

- Translation -

Opinion of the Company on the Tender Offer

(Form 250-2)

of

President Bakery Public Company Limited

The Tender Offeror

Thai President Foods Public Company Limited

Independent Financial Advisor to the Shareholders

Grant Thornton Services Limited

19 September 2018

"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 -

ACE_18_09_153

19 September 2018

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 29 August 2018 from Thai President Foods Public Company Limited as the Offeror, 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 the 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

19 September 2018

To: Security holders of President Bakery Public Company Limited

On 29 August 2018, 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 Thai President Foods Public Company Limited (hereafter referred to as “TFMAMA”) (Collectively referred to as the “Tender Offeror”). 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	238,937,200	238,937,200	53.10	53.10	61.16	14,613,399,152
Preferred shares						
Warrant						
Convertible debenture						
Other securities (if any)						
			Total	53.10	Total	14,613,399,152

Tender offer price and tender offer period

The offer price of PB common share is THB 61.16 (Sixty-one baht sixteen 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 60.996397 (Sixty point nine-nine-six-three-nine-seven baht). The Offer Period will be for a total of 45 business days during 9:00 a.m. to 4:00 p.m. on any business day from 3 September 2018 to 6 November 2018 (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 Offeror 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 Offeror may change the offer or extend the Offer Period to compete with other offeror who submitted a tender offer for shares of the Business during the Offer Period.

Conditions for the cancellation of the Tender Offer

The Tender Offeror 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 Offeror or actions for which the Tender Offeror is 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 3 September 2018 to 5 October 2018 (totaling 25 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.); Departmentstores (e.g. Tanghuaseng, Tokyu, etc), Supermarkets (e.g. The Mall, Tops, Foodland, Max value, 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, PTB Mart , 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.

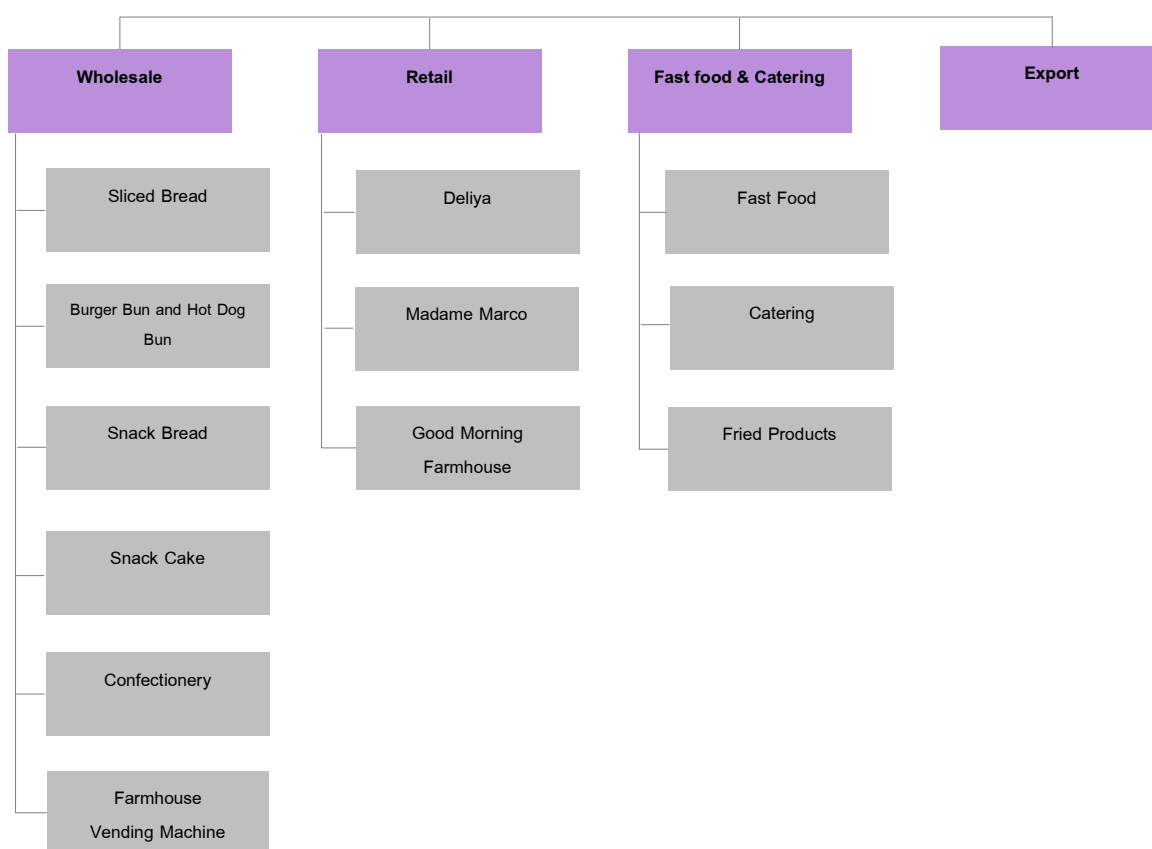
4. Export Business

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

As of 30 June 2018, 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”
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:

- Hypermarkets, e.g. Tesco Lotus, Big C, Makro, etc.
- Department stores, e.g. Tanghuaseng, Tokyu, etc.
- Supermarkets, e.g. The Mall, Tops, Foodland, Max value, 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, PTB Mart, 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 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 kind 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, 240 grams Hokkaido Milk Flavored bread.

(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 anytime and anywhere. The products which come in different types, varieies 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 2017, new products were launched which are Tuna corn salad whole wheat sandwich, Durian custard filled bun, Hokkaido milk flavour cream filled hotdog bread 50 grams, Durian almond flavour cream

filled hotdog bread, Mini pack taro flavoured sliced bread, Mini pack coconut cream pandan flavoured sliced bread, Pae bread with butter coconut flavour.

1.4 Snack Cake

The company foresees 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 distributed. Snack cake group products that the company manufactures and distributes consisted of banana cake, 4 flavors of cake roll which consisted of coffee flavoured cake roll, pandan flavoured cake roll, orange flavoured cake roll, vanilla flavoured 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, Dorayaki with chocolate chip filling. Sandwich Cake 3 flavors; Sandwich cake coffee flavoured cake, Sandwich cake vanilla flavoured cake, Sandwich cake pandan flavoured cake. Moreover, 5 flavors of Donut cake that we offer are vanilla custard, chocolate custard, pandan, Hokkaido melon and Choco Banana. In 2017, new products were launched which is Hokkaido flavoured cake roll.

1.5 Other Bakery Products

Confectionery Products of the Company consists of "Butter Toast", "Mini Butter Toast" (only sold at small shops (traditional retail shops), four-flavour cookies including "Butter Cookies", "Mixed Fruit Cookies", "Raisin Cookies", "Cookies with Chocolate Chip", three-flavour pie including "Pineapple Pie", "Strawberry Fruit Pie", "Blueberry Fruit Pie". The Company has launched new products in 2017, such as "Butter Cookies Vanilla", "Butter Cookies Chocolate", "Butter Cookies Hokkaido milk", and "Raisin Butter Toast".

The Company also introduced new "Pastry" products in 2017; such as Pineapple Pie, Taro Pie.

1.6 Farmhouse Vending Machine

In order to provide convenience for the customers, the Company expanded new distribution channel via automatic vending machine to be installed at many places, such as offices, hospitals, factories, commercial banks. The Company has launched total of 43 vending machines in 2017.

2. RETAIL BUSINESS

Company distributes products through Company's retail shops and sells 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 bakes and distributes fresh homemade bread and bakery products, offering different kinds of bread as well as offering bakery snack boxes that deliver throughout Bangkok and Perimeter. As of the end of the year 2017, there are 7 branches; Chitlada School, Lotus-Lumlukka Klong 2 branch, R.S. Tower Building Ratchada, Government Complex Chaeng Wattana, The Mall 2 Ramkamhaeng, Paradise Park and The Mall Bangkok.

In addition, Deliya has received made-to-order manufacturing, such as sandwich bread, cake, and bakery for Lawson Shops.

2.2 Madame Marco

Homemade soft texture cake, an original European style recipes that are deliciously baked in every steps. 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 - Bangkokpi, The Mall 2 - Ramkamhaeng, Tesco Lotus Sri Nakarin, The Mall Thapra, Mega Bangna, Paradise Park, Fashion Island, Central Salaya, 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, Terminal 21, Tops Central Eastville and Tops Central Ladprao.

Madame Marco cakes offer free delivery both in Bangkok and Perimeter. For more information please contact our call center at 0-2326-0200-3.

2.3 Good Morning Farmhouse

Good Morning Farmhouse is the channel to distribute our products to sandwich selling representatives in the business pattern predetermined by the Company. The Company aims at promoting popularity of bread consumption among general consumers and supporting general people to have career and extra income. Such selling representative will purchase the products of the Company to be the ingredients for making sandwiches according to the consumers' choice. The Company shall select the representatives located in marketable location and being ready to provide quality services, as well as support training of selling knowledge. As of the end of 2017, the Company has 47 Good Morning Farmhouse selling representatives, decreasing representatives due to the governmental measure to restrict street vendors.

3. FAST FOOD & CATERING

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

3.1 Fastfood & Catering

(1) Fastfood

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 2017, the Company manufactured Sweet Cornmeal 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 & distributes, 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 creamy white flakes are not too finely ground 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 develop products to be distribute to Coffee Shop Chain and Pizza Shop customers in Japan, which are well-known. The Company distributes its product through domestic agent to import such products to customer in Japan.

1.2 The shareholding structure of the Business

The list of top 13 shareholders on the latest shareholder registry of the Business as of 29 August 2018 (which is the book closing date for the right to receive dividend), is as follows:

Name	No. of shares	Percentage of paid up shares of PB	Percentage of Total voting rights in PB
1. Thai President Foods Public Company Limited	211,062,800	46.90	46.90
2. Saha Pathana Inter- holding Public Company Limited	97,127,400	21.58	21.58
3. Mr. Pipat Paniangvait	14,202,750	3.16	3.16
4. Miss Apiradee Thammanomai	8,524,540	1.89	1.89

Name	No. of shares	Percentage of paid up shares of PB	Percentage of Total voting rights in PB
5. Mr. Wirapat Punsak-udomsin	7,136,800	1.59	1.59
6. Saha Pathanapibul Public Company Limited	5,650,000	1.26	1.26
7. I.C.C. International Public Company Limited	4,650,000	1.03	1.03
8. Thai Wacoal Public Company Limited	4,500,000	1.00	1.00
9. People s Garment Public Company Limited	4,500,000	1.00	1.00
10.Thanulux Public Company Limited	4,500,000	1.00	1.00
11. Better Way (Thailand) Co., Ltd.	4,500,000	1.00	1.00
12. S&J International Enterprises Public Company Limited	4,500,000	1.00	1.00
13. International Laboratories Corp., Ltd.	4,500,000	1.00	1.00
14. Other Shareholders	76,645,710	16.59	16.59
Total	450,000,000	100.00	100.00

Shareholders of Better Way (Thailand) Co., Ltd.

Name	Number of Shares	Percentage of paid up shares of PB	Percentage of Total voting rights in PB
1. I.C.C. INTERNATIONAL PUBLIC COMPANY LIMITED	1,648,375	16.48	16.48
2. Mr. Danai Tirojchanawong	1,476,193	14.76	14.76
3. SAHA PATHANA INTER-HOLDING PUBLIC COMPANY LIMITED	1,177,362	11.77	11.77
4. VITAYASITHI CO., LTD.	737,844	7.38	7.38
5. Mrs. Daranee Tirojchanawong	675,159	6.75	6.75
6. Mr. Boonkiet Chokwatana	465,144	4.65	4.65
7. Mrs. Sirina Pavarolarvidya	369,235	3.69	3.69
8. I.D.F. CO., LTD.	313,976	3.14	3.14
9. Mr. Boonsithi Chokwatana	310,857	3.11	3.11
10. Mr. Direk Tirojchanawong	295,578	2.96	2.96
11. Other shareholders	2,530,277	25.31	25.31
Total	10,000,000	100.00	100.00

Source: SET and other sources

Remark: List of shareholders as of 2 July 2018

Shareholders of International Laboratories Corp., Ltd.

	Name	Number of Shares	Percentage of paid up shares of PB	Percentage of Total voting rights in PB
1	Saha Pathana Inter-Holding Public Company Limited	3,000,000	25.00%	25.00%
2	I.C.C. International Public Company Limited	2,347,200	19.56%	19.56%
3	Vitayasithi Co., Ltd.	1,425,100	11.88%	11.88%
4	Saha Pathanapibul Public Company Limited	1,180,000	9.83%	9.83%
5	Mr. Boonkiet Chokwatana	669,600	5.58%	5.58%
6	I.D.F. Co., Ltd.	600,000	5.00%	5.00%
7	Chokwattana Co., Ltd.	360,000	3.00%	3.00%
8	Mr. Boonsithi Chokwatana	220,000	1.83%	1.83%
9	Mr. Masao Kawai	200,000	1.67%	1.67%
10	Mrs. Tipaporn Chokwatana	140,000	1.17%	1.17%
11	Other shareholders	1,858,100	15.50%	15.50%
	Total	12,000,000	100.00%	100.00%

Source: SET and other sources

Remark: List of shareholders as of 2 April 2018

Shareholders of Vitayasithi Co., Ltd

	Name	Number of Shares	Percentage of paid up shares of PB	Percentage of Total voting rights in PB
1	Mr. Thamarat Chokwatana	30,000	15.00%	15.00%
2	Mr. Boonkiet Chokwatana	30,000	15.00%	15.00%
3	Mrs. Tipaporn Chokwatana	20,000	10.00%	10.00%
4	Mr. Thirasak Vikitset	20,000	10.00%	10.00%
5	Mr. Watanakiat Jirasithithamrong	20,000	10.00%	10.00%
6	Mrs. Somjit Eiamkijamrit	20,000	10.00%	10.00%
7	Mrs. Kaewta Ongsaranakom	15,000	7.50%	7.50%
8	Mrs. Chitraporn Vikitset	15,000	7.50%	7.50%
9	Mrs. Saengthong Chaisiroj	15,000	7.50%	7.50%
10	Mrs. Amara Trakarnkulphan	15,000	7.50%	7.50%
	Total	200,000	100.00%	100.00%

Source: SET and other sources

Remarks: List of shareholders as of 30 April 2018

Because Saha Pathanapibul Public Company Limited, I.C.C. International Public Company Limited, Pracha Aporn Public Company Limited, Thai Wacoal Public Company Limited, Thanulux Public Company Limited and S&J International Enterprises Public Company Limited are public company, the list of shareholder can be found in SET website.

In the case that all shareholders of the Business have shown their intention to sell all of their shares in this Tender Offer, TFMAMA will hold 359,550,000 ordinary shares, representing 79.90% of the total issued and paid-up shares of the Business and 79.90% of the total voting rights of the Business.

Nevertheless, Saha Pathana Inter-Holding Public Company Limited ("SPI") which is the Company's major shareholders of PB's does not wish to, and agrees not to, sell 90,450,000 (Ninety Million and Four Hundred Fifty Thousand) shares of the Business held by it, or equivalent to 20.10% of its total issued and outstanding shares or 20.10% of its total voting rights, during this Voluntary Tender Offer, which TFMAMA offer to purchase from other shareholders will instead amount up to 148,487,200 (One Hundred Forty Eight Million Four Hundred Eighty Seven Thousand and Two Hundred) shares or equivalent to 33.00 % of the total issued and outstanding shares of the Business or 33.00% of its total voting rights.

Case	No. of shares	Percentage of paid up shares of PB	Value of shares in the Tender Offer (THB)
All shareholders of the Business, except the Tender Offeror, sell all of their shares in the Tender Offer	238,937,200	53.10	14,613,399,152
Shareholders who declared their intentions not to sell all of their shares	90,450,000	20.10	5,531,922,000
The remaining securities of the Business except that of shareholders who declared their intentions not to sell all of their shares	148,487,200	33.00	9,081,477,152

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, TFMAMA will hold 359,550,000 ordinary shares (79.90% of the total issued and paid-up shares of the Business and 79.90 % of the total voting rights of the Business).

	Name	No. of shares	Percentage of paid up shares of PB	Percentage of Total voting rights of PB
1	The Tender Offeror : Thai President Foods Public Company Limited	359,550,000	79.90	79.90
2	Shareholders who declare their intentions not to sell all of their shares in this Tender Offer ^{/1}	90,450,000	20.10	20.10
	รวม	450,000,000	100	100

Remark: /1 SPI agrees to temporarily deposit the share certificates evidencing of 90,450,000 shares from 97,127,400 shares in a safe box in respect of which the Offeror has entered into a rental agreement with Bangkok Bank Public Company Limited, for the lock-up term covering the entire Tender Offer Period;

1.3 The Board of Directors

The Board of Directors as of 15 August 2018 (before the Tender Offeror has 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. Apisate Thammanomai	Deputy Managing Director
4. Mr. Vichai Kulsomphob	Director
5. Dr. Pojjanee Paniangvait	Director
6. Mr. Pun Paniangvait	Director
7. Mrs. Malee Tangjaisanong	Director
8. Miss Petcharat Anantawichai	Director
9. Mr. Thavach Keawpitag	Director
10. Miss Panida Prayottaweekij	Director
11. Prof. Dr. Teravuti Boonyasopon	Chairman of Audit Committee and Independent
12. Mr. Boonsak Chiempricha	Independent Director
13. Prof. Dr. Suwimon Keeratipibul	Audit Committee and Independent Director
14. Dr. Yupa Soontrapa	Audit Committee and Independent Director
15. Mrs. Aim-On Pathumaruk	Audit Committee and Independent Director

Note: Currently, the Tender Offerors have no intention to change the Board of Directors within 12 months from the end of Offer Period. However, after the Tender Offer, the Tender Offerors may change the Board of Directors for the appropriateness by considering various factors for the interest of PB i.e. business plan and strategy to adjust to the changes of the market and consumer needs and, competitiveness and future growth; 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 2015-2017 and the financial statements for the six-month period ended 30 June 2018. (Equity method)

Statements of financial position

	31 December 2015		31 December 2016		31 December 2017		30 June 2018	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
Cash and cash equivalents	303.94	4.52%	536.99	7.13%	685.08	8.57%	514.72	6.28%
Short-term investments	1,536.91	22.86%	626.52	8.32%	811.65	10.15%	1,612.50	19.67%
Trade and other receivables	883.74	13.14%	870.98	11.57%	894.01	11.18%	863.64	10.54%
Inventories	189.60	2.82%	205.45	2.73%	205.02	2.56%	181.41	2.21%
Other current assets	33.84	0.50%	27.59	0.37%	24.04	0.30%	32.83	0.40%
Total current assets	2,948.03	43.84%	2,267.53	30.12%	2,619.80	32.76%	3,205.10	39.11%
Restricted bank deposit	36.35	0.54%	36.35	0.48%	36.35	0.45%	36.35	0.44%
Investment in joint venture	23.48	0.35%	24.90	0.33%	28.83	0.36%	26.16	0.32%
Long-term investments	605.89	9.01%	539.38	7.17%	699.35	8.74%	477.91	5.83%
Other long-term investments	60.00	0.89%	60.96	0.81%	79.50	0.99%	79.50	0.97%
Property, plant and equipment	2,920.24	43.43%	4,563.71	60.63%	4,509.28	56.38%	4,341.96	52.98%
Advance payments for purchase of assets	101.84	1.51%	6.67	0.09%	2.38	0.03%	1.87	0.02%
Intangible assets	7.04	0.10%	9.48	0.13%	10.58	0.13%	10.45	0.13%
Leasehold rights	0.69	0.01%	1.35	0.02%	0.93	0.01%	0.72	0.01%
Deferred tax assets	12.38	0.18%	8.79	0.12%	5.95	0.07%	11.61	0.14%
Other non-current assets	8.62	0.13%	8.55	0.11%	4.38	0.08%	4.11	0.05%
Total non-current assets	3,776.52	56.16%	5,260.14	69.88%	5,377.53	67.24%	4,990.64	60.89%
Total assets	6,724.56	100.00%	7,527.67	100.00%	7,997.33	100.00%	8,195.74	100.00%
Trade and other payables	725.48	10.79%	724.19	9.62%	680.57	8.51%	673.91	8.22%
Current portion of liabilities under finance lease agreements	73.46	1.09%	70.22	0.93%	56.24	0.70%	50.63	0.62%
Corporate income tax payable	78.78	1.17%	89.58	1.19%	80.21	1.00%	78.43	0.96%
Accrued expenses	219.68	3.27%	224.51	2.98%	208.95	2.61%	184.55	2.25%
Other current liabilities	38.44	0.57%	39.14	0.52%	6.15	0.08%	4.51	0.06%
Total current liabilities	1,135.84	16.89%	1,147.65	15.25%	1,032.12	12.91%	992.03	12.10%
Liabilities under finance lease agreements - net of current portion	70.64	1.05%	75.19	1.00%	52.64	0.66%	32.41	0.39%
Long-term loans from directors	76.99	1.14%	84.16	1.12%	77.98	0.98%	49.91	0.60%
Long-term loans from employees	34.00	0.51%	45.17	0.60%	39.63	0.50%	39.43	0.48%
Provision for long-term employee benefits	79.14	1.18%	82.99	1.10%	84.27	1.05%	88.69	1.08%
Other non-current liabilities	2.25	0.03%	2.83	0.04%	3.03	0.04%	3.16	0.04%
Total non-current liabilities	263.02	3.91%	290.34	3.86%	257.55	3.22%	213.60	2.61%
Total liabilities	1,398.86	20.80%	1,437.98	19.10%	1,289.67	16.13%	1,205.63	14.71%
Registered share capital	450.00	6.69%	450.00	5.98%	450.00	5.63%	450.00	5.49%
Issued and fully paid-up share capital	450.00	6.69%	450.00	5.98%	450.00	5.63%	450.00	5.49%
Share premium	674.38	10.03%	674.38	8.96%	674.38	8.43%	674.38	8.23%
Retained earnings	45.00	0.67%	45.00	0.60%	45.00	0.56%	45.00	0.55%

	31 December 2015		31 December 2016		31 December 2017		30 June 2018	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
- Appropriated - statutory reserve								
- Unappropriated	4,161.08	61.88%	4,913.36	65.27%	5,518.00	69.00%	5,821.03	71.03%
Other components of shareholders' equity	(4.76)	-0.07%	6.95	0.09%	20.28	0.25%	(0.30)	0.00%
Total shareholders' equity	5,325.70	79.20%	6,089.69	80.90%	6,707.66	83.87%	6,990.11	85.29%
Total liabilities and shareholders' equity	6,724.56	100.00%	7,527.67	100.00%	7,997.33	100.00%	8,195.74	100.00%

Assets

The total assets of the Company as of June 30, 2018 amounted to Baht 8,195.74 million, increasing by Baht 198.41 million from December 31, 2017. Main asset of the Company comprised of current assets by 39.11% of total assets and non-current assets by 60.89% of total assets. The increase in current assets resulted from increasing short-term investments by Baht 800.85 million.

Trade and other receivables of the Company was at 10.54% of total assets, decreasing by Baht 30.37 million from December 31, 2017, because most of our account receivable was paid on schedule.

The total assets of the Company as of December 31, 2017 amounted to Baht 7,997.32 million, increasing by Baht 469.65 million from December 31, 2016. The main asset of the Company consisted of current asset by 32.76% of total asset and non-current asset by 67.24% of total asset. Major increase of asset was attributed to increasing cash and cash equivalent item and increasing short-term and long-term investment.

In addition, the trade account receivable and the other account receivable of the Company totaled to Baht 894.01 million, accounting for 11.18% of total assets, and increasing by 2.64% from the previous year as a result of some particular overdue account receivable and from the other account receivable of selling security from private funds during settlement period. However most of account receivable of the Company, resulting from Modern Trade account and large distributor account, was paid on schedule, and the amount of long-time trade account receivable of the Company was lower.

Liabilities

The liability of the Company as of June 30, 2018 totaled to Baht 1,205.63 million, accounting for 14.71% of total Liability and Shareholders' Equity and decreasing by 6.52% from December 31, 2017. Due to decreasing trade payable and other suspended expense. As a result, the debt to equity ratio of the Company was at 0.17, lower from 0.19 as of December 31, 2017.

The liability of the Company as of December 31, 2017 totaled to Baht 1,289.67 million, accounting for 16.13% of the total of Liability and Shareholders' Equity, decreasing by 10.31% from December 31, 2016. Meanwhile, the debt to equity ratio of the Company was at 0.19, lower from 0.24 as of December 31, 2016.

