0.67	0.79	0.57
Dividend Pay-out Ratio	9.93	12.46	N/A

Source: SPI

Liquidity

The company's liquidity is improved by receiving net cash from operating activities and from financing activities Baht 972 million combined with cash at beginning balance Baht 337 million which is sufficient for using of cash flow from investing and financing activities Baht 1,205 million, in 2016 cash and cash equivalence at the end of period was Baht 104 million.

As of 31 December 2016, The Company had overdue debts worth a total Baht 3 million with the full amount of allowance for doubtful being determined. However, with the debt collection process being followed, these unpaid debts are expected to be gradually settled within 2017.

For the liquidity ratio is closed at 0.27 times, while the liquidity ratio of its cash flow is 1.11 times. Because the company also improves development procedures continuously such as minimizing the amount of corporate guarantees to eliminate business risks. The company's industrial park is also developed continuously to be fully facilities and good environment. The company is still regarded as satisfactory with improved overall operation performance.



4.2 Information on the Offerors - Thai President Foods Public Company Limited

4.2.1 Background and major development of the Tender Offerors

Thai President Foods Public Company Limited ("TF") was established on February 15, 1972 with an initial registered capital of THB 6 million through a joint venture between President Enterprise Co., Ltd. of Taiwan – providing manufacturing technology expertise and Saha Pattanaphibul Co., Ltd. - responsible for marketing and distribution. The founding objective was to produce instant noodles under the "MAMA" brand. TF's first Head Offices were located on New Petchburi Road, while the first factory was inaugurated at Nong Khaem District, Bangkok. After the first year, all the shares then were transferred to Thai shareholder who remains as the major shareholder until now.

TF have been listed the Stock Exchange of Thailand and become a Public Company in 1994 with presently registered capital, issued and fully paid THB 180 million, comprising 180,000,000 ordinary shares, par value at THB 1 per share.

Table 4-14: Major change and development of TF

Period	Description
1976	TF increased registered capital to THB 10 million. Production capacity was boosted with the construction of the new 2 nd factory in Sri Racha, Chonburi produced new varieties of instant noodles for the market.
1978	<ul style="list-style-type: none"> – Registered capital was further increase to THB 20 million. TF constructed biscuit factory in the Sri Racha instant noodle factory, aided by technological transfer from Nissin Confectionery Co., Ltd. of Japan. The expanded facility produced biscuits under the "Nissin" trademark. – TF's shares gained listing on the Stock Exchange of Thailand (SET).
1984	Join investment was made in Myojo Foods Co., Ltd. To produce premium quality instant noodle brand "MYOJO".
1985	Joint investment in President Bakery Co., Ltd. to produce fresh breads.
1988	<ul style="list-style-type: none"> – Joint investments in Sanko Machinery (Thailand) Co., Ltd. to assemble automatic powder packing machines. – Joint investments in Thai Mee Co., Ltd. to manufacture instant noodle catering to export.
1990	TF increased registered capital to THB 80 million, joined hands with the Danish Fancy Foods Group Co., Ltd. of Denmark to establish President Danish Foods Co., Ltd, and produce "Kjeldsen" cookies.
1991	increased registered capital to THB 120 million, T.F. Interfoods (USA) Inc. was founded to oversee TF's business and act as its distribution representative in the U.S. and Canada.
1992	<ul style="list-style-type: none"> – Joint investments were made in Taisun Foods Co., Ltd. with the objective of manufacturing fruit. – Joint investments were made in Kunming Tai Tongyi Foods Co., Ltd to produce instant noodles for sale in China. – TF made joint investments to create Dai-Ichi Packaging Co., Ltd. to manufacture packaging, materials which in turn supplied the Group's business.
1994	<ul style="list-style-type: none"> – The firm unveiled its new status as a Public Company on May 16, 1994. – Joint investments were made in 2 new businesses: C.P. Enterprise Foods Co., Ltd. In Hong Kong and Nissin Foods (Thailand) Co., Ltd.
1998	Joint investments in Mekong Delta Success Venture Co., Ltd. to manufacture instant noodles in Vietnam.
1999	TF has launched the biscuit products under Brand "BISSIN" in August 1999.
2001	For foreign investment, TF invested 30% in President Foods (Cambodia) for manufacturing instant noodles in Cambodia.
2002	<ul style="list-style-type: none"> – For the investment, TF has increased investment proportion in Lifook (Gingdao) Foods Co., Ltd. totaling THB 26.22 million resulting in the increase in TF's portion of investment in Lifook (Gingdao) Foods Co., Ltd. from 19% to 49% – TF has joined in the investment with 4 People Foods Co., Ltd. for 13% of its registered capital.
2004	Joint investment was made in Thai Anbao Paper Products Company Limited.
2006	Increased on shares of Taisun Foods Co., Ltd. and Daiichi Packaging Co., Ltd. to over 50% resulting in higher revenue.
2010	Boosted foreign investment in Bangladesh by signing joint-venture agreement with Kallol Group, which was the local entrepreneur, to set up "Kallol Thai President Foods (BD) Limited" registered capital TAKA 400,000,000 (THB 170,000,000) to manufacture and distribute "Mama" instant noodles in Bangladesh with its capacity of 17,000,000 packs/year.

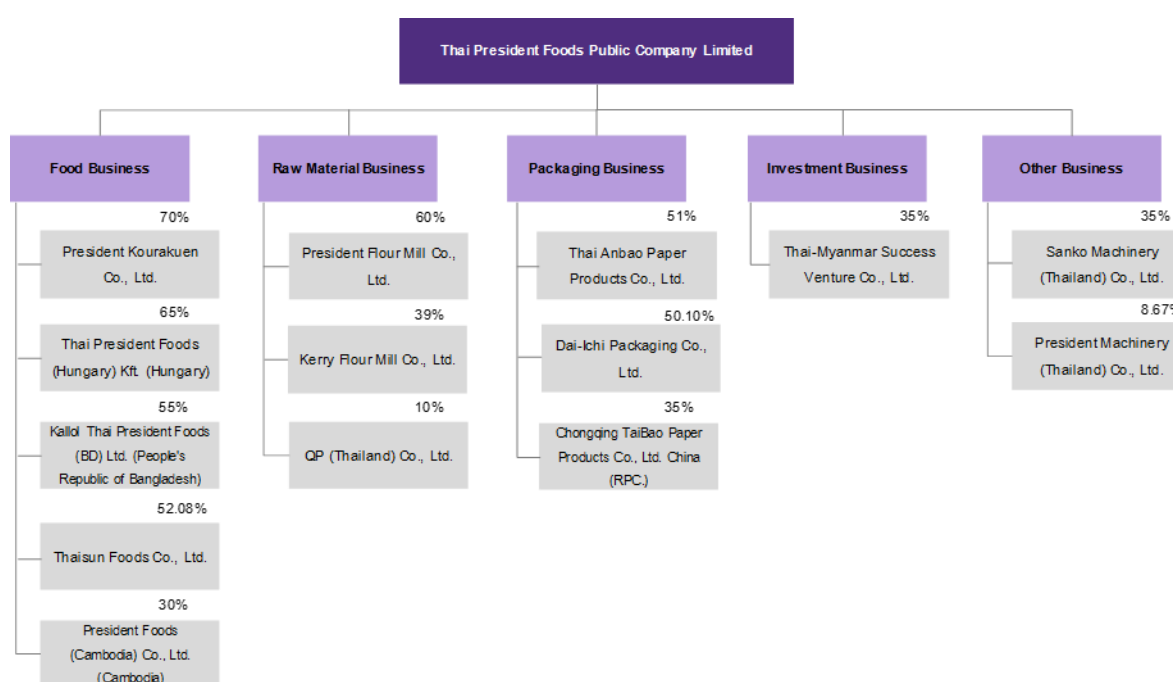


Period	Description
2011	TF has joined 60% in investment with President Bakery PCL. and Kerry Flour Mills Co., Ltd. to establish "President Flour Mills Co., Ltd." in May 2011 with registered capital of THB 600,000,000. The factory is located in Rayong Province with its capacity of 60,000 tons/year, started operation in October 2013.
2016	TF has joined investment with Kourakuen Holdings Corporation which owns "Kourakuen Ramen", the 1 st top-ranked Japanese restaurant in Japan to operate ramen restaurant in Thailand, with a registered capital of THB 25 million, Thai President Foods Public Company Limited holds 70% shares and Kourakuen Holdings Corporation holds 14%.

4.2.2 Shareholding Structure

TF unveiled its new status as a Public Company on 16 May 1994. TF manufactures and distributes instant noodle under "MAMA" trademark, and biscuit under "Bissin" and "Homey" trademarks. In addition, TF has also invested in other businesses to enhance the primary business. As of 31 December 2015, TF has shareholding structure in 5 businesses as follows

Figure 4-2: TF's shareholding structure



Source: TF

4.2.3 Business overview

TF is manufacturer and distributor of instant noodle under "MAMA" trademark, and biscuit under "Bissin" and "Homey" trademarks with an intention to produce foods to maximize consumers' satisfaction and pay attention to the rights of all stake holders. Moreover, TF has also invested in businesses who supply materials for the company's production, which will allow the company to effectively control the price and quality of those products. Its joint investment with foreign companies is aimed toward the transfer of new knowledge and technologies to improve the efficiency in production process. For the sales side, TF has also invested in companies handling marketing and distribution activities in order to add new marketing channels for the sales and ensure that TF's products would reach all groups of consumers

TF's foreign investment policy has continually expanded its investment abroad to produce and distribute instant noodles in Cambodia and Bangladesh. Recently, it expanded its investment to Hungary to support the growth of the European market under the policy of producing products to meet the international production standards and to get ready for world market competition.



1) Main business

- Instant noodles products

Manufacturing and distributing instant noodle under 'MAMA' trademark, which has been well-known and accepted among consumers for more than 40 years with over 50% of market shares. The company has also produced instant noodle for leading firms in Europe, the United States and Australia with the estimated daily capacity of six million packages.

- Biscuit products

Manufacturing biscuit under "Bissin" and "Homey" trademarks. TF always developed new products suitable to the taste of Thai customers. Each brand will offer a variety of products including biscuit, cracker and wafer in different flavors such as butter coconut, butter coconut orange cream, butter coconut cocoa topped, whole wheat cracker, chocolate, coffee, strawberry, vanilla, coconut, melon, raspberry, sesame, chicken, cheese, etc.

- Fruit juice products

Fruit juice products under the trademark "Green Mate", "Kelly" and "Taisun", both in canned and diamond shape bottles with variety of flavors including orange, lychee, cucumber and tamarind, which is sold well in the south.

- Packaging products

Packaging products include soft film for wrapping food and paper cups

2) Business of group

Figure 4-3: Business of TF group



Source: Annual report 2015

TF's sale structure of each product line by business segment from 2013 to 2016 is as follows:

Table 4-15: TF's sale structure by business

Product line	Business	Operated by	% of shares	Sale revenue (THB million)					
				2014	%	2015	%	2016	%
Instant noodles	Food	Thai President Foods Pcl.	-	9,240	76.08	8,999	74.04	9,759	74.19
		Kallol Thai President Foods (BD) Ltd.	55.00						



Product line	Business	Operated by	% of shares	Sale revenue (THB million)					
				2014	%	2015	%	2016	%
		Thai President Foods (Hungary) Kft.	65.00						
		Thai President Korakuen Co., Ltd.	70.00						
Confectionery	Food	Thai President Foods Pcl.		765	6.30	794	6.53	857	6.52
Fruit juice	Food	Taisun Foods Co., Ltd.	52.08	626	5.15	744	6.12	857	6.52
Packaging	Packaging	Thai Anbao Paper Products Co., Ltd.	51.00	985	8.11	1,001	8.23	1,000	7.60
		Dai-Ichi Packaging Co., Ltd.	50.1						
Others (flour)	Raw material	President Flour Mill Co., Ltd.	60.00	76	0.63	135	1.11	127	0.97
Other revenues				453	3.73	482	3.97	554	4.20
Total				12,145.00	100.00	12,155	100.00	13,154	100.00

Source: TF

Table 4-16: TF's sale structure in domestic and foreign market

Product line	Business	Market	Sale revenue (THB million)					
			2014	%	2015	%	2016	%
Instant noodles	Food	Domestic	7,365.11	62.99	6,950.73	59.54	7,365.34	58.46
		Foreign	1,874.73	16.03	2,048.87	17.55	2,393.59	19.00
Confectionery	Food	Domestic	700.7	5.99	719.22	6.16	777.88	6.17
		Foreign	64.68	0.56	74.42	0.64	79.51	0.63
Fruit juice	Food	Domestic	415.7	3.55	412.4	3.53	432.06	3.43
		Foreign	210.51	1.80	331.6	2.84	424.85	3.37
Packaging	Packaging	Domestic	984.48	8.42	998.19	8.55	996.46	7.91
		Foreign	0.88	0.01	2.65	0.02	3.26	0.03
Others (flour)	Raw material	Domestic	75.91	0.65	135.39	1.17	126.83	1.01
		Foreign	-	-	-	-	-	-
Total		Domestic	9,541.90	81.60	9,215.93	78.95	9,698.57	76.97
		Foreign	2,150.80	18.40	2,457.54	21.05	2,901.21	23.03
Grant Total			11,692.70	100.00	11,673.47	100.00	12,599.78	100.00

Source: TF

3) Procurement of products and services

TF has 3 factories in Chonburi, producing instant noodles, Lamphun, producing instant noodles and Rayong, producing instant noodles and biscuits. The production capacity and the actual production in 2016 compared to the previous year are as follows.

Table 4-17: Comparison of the production capacity and the actual production in 2015-2016 of TF

Factory	Instant noodles (tons/day)			Biscuits (tons/day)		
	Production capacity ¹	Actual	%	Production capacity ¹	Actual	%
Sriracha						
2016	230.25	256.07	111.21	-	-	-
2015	230.25	232.62	101.03	-	-	-
Lumpoon ²						
2016	81.88	80.17	97.91	-	-	-
2015	74.95	76.05	101.47	-	-	-
Rayong ³						
2016	49.20	46.52	94.55	44.30	32.21	72.71
2015	57.98	51.17	88.25	44.30	29.52	66.64
Total						
2016	361.33	382.76	105.93	44.30	32.21	72.71
2015	363.18	359.84	99.08	44.30	29.52	66.64



Source: Annual Registration Statement (56-1 form)

- Note:
1. Shift production capacity less 10% machine maintenance period. There were 300 production days.
 2. Lamphun factory stopped replacing instead of 2 old machines by 2 new machines in mid of 2015. Both machines commenced production in February 2016 resulting in the increase in production capacity by 6.93 tons/day in 2016.
 3. Rayong factory installed a new machine in mid of 2015 and stopped replacing 2 old machines for 6 months (2016). One machine started production in September 2016 and the second machine has started production in January 2017, the production capacity decreased by an average of 8.78 tons/day in 2016.

In sourcing raw material, since the main raw materials used in most products are agricultural raw materials and can be ordered locally and overseas, such as Australia, Malaysia, Japan, etc., there is no lack of raw materials supplied to the factories. In addition, TF has many suppliers of raw materials and materials. In 2016, there was about 400 companies, thus reducing the risk of raw material supply. TF can bargain prices and fully selected quality. There are no distributors with more than 30% of total purchases. For some types of raw materials with a high proportion of use, a contract will be made in advance with some distributors to reduce the risk of price and delivery volume. The contract will specify the amount, price and delivery time. The contract term is quarterly and yearly. However, considering the cost structure of raw materials, there is no raw material more than 50% of utilization.

4.2.4 Shareholder structure

As of 12 May 2017, TF has a paid-up capital of THB 180 million with 180,000,000 ordinary shares at the par value of THB 1. The name and ownership proportion of major shareholders are as follows:

Table 4-18: TF's major shareholders

No.	Name	No. of shares	%
1	Saha Pathana Inter-Holding Public Company Limited	39,520,820	21.96%
2	Nissin Foods Holdings Co., Ltd.	36,146,100	20.08%
3	Mr. Weerapat Punsak-Udomsin	12,353,000	6.86%
4	Mr. Pipat Paniangvait	8,777,870	4.88%
5	Unicentral Co., Ltd.	5,131,350	2.85%
6	Sahapatanapibul Public Company Limited	4,347,500	2.42%
7	I.C.C International Public Company Limited	3,661,000	2.03%
8	Universe Beauty Co., Ltd.	3,559,700	1.98%
9	Chokwatana Company Limited	3,492,380	1.94%
10	Mr. Sanguan Tatiyakavee	3,138,520	1.74%
11	Other shareholders (apart from 10 major shareholders listed above)	59,871,760	33.26%
	Total	180,000,000	100.00%

Remark: Name of shareholders as of 12 May 2017, latest book closing date



4.2.5 Board of directors and management team

As at 28 April 2017, the TF's Board of Directors consists of 15 members as follows:

Table 4-19: TF's Board of Directors

No.	Name	Position
1	Mr. Boonsithi Chokwatana ^{/1}	Chairman
2	Mr. Pipat Paniangvait ¹	Chief Executive Officer/ Vice Chairman
3	Mr. Karmthon Punsak-Udomsin ^{/1}	Vice Chairman
4	Mr. Suchai Ratanajajaroen ^{/1}	Vice Chairman
5	Dr. Poj Paniangvait ¹	President
6	Mr. Kamthorn Tatiyakavee ^{/1}	Director
7	Mr. Apichart Thammanomai ^{/1}	Director
8	Mr. Boonchai Chokwatana ^{/1}	Director
9	Mr. Vathit Chokwatana ^{/1}	Director
10	Miss Pojjana Paniangvait ¹	Director
11	Dr. Kulpatra Sirodom ¹	Independent Director / Chairman of the Audit Committee
12	Thanpuying Angkab Punyashthiti	Independent Director / Audit Committee
13	Mr. Chaiwat Maraprygsavan	Independent Director / Audit Committee
14	Prof. Dr. Visith Chavasit	Independent Director
15	Mr. Saroj Chayavivatkul	Independent Director

Source: SETSMART

Note: /1 Authorized signatory directors

Table 4-20: TF's management team

No.	Name	Position
1	Mr. Pipat Paniangvait	Chief Executive Officer
2	Mr. Suchai Ratanajajaroen	President
3	Dr. Pojjanee Paniangvait	Vice President
4	Dr. Poj Paniangvait	Vice President
5	Mr. Taweesub Teekayuwat	Manager, Production
6	Mrs. Suchada Paniangvait	Manager, Lamphun Factory
7	Mr. Nirun Poothong	Manager, Rayong Factory
8	Miss Nimol Kijkhan	Manager, Sriracha Factory
9	Miss Prapin Lawanprasert	Manager, Sourcing Department
10	Mr. Petch Paniangvait	Manager, Business Development Department
11	Mr. Sorayut Raksari	Manager, Human Resource & Administration Department
12	Miss Sararath Tangsirimongkol	Manager, Accounting Department & Company Secretary
13	Mr. Wasan Boonsampankit	Manager, Finance & Investment Department
14	Miss Ariya Tangcheevinsirikul	Manager, Internal Audit Department

Source: TF

4.2.6 Financial position and performance

Table 4-21: TF's consolidated statement of financial position

	31 December 2014		31 December 2015		31 December 2016		31 March 2017	
	THB million	%	THB million	%	THB million	%	THB million	%
Cash and cash equivalents	969.01	5.87%	1,149.76	6.34%	1,787.87	8.69%	2,624.54	12.32%
Current investments	2,262.13	13.70%	3,204.60	17.67%	3,299.32	16.04%	3,329.54	15.63%
Trade and other receivables	2,107.07	12.76%	2,046.82	11.29%	2,231.50	10.85%	2,200.10	10.32%
Inventories	840.67	5.09%	944.67	5.21%	928.56	4.52%	1,024.27	4.81%
Other current assets	14.67	0.09%	15.91	0.09%	25.57	0.12%	28.07	0.13%



	31 December 2014		31 December 2015		31 December 2016		31 March 2017	
	THB million	%	THB million	%	THB million	%	THB million	%
Total current asset	6,193.55	37.52%	7,361.76	40.60%	8,272.82	40.23%	9,206.50	43.21%
Investment in subsidiaries	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Investment in associates	1,185.79	7.18%	1,282.20	7.07%	1,388.03	6.75%	1,367.54	6.42%
Investment in other companies	113.80	0.69%	87.12	0.48%	83.81	0.41%	85.89	0.40%
Other long-term investments	4,729.17	28.65%	5,198.71	28.67%	6,593.11	32.06%	6,548.69	30.73%
Advance payment for investments in related parties	83.01	0.50%	90.56	0.50%	100.88	0.49%	84.26	0.40%
Investment properties	71.73	0.43%	71.37	0.39%	91.00	0.44%	91.01	0.43%
Property, plant, equipment	4,081.43	24.72%	3,994.88	22.03%	3,994.92	19.43%	3,883.17	18.22%
Down payment for purchase of machinery	0.10	0.00%	1.89	0.01%	1.19	0.01%	1.17	0.01%
Other intangible assets	18.51	0.11%	22.70	0.13%	22.81	0.11%	22.28	0.10%
Goodwill	5.54	0.03%	5.54	0.03%	5.54	0.03%	5.54	0.03%
Other non-current assets	24.73	0.15%	16.37	0.09%	10.46	0.05%	12.66	0.06%
Total non-current assets	10,313.81	62.48%	10,771.34	59.40%	12,291.75	59.77%	12,102.21	56.79%
Total assets	16,507.36	100.00%	18,133.10	100.00%	20,564.57	100.00%	21,308.71	100.00%
Short-term loans from financial institution	100.00	0.61%	30.00	0.17%	-	0.00%	-	0.00%
Trade and other payables	1,056.30	6.40%	1,010.03	5.57%	1,088.20	5.29%	1,186.61	5.57%
Current portion of long-term loans from financial institution	12.00	0.07%	-	0.00%	-	0.00%	-	0.00%
Current portion of liabilities under finance lease agreements	27.42	0.17%	33.79	0.19%	31.93	0.16%	30.46	0.14%
Income tax payable	92.20	0.56%	105.99	0.58%	137.79	0.67%	201.45	0.95%
Accrued bonus	123.62	0.75%	139.72	0.77%	157.81	0.77%	50.72	0.24%
Advance receipt from non-controlling interests for investment in a subsidiary	0.14	0.00%	21.12	0.12%	20.32	0.10%	17.89	0.08%
Other accrued expenses	123.38	0.75%	144.79	0.80%	150.85	0.73%	192.04	0.90%
Other current liabilities	45.13	0.27%	32.95	0.18%	37.25	0.18%	31.03	0.15%
Total current liabilities	1,580.19	9.57%	1,518.39	8.37%	1,624.15	7.90%	1,710.19	8.03%
Long-term loans from financial institution - net of current portion	13.00	0.08%	-	0.00%	-	0.00%	-	0.00%
Liabilities under finance lease agreements - net of current portion	59.15	0.36%	61.41	0.34%	46.82	0.23%	44.65	0.21%
Provision for long-term employee benefits	635.54	3.85%	613.76	3.38%	657.69	3.20%	685.01	3.21%
Deferred tax liabilities	289.02	1.75%	344.46	1.90%	492.35	2.39%	495.73	2.33%
Non-current liabilities	-	0.00%	-	0.00%	57.34	0.28%	57.34	0.27%
Total non-current liabilities	996.71	6.04%	1,019.63	5.62%	1,254.20	6.10%	1,282.73	6.02%
Total liabilities	2,576.90	15.61%	2,538.02	14.00%	2,878.35	14.00%	2,992.92	14.05%
Registered share capital	240.00	1.45%	240.00	1.32%	240.00	1.17%	240.00	1.13%



	31 December 2014		31 December 2015		31 December 2016		31 March 2017	
	THB million	%	THB million	%	THB million	%	THB million	%
Issued and paid-up share capital	180.00	1.09%	180.00	0.99%	180.00	0.88%	180.00	0.84%
Share premium	285.30	1.73%	285.30	1.57%	285.30	1.39%	285.30	1.34%
Retained earnings	10,324.71	62.55%	11,616.32	64.06%	12,918.93	62.82%	13,419.19	62.98%
Other components of shareholders' equity	1,411.53	8.55%	1,614.96	8.91%	2,218.50	10.79%	2,285.70	10.73%
Non-controlling interests of the subsidiaries	1,728.91	10.47%	1,898.51	10.47%	2,083.47	10.13%	2,145.60	10.07%
Total shareholders' equity	13,930.45	84.39%	15,595.09	86.00%	17,686.20	86.00%	18,315.79	85.95%
Total liabilities and shareholders' equity	16,507.35	100.00%	18,133.11	100.00%	20,564.55	100.00%	21,308.71	100.00%

Source: TF Annual report 2557-2559 and TF reviewed financial statement as of 31 March 2017

Assets

The total assets of TF as of 31 December 2016 amounted to THB 20,564.56 million. The assets consisted of the fixed assets of THB 12,291.75 million, accounting for 59.77% of total assets, and the current assets of THB 8,272.81 million, accounting for 40.23% of total assets and increasing by 13.41% from the previous year. Meanwhile, the cash and short-term investment of TF were increasing in accordance with higher operating performance.

The trade account receivable of TF in 2016 stood at THB 2,231.50 million, accounting for 10.85% of total assets and increasing by 9.02% from the previous year in accordance with higher sales volume. The major trade account receivable from domestic market of TF was due from Sahapathanapibul PCL, whereas the average debt collection period was at 61.12 days, or shortening by 2.93 days from the previous year. In addition, TF had set aside the allowance for doubtful accounts by THB 0.39 million, which was sufficient to cover the account receivable due longer than 3 months. In overall, the trade account receivable of TF was mostly paid on schedule. Although a few foreign accounts were paid overdue, such delayed payment constituted an insignificant portion, when compared with total trade accounts.

The inventory of TF in 2016 amounted to THB 928.56 million, accounting for 4.52% of total assets and decreasing by 1.74% from a year earlier. In addition, the average shelf life of instant noodles products stood at 180 days, whereas the average days sales was at 37.86 days.

The total assets of the Company as of 31 March 2017 amounted to THB 21,308.71 million, increasing by THB 744.15 million or 3.62% from the end of last year. The structure of assets of the Company consisted of the fixed assets of THB 12,102.20 million, accounting for 56.79% of total assets, and the current assets of THB 9,206.50 million, accounting for 43.21% of total assets. Our asset mainly increased from increasing amount of the cash and cash equivalents item.

Liabilities

The total liability of TF as of 31 December 2016 amounted to THB 2,878.36 million, increasing by THB 340.35 million from 2015, mainly due to an increase in deferred income tax by THB 147.89 million from 2015. In addition, the trade account payable of TF rose by THB 78.18 million in accordance with higher sales volume. The provision of long-term employee benefits increased by THB 43.93 million from 2015 because of adjustment



entry to reflect changing situation. However, most liability of TF was current liability, accounting for 56.43% of total liabilities. Meanwhile, the long-term liability was accounted for 43.57% of total liabilities.

Total liability if the Company stood at THB 2,992.92 million as of 31 March 2017, increasing by THB 114.56 million from the end of last year. Our liability was increasing from higher outstanding of trade payable which in line with higher sales volume, and increasing in the accrued income tax payable to be recorded for undue payment. Most of liability of the company was current liability, while the long-term liability was accounted for 42.86% of total liability. Additionally, debt to equity ratio of the Company was at 0.16

Shareholder's equity

The shareholder's equity of TF as of 31 December 2016 amounted to THB 17,686.20 million, increasing by THB 2,091.12 million from the end of 2015 because TF the net profit of THB 2,167.58 million. In 2016, TF recorded the dividend payment for the second half-year of 2015 at THB 376.20 million, and the interim dividend payment for the period ended on 30 June 2016 at THB 477.00 million. In addition, the book value of TF stood at THB 98.26 per share, rising by THB 11.62 per share from the preceding year.

The shareholders' equity of the Company as of 31 March 2017 amounted to THB 18,315.79 million, increasing by THB 629.59 million or 3.56% from the end of 2016, resulting from the net profit of the Q1 period.

Table 4-22: TF's consolidated statement of income

	For the year end 31 December						3 months end 31 March	
	2014		2015		2016		2017	
	THB million	%	THB million	%	THB million	%	THB million	%
Sales	11,692.70	97.41%	11,673.46	97.13%	12,599.78	97.20%	3,267.15	97.73%
Other income	310.98	2.59%	344.85	2.87%	362.73	2.80%	75.83	2.27%
Total revenues	12,003.67	100.00%	12,018.31	100.00%	12,962.51	100.00%	3,342.98	100.00%
Cost of sales	(8,670.03)	72.23%	(8,324.80)	69.27%	(8,905.21)	68.70%	2,339.52	69.98%
Selling expenses	(385.29)	3.21%	(385.52)	3.21%	(380.81)	2.94%	92.65	2.77%
Administrative expenses	(1,037.99)	8.65%	(1,110.22)	9.24%	(1,220.24)	9.41%	326.40	9.76%
Total expenses	10,093.31	84.09%	9,820.53	81.71%	10,506.25	81.05%	2,758.57	82.52%
Profit before share of profit from investments in associates, finance cost and income tax expenses	1,910.37	15.91%	2,197.78	18.29%	2,456.26	18.95%	584.41	17.48%
Share of profit from investments in associates	141.92	1.18%	137.07	1.14%	190.98	1.47%	44.21	1.32%
Profit before finance cost and income tax expenses	2,052.29	17.10%	2,334.85	19.43%	2,647.24	20.42%	628.62	18.80%
Finance cost	(12.75)	(0.11)%	(10.51)	(0.09)%	(6.91)	(0.05)%	(1.21)	-0.04%
Profit before income tax expenses	2,039.54	16.99%	2,324.34	19.34%	2,640.33	20.37%	627.41	18.77%
Income tax expenses	(204.12)	(1.70)%	(215.04)	(1.79)%	(226.02)	(1.74)%	(47.69)	-1.43%
Profit for the year	1,835.42	15.29%	2,109.30	17.55%	2,414.31	18.63%	579.72	17.34%
Exchange differences on translation of financial statements in foreign currency	(54.48)	(0.45)%	19.16	0.16%	(22.65)	(0.17)%	(19.73)	-0.59%
Gain on change in value of available-for-sale investments - net of income tax	11.85	0.10%	189.05	1.57%	625.01	4.82%	82.70	2.47%
Actuarial gain (loss) - net of income tax	7.83	0.07%	55.79	0.46%	(17.59)	(0.14)%	(13.11)	-0.39%



	For the year end 31 December						3 months end 31 March	
	2014		2015		2016		2017	
	THB million	%	THB million	%	THB million	%	THB million	%
Other comprehensive income for the year	(34.79)	(0.29)%	263.99	2.20%	584.78	4.69%	49.86	1.49%
Total comprehensive income for the year	1,800.63	15.00%	2,373.29	19.75%	2,999.09	23.31%	629.58	18.83%

Source: TF Annual report 2557-2559 and TF reviewed financial statement as of 31 March 2017

Revenues

TF recorded the total sales of THB 12,599.78 million and THB 11,673.46 million in 2016 and 2015 respectively, increasing by THB 926.32 million or by 7.94%. TF performed marketing activities to stimulate sales volume continuously, thus helping TF to maintain highest market share in the market with the market share of 50%. Moreover, the sales revenue from foreign market of TF was increasing with the average growth of 18.05%

The sales revenue of TF when classified by product types and market locations were detailed as below.

Instant noodles

The sales of instant noodles in domestic market rose by 5.96% from the previous year, accounting for 7.47% increase in pack noodles and 2.24% increase in cup noodles as a result of product development, continuous marketing activities, and overall recovery in instant noodle market.

The sales of instant noodles in foreign market rose by 16.83%. The sales volume to Asian market was accounted for the largest proportion of total exports and grew at highest pace. Although the sales volume to African market was not a significant amount, such volume grew as high as 19.49% due to continuous marketing activities and effective sales promotion activities with the local distributors.

Other products

The sales of the other products of TF, consisting of biscuits, packaging, fruit juices, etc., grew by 5.88%. Especially, the sales of fruit juices in foreign market rose by 28.12% as a result of increasing growth of canned juice in Cambodia.

The company recorded the total sales of THB 3,267.15 million and THB 2,913.71 million in Q1/2017 and Q1/2016 respectively, or increasing by 12.13%. When classified by products and regions in Q1/2017, the domestic sales increased by 10.63%, while the foreign sales also rose by 17.47%. Those resulted from the recovering markets. In term of market distribution, the composition of each exporting market was close to the past year. In particular, Asian market was the biggest exporting region of the Company.

Cost of sales

The cost of sales of TF stood at THB 8,905.21 million in 2016, or increasing by 6.97% from the previous year due to higher use of raw material and packaging in line with higher sales volume. In a meantime, the cost of sales to total sales revenue ratio was at 70.68%, lower than the ratio in the previous year because the price of raw material was declining in the past years. Especially, the price of wheat flour fell by 9.36% according to the overall market situation.



The cost of sales of the Company amounted to THB 2,339.52 million in Q1/2017, increasing by THB 293.21 million or 14.33% from the previous year, mainly due to higher raw material and packaging cost in accordance with higher sales volume. Thus, the cost of sales to total revenues ratio was at 69.07%, slightly above that in the previous year.

Selling and administrative expenses

The selling and administrative expenses in 2016 totaled to THB 1,601.04 million, rising by 7.04% from a year earlier. The higher expenses were attributed to increasing cost of sales promotion and marketing activities in order to boost the sales volume and to maintain current market share. In addition, TF had the income tax expense of THB 57 million. As a result, the selling and administrative expenses to the total sales revenue ratio was at 12.71%, or a slight decrease from the previous year.

The selling and administrative expenses in Q1/2017 totaled to THB 419.05 million, increasing by 12.15% which resulted from the increasing in allowance for doubtful accounts, allowance for loss on impairment of investments, and expense of amalgamation activities. However, the selling and administrative expense to the total revenues ratio was at 12.37%.