Shareholders' Equity

The shareholders' equity of the Company as of June 30, 2018 stood at Baht 6,990.11 million, accounting for 85.29% of the total of Liability and Shareholders' Equity. The shareholders' equity increasing by Baht 282.46 million from December 31, 2017, due to operating profit. In addition, the book value of the Company was at 15.53 Baht per share, increasing from 14.91 Baht per share in 2017.

The shareholders' equity of the Company as of December 31, 2017 stood at Baht 6,707.65 million, accounting for 83.87% of the total of Liability and Shareholders' Equity. The shareholders' equity increased by Baht 617.96 million from December 31, 2016 as a result of net profit of Baht 1,335.54 million and dividend payment of Baht 729 million. Meanwhile, the book value of the Company rose to 14.91 Baht per share, increasing from 13.53 Baht per share in 2016

Statements of comprehensive income

	31 December 2015		31 December 2016		31 December 2017		six-month period 30 June 2018	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
Sales	7,346.83	99.07%	7,568.75	99.06%	7,448.96	99.06%	3,581.88	98.78%
Interest income	49.60	0.67%	39.28	0.51%	30.63	0.41%	20.04	0.55%
Other income	19.37	0.26%	32.50	0.43%	39.70	0.53%	24.08	0.66%
Total revenues	7,415.80	100.00%	7,640.53	100.00%	7,519.29	100.00%	3,626.01	100.00%
Cost of sales	4,320.86	58.27%	4,361.99	57.09%	4,348.27	57.83%	2,068.42	57.04%
Selling expenses	972.82	13.12%	991.35	12.97%	1,012.49	13.47%	499.35	13.77%
Administrative expenses	672.11	9.06%	652.37	8.54%	673.08	8.95%	319.53	8.81%
Total expenses	5,965.80	80.45%	6,005.71	78.60%	6,033.84	80.24%	2,887.30	79.63%
Profit before share of profit from investment in joint venture, finance cost and income tax expenses	1,450.00	19.55%	1,634.82	21.40%	1,485.45	19.76%	738.71	20.37%
Share of profit from investment in joint venture	2.76	0.04%	2.35	0.03%	4.71	0.06%	2.01	0.06%
Profit before finance cost and income tax expenses	1,452.77	19.59%	1,637.17	21.43%	1,490.16	19.82%	740.72	20.43%
Finance cost	(12.70)	-0.17%	(11.81)	-0.15%	(11.29)	-0.15%	(3.99)	-0.11%
Profit before income tax expenses	1,440.07	19.42%	1,625.36	21.28%	1,478.87	19.67%	736.73	20.32%
Income tax expenses	(135.41)	-1.83%	(162.41)	-2.13%	(143.33)	-1.91%	(78.20)	-2.16%
Profit for the period	1,304.66	17.59%	1,462.95	19.15%	1,335.54	17.76%	658.53	18.16%

Sales revenue

The Company recorded total sale revenue of Baht 1,809.27 million and Baht 1,787.40 million in Q2/2018 and Q2/2017 respectively, or increasing by 1.22%. For the first half of the year 2018 ended on June 30, total sale revenue stood at Baht 3,581.88 million, or increasing by 1.74% from the same period last year.

When classified by distribution channel in Q2/2018 and half-year ended on June 30, the sale revenue from wholesale business increased by 1.01%, and 1.57% respectively from the same period last year,

because the sales volume of Sliced Bread grew by 1.68% and 1.55% respectively as well as the sales volume of Snack Bread grew by 1.11% and 3.09% respectively as a result of offering discount price and new products. The sales revenue from retail business decreased by 17.16% and 13.94% respectively due to lower-than-expected sales volume in some branch of Deliya Shop. Meanwhile, the sales revenue from Fast food and Restaurant business increased by 8.52% and 8.60% respectively due to rising purchase order from customers..

The Company recorded total sales revenue of Baht 7,448.96 million and Baht 7,568.75 million in 2017 and 2016 respectively, or decreasing by 1.58%.

When classified by distribution channel in 2017 compared with the year 2016, the sales revenue from wholesale business decreased by 2.41%. Despite the Company together with selling distributors has performed continuous marketing and sale promotion activities, such as offering discount price, the competitive environment of the market has been intensifier in 2017 because of higher production to be supplied from the competitors and because the trading partners had manufactured their own house brand products and opened their own bakery business to be competed in the market. Meanwhile, the sales revenue from retail business decreased by 2.20%, and the sales revenue from Fast food and Restaurant business increased by 8.87% due to higher order from the customers.

Sales revenue can be categorized by distribution channel, as follow:

Sales Revenue Categorized by Type of Distribution Channel

Distribution channel	2017		2016		Increase (Decrease)
	Amount (THB million)	Percentage	Amount (THB million)	Percentage	
Wholesale bakery	6,779.58	91.01%	6,947.05	91.78%	-2.41%
Retail bakery	151.62	2.04%	155.03	2.05%	-2.20%
Fast food & catering	502.57	6.75%	461.61	6.10%	8.87%
Export	15.19	0.20%	5.06	0.07%	200.20%
Total	7,448.96	100.00%	7,568.75	100.00%	-1.58%

Cost of Sales

The cost of sales of the Company in Q2/2018 stood at Baht 1,038.15 million, increasing by 0.31% from the same quarter last year. The Company managed the cost of sales to total sales ratio to be at 57.38% in Q2/2018, lower from 57.90% in the same quarter last year. As a result, the gross profit margin of the Company stood at 42.62% increasing from 42.10% in the same quarter last year.

The cost of sales of the Company in 2017 stood at Baht 4,348.27 million, or decreasing by 0.31% from the previous year. However the raw material cost was lower in 2017 due to decreasing price of major raw materials, and effective management and purchasing order system. The cost of sales to total sales ratio at 58.37% in 2017, higher than 57.63% in 2016 as a result of Natural Gas and Utility Expense and Depreciation. The Depreciation in 2017 was higher because Bang Chan Factory² had started its operation since June 2017. As a result, gross profit margin stood at 41.63%, decreasing by 3.31% from a year earlier.

Selling and Administrative Expense

The selling and administrative expenses in Q2/2018 amounted to Baht 412.33 million, accounting for 22.51% of total income, decreasing by 2.86% from the same quarter last year and half-year ended on June 30, 2018 and 2017 the selling and administrative expenses were accounted for 22.58% and 23.12% respectively. In a meantime, The Company has performed effective management to control the expenditure of transportation, product distribution, and information system.

The selling and administrative expenses, including salary, wage, fuel cost, advertising and sales promotion expense, and so on, in 2017 amounted to Baht 1,685.57 million, accounting for 22.42% of total income and increasing by 2.55% from the previous year. The selling and administrative expense was increasing due to higher fuel cost for transportation and from continuous advertising and sales promotion activities. In a meantime, the Company still maintained effective cost control.

Income Tax

The Company paid income tax in Q2/2018 by Baht 41.08 million, increasing by Baht 9.29 million or 29.22% from the same period last year, according to increased amount of operating profit. In a meantime, the ratio of income tax to total income of the Company stood at 2.24% and 1.76% in Q2/2018 and Q2/2017 respectively, and was at 2.17%, and 1.77% in half-year 2018 and 2017 respectively.

The Company paid income tax in 2017 by Baht 143.27 million, decreasing by 11.14% from previous year as a result of lower profit from Non-BOI-promoted business. In a meantime, the ratio of income tax to total income of the Company stood at 1.91% and 2.11% in 2017 and 2016 respectively.

Profit for the period

As of June 30, 2018, the Company recorded quarterly profit of Baht 339.18 million, or increasing by 7.56% from the previous year, and recorded net profit of Baht 658.53 million in the first half of 2018, or increasing by 3.91% from the previous year. Resulted from increase sales volume. In addition, the Company gained the profit sharing of Baht 2 million from joint-venture business in half-year.

The Company recorded the net profit of Baht 1,335.54 million, or decreasing by 8.71% from the previous year as a result of lower sales revenue. The Company maintained the net profit ratio at 17.76% of total income. However the Company still maintained effective cost control. Share of income from investment in joint venture at amount of Baht 4.71 million in 2017

Summary of statement of cash flow

THB million	Year ended 31 December			six-month period ended 30 June
	2015	2016	2017	2018
Net cash flow from operating activities	1,716.49	1,869.95	1,781.54	933.53
Net cash flow from (used in) investing activities	(880.89)	(874.97)	(822.24)	(694.27)
Net cash flow from (used in) financing activities	(656.30)	(761.94)	(811.21)	(409.62)
Net increase (decrease) in cash and cash equivalents	179.30	233.04	148.10	(170.36)

Cash Flow

The net cash flow from operating activities on of the Company in half-year ended on June 30, 2018 amounted to Baht 933.53 million, increasing by Baht 156.91 million or by 20.2% from the previous year because of higher sales volume and profit.

The net cash used for investing activities totaled to Baht 694.27 million, increasing by Baht 495.66 million. Resulted from higher short-term and long-term investment.

As a result, the Company recorded cash and cash equivalents of Baht 514.72 million as of June 30, 2018, decreasing by Baht 170.36 million as a result of higher short-term and long-term investments from the same period last year.

As of June 30, 2018, the Company maintained the current ratio at 3.23, and the average days sales at 1 day. Meanwhile, the average days of debt collection of the Company stood at 44 days, and the average days of debt repayment was at 74 days. As a result, the cash cycle of the Company was at 29 days.

The net cash flow from operating activities of the Company in 2017 amounted to Baht 1,781.54 million, decreasing by Baht 88.41 million or by 4.73% from the previous year.

The net cash flow from investing activities totaled to Baht 822.24 million, decreasing by Baht 52.73 from a year earlier because of lower short term and long term investment and lower amount of advanced payment from security purchase.

Additionally, the net cash flow from financing activities was at Baht 811.21 million, increasing by Baht 49.27 million or by 6.46% from the previous year. Most financing activity was paid for dividend payment of Baht 729 million.

As a result, the Company recorded cash and cash equivalent of Baht 685.08 million as at 31 December 2017, increasing by Baht 148.10 million from the previous year.

As at 31 December 2017, the Company maintained the current ratio at 2.54 and average day sales at 1 day. In addition, the average days of debt collection stood at 43 days, and the average days of debt repayment was at 67 days. As a result, the cash cycle of the Company was at 23 days.

Key financial ratios

	Year ended 31 December			six-month period ended 30 June
	2015	2016	2017	2018
Current ratio (times)	2.60	1.98	2.54	3.23
Quick ratio (times)	2.40	1.77	2.31	3.01
Cash ratio (times)	1.56	1.64	1.63	0.96
Average collection period (days)	41	42	43	44
Average finished goods period (days)	1	1	1	1
Average inventory period (days)	12	13	13	13
Average payment period (days)	68	66	67	74
Cash Cycle (days)	-26	-23	-23	-29
Gross profit ratio	41.19%	42.37%	41.63%	42.62%
Net profit ratio	17.59%	19.15%	17.76%	18.51%

	Year ended 31 December			six-month period ended 30 June
	2015	2016	2017	2018
Return on equity	26.26%	25.63%	20.87%	20.45%
Return on assets	20.59%	20.53%	17.20%	19.36%
Debt to equity ratio (times)	0.26	0.24	0.19	0.17
Dividend payout ratio (times)	50.07%	50.80%	50.69%	N/A

1.5 Forecast operating results

With regard to new factory at Bangchan Industrial Estate which had been officially started since June 2017 with 3 production lines including 2 lines of Sliced Bread which is our main product and 1 line of ready-to-eat bread, thus raising our production capacity to serve future customers' need and In 2018, the company will increase another 1 line of ready-to-eat bread, the Machinery which will be implemented for new factory will use smart technology system to control Production process to be more efficiency and increase production capacity to support additional growth in production and consumer demand in present and future. In addition, the computer system is continuously improved to be modern and capable of fast management for both sale and delivery system to maintain freshness of the products.

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

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 29 August 2018 is correct in material aspect.

3. Any relationship or agreement between the Company's directors and the Tender Offeror (either on behalf of oneself, as a director of the Company or as a representative of the Tender Offeror), shareholding in the Tender Offeror 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 Offeror

Name of director	Position in the Company	Position in TFMAMA	Person under section 258	Position in TFMAMA
1. Mr. Pipat Paniangvait	Chairman of the Board	- Vice Chairman - Chief Executive Officer - Nomination and Remuneration Committee	Spouse	-
2. Mr. Apichart Thammanomai	Managing Director	Director	Spouse	-
3. Dr. Pojjanee Paniangvait	Director	Vice President	-	-
4. Mr. Pun Paniangvait	Director	Presidents Office, Manager	Spouse	-

Note - Mr. Pipat Paniangvait is the father of Dr. Pojjanee Paniangvait and Mr. Pun Paniangvait who are the directors of PB

- As a representative of the Tender Offerors –None-

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

	Names	Shareholding in TFMAMA		Related person under Section 258	Shareholding in TFMAMA	
		Shares	%		Shares	%
1	Mr. Pipat Paniangvait	22,167,005	6.71	Spouse	1,658,955	0.50
2	Mr. Apichart Thammanomai	158,972	0.05	-	-	-
3	Mr. Apisate Thammanomai	-	-	-	-	-
4	Mr. Vichai Kulsomphob	-	-	-	-	-
5	Dr. Pojjanee Paniangvait	3,100,923	0.94	-	-	-
6	Mr. Pun Paniangvait	3,065,331	0.93	-	-	-
7	Mrs. Malee Tangjaisanong	-	-	-	-	-
8	Miss Petcharat Anantawichai	-	-	-	-	-
9	Mr. Thavach Keawpitag	-	-	-	-	-
10	Miss Panida Prayottaweekij	-	-	-	-	-
11	Prof. Dr. Teravuti Boonyasopon	-	-	-	-	-
12	Mr. Boonsak Chiempricha	-	-	-	-	-
13	Prof. Dr. Suwimon Keeratipibul	-	-	-	-	-

	Names	Shareholding in TFMAMA		Related person under Section 258	Shareholding in TFMAMA	
		Shares	%		Shares	%
14	Dr. Yupa Soontrapa	-	-	-	-	-
15	Mrs. Aimon Pathumarak	-	-	-	-	-

Shareholding of the directors of the Business in the Tender Offeror: TFMAMA as at 31 July 2018.

- (1) Mr. Pipat Paniangvait: director of PB: shareholding in TFMAMA of Mr Pipat and related person under Section 258 of the SECA equal a total of 23,825,960 shares, representing 7.21 per cent of total voting rights in TFMAMA.
- (2) Mr. Apichart Thammanomai: director of PB: shareholding in TFMAMA of Mr Apichart and related person under Section 258 of the SECA equal to a total of 158,972 shares, representing 0.05 per cent of total voting rights in TFMAMA
- (3) Dr. Pojjanee Paniangvait: director of PB: shareholding in TFMAMA Dr. Pojjanee and related person under Section 258 of the SECA equal to a total of 3,100,923 shares, representing 0.94 per cent of total voting rights in TFMAMA
- (4) Mr. Pun Paniangvait: director of PB: shareholding in TFMAMA of Mr Pun and related person under Section 258 of the SECA equal to a total of 3,065,331 shares, representing 0.93 per cent of total voting rights in TFMAMA

3.3 Business operation in joint with or between each other

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. Details on the connected transactions between the Business and the Tender Offeror are as follows:

Relationship	Transaction description	Transaction value		Details and rationale
		For the year ended 31 December 2017	For the six-month ended 30 June 2018	
A,B,C,D	Purchase of land	54,000,000	-	Normal dividend per share amount equal to PB announcement
	Rental expense	497,904	-	Normal dividend per share amount equal to PB announcement

Relationship	Transaction description	Transaction value		Details and rationale
		For the year ended 31 December 2017	For the six-month ended 30 June 2018	
	Raw material cost	-	20,450	Normal dividend per share amount equal to PB announcement
	Dividend payment	68,430,288	166,739,612	Normal dividend per share amount equal to PB announcement
	Total	122,928,192	166,760,062	

Note: Relationship

A: Shareholding in the Company

B: Common directorship

C: Related party transaction

D: Shareholders or directors are intimate of PB's directors

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

The directors of the Company do not have any relationship, contract, and/or agreement with the Tender Offeror.

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

The Company's Board of Directors' Meeting No. 9/2018 was held on 4 September 2018 to consider the Tender Offer by TFMAMA (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. Apisate Thammanomai	Deputy Managing Director	✓	✓
4. Mr. Vichai Kulsomphob	Director	✓	✓
5. Dr. Pojjanee Paniangvait	Director	✓	-
6. Mr. Pun Paniangvait	Director	✓	-
7. Mrs. Malee Tangjaisanong	Director	✓	✓
8. Miss Petcharat Anantawichai	Director	✓	✓

Name of Directors	Position	Attendance	Vote on the agenda
9. Mr. Thavach Keawpitag	Director	✓	✓
10. Miss Panida Prayottaweekij	Director	✓	✓
11. Prof. Dr. Teravuti Boonyasopon	Chairman of Audit Committee and Independent Director	✓	✓
12. Mr. Boonsak Chiempricha	Independent Director	✓	✓
13. Prof. Dr Suwimon Keeratipibul	Audit Committee and Independent Director	✓	✓
14. Dr. Yupa Soontrapa	Audit Committee and Independent Director	✓	✓
15. Mrs. Aim-On Pathumaruk	Audit Committee and Independent Director	✓	✓

For the transparency and independence for the Company's opinion on this tender offer, 4 directors with conflict of interests abstained from voting on such agenda. These include Mr. Pipat Paniangvait, Mr. Apichart Thammanomai, Dr. Pojjanee Paniangvait and Mr. Pun Paniangvait.

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 29 August 2018 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 accept this tender offer as the Offer Price of THB 61.16 per share is higher 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 60.75 per share, which is lower than the Offer Price by THB 0.41 Baht or 0.67%.

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 3 September 2018 (the date on which the Tender Offeror initiated the Tender Offer) from 14 August 2018 to 31 August 2018, the trading price of the Company's share is at THB 60.75 – 62.00 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 61.16 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 Offeror has 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 Offeror has 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 Offeror has 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 Offeror has no intention to substantially change the objectives, plans or policies of the Business or change its dividend policy during the 12-month period from the end of Tender Offer period.

However, if necessary, the Offeror may consider changing its business operation plan, management, organization structure and personnel as well as its financial structure in the future in order to be suitable for its normal business operation and financial conditions as well as for the efficiency and flexibility of the business operation, the increase of competitiveness and better operation and management of the Business for the utmost benefits of the Business and its shareholders.

However, if the Offeror wishes to implement any changes which significantly differ from those specified in this Tender Offer during the 12-month period from the end of the Tender Offer period, the Offeror shall obtain approval from the Board of Directors and/or shareholders of the Business in accordance with its Articles of Association and relevant laws and regulations, including notifying the SEC.

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 Offeror 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 Offeror, or any person connected with the Tender Offeror pursuant to Section 258 of the SECA, have no intention to materially change the Business's current policy regarding connected transactions. 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.

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 Thai President Foods Public Company Limited

19 September 2018



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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.
SEC	The Securities and Exchange Commission
SET	The Stock Exchange of Thailand
SPI	Saha Pathana Inter-Holding Public Company Limited
TFMAMA (Tender offeror or Offeror)	Thai President Foods Public Company Limited
Tender Offer Preparer	Bangkok Bank 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
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 61.16 per share



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[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.

19 September 2018

Subject: Independent Financial Advisor's Opinion on the Tender Offer for the President Bakery Public Company Limited by Thai President Foods Public Company Limited

To: Shareholders of President Bakery Public Company Limited

In 2017, Saha Pathana Inter-holding PLC ("SPI") proceeded with a restructuring of its shareholding in the food businesses of the Saha Group through the acquisition of all the securities of President Holding Co., Ltd. and the merger of Thai President Foods PLC (or TF at the time) and President Rice Products PLC ("PR") into a new corporation under the name of TF as "Thai President Foods PLC" and changing the symbol used in trading on the Stock Exchange of Thailand ("SET") from "TF" to "TFMAMA". As a result of the restructuring, SPI is responsible for proposing the Tender Offer to acquire all the shares of PR and President Bakery Public Company Limited ("Company", "Business" or "PB") in accordance with Notification of the Capital Market Supervisory Board No. TorChor. 12/2554. In this matter, TF has joined with SPI in proposing the Tender Offer to acquire all the shares of PB.

Following the aforesaid restructuring, TFMAMA, the new company resulting from the restructuring, becomes an ordinary shareholder in PB, which currently has direct holding of a total of 211,062,800 shares in PB or equivalent to 46.90 percent of the total issued and paid-up shares of the Business, representing the same number of total voting rights.

TFMAMA wishes to make additional investment in PB to increase its equity to more than 50 percent of the total issued and paid-up shares of the company, rendering PB a subsidiary of TFMAMA and demonstrating efficient management of excess cash with return on investment in the form of regular dividend payment from one of Thailand's strongest business leaders in the bakery industry, capable of continually generating profit and posing a low risk of volatility compared to other industries.

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



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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

In 2017, Saha Pathana Inter-holding PLC (“SPI”) proceeded with a restructuring of its shareholding in the food businesses of the Saha Group through the acquisition of all the securities of President Holding Co., Ltd. and the merger of Thai President Foods PLC (or TF at the time) and President Rice Products PLC (“PR”) into a new corporation under the name of TF as “Thai President Foods PLC” and changing the symbol used in trading on the Stock Exchange of Thailand (“SET”) from “TF” to “TFMAMA”. As a result of the restructuring, SPI is responsible for proposing the Tender Offer to acquire all the shares of PR and PB in accordance with Notification of the Capital Market Supervisory Board No. TorChor. 12/2554. In this matter, TF has joined with SPI in proposing the Tender Offer to acquire all the shares of PB. Following the aforesaid restructuring, TFMAMA, the new company resulting from the restructuring, becomes an ordinary shareholder in PB, which currently has direct holding of a total of 211,062,800 shares in PB or equivalent to 46.90 percent of the total issued and paid-up shares of the Business, representing the same number of total voting rights.

TFMAMA wishes to make additional investment in PB to increase its equity to more than 50 percent of the total issued and paid-up shares of the company, rendering PB a subsidiary of TFMAMA and demonstrating efficient management of excess cash with return on investment in the form of regular dividend payment from one of Thailand’s strongest business leaders in the bakery industry, capable of continually generating profit and posing a low risk of volatility compared to other industries.

In the TFMAMA Board of Directors’ Meeting No. 8/2018 on 15 August 2018, a resolution was passed to approve the Voluntary Tender Offer in accordance with Notification of the Capital Market Supervisory Board No. TorChor. 12/2011 on Conditions and Procedures for the Acquisition of Securities for Business Takeovers dated 13 May 2011 (“Notification TorChor.12/2011”) with offering price of THB 61.16 per share. TFMAMA submitted the Statement of Intention to Make a Tender Offer (Form 247-3) and the Tender Offer (Form 247-4) to the Securities and Exchange Commission of Thailand on 29 August 2018. The details are as follows:

Type of the Offered Securities	President Bakery Public Company Limited
Offer Price	The net price to be received will be THB 60.996397 This is a tender offer price of THB 61.16 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 3 September 2018 and 6 November 2018. Such Offer Period is the final period which will be not extended (Final Period)
Tender Offer Revocation Period	On any business day from 3 September 2018 and 5 October 2018 inclusive (totaling 25 business days)
Payment Date	Within 2 business days from the last day of the Offer Period, which is 8 November 2018

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 summarised the reasons and other relevant information for the shareholders to consider accepting and/or rejecting the Tender Offer as follows:

Reasons to accept the Tender Offer

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. Weighted Average Market Value Approach
 4. Market Comparable Approach
 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 in range of THB 57.89 - 63.98 and at THB 60.75 per share as based case. Therefore, the IFA views that the offering price at THB 61.16 per share is **appropriate** as it is higher than the range of appropriated price.

- 2) Liquidity in trading of the Company's securities will significantly decline after the Tender Offer should a large number of shareholders accept the Tender Offer whereby shareholders who do not accept the Tender Offer may not be able to sell their shares for the desired price and within the desired timeframe.
- 3) Reduction of risks or impacts that may occur in the future after the Tender Offer that allows the Tender Offeror to increase its control voting on the Company's important agenda at shareholders' meeting. The offeror may modify such plans or policy after exceeding 12 months from the end of Tender period.