Table 4-23: TF consolidated statement or cash flow summary

THB million	For the year ended 31 December			3 Months ended
	2014	2015	2016	31 March
Net cash flow from (used in) operating activities	1,770.22	2,214.61	2,514.31	664.98
Net cash flow from (used in) investing activities	(1,667.04)	(1,220.89)	(947.52)	186.11
Net cash flow from (used in) financing activities	(603.61)	(811.50)	(922.55)	(9.84)
Decrease in translation adjustments	(34.62)	(1.47)	(6.13)	(4.58)
Net increase (decrease) in cash and cash equivalents	(535.05)	180.75	638.11	836.67

Source: TF Annual report 2557-2559 and TF reviewed financial statement as of 31 March 2017

Liquidity

The net cash from operating activities of TF in 2016 amounted to THB 2,514.31 million, whereas the net cash used for investing and financing activities amounted to THB 947.52 million and THB 922.55 million respectively. TF, as of 31 December 2016, recorded net cash and cash equivalent of THB 1,787.87 million, increasing by THB 638.11 million from 2015. The important details were summarized as follows.

The cash inflow from operating activities totaled to THB 2,514.31 million, mainly due to the operating profit before tax of THB 2,640.33 million which rose by 13.59% from a year earlier. TF used THB 947.52 million for investing activities, mostly in long-term investment by switching excessive cash into fixed-term deposit in financial institutions. TF also purchased additional machinery and equipment. In addition, the cash paid for financing activities was at THB 922.55 million, mainly due to the dividend payment of THB 853.18 million

The balance of operation and investment activities cash inflow in Q1/2017 totaled to THB 664.98 million and THB 186.11 million respectively. Meanwhile the cash outflow from financing activities amounted to THB 9.84 million. The Company, as of 31 March 2017, recorded cash and cash equivalents item of THB 2,624.54 million, increasing by THB 836.67 million from the beginning period. Such increase mainly resulted from higher operating profit.

**Table 4-24: TF key financial ratios**

	For the year ended 31 December		
	2014	2015	2016
Liquidity Ratio			
Liquidity ratio (times)	3.92	4.85	5.09
Cash Ratio (times)	1.18	1.43	1.60
Account receivable turnover (times)	5.60	5.62	5.89
Receivable days (days)	64.27	64.05	61.12
Inventory turnover (times)	11.61	9.33	9.51
Inventory days (days)	31.01	38.60	37.86
Account payable turnover (times)	8.48	8.06	8.49
Payable days (days)	42.45	44.67	42.40
Cash cycle (days)	52.83	57.98	56.57
Profitability Ratio			
Gross profit margin (%)	25.89	28.69	29.32
Net profit margin (%)	13.80	15.72	16.48
Return on equity (%)	12.03	12.26	12.26
Efficiency Ratio			
Return on asset (%)	10.57	11.04	11.20
Return on fixed asset (%)	16.72	18.13	18.80
Asset turnover (times)	0.76	0.69	0.67
Financial Policy Ratio			
Debt to equity ratio (times)	0.18	0.16	0.16

Source: TF

Key financial ratios

However, TF was able to maintain strong liquidity ratio. The current ratio and the quick ratio of TF in 2016 stood at 5.09 and 4.52 times respectively, increasing from the ratio in the previous year. Meanwhile, the cash cycle of TF was at 56.57 days.

Due to higher profit, TF accomplished return to the shareholders at 12.26% in 2016, similar to the previous year, and recorded the higher amount of shareholders' equity due to increasing amount of retain earning. As a result, TF performed 2 dividend payments in the total amount of THB 853.20 million, thus maintaining the dividend policy to pay to the shareholders a dividend of no-less-than 40% of the total of annual operating profit and return from the other investment and had a debt to equity ratio of 0.16 times.



4.3 Information on the Company

4.3.1 Background and major development of the Company

President Bakery Public Company Limited was registered as company limited on October 29, 1980 and registered to transform into public company limited on July 19, 2002 with registered capital of 300 million THB and paid-up capital of 300 million THB. In 2006, the Company increased its registered capital from 300 million THB into 450 million THB in accordance with the shareholders meeting no. 27 on April 25, 2006 and had registered capital increase on June 15, 2006. On April 28, 2011, the resolution of shareholders meeting no. 32 had approved to change par value of 10 THB per share to 1 THB per share, by which number of shares after the change of such par value increased from 45 million shares to 450 million shares. The Company had registered the change of par value of ordinary share with the Ministry of Commerce on May 12, 2011.

At present, the Company has three plants, two of which are located at Lad Krabang Industrial Estate with the total area of 18 rai and 3 ngan and operational space of 36,680 square meters. Another plant is located at Bang Chan Industrial Estate with the area of 12 Rai, 2 Ngan, 57 square two-meters. It contains one building with 38,000 square meters of operational area, which was officially operated on December 14, 2009 and the new plant at Bangchan Industrial Estate, which will operational by mid-year of 2017. All machines are in installation and test running process. The primary business is to manufacture and distribute bread and bakery, which done under the Company's trademark to distribute to traditional trade and modern trade. The distribution is in the form of outright sales and in order to manage the freshness of the product, the Company will change the remaining products with the newer one in the case where stores are not able to sell all the products. The Company also has retail bakery business that distribute products under the Company trademark. Distribution are made through the Company's retail shops and through the order placed by the consumers. Moreover, the Company also distribute its product based on order made by fast food and convenience stores.

PB presently registered capital, issued and fully paid are THB 450 million, comprising 450,000,000 ordinary shares, par value at THB 1 per share.

Table 4-25: Major change and development of PB

Year	Description
2014	<p>In the year 2014, the Company has invested in purchasing 2 additional plot of land, for the purpose of building the distribution centers (DC), which is located at Prachacheun Road and Chonburi Province; in order to support more products that will be distributed to consumers. The Company also invested in purchasing a new machine with the purpose of increasing the capacity in manufacturing ready to eat products at Bang-Chan plant.</p> <p>In order to promote and continuously stimulate sales, the Company had made a movie advertisement and activities and in 2014, the Company also emphasized on public relation through social media by organizing more Join the Fun activities; answering questions to win the prize through Company's Facebook. This is considered as building relationship and proximity to the consumers as well as a channel to listen to consumer's opinions and satisfaction.</p>
2015	<p>The Company has constructed new plant at Bang Chan Industrial Estate to extend manufacturing capacity, which will be completed in the 4th quarter of 2016 and has purchased 3 land to construct distribution center (DC), as a replacement for the old one which was too small and not enough space as well as to have more space to support more products in order to distribute more to the consumers. In the beginning of 2016, the Company has moved Chonburi distribution center to the new places.</p> <p>In 2015, the Company invested in Software related to finance and added more hardware for data storage to become more stable, modern and efficient; with the purpose to support the increased of data due the business growth in the future. The Company as well develop computer programs in sales aspect to help the processing of data to correct, accurate, able to use in analyzing and planning sales quickly and timely. Moreover, the company has added more IP Camera for safety system of the plant and branches.</p>



Year	Description
2016	<p>The Company purchased 3 pieces of land to construct distribution center and the construction of buildings in BangChan factory 2, which was the project that continues from the year 2015, had been completed at the end of 2016. At present, it is in the process of installing and testing the machines. Once the installation of the machines is completed and ready, the Company will have high manufacturing capacity that will satisfy consumer demand and will as well support the expansion of the market in the future. The Company has procured robots to be used in the last procedure of production line, which is arranging products. The procurement occurred during the end of 2016, which in the process of designing and installing. It is expected to be completed by the middle of 2017, which will enhance both the efficiency and the speed in delivering products</p> <p>In 2016, the Company had invested in both hardware and software. For Hardware, the Company has improved information security system by using firewall to secure the Company's data and uses tablet in the field work as a replacement of handheld, which have a higher price and higher maintenance cost. In terms of software, the Company has applied manufacturing program to manage and process data of various system; from procurement, manufacturing to stock. Using Manufacturing Program to calculate cost will allow connection to the Finance Program that the Company used in accounting and finance area. This will allow the transmission and data processing to be integrated and be able to receive complete, correct and much faster information.</p> <p>The Company collaborates with Organic Community Enterprise Naan Networks in encouraging farmers to participate in the organic growing project. By developing the project of growing organic azuki beans without using chemical substances. The Company bought these organic products and used as raw material in producing filed bun and other products; in order for consumers to be confidence in consuming quality products and free of chemical. This also helps decreased risk from shortage of raw material and help farmers to have continuous stable income</p>

4.3.2 Shareholder structure

As of 31 March 2017, Companies in which PB holds more than 10% is listed as follow:

Table 4-26: Shareholding structure of PB

Company	Percentage of Ownership Interest (%)	Registered Capital (THB Mn)	Paid-up Capital (THB Mn)	Type of Business
Associates				
President Green House Foods Co., Ltd.	39	15	15	Operation of restaurants named "Shinjuku Tonkatsu Saboten"
President Flour Mill Co., Ltd.	10	600	600	Manufacturing and distribution of flour products

4.3.3 Nature of business

President Bakery Public Co., Ltd. is the subsidiary in food product group of Sahapatanapibool Public Co., Ltd., which was established by Dr.Thiam Chokwatana. Sahapat Group food product that is manufactured by Thai President Foods Public Co., Ltd. is highly successful and well accepted in the market. Their products include Mama instant noodles and Bissin biscuits, which both product use wheat flour as their main raw material in production. This creates the desire to expand the business into the bakery that used wheat flour as the main raw material. At that at time, most bakeries were small-sized family business. The products standard and quality were inconsistent. Moreover, they lacked of developments in many aspects such as products, distribution system, and proper management. The consumer's understanding towards quality bakery was little. Yet, the size of market as well as the bakery consumption was still unpopular.

Nevertheless, at that time the government, then, aimed to encourage the manufacturing sector to substitute import, particularly in the agricultural industry. In addition, the lifestyle of Thais has changed. People from the rural areas flocked into the city and the family size was smaller. More women joined the workforce resulting in less time for preparing family meals. Plus, international trade began to play a major role, thus more foreigners



moved into the country. These factors created an opportunity for bakery product to better serve the needs of the Thai lifestyle.

The company mainly manufacture and distributes bread and confectionery with the following lines of business:

1. Wholesale bakery business proportion of sales was 90.92% of the total revenues.
2. Retail business proportion sales was 2.03% of the total revenues.
3. Fast Food and Catering business proportion sales was 6.04% of the total revenues.
4. Export business proportion sales was 0.07% of the total revenues.

Revenue structure

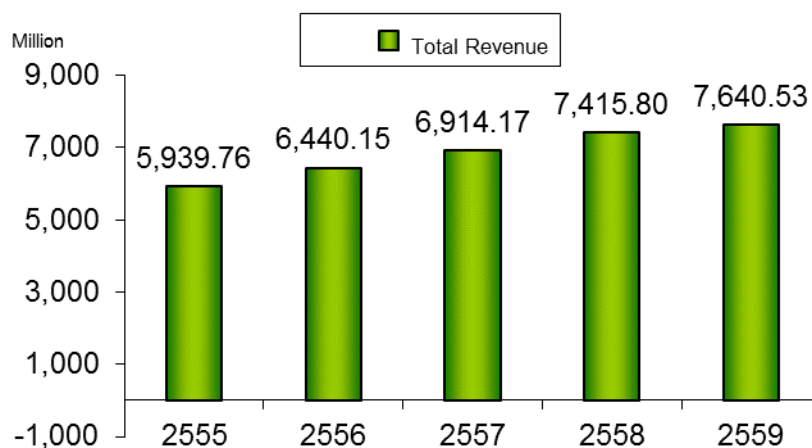
Revenue structure of the Company from 2014 to 2016 as follow:

Table 4-27: Revenue structure of the Company

Product / Service	2014		2015		2016	
	THB Thousand	%	THB Thousand	%	THB Thousand	%
1 Wholesale Bakery Business	6,232,743.61	90.14%	6,626,742.37	89.36%	6,947,053.33	90.92%
1.1 Sliced bread	2,691,767.00	38.93%	2,916,092.48	39.32%	3,101,949.00	40.60%
1.2 Burger buns and hot dog buns	122,773.71	1.78%	49,297.03	0.66%	53,022.25	0.69%
1.3 Snack bread	2,199,825.91	31.82%	2,416,897.57	32.59%	2,477,557.39	32.43%
1.4 Snack cake	1,067,419.25	15.44%	1,047,586.46	14.13%	1,114,430.89	14.59%
1.5 Confectionery	150,957.74	2.18%	196,868.83	2.65%	200,093.80	2.62%
2 Retail Business	164,461.58	2.38%	172,530.81	2.33%	155,030.15	2.03%
2.1 Deliya by Farmhouse	74,979.44	1.08%	72,611.60	0.98%	56,924.66	0.75%
2.2 Madame Marco	72,628.72	1.05%	84,817.08	1.14%	85,703.78	1.12%
2.3 Good Morning Farmhouse	16,853.42	0.24%	15,102.13	0.20%	12,401.71	0.16%
3 Fast food & Catering	448,779.72	6.49%	541,783.43	7.31%	461,605.56	6.04%
3.1 Fast food & Catering	388,121.96	5.61%	488,087.29	6.58%	407,903.38	5.34%
3.2 Fried products	60,657.76	0.88%	53,696.14	0.72%	53,702.18	0.70%
4 Export business	7,225.34	0.10%	5,773.01	0.08%	5,062.68	0.07%
Sales	6,853,210.25	99.12%	7,346,829.62	99.07%	7,568,751.72	99.06%
5 Other income	60,960.46	0.88%	68,974.55	0.93%	71,775.40	0.94%
Total revenue	6,914,170.71	100.00%	7,415,804.17	100.00%	7,640,527.12	100.00%

Source: Form 56-1 of PB of 2016

Figure 4-4: Revenue structure during the year 2014-2016



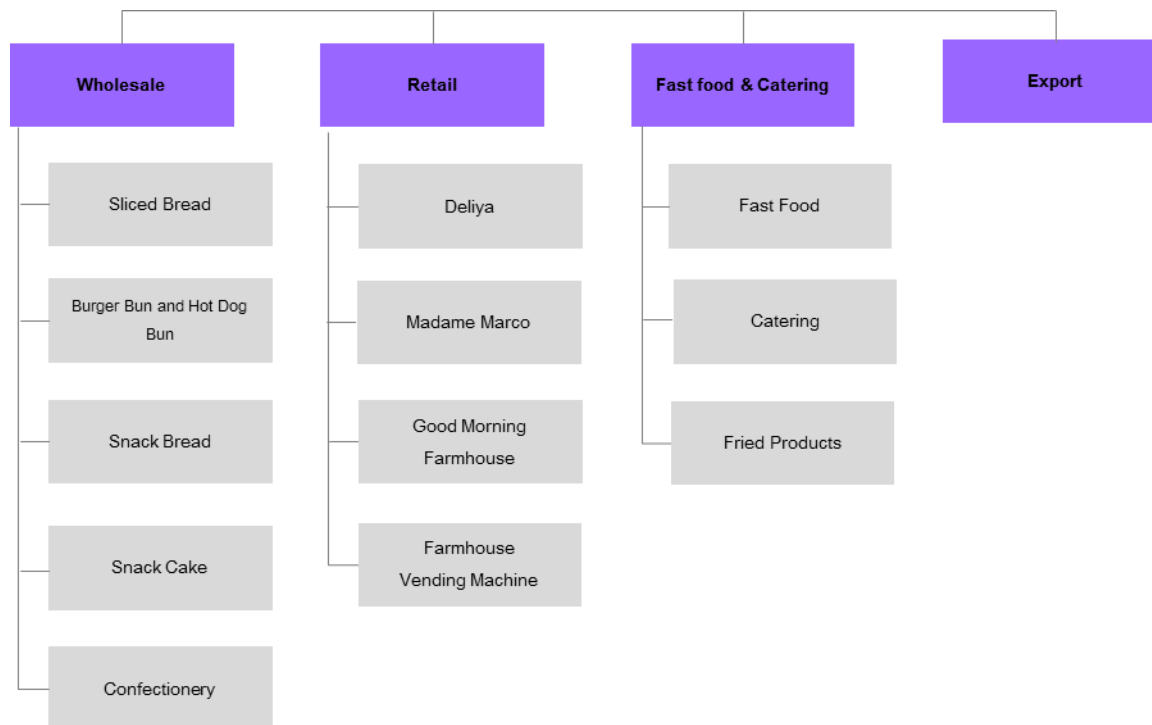
Source: Form 56-1 of PB of 2016



Product and Services

Business information

Figure 4-5: Business information of the Company



Source: Form 56-1 of the Company of 2016

1. Wholesale

Manufacture and distribution of bakery products in the form of wholesale, under the trademark “Farmhouse” by distributing goods to channels / shops. The main customers are modern trade shops and traditional retail shops, which are:

- Hypermarts, e.g. Tesco Lotus, Big C, Makro etc.
- Departmentstore, e.g. Tanghuaseng, Tokyu etc.
- Supermarkets, e.g. The Mall, Tops, Foodland etc.
- Convenience stores, e.g. 7-eleven, Tesco Lotus Express, Central Familymart, Lawson 108, Mini Big C, CJ Express, Supercheap etc.
- Shops in gasoline stations, e.g. Jiffy, Select etc.
- Traditional retail shops, i.e. small retail shops in schools, factories, welfare shop in official places etc.