Rationale for Rejecting the Tender Offer

- 1) After completion of this Tender Offer, TFMAMA will hold more than 50 percent equity in PB. TFMAMA will be able to control majority vote, thus, resulting in inability to counter any block vote in shareholders' meeting when approval of important matter.
- 2) The Tender Offer Price of THB 61.16 per share is less than the average price in the 30 day preceding days of THB 61.44 per share. As such, the price offered by the Offeror may cause the shareholders who accept the tender offer gaining less profit from this share sale than expected.
- 3) Shareholder who accept the Tender Offer will lose the opportunity to receive dividend income. Since PB is a stable company which paid average 3 years dividend at THB 1.53 per share or 50.43 percent.

Other benefits or impacts from Policies and Business Directions Disclosed in the Tender Offer

- (1) The Offeror does 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 Tender Offer Preparer (Bangkok Bank Public Company Limited) has verified that the sources of funds of the Tender Offeror for the tender offer for all securities of PB are sufficient to conduct the tender offer for all securities of PB
- (3) The Offeror has 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
- (4) The Offeror has no intention to materially change the Business's current policy regarding organization structure, business management, recruitment and connected transactions.

Based on the information and rationale mentioned above, the IFA has the opinion that the shareholders should accept 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, acting independently from the Company, has considered and studied the information regarding this Voluntary Tender Offer for all securities of the business including the Company's data and other relevant information, whether information provided by the Company or information generally disclosed publicly, as per the following:

- Tender Offer documentation (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
- Interviews with the management and related officers of the Company and related companies
- Statistical data regarding the SET, economic conditions, and relevant industries

The IFA's opinion is based on the assumption that information, documents as well as interviews with the management and officers of the Company and related companies are true and correct. The IFA has considered, studied and analyzed, as well as conducted due diligence with regard to the information obtained from such interviews with prudence and reasonableness according to professional standards. In addition, the IFA assumes that the documents and draft documents are enforceable and legally binding without any information, incidents or conditions that may affect the tender offer. However, the IFA has no reason to doubt that the aforementioned information is materially inaccurate or incomplete that would adversely affect the analysis of the information.

The IFA's opinion is based on industry and economic conditions as well as other external factors at the time of the study only, including the existing information received, which may be subject to change rendering subsequent material effect and impact on the opinion of the IFA. The IFA assumes no obligation to update, revise or reaffirm the opinion stated herein.

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



3. Background

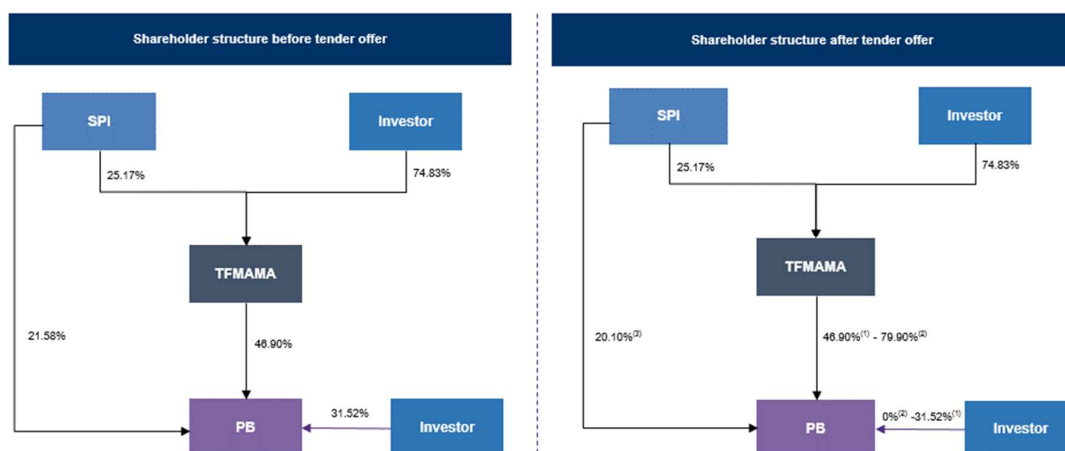
3.1 Transaction Overview

In 2017, Saha Pathana Inter-holding PLC (SPI) proceeded with a restructuring of its shareholding in the food businesses of the Saha Group through the acquisition of all the securities of President Holding Co., Ltd. and the merger of Thai President Foods PLC (or TF at the time) and President Rice Products PLC (“PR”) into a new corporation under the name of TF as “Thai President Foods PLC” and changing the symbol used in trading on the Stock Exchange of Thailand (“SET”) from “TF” to “TFMAMA”. As a result of the restructuring, SPI is responsible for proposing the Tender Offer to acquire all the shares of PR and President Bakery Public Company Limited (“PB”) in accordance with Notification of the Capital Market Supervisory Board No. TorChor. 12/2554. In this matter, TF has joined with SPI in proposing the Tender Offer to acquire all the shares of PB. Following the aforesaid restructuring, TFMAMA, the new company resulting from the restructuring, becomes an ordinary shareholder in PB, which currently has direct holding of a total of 211,062,800 shares in PB or equivalent to 46.90 percent of the total issued and paid-up shares of the Business, representing the same number of total voting rights. TFMAMA wishes to make additional investment in PB to increase its equity to more than 50 percent of the total issued and paid-up shares of the company, rendering PB a subsidiary of TFMAMA and demonstrating efficient management of excess cash with return on investment in the form of regular dividend payment from one of Thailand’s strongest business leaders in the bakery industry, capable of continually generating profit and posing a low risk of volatility compared to other industries.

In the TFMAMA Board of Directors’ Meeting No. 8/2561 on 15 August 2018, a resolution was passed to approve the Voluntary Tender Offer in accordance with Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 on Conditions and Procedures for the Acquisition of Securities for Business Takeovers dated 13 May 2011 (“Notification TorChor.12/2554”) with offering price of THB 61.16 per share. TFMAMA submitted the Statement of Intention to Make a Tender Offer (Form 247-3) and the Tender Offer (Form 247-4) to the Securities and Exchange Commission of Thailand on 29 August 2018.

Significant elements of the Tender Offer are as follows:

Figure 3-1: Shareholding structure before and after Tender Offer of TFMAMA



Note: (1) In case all shareholders of the Company have shown their intention not to sell all their shares in this Tender Offer
 (2) 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.
 (3) In case only SPI have shown their intention to sell their share in this Tender Offer.



3.1.1 Name of the Tender Offeror

- Thai President Foods PLC

3.1.2 Type and class of securities offered to be purchased

- The Tender Offeror offers to buy ordinary shares of the Business as it has only one type of securities. There are a total of 450,000,000 issued and paid-up ordinary shares at par value of THB 1 per share, with each ordinary share equivalent to 1 voting right of the business.
- On the date of the Tender Offer, the Tender Offeror holds a total of 211,062,800 ordinary shares in the Business, representing 46.90 percent of the total of issued and paid-up shares and the same proportion of voting rights. Therefore, the highest number of shares the Tender Offeror may offer to buy from other shareholders would not exceed 238,937,200 shares or equivalent to 53.10 percent of the total issued and paid-up shares and 53.10 percent of the total voting rights of the Business.
- SPI, one of the major shareholders of PB, expressed its intention to confirm it did not wish to sell, and in fact agreed not to sell the ordinary shares it holds which amounted to a total of 90,450,000 shares or equivalent to 20.10 percent of the total number of issued and paid-up shares and the same proportion of voting rights of the Business in this Voluntary Tender Offer. It furthermore agrees to proceed not to allow any trading or transfer ownership of such ordinary shares during the Offer Period.
- The Tender Offeror must offer to buy ordinary shares from other shareholders of the Business (once the number of ordinary shares held by SPI is deducted following its decision not to sell) of which the total number would now not exceed 148,487,200 shares or equivalent to 33.00 percent of the total number of issued and paid-up shares and the same proportion of voting rights of the Business.

3.1.3 Tender Offer Price

- The Tender Offer Price for the ordinary shares of PB is THB 61.61 per share which excludes the right to receive interim dividend for the first 6 months from 1 January 2018 to 30 June 2018 at the rate of THB 0.75 per share as per the resolution of the Board of Directors of the Business on 14 August 2018. The record date for the right to receive the dividend is August 29, 2018 and the dividend will be paid on September 13, 2018. Shareholders who accept the Tender Offer (each an "Offeree") are subject to a brokerage fee of 0.25 of the Offer Price and 7-percent value added tax on the brokerage fee. Therefore, the net price to be received by the Offeree is THB 60.996397 per share. Such Offer Price is the final offer price, not subject to any further change (unless otherwise complying with the conditions in 3.1.5 "Conditions of Changes to the Tender Offer").

3.1.4 Offer Period

- The Tender Offeror will purchase the Business' shares over a total period of 45 business days from 3 September 2018 to 6 November 2018 inclusive (the "Offer Period") during the office hours of the Tender Offer Agent from 9.00 a.m. to 4.00 p.m. Such Tender Period is the final period which shall not be further extended



3.1.5 Conditions of Changes to the Tender Offer

The Tender Offeror may change conditions of the Tender Offer as follows:

- The Tender Offeror may reduce the Offer Price or extend the Offer Period should there be any event that materially affects the financial status or assets of the Business during the Offer Period.
- The Tender Offeror may amend the offer terms or extend the Offer Period for the purpose of competing with another offeror who may submit a tender offer for the same securities during the Offer Period.

3.1.6 Conditions for Revoking the Tender Offer

The Tender Offeror may revoke the Tender Offer in any of the following cases:

- In case there is any event or action after The Tender Offeror submits the Tender Offer to the Office of the Securities and Exchange Commission (the "SEC") but still within the Offer Period that causes or may cause significant damage to the Business' financial status or assets where such event or action does not result from The Tender Offeror's action or it is not an action for which The Tender Offeror shall be responsible; or
- Any action conducted by the Business after the submission of the Tender Offer Form to the SEC but within the Offer Period which causes or may cause a significant decrease in the value of the Business' shares; 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 Omission of Actions That May Affect the Result of Tender Offer of 25 July 2011 (including any amendments thereof).

3.1.7 Period during which securities holders may revoke their intent to accept the Tender Offer

- The Offeree may revoke its intention to accept the Tender Offer at the office of the Tender Offer Agent on any business day from 3 September 2018 to 5 October 2018 from 9:00 a.m. to 4:00 p.m. (a total of 25 business days) (the "Tender Offer Revocation Period").

3.1.8 Conditions of Payment

- The Tender Offeror will pay the Offeree within the second business day from the end of the Offer Period (which will be 8 November 2018) subject, however, to the accuracy, completion and validity of the Tender Offer Acceptance Form submitted by the Offeree and upon the completion and validity of the securities transfer.

3.1.9 Source of Funding to Finance the Tender Offer

- In cases where other shareholders (who are not the Tender Offeror) express the intention to sell all ordinary shares of the Business under this Tender Offer, TFMAMA as the Tender Offeror must offer to buy a total of 238,937,200 ordinary shares, equivalent to 53.10 percent of the issued and paid-up shares of the Business. The funds required for TFMAMA to acquire the remaining securities of the Business under this Tender Offer amounts to a total of THB 14,613,399,152 at the Tender Price of THB 61.16 per share.



- SPI, which is one of the major shareholders of PB, has expressed its intention in writing stating its unwillingness to sell and agreement not to sell the 90,450,000 ordinary shares held in the Business, equivalent to 20.10 percent of the issued and paid-up shares of the Business and representing 20.10 percent of the voting rights. SPI has additionally undertaken to disallow the sale or ownership transfer of such shares during the Offer Period.
- The total number of ordinary shares of PB which the Tender Offeror must acquire, after deducting the number of ordinary shares held by SPI which it agreed not sell, amounts to 148,487,200 shares or 33.00 percent of the issued and paid-up ordinary shares of the Business, and representing 33.00 percent of the total voting rights of the Business, at a total value of THB 9,081,477,152 at the Offer Price of THB 61.16 per share.
- TFMAMA, as the Tender Offeror, has funding of THB 10,565,183,854 to cover the amount required to be utilized as payment of the Tender Offer to acquire all the Business shares held by other shareholders, after deduction of the number of ordinary shares held by SPI which it has agreed to be excluded from the shares tendered. Funding sources are as follows:
 1. Cash deposits with Bangkok Bank Public Company Limited, Bank of Ayudhya Public Company Limited, Kasikorn Bank Public Company Limited, Kiatnakin Bank Public Company Limited, Citibank, Tisco Bank Public Company Limited, Thanachart Bank Public Company Limited, Land and Houses Bank Public Company Limited, Government Housing Bank amounting to a total of THB 6,065,183,854.
 2. Credit Facilities with Kasikorn Bank Public Company Limited which issued a letter on 24 July 2018 confirming financial support to the Offeror in the Tender Offer within the limit of THB 4,500,000,000 for the period from 1 August 2018 to 30 November 2018.



4. Information of the Tender Offeror and PB

4.1 Details of the Tender Offeror – Thai President Foods PLC

4.1.1 General Information of Business Operations and Key Developments of the Tender Offeror

Thai President Foods PLC (“TFMAMA”) is a listed company incorporated under Thai law from the amalgamation of Thai President Foods PLC (TF) and President Rice Products PLC (PR) on 16 October 2017 and domiciled in Thailand, with Saha Pathana Inter-holding PLC, a listed company in Thailand, as a major shareholder. The principal business of the Company is production and distribution of semi-instant noodles and foods, crackers, with registered address and head office of the Company located at 304 TF Group Building, Sri Nakharin Road, Huamark Sub-district, Bang Kapi, Bangkok. The Company has 5 plants located in Chonburi Province, Lamphun Province, Rayong Province and another 2 in Ratchaburi Province.

TFMAMA is a listed company in the SET with current registered and paid up capital of THB 329,704,014 divided into 329,704,014 ordinary shares at par value of THB 1 per share.

Table 4-1: Major change and development of TFMAMA

Period	Description
1976	TF increased registered capital to THB 10 million. Production capacity was boosted with the construction of the new 2nd 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.

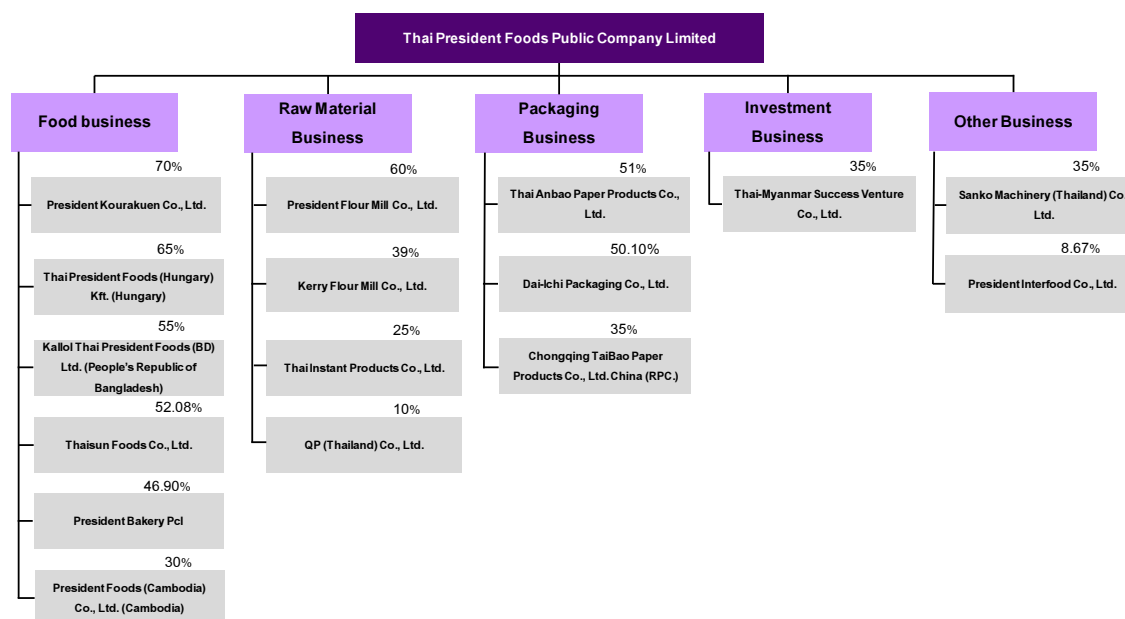


Period	Description
2006	Increased on shares of Taisun Foods Co., Ltd. and Daiichi Packaging Co., Ltd. to over 50% resulting in higher revenue.
2010	Boosted foreign investment in Bangladesh by signing joint-venture agreement with Kallol Group, which was the local entrepreneur, to set up "Kallol Thai President 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.
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%.
2017	Amalgamation between Thai President Foods Public Company Limited (TF at that time) and President Rice Products Public Company Limited (PR) took place on 16 October 2017 under the witness of Ministry of Commerce and the name was changed to TFMAMA. Currently, common shares of TFMAMA are listed in The Stock Exchange of Thailand.

4.1.2 Shareholding Structure

TFMAMA listed the merger on 16 October 2017. At present, TFMAMA is the producer and distributor of instant noodles and semi-ready meals under the trademark "Mama", bakery products and biscuits under the trademark "Bissin" and "Homey", fruit juice products under the trademark "Green Mate", "Kelly" and "Thai Sun". In addition, TFMAMA also has investments in other business groups for the purpose of supporting its core business. As at 31 December 2017 TFMAMA has a shareholding structure in 5 business sectors as follows:

Figure 4-1: Shareholding structure of TFMAMA



Source: TFMAMA



4.1.3 Overview of Business Operations

TFMAMA's business operation is engaged in production and distribution of instant noodles and semi-ready meals under the trademark "Mama", bakery products and biscuits under the trademark "Bissin" and "Homey", fruit juice products under the trademark "Green Mate", "Kelly" and "Thai Sun" with a focus on production of foods in response to highest consumer satisfaction and placing importance on the rights of all groups of stakeholders. In addition, TFMAMA has also invested in raw materials and packaging business lines utilized in its production process and benefitting cost and quality control of such goods. Moreover, the Company also has joint venture investment with foreign companies to bring new knowledge and technology to further develop the Company's production process to achieve optimum performance. TFMAMA has also invested in companies engaged in sales and distribution in order to increase the Company's sales channels to reach all consumer groups.

1) Core Business

- Noodle and semi-instant food products

Noodle and semi-finished food products in both the domestic and international markets comprise the following product groups

- Semi-finished foods which use wheat as the main raw material, namely products under the trademark "Mama" which have been well-known and well-received by consumers for over the past 40 years with a market share of more than 50 percent in Thailand, including production of instant noodles for leading companies in Europe, America and Australia for export, with production capacity of approximately 6 million packs per day.
- Semi-finished foods which use rice as the main raw material
 - Ready meal products such as white rice noodles, instant congee, instant rice soup, white rice and fragrant rice, complete with seasoning under the trademark "Mama" and foreign trademarks namely MAMY, PAPA, PAMA, HANDI and RICE PRESIDENT RICE.
 - Products used as the main ingredient of noodle recipes, for example, different rice noodles in various size packaging for consumers namely small or large families, restaurants and schools, under the trademark MAMA MAMY, PAPA, PAMA, HANDI and RICE PRESIDENT RICE.
- Semi-finished foods which use other raw materials such as vermicelli

- Bakery products

The Company's bakery products are mainly sold in the domestic market and comprise the following product groups:

- Wholesale products namely sliced bread, burger buns, hotdog buns, ready bread products such as bread buns with stuffing, sandwiches, cakes, and other bakery goods under the trademark "Farmhouse" distributed through channels and stores with principal customers being modern trade and traditional trade retailers.
- Retail bakery products, bakery products distributed through the Company's retail shops, namely Deliya shops and Madame Marco cake shops. In addition, there is also a sandwich franchise, Good Morning Farmhouse, and automatic sandwich vending machines.



- Bakery products for fastfood businesses and restaurants, namely burger and hotdog buns, sliced breads, French bread, croissants, biscuits and pizza dough distributed to fastfood chains such a McDonald's, KFC, Pizza Hut, Burger King and others including flour products for frying and bread crumbs.

- Biscuit products

Biscuit products under the trademark "Bissin" and "Homey" have been developed by TFMAMA with new products constantly being created to suit the Thai consumer market. Each brand has its own range of products including biscuits, crackers, and a variety of wafers with different flavors such as butter coconut, butter coconut and orange cream, butter coconut covered in chocolate, wholewheat cracker, lemon sherbet, coco, coffee, coconut, strawberry, blueberry, blackcurrent, an assortment of flavored cracker: sesame, chicken, cheese and coconut.

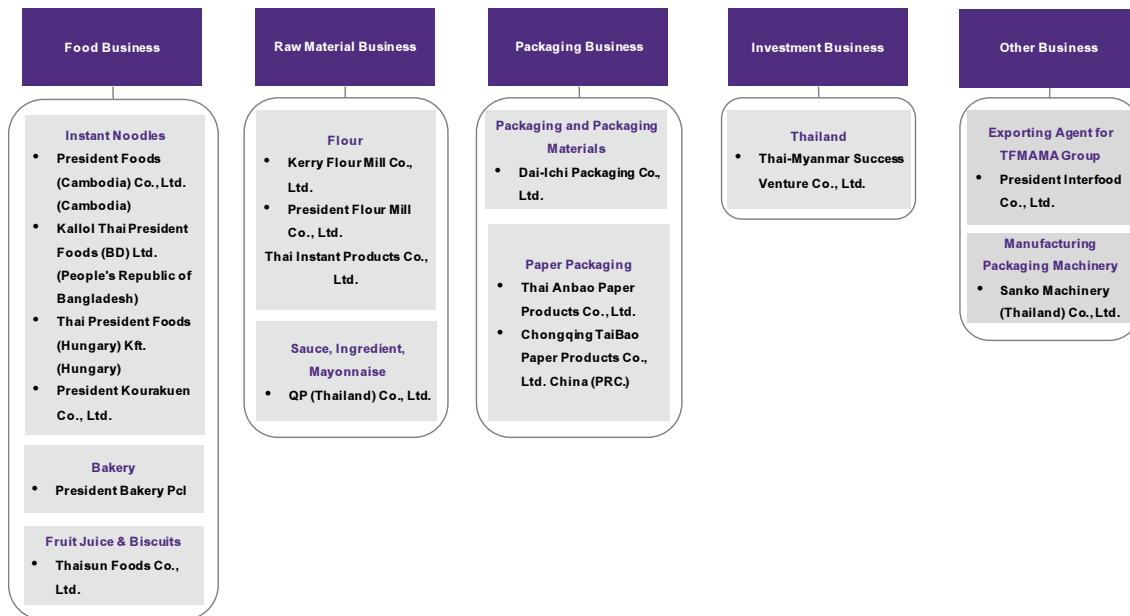
- Fruit juice products under the trademark "Greenmate", "Kelly" and "Thai Sun", both canned and bottled, with an array of flavors such as orange, lychee, black grass jelly and tamarind which is a best seller in southern Thailand.

- Packaging products

Packaging products consist of thin food-wrap film and paper cups.