Product Distribute in Wholesale Bakery Business are

1.1 Sliced Bread

Sliced Bread is the first product that is manufactured, distributed and considered as the product that create the most awareness of consumers on Farmhouse Brand from the past to the present. Sliced bread is the core product in generating revenue for the Company, with the nature of the product that allow consumers to consume it in various ways and are suitable for all age, gender and every family members. Originally, the Company only



offered plain sliced bread, however, due to product development, varieties of products that comes in different sizes are offered, which are:

(1) White Bread

White bread is in the sliced bread group with the texture of white loaf bread. The product is suitable with all age and gender. White bread can be used at all time and used as ingredients for several kinds of food. Type of goods in this group are 480 grams Sliced bread, 240 grams Sliced bread, 220 grams Crustless sliced bread, and 275 grams Royal bread. Royal bread is thick Sliced bread with mouthwateringly soft texture. In 2016, new product was launched which is Hokkaido Milk Flavored bread, which is soft with Hokkaido milk flavor.

(2) Grain Bread

Sliced bread with a large amount of varieties of grains as the ingredients to increases nutrition value, which is inline with Thai's lifestyle that concerned more about health, especially consuming healthier food. Product in this group available for distribution consisted of 500 g. Whole wheat bread, 250 g. Whole wheat bread, and 250 g. Fine whole wheat bread, which is easier to consume and suitable for children including health conscious customer group who dislikes the original whole wheat texture. Moreover, Royal whole wheat, a 285 grams soft and thick sliced whole wheat bread and Royal 12 grains, a 285 grams rich, soft and thick sliced bread with 12 kinds of nutritious grains.

1.2 Burger Bun and Hot Dog Bun

The Company distributes Burger bun with sesame seed and Hotdog roll which are the product that can be used in various menus such as Burgers and Hotdogs with various fillings etc.

1.3 Snack Bread

Snack bread is ready-to-eat bakery product packed in an individual package; just right for one serving, which is suitable with the lifestyle of urban consumers with time-driven, seeking for something fast, convenience, portable and can be consumes at any time and anywhere. The products which come in different types, varieties of tastes and suitable for all target group, students, pupils, working people and everyone. Products in the group are Triangle sandwiches Butter roll, Mini loaf raisin bread, Daily Sandwich, Sweet Sandwich, Filled bun with sweet fillings and meat fillings, spread bread, Pae Bread, Raisin Bread, Hotdog cream bun and Trio bread. In 2016, new products were launched which are Sweet corn milk flavored cream Spread bread, Sweet sandwich, Thai Custard filled sandwich, Strawberry cream filled sandwich, Shredded chicken shrimp chili paste filled bun, Durian custard filled bun, Ham & egg mayonnaise whole wheat Sandwich and chicken & black pepper whole wheat sandwich

1.4 Snack Cake

The company foresee the present market gap that no snack cake with acceptable standard were offered and due to the company's readiness as well as being an expertise in manufacturing cake by specialist, snack cakes were then developed to be distribute. Snack Cake group products that the Company manufactures and distributes consisted of banana cake, 4 flavors of cake roll which consisted of coffee flavored cake roll, pandan flavored cake roll, orange flavored cake roll, vanilla flavored cake roll. The company also offer 4 flavors of Dorayaki which are dorayaki with custard cream filling, dorayaki with chocolate filling, dorayaki with almond cream filling, dorayaki with chocolate chip filling. Sandwich Cake 3 flavors; Sandwich Cake Coffee Flavored



Cake, Sandwich Cake Vanilla Flavored Cake, Sandwich Cake Pandan Flavored Cake. Waffle 2 flavors; Waffle Filling Strawberry Jam Flavored, Waffle Filling Blueberry Jam Flavored. Moreover, 5 flavors of Donut cake that we offered are vanilla custard donut cake, chocolate custard donut cake and pandan donut cake. In 2016, new products were launched which are Hokkaido Melon flavored custard filled donut cake, and choco banana flavored custard filled donut cake. Pineapple butter cake, and Swiss Roll, three flavors are Swiss roll Matcha green tea cake, Swiss Roll Hokkaido milk flavored cake, Swiss Roll raspberry flavored cake.

1.5 Confectionery

Products in confectionery category consist of crispy butter toast, four cookies flavors such as Cookies Butter Flavored, Cookies Fruit Flavored, Cookies Raisin Flavored and Cookies with Chocolate Chip. 3 fruit pie flavors which are pineapple fruit pie, strawberry fruit pie and blueberry fruit pie.

2. Retail

Company distribute products through Company's retail shops and sale directly to customers under the Company's trademark through these outlets.

2.1 Deliya by Farmhouse

Due to the policy in expanding into bread and bakery retail business, which has the tendency to grow in the future along with the experiences and credibility in bread and bakery business, the company then decided to open Deliya by Farmhouse shop. Deliya by Farmhouse baked and distributed fresh homemade bread and bakery product, offering different kind of bread as well as offer bakery snack box that deliver throughout Bangkok and Perimeter. As of the end of the year 2016, there are 7 branches; Chitrada School, Lotus-Lumlukka Klong 2 branch, R.S. Tower Building Ratchada, Government Complex Chaeng Wattana, The Mall 2 Ramkamhaeng, Paradise Park and The Mall Bangkapi.

Apart from the aforementioned, Deliya also manufactures ready to eat Sandwiches, Cakes and confectioneries by order for 84 branches of Lawson convenient stores.

2.2 Madame Marco

Homemade soft texture cake, an original European style recipes that are deliciously baked in every step. Starting from selecting quality raw materials both from domestic and international, which are baked through clean and punctilious production process combine with made to order system is the uniqueness of Madame Marco cake. As a result, Madame Marco cakes will always be delicious and freshly bake with a taste of true European every order, along with free delivery service within Bangkok and Perimeter. This allow Madame Marco to be "The European Delight" At present, Madame Marco has increased the distribution channels by opening 23 branches of Madame Marco shops which are located at Siam Paragon, The Mall-Ngam Wongwan, The Mall - Bang Kae, The Mall - Bangkapi, The Mall 2 - Ramkamhaeng, Tesco Lotus Sri Nakarin, The Mall Thapra, Mega Bangna, Paradise Park, Fashion Island, Tesco Lotus Ramintra. Central Salaya, Lotus Bangyai, The Emporium Crystal Rajapruek, The Emquartier, Robinson Srisaman, Future Park Rangsit, Tops Central Pinkloa, Tops Central Westgate, Tops Central Bang Na, Tops Central Rama 3 and Terminal 21. Madame Marco cakes offer free delivery both in Bangkok and Perimeter.



2.3 Good Morning Farmhouse

The Characteristic of Good Morning Farmhouse is product distribution to sandwich sales representative under the Company's name. The objective is to create popularity in bread consumption to general consumers and to encourage people to have career and extra income. The representative will purchase products, which are the ingredients in making sandwiches, from the company and produces sandwiches according to the consumers demand. The representatives were selected based on location and their readiness in giving services, which the company provided sales knowledge to those representatives. As at the end of 2016, there are more than 57 Good Morning Farmhouse sales representatives.

2.4 Farmhouse Vending Machine

To emphasize on providing services and facilitate consumers the Company offers a new distribution channel by providing Farmhouse vending machine at 9 locations such as offices, hospitals, plant and bank with the total amount of 38 machines. Moreover, the Company scheduled to deliver products twice a day in order to support the consumers demand.

3. Fast food & Catering

These products are manufactured and distributed base on the order placed by the customers which are fast food stores such as Mc Donald, KFC, Pizza Hut, Chester Grill, A&W, Santafe Steak, Jeffer Steak, MosBurger (from Japan). For Minor Food Group Chain consist of Burger King, Sizzler, Diary Queen, and The Pizza Company etc., as well as restaurant businesses and coffee shops such as Chocolate Ville, and The Coffee Club, which are the well-known restaurant with the highest sales volume world wide including Thailand.

3.1 Fast food & Catering

1) Fast food

Burger and Hotdog buns come in various sizes as well as with and without sesames. The Company uses full automatic manufacturing process to manufacture burger and hotdog buns with the capacity of 36,000 pieces/hr. including other products such as French bread, croissant, crispy toast bread and products that were developed to satisfy the customers. By which in the year 2016, the company manufactured brown buns for KFC and black bun for McDonald. At present, the company is considered as the largest bread supplier in the country. Additionally, frozen dough is another product that the company produces, which comes in different sizes based on the order placed by fast food stores. The Company has continuously researches and develops to continue expanding the market of such products.

2) Catering

Apart from fast food, the Company also expanded the distribution channels into restaurants and coffee shop businesses that required bakery in their menus. Our distribution consists of existing products and newly developed products to serve each particular group of customers.

3.2 Fried Products

Product group that are use as ingredients in fried food dishes and are well-liked by Thai consumers such as bread crumbs, which are made from special recipe of freshly baked bread resulting in the standard size of crumbs. The flakes are not too finely ground with creamy white colored and perfectly coated the food, making



the fried dish golden and appetizing as well as delicious, crispier and does not absorb oil. Farmhouse bread crumbs are suitable for frying both meat and vegetable.

4. Export Business

The Company has developed products to be distribute to Coffee Shop Chain and Pizza Shop customers in Japan, which are well-known. In 2016, the Company distributes its product through domestic agent to import such products to customer in Japan.

4.3.4 Shareholder structure

As of 3 May 2017, PB has a paid-up capital of THB 450 million with 450,000,000 ordinary shares at the par value of THB 1. The name and ownership proportion of major shareholders are as follows:

Shareholders list before making Tender Offer

List of top 14 shareholders as of 3 May 2017.

Table 4-28: Shareholders list before making Tender Offer

	Name	No. of shares	Percentage of paid up shares of PB	Percentage of total voting rights in PB
1	President Rice Products PCL	168,817,500	37.52	37.52
2	President Holding Co., Ltd.	84,450,000	18.77	18.77
3	Thai President Foods PCL	42,237,500	9.39	9.39
4	Mr. Pipat Paniangvait	14,039,850	3.12	3.12
5	Saha Pathana Inter-Holding PCL	12,669,600	2.82	2.82
6	Mr. Wirapat Punsak-udomsin	7,136,800	1.59	1.59
7	Saha Pathanapibul PCL	5,650,000	1.26	1.26
8	I.C.C. International PCL	4,650,000	1.03	1.03
9	People s Garment PCL	4,500,000	1.00	1.00
10	Thai Wacoal PCL	4,500,000	1.00	1.00
11	Thanulux PLC	4,500,000	1.00	1.00
12	Better Way (Thailand) Co., Ltd.	4,500,000	1.00	1.00
13	International Laboratories Corp., Ltd.	4,500,000	1.00	1.00
14	S&J International Enterprises Public Company Limited	4,500,000	1.00	1.00
15	Other shareholders	83,348,750	18.52	18.52
	Total	450,000,000	100.00	100.00

Remark: List of shareholders at the latest book closing date on 3 May 2017

List of top 11 shareholders adjusted by the shares directly and indirectly acquired by the Tender Offerors, totaling of 253,267,500 shares on 8 June 2017

Table 4-29: Shareholders list after making Tender Offer

	Name	No. of shares	Percentage of paid up shares of PB	Percentage of Total voting rights in PB
1	The Tender Offerors and their persons under Section 258			
	1) Saha Pathana Inter-Holding Public Company Limited	97,119,600	21.58	21.58
	2) President Rice Products Public Company Limited (the person under Section 258 of SPI)	168,817,500	37.52	37.52
	3) Thai President Foods Public Company Limited	42,237,500	9.39	9.39
	Total	308,174,600	68.48	68.48
2	Mr. Pipat Paniangvait	14,039,850	3.12	3.12



	Name	No. of shares	Percentage of paid up shares of PB	Percentage of Total voting rights in PB
3	Mr. Wirapat Punsak-udomsin	7,136,800	1.59	1.59
4	Saha Pathanapibul Public Company Limited	5,650,000	1.26	1.26
5	I.C.C. International Public Company Limited	4,650,000	1.03	1.03
6	People s Garment Public Company Limited	4,500,000	1.00	1.00
7	Thai Wacoal Public Company Limited	4,500,000	1.00	1.00
8	Thanulux Public Company Limited	4,500,000	1.00	1.00
9	Better Way (Thailand) Co., Ltd.	4,500,000	1.00	1.00
10	International Laboratories Corp., Ltd.	4,500,000	1.00	1.00
11	S&J International Enterprises Public Company Limited	4,500,000	1.00	1.00
12	Other Shareholders	83,348,750	18.52	18.52
	Total	450,000,000	100	100

Potential shareholding structure after making Tender Offer

List of shareholders, in case all shareholders of the Business have shown their intention to sell all their own shares in this Tender Offer

Table 4-30: Potential shareholding structure after making Tender Offer, in case all shareholders of the Company have shown their intention to sell all their own shares in this Tender Offer

	Name	No. of shares	Percentage of paid up shares of PB	Percentage of Total voting rights in PB
1	1. The Tender Offerors			
	1) Saha Pathana Inter-Holding Public Company Limited ¹	252,441,050	56.1	56.1
	2) Thai President Foods Public Company Limited ¹	197,558,950	43.9	43.9
	Total	450,000,000	100	100

Remark: /1 All tendered shares will be allocated to SPI and TF equally

List of shareholders, in case all shareholders of the Business (except shareholders who declare its intentions not to sell all of its shares) have shown their intention to sell all their shares in this Tender Offer

Table 4-31: Potential shareholding structure after making Tender Offer, in case all shareholders of the Company (except shareholders who declare its intentions not to sell all of its shares) have shown their intention to sell all their shares in this Tender Offer.

	Name	No. of shares	Percentage of paid up shares of PB	Percentage of Total voting rights in PB
1	The Tender Offerors			
	1) Saha Pathana Inter-Holding Public Company Limited ¹	118,888,337	26.42	26.42
	2) Thai President Foods Public Company Limited ¹	64,006,237	14.22	14.22
2	Shareholders who declare their intentions not to sell all of their shares in this Tender Offer ²	267,105,426	59.36	59.36
	Total	450,000,000	100	100

Remark: /1 All tendered shares will be allocated to SPI and TF equally.

/2 SPI and TF received the lock-up agreement from shareholders who have expressed their intention to not tender their securities (please see Attachment 6 in from 247-4

4.3.5 The Board of Director

The Board of Directors as of 31 May 2017 (prior to the purchase of the Business shares by the Tender Offerors) consists of 15 members as follow:

**Table 4-32: The Board of Directors of PB prior to the purchase of the Business shares by the Tender Offerors**

No.	Name	Position
1	Mr. Pipat Paniangvait	Chairman of the Board
2	Mr. Apichart Thammanomai	Managing Director
3	Mr. Kamthorn Tatiyakavee	Director
4	Miss Pojjanee Paniangvait	Director
5	Mr. Pun Paniangvait	Director
6	Mrs. Malee Tangjaisanong	Director
7	Miss Petcharat Anantawichai	Director
8	Mr. Apisate Thammanomai	Director
9	Mr.Thavach Keawpitag	Director
10	Miss Panida Prayottaweekij	Director
11	Miss Suwimon Keeratipibul	Chairman of Audit Committee and Independent Director
12	Mrs. Yupa Soontrapa	Audit Committee and Independent Director
13	Mrs. Kulpatra Sirodom	Audit Committee and Independent Director
14	Mr. Boonsak Chiempriha	Audit Committee and Independent Director
15	Mrs. Aim-On Pathumaruk	Independent Director

Source: Company's information

The Board of Directors as of 9 June 2017 (pursuant to the purchase of the Business shares by the Tender Offerors) consists of 15 members as follow:

Table 4-33: The Board of Directors of PB (pursuant to the purchase of the Business shares by the Tender Offerors)

No.	Name	Position
1	Mr. Pipat Paniangvait	Chairman of the Board
2	Mr. Apichart Thammanomai	Managing Director
3	Mr. Kamthorn Tatiyakavee	Director
4	Miss Pojjanee Paniangvait	Director
5	Mr. Pun Paniangvait	Director
6	Mrs. Malee Tangjaisanong	Director
7	Miss Petcharat Anantawichai	Director
8	Mr. Apisate Thammanomai	Director
9	Mr.Thavach Keawpitag	Director
10	Miss Panida Prayottaweekij	Director
11	Miss Suwimon Keeratipibul	Chairman of Audit Committee and Independent Director
12	Mrs. Yupa Soontrapa	Audit Committee and Independent Director
13	Mrs. Kulpatra Sirodom	Audit Committee and Independent Director
14	Mr. Boonsak Chiempriha	Audit Committee and Independent Director
15	Mrs. Aim-On Pathumaruk	Independent Director

Source: Company's information

Remark: After the Tender Offer, the Tender Offerors may change the Board of Directors for the appropriateness; if there are any changes aforementioned, the Tender Offerors will comply with the relevant laws and regulations that are effective at that time.

Every director has the authority to sign to bind the company. Two directors co-signed and affix the company seal except Independent director.