2) Business of TFMAMA group

Figure 4-2: Business of TFMAMA group



Source: Annual report 2017



The revenue structure of each product line is classified by business segment from 2015 to 2016 as follows:

Table 4-2: Sale structure by business of TFMAMA

Product line	Business	Operated by	% of shares	Sale revenue (THB million)					
				2015	%	2016	%	2017	%
Instant noodles	Food	Thai President Foods Pcl.	-	10,049	50.37	10,839	51.26	11,273	52.11
		Kallol Thai President Foods (BD) Ltd.	55.00						
		Thai President Foods (Hungary) Kft.	65.00						
		Thai President Korakuen Co., Ltd.	70.00						
Bakery	Food	President Bakery Pcl	46.90	7,347	36.83	7,569	35.80	7,449	34.44
Biscuits	Food	Thai President Foods Pcl (TFMAMA)	-	794	3.98	857	4.06	873	4.04
Fruit juice	Food	Taisun Foods Co., Ltd.	52.08	743	3.72	857	4.05	890	4.11
Packaging	Packaging	Thai Anbao Paper Products Co., Ltd.	51.00	882	4.42	895	4.23	1,023	4.73
		Dai-Ichi Packaging Co., Ltd.	50.10						
Others (flour)	Raw material	President Flour Mill Co., Ltd.	60.00	135	0.68	127	0.60	123	0.57
Total				19,950	100.00	21,144	100.00	21,631	100.00

Source: Annual Registration Statement (56-1 form)

Table 4-3: Sale structure in domestic and foreign market of TFMAMA

Product line	Business	Market	Sale revenue (THB million)					
			2015	%	2016	%	2017	%
Instant noodles	Food	Domestic	7,471	37.45	7,896	37.35	8,090	37.40
		Foreign	2,578	12.92	2,943	13.92	3,184	14.72
Bakery	Food	Domestic	7,347	36.83	7,569	35.80	7,449	34.44
		Foreign	-	-	-	-	-	-
Biscuits	Food	Domestic	719	3.61	778	3.68	808	3.73
		Foreign	74	0.37	80	0.38	65	0.30
Fruit juice	Food	Domestic	412	2.06	432	2.04	386	1.79
		Foreign	332	1.66	425	2.01	503	2.33
Packaging	Packaging	Domestic	879	4.41	892	4.22	1,020	4.71
		Foreign	3	0.01	3	0.02	3	0.01
Others (flour)	Raw material	Domestic	135	0.68	127	0.60	123	0.57
		Foreign	-	-	-	-	-	-
Total		Domestic	16,963	85.03	17,694	83.68	17,876	82.64
		Foreign	2,987	14.97	3,450	16.32	3,755	17.36
Grand Total			19,950	100.00	21,144	100.00	21,631	100.00

Source: Annual Registration Statement (56-1 form)

3) Procurement of products and services

TFMAMA has 5 production plants, namely in Chonburi Province and Lamphun Province producing instant noodles, 2 in Ratchaburi Province producing semi-finished foods from rice and in Rayong Province producing instant noodles and biscuits with actual production capacity in 2017 compared to the past year as follows:

**Table 4-4: Comparison of the production capacity and the actual production in 2016-2017 of TFMAMA**

Factory	Instant noodles (tons/day)			Biscuits (tons/day)		
	Production capacity ¹	Actual ²	%	Production capacity ¹	Actual	%
Chon Buri						
2017	230.25	248.69	108.01	-	-	-
2016	230.25	256.07	111.21	-	-	-
Lumpoon						
2017	84.24	74.79	88.78	-	-	-
2016	81.88	80.17	97.91	-	-	-
Rayong ³						
2017	63.00	64.00	101.59	45.00	32.33	71.84
2016	49.20	46.52	94.55	44.30	32.21	72.71
Ratchaburi 1 and Ratchaburi 2						
2017	48.67	43.96	90.32	-	-	-
2016	48.67	40.83	83.89			
Total						
2017	361.33	382.76	105.93	44.30	32.21	72.71
2016	363.18	359.84	99.08	44.30	29.52	66.64

Source: Annual Registration Statement (56-1 form)

Remarks: ¹ Two shift production capacity less 10% machine maintenance period. There were 300 production days.

² The actual production for year 2017 was calculated from the actual production from January to December.

³ Rayong factory stopped replacing 2 old machines for 6 months. 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 terms of sourcing raw materials, since these are mainly agricultural raw materials which can be procured domestically and internationally from such countries as Australia, Malaysia, Japan, etc. so there is no problem regarding shortage of raw materials to feed the factories. Additionally, TFMAMA has a number of suppliers which mitigates the risk of sourcing raw materials if any one of the suppliers dropped out. Moreover, this also increases the Company's leverage in negotiating prices and selection of quality goods. None of the Company's suppliers provide more than 30 percent of the total of raw materials used in production. For some raw materials with higher proportion of utilization in the production process, the Company would conclude advance purchase agreements with some suppliers to lessen risks pertaining to pricing and delivery volume. The contracts normally specify the volume, price and delivery date, usually on a quarterly and annual basis. However, when considering the raw materials cost structure, it was found that none of the raw materials had a proportion of utilization of more than 50 percent.

4.1.4 Shareholding Structure

As at 31 July 2018, TFMAMA had registered and paid-up capital of THB 329,704,014 and divided into 329,704,014 ordinary shares at par value of THB 1 per share, with the following shareholding structure:

Table 4-5: Major shareholders of TFMAMA

No.	Name	No. of shares	%
1	Saha Pathana Inter-Holding Public Company Limited	82,994,102	25.17%
2	Nissin Foods Holdings Co., Ltd.	55,534,253	16.84%
3	Mr. Pipat Paniangvait	22,167,005	6.72%
4	Mr. Weerapat Punsak-Udomsin	21,751,334	6.60%
5	Nomura Securities Co Ltd-Client A/C	10,470,274	3.18%
6	Unicentral Co., Ltd.	7,602,387	2.31%
7	Sahapatanapibul Public Company Limited	6,431,151	1.95%
8	Mr. Kamthorn Tatiyakavee	5,792,527	1.76%
9	Universe Beauty Co., Ltd.	5,521,076	1.67%



No.	Name	No. of shares	%
10	I.C.C International Public Company Limited	4,135,628	1.25%
11	Other shareholders (apart from 10 major shareholders listed above)	107,304,277	32.55%
	Total	329,704,014	100.00%

Remark: List of shareholders as of 31 July 2018

Table 4-6: Major shareholders of Saha Pathana Inter-Holding Public Company Limited

No.	Name	No. of shares	%
1	Chokwattana Co., Ltd.	81,562,322	14.36%
2	I.C.C. International Public Company Limited	48,141,856	8.48%
3	Saha Pathanapibul Public Company Limited	38,159,873	6.72%
4	Smbc Nikko Securities Inc. - Client Account	20,220,550	3.56%
5	Unicentral Co., Ltd.	20,195,960	3.56%
6	Mr. Weeraphat Punsak-Udomsin	17,835,100	3.14%
7	Nomura Securities Co Ltd-Client A/C	17,625,000	3.10%
8	I.D.F. Co., Ltd.	16,046,216	2.83%
9	Uniwealth Co., Ltd.	13,740,310	2.42%
10	Lion Corporation	10,000,000	1.76%
11	Other shareholders (apart from 10 major shareholders listed above)	284,443,967	50.08%
	Total	567,971,154	100.00%

Remark: List of shareholders as of 7 May 2018

Table 4-7: Major shareholders of Nissin Foods Holdings Co., Ltd.

No.	Name	No. of shares (thousand)	%
1	Ando Foundation	7,904	7.59%
2	Mitsubishi Corp.	7,800	7.49%
3	Itochu Corp.	5,400	5.19%
4	Ando International Y.K.	3,946	3.79%
5	The Master Trust Bank Of Japan, Ltd. (Account In Trust)	3,634	3.49%
6	Mizuho Bank, Ltd.	3,375	3.24%
7	Japan Trustee Services Bank, Ltd.	3,241	3.11%
8	Jp Morgan Chase Bank	3,164	3.04%
9	The Bank Of Tokyo-Mitsubishi UFJ, Ltd.	2,274	2.18%
10	State Street Bank West Client-Treaty	1,904	1.83%
	The total of the first 10 major shareholders	42,642	40.94%

Remark: List of shareholders as of 31 March 2018 and exclude treasury stocks of 13,329 thousand shares by Nissin Foods Holdings Co., Ltd. which is equivalent to 11.36 percent.

Table 4-8: Major shareholders of Mitsubishi Corp.

No.	Name	No. of shares (thousand)	%
1	Japan Trustee Services Bank, Ltd. (Trust Account)	131,442	8.28%
2	The Master Trust Bank Of Japan, Ltd. (Trust Account)	84,465	5.32%
3	Tokio Marine & Nichido Fire Insurance Co., Ltd.	74,534	4.69%
4	Meiji Yasuda Life Insurance Company	64,846	4.08%
5	Ichigo Trust Pte. Ltd.	36,468	2.29%
6	The Master Trust Bank Of Japan, Ltd. (Mitsubishi Heavy Industries, Limited Account, Retirement Benefit Trust Account)	32,276	2.03%
7	State Street Bank West Clienttreaty 505234	27,545	1.73%
8	Japan Trustee Services Bank, Ltd. (Trust Account 5)	26,412	1.66%
9	Japan Trustee Services Bank, Ltd. (Trust Account 9)	22,288	1.40%
10	Japan Trustee Services Bank, Ltd. (Trust Account 1)	19,610	1.23%
	The total of the first 10 major shareholders	519,886	32.71%

Remark: List of shareholders as of 31 March 2018

**Table 4-9: Major shareholders of Itochu Corp.**

No.	Name	No. of shares (thousand)	%
1	The Master Trust Bank Of Japan, Ltd. (Trust Account)	91,982	5.53%
2	Japan Trustee Services Bank, Ltd. (Trust Account)	91,025	5.47%
3	Cp Worldwide Investment Company Limited	63,500	3.82%
4	Nippon Life Insurance Company	34,056	2.05%
5	Japan Trustee Services Bank, Ltd. (Trust Account 9)	32,952	1.98%
6	Mizuho Bank, Ltd.	31,200	1.88%
7	State Street Bank West Client - Treaty 505234	28,131	1.69%
8	Japan Trustee Services Bank, Ltd. (Trust Account 5)	27,621	1.66%
9	State Street Bank And Trust Company	23,442	1.41%
10	Asahi Mutual Life Insurance Company	23,400	1.41%
	The total of the first 10 major shareholders	447,009	26.90%

Remark: List of shareholders as of 31 March 2018 and exclude treasury stocks of 110,390 thousand shares which is equivalent to 6.64 percent

Table 4-10: Major shareholders of The Master Trust Bank of Japan, Ltd.

No.	Name	No. of shares (thousand)	%
1	Mitsubishi Ufj Trust & Banking Corporation	55,800	46.5
2	Nippon Life Insurance Company	40,200	33.5
3	Meiji Yasuda Life Insurance Company	12,000	10.0
4	The Norinchukin Trust & Banking Co., Ltd.	12,000	10.0
	Total	120,000	100.0

Remark: List of shareholders as of 2 July 2018

Table 4-11: Major shareholders of Unicentral

No.	Name	No. of shares (thousand)	%
1	Mr. Weeraphat Punsak-Udomsin	1,196,000	99.67%
2	Mrs. Orapin Punsak-Udomsin	1,000	0.083%
3	Mrs. Orathai Thongmeeakhom	1,000	0.083%
4	Miss Phawinee Punsak-Udomsin	1,000	0.083%
5	Miss Ratiporn Punsak-Udomsin	1,000	0.083%
	Total	1,200,000	100.00%

Source: Tender Offer for Securities in PB (Form 247-4)

Remark: List of shareholders as of 28 April 2018

Table 4-12: Major shareholders of Universe Beauty Co., Ltd

No.	Name	No. of shares	%
1	Unicentral Co., Ltd.	268,181	44.70%
2	Unichamp Co., Ltd.	254,612	42.44%
3	Chokwattana Co., Ltd.	9,277	1.55%
4	Mr. Weeraphat Punsak-Udomsin	8,271	1.38%
5	Uniwealth Co., Ltd.	7,754	1.29%
6	Mr. Chavalit Limatibul	3,360	0.56%
7	First United Industry Co., Ltd.	3,110	0.52%
8	Mrs. Orathai Thongmeeakhom	2,920	0.49%
9	Miss Phawinee Punsak-Udomsin	2,749	0.46%
10	Miss Ratiporn Punsak-Udomsin	2,664	0.44%
11	Other shareholders (apart from 10 major shareholders listed above)	37,102	6.18%
	Total	600,000	100.00%

Source: Tender Offer for Securities in PB (Form 247-4)

Remark: List of shareholders as of 30 April 2018

**Table 4-13: Major shareholders of Unichamp Co., Ltd.**

No.	Name	No. of shares	%
1	Unicentral Co.,Ltd.	299,300	99.77%
2	Mr. Weeraphat Punsak-Udomsin	300	0.10%
3	Mrs. Orapin Punsak-Udomsin	100	0.03%
4	Mrs. Orathai Thongmeeakhom	100	0.03%
5	Miss Phawinee Punsak-Udomsin	100	0.03%
6	Mrs. Phanida Punsak-Udomsin	100	0.03%
	รวม	300,000	100.00%

Source: Tender Offer for Securities in PB (Form 247-4)

Remark: List of shareholders as of 30 April 2017

Table 4-14: Major shareholders of Chokwattana Co., Ltd.

No.	Name	No. of shares	%
1	Saiphin Wattana Co.,Ltd.	890,000	12.71%
2	Mr. Narong Chokwatana	885,000	12.64%
3	Mr. Boonpakorn Chokwatana	875,000	12.50%
4	Mr. Boonkiet Chokwatana	485,000	6.93%
5	Mrs. Kittiyaporn	400,000	5.71%
6	Sahasin Co.,Ltd.	400,000	5.71%
7	Mr. Boonchai Chokwatana	295,000	4.21%
8	Mrs. Chailada Tantivejakul	295,000	4.21%
9	Mr. Chailadol Chokwatana	295,000	4.21%
10	Mr. Vathit Chokwatana	200,000	2.86%
11	Other shareholders (apart from 10 major shareholders listed above)	1,980,000	28.29%
	Total	7,000,000	100.00%

Source: Tender Offer for Securities in PB (Form 247-4)

Remark: List of shareholders as of 30 April 2018

Table 4-15: Major shareholders of Uniwealth Co., Ltd.

No.	Name	No. of shares	%
1	Universe Beauty Co.,Ltd.	1,769,300	99.96%
2	Mr. Weeraphat Punsak-Udomsin	300	0.017%
3	Mrs. Orapin Punsak-Udomsin	100	0.006%
4	Mrs. Orathai Thongmeeakhom	100	0.006%
5	Miss Phawinee Punsak-Udomsin	100	0.006%
6	Miss Ratiporn Punsak-Udomsin	100	0.006%
	Total	1,770,000	100.00%

Source: Tender Offer for Securities in PB (Form 247-4)

Remark: List of shareholders as of 30 November 2017

Table 4-16: Major shareholders of First United Industry Co., Ltd.

No.	Name	No. of shares	%
1	Saha Pathana Inter-Holding Public Company Limited	112,582	28.15%
2	Saha Pathanapibul Public Company Limited	57,466	14.37%
3	I.C.C. International Public Company Limited	36,468	9.12%
4	Chokwattana Co.,Ltd.	25,688	6.42%
5	Miss Surang Kriengprathana	8,824	2.21%
6	Mrs. Saeree Ono	8,624	2.16%
7	Mr. Phongphat Dhanasarnsilp	8,350	2.09%
8	Mr. Sermwong Dhanasarnsilp	8,300	2.08%
9	I.D.F. Co.,Ltd.	8,072	2.02%
10	Mr. Assawin Kongwatana	7,874	1.97%
11	Other shareholders (apart from 10 major shareholders listed above)	117,752	29.44%
	Total	400,000	100.00%

Source: Tender Offer for Securities in PB (Form 247-4)

Remark: List of shareholders as of 26 April 2018

**Table 4-17: Major shareholders of I.D.F. Co. Ltd.**

No.	Name	No. of shares	%
1	Sinparadorn Co.,Ltd.	43,150	47.94%
2	Saha Pathanapibul Public Company Limited	17,644	19.60%
3	Watsadoramai Co.,Ltd.	11,250	12.50%
4	I.C.C. International Public Company Limited	8,100	9.00%
5	Mr. Boonsithi Chokwatana	3,006	3.34%
6	Sahapat Real Estate Co.,Ltd.	3,000	3.33%
7	First United Industry Co.,Ltd.	1,800	2.00%
8	Mr. Thamarat Chokwatana	1,000	1.11%
9	B S T R 408 Co.,Ltd.	750	0.83%
10	Mr. Boonkiet Chokwatana	150	0.17%
11	Other shareholders (apart from 10 major shareholders listed above)	150	0.17%
	รวม	90,000	100.00%

Source: Tender Offer for Securities in PB (Form 247-4)

Remarks: List of shareholders as of 27 April 2018

Shareholders' information of Saha Pathanapibul Public Company Limited and I.C.C. International Public Company Limited are based on SET website since both are listed in SET.

4.1.5 Board of Directors and Executive Board

TFMAMA's Board of Directors as at 31 July 2018 comprises a total of 15 directors as follows:

Table 4-18: Board of Directors of TFMAMA

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

Remark: ¹Authorized signatory directors**Table 4-19: Management Team of TFMAMA**

No.	Name	Position
1	Mr. Pipat Paniangvait	Chief Executive Officer
2	Mr. Suchai Ratanajajaroen	Vice Chairman
3	Dr. Poj Paniangvait	President
4	Dr. Pojjanee Paniangvait	Vice President
5	Miss Pojjana Paniangvait	Assistant Vice President
6	Ms. Hatairat Kwangchit-Aree	Assistant Vice President
7	Mrs. Sodsai Hanchana	Assistant Vice President
8	Mr. Petch Paniangvait	Manager, Foreign Investments Office
9	Mr. Pun Paniangvait	Manager, Presidents Office
10	Miss Sararath Tangsirimongkol	Manager, Accounting Department & Company Secretary



No.	Name	Position
11	Mr. Wasan Boonsampankit	Manager, Finance & Investment Department (CFO)
12	Mr. Ittiphon Khouharat	Manager, Business Development Department
13	Miss Prapin Lawanprasert	Manager, Sourcing Department
14	Mr. Sorayut Raksasri	Manager, Human Resource & Administration Department
15	Miss Ariya Tangcheevinsirikul	Manager, Internal Audit Department
16	Mr. Chumpol Temiyasathit	Manager, Research Development Department
17	Miss Sawita Sakulthanasombat	Manager, Quality Assurance Dept
18	Miss Nimol Kij Khan	Manager, Sriracha Factory
19	Mrs. Suchada Paniangvait	Manager, Lamphun Factory
20	Mr. Nirun Poothong	Manager, Rayong Factory

Source: Annual Report 2017

4.1.6 Financial Status and Operating Results

Table 4-20: Consolidated statement of financial position of TFMAMA

	31 December 2015		31 December 2016		31 December 2017		30 June 2018	
	THB million	%	THB million	%	THB million	%	THB million	%
Cash and cash equivalents	1,583.58	6.41%	2,444.96	8.96%	2,777.38	9.44%	3,653.19	11.96%
Current investments	5,228.02	21.18%	4,529.23	16.60%	5,515.71	18.75%	6,504.55	21.29%
Trade and other receivables	3,076.81	12.46%	3,249.87	11.91%	3,625.82	12.32%	3,442.99	11.27%
Advances and short-term loans from other parties	1.00	0.00%	1.00	0.00%	1.00	0.00%	50.44	0.17%
Advances and short-term loans from related parties	-	0.00%	-	0.00%	-	0.00%	250.00	0.82%
Inventories	1,226.18	4.97%	1,222.80	4.48%	1,352.54	4.60%	1,352.42	4.43%
Other current assets	72.67	0.29%	68.20	0.25%	61.12	0.21%	53.47	0.18%
Total current asset	11,188.27	45.32%	11,516.07	42.20%	13,333.57	45.32%	15,307.06	50.11%
Cash restricted or pledged	36.35	0.15%	36.35	0.13%	36.35	0.12%	36.35	0.12%
Investment in associates	1,322.20	5.36%	1,428.24	5.23%	1,562.33	5.31%	1,565.83	5.13%
Investment in joint venture	-	0.00%	-	0.00%	-	0.00%	26.16	0.09%
Investment in other companies	147.12	0.60%	144.77	0.53%	266.78	0.91%	186.62	0.61%
Other long-term investments	3,761.26	15.23%	4,412.90	16.17%	5,133.56	17.45%	4,559.83	14.93%
Advance share payments	90.56	0.37%	100.88	0.37%	77.36	0.26%	-	0.00%
Investment properties	80.57	0.33%	100.21	0.37%	98.26	0.33%	98.26	0.32%
Property, plant and equipment	7,788.06	31.54%	9,388.57	34.41%	8,790.56	29.88%	8,537.88	27.95%
Down payment for purchase of machinery	108.94	0.44%	15.53	0.06%	16.80	0.06%	48.53	0.16%
Other intangible assets	47.09	0.19%	46.05	0.17%	40.31	0.14%	38.42	0.13%
Leasehold right - net	0.69	0.00%	1.35	0.00%	0.93	0.00%	0.72	0.00%
Goodwill	10.07	0.04%	10.07	0.04%	5.54	0.02%	46.81	0.15%
Deferred tax assets	83.07	0.34%	65.99	0.24%	31.20	0.11%	60.06	0.20%
Other non-current assets	25.32	0.10%	19.31	0.07%	29.63	0.10%	35.24	0.12%
Total non-current assets	13,501.29	54.68%	15,770.22	57.80%	16,089.60	54.68%	15,240.71	49.89%
Total assets	24,689.56	100.00%	27,286.29	100.00%	29,423.17	100.00%	30,547.77	100.00%
Short-term loans from financial institution	30.00	0.12%	-	0.00%	-	0.00%	-	0.00%
Trade and other payables	1,788.88	7.25%	1,870.20	6.85%	1,787.56	6.08%	1,840.85	6.03%
Current portion of liabilities under finance lease agreements	108.60	0.44%	104.10	0.38%	82.66	0.28%	75.82	0.25%
Income tax payable	196.16	0.79%	235.98	0.86%	242.66	0.82%	282.79	0.93%
Accrued bonus	139.72	0.57%	157.81	0.58%	159.25	0.54%	212.19	0.69%
Dividend payable	1.82	0.01%	1.97	0.01%	-	0.00%	-	0.00%
Advance receipt from non-controlling interests for investment in a subsidiary	21.12	0.09%	20.32	0.07%	0.00	0.00%	0.04	0.00%
Other accrued expenses	363.90	1.47%	374.82	1.37%	285.02	0.97%	323.85	1.06%
Other current liabilities	86.66	0.35%	84.49	0.31%	70.38	0.24%	35.87	0.12%



	31 December 2015		31 December 2016		31 December 2017		30 June 2018	
	THB million	%	THB million	%	THB million	%	THB million	%
Total current liabilities	2,736.87	11.09%	2,849.71	10.44%	2,627.54	8.93%	2,771.41	9.07%
Long-term loans from financial institution - net of current portion	135.79	0.55%	123.80	0.45%	93.83	0.32%	66.98	0.22%
Long-term loans from directors	76.99	0.31%	84.16	0.31%	77.98	0.27%	49.91	0.16%
Long-term loans from employees	34.00	0.14%	45.17	0.17%	39.63	0.13%	39.43	0.13%
Provision for long-term employee benefits	757.68	3.07%	812.11	2.98%	806.61	2.74%	838.17	2.74%
Non-current liabilities	2.25	0.01%	60.17	0.22%	60.37	0.21%	60.50	0.20%
Total non-current liabilities	1,006.71	4.08%	1,125.41	4.12%	1,078.42	3.67%	1,055.00	3.45%
Total liabilities	3,743.58	15.16%	3,975.12	14.57%	3,705.96	12.60%	3,826.42	12.53%
Registered share capital	329.70	1.34%	329.70	1.21%	329.70	1.12%	329.70	1.08%
Issued and paid-up share capital	329.70	1.34%	329.70	1.21%	329.70	1.12%	329.70	1.08%
Share premium	713.01	2.89%	713.01	2.61%	712.96	2.42%	712.96	2.33%
Retained earnings	15,190.57	61.53%	16,881.66	61.87%	18,498.46	62.87%	19,496.86	63.82%
Other components of shareholders' equity	(14.03)	-0.06%	69.99	0.26%	336.11	1.14%	201.87	0.66%
Non-controlling interests of the subsidiaries	4,726.72	19.14%	5,316.79	19.49%	5,839.97	19.85%	5,979.96	19.58%
Total shareholders' equity	20,945.98	84.84%	23,311.17	85.43%	25,717.21	87.40%	26,721.35	87.47%
Total liabilities and shareholders' equity	24,689.56	100.00%	27,286.29	100.00%	29,423.17	100.00%	30,547.77	100.00%

Source: TFMAMA audit financial statement 2016-2017 and reviewed financial statement as of 30 June 2018

Assets

TFMAMA's total assets as at 30 June 2018 were valued at THB 30,547.77 million, an increase from 31 December 2017 by THB 1,124.60 million, consisting of current assets at 50.11 percent and non-current assets at 49.89 percent of the total assets. Increased items came from cash and cash equivalents and current investments amounting to THB 988.83 million and THB 875.81 million respectively. In addition, the Company had short-term loans to unrelated parties of THB 250.00 million, at an interest rate of 10.0 percent per annum, repayment due within 1 year from the date of the loan agreement and not later than 22 May 2019.

Trade and other receivables stood at 11.27 percent of the total assets, a decrease from 2017 of THB 182.83 million, due to the fact that most debtors settle their debts on time.

Total assets as at 31 December 2017 was THB 29,423.17 million, an increase from the end of the previous year by THB 2,136.88 million or 7.83 percent, consisting of permanent assets totalling THB 8,790.56 million, equivalent to 29.88 percent of total assets, current assets of THB 13,333.57 million or 45.32 percent of total assets, the increase being due to cash and cash equivalents from the increase in net profit.

Trade receivables in 2017 stood at THB 3,625.82 million, equivalent to 12.32 percent of total assets, representing an increase of 11.57 percent over the previous year due to higher sales, with the major domestic customer still being Saha Pathanapibul PLC whose average debt collection period was 59 days, up by 4 days from the previous year. Moreover, the Company provided allowance for doubtful accounts of THB 16.38 million, sufficient for debt older than 3 months. In general, most of the Company's debtors settle their debt on time. Even though some foreign trade accounts which were delayed, these were a small proportion of all trade receivables.

In 2017, remaining stock stood at THB 1,352.54 million, equivalent to 4.60 percent of total assets, representing an increase of 10.61 percent over the previous year. Instant noodle products have a shelf life of 180 days while the average selling time of the Company's goods is 33 days.



Liabilities

TFMAMA's total liabilities as at 30 June 2018 was THB 3,826.42 million, equivalent to 12.53 percent of liabilities and shareholders' equity, representing an increase 3.25 percent from 31 December 2017, mainly from the increase in accounts payable and other payables. However, due to the increase in shareholders' equity, the ratio of total liabilities to equity stood at 0.18 times, a decrease from 31 December 2017 which posted a ratio of 0.19 times.

Total liabilities as at 31 December 2017 was THB 3,705.96 million, a decrease by THB 269.16 million or 6.77 percent from the decrease in accounts payable and other accrued expenses due to the fact that the Company settled its debt on time, resulting in lower debt outstanding at the end of the period. Nevertheless, most of the Company's liabilities are classified as current liabilities while long-term debts account for 29.10 percent of all liabilities and the debt to equity ratio stood at 0.19 times.

Shareholders' Equity

As at 30 June 2018, shareholders' equity stood at THB 26,721.35 million or 87.47 percent of liabilities, an increase by THB 1,004.15 million from the shareholders' equity as at 31 December 2017, as a result of the increase in operating profit and non-controlling interests of the subsidiary.

As at 31 December 2017, shareholders' equity was THB 25,717.21 million, an increase by THB 2,406.04 million or 10.32 percent from 2016, due to the Company's net profit during the period. In 2017, the Company paid dividends from operating results in the latter half of 2016 in the amount of THB 578.64 million and also made interim dividend payment from the six-month operating results for the period which ended on 30 June 2017 amounting to THB 654.31 million. The Company's total book value per share increased by THB 7.30, from THB 70.70 to THB 78.00, representing an increase of 10.33 percent.

Table 4-21: Consolidated statement of income of TFMAMA

	For the year end 31 December						6 Months ended 30 June	
	2015 ¹		2016		2017		2018	
	THB million	%	THB million	%	THB million	%	THB million	%
Revenues from sale of goods and rendering of services	19,950.20	98.17%	21,143.68	98.21%	21,630.95	98.29%	10,712.47	97.81%
Other incomes ^{2/}	371.12	1.83%	385.75	1.79%	375.21	1.71%	240.02	2.19%
Total revenues	20,321.32	100.00%	21,529.42	100.00%	22,006.16	100.00%	10,952.49	100.00%
Cost of goods sold	13,295.44	65.43%	13,968.82	64.88%	14,354.55	65.23%	6,943.72	63.40%
Selling expenses	1,397.99	6.88%	1,410.47	6.55%	1,444.36	6.56%	747.56	6.83%
Administrative expenses	1,922.42	9.46%	2,022.89	9.40%	2,167.15	9.85%	1,057.97	9.66%
Total expenses	16,615.85	81.77%	17,402.18	80.83%	17,966.06	81.64%	8,749.25	79.88%
Profit before share of profit from investments in associates, finance cost and income tax expenses	3,705.47	18.23%	4,127.25	19.17%	4,040.10	18.36%	2,203.25	20.12%
Share of profit from investments in associates	138.53	0.68%	192.13	0.89%	212.01	0.96%	104.56	0.95%
Profit (loss) before finance costs and income tax expenses	3,844.00	18.92%	4,319.38	20.06%	4,252.12	19.32%	2,307.81	21.07%
Finance costs	(23.69)	-0.12%	(19.11)	-0.09%	(17.01)	-0.08%	(6.77)	-0.06%



	For the year end 31 December						6 Months ended 30 June	
	2015 ¹		2016		2017		2018	
	THB million	%	THB million	%	THB million	%	THB million	%
Profit (loss) before income tax expenses	3,820.31	18.80%	4,300.27	19.97%	4,235.11	19.25%	2,301.03	21.01%
Income tax expenses	(370.96)	-1.83%	(405.60)	-1.88%	(430.43)	-1.96%	(290.67)	-2.65%
Net profit (loss)	3,449.36	16.97%	3,894.67	18.09%	3,804.68	17.29%	2,010.36	18.36%
Exchange differences on translation of financial statements in foreign currency	-	0.00%	(22.65)	-0.11%	(24.02)	-0.11%	(24.72)	-0.23%
Unrealised gains (losses) on available-for-sale financial assets		0.00%	111.71	0.52%	295.68	1.34%	(136.36)	-1.24%
Actuarial gain (loss) - net of income tax	-	0.00%	(23.32)	-0.11%	(11.56)	-0.05%	0.68	0.01%
Total other comprehensive income	-	0.00%	65.74	0.31%	260.10	1.18%	(160.40)	-1.46%
Total comprehensive income	3,449.36	16.97%	3,960.41	18.40%	4,064.78	18.47%	1,849.96	16.89%

Source: TFMAMA audit financial statement 2016-2017 and reviewed financial statement as of 30 June 2018

Remarks: 1. Information is retrieved from TFMAMA pro forma consolidated financial statement

2. Other income includes interest income, rental income, dividend income, profit from exchange rate and etc.

Revenue

TFMAMA's revenue from sales in the first 6 months of 2018 and 2017 amounted to THB 10,712.47 million and THB 10,330.61 million respectively, representing an increase of 3.70 percent due to consistent development and launch of new products combined with continuous advertising and sales promotion activities.

In 2017, the Company posted revenue from sales of THB 21,630.95 million, an increase by THB 487.27 million or 2.30 percent compared to the same period of 2016. Revenue from sales comprised sales from the previous TF of THB 12,758.90 million, equivalent to 58.98 percent of the total sales, sales from the previous PR of THB 1,423.14 million, equivalent to 6.58 percent of total sales, and sales from the previous PB of THB 7,448.91 million, equivalent to 34.44 percent of total sales. On the part of TF and PR, their net sales compared the same period of the previous year posted growth of 4.07 and 8.22 percent respectively, mainly due to growth of the international market and the continual increase of new products into the market. On the other hand, net sales of PB declined by 1.58 percent due to increasing competition in the market, especially via the convenient store channel which launched similar house brand goods, as well as the proliferation of bakery businesses competing for the market share. Nevertheless, the Company continued to develop and launch new products and shifted its focus on penetrating fastfood businesses and restaurants which have quite good potential for growth.

In the analysis of net sales by product type and area, it was found that revenue from sales can be divided into the following:

Instant Noodles

Domestic annual sales as at 31 December 2017 posted growth of 2.45 percent compared to the previous year with sales of instant noodles expanding by 1.00 percent, while semi-finished foods such as white rice noodles, congee and rice soup posting growth of 15.90 percent as a result of product development and continuous marketing activities combined with the recovery of the market for ready meals from the previous year and the fact that the new products introduced by the Company were well received by consumers.



International annual sales as at 31 December 2017 posted growth of 8.19 percent compared to the previous year with sales of instant noodlers growing by 10.64 percent while semi-finished foods such as white rice noodles, congii and rice soup declining by 2.48 percent. The highest proportion of sales was in Asia which also posted the highest growth while the Australian market also showing good potential for growth as a result of marketing and sales promotion activities in collaboration with foreign distributors, rendering the Company's products becoming more recognized and well accepted in the world market.

Bakery Products

Sales of bakery products for the annual period ended 31 December 2017 declined by 1.58 percent compared to the previous year due to higher competition in the market and the increasing number of new players; however, the Company continued to focus on introducing new products, as well as advertising and organizing sales promotion activities in order to increase sales and ensure that distribution of products allow consumers greater access to the products.

Other products

Total sales of other products consisting of biscuits, packaging, fruit juice and others in the annual period at the end of 31 December 2017 posted growth of 6.31 percent, with packaging growing rather well while the international market for fruit juice continued to expand.

Selling Cost

Selling cost in the first 6 months of 2018 was THB 6,943.72 million, an increase of 0.78 percent compared to the same period of the previous year, while the cost to sales ratio stood at 64.82 percent, lower than the previous year (at 66.70 percent), due to efficient production management and procurement control, resulting in gross profit of 35.18 percent, an increase over the same period of the previous year when the gross profit was 33.30 percent.

Selling cost for the annual period of 2017 was THB 14,354.55 million, increasing by THB 385.73 million or 2.76 percent over the previous year, due to the increase in the use of raw materials and packaging for production in line with increasing sales, combined with the increasing depreciation of the bakery plant since the Bangchan 2 Plant began operation and the cost to sales ratio stood at 66.36 percent, which is 0.29 percent higher than the previous year.

Sales and Administrative Expenses

Sales and administrative expenses in the first 6 months of 2018 was THB 1,805.53 million, equivalent to 16.49 percent of total revenue. The proportion of such expenses to total revenue declined slightly compared to the corresponding period of the previous year due to the Company's more efficient management and control of expenses.

Sales and administrative expenses in the annual period of 2017 was THB 3,611.50 million, increasing by THB 178.15 million or 5.19 percent, due to the increase of staff costs, namely salary, overtime, allowances in line with the increasing number of employees and higher salary base; as well as expenses from the merger and acquisition. Nevertheless, sales and administrative expenses to sales revenue stood at 16.70 percent, which is a slight increase from the previous year.



Periodic Profit

Profit for the 6-month period which ended on 30 June 2018 stood at THB 2,010.36 million, an increase of 10.42 percent compared to the corresponding period of the previous year, due to rising sales and effective cost controls.

For the annual period of 2017, the Company posted net profit of THB 2,853.49 million, a decrease of THB 17.69 million or 0.62 percent compared to the previous year, with the net profit margin to sales revenue at 13.19 percent, mainly due to declining profit of PB and President Flour Mill Co., Ltd. combined with a smaller proportion of profits from promoted businesses.

Table 4-22: Consolidated statement of cash flow summary of TFMAMA

THB million	For the year ended 31 December			6 Months ended 30 June
	2015 ¹	2016	2017	2018
Net cash flow from (used in) operating activities	2,214.61	4,482.45	3,693.09	2,716.92
Net cash flow from (used in) investing activities	(1,220.89)	2,399.08	2,040.98	(1,221.50)
Net cash flow from (used in) financing activities	(811.50)	1,216.02	1,324.37	(607.98)
Decrease in translation adjustments	(1.47)	(5.97)	4.69	(11.63)
Net increase (decrease) in cash and cash equivalents	180.75	861.38	332.42	887.44

Source: TFMAMA audit financial statement 2016-2017 and reviewed financial statement as of 30 June 2018

Remark: ¹ Consolidated statement before amalgamation

Cash Flow

In the first 6 months of 2018 which ended on 30 June 2018, the Company had net cash flow from operations amounting to THB 2,716.92 million, an increase of 64.95 percent compared to the same period of the previous year, due to the decrease of trade and other receivables. Net cash flow used in investment activities amounted to THB 1,221.50 million, up by THB 2,121.52 million, with increases in cash paid for temporary and long-term investments. Net cash used in financing activities stood at THB 11.63 million, down by THB 15.23 million due to the decrease in long-term loans from directors.

In the annual period of 2017, the Company had net cash flow from operations amounting to THB 3,693.09 million, net cash flow used in investment activities and net cash used in financing activities of THB 2,040.98 million and THB 1,324.37 million respectively. As at 31 December 2018, cash and cash equivalents amounted to THB 2,777.38 million, THB 332.42 million higher than in 2016, having the following key substance:

Net cash flow from operations of THB 3,693.09 million from operational profit before corporate income tax amounting to THB 4,235.11 million, a decrease of 1.52 percent compared to 2016. Net cash used in investment activities of THB 2,040.98 million, mostly temporary investment and an increase in other long-term investment which were excess cash deposited in financial institutions. In addition, there was increased investment in equipment and machinery. Net cash used in financing activities amounted to THB 1,324.37 million, with the main expenditure being dividend payment in the amount of THB 1,228.07 million.

Table 4-23: Key financial ratios of TFMAMA

	For the year ended 31 December			6 Months ended 30 June
	2015	2016	2017	2018
Liquidity ratio				
Current ratio (Times)	4.09	4.04	5.07	5.52
Average account receivable turnover (times)	7.70	6.68	6.29	6.66



	For the year ended 31 December			6 Months ended 30 June
	2015	2016	2017	2018
Average collection period (days)	47.42	54.61	58.01	54.77
Average inventory turnover (times)	12.87	11.41	11.15	10.17
Average inventory period (days)	28.37	32.00	32.74	35.90
Average account payable turnover (times)	9.35	7.64	7.85	8.09
Average payment period (times)	39.05	47.81	46.50	45.10
Cash cycle (days)	36.74	38.80	44.25	45.57
Profitability Ratio				
Gross profit margin (%)	33.36%	33.93%	33.64%	35.18%
Net profit margin (%)	16.97%	18.09%	17.29%	18.36%
Return on equity (%)	19.78%	17.60%	15.52%	17.50%
Efficiency Ratio				
Return on asset (%)	18.66%	16.62%	15.00%	15.45%
Asset turnover (times)	0.99	0.83	0.78	0.77
Financial Policy Ratio				
Debt to equity ratio (times)	0.18	0.17	0.19	0.18

Source: SETSMART; calculation based on SET's manual guides

Financial Ratios

The Company's total liquidity ratio has always been at a good level. In 2017, its liquidity ratio and quick ratio stood at 5.07 and 4.54 times respectively, which increased from the previous year, while the Company's cash cycle was 45 days.

Interest-bearing debt to equity ratio as at 31 December 2017 was 0.01 times, which is low, while its ability to pay interest remained high at 250.12 times, reflecting stability of the Company's capital structure in its debt repayment ability.



4.2 Information of the Company

4.2.1 General Information and Key Developments of the Company

President Bakery PLC (“PB”) was registered as a limited company on 29 October 1980 and transformed as listed company on the SET on 19 July 2002 with registered paid up capital of THB 300 million. In 2006, the Company increased its registered capital from THB 300 million to THB 450 million by resolution of the 27th Shareholders’ Meeting on 25 April 2006, with the capital increase being registered on 15 June 2006. Then on 28 April 2011 at the 32nd Annual General Shareholders’ Meeting, a resolution was passed to change the par value of its ordinary shares from THB 10 per share previously to par value of THB 1 per share. The number of ordinary shares after the share swap increased from 45 million shares to 450 million shares. The Company registered the change in par value with the Ministry of Commerce on 12 May 2011.

The Company currently has 3 production plants: 2 situated at the Lad Krabang Industrial Estate, with a total area of 18 rais 3 ngan and operational space of 36,680 sq.meters; and another plant at the Bangchan Industrial Estate with an area of 12 rais 2 ngan 57 sq.was, 1 building and operational space of more than 38,000 sq.meters which officially started operation on 14 December 2009. A new factory building at the Bangchan Industrial Estate was subsequently built and began operation on 1 June 2017. The Company’s main business is production and distribution of bread and bakery products under the Company’s trademark to traditional and modern trade retailers in the form of sales, with the Company agreeing to replace unsold products in order to effectively manage stock and ensure freshness of the products. In addition, the Company has a retail business whereby products under its trademarks are sold in its retail stores and direct sale to consumers’ orders. Moreover, the Company also produces made-to-order products as required by such customers as fastfood restaurants and convenience stores.

PB currently has registered paid-up capital of THB 450,000,000 divided into 450,000,000 ordinary shares, at par value of THB 1 per share.

Table 4-24: Major change and development of PB

Year	Description
2014	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. 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.
2015	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. 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.
2016	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



Year	Description
	<p>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>
2017	<p>In 2017, Saha Pathana Inter-holding PLC (SPI) proceeded with a restructuring of its shareholding in the food businesses of the Saha Group through the acquisition of all the securities of President Holding Co., Ltd. and the merger of Thai President Foods PLC (or TF at the time) and President Rice Products PLC ("PR") into a new corporation under the name of TF as "Thai President Foods PLC" and changing the symbol used in trading on the Stock Exchange of Thailand ("SET") from "TF" to "TFMAMA". As a result of the restructuring, SPI is responsible for proposing the Tender Offer to acquire all the shares of PR and PB in accordance with Notification of the Capital Market Supervisory Board No. TorChor. 12/2554. In this matter, TF has joined with SPI in proposing the Tender Offer to acquire all the shares of PB. Following the aforesaid restructuring, TFMAMA, the new company resulting from the restructuring, becomes an ordinary shareholder in PB, which currently has direct holding of a total of 211,062,800 shares in PB or equivalent to 46.90 percent of the total issued and paid-up shares of the Business.</p> <p>New plant in Bangchan industrial estate was installed with machine which increases the production capacity. Moreover, the Company has acquired 5 lands both in Bangkok and other provinces to be built as distribution centers replacing the old ones to increase efficiency of distribution in term of speed and punctuality. The new distribution center will also be used as truck parking for the Company's branch in Bangkok. In addition, the Company has aimed to adopt technology to improve production process. As technology will increase accuracy, reduce replicational process and adding more automation which will support the business expansion and provide information to the management promptly aligning with the change of a market. The Company has developed software on tablet to accommodate a sale of the Company's sale representative. Software will send back the sale data from sale representative around the country on daily basis as the information will be analysed by business analytic software and send back to the Company. As a result, marketing department is be able to set a target in daily sale more accurate. Purchase Requisition and Purchase Order is changed to International Software to support international standard which increase the accuracy and tracability. Furthermore, the process between sale department and accounting and finance department has been improved to be more automatic. Respectively, the Company has reduced workforce, paper form and other insignificant form saving time and expense. Addition, the investment in new software and solid-stage storage supporting the increasing in amount of data will enhance an efficiency in the speed of data analysis and support New Technology Software and Equipment.</p>



4.2.2 Shareholding Structure

As at 30 June 2018, the Company has investment in other corporate entities of not less than 10 percent as follows:

Table 4-25: Shareholding structure of PB

Company name	Portion of holding by PB (%)	Registered capital (THB million)	Paid-up capital (THB million)	Type of business
Associates				
President green house foods Co., Ltd	39	15	15	Operate restaurant named " Shinjuku Tonkatsu Saboten"
President flour mill Co., Ltd.	10	600	600	Produce and distribute wheat product.

4.2.3 Business Overview

PB is a member of the food business group of Saha Pathanapibul PLC founded by Dr. Tiam Chokwatana. Another member of this business group within the Saha Group is Thai President Foods PLC, whose products have been widely accepted and highly successful, such as Mama instant noodles and Bissin biscuits, both of which are products that use wheat as the main raw material. This prompted the idea of expanding into bread and bakery business lines as these would also use wheat as the main raw material. At the time, most of the entrepreneurs in the bakery business were small players operating a family business. Products in the market were not of consistent and standard quality, and lacking development in terms of the products themselves and their distribution and management systems. In addition, consumers had limited understanding of product quality and standards and the market size as well as popularity of bakery products was relatively small.

Nevertheless, the government during that period supported manufacturing industries to replace imports, especially primary industries based on agriculture. This, combined with changing lifestyles of Thais with increasing migration from rural to urban societies, smaller families, more women having to enter the workforce rendering less time for them to prepare meals for family members, including expansion of international trade and business resulting in more migration of expatriates into Thailand. All these factors contributed to a greater opportunity for bakery products to better accommodate the changing lifestyle of Thais.

The Company's core business in production and distribution of bread and other bakery products involve the following business lines:

1. Wholesale has a proportion of sales of 90.16% of total revenue of the Company.
2. Retail has a proportion of sales of 2.02% of total revenue of the Company.
3. Fastfood and catering has a proportion of sales of 6.68% of total revenue of the Company.
4. Export has a proportion of sales of 0.20% of total revenue of the Company.



Revenue Structure

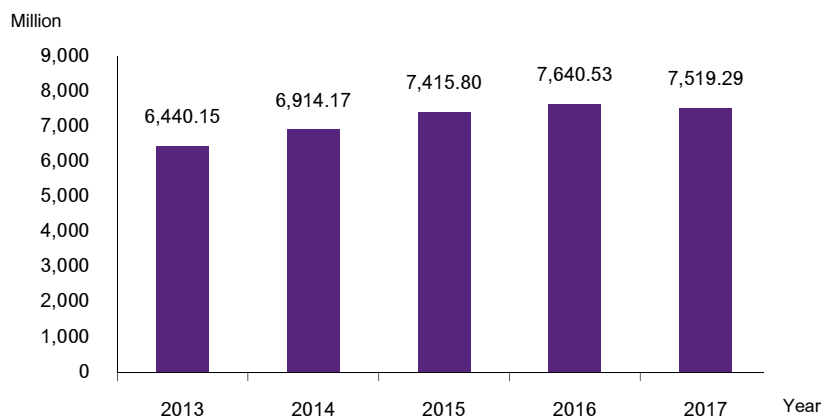
Details of the Company's revenue structure during the period of 2015-2017 are as follows:

Table 4-26: Revenue structure of the Company

Product / Service	2015		2016		2017	
	THB Thousand	%	THB Thousand	%	THB Thousand	%
1 Wholesale Bakery Business	6,626,742.37	89.36	6,947,053.33	90.92	6,779,579.20	90.16
1.1 Sliced bread	2,916,092.48	39.32	3,101,949.00	40.60	3,056,003.49	40.64
1.2 Burger buns and hot dog buns	49,297.03	0.66	53,022.25	0.69	52,576.30	0.70
1.3 Snack bread	2,416,897.57	32.59	2,477,557.39	32.43	2,460,915.67	32.73
1.4 Snack cake	1,047,586.46	14.13	1,114,430.89	14.59	945,263.26	12.57
1.5 Confectionery	196,868.83	2.65	200,093.80	2.62	264,820.48	3.52
2 Retail Business	172,530.81	2.33	155,030.15	2.03	151,623.58	2.02
2.1 Deliya by Farmhouse	72,611.60	0.98	56,924.66	0.75	47,362.81	0.63
2.2 Madame Marco	84,817.08	1.14	85,703.78	1.12	95,053.98	1.26
2.3 Good Morning Farmhouse	15,102.13	0.20	12,401.71	0.16	9,206.79	0.12
3 Fast food & Catering	541,783.43	7.31	461,605.56	6.04	502,569.91	6.68
3.1 Fast food & Catering	488,087.29	6.58	407,903.38	5.34	450,140.15	5.99
3.2 Fried products	53,696.14	0.72	53,702.18	0.70	52,429.76	0.70
4 Export business	5,773.01	0.08	5,062.68	0.07	15,188.04	0.20
Sales	7,346,829.62	99.07	7,568,751.72	99.06	7,448,960.73	99.06
5 Other income	68,974.55	0.93	71,775.40	0.94	70,329.83	0.94
Total revenue	7,415,804.17	100.00	7,640,527.1	100.00	7,519,290.56	100.00%

Source: Annual Registration Statement 2017 (56-1 form)

Figure 4-3: Revenue structure during the year 2013-2017



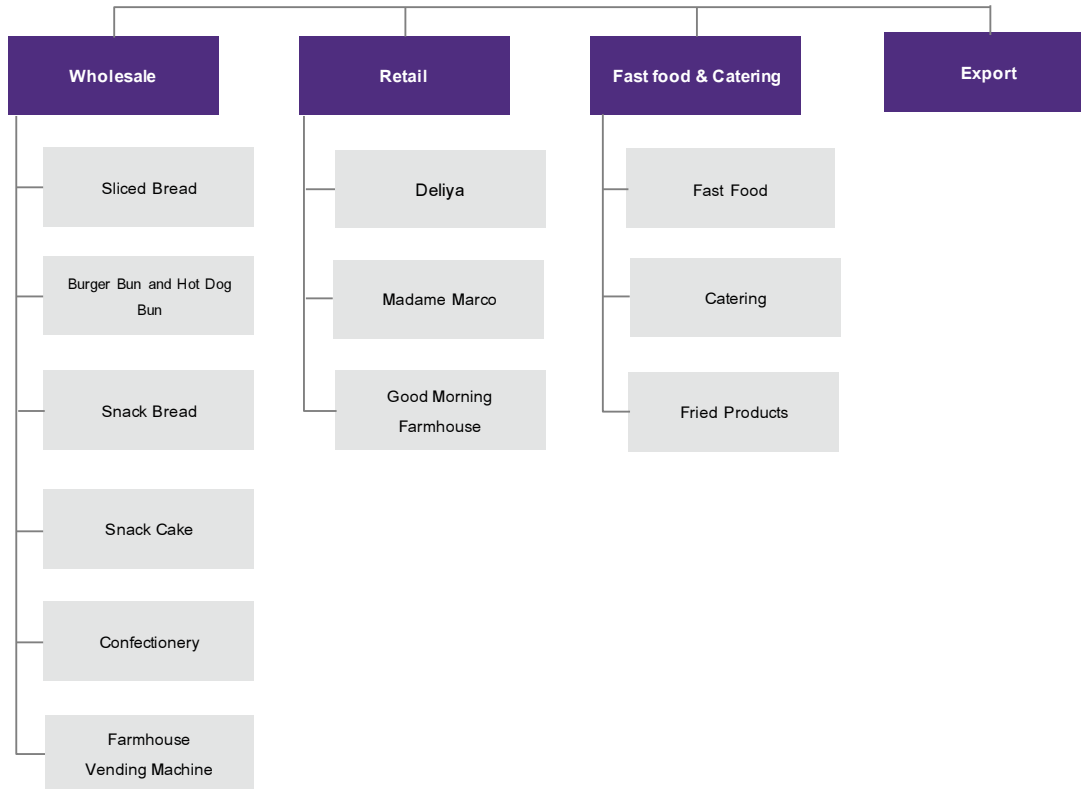
Source: Annual Registration Statement 2017 (56-1 form)



Type of Product or Services

Business information

Figure 4-4: Business information of the Company



Source: Annual Registration Statement 2017 (56-1 form)

1. Wholesale

This is production and distribution of bakery products on a wholesale basis under the trademark “Farmhouse” delivered to sales channels/stores with main customers being modern and traditional retailers, namely:

- Hyper markets such as Tesco Lotus, Big C, Macro, etc.
- Department stores such as Tang Hua Seng, Tokyu, etc.
- Super markets such as the Mall, Tops, Foodland, Max Valu, etc.
- Convenience stores such as 7-eleven, Tesco Lotus Express, Central Family Mart, Lawson 108, Mini Big C, CJ EXPRESS, Super Cheap, etc.
- Gas station shops such as Jiffy, Bangchak, PT Back Mart, etc.
- Traditional retail shops which are small general stores located everywhere including in schools, factories and welfare stores located in government offices, etc.