Table 4-34: Executive Officer Committee of PB

No.	Name	Position
1	Mr. Apichart Thammanomai	Managing Director
2	Mr. Suchat Rattanaajaroen	Board of Director Advisor and Assistant Managing Director
3	Ms. Petcharat Anantawichai	Director and Senior Management Accounting Department and Finance Department Manager
4	Mrs. Malee Tangjaisanong	Executive Production Director
5	Mr. Apisate Thammanomai	Director and Senior Manager of IT and Marketing



No.	Name	Position
6	Mr.Thavach Keawpitag	Director and Senior Manager of Engineering Department
7	Miss Panida Prayottaweekij	Director and Senior Production Manager
8	Ms. Chaweewan Prakongsup	Senior Management Accounting Department Manager
9	Mrs. Poolsub Leetrakul	Financial and Salary/Wage Department Executive

Source: Company's information

4.3.6 Financial position and performance

Table 4-35: Balance sheet statement of PB

	31 December 2014 ¹		31 December 2015 ¹		31 December 2016		31 March 2017	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
Cash and cash equivalents	124.64	2.09%	303.94	4.52%	536.99	7.13%	678.04	8.83%
Short-term investments	1,674.34	28.13%	1,536.91	22.86%	626.52	8.32%	516.02	6.72%
Trade and other receivables	791.15	13.29%	883.74	13.14%	870.98	11.57%	796.01	10.37%
Inventories	189.82	3.19%	189.60	2.82%	205.45	2.73%	203.99	2.66%
Other current assets	37.64	0.63%	33.84	0.50%	27.59	0.37%	34.69	0.45%
Total current assets	2,817.59	47.34%	2,948.03	43.84%	2,267.53	30.12%	2,228.75	29.04%
Restricted bank deposit	-	0.00%	36.35	0.54%	36.35	0.48%	36.35	0.47%
Investment in joint venture	21.85	0.37%	23.48	0.35%	24.90	0.33%	25.95	0.34%
Long-term investments	215.13	3.61%	605.89	9.01%	539.38	7.17%	562.63	7.33%
Other long-term investments	65.00	1.09%	60.00	0.89%	60.96	0.81%	66.90	0.87%
Property, plant and equipment	2,805.56	47.14%	2,920.24	43.43%	4,563.71	60.63%	4,721.11	61.51%
Advance payments for purchase of assets	1.65	0.03%	101.84	1.51%	6.67	0.09%	5.17	0.07%
Intangible assets	5.00	0.08%	7.04	0.10%	9.48	0.13%	10.36	0.13%
Leasehold rights	1.01	0.02%	0.69	0.01%	1.35	0.02%	1.24	0.02%
Deferred tax assets	9.63	0.16%	12.38	0.18%	8.79	0.12%	8.37	0.11%
Other non-current assets	8.83	0.15%	8.62	0.13%	8.55	0.11%	8.48	0.11%
Total non-current assets	3,133.66	52.66%	3,776.52	56.16%	5,260.14	69.88%	5,446.56	70.96%
Total assets	5,951.25	100.00%	6,724.56	100.00%	7,527.67	100.00%	7,675.31	100.00%
Trade and other payables	707.02	11.88%	725.48	10.79%	724.19	9.62%	605.68	7.89%
Current portion of liabilities under finance lease agreements	86.37	1.45%	73.46	1.09%	70.22	0.93%	70.64	0.92%
Corporate income tax payable	62.50	1.05%	78.78	1.17%	89.58	1.19%	120.46	1.57%
Accrued expenses	183.58	3.08%	219.68	3.27%	224.51	2.98%	134.17	1.75%
Other current liabilities	27.93	0.47%	38.44	0.57%	39.14	0.52%	28.94	0.38%
Total current liabilities	1,067.40	17.94%	1,135.84	16.89%	1,147.65	15.25%	959.89	12.51%
Liabilities under finance lease agreements - net of current portion	89.38	1.50%	70.64	1.05%	75.19	1.00%	84.47	1.10%
Long-term loans from directors	73.50	1.24%	76.99	1.14%	84.16	1.12%	87.72	1.14%
Long-term loans from employees	31.20	0.52%	34.00	0.51%	45.17	0.60%	46.75	0.61%
Provision for long-term employee benefits	78.42	1.32%	79.14	1.18%	82.99	1.10%	85.40	1.11%
Other non-current liabilities	2.09	0.04%	2.25	0.03%	2.83	0.04%	2.72	0.04%
Total non-current liabilities	274.59	4.61%	263.02	3.91%	290.34	3.86%	307.06	4.00%
Total liabilities	1,341.99	22.55%	1,398.86	20.80%	1,437.98	19.10%	1,266.94	16.51%
Registered share capital	450.00	7.56%	450.00	6.69%	450.00	5.98%	450.00	5.86%
Issued and fully paid-up share capital	450.00	7.56%	450.00	6.69%	450.00	5.98%	450.00	5.86%
Share premium	674.38	11.33%	674.38	10.03%	674.38	8.96%	674.38	8.79%
Retained earnings								
- Appropriated - statutory reserve	45.00	0.76%	45.00	0.67%	45.00	0.60%	45.00	0.59%



	31 December 2014 ¹		31 December 2015 ¹		31 December 2016		31 March 2017	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
- Unappropriated	3,437.31	57.76%	4,161.08	61.88%	4,913.36	65.27%	5,231.76	68.16%
Other components of shareholders' equity	2.57	0.04%	(4.76)	-0.07%	6.95	0.09%	7.23	0.09%
Total shareholders' equity	4,609.26	77.45%	5,325.70	79.20%	6,089.69	80.90%	6,408.37	83.49%
Total liabilities and shareholders' equity	5,951.25	100.00%	6,724.56	100.00%	7,527.67	100.00%	7,675.31	100.00%

Source: Audited annual financial statement of PB from 2014 – 2016 and Reviewed financial statement of PB ended 31 March 2017

Remark: 1. Adjusted financial statement

Asset

The total assets of the Company as of 31 March 2017 amounted to THB 7,675.31 million, increasing by THB 147.64 million from 31 December 2016. Main asset of the Company comprised of current asset by 29.04% of total asset and non-current asset by 70.96% of total asset. The increase in current assets resulted from increasing cash and cash equivalent item by THB 141.05 million, and the increase in non-current assets was accounted for land and building of new product distribution center to replace leased premise.

Trade and other receivables of the Company accounted for 10.37% of total assets, decreasing by THB 74.97 million from 2016 because the most of account receivable were paid on due.

As at 31 December 2016, the total assets were 7,527.67 million THB, increased from 31 December 2015, at the amount of 803.11 million THB, consisted of core assets which are current assets at 2,267.53 million THB or 30.12% of the total assets. By which the increased in transaction was the result from cash and cash equivalents transactions. There is a decrease in short-term investment at 910.39 million THB when compare to the end of 2015, primarily was due to the deposit maturity.

Trade and other receivables were at 870.98 million THB or 11.57% of the total assets, which decreased to 12.76 million THB when compare to the end of 2015. Most of the account receivables were mainly department stores or large size stores, which settle their debt according to the schedule. Most inventories are raw materials and packages used in manufacturing. Only few finished goods inventories remained, due to products' shelf life of 4-5 days. The products are manufactured and distributed daily.

Non-current assets were at 5,260.14 million THB, calculated as 69.88% of the total assets, increased from the previous year at 39.29%; mainly due to the investment in purchasing land as well as building and equipment. In 2016, three land were purchased to construct distribution centers as well as the construction of building and expenses on new machines at Bang Chan factory 2, which are continuous investments from the year 2015. The Company efficiency in assets management is at a better level when compare to the return of assets at 20.59, increased from previous year at 2.09%

Liabilities

The liability of the Company as of 31 March 2017 totaled to THB 1,266.94 million, accounting for 16.51% of total Liabilities and Shareholders' Equity and decreasing by 11.89% from 31 December 2016 due to decreasing trade payable and other suspended expense. As a result, the debt to equity ratio of the Company was at 0.20, lower from 0.24 as of 31 December 2016.



As at 31 December 2016, the Company total liabilities were amounted to 1,437.98 million THB, increase from the year 2015 at 39.12 million THB or 19.10% of liabilities and shareholders' equity. Mainly due to trade and other payables, which derived from the purchase of raw materials and packages that are used in manufacturing products. For other obligations, mostly due to the procurement of machinery contract on the machines that will be installed in the new factory; as well as operating lease related to the lease of land and lease of buildings that are used as distribution center. The Company's debt to equity ratio was 0.24 times, which was always at a low level, where the interest coverage ratio was at 217.48 times and debt-service coverage ratio at 0.67 times. This demonstrates that the Company's stability of the capital structure as well as debt and obligation coverage.

Shareholders' Equity

The shareholders' equity of the Company as of 31 March 2017 stood at THB 6,408.37 million, accounting for 83.49% of the total of Liability and Shareholders' Equity. The shareholders' equity increased by THB 318.68 million from 31 December 2016 due to operating profit. In addition, the book value of the Company was at 14.24 THB per share, increasing from 13.53 THB per share in 2016.

As at 31 December 2016, shareholders' equity was at 6,089.69 million THB, calculated as 80.90% of liabilities and shareholders' equity, which increased from 31 December 2015 at the amount of 763.99 million THB, resulting from the increased in net profit. The decrease derived from paying dividend to shareholders at 706.50 million THB causing the book value to be at 13.53 THB per share, increased from 2015, which was at 11.83 THB per share, and 25.63% return on equity.

Table 4-36: Profit and loss financial statement of PB

	31 December 2014 ¹		31 December 2015 ¹		31 December 2016		31 March 2017	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
Sales	6,853.21	99.12%	7,346.83	99.07%	7,568.75	99.06%	1,733.32	99.08%
Interest income	46.46	0.67%	49.60	0.67%	39.28	0.51%	-	0.00%
Other income	14.50	0.21%	19.37	0.26%	32.50	0.43%	16.04	0.92%
Total revenues	6,914.17	100.00%	7,415.80	100.00%	7,640.53	100.00%	1,749.36	100.00%
Cost of sales	4,188.18	60.57%	4,320.86	58.27%	4,361.99	57.09%	999.79	57.15%
Selling expenses	962.95	13.93%	972.82	13.12%	991.35	12.97%	244.44	13.97%
Administrative expenses	600.92	8.69%	672.11	9.06%	652.37	8.54%	153.61	8.78%
Total expenses	5,752.05	83.19%	5,965.80	80.45%	6,005.71	78.60%	1,397.84	79.91%
Profit before share of profit from investment in joint venture, finance cost and income tax expenses	1,162.12	16.81%	1,450.00	19.55%	1,634.82	21.40%	351.52	20.09%
Share of profit from investment in joint venture	3.54	0.05%	2.76	0.04%	2.35	0.03%	1.06	0.06%
Profit before finance cost and income tax expenses	1,165.66	16.86%	1,452.76	19.59%	1,637.17	21.43%	352.58	20.15%
Finance cost	(13.83)	-0.20%	(12.69)	-0.17%	(11.81)	-0.15%	(2.83)	-0.16%
Profit before income tax expenses	1,151.83	16.66%	1,440.07	19.42%	1,625.36	21.27%	349.75	19.99%
Income tax expenses	(109.75)	-1.59%	(135.41)	-1.83%	(162.41)	-2.13%	(31.35)	-1.79%
Profit for the period	1,042.07	15.07%	1,304.66	17.59%	1,462.95	19.15%	318.40	18.20%

Source: Audited annual financial statement of PB from 2014 – 2016 and Reviewed financial statement of PB ended 31 March 2017

Remark: 1. Adjusted financial statement



Sales revenue

The Company recorded total sales revenue of THB 1,733.32 million and THB 1,780.63 million in Q1/2017 and Q1/2016 respectively, or decreasing by 2.66%. When classified by distribution channel in Q1 ended on 31 March 2017, the sales revenue from wholesale business decreased by 3.44% and the sales revenue from retail business decreased by 2.96% from the same period last year due to domestic economic slowdown and cautious spending from general consumers. In addition, some of our customers have produced their own bakery products, thus causing higher competition. However, the Company has maintained continuous product development. Meanwhile, the sales revenue from Fast food and Restaurant business grew by 7.65% due to rising purchase order from customers.

The Company sales revenue for the year 2016 and 2015 was at 7,568.75 million THB and 7,346.83 million THB, respectively; with the growth rate of 3.02% as a result from distribution of new products, which includes continuous advertisement and sales promotion program. The Company emphasized on increasing sales and distributing products to consumers more thoroughly. Sales revenue can be categorized according to types of distribution channel, which are as follow:

Table 4-37: Details of revenue structure of PB

Product / Services	2015		2016		Increase (decrease)
	THB Million	%	THB Million	%	
Wholesale bakery business	6,626.74	90.20%	6,947.05	91.79%	4.83%
Retail bakery business	172.53	2.35%	155.03	2.05%	-10.14%
Fast food and catering	541.78	7.37%	461.61	6.10%	-14.80%
Export business	5.77	0.08%	5.06	0.07%	-12.31%
Total	7,346.82	100.00%	7,568.75	100.00%	3.02%

Source: Form 56-1 of 2016

Cost of Sales

The cost of sales of the Company in Q1/2017 stood at THB 999.79 million, or decreasing by 3.62% from the same quarter last year. The Company managed the cost of sales to total sales ratio to be at 57.68% in Q1/2017, lower from 58.26% in the same quarter last year due to lower price of major raw material as well as due to effective production and purchasing management. As a result, the gross profit margin of the Company stood at 42.32% increasing from 41.74% in the same quarter last year.

Cost of sales for the year 2016 was at 4,361.99 million THB, increased 41.13 million THB or 0.95% from the previous year, with cost of sales to revenue from sales in the year 2016 to 57.63% decreased from 2015 at 58.81%, as a result from the decrease of raw material prices causing the gross profit margin to be at 42.37% increased from the previous year at 5.97%.

Selling and Administrative Expense

The selling and administrative expenses in Q1/2017 amounted to THB 398.05 million, accounting for 22.75% of total income. The ratio of selling and administrative expenses to total income slightly decreased from a year earlier. In a meantime, The Company has performed effective management to control the expenditure of transportation, product distribution, and information system.

Sales and administrative expenses consisted of salary, wages, fuel expenses, advertising fees and sales promotion expenses, etc. For the year 2016, the expenses were 1,643.72 million THB or 21.51% of the total



revenue, decreased 0.07% compare to previous year; as a result of decreased in fuel price that was used in delivering products in the beginning of the year and that during the end of the year the Company did not advertise in the media. Furthermore, the Company has managed expense control efficiently.

Income Tax

The Company paid income tax in Q1/2017 by THB 31 million, decreasing by THB 4.73 million or 13.24% from the same period last year, according to lower amount of sales revenue and profit. Meanwhile, the ratio of income tax to total income of the Company stood at 1.77% and 1.98% in Q1/2017 and Q1/2016 respectively

Financial Expense

In 2016, financial expenses were at 11.81 million THB, decreased by at 6.93 % from previous year, due to the decreased of interest payable of financial lease; due to the decrease in interest rate and reduce in the amount of financial lease.

Profit for the period

The Company recorded profit for the period of THB 318.40 million for the quarter ended on 31 March 2017, or decreasing by 2.28% from the same period last year due to lower sales revenue and to higher competition. In a meantime, the Company gained the profit sharing of THB 1.06 million in Q1/2017 from investment in joint-venture business.

The Company has net profit of 1,462.95 million THB, increased at 12.13% from previous year and net profit margin was at 19.15% of the total revenue. This was due to the increase in sales volume and efficiency in expense control, including the received of returns from investing in private funds allowing the Company to have earnings per share at 3.25 THB per share.

Table 4-38: Cash flow statement of PB

THB Million	period ended 31 December			1 st Quarter
	2014 ¹	2015	2016	2017
Net cash from operating activities	1,457.75	1,716.49	1,869.95	371.85
Net cash used in investing activities	(1,875.06)	(880.89)	(874.97)	(216.57)
Net cash used in financing activities	(571.29)	(656.30)	(761.94)	(14.23)
Net increase (decrease) in cash and cash equivalents	(988.60)	179.30	233.04	141.05

Source: Audited annual financial statement of PB from 2014 – 2016 and Reviewed financial statement of PB ended 31 March 2017

Remark: 1. Restated

Liquidity Position

The net cash from operating activities of the Company in Q1 ended on 31 March 2017 amounted to THB 371.85 million, slightly decreasing from the previous year. The net cash used in investing activities totaled to THB 216.57 million, decreasing by THB 13.38 million, resulted from lower short-term and long-term investment and higher purchase of land for new product distribution center. Additionally, the net cash used in financing activities was at THB 14.23 million, increasing by THB 7.92 million due to lower amount of Long-term loans from employees from the same quarter last year. As a result, the Company recorded cash and cash equivalent item of THB 678.04 million as of 31 March 2017, increasing by THB 141.05 million and close to the same quarter last year. As of 31 March 2017, the Company maintained the current ratio at 2.32 and the average days sales at 1 day. Meanwhile, the average days of debt collection of the Company stood at 43 days, and



the average days of debt repayment was at 69 days. As a result, the cash cycle of the Company was at 25 days.

As for the year ended on 31 December 2016, the Company has net cash from operating activities at 1,869.95 million THB, increased 153.46 million THB from the previous year or calculated as 8.94%. Net cash used in investing activities was at 874.97 million THB, decreased from the previous year at 5.92 million THB; as a result from the decrease in acquisition of short and long-term investments as well as decrease in the advance payment for purchase of assets. The Company has paid for machines and construction for the new factory in Bang Chan.

Net cash used in financing activities was at 761.94 million THB, increased 105.64 million THB or 16.10 %. Mainly was the dividend payment at the amount of 706.50 million THB. As a result, the Company has cash and cash equivalents of 233.05 THB and as at 31 December 2016, the Company's liquidity ratio was at 1.98 times. The sales period is 1 day, average collection period is 42 days, and the average liquidate period was at 66 days; allowing the Company's cash cycle to be 23 days. The Company was able to manage liquidity to be at a good criterion.

Table 4-39: Key financial ratios of PB

	Year ended 31 December			1 st Quarter
	2014 ¹	2015	2016	2017
Current ratio (Times)	2.64	2.60	1.98	2.32
Quick ratio (Times)	2.43	2.40	1.77	2.07
Cash ratio (Times)	1.42	1.56	1.64	0.35
Average collection period (days)	40	41	42	43
Average finished inventory period (days)	1	1	1	1
Average inventory period (days)	12	12	13	11
Average payment period (days)	69	68	66	69
Cash Cycle (Day)	-28	-26	-23	-25
Gross Profit Margin	38.89%	41.19%	42.37%	42.32%
Net Profit Margin	15.07%	17.59%	19.15%	18.20%
Return on Equity or ROE	24.03%	26.26%	25.63%	24.12%
Return on assets	18.50%	20.59%	20.53%	22.20%
Debt/Equity Ratio (Times)	0.29	0.26	0.24	0.20
Dividend Payout ratio (Times)	50.21%	50.07%	50.80%	N/A

Source: Company's information

Remark: 1. Restated

4.4 Industry Overview of the Company

The company, at present, is considered to be the top leader in bread and bakery markets in both most advanced manufacturing technology in Southeast Asia and the highest manufacturing capacity in the country. Besides, the company still maintains the quality and standard of the product and is able to distribute the products nationwide on a daily basis.

The marketing factors affecting the company are caused from higher competition in pricing, sales promotions, and store expansion among modern and traditional trade stores including fast food chains. Such expansion is beneficial to the company in terms of higher sales and to the consumers in terms of better quality products with reasonable price. This can cover more and wider areas under the philosophy.



Attention is paid in every process to insure consumers that the bakery products are always fresh with high quality and consistently high standard; for example, the company maintains standard of the quality products until they are in the customers' hands with attractive packaging on which expiry dates are clearly given for the first time as well as nutrition facts and ingredients mixed to informed consumers. In distribution management, effective information technology has been used which guarantees freshness of the products.

The company has long been emphasizing on the quality and safety of food, which is in accordance with the government's policies in pushing Thailand to be the world's kitchen by focusing on food safety. The company received Good Manufacturing Practice (GMP) certificate and Hazard Analysis and Critical Control Point (HACCP) certificate from the Thailand Institute of Scientific and Technological Research, Office of Certification Body (TISTR-OCB). In 2005, the company began to use Plain Flour, which is natural and pure wheat flour with no bleaching substance in bread production process, in order for the consumers to receive the best products.

The company emphasizes on manufacturing products with standard, quality, safety and is nutritious by using modern technology, which is in line with the government policies on Food Safety. As a result, the Company received FDA Quality Award on food product category under the slogan "Quality, Safety and Consideration of Society" as a manufacturer of health products with good operation, maintaining standard of production, hold ethics and responsibility to the society as well as operate in compliance with the law for the years 2010 - 2012 and 2015-2016.

At present, the company's laboratory has been certified as an accredited laboratory by the Department of Medical Science, Ministry of Public Health with the scope of analysis that passed the ISO/IEC 17025 standard since 2005. As a result, the Company received excellence quality in medical and public health laboratory of the year 2016. Moreover, the company's research development and quality control team is responsible for auditing suppliers, who distribute raw materials for the company as well as gives advice on product quality system. At the same time, the customers as well audited the Company, especially from fast food restaurant chains and major convenient stores.

The company was awarded Good Laboratory Practice logo from Department of Industrial Works, GLP/DIW, and laboratory that had developed ISO/IEC 17025 systems, which is the project that upgrade the level of private laboratories that registered with the Department of Industrial Works.

The Company invested more than 35 million THB in constructing Laboratory Center in accordance to the international standard ISO/IEC 17025 and modern product Research and Development room(R&D) and Laboratory center on the 5th floor of Bang Chan factory. The laboratory consisted of chemical analysis lab and microbiology analysis lab, which have modern equipment as well as has the process of testing and analyzing in accordance with the international standard. The laboratory is spacious and is clearly divided into sections with clean room to test and analyze the microbiology to prevent contamination of the microbe test sample and the operator. This includes product research and development room that have full option equipment and sensory room with international standard; for the purpose of products development and improvement. This includes technologies to invent new products to meet the consumers, of all age and gender, demand. Moreover, on the 5th floor there are meeting room, office zone, and reception area to welcome the visitors with full-service facilities; for the confidence in the quality control system and the assurance in the Company's quality as well as to meet the consumers demand.



5. Fairness of the Tender Offer Price

5.1 Practice and Information Used in the Preparation of the IFA's Opinion

The IFA's opinion is based on the assumption that information, documents, and draft agreements, as well as interview with the management and officers of the Company and related companies are true and correct. The IFA has considered and studied the information with prudence and exercise reasonable care according to professional conduct. In additions, the IFA assumes that the agreements and business arrangements are enforceable and legally binding without any information, incident, or conditions that may affect the Tender Offer. Nonetheless, there is no probable cause for the IFA to believe that such information is materially incomplete to the extent that the validity of the information received may be significantly affected.

The IFA's opinion is expressed based on the current economic condition and other factors at the time of the preparation. Such information may materially change in the future and affect the IFA's opinion. Nevertheless, the IFA has no obligations to update, review or confirm the IFA's opinion herein.

5.2 Valuation Methodologies

The IFA evaluated the value of PB shares using 5 methods of calculation as follows.

5.2.1 Book Value Approach

This valuation approach reflects the value shown on the accounting book at a specific point in time. In this case the valuation is based on the book value of PB from financial statements for the year end 31 March 2017, which were audited by Ms. Kamontip Lertwitworatep: Certified Public Account (Thailand) No.4377 EY Office Limited.

Table 5-1: Book value approach of PB

As of 31 March 2017	(THB Million)
Issued and paid-up share capital	450.00
Premium on ordinary shares	674.38
Retained earnings	5,256.66
Other components of shareholders' equity	7.23
Total shareholders' equity	6,388.27
Number of issued and paid-up shares (Million shares)	450.00
Book value per share (THB per share)	14.20

Based on the Book Value Approach, the share value of PB is THB 14.20 per share.

5.2.2 Adjusted Book Value Approach

This valuation approach determines the fair value by adjusting the book value of PB as of 31 March 2017 with various items to better reflect the intrinsic value of the current financial position.

From the balance sheet analysis, PB's main assets include property, plant and equipment accounting for 61.51% of total assets; Trade and other receivables accounting for 10.37% of the total assets; and Short-term investments (i.e. Special savings account 4 - 6 months, Fixed deposits, Bills of exchange and deposit receipt and Short-term investments in private fund) accounting for 6.72% of the total assets

Liabilities are mainly Trade and other payables, accounting for 47.81% of total liabilities. Accrued expenses



accounts for 10.59% of total liabilities and Corporate income tax payable accounts for 9.51% of total liabilities while Long-term loans from directors' accounts for 6.92% of total liabilities and Provision for long-term employee benefits account for 6.74% of total liabilities.

The IFA has made the following adjustment: investment in joint venture, President Green House Foods Co., Ltd. ("PGH") (39.00% Shareholding percentage in PGH) and other long-term investments, President Flour Mills Co., Ltd. ("PFM") (10.00% shareholding percentage in PFM), to reflect their fair values and dividend announcement for the second half of 2016 at THB 0.91 per share, amounting to total value of THB 409.50 million, as per the resolution of Board of Directors No.3/2017 on 10 March 2017. The adjustments are as follows:

Table 5-2: Adjustment items on PB's investment in joint venture and other long-term investments

(THB Million)	PGH	PFM
Fair value	108.25	160.54
Cost	5.85	60.00
Adjusted amount for investment (THB Million)	102.40	100.54

Remarks: Please see more details on valuation of PB's investment in joint venture and other long-term investments companies in 5.2.5

As of 31 March 2017, PB had the book value of property, plant and equipment at 4,721.11 million baht. Based on the interview with the Company, PB has not conducted any valuation of property by independent property appraiser during the past 6 months. Therefore, this item can not be adjusted.

Therefore, from the adjusted value of investments and dividends payable from the results of the second half of 2016, PB can be valued by adjusting the book value as follows:

Table 5-3: Adjusted book value per share of PB

As of 31 March 2017	(THB Million)
Shareholders' equity (Before adjustment)	6,388.27
Add Adjustment on the investment in PGH	102.40
Add Adjustment on the investment in PFM	100.54
Deduct Dividend payable from the second half results of 2016	(409.50)
Adjusted shareholders' equity	6,181.70
Number of issued and paid-up shares (Million shares)	450.00
Book value per share (THB per share)	13.74

Remark: Valuation based on adjusted book value approach has not been adjusted for the property value.

Based on the Adjusted Book Value Approach, the share value of PB is THB 13.74 per share.

5.2.3 Weighted Average Market Value Approach

This valuation approach is based on the historical average market price of PB shares traded on the stock exchange under various time frames from 7 to 360 trading days counting backward from the last trading day before received the official Tender Offer (15 June 2017).

Table 5-4: Weighted Average Market Value Approach of PB

	7 days	15 days	30 days	60 days	90 days	120 days	180 days	270 days	360 days
Weighted average market price (THB per share)	63.72	63.71	63.66	64.07	64.04	64.00	63.75	63.79	59.64
Average daily trading volume (shares)	31,714.29	19,197.07	19,956.80	19,681.02	16,154.37	14,226.13	13,372.49	17,804.19	19,425.45

Source: SETSMART



Based on the Weighted Average Market Value Approach, the share value of PB is THB 59.64 – 64.07 per share.

Based on the analysis of PB shares which were traded on the stock exchange during the past 7 - 360 trading day periods, PB had a low turnover ratio compared to that of the market as follows:

Table 5-5: Turnover ratio of PB's shares

	7 days	15 days	30 days	60 days	90 days	120 days	180 days	270 days	360 days
SET	2.85%	5.66%	11.38%	21.66%	34.91%	47.43%	76.99%	124.69%	164.27%
PB	0.05%	0.06%	0.13%	0.26%	0.32%	0.38%	0.53%	1.07%	1.55%

Source: SETSMART

5.2.4 Market Comparables Approach

This valuation approach compares various financial ratios of listed companies with similar business to PB to find the appropriate value. The IFA has selected 8 comparable companies as follows:

Table 5-6: Information on comparable companies of PB

Company name	Market	Trademark	Business description
Kido Group Corp	Ho Chi Minh Stock Index	Various	produces baked goods and candy, cookies, crackers, pies, cakes, and bread, along with chocolate and other candy.
Nichiryō Baking Co., Ltd.	Sapporo Stock Exchange	Nichiryō	Makes, sells bread and pastries, and operates restaurants and manages real estate.
Como Co., Ltd.	Tokyo Stock Exchange	Como's bakery	produces and sells long-life breads made from natural yeast, croissants, danish, and panettones, which are distributed through convenience stores, vending machines, and direct sales to workplaces.
First Baking Co., Ltd.	Tokyo Stock Exchange	-	mainly produces and sells various types of bread. The Company expands its sales channel into supermarkets, convenience stores, and fast-food restaurants.
Kotobuki Spirits Co., Ltd.	Tokyo Stock Exchange	Tokyo Milk Cheese Factory, Hokkaido's LeTAO, Akai Fusen	produces confections, including cookies, rice cakes, steamed cakes, jellies, sweet bean jellies, chocolates, and other sweets.
Seoul Food Industrial Co., Ltd	Korea Stock Exchange	koala, Matin de Boulanger and others	produces bakery goods and snacks, and manufactures animal feedstuff and food waste disposal system.
Yamazaki Baking Co., Ltd.	Tokyo Stock Exchange	yamazaki	produces baking foods including bread, pastry, and cake. The Company operates nationwide sales network and franchised supermarkets and convenience stores.
PT Nippon Indosari Corpindo, Tbk	Jakarta Stock Exchange	SARI ROTI	produces baked goods, bread, cakes, bread pudding, lasagna, and other foods.

Source: Bloomberg

Price-to-Earnings Multiple Approach or P/E ratio

This valuation approach is based on the 12-month trailing earnings per share (April 2016 – March 2017) multiplied by the average price-to-earnings ratio (P/E) of comparable listed companies with similar business under various time frames from 7 to 360 trading days counting backward from 15 June 2017, which is the last trading day before received the official Tender Offer. Details are summarized as follows:

**Table 5-7: Price-to-Earnings Approach (P/E) of PB and its comparable companies**

Comparable companies	P/E ratio by historical number of days								
	7 days	15 days	30 days	60 days	90 days	120 days	180 days	270 days	360 days
Kido Group Corporation	8.09	7.84	7.53	7.32	7.09	6.92	7.15	9.46	7.36
Nichiryo Baking Co., Ltd.	18.99	18.43	17.78	16.92	16.27	15.74	14.82	14.76	15.02
Como Co., Ltd.	38.51	38.56	38.59	38.00	37.13	37.09	41.53	49.13	64.67
First Baking Co., Ltd.	24.99	24.91	24.97	24.32	23.36	23.03	22.19	22.01	27.07
Kotouki Spirits Co., Ltd.	47.24	46.61	43.46	39.27	37.60	37.23	36.88	37.31	35.37
Seoul Food Industrial Co., Ltd	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Yamazaki Baking Co., Ltd.	27.16	27.04	26.65	26.86	26.99	27.14	28.19	31.21	34.54
Nippon Indosari Corpindo	23.38	24.93	26.97	27.67	27.77	27.97	28.13	28.00	27.00
Average P/E	26.91	26.90	26.57	25.77	25.17	25.02	25.56	27.41	30.15
Earnings per share (THB/share) ¹	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23
Share price (THB per share)	87.03	87.02	85.93	83.34	81.42	80.91	82.66	88.66	97.51

Remark: 1 Calculated from 12-month trailing earnings per share (April 2016 – March 2017), excluding the minority interest.

Based on the Price-to-earnings multiple approach, the share value of PB is THB 80.91 – 97.51 per share.

Price-to-Book Value Approach or P/BV ratio

This valuation approach is based on the book value per share as of 31 March 2017 multiplied by the average price-to-book value ratio (P/BV) of comparable companies with similar business under various time frames from 7 to 360 trading days counting backward from 15 June 2017, which is the last trading day before received the official Tender Offer. Details are summarized as follows:

Table 5-8: Price-to-Book Value Approach (P/BV) of PB and its comparable companies

Comparable companies	P/BV ratio by historical number of days								
	7 days	15 days	30 days	60 days	90 days	120 days	180 days	270 days	360 days
Kido Group Corporation	1.58	1.54	1.48	1.44	1.39	1.36	1.33	1.29	1.20
Nichiryo Baking Co., Ltd.	1.03	1.00	0.96	0.96	0.94	0.93	0.91	0.90	0.91
Como Co., Ltd.	7.32	7.34	7.34	7.39	7.58	7.58	7.78	7.99	8.18
First Baking Co., Ltd.	0.90	0.90	0.90	0.90	0.92	0.94	0.96	0.95	0.92
Kotouki Spirits Co., Ltd.	9.54	9.42	8.78	7.93	7.59	7.51	7.44	7.73	7.31
Seoul Food Industrial Co., Ltd.	2.28	2.28	2.18	2.10	2.00	2.00	2.00	1.99	2.00
Yamazaki Baking Co., Ltd.	1.85	1.85	1.82	1.82	1.81	1.80	1.82	1.93	1.94
Nippon Indosari Corpindo	4.68	4.99	5.40	5.54	5.55	5.62	5.75	5.87	5.75
Average P/BV	3.65	3.66	3.61	3.51	3.47	3.47	3.50	3.58	3.52
Book value per share ¹ (THB per share)	14.24	14.24	14.24	14.24	14.24	14.24	14.24	14.24	14.24
Share price (THB per share)	51.96	52.15	51.36	49.98	49.46	49.37	49.83	51.01	50.19

Remark 1. Calculated from the first 3 months 2017 financial statement in which the equity method is applied, excluding the minority interest.

Based on price-to-book value approach, the share value of PB is THB 49.37 – 52.15 per share.

5.2.5 Sum-of-the-Parts Approach

This valuation approach determines the value of PB by separately valuing PB, its investment in joint venture and other long-term investment, with appropriate valuation method and combining them together at the proportion held by PB. Details are summarized as follows:

**Table 5-9: Summary of the valuation methods used for share valuation of PB as of 31 March 2017**

Company	Status	Shareholding	Valuation approach
President Bakery Public Company Limited (PB)	-	-	Discounted Cash Flow: DCF
President Green House Foods Co., Ltd. (PGH)	Joint venture	39.00%	Market Comparable Approach
President Flour Mills Co., Ltd. (PFM)	Other long-term investment	10.00%	Market Comparable Approach

Valuation for PB excluding other companies

Based on the discounted cash flow approach, the IFA has estimated the future cash flow until 2021, using the financial forecast prepared by PB, information and future business plan, interview with relevant management and officers as well as the actual financial and industry data. The assumptions used in preparing the forecast are based on the current economic and industry condition. If any of the factors or other external factors that have impact on the operation of the business significantly changes from the assumptions made herein, the value may also differ.