Products sold in the wholesale business line are:

1.1 Sliced Bread

Sliced bread was the first product that the Company produced and sold and is considered the product that created the most recognition of the brand "Farmhouse" from the past to the present. As well as being the main product generating revenue for the Company, the product characteristic is also very versatile, suitable for consumers of all ages and for every member of the family. From the original product of regular white sliced bread, the Company has developed and increased product variety as follows:

(1) White Bread

Is the category of sliced bread which has white texture, suitable for consumers of all ages and can be used as an ingredient in a large variety of foods, at any time of day. Products in this group are sliced bread of 480 grams, sliced bread of 240 grams, sliced bread with the edges removed of 220 grams, Royal Bread of 275 grams and Hokkaido milk bread.

(2) Grain Bread

Is the category of sliced bread with whole grains as a large ingredient to increase nutritious value to suit the lifestyle of Thais who have become more interested in healthy choices, especially with regard to food products. Products in this group are wholewheat bread of 500 grams, wholewheat bread of 250 grams, fine-textured wholewheat bread of 250 grams suitable for children and consumers who are careful about being healthy but do not like the texture of regular wholewheat bread. In addition, there is also Royal Wholewheat bread with soft and thick slices of 285 grams, and Royal 12 Grain which has 12 different kinds of grain in its soft, thick slices of 285 grams, delicious and nutritious.

1.2 Burger and Hot Dog Buns

This category of products consists of bread buns for burgers and hotdogs which can be used in diverse menus for different kinds of burgers and hotdogs.

1.3 Snack Bread

These are ready meal bakery products in individual packets for a single serving suitable for the lifestyle of consumers living in busy urban centers who prefer quick and convenient choices. These are portable and can be eaten anytime, anywhere. The products are very diverse in content and flavor, suitable for all target groups, from school and university students, working professionals, etc. This category of products consists of milk butter sandwich rolls, mini raisin loafs, daily sandwiches, sweet sandwiches, bread with sweet or meat filling, open-face bread with spread, raisin bread, hotdog bun with sweet filling, and trio bread. In 2017, new products were launched: wholewheat tuna and corn salad sandwich, bread bun with durian custard filling, Hokkaido milk cream hotdog of 50 grams, durian almond hotdog, mini pack taro bun, mini pack coconut milk and pandanas bun, butter coconut bread, cocoraisin chocolate chip mini loaf.

1.4 Snack Cake

The Company recognized the current market gap in which no brand of snack cakes has been accepted for its quality and standard. From the Company's readiness combined with expertise in manufacturing, a snack cake line of products has been developed comprising banana cake, 4 flavors of cake rolls, namely coffee, pandanas, orange and vanilla, 4 flavors of Dorayaki filling namely custard cream, chocolate, almond cream



and chocolate chip cream, 3 flavors of sandwich cakes namely vanilla, pandanas leaf and coffee. In addition, there's also donut cake with 5 different flavored fillings: vanilla custard, chocolate custard, Thai custard, Hokkaido melon custard, and banana donut cake with chocolate filling. In 2017, a new product was launched: a Hokkaido milk flavored cake roll.

1.5 Confectionery

Products in this category comprise butter biscuits, mini butter pain (only sold in small shops (traditional retail stores)), cookies in 4 different flavors namely butter cookies, assorted fruit cookies, raisin cookies and chocolate chip cookies; fruit pie in 3 different flavored filling namely pineapple, strawberry, and blueberry. New products launched in 2017 were vanilla butter cookies, chocolate butter cookies, Hokkaido milk butter cookies, baked butter raisin cookies.

Products in the pastry category were a new line launched in 2017 comprising pastry with pineapple filling and pastry with taro filling.

1.6 Farmhouse Automatic Vending Machines

In focusing on providing convenience to consumers, the Company increased an additional channel of sales by introducing automatic vending machines to provide vending services in various places such as offices, hospitals, factories and banks. As at the end of 2017, there were 43 such machines.

2. Retail

This is a business line that deals with sales of products through the Company's own retail stores and direct sales to customers under the following trademarks:

2.1 Deliya by Farmhouse

From the Company's policy to expand into retail sale of bread and bakery products, which has a trend of much growth in the future, combined with the companies experience and credibility in the bread and bakery business, the Company launched Deliya by Farmhouse shops to produce and sell a wide range of homemade bread and bakery products which are freshly baked, including bakery snack box products for distribution in the Bangkok Metropolitan Area and its perimeter. As at end of 2017, there were a total of 7 branches located at Chitralada School, Tesco Lotus Lamlooka Klong 2, RS Tower Ratchada, Chaengwattana Government Center, the Mall 2 Ramkhamhaeng, Paradise Park and the Mall Bangkapi.

In addition to the above, Deliya also produces goods on a made-to-order basis, namely sandwich breads, cakes and other bakery products for Lawson shops.

2.2 Madame Marco

Homemade soft cakes of original European recipes, especially made with care every step of the way to ensure the best tasting products, starting from the selection of quality raw materials from both domestic and foreign sources, through a production process which is clean and meticulous, with a unique made-to-order system that is distinctively Madam Marco all contribute to making Madame Marco cakes fresh and delicious with every order. Free delivery is provided in Bangkok and nearby provinces. With its authentic European taste, Madame Marco is recognized as "the European Delight".



At present, Madame Marco has increased its sales channels to 23 Madame Marco shops located at Siam Paragon, the Mall Ngamwongwan, the Mall Bangkhae, the Mall Bangkokkapi, the Mall 2 Ramkhamhaeng, Tesco Lotus Sri Nakharindhra Road, the Mall Thaphra, Mega Bangna, Paradise Park, Fashion Island, Central Salaya, the Emporium, the Crystal Ratchapruerk, the EmQuartier, Robinson Srisamarn, Future Park Rangsit, Tops Central Pinklao, Tops Central Westgate, Tops Central Bangna, Tops Central Rama 3, Terminal 21, Tops Central Eastville, Tops Central Lardprao and Madame Marco Cakes Free Delivery in Bangkok and surrounding provinces.

2.3 Good Morning Farmhouse

This is another line of business to sell products to sandwich vendors under a company model, with the objective to promote popularity (of the products) among general consumers, as well as to enable people to have a livelihood and supplementary income. The sales representatives will buy the Company's products in order to make sandwiches tailored to consumers' demands. The Company bases its selection criteria on location and the representative's readiness to provide the service with the Company providing training to the selected vendors. As at the end of 2017, Good Morning Farmhouse had 47 sales representatives due to measures introduced to control vending on footpaths, resulting in the reduced number of sales representatives.

3. Fast food & Catering

This is a category of products produced and distributed according to customers' orders. Main customers include McDonald's, KFC, Pizza Hut, Chester Grill, A&W, Sante Fe Steak, Jeffer Steak, MOS Burger (from Japan), Minor Food Group namely Burger King, Sizzler, Dairy Queen, the Pizza Company, etc. as well as restaurants and cafés such as Chocolate Ville, the Coffee Club most of which are famous franchises with the highest sales throughout the world including in Thailand.

3.1 Fastfoods & Catering

1) Fastfoods

The category of products produced and distributed comprises burger and hotdog buns in different sizes, both with and without sesame seeds which come from an automated production process with a capacity of 36,000 units per hour. Other products include French bread, croissants, crispy bread and specific products developed to customer specification. In 2017, the Company introduced a new product, sweet bun with cornmeal topping, for McDonald's. The Company is currently the largest supplier of bread products in the country.

In addition, another product is frozen dough which comes in different varieties and sizes as specified by the fastfood clients. The Company has focused on continual research and development of these products to further expand this market in the future.

2) Catering

In addition to fastfood franchises, the Company also expanded distribution to restaurant and café businesses which require bakery products on their menu. The products in this category, in addition to products the Company already currently being produced, also include products it developed in response to specific requirements of the customer.



3.2 Fried Products

The products in this group are used in fried foods which are very popular among Thai consumers, namely bread crumbs, made from fresh bread, standard white flakes, not too fine, which easily attaches to food, giving it a golden yellow appetizing color when fried, does not absorb oil and stays crunchy longer, ideal for frying both meats and vegetables.

4. Export

The Company has developed products for export to Japan for coffee shop chain and pizza shop customers which are highly famous in that country. Distribution is made through local representatives for export to Japan.

4.2.4 Shareholding Structure

PB has registered and paid-up capital of THB 450,000,000 divided into 450,000,000 ordinary shares at par value of THB 1 per share. The top 10 major shareholders of the Company as at 8 May 2018, as well as their equity before and after the Tender Offer, are as follows:

List of Shareholders prior to the Tender Offer

The list of top 13 major shareholders as at 29 August 2018 are as follows:

Table 4-27: Major shareholders of PB before making Tender Offer

	Name	No. of shares	Percentage of paid up shares of PB	Percentage of total voting rights in PB
1	Thai President Foods Pcl	211,062,800	46.90	46.90
2	Saha Pathana Inter-Holding Pcl ¹	97,127,400	21.58	21.58
3	Mr. Pipat Paniangvait	14,202,750	3.16	3.16
4	Miss Apiradee Thammanomai	8,524,540	1.89	1.89
5	Mr. Wirapat Punsak-Udomsin	7,136,800	1.59	1.59
6	Saha Pathanapibul Pcl	5,650,000	1.26	1.26
7	I.C.C. International Pcl	4,650,000	1.03	1.03
8	Thai Wacoal Pcl	4,500,000	1.00	1.00
9	Pracha Aporn Pcl	4,500,000	1.00	1.00
10	Thanulux PLC	4,500,000	1.00	1.00
11	Better Way (Thailand) Co., Ltd.	4,500,000	1.00	1.00
12	S&J International Enterprises Public Company Limited	4,500,000	1.00	1.00
13	International Laboratories Corp., Ltd.	4,500,000	1.00	1.00
14	Other shareholders (apart from 13 major shareholders listed above)	74,645,710	16.59	16.59
	Total	450,000,000	100.00	100.00

Source: PB

Remark: ¹ SPI agrees to temporarily deposit the share certificate that it does not intend to sell for the amount of 90,450,000 shares from total holding of 97,127,400 shares to Bangkok Bank PCL. throughout the tender offer period.

**Table 4-28: Shareholders of Better Way (Thailand) Co., Ltd.**

No.	Name	No. of shares	%
1	I.C.C. International Public Company Limited	1,648,375	16.48
2	Mr. Danai Tirojchanawong	1,476,193	14.76
3	Saha Pathana Inter-Holding Public Company Limited	1,177,362	11.77
4	Vitayasithi Co.,Ltd.	737,844	7.38
5	Mrs. Daranee Tirojchanawong	675,159	6.75
6	Mr. Boonkiet Chokwatana	465,144	4.65
7	Mrs. Sirina Sirina	369,235	3.69
8	I.D.F. Co.,Ltd.	313,976	3.14
9	Mr. Boonsithi Chokwatana	310,857	3.11
10	Mr. Direk Tirojchanawong	295,578	2.96
11	Other shareholders (apart from 10 major shareholders listed above)	2,530,277	25.31
	Total	10,000,000	100

Source: SET and other sources

Remark: List of shareholders as of 2 July 2018

Table 4-29: Shareholders of International Laboratories Corp., Ltd.

No.	Name	No. of shares	%
1	Saha Pathana Inter-Holding Public Company Limited	3,000,000	25.00
2	I.C.C. International Public Company Limited	2,347,200	19.56
3	Vitayasithi Co.,Ltd.	1,425,100	11.88
4	Saha Pathanapibul Public Company Limited	1,180,000	9.83
5	Mr. Boonkiet Chokwatana	669,600	5.58
6	I.D.F. Co.,Ltd.	600,000	5.00
7	Chokwattana Co.,Ltd.	360,000	3.00
8	Mr. Boonsithi Chokwatana	220,000	1.83
9	Mr. Masao Kawai	200,000	1.67
10	Mrs. Tipapom Chokwatana	140,000	1.17
11	Other shareholders (apart from 10 major shareholders listed above)	1,858,100	15.50
	Total	12,000,000	100.00

Source: SET and other sources

Remark: List of shareholders as of 2 April 2018

Table 4-30: Shareholders of Vitayasithi Co., Ltd

No.	Name	No. of shares	%
1	Mr. Thamarat Chokwatana	30,000	15.00
2	Mr. Boonkiet Chokwatana	30,000	15.00
3	Mrs. Tipapom Chokwatana	20,000	10.00
4	Mr. Thirasak Vikitset	20,000	10.00
5	Mr. Watanakiat Jirasithamrong	20,000	10.00
6	Mrs. Somjit Eiamkijamrit	20,000	10.00
7	Mrs. Kaewta Ongsaranakom	15,000	7.50
8	Mrs. Chitraporn Vikitset	15,000	7.50
9	Mrs. Saengthong Chaisiroj	15,000	7.50
10	Mrs. Amara Trakarnkulphan	15,000	7.50
	Total	200,000	100.00

Source: SET and other sources

Remarks: List of shareholders as of 30 April 2018

Because Saha Pathanapibul Public Company Limited, I.C.C. International Public Company Limited, Pracha Aporn Pcl, Thai Wacoal Pcl, Thanulux PLC and S&J International Enterprises Public Company Limited are public company, the list of shareholder can be found in SET website.



Anticipated Shareholding following the Tender Offer

In the event that all the securities of the Business that the Tender Offeror intends to purchase are tendered, the expected shareholding structure of the Business after the will be as follows:

Table 4-31: 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 (except those who have shown their intention not to sell their own shares)

	Name	No. of shares	Percentage of paid up shares of PB	Percentage of Total voting rights in PB
1	The Tender Offeror: Thai President Foods Public Company Limited	359,550,000	79.90	79.90
2	Saha Pathana Inter-Holding Public Company Limited	90,450,000	20.10	20.10
	Total	450,000,000	100.00	100.00

The shareholding structure in the event that all the securities of the Business that the Offeror intends to purchase are not tendered, including SPI which has express the intention and agreed to not sell the 90,450,000 shares it holds, equivalent to 20.10 percent of the total number of issued and paid up ordinary shares of the Business under this Voluntary Tender Offer.

Table 4-32: Potential shareholding structure after making Tender Offer, in case all shareholders of the Company have shown their intention not to sell 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	The Tender Offeror: Thai President Foods Public Company Limited	211,062,800	46.90	46.90
2	Saha Pathana Inter-Holding Public Company Limited	97,127,400	21.58	21.58
3	All the shareholders who decided not to sell the securities	141,809,800	31.51	31.51
	Total	450,000,000	100.00	100.00

Table 4-33: Potential shareholding structure after making Tender Offer, in case SPI is the only one who have shown their intention to sell their own shares in this Tender Offer (except those who have shown their intention not to sell their own shares)

	Name	No. of shares	Percentage of paid up shares of PB	Percentage of Total voting rights in PB
1	The Tender Offeror: Thai President Foods Public Company Limited	217,740,200	48.39	48.39
2	Saha Pathana Inter-Holding Public Company Limited	90,450,000	20.10	20.10
3	All the shareholders who decided not to sell the securities	141,809,800	31.51	31.51
	Total	450,000,000	100.00	100.00

Table 4-34: Potential shareholding structure after making Tender Offer, in case all shareholders except SPI have shown their intention to sell 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	The Tender Offeror: Thai President Foods Public Company Limited	352,872,600	78.42	78.42
2	Saha Pathana Inter-Holding Public Company Limited	97,127,400	21.58	21.58
	Total	450,000,000	100.00	100.00



4.2.5 The Board of Director

As at 15 August 2018 (before the Tender Offer), the PB's Board of Directors consists of 15 members as follows:

Table 4-35: 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	Chief Executive Officer
2	Mr. Apichart Thammanomai	Managing Director
3	Mr. Apisate Thammanomai	Vice Managing Director
4	Mr. Vichai Kulsomphob	Director
5	Miss Pojjanee Paniangvait	Director
6	Mr. Pun Paniangvait	Director
7	Mrs. Malee Tangjaisanong	Director
8	Miss Petcharat Anantawichai	Director
9	Mr.Thavach Keawpitag	Director
10	Miss Panida Prayottaweekij	Director
11	Mr. Teravuti Boonyasopon	Chairman of Independent Director and Audit Committee
12	Miss Suwimon Keeratipibul	Independent Director and Audit Committee
13	Mrs. Yupa Soontrapa	Independent Director and Audit Committee
14	Mr. Boonsak Chiempricha	Independent Director
15	Mrs. Aim-On Pathumarak	Independent Director and Audit Committee

Source: PB

Within the period of 12 months after the end of the Offer Period, the Tender Offeror has no intention to materially change the Board of Directors, unless there are reasonable grounds.

Anticipated PB's Board of Directors following the Tender Offer consists of 15 members as follows:

Table 4-36: 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	Chief Executive Officer
2	Mr. Apichart Thammanomai	Managing Director
3	Mr. Apisate Thammanomai	Vice Managing Director
4	Mr. Vichai Kulsomphob	Director
5	Miss Pojjanee Paniangvait	Director
6	Mr. Pun Paniangvait	Director
7	Mrs. Malee Tangjaisanong	Director
8	Miss Petcharat Anantawichai	Director
9	Mr.Thavach Keawpitag	Director
10	Miss Panida Prayottaweekij	Director
11	Mr. Teravuti Boonyasopon	Chairman of Independent Director and Audit Committee
12	Miss Suwimon Keeratipibul	Independent Director and Audit Committee
13	Mrs. Yupa Soontrapa	Independent Director and Audit Committee
14	Mr. Boonsak Chiempricha	Independent Director
15	Mrs. Aim-On Pathumarak	Independent Director and Audit Committee

Remark: After the Tender Offer, the Tender Offeror may change the Board of Directors for the appropriateness; if there are any changes aforementioned, the Tender Offeror 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 4-37: Management Team of PB**

No.	Name	Position
1	Mr. Apichart Thammanomai	Managing Director
2	Mr. Apisate Thammanomai	Vice 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. Thavach Keawpitag	Executive Engineering Director
6	Miss Panida Prayottaweekij	Director and Senior Production Manager
7	Ms. Chaweewan Prakongsup	Management Accounting Department
8	Mrs. Poolsub Leetrakul	Financial and Salary/Wage Department Executive

Source: PB

4.2.6 Financial position and performance

Table 4-38: Statement of financial position of PB

	31 December 2015		31 December 2016		31 December 2017		30 June 2018	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
Cash and cash equivalents	303.94	4.52%	536.99	7.13%	685.08	8.57%	514.72	6.28%
Short-term investments	1,536.91	22.86%	626.52	8.32%	811.65	10.15%	1,612.50	19.67%
Trade and other receivables	883.74	13.14%	870.98	11.57%	894.01	11.18%	863.64	10.54%
Inventories	189.60	2.82%	205.45	2.73%	205.02	2.56%	181.41	2.21%
Other current assets	33.84	0.50%	27.59	0.37%	24.04	0.30%	32.83	0.40%
Total current assets	2,948.03	43.84%	2,267.53	30.12%	2,619.79	32.76%	3,205.10	39.11%
Restricted bank deposit	36.35	0.54%	36.35	0.48%	36.35	0.45%	36.35	0.44%
Investment in joint venture	23.48	0.35%	24.90	0.33%	28.83	0.36%	26.16	0.32%
Long-term investments	605.89	9.01%	539.38	7.17%	699.35	8.74%	477.91	5.83%
Other long-term investments	60.00	0.89%	60.96	0.81%	79.50	0.99%	79.50	0.97%
Property, plant and equipment	2,920.24	43.43%	4,563.71	60.63%	4,509.28	56.38%	4,341.96	52.98%
Advance payments for purchase of assets	101.84	1.51%	6.67	0.09%	2.38	0.03%	1.87	0.02%
Intangible assets	7.04	0.10%	9.48	0.13%	10.58	0.13%	10.46	0.13%
Leasehold rights	0.69	0.01%	1.35	0.02%	0.93	0.01%	0.72	0.01%
Deferred tax assets	12.38	0.18%	8.79	0.12%	5.95	0.07%	11.61	0.14%
Other non-current assets	8.62	0.13%	8.55	0.11%	4.38	0.05%	4.11	0.05%
Total non-current assets	3,776.52	56.16%	5,260.14	69.88%	5,377.53	67.24%	4,990.64	60.89%
Total assets	6,724.56	100.00%	7,527.67	100.00%	7,997.33	100.00%	8,195.74	100.00%
Trade and other payables	725.48	10.79%	724.18	9.62%	680.57	8.51%	673.92	8.22%
Current portion of liabilities under finance lease agreements	73.46	1.09%	70.22	0.93%	56.24	0.70%	50.63	0.62%
Corporate income tax payable	78.78	1.17%	89.58	1.19%	80.21	1.00%	78.43	0.96%
Accrued expenses	219.68	3.27%	224.51	2.98%	208.95	2.61%	184.55	2.25%
Other current liabilities	38.44	0.57%	39.14	0.52%	6.15	0.08%	4.51	0.06%
Total current liabilities	1,135.84	16.89%	1,147.65	15.25%	1,032.12	12.91%	992.03	12.10%
Liabilities under finance lease agreements - net of current portion	70.64	1.05%	75.19	1.00%	52.64	0.66%	32.41	0.40%
Long-term loans from directors	76.99	1.14%	84.16	1.12%	77.98	0.98%	49.91	0.61%
Long-term loans from employees	34.00	0.51%	45.17	0.60%	39.63	0.50%	39.43	0.48%
Provision for long-term employee benefits	79.14	1.18%	82.99	1.10%	84.27	1.05%	88.69	1.08%
Other non-current liabilities	2.25	0.03%	2.83	0.04%	3.03	0.04%	3.16	0.04%
Total non-current liabilities	263.02	3.91%	290.34	3.86%	257.55	3.22%	213.60	2.61%
Total liabilities	1,398.86	20.80%	1,437.98	19.10%	1,289.67	16.13%	1,205.63	14.71%



	31 December 2015		31 December 2016		31 December 2017		30 June 2018	
	THB		THB		THB		THB	
	Million	%	Million	%	Million	%	Million	%
Registered share capital	450.00	6.69%	450.00	5.98%	450.00	5.63%	450.00	5.49%
Issued and fully paid-up share capital	450.00	6.69%	450.00	5.98%	450.00	5.63%	450.00	5.49%
Share premium	674.38	10.03%	674.38	8.96%	674.38	8.43%	674.38	8.23%
Retained earnings								
- Appropriated - statutory reserve	45.00	0.67%	45.00	0.60%	45.00	0.56%	45.00	0.55%
- Unappropriated	4,161.08	61.88%	4,913.36	65.27%	5,517.99	69.00%	5,821.03	71.03%
Other components of shareholders' equity	(4.76)	-0.07%	6.95	0.09%	20.28	0.25%	(0.30)	0.00%
Total shareholders' equity	5,325.70	79.20%	6,089.69	80.90%	6,707.65	83.87%	6,990.11	85.29%
Total liabilities and shareholders' equity	6,724.56	100.00%	7,527.67	100.00%	7,997.33	100.00%	8,195.74	100.00%

Source: PB audit financial statement 2015-2017 and reviewed financial statement as of 30 June 2018

Asset

The total assets of the Company as of 30 June 2018 amounted to THB 8,195.74 million, increasing by THB 198.42 million from 31 December 2017. Main asset of the Company comprised of current asset by 39.11% of total asset and non-current asset by 60.89% of total asset. The increase in current assets resulted from increasing short-term investments by THB 800.85 million while the increase in non-current assets resulted from increasing deferred tax assets by THB 5.66 million.

Trade and other receivables of the Company accounted for 10.54% of total assets, decreasing by THB 30.37 million from 2017 because the most of account receivable were paid on due.

As at 31 December 2017, the total assets were THB 7,997.32 million, increased from 31 December 2016, at the amount of THB 469.65 million, consisted of current assets at THB 2,619.79 million or 32.76% of the total assets. By which the increased in transaction was the result from cash and cash equivalents, short-term investments and long-term investments transactions.

Trade and other receivables were at THB 894.01 million or 11.18% of the total assets, which increased 2.64% due to some overdue account receivables and other receivables from the sale of securities in private funds waiting for transfer to the account. However, most of the account receivables were mainly department stores or large size stores, which settle their debt according to the schedule and caused the overdue account receivables amount to decrease.

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 THB 5,377.53 million, calculated as 67.24% of the total assets, increased from the previous year at 2.23% due to investment in purchasing land in order to build a distribution center, replacing the leased commercial buildings that supported the production. Long-term investment increased from investment in private fund. The Company's total return on assets was at 19.20%

Liabilities

The liability of the Company as of 30 June 2018 totaled to THB 1,205.63 million, accounting for 14.71% of total Liabilities and Shareholders' Equity and decreasing by 6.52% from 31 December 2017 due to decreasing



in accrued expenses, liabilities under finance lease agreements and long-term loans from directors. As a result, the debt to equity ratio of the Company was at 0.17, lower from 0.19 as of 31 December 2017.

As at 31 December 2017, the Company total liabilities were amounted to THB 1,289.67 million, decreased from the year 2016 at THB 148.31 million or 16.13% of liabilities and shareholders' equity. Mainly due to pay on due account payable and the decrease in liabilities under financial lease because of the lower purchase contract for cars and some of the leases were due. The Company's debt to equity ratio was 0.19 times, which was at a low level, where the interest coverage ratio was at 226.72 times and debt-service coverage ratio at 1.37 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 30 June 2018 stood at THB 6,990.11 million, accounting for 85.29% of the total of Liability and Shareholders' Equity. The shareholders' equity increased by THB 282.46 million from 31 December 2017 due to operating profit. In addition, the book value of the Company was at THB 15.53 per share, increasing from THB 14.91 per share in 2017.

As at 31 December 2017, shareholder's equity was at THB 6,707.65 million, calculated as 83.87% of liabilities and shareholders' equity, which increased from 31 December 2016 at the amount of THB 617.96 million, resulting from the net profit in 2017 amounting THB 1,335.54 million. The decrease derived from paying dividend to shareholders at THB 729 million causing the book value to be at THB 14.91 per share, increased from 2016, which was at THB 13.53 per share, and 20.87% return on equity.

Table 4-39: Statement of income of PB

	31 December 2015		31 December 2016		31 December 2017		30 June 2018	
	THB Million	%	THB Million	%	THB Million	%	THB Million	%
Sales	7,346.83	99.07%	7,568.75	99.06%	7,448.96	99.06%	3,581.88	98.78%
Interest income	49.60	0.67%	39.28	0.51%	30.63	0.41%	20.04	0.55%
Other income	19.37	0.26%	32.50	0.43%	39.70	0.53%	24.08	0.66%
Total revenues	7,415.80	100.00%	7,640.53	100.00%	7,519.29	100.00%	3,626.01	100.00%
Cost of sales	4,320.86	58.27%	4,361.99	57.09%	4,348.27	57.83%	2,068.42	57.04%
Selling expenses	972.82	13.12%	991.35	12.97%	1,012.49	13.47%	499.35	13.77%
Administrative expenses	672.11	9.06%	652.37	8.54%	673.08	8.95%	319.53	8.81%
Total expenses	5,965.80	80.45%	6,005.71	78.60%	6,033.84	80.24%	2,887.30	79.63%
Profit before share of profit from investment in joint venture, finance cost and income tax expenses	1,450.00	19.55%	1,634.82	21.40%	1,485.45	19.76%	738.71	20.37%
Share of profit from investment in joint venture	2.76	0.04%	2.35	0.03%	4.71	0.06%	2.01	0.06%
Profit before finance cost and income tax expenses	1,452.76	19.59%	1,637.17	21.43%	1,490.16	19.82%	740.72	20.43%
Finance cost	(12.69)	-0.17%	(11.81)	-0.15%	(11.29)	-0.15%	(3.99)	-0.11%
Profit before income tax expenses	1,440.07	19.42%	1,625.36	21.27%	1,478.87	19.67%	736.73	20.32%
Income tax expenses	(135.41)	-1.83%	(162.41)	-2.13%	(143.33)	-1.91%	(78.20)	-2.16%
Profit for the period	1,304.66	17.59%	1,462.95	19.15%	1,335.54	17.76%	658.53	18.16%

Source: PB audit financial statement 2015-2017 and reviewed financial statement as of 30 June 2018



Sales revenue

The Company recorded total sales of THB 3,581.88 million and THB 3,520.72 million in 1H2018 and 1H2017 respectively, or increasing by 1.74%. The sales revenue from wholesale business decreased by 2.41%, retail business decreased by 2.20%, fast food & catering and export business increased by 8.87% from the same period last year due to increase in orders from customer and increase in orders for export products from overseas, which distributed through agents in the country.

The sales revenue of the Company for the year 2017 was THB 7,519.29 million, decreased THB 121.24 million or 1.59% from year 2016, with the net profit of THB 1,335.54 million, decreasing by 8.71% from 2016 due to the increase in the competitive market for the bakery business. Another major factor was the slowdown in the economy which caused the direct effect on consumer spending, who spend economically. As a result, there was no growth in sales. However, the Company continued to develop the focus on quality and the benefits of the product so that the consumers would receive good things. The effective order management by ordering large quantities of raw materials each time caused the Company to have a high bargaining power and save costs, including effective cost control in all departments even though energy costs started to increase since the beginning of year 2017.

The Company has earned the revenue of THB 7,448.96 million and THB 7,568.75 million respectively, decreased by 1.58%. Sales revenue can be categorized according to types of distribution channel which are as follows:

Table 4-40: Details of revenue structure of PB

Product/Services	2016		2017		Increase (decrease)
	THB Million	%	THB Million	%	
Wholesale bakery business	6,947.05	91.78%	6,779.58	91.01%	(2.41%)
Retail bakery business	155.03	2.05%	151.62	2.04%	(2.20%)
Fast food and catering	461.61	6.10%	502.57	6.75%	8.87%
Export business	5.06	0.07%	15.19	0.20%	200.20%
Total	7,568.75	100.00%	7,448.96	100.00%	(1.58%)

Source: Annual Registration Statement 2017 (56-1 form)

Cost of sales

Cost of sales for the first 6 months of 2018 stood at THB 2,068.42 million, or increasing by 1.66% from the same period last year. The Company managed the cost of sales to total sales ratio to be at 57.75%, lower from 57.79% in the same period last year due to high amount of purchase which results in power in price negotiation as well as due to effective production and purchasing management. As a result, the gross profit margin of the Company stood at 42.25% increasing from 42.21% in the same period last year.

Cost of sales for the year 2017 was at THB 4,348.27 million, decreased THB 13.72 million or 0.31% from the previous year, as a result from the decrease of raw material prices as well as effective production and purchasing management. Cost of sales to revenue from sales in the year 2017 was 58.37% increased from 2016 at 57.63%, as a result from increase of natural gas price, water and electricity price and also depreciation from Bangchan 2 plant which has started operating since June 2017 causing the gross profit margin to be at 41.63% decreased from the previous year at 42.37%.



Selling and Administrative Expense

The selling and administrative expenses in the first 6 months of 2018 amounted to THB 818.88 million, accounting for 22.58% 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 2017, the expenses were THB 1,685.57 million or 22.42% of the total revenue, increased by 2.55% compared to previous year; as a result of increase in fuel price that was used in delivering products and the continuous advertisement in the media to reach the customers. Furthermore, the Company has managed expense efficiently.

Income Tax

The income tax in the first 6 months of 2018 was THB 78.20 million, increased by THB 15.52 million or 24.77% from the same period last year since the Company has earned more total revenue and profit. Meanwhile, the ratio of income tax to total revenue in the first 6 months of 2018 and 2017 was 2.16% and 1.76 respectively.

Share of profit from investment in joint venture

Share of profit from investment in joint venture in the first 6 months of 2018 accounted for THB 2.01 million, decreased by 11.85% from the same period last year. While in 2017, share of profit from investment in joint venture was THB 4.71 million, increased by 99.93% from previous year.

Finance cost

Finance cost for the first 6 months period of 2018 stood at THB 3.99 million, decreased by 28.49% from the same period last year. While in 2017, finance cost accounted for THB 11.29 million, decreased by 4.44% from previous year due to less amount of interest paid in finance lease as a result of lowered interest rate and the amount of leasing agreement.

Profit for the period

The Company has earned the profit for the 6 months period ended 30 June 2018 of THB 658.53 million or increased by 3.91% compared to the same period last year owing to the increase in sales and also share of profit from investment in joint venture for the first 6 months period of 2018 at THB 2.01 million

In 2017, the Company has net profit of THB 1,335.54 million, decreased by 8.71% compared to previous year and net profit margin of 17.76 from total revenue due to the decrease in revenues. However, the Company has controlled costs and expenses efficiently allowing EPS to be THB 2.97 per share.

Table 4-41: Statement of cash flow summary of PB

THB Million	period ended 31 December			6 months
	2015	2016	2017	2018
Net cash from operating activities	1,716.49	1,869.95	1,781.54	933.53
Net cash used in investing activities	(880.89)	(874.97)	(822.24)	(694.27)
Net cash used in financing activities	(656.30)	(761.94)	(811.21)	(409.62)
Net increase (decrease) in cash and cash equivalents	179.30	233.04	148.09	(170.36)

Source: PB audit financial statement 2015-2017 and reviewed financial statement as of 30 June 2018



Cash flow

For the 6 months period ended 30 June 2018, the net cash flow from operating activities of the Company amounted to THB 933.53 million, increased THB 156.91 million from the previous year. The net cash flow used in investing activities totaled to THB 694.27 million, increased by THB 495.66 million. Additionally, the net cash flow used in financing activities was at THB 409.62 million, decreased by THB 23.43 million due to lower amount of Long-term loans from employees from the same period last year. As a result, the Company recorded cash and cash equivalent item of THB 170.36 million. As of 30 June 2018, the Company maintained the current ratio at 3.23 and the average days sales at 1 day. Meanwhile, the average days of debt collection of the Company stood at 44 days, and the average days of debt repayment was at 74 days. As a result, the cash cycle of the Company was at 29 days.

As for the year ended on 31 December 2017, the Company has net cash flow from operating activities at THB 1,781.54 million, decreased THB 88.41 million from the previous year or equivalent to 4.73%.

Net cash flow used in investing activities was at THB 822.24 million, decreased from the previous year at THB 52.73 million; as a result of the decrease in acquisition of short and long-term investments as well as decrease in the advance payment for purchase of assets.

Net cash used in financing activities was at THB 811.21 million, increased THB 49.27 million or 6.46%. It was mainly from the dividend payment at the amount of THB 729 million.

As a result, the Company has increased the amount of cash and cash equivalents by THB 148.10 million. As at 31 December 2017, the Company has cash and cash equivalents of THB 658.08 million with liquidity ratio at 2.54 times, increased from 2016 at 1.98 times. The sales period is 1 day, average collection period is 43 days, and the average liquidate period was at 67 days; allowing the Company's cash cycle to be 23 days. The Company was always able to manage liquidity to be at a good criterion.

Table 4-42: Key financial ratios of PB

	Year ended 31 December			6 months
	2015	2016	2017	2018
Current ratio (Times)	2.60	1.98	2.54	3.23
Quick ratio (Times)	2.40	1.77	2.31	3.01
Average collection period (days)	41	42	43	41
Average finished inventory period (days)	1	1	1	1
Average inventory period (days)	16	17	17	16
Average payment period (days)	68	66	67	74
Cash Cycle (Day)	(26)	(23)	(23)	(29)
Gross Profit Margin	41.19%	42.37%	41.63%	42.25%
Net Profit Margin	17.59%	19.15%	17.76%	18.16%
Return on Equity or ROE	26.26%	25.63%	20.87%	20.45%
Return on assets	22.92%	22.97%	19.20%	19.36%
Debt/Equity Ratio (Times)	0.26	0.24	0.19	0.17
Dividend Payout ratio	50.07%	50.80%	50.69%	N/A

Source: Calculation is based on formula from SET.



4.3 Overview of industry

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 emphasized on the quality and safety of food, in compliance with the government's policies in pushing Thailand to be the world's kitchen by focusing on food safety. The Company has been certified with Good Manufacturing Practice (GMP Codex) certificate and with Hazard Analysis and Critical Control Point (HACCP Codex) certificate from the Thailand Institute of Scientific and Technological Research, and from Office of Certification Body (TISTR-OCB). In addition, the Company has established controlling and testing procedure at the operating place of suppliers, as well as distributed the knowledge of quality control and safety products to SMEs trading partners. Furthermore, the Company has opened for our customers, no matter being Wholesale, Retail, or fast Food business, to verify our production process in order to comply with the standard of "Global Food Safety Initiative (GFSI)", and to ensure our quality assurance in the aspect of quality and safety for consumers along the whole operating process.

The Company invested more than 35 million baht to construct Laboratory Center in compliance with International Standard ISO/IEC 17025 and the modern Research and Development (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 divided into separate Sections, including Clean Room for testing and analyzing the microbiology to prevent the operator from contamination of the microbe test sample, fully-equipped Research and Development Room, and International Standard Sensory Room to encourage product development and technology to invent new products to meet the demand of consumers of all age and gender. 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.

The Company received FDA Quality Award on food product under the slogan of "Quality, Safety and Consideration of Society" for the sixth year in 2017 as the manufacturer of health products with good operation,



maintaining high production standard, and performing ethics and social responsibility in compliance with the relevant law in 2010 – 2012 and 2015 – 2017.

The Company renewed the certificate of International Standard ISO/IEC 17025 for laboratory on Dec 16, 2016, and increased the scope of certified Testing Capability for Rapid Test of Microbiology, as well as received the certificate of International Standard ISO/IEC 17025 for the laboratory at new Bang Chan Factory and also moved the laboratory of waste water testing from LadKrabang Factory to Bang Chan Factory on June 23, 2017, and submitted the application to register private waste water testing lab with Department of Industrial Works and was granted as Good Laboratory Practice Department of Industrial Works (GLP/DIW). The Sensory Laboratory of the Company arranged the training by Expert Panel Leader from France in 2017 for Expert Panel Leader and Expert Panelists of the Company to improve skill and expertise.

According to the notification of the Ministry of Public Health No. 388, BE 2561, which will enforce on January 9, 2019, a partially hydrogenated oils, refined petroleum oils and a food which adds some hydrogen as an ingredient. Those ingredients producing trans fatty acids are prevented from produced, imported or sold because of the significant effects of cardiovascular disease.

The company has planned to cope with this issue since 2017. All manufacturers of raw materials were requested to abstain from using some hydrogenated fuel as an ingredient in raw materials and to issue a certificate to the Company, confirming the raw materials were hydrogenated oil-free.

Thus, the Company is able to confirm that all products under “Farmhouse” trademark are trans fat-free. Customers and the public have been informed through TV commercials, newspapers, social media platform such as Facebook and official letter which were directly sent to customers. Therefore, business partners and customers are confident in the quality of the Company's products.



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 period of six months as of 30 June 2018, which were audited by Ms. Siriwan Nitdumrong: Certified Public Account (Thailand) No.5906 EY Office Limited.

Table 5-1: Book value approach of PB

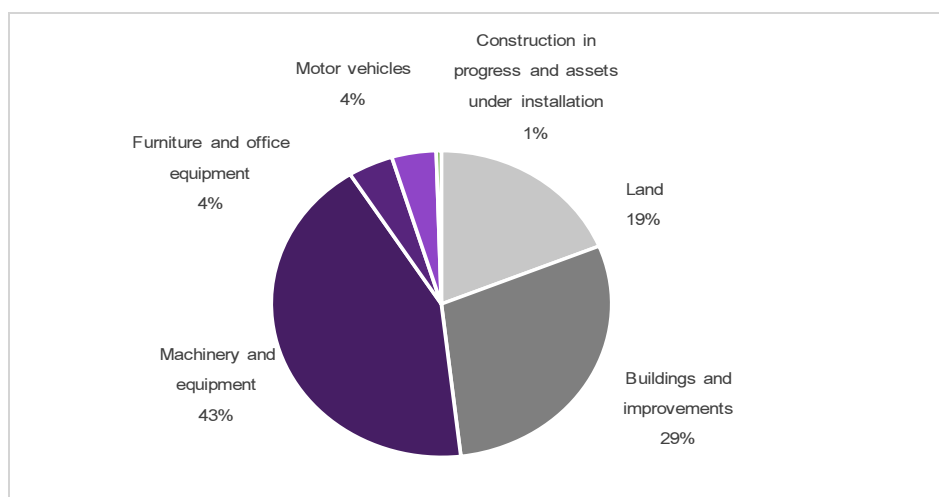
As of 30 June 2018	(THB Million)
Issued and paid-up share capital	450.00
Premium on ordinary shares	674.38
Retained earnings	5,866.03
Other components of shareholders' equity	(0.30)
Total shareholders' equity	6,990.11
Number of issued and paid-up shares (Million shares)	450.00
Book value per share (THB per share)	15.53

Based on the Book Value Approach, the share value of PB is THB 15.53 per share

5.2.2 Adjusted Book Value Approach

This valuation approach determines the fair value of PB by adjusting the book value of fixed asset as of 30 June 2018 per financial statements with various items to better reflect the intrinsic value of the current financial position.

Property, plant and equipment from the balance sheet as of 30 June 2018 have the value of THB 4,341.96 million however, the quarter financial statements do not show the detail of each sub-item. According to the annual financial statements ended 31 December 2017, the book values of property, plant and equipment are shown as follows:

**Figure 5-1: Property, plant and equipment of PB as of 31 December 2017**

Based on the interview with the management, PB has not conducted any valuation of property by independent property appraiser during the past 6 months. Therefore, the Company can not be valued by this method.

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 (28 August 2018).

Table 5-2: 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)	61.47	61.45	61.35	61.21	61.32	61.38	61.93	62.25	62.82
Average daily trading volume (shares)	12,715.00	13,327.13	17,587.10	24,834.37	20,043.40	16,891.94	15,775.91	17,420.86	20,056.28

Source: SETSMART

Based on the Weighted Average Market Value Approach, the share value of PB is THB 61.21 – 62.82 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 5-3: 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	3.00%	6.79%	13.36%	27.08%	41.71%	56.44%	85.62%	125.86%	125.86%
PB	0.01%	0.03%	0.09%	0.31%	0.34%	0.34%	0.34%	0.34%	0.34%

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 and the selection criterias are list below:

- Listed company in Asia pacific region.



- Company operating in business related to flour product especially bread and baked product which are similar to PB.
- Revenue and market capitalization must exceed THB 1,000 million
- Net profit and Price-to-Earnings ratio are close to PB and industry.

Table 5-4: Information on comparable companies of PB

Company name	Market	Trademark	Market capitalization as of 28 Aug 18 (THB million)	Trailing 12 months revenue (THB million)	Business description
Kido Group Corp	Ho Chi Minh Stock Index	Various	8,597.886	11,206.57	produces baked goods and candy, cookies, crackers, pies, cakes, and bread, along with chocolate and other candy.
Nichiryu Baking Co., Ltd.	Sapporo Stock Exchange	Nichiryu	1,273.670	5,097.61	Makes, sells bread and pastries, and operates restaurants and manages real estate.
Kotobuki Spirits Co., Ltd.	Tokyo Stock Exchange	Tokyo Milk Cheese Factory, Hokkaido's LeTAO, Akai Fusen	44,021.009	11,195.04	produces confections, including cookies, rice cakes, steamed cakes, jellies, sweet bean jellies, chocolates, and other sweets.
Yamazaki Baking Co., Ltd.	Tokyo Stock Exchange	yamazaki	144,072.852	311,606.68	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	13,365.236	6,166.40	produces baked goods, bread, cakes, bread pudding, lasagna, and other foods.
BreadTalk Group Ltd.	Singapore Exchange	BreadTalk	13,601.069	14,551.65	an investment holding company that engages in the provision of management services in the bakery, food, and restaurant businesses. The Company, through its subsidiaries, manufactures and retails a variety of food, bakery, and confectionery products. It also offers franchising opportunities and operates internationally
Toly Bread Co Ltd.	Shanghai Stock Exchange	Various	127,678.461	21,806.44	manufactures and distributes baked food products. The Company produces breads, moon cakes, and other products. Toly Bread markets its products throughout China.
QAF Ltd.	Singapore Exchange	Various	10,913.77	19,869.91	manufactures and distributes bread, bakery, and confectionery products. The Company also



Company name	Market	Trademark	Market capitalizations of 28 Aug 18 (THB milion)	Trailing 12 months revenue (THB million)	Business description
					operates supermarkets and cold storage warehousing. QAF trades and distributes food, beverages, food related ingredients and commodities.

Source: Bloomberg

Note: Table shown in THB for comparison.

In the process of choosing the comparable companies, IFA has considered that there is no comparable company that is listed in the stock exchange therefore IFA has expanded the scope of searching to cover all the Asia pacific region.

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

This valuation approach is based on the 12-month trailing earnings per share (August 2017 – August 2018) 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 28 August 2018, which is the last trading day before received the official Tender Offer. Details are summarized as follows:

Table 5-5: 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	23.08	23.08	23.08	23.08	23.08	23.37	24.06	23.70	20.74
Nichiryo Baking Co., Ltd.	43.37	43.59	43.99	43.70	43.63	43.66	43.16	40.73	36.86
Kotobuki Spirits Co., Ltd.	42.66	42.15	44.04	45.64	47.79	47.90	48.17	51.05	49.28
Yamazaki Baking Co., Ltd.	20.58	20.44	21.40	23.89	24.13	23.30	22.13	21.71	22.24
Nippon Indosari Corpindo	39.34	39.21	39.27	39.46	39.58	40.39	42.23	42.40	40.72
BreadTalk Group Ltd.	45.18	45.02	46.52	49.24	49.66	48.59	45.02	37.57	33.69
Toly Bread Co Ltd.	42.75	41.70	41.60	42.86	45.33	46.44	45.08	42.60	42.41
QAF Ltd.	33.76	33.66	34.58	35.75	32.86	31.27	28.63	24.28	20.11
Average P/E	36.34	36.11	36.81	37.95	38.26	38.11	37.31	35.51	33.26
Earnings per share (THB/share) ¹	3.02	3.02	3.02	3.02	3.02	3.02	3.02	3.02	3.02
Share price (THB per share)	109.75	109.04	111.16	114.62	115.54	115.11	112.68	107.23	100.43

Remark: 1 Calculated from 12-month trailing earnings per share as of June 2018, excluding the minority interest.