1) Assumption on revenue valuation

PB's main business is to produce and distribute bread and bakery, divided into 4 business lines: wholesale bakery business, retail bakery business, fast food and restaurant business and export business.

Table 5-10: Revenue assumptions of PB

	Assumption
1. Wholesale	
Sliced bread	Sales growth of sliced bread is assumed to grow by 5.50% per year during 2017-2021, which is in line with the value growth of the bread industry during 2016-2021 (Source: Euro monitor).
Burger and hotdog buns	Sales growth of burger and hotdog buns are assumed to be constant during the forecast period, due to high fluctuations in their growth rate during the past 5 years. Furthermore, the proportion of burger bun sale is considered relatively small compared to other products.
Snack bread	Sales growth of 7.1% per year has been considered for snack bread during 2017-2021, which is in line with the industry value growth for packaged pastries during 2016-2021 (Source: Euro monitor).
Snack cake	Sales growth of 5.6% per year has been considered for snack cake during 2017-2021, which is in line with the value growth for the cake industry during 2016-2021. (Source: Euro monitor).
Confectionery	Sales growth of 3.7% has been considered for other confectionary products during 2017-2021, which is in line with the value growth of the confectionary industry in 2016-2021 (Source: Euro monitor).
2. Retail	Retail stores of PB comprise Deliya, Madame Marco, and Good Morning Farmhouse, whose growths have been assumed constant during the forecast period due to contracted sales. PB will also give less emphasis in the retail segment going forward.
3. Fast Food and Catering	The client's outlet growth of 5% per year has been considered, while the growth of sales per outlet is assumed to be 2% per year based on inflation.
4. Export	Growth for export sales is assumed to be constant due to high fluctuation in the historical growth of export sales during the past 4 years. Moreover, the proportion of export sales is considered relatively small compared to other products.
Other income	
Interest income	Based on 5-year historical average proportion of interest income to cash and cash equivalent, banks deposit as collaterals and long-term investment, amounting to 2.3% of cash and cash equivalent, bank deposits used as collaterals and long-term investment.
Other income	Based on 5-year historical average proportion of other income to the total sales, amounting to 0.3% of the total sales.



2) Assumption on Expense

Table 5-11: Expense assumption of PB

	Assumption
Expense	
Cost of goods sold (not include depreciation)	The proportion of cost of goods sold to sales of 53.2% has been considered per year throughout the forecast period based on the historical 4-year average. Nonetheless, the cost of goods sold trend is downward in the future due to lower price of major raw material as well as due to effective production and purchasing management.
Selling expenses	Selling expenses as a percentage to sales of 13.4% has been considered per year throughout the forecast period based on the historical 5-year average.
Administrative expenses	The administrative expenses growth has been assumed equal to sales growth.
Other assumption	
Income tax rate	The effective tax rate of 9.3% has been considered based on the historical 5-year average of the Company.
CAPEX	PB investment plan estimation in 2017 as follows <ul style="list-style-type: none"> - Additional investment of THB 250 Million for building and renovation - Additional investment of THB 545 Million for machinery and equipment - Additional investment of THB 135 Million for furniture and office equipment - Additional investment of THB 70 Million for computers and softwares In addition, assigned for investment expenses of THB 500, 1000 and 500 Million Baht between 2019-2021 respectively
Net working capital	The 5-year historical average for each relevant net working capital assumptions have been considered or as appropriate.

Financial forecast of PB

From the above assumptions regarding revenues, expenses, the financial forecast of PB from 2017 to 2021 is as follows:

Table 5-12: Financial forecast of PB

(THB Million)	2017	2018	2019	2020	2021
Sales	8,014.04	8,487.02	8,989.46	9,523.22	10,090.28
Other income	25.91	27.44	29.07	30.79	32.63
Total revenues	8,039.95	8,514.47	9,018.53	9,554.01	10,122.91
Cost of goods sold	(4,263.32)	(4,514.94)	(4,782.23)	(5,066.18)	(5,367.84)
Gross profit	3,776.63	3,999.53	4,236.30	4,487.84	4,755.07
Selling and administrative expense	(1,763.32)	(1,867.38)	(1,977.94)	(2,095.38)	(2,220.15)
EBITDA	2,013.32	2,132.14	2,258.37	2,392.46	2,534.92
Depreciation and Amortization	(499.51)	(552.37)	(577.37)	(625.40)	(400.76)
EBIT	1,513.80	1,579.77	1,681.00	1,767.06	2,134.16
Income tax expenses	(141.27)	(147.43)	(156.87)	(164.90)	(199.16)
NOPAT	1,372.53	1,432.35	1,524.13	1,602.16	1,935.00

Discount Rate of PB

The IFA has calculated the discount rate used in calculating the present value of cash flows of PB by using the weighted average cost of Capital: WACC as follows:

$$\text{WACC} = (D/(D+E) \times K_D \times (1 - T)) + (E/(D+E) \times K_E)$$

Where:

D	Value of interest-bearing debt
E	Value of shareholders' equity
T	Corporate income tax rate



K _D	Cost of debt
K _E	Cost of equity calculated using Capital Asset Pricing Model ("CAPM")

K_E is calculated under CAPM as follows:

$$K_E = R_F + \beta \times (R_M - R_F)$$

Where:

R _F	Risk free rate based on the historical yield of the 10-year government bond at 2.63%
Beta	Beta (β) is the average volatility between SET Market return and the comparable companies (Calculated from 2-years ¹ historical data of the comparable companies) at 0.53 (Source: Bloomberg)
R _M	Market return calculated from the total return from investing in SET during the past 10 years at 12.02% (Source: Bloomberg).

Remark: ¹ except Seoul Food Industrial Co., Ltd. that calculated from 3-years historical data because its price fluctuated significantly in a previous month.

Based on the above assumptions of discount rate, cost of equity (K_E) is 7.60%. However, PB has no significant interest-bearing debt. Therefore, WACC is equal to the cost of equity at 7.60%

Terminal Value

Terminal value is calculated from the growth rate of cash flow after the projection period (Terminal Growth Rate). The IFA determined appropriate growth rate at 1%. As the bread industry's price growth in 2011-2016 is between 1% and 3%, this is partly due to the high popularity of artisanal bread which is expensive (Source: Euro monitor). When considered in conjunction with competitive conditions in the bread industry, which consists of several major competitors and other retailers. As a result, operators, especially large operators, need to maintain their market share affected the future bread price growth rate. The IFA has set the growth rate at 1%.

Discounted free cash flow of PB

Table 5-13: Forecast free cash flow to firm of PB

(THB Million)	2017	2018	2019	2020	2021
Net operating profit after tax (NOPAT)	1,372.53	1,432.35	1,524.13	1,602.16	1,935.00
Depreciation and amortization	499.51	552.37	577.37	625.40	400.76
Change in net working capital (NWC)	(26.26)	(19.00)	(9.53)	(7.39)	1.95
Capital expenditure (CAPEX)	(1,000.00)	-	(500.00)	(1,000.00)	(500.00)
Free cash flow to firm (FCFF)	845.79	1,965.72	1,591.97	1,220.16	1,837.71
Terminal value: TV					28,112.31
Present value of FCFF	786.03	1,697.76	1,277.82	910.18	1,273.99
Present value of Terminal Value					19,488.88
Sum of present value of FCFF and Terminal value	786.03	1,697.76	1,277.82	910.18	20,762.88

Calculation PB's equity value

Based on the above cash flow, the equity value of PB can be calculated as follow:

Table 5-14: Enterprise value of PB using the Discounted Cash Flow Method

(THB Million)	
Enterprise value	25,434.68
<u>Add</u> Cash Short-term investment and Long-term investment ¹	1,763.59
<u>Deduct</u> Financial liabilities ¹	(289.58)
<u>Deduct</u> Latest dividend payable	(409.50)
Equity value of PB (before including investment in other companies)	26,499.18

Remark: 1. Reviewed financial statement as of 31 March 2017

Based on the DCF approach, the equity value of PB (excluding investment in other companies) is THB 26,499.18 million.



Investment valuation in PGH and PFM

The IFA determines the value of investment in PGH and PFM which operated with profit by comparing business within the same industry using EV/EBITDA ratio. The IFA analyzed the average EV/EBITDA ratios of the companies whose industries are similar to those of the business of PGH and PFM; i.e., restaurant and manufacturing of flour and cooking ingredients businesses. In terms of sources of information, we have considered the average ratios of the companies in the comparable sectors both in Thailand (source: Bloomberg) and globally (source: from industry research by Professor Aswath Damodaran website <http://pages.stern.nyu.edu/~adamodar/>) in arriving at the appropriate EV/EBITDA ratios for PGH and PFM (Aswath Damodaran is the Professor of Corporate Finance and Valuation at the Stern School of Business at New York University and is well known in the financial industry as an academic and author related to Appraisal, Corporate Finance and investment management and Valuation. He has published several books on valuation. Equity as well as corporate finance and investment. In addition, his works have also been widely published in the leading journals of finance and investment).

However, since these comparable companies are listed on their respective stock markets and relatively large in term of size, the IFA has discounted the EV/EBITDA ratios by 25% (Source: Marketability and Value: Measuring the Illiquidity Discount by Professor Aswath Damodaran, 2005) to reflect the size and illiquidity of the private company. The details by industry are presented as follow:

Table 5-15: Flour mill manufacturing and related service industry average

Company's name	Nature of business	EV/EBITDA
MALTERIES FRAN-B	Malteries Franco Belges operates flour mills and grain storage facilities. The Company oversees the entire malting process from the selection of seed to the delivery of malt to breweries. MFB operates malt houses in Champagne, Lorraine, Beauce-Gatinais, and Bourgogne, and also provides seed to local farmers.	19.25
SAJODONGAONE CO	Sajodongaone Co., Ltd. is a flour mill and animal feed company. The Company's production involves the manufacturing, development, and distribution of its bakery flour and powder, primarily through business-to-business markets.	14.41
GRAINCORP LTD-A	GrainCorp Limited provides grain industry related services in Australia. The Group provides grain and bulk commodities handling and storage for growers, end users and marketing organizations. The Group also operates grain pools, provides transportation services for bulk commodities along with farming products and flour milling and mixing services.	11.68
UNGA GROUP LTD	Unga Group Ltd. is a manufacturing company that manufactures flour, maize meal, breakfast cereals, snacks, oats products, cake mixes, pasta, edible oil products and animal feedsmiller. The company has a controlling interest in Kenya National Mills and owns major properties in Nairobi.	3.59
Sample industry average		12.23
Global industry average		11.89
Selected ratio before adjustment		12.00
Selected ratio after adjustment		9.00

Table 5-16: Restaurant industry average

Company's name	Nature of business	EV/EBITDA
MK RESTAURANTS	operates the restaurant business "MK Suki" and Japanese restaurant "Yayoi" which obtained a franchise right from Japan. It also operates other restaurants such as 2 Japanese restaurants - "Hakata" and "Miyazaki", Thai restaurant "Na Siam" and "Le Siam", the coffee and bakery shop "Le Petite".	14.19
HOT POT PCL	Operates restaurant business, mostly are International Buffet Restaurants and Suki and Shabu under "Hot Pot" brand and Japanese style Grill and Shabu buffet	12.35



Company's name	Nature of business	EV/EBITDA
	restaurant under "Daidomon" brand. In addition, casual dining restaurants under "Signature" brand serve steak and fusion food in A La Carte type	
S&P SYNDICATE	The Company operates a restaurant and bakery business categorized as follows: 1) Domestic restaurants and bakeries the operation of restaurant branches and bakery shops nationwide 2) Overseas restaurants the operation of Thai restaurants abroad 3) The production and distribution of bakery products, frozen prepared foods, 4) The provision of other related services, such as home delivery of foods and outside catering.	11.80
OISHI GROUP PCL	The Company is a manufacturer and distributor various types of Japanese food and beverages.	10.78
Thailand industry average		12.28
Global industry average		11.43
Selected ratio before adjustment		12.00
Selected ratio after adjustment		9.00

Based on the above ratio EV/EBITDA, the IFA can calculate investment valuation as follows:

Table 5-17: PB's Investment valuation under market comparable method (EV/EBITDA)

	PGH	PFM
EBITDA ¹	26.09	154.03
EBITDA Multiple (times) After adjustment	9.00	9.00
Enterprise value	234.81	1,386.31
Add Cash and Short-term investment	42.75	221.33
Deduct Liabilities	-	-
Shareholder equity	277.55	1,605.39
Percentage of shareholding by PB (%)	39.00%	10.00%
Investment Value (THB million)	108.25	160.54

Note: 1. 2016 EBITDA is adjusted by interest income and dividend income

Based on the above valuation by comparing business with similar industry (EV/EBITDA), President Green House Foods Co., Ltd. (PGH) and President Flour Mills Co., Ltd. (PFM) values are THB 108.25 million and THB 160.54 million, respectively.

Valuation by sum-of-the-parts approach

Table 5-18: Share valuation of PB using the sum-of-the-parts approach

(THB Million)	
PB	26,499.18
<u>Total investment value in joint venture and other long-term investment of PB</u>	
PGH	108.25
PFM	160.54
Total value	26,767.97
Number of PB's shares (Million shares)	450.00
Share value of PB (THB per share)	59.48

Based on the sum-of-the-parts approach, the equity value of PB is THB 59.48 per share.



5.2.6 Valuation summary of share value of PB

Valuation results of PB share under various approaches are summarized as follows:

Table 5-19: Valuation results and comparison of pros and cons for each valuation approach

Valuation method	Share price	Pros	Cons
Book Value Approach	14.20	Reflects financial position of the Company at a point in time	Does not reflect fair values of some assets and important events that occurred after the financial closing date. Neither does it reflect the Company's future financial performance and its ability to generate income
Adjusted Book Value Approach	13.74	Reflects fair value of assets and events that occurred after the financial closing date.	Does not reflect the Company's future financial performance and its ability to generate income. Moreover, PB did not conduct any valuation of property during the past six months. Therefore, the adjusted book value approach may not reflect the true value of the company.
Weighted Average Market Value Approach	59.64 – 64.07	Market price is determined by demand and supply of investors, which are based on various information and expectations, and the overall market conditions.	Due to relatively low turnover of PB's stock, based on the turnover ratio of PB compared to SET, this approach may not fully reflect the true value of the Company.
Price-to-Earnings Approach	80.91 – 97.51	Reflects the Company's operating performance during a certain period of time against the average ratio of the comparable companies.	The comparable companies operate in foreign countries with different business fundamental to PB. In addition, PB has no debt. On this basis, the P/E ratio may not reflect the true value of PB.
Price-to-Book Value Approach	49.37 – 52.15	Reflects the Company's past operating performance and financial position at a certain period of time against the average ratio of the comparable companies.	The comparable companies operate in foreign countries with different business fundamental to PB. In addition, the P/B ratio is not generally a good financial indicator of PB business.
Sum-of-the-Parts Approach	59.48	Reflects the value of the firm by valuing each component separately by using varying appropriate valuation method, and combining the values of those parts at the firm equity's stake. Therefore, it can reflect the fair value to a certain extent.	This method mostly based on cash flow projection under current industry and economic. Significant changing in industry and economic affect the valuation value.

Based on the above reasons, the IFA views that the appropriate method to value PB share is sum-of-the-parts approach. Thus, the appropriate share price of PB is THB 59.48 per share.



6. Rationale to Accept and/or Reject the Tender Offer

Based on the consideration of the Tender Offer (Form 247-4), the Tender Offer Price and other related information of the Company, the IFA is of the opinion that the shareholders of the Company **should reject** the Tender Offer. The rationale is as follows:

6.1 Appropriateness of the Tender Offer Price

The IFA has assessed the valuation of PB shares by using 5 approaches of valuation: including 1 Book Value Approach 2. Adjusted Book Value Approach 3. Market Price Approach 4. Market Comparable Approach and 5. Sum-of-the-Parts Approach, as summarized below:

Table 6-1: Summary of PB share valuation under each approach

Valuation approach	Share price	Offer Price	Higher (Lower) than the Offer Price (Baht)	Higher (Lower) than the Offer Price (%)
Book Value Approach	14.20	58.58	(44.38)	(75.76)%
Adjusted Book Value Approach	13.74	58.58	(44.84)	(76.54)%
Market Price Approach	59.64 - 64.07	58.58	1.06 – 5.49	1.81% - 9.37%
Price to Earnings Multiple Approach	80.91 - 97.51	58.58	22.33 – 38.93	38.12% - 66.46%
Price to Book Value Multiple Approach	49.37 - 52.15	58.58	(9.21) – (6.43)	(15.72)% - (10.98)%
Sum-of-the-parts Approach	59.48	58.58	0.90	1.54%

The Company's business has various products with different trends in revenue and cost. Thus, the IFA views that the appropriate valuation approach is the Sum-of-the-Parts Approach. Therefore, the appropriate share value of PB is THB 59.48 per share. On this basis, the IFA views that **the Offer Price of THB 58.58 per share is not appropriate** as the Offer Price is lower than the value assessed by the IFA.