Based on the Price-to-earnings multiple approach, the share value of PB is THB 100.43 - 115.54 per share.

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

This valuation approach is based on the book value per share as of 30 June 2018 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 28 August 2018, which is the last trading day before received the official Tender Offer. Details are summarized as follows:

**Table 5-6: 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	1.03	1.09	1.12	1.13	1.12	1.13	1.17	1.23	1.24
Nichiryo Baking Co., Ltd.	0.92	0.93	0.94	0.93	0.93	0.93	0.94	0.95	0.96
Kotouki Spirits Co., Ltd.	10.00	9.88	10.32	10.70	11.10	11.08	11.16	11.91	11.52
Yamazaki Baking Co., Ltd.	1.50	1.49	1.56	1.74	1.80	1.75	1.69	1.64	1.62
Nippon Indosari Corpindo	2.06	2.06	2.06	2.06	2.14	2.23	2.39	2.69	3.17
BreadTalk Group Ltd.	3.23	3.21	3.32	3.52	3.40	3.26	3.31	3.37	3.37
Toly Bread Co Ltd.	8.55	8.34	8.32	8.57	8.58	8.55	8.10	7.67	7.89
QAF Ltd.	0.89	0.88	0.91	0.94	0.97	0.99	1.02	1.07	1.12
Average P/BV	3.52	3.49	3.57	3.70	3.75	3.74	3.72	3.82	3.86
Book value per share ¹⁾ (THB per share)	15.53	15.53	15.53	15.53	15.53	15.53	15.53	15.53	15.53
Share price (THB per share)	54.70	54.13	55.42	57.43	58.31	58.06	57.81	59.29	59.96

Remark: 1. Calculated from the financial statements as of 30 June 2018, excluding the minority interest.

Based on price-to-book value approach, the share value of PB is THB 54.13 – 59.96 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 5-7: Summary of the valuation methods used for share valuation

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 2022, 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

The IFA has considered the growth of revenue of each business line which is forecasted by the Company at 5% comparing to bakery industry growth in term of value (classified by type of bread) in 2018-2022 conducted by Euromonitor and found that the forecasted growths are not significantly different. Therefore, IFA assumes the growth of wholesale business classified by type of bread to reflect the outlook of the industry as follows:

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 5-8: Revenue assumptions of PB**

	Assumption
1. Wholesale	
Sliced bread	Sales growth of sliced bread is assumed to grow by 5.60% per year during 2017-2022, which is in line with the value growth of the bread industry during 2016-2022 (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. (Current portion of Burger and hotdog buns is 5% of total sale)
Snack bread	Sales growth of 6.1% per year has been considered for snack bread during 2017-2022, which is in line with the industry value growth for packaged pastries during 2016-2022 (Source: Euro monitor).
Snack cake	Sales growth of 6.2% per year has been considered for snack cake during 2017-2022, which is in line with the value growth for the cake industry during 2016-2022. (Source: Euro monitor).
Confectionery	Sales growth of 4.0% has been considered for other confectionary products during 2017-2022, which is in line with the value growth of the confectionary industry in 2017-2022 (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 6% 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 2.0% 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 0.4% of the total sales.

2) Assumption on Expense

Table 5-9: Expense assumption of PB

	Assumption
Expense	
	Selling expenses as a percentage to sales of 13.5% has been considered per year throughout the forecast period based on the historical 5-year average. However, in the past 5 years, a selling expense was approximately 13.10% -14.00% including salary, public utility and other expenses related to sale department and sale campaign.
Cost of goods sold (not include depreciation)	The proportion of cost of goods sold to sales of 52.8% has been considered per year throughout the forecast period based on the historical 5-year average. Nonetheless, the cost of goods sold trend is downward in in the future due to lower price of major raw material as well as due to effective production and purchasing management. In 2017, ingredient and package was 67.79% of total cost of goods sold including wheat flour 35.25%, fat 17.12%, sugar 8.14% and yeast 2.57% , agriculture and meat product 17.55% (Form 56-1)
Selling expenses	Selling expenses as a percentage to sales of 13.5% has been considered per year throughout the forecast period based on the historical 5-year average. However, in the past 5 years, a selling expense was approximately 13.10% -14.00% including salary, public utility and other expenses related to sale department and sale campaign.
Administrative expenses	The administrative expense growth has been assumed equal to sale growth. At average 5 year was at 5.5% of total sale.
Other assumption	



	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 has investment plan estimation as follow: 2018 Additional investment of THB 151 million for building distribution center 2019 Additional investment of THB 160 million for building distribution center Addition investment of THB 300 million for Variety B machine at Bangchan factory 2020 Addition investment of THB 1,100 million for building and machine for Ladkabang factory 2021-2022 Addition investment in maintenance a building and machine at THB 500 million
Net working capital	The 5-year historical average for each relevant net working capital assumptions have been considered.

Financial forecast of PB

From the above assumptions regarding revenues, expenses, the financial forecast of PB from 2017 to 2022 is as follows:

Table 5-10: Financial forecast of PB

(THB Million)	2018	2019	2020	2021	2022
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:

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

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 2.71%
Beta	Beta (β) is the average volatility between SET Market return and the comparable companies (Calculated from 2-years historical data of the comparable companies) at 0.45 (Source: Bloomberg) (As independent financial advisor has considered 2 years historical data (weekly) being appropriated data in term of amount and frequent of data. It was suitable for statistic calculation which will reflect a business risk such competition and consumer behavior etc.)
R _M	Market return calculated from the total return from investing in SET during the past 10 years at 14.00% (Source: Bloomberg).

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



Based on the above assumptions of discount rate, cost of equity (K_E) is 7.79% and cost of interest bearing debt (K_D) is 4.52%. Therefore, WACC is equal to the cost of equity at 7.70%

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 5-11: Forecast free cash flow to firm of PB

(THB Million)	2017	2018	2019	2020	2021
Net operating profit after tax (NOPAT)	1,294.76	1,373.68	1,414.85	1,487.79	1,575.17
Depreciation and amortization	538.50	560.09	629.10	669.67	701.29
Change in net working capital (NWC)	55.15	4.22	(21.71)	(10.69)	(6.68)
Capital expenditure (CAPEX)	(151)	(460)	(1,100)	(500)	(500)
Free cash flow to firm (FCFF)	1,737.41	1,477.99	922.25	1,646.77	1,769.78
Terminal value: TV					26,674.31
Present value of FCFF	1,674.14	1,322.34	766.12	1,270.17	1,267.44
Present value of Terminal Value					19,103.04
Sum of present value of FCFF and Terminal value	1,674.14	1,322.34	766.12	1,270.17	20,370.48

Calculation PB's equity value

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

Table 5-11: Enterprise value of PB using the Discounted Cash Flow Method

(THB Million)	
Enterprise value	25,403.24
<u>Add</u> Cash Short-term investment and Long-term investment ¹	2,215.62
<u>Deduct</u> Financial liabilities ¹	(172.38)
<u>Deduct</u> Latest dividend payable	(337.50)
Equity value of PB (before including investment in other companies)	27,108.98

Remark: 1. Reviewd financial statement as of 30 June 2018

Based on the DCF approach, the equity value of PB (excluding investment in other companies) is THB 27,108.98 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 5-12: Restaurant industry average

Name	Business	EV/EBITDA
PGH	Operate the Japanese restaurant business named "Shinjuku Tonkatsu Sabotan"	
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 has 2 Japanese restaurants - "Hakata" and "Miyazaki", Thai restaurant "Na Siam" and "Le Siam", the coffee and bakery shop "Le Petite".	9.89
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	18.57
OISHI GROUP PCL	The Company is a manufacturer and distributor various types of Japanese food and beverages.	9.86
Average comparable company ratio		12.77
Ratio after adjustment (25%)		9.59

Table 5-13: Flour mill manufacturing and related service industry average

Name	Business	EV/EBITDA
PFM	Produce and distribute flour and flour related products	
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.	11.11
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.	7.23
TS Flour Mill PCL	Manufacture, trade, import and export wheat, wheat products and other grains including related products or by products	11.26
Average comparable company ratio		9.87
Ratio after adjustment (25%)		7.40

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

**Table 5-14: PB's Investment valuation under market comparable method (EV/EBITDA)**

	PGH	PFM
EBITDA ¹	20.78	151.42
<u>Deduct</u> interest income and dividend paid	0.80	0.30
EBITDA Multiple (times) After adjustment	9.59	7.40
Enterprise value	191.52	1,118.70
<u>Add</u> Cash and Short-term investment	71.63	156.44
<u>Deduct</u> Liabilities	0.00	0.00
Shareholder equity	263.15	1,275.14
Percentage of shareholding by PB (%)	39.00%	10.00%
Investment Value (THB million)	102.63	127.51

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 102.63 million and THB 127.51 million, respectively.

Valuation by sum-of-the-parts approach

Table 5-15: Share valuation of PB using the sum-of-the-parts approach

(THB Million)	
PB	27,108.98
<u>Total investment value in joint venture and other long-term investment of PB</u>	
PGH	102.63
PFM	127.51
Total value	27,339.12
Number of PB's shares (Million shares)	450.00
Share value of PB (THB per share)	60.75

Based on the sum-of-the-parts approach, the equity value of PB is THB 60.75 per share.



Sensitivity analysis

The IFA performs the sensitivity analysis by varying key assumptions which have significant impact on the share value of TICON, including weighted average cost of capital, terminal growth rate and growth of rental rate.

- Terminal growth rate after forecasted period at $\pm 0.1\%$
- Discount Rate at $\pm 0.1\%$

IFA consider terminal growth rate after forecasted period and discount rate as significant factors affecting share valuation. Therefore, IFA has performed sensitivity analysis of PB share to terminal growth and discount rate.

Table 5-16: Sensitivity analysis of PB's share valuation

THB per share		Discount rate				
		7.50%	7.60%	7.70%	7.80%	7.90%
Terminal growth after forecasted period	0.80%	61.09	60.25	59.44	58.65	57.89
	0.90%	61.78	60.92	60.09	59.28	58.50
	1.00%	62.49	61.61	60.75	59.92	59.12
	1.10%	63.22	62.32	61.44	60.59	59.76
	1.20%	63.98	63.05	62.15	61.27	60.42

Based on sensitivity analysis, the share value of PB is between THB 57.89 – 63.98 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: 5-17: Valuation results and comparison of pros and cons for each valuation approach

Valuation method	Share price	Pros	Cons
Book Value Approach	15.53	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	-	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	61.21 – 62.28	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	100.43 - 115.54	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	54.13 -59.96	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	57.89 - 63.98	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 60.75 per share.



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

Based on 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 accept** the Tender Offer. The rationale is as follows:

6.1 Rationale for Accepting the Tender Offer

6.1.1 Appropriateness of the Tender Offer Price

The IFA has assessed the valuation of PB shares utilizing 5 valuation approaches, namely 1) Book Value Approach, 2) Adjusted Book Value Approach, 3) Market Price Approach, 4) Market Comparables 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	15.53	61.16	(45.63)	(75.60%)
Adjusted Book Value Approach	-	-	-	-
Market Price Approach	61.21 - 62.82	61.16	0.05 - 1.66	0.09% - 1.77%
Price to Earnings Multiple Approach	100.43 - 115.54	61.16	39.27 - 54.38	64.21% - 88.91%
Price to Book Value Multiple Approach	54.13 - 59.96	61.16	(7.03) - (1.20)	(11.50%) - (1.96%)
Sum-of-the-parts Approach	57.89 - 63.98	61.16	(3.27) – 2.82	(5.35%) – 4.61%

Remark: 1. Since no asset valuation was conducted by independent Appraisers for public purposes, the price cannot be adjusted. As a result, the Company's real value cannot be evaluated under this approach.

2. PB's share valuation at THB 60.75 per share (Base case) is lower than Offer Price THB (0.41) per share or (0.66%)

The Company's business has a diverse range of products with varying income trends and costs. The IFA is, therefore, of the opinion that the most appropriate approach to assess the valuation of PB shares is the Sum-of-the-Parts Approach, with the appropriate value of PB shares being THB 60.75 per share. As such, it is the view of the IFA that **the Tender Offer Price of THB 61.16 is the appropriate price** as it is higher than the price estimated by the IFA.

6.1.2 Liquidity in trading of the Company's securities after the Tender Offer

When considering the trading of the Company's ordinary shares in the 60 business days prior to the proposal of the Tender Offer (on 28 August 2018), the average volume of trade of the Company's ordinary shares was 19,986 shares per day, equivalent to approximately 0.004 percent of the shares of the Business which is considered low liquidity and should a large number of shareholders accept the Tender Offer, it would render a much higher shareholding in the Company by the Offeror and could materially affect a decline in the trading of the Company's ordinary shares in the SET. Although the share price during such period may be higher than the Offer Price, but if the liquidity of the Company's ordinary shares decline further, shareholders who do not accept the Tender Offer may not be able to sell their shares for the desired price and within the desired timeframe.

**Table 6-2: Trade volume/value of the Company's share and SET**

Date	PB		SET
	Total Volume	Total Value	Total Value
	(share)	(THB)	(THB)
28/8/2018	4,600	281,150	50,616,919,981
27/8/2018	18,100	1,113,100	47,124,942,471
24/8/2018	14,600	897,925	32,756,190,340
23/8/2018	44,800	2,755,200	39,435,390,070
22/8/2018	900	55,666	38,034,588,822
21/8/2018	2,200	135,225	50,740,064,121
20/8/2018	3,800	232,850	44,920,439,166
17/8/2018	41,900	2,567,500	52,458,976,623
16/8/2018	45,100	2,778,250	57,763,903,974
15/8/2018	8,800	540,625	53,843,759,245
14/8/2018	7,000	429,225	54,248,541,746
10/8/2018	4,600	282,008	55,003,802,419
9/8/2018	2,600	159,350	47,875,600,953
8/8/2018	300	18,450	54,335,509,988
7/8/2018	600	36,950	49,610,027,309
6/8/2018	1,700	104,336	52,109,227,355
3/8/2018	4,100	251,275	47,567,844,812
2/8/2018	900	55,250	53,472,742,755
1/8/2018	7,600	467,150	60,924,684,096
31/7/2018	21,700	1,331,800	57,014,676,806
26/7/2018	1,300	79,725	49,499,174,079
Total	237,200	14,573,010	1,049,357,007,131
Average	19,986	1,272,795	49,969,381,292

6.1.3 Reduction of risks or impacts that may occur in the future after the Tender Offer

Since the Tender Offeror intends to offer to purchase all the shares of the Business allowing the Offeror to attain shareholding of up to 79.9 percent of the issued and paid-up shares (in the case that all shareholders accept the Tender Offer except those who express their intention not to sell) which, following completion of the Tender Offer, would allow the Tender Offeror to increase its control of the Company due to its command of more than three-fourths voting rights of the Business enabling it to control voting on the Company's important agenda at shareholders' meetings, for example, in mobilizing votes to monitor and provide checks and balance of business management. In addition, even though the Tender Offeror specifies policy and plans in the Tender Offer document (Form 247-4), namely pertaining to business management, dividend payment policy, corporate share sales plan, corporate status and connected transactions, that there will not be any material change within 12 months from the end of the Tender Period. However, after exceeding such period, the Tender Offeror may modify such plans or policy as specified therein. Therefore, acceptance of this Tender Offer will render reduced risk to shareholders in this regard.



6.2 Rationale for Rejecting the Tender Offer

6.2.1 Risk from lack of power to counterbalance the Company's management

Table 6-3: Shareholding in PB by the Tender Offeror 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)
TFMAMA	Shares	211,062,800	359,550,000
	%	46.90%	79.90%
SPI	Shares	97,127,400	90,450,000
	%	21.58%	20.10%
TFMAMA+SPI	Shares	308,190,200	450,000,000
	%	68.49%	100.00%

TFMAMA currently holds a total of 211,062,800 ordinary shares in PB, equivalent to 46.90 percent of the issued and paid-up ordinary shares of the Business, while SPI holds a total of 97,127,400 ordinary shares in PB or 21.58 percent of the issued and paid-up ordinary shares as well as the same voting rights. TFMAMA, as the Tender Offeror, now intends to further invest in the Company to increase the proportion of its equity in the Company to more than 50 percent of the total number of issued and paid-up ordinary shares. As on the date of submission of the Tender Offer, others with shareholding in the Company held a total of 238,937,200 shares, representing 53.10 percent of the issued and paid-up ordinary shares of the Company. However, SPI which is the 2nd largest shareholder, has expressed its intent not to accept the offer and agreed to not sell the 90,450,000 ordinary shares it currently holds, representing 20.10 percent of the total issued and paid-up ordinary shares of the Company, thereby necessitating TFMAMA to make the Tender Offer to acquire shares from other shareholders of the Company. When the number of shares held by SPI is deducted, the remaining number of shares does not exceed 148,487,200 or 33.00 percent of the total number of issued and paid-up ordinary shares of the Company.

Following completion of this Tender Offer, TFMAMA, the Tender Offeror, will have more than 50 percent equity in PB and render PB a wholly-owned subsidiary of TFMAMA. Although PB is currently incorporated as a subsidiary of TFMAMA based on the rights and interest in the returns of the invested Company as well as its command authority, if all shareholders accept this Tender Offer, (except those who expressed intent to not sell), TFMAMA's shareholding will increase to a total of 359,550,000 shares or 79.99 percent of the total issued and paid-up ordinary shares of PB which, when combined with the proportion of SPI, as a person under Section 258 or "Concert Party", would translate into TFMAMA's shares equity being 100 percent and enabling complete control in PB.

It should be noted that shareholding of more than half (i.e. 50%) of the voting rights is a proportion that will allow the shareholders to control the management of the business. This includes controlling the final resolution in the shareholders' meeting which requires majority votes of the shareholders such the appointment of directors or other common issues that require more than half of all the votes except those that the law or the Company's rules require no less than three-fourths of all the votes of the shareholders who attend the meeting and have the rights to vote.

Also, if after the completion of the tender offer, the Offeror is able to hold shares in the Company up to or more than 75% of the paid-up shares and of the total voting rights of the Company, the minority shareholders



will not be able to counterbalance the important issues which require no less than three-fourths of all the votes of the shareholders who attend the meeting and have the rights to vote. For instances, the sale or transfer of all or a substantial part of the business to other persons, acquisition or transfer the business of other companies or private companies, increase/decrease the capital to other persons, merger or dissolution the Company and acquisition or disposal of assets.

As the Tender Offeror has the power to set policy and manages how the business operation, other minority shareholders may experience risk of not having enough votes to counterbalance the power of the Tender Offeror.

The Tender Offer Price is less than PB share price trading in the market

The lowest-highest price of PB shares trading in the SET in the last 30 days from 29 July 2018 to 28 August 2018 was between THB 60.75-62.00 per share, with the average price during such period being THB 61.44 per share. Therefore, the Tender Offer Price of THB 61.16 per share is less than the average price in the 30 preceding days of THB 61.44 per share. As such, the price offered by the Offeror may cause the shareholders who accept the tender offer gaining less profit from this share sale than expected.

6.2.2 Loss of Dividend Income

In considering past operational results, it is evident that PB is a stable company based on continual growth in revenue and profit in the past which corresponded with the increase in shareholders' dividend income as can be seen from the history of the Company's dividend payments.

Table 6-4: Historical PB's dividend payment

Year	Interim dividend (Baht / Share)	Final dividend (Baht / Share)	Total (Baht / Share)	Dividend payout ratio (%) ^{1/}
2017	0.71	0.79	1.50	50.51%
2016	0.74	0.91	1.65	50.77%
2015	0.62	0.83	1.45	50.00%

Note: 1. Calculated from separate financial statement

2. PB paid average 3 years dividend payout ratio at THB 1.53 per share or 50.43 percent

Since the Offer Price is close to the market price, shareholders who will accept the Tender Offer may need to consider comparing return on selling PB shares under this Tender Offer to invest in other securities in the future, with the return in the form of future dividend if the shareholder continued to retain shareholding in PB. In the Tender Offer document (Form 247-4), the Offeror clearly specified there is no intention of changing dividend payment policy in the period of 12 months following the completion date of the Tender Offer.



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

Having considered the Business Plans and Policies following the takeover of the Company as stated in the Tender Offer (Form 274-4), as well as all supplementary information of the Company and other information which the Tender Offeror disclosed to investors, the IFA has rendered the following opinion regarding benefits to and impacts on the Company.

7.1 Status of the Company

The Tender Offeror has no intention to delist the Business's securities from the SET during the 12 months following the Tender Offer period except in cases where the Tender Offeror is required to comply with provisions of relevant laws, criteria and regulations in effect at the time.

The Company may run the risk in maintaining its status of listed company in the SET and could be delisted if so many shareholders accept the Tender Offer that less than 150 minority shareholders remain with aggregate shareholding of less than 15 percent of the registered and paid-up capital of the Company. However, in the case that the Company cannot comply with such qualification, the SET has set guidelines for listing companies with incomplete free float, imposing additional fees once the Company fails to meet the free-float requirement for 2 consecutive years or more, based on the size of the shortfall in the free float and the number of years such situation has existed past the 1-year grace period.

Nevertheless, if the Tender Offeror intends to delist the Business securities from the SET, the Company must obtain approval from shareholders or their proxy (if any) with voting rights in attendance at the shareholders' meeting with a vote of not less than 3 out of 4 the total number of issued and paid-up shares, and with no more than 10 percent objection of the total issued and paid-up shares, along with notification of the meeting's resolution to the SET and the SEC as legally required.

Based on the aforementioned factors and other current information, the IFA finds no reason to doubt that there will be any undertaking which would materially impact on the status of the Company in the period of 12 months following the end of the Tender Offer Period. Moreover, it is unlikely that the Tender Offeror would gain any benefit if the Company's status is changed.

7.2 Sources of the Tender Offeror's Funding

As stated in the Tender Offer (Form 247-4), if other shareholders express the intention to sell all the remaining ordinary shares of the Company totaling 238,937,200 shares (two hundred and thirty-eight million, nine hundred and thirty-seven thousand, two hundred shares) at the Offer Price of THB 61.16 (sixty-one Baht and sixteen satangs) per share, the Tender Offeror needs total funding of THB 14,613,399,152 (fourteen billion, six hundred and thirteen million, three hundred and ninety-nine thousand, one hundred and fifty-two Baht). However, the Tender Offeror has received a letter of intent from SPI confirming its unwillingness to accept the Tender Offer and its agreement not to sell the 90,450,000 shares (ninety million, four hundred and fifty thousand shares) it holds in the Company, equivalent to 20.10 percent of the total number of issued and paid-up shares of the Company. Therefore, the number of ordinary shares the Tender Offeror must offer to purchase from other shareholders of the Company, after deducting the aforementioned number of ordinary shares held by SPI which has been agreed are not to be tendered, amounts to a total of 148,487,200 shares (one hundred and forty-eight million, four hundred and eighty-seven thousand, two hundred shares), or equivalent to 33.00 percent



of the total number of issued and paid-up shares of the Company at a total value of THB 9,081,477,152 (nine billion, eighty-one million, four hundred and seventy-seven thousand, one hundred and fifty-two Baht). The Tender Offeror's sources of funding to finance the purchase of securities under this Tender Offer consist of the following.

Table 7-1: Source of funding of TFMAMA

No.	Source of funding	THB
1	Cash deposits with Bangkok Bank Public Company Limited	42,597,789.54
2	Cash deposits with Bank of Ayudhya Public Company Limited	598,568,217.94
3	Cash deposits with Kasikorn Bank Public Company Limited	30,330,471.72
4	Cash deposits with Kiatnakin Bank Public Company Limited	1,333,767,797.68
5	Cash deposits with Citibank	216,258,193.84
6	Cash deposits with Tisco Bank Public Company Limited	16,121,294.37
7	Cash deposits with Thanachart Bank Public Company Limited	1,031,024,812.00
8	Cash deposits with Land and Houses Bank Public Company Limited	1,125,297,115.86
9	Cash deposits with the Government Housing Bank	1,671,218,161.08
10	Credit Facilities with Kasikorn Bank Public Company Limited ^{1/}	4,500,000,000.00

Remark: Credit Facilities with Kasikorn