6.2 Other Considerations

6.2.1 The Company's trading price on the SET is higher than the Offer Price

Table 6-2: Trade price of the Company's share on the SET

PB			
Date	Total Value / Total Volume (THB/share)	Total Volume (Shares)	Total Value (THB)
6/15/2017	63.75	111,100.00	7,082,950.00
6/14/2017	63.90	3,700.00	236,425.00
6/13/2017	63.75	20,300.00	1,294,175.00
6/12/2017	63.73	28,400.00	1,810,000.00
6/9/2017	63.77	13,400.00	854,475.00
6/8/2017	63.89	16,500.00	1,054,175.00
6/7/2017	63.43	28,600.00	1,814,175.00
6/6/2017	63.64	1,400.00	89,100.00
6/5/2017	63.77	1,300.00	82,900.00
6/2/2017	63.46	24,800.00	1,573,900.00
6/1/2017	63.76	7,601.00	484,649.00
5/31/2017	63.77	18,700.00	1,192,475.00
5/30/2017	63.99	4,200.00	268,775.00
5/29/2017	63.81	3,430.00	218,880.00
5/26/2017	63.77	4,525.00	288,550.00



PB			
Date	Total Value / Total Volume	Total Volume	Total Value
	(THB/share)	(Shares)	(THB)
5/25/2017	63.54	42,001.00	2,668,913.25
5/24/2017	63.82	13,400.00	855,200.00
5/23/2017	63.56	15,700.00	997,925.00
5/22/2017	63.69	10,200.00	649,625.00
5/19/2017	63.72	21,400.00	1,363,525.00
5/18/2017	63.69	14,409.00	917,726.00
5/17/2017	63.68	13,701.00	872,439.00
5/16/2017	63.65	40,900.00	2,603,325.00
Total	63.69	459,667.00	29,274,282.25
Average	63.72	19,985.52	1,272,794.88

The Company's ordinary share prices on the SET from 16 May 2017 to 15 June 2017 range between THB 63.43 – 63.99 per share. This is higher than the Offer Price at THB 58.58 per share by 8.28 – 9.24%. If the shareholders do not wish to further hold the Company's ordinary shares, selling the shares on the SET will give more return than selling through the Tender Offer. Nevertheless, the Company's ordinary shares have low liquidity. During the above period, the average trading volume is 19,985.52 shares per day. Therefore, the shareholders who do not accept the Tender Offer may not be able to sell their shares on the SET at the desired price and time.

6.2.2 Listing Status on the SET

Based on the shareholder list on the book closing date (29 March 2017), the Company has 1,833 minority shareholders (Free float) with an aggregated shareholding by the minority shareholders of 25.48% (%Free float). To comply with the SET's listing qualification, the Company has to maintain at least 150 minority shareholders with an aggregated holding of at least 15% of the Company's total registered and paid-up capital. If a significant number of minority shareholder accepts the Tender Offer, the Company's listing qualification may be affected.

6.2.3 Liquidity of the Company's share traded on the SET after the Tender Offer

Based on the trading of the Company's ordinary shares during the past 90 days before 16 June 2017 (the day the Offerors filed the Tender Offer). The Company's ordinary shares have an average trading volume of 16,154 per day, or 0.003% of the total shares. Thus, the liquidity is considered to be low. If a significant number of the shareholders accepts the Tender Offer, a higher number of the Company's ordinary shares will belong to the Tender Offerors, which may result in a substantial decrease in the trading volume of ordinary shares on the SET. If the liquidity of the Company's shares decreases, the shareholders who do not accept the Tender Offer may not be able to sell their shares at the desired price and time.

6.2.4 Sources of funds of the Tender Offerors

As stated in the Tender Offer (Form 247-4), SPI will offer to buy 43,537,474 ordinary shares at the price of THB 58.58 per share, totaling to THB 2,550,425,227 (if all the shareholders sell all of their ordinary shares except for the Company's shareholders who have declared their intention not to sell their shares during the Tender offer). The source of funds of THB 9,266,000,000 for this tender offer, which is sufficient to cover the



amount required for the Tender Offer before deducting the number of shareholders who declared their intention to not sell their shares, as follows:

1. Credit facility from Sumitomo Mitsui Banking Corporation, Bangkok Branch in the amount of THB 3,000,000,000
2. Credit facility from Bangkok Bank Public Company Limited in the amount of THB 14,044,000,000
3. Credit facility from Bank of Ayudhya Public Company Limited in the amount of THB 14,043,000,000

As stated in the Tender Offer (Form 247-4), TF (as a co-Tender Offerors to SPI) will offer to buy 21,768,737 ordinary shares at the price of THB 58.58 per share, totaling to THB 1,275,212,613 (if all the shareholders sell all of their ordinary shares except for the Company's shareholders who have declared their intention not to sell their shares during the Tender offer). The source of funds of THB 9,320,626,937 for this tender offer, which is sufficient to cover the amount required for the Tender Offer before deducting the number of shareholders who declared their intention to not sell their shares, as follows:

1. Bank deposit with Bangkok Bank Public Company Limited, Kasikorn Bank Public Company Limited, Bank of Ayudhya Public Company Limited, Tisco Bank Public Company Limited, and Citibank N.A. Bangkok Branch in the total amount of THB 4,202,481,772
2. Credit facility from Kasikorn Bank Public Company Limited for the tender offer for all securities of PB in the amount of THB 4,500,000,000
3. Available-for-sale investments in private fund in the amount of THB 618,145,165

The Tender Offer Preparer has reviewed the Tender Offerors' sources of funds and has the opinion that the Tender Offerors has sufficient source of funds for this tender offer.

6.2.5 Possible impact from the lack of balance in power to manage the Company

Table 6-3: Shareholding in PB by the Tender Offerors under various scenarios

Shareholding	Unit	Scenario 1 : No shareholder accepted the offer	Scenario 2 : All shareholders accepted the offer (except those who declared their intention to not sell)	Scenario 3 : All shareholders accepted the offer
TF's shareholding in PB	Shares	42,237,500	64,006,237	113,150,200
	%	9.39%	14.22%	25.14%
PR's shareholding in PB	Shares	168,817,500	168,817,500	168,817,500
	%	37.52%	37.52%	37.52%
New Co. (TF + PR)'s shareholding in PB	Shares	211,055,000	232,823,737	281,967,700
	%	46.90%	51.74%	62.66%
SPI's shareholding in PB	Shares	97,119,600	118,888,337	168,032,300
	%	21.58%	26.42%	37.34%
SPI and New Co.'s shareholding in PB	Shares	308,174,600	351,712,074	450,000,000
	%	68.48%	78.16%	100.00%

Remark: Based on the Report Form for the Acquisition or Disposition of Securities (Form 246-2) dated 12 June 2017, SPI has declared that there one concert party (i.e. PR) and no person under Section 258 in relation to the acquisition of PB shares.



After the Tender Offer, TF (who is one of the Tender Offerors) and PR (who is a major shareholder of the Company), will proceed with the Amalgamation to form New Co., which will hold at least 46.90 % but not exceeding 51.60% of total shares in the Company. Therefore, PB will become a subsidiary of New Co. In the case that New Co. holds more than 50% of the Company, New Co. will be able to control the Company by voting on general shareholder resolutions that require at least half of the vote (i.e. approval of balance sheet and profit and loss, appointing auditor, payment of dividend).

SPI will hold at least 21.58 % but not exceeding 37.34% of total shares in the Company. Therefore, PB will become an associate company of SPI. In the case that SPI holds more than 25% of the Company, SPI will have the voting power to oppose important shareholder resolutions that require special resolution with majority vote of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, procedures, and the Company's article of association.

However, because of the entire business transfer, SPI is also required to make a tender offer for all of PR shares. This may result for SPI to hold shares in New Co. of at least 24.68% but not exceeding 37.04%. As a result, New Co. will be an associate company of SPI and, if SPI has more than 30% holding in New Co., New Co. will become a person under Section 258 of SPI.

Consequently, after the Amalgamation, SPI and New Co. will hold shares in the Company of at least 68.48%. In the case that SPI and New Co. hold more than 75% of total shares in the Company together with SPI and New Co. being person under Section 258 or concert party, SPI and New Co. will have an absolute control of the Company by both proposing and voting on important shareholder resolutions that require special resolution with majority vote of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, procedures, and the Company's article of association.

6.2.6 Possible impact from the Amalgamation

After the Tender Offer, TF and PR will proceed with the Amalgamation to form New Co. according to the procedures under the Public Limited Company Act B.E. 2535, as amended. The New Co. shall assume all assets, liabilities, rights, duties, and responsibilities of TF and PR by laws, including shares in PB of not less than 46.90% but not exceeding 62.66% of total voting rights in PB which were originally held by TF and PR prior to the Amalgamation. This may exceed the trigger point that require a tender offer for all securities in PB in accordance with Notification TorChor. 12/2554. However, the requirement for New Co. to make a tender offer for all securities in PB will be exempted. As such, upon the completion of the Amalgamation, the New Co. will not be required to make another tender offer for all securities in PB again.

If the shareholders do not intend to hold their shares that may be affected by the change in the shareholding structure from the Amalgamation, the shareholders may consider to sell their shares in this tender offer if concerned that their shares can not be sold on the SET at the desired price and time. Nevertheless, the Offer Price in this tender offer is the same price that SPI had acquired PB shares from the entire business transfer of PH, which is the highest price that SPI had acquired PB's ordinary shares during the period of 90 days prior to the submission of the tender offer by SPI and TF to the Office of Securities and Exchange Commission pursuant to the rules under the Notification TorChor. 12/2554.



6.2.7 Plan to sell shares of the business

As mentioned in the Tender Offer (Form 247-4), the Tender Offerors have no intention to either sell or transfer a significant amount of the issued share capital of PB both currently held and to be acquired from this Tender Offer to any person within 12 months from the end of Offer Period. For SPI, investment in PB which is food business of Saha Group has lower fluctuation compared to SPI's current investments and other businesses of such as industrial park, cosmetic and textile. For TF, investment in PB will help strengthen business competitiveness and increase opportunities for business expansion because PB is the market leader in bakery industry. However, the Tender offerors may sell or transfer the shares in the case that (i) there is a restructuring, under which the Tender Offerors may consider and implement the sale or transfer of the shares of PB to the Tender Offerors' major shareholders or persons under Section 258 of the SECA or (ii) the Tender Offerors are obliged to comply with the law and regulations in force at that time.

However, the Tender Offerors shall continuously consider the level of investment and shareholding in PB along with PB's business plan, expansion plan, strategic plan, funds requirement, and liquidity in order to ensure that PB have sufficient funding and liquidity to continue their operation and expand their businesses in the future.

6.2.8 Related party transaction

At present, the Company has prevailing policies and procedures regarding related party transactions in compliance with the rules and regulations stipulated by the SET and the SEC to prevent any conflict of interests between the Company, its subsidiaries, related companies and/or any potential conflicted persons.

Within the period of 12 months after the end of the Offer Period, the Tender Offerors, or any person connected with the Tender Offerors pursuant to Section 258 of the SECA, has no intention to materially change the Company's current policy regarding connected transactions. However, the related party transaction policies may change if the Company is no longer a listed entity.

Any current and future related party transactions will be carefully considered and ensured so that terms and conditions of such transactions are similar to those of normal business transactions at an arm's length basis. There would not be any special terms or preference among the Company, its related companies, associate companies and shareholders in accordance with rules and regulations of the SET and the SEC, and to ensure that all related party transactions are conducted at arm's length basis.



7. Benefits or Impacts from Policies and Business Directions Disclosed in the Tender Offer

Based on considerations of policies and business plan that were disclosed in the Tender Offer (Form 247-4), other supporting documents from the Company, and other relevant disclosures by the Offerors, the IFA's opinions on the potential impacts from these policies and business plans are as follows:

7.1 Status of the Company

The Offerors have no intention to delist the Company's securities from the SET during the 12 months after the end of the Tender Offer Period, with the exception of the Offerors having duties and responsibilities pursuant to the laws, regulations, and other relevant and rules that are enforced at the time.

However, the Company may be exposed to the risk of being delisted from the SET if a significant number of minority shareholders accept the Tender Offer, which may cause the Company to have minority shareholders of less than 150 and the free float percentage of less than 15.0% of total paid-up of the Company. Nevertheless, if the Company cannot comply with the qualification, the SET has set a guideline for listed companies that do not meet the free-float requirement by charging additional annual fee for the companies that violated the requirement for more than 2 years until the requirement is met. The additional fee will be calculated based on the time and amount of free float deficit to the requirement.

7.2 Policies and Plans of Business Operations

The Tender Offerors do not have policy to make any material changes to PB's core business during the 12 months after the end of the Offer Period and intend to continue the operation as conducted prior to the Tender Offer.

However, if necessary, the Tender Offerors may adjust the business plan or in case where there is any major change in financial performance, the business environment or any other events, the Tender Offerors may revise or restructure the Business's policy, organization, human resource and capital structure including disposal of operating assets of the Business to improve the Business's operation and financial performance and to avoid any material effects that may impact the operations as well as to increase its efficiency and competitiveness in the future.

In case that the Tender Offerors decide to make any material changes from what has been stated in the Tender Offer documents, the Tender Offerors shall obtain relevant approvals from the Board of Director's meeting and/or shareholders' meeting in accordance with the article of association, laws and regulations that are relevant and effective at that time.

The IFA is of the opinion that there will be limited impact on the Company's operations and financial status in the short-run because there will be no material changes to the Company's core business, business plan, policy, and human resources in the near future. Also, the Tender Offerors has the capital and sufficient liquidity for the operation and expansion.

Nonetheless, any material alteration in business course or operation would need board or shareholder resolution and need to comply with the SEC and the SET's regulations.



7.2.1 Future dividend payout policy

The Tender Offerors did not inform about the change in the Company's dividend policy in the Tender Offer (Form 247-4)

Table 7-1: Historical PB's dividend payment

Year	Interim dividend (Baht / Share)	Final dividend (Baht / Share)	Total (Baht / Share)	Dividend payout ratio ¹ (%)
2016	0.74	0.91	1.65	50.80%
2015	0.62	0.83	1.45	50.07%
2014 ²	0.50	0.66	1.16	50.21%

Note: 1. Calculated from separate financial statement
2. Restated

Before the Tender offer, PB paid dividend twice a year at minimum of 50% of net profit after tax and statutory reserve (with additional conditions)

The IFA is of the opinion that future dividend payout may not significantly impact the Company in the near future as there is currently no plan to materially change the Company's dividend payment policy. Nevertheless, the Tender Offerors may adjust the dividend payment of PB in the future to be suitable for the operations and financial status, or for competitive advantages.

7.2.2 The Company's Board of Directors

The Board of Directors as of 31 May 2017 consists of 15 members as follows:

Table 7-2: PB's Board of Director

No.	Name	Position
1	Mr. Pipat Paniangvait	Chairman of the Board
2	Mr. Apichart Thammanomai	Managing Director
3	Mr. Kamthorn Tatiyakavee	Director
4	Miss Pojjanee Paniangvait	Director
5	Mr. Pun Paniangvait	Director
6	Mrs. Malee Tangjaisanong	Director
7	Miss Petcharat Anantawichai	Director
8	Mr. Apisate Thammanomai	Director
9	Mr. Thavach Keawpitag	Director
10	Miss Panida Prayottaweekij	Director
11	Miss Suwimon Keeratipibul	Chairman of Audit Committee and Independent Director
12	Mrs. Yupa Soontrapa	Audit Committee and Independent Director
13	Mrs. Kulpatra Sirodom	Audit Committee and Independent Director
14	Mr. Boonsak Chiempricha	Audit Committee and Independent Director
15	Mrs. Aim-On Pathumaruk	Independent Director

Source: PB

After the Tender offer, the Tender Offerors have no plan to change the Board structure nor to propose any names for Board Directors, therefore, the Tender Offerors has no influence on the Board voting. However, After the Tender Offer, the Tender Offerors may change the Board of Directors for the appropriateness; if there are any changes, the Tender Offerors will comply with the relevant laws and regulations that are effective at that time.



8. Opinion of the Independent Financial Advisor

The IFA has analyzed and evaluated information, under the scope, conditions and certain limitations as discussed in the previous sections of this report. The IFA is of the opinion that **the shareholders should reject the Tender Offer** because the Tender Offer Price at THB 58.58 per share is lower than the fair valuation under the current business operation of THB 59.48 per share. Additionally, the shareholders can choose to sell their shares in the SET, with higher price than the Tender Offer Price.

However, in making decision to accept or reject the Tender Offer, the shareholders should consider information, including the Tender Offer (Form 247-4), the Opinion of the Company on the Tender Offer (Form 250-2), and details of the IFA's Opinion, particularly on the scope, methodologies, assumptions used in the financial projection, information from management of the Company, and publicly available information. This opinion will only be completed when considered as a whole. The IFA shall not be held responsible from the disclosure, reference or dissemination of the Opinion in part without approval from the IFA.

The IFA hereby certifies that the Opinion has been rendered with due care in accordance with professional standards, for the best interests of the shareholders.

Yours faithfully,

Monvalai Rachatakul

Supervisor

Grant Thornton Services Ltd.

Julaporn Namchaisiri

Managing Director, Corporate Finance

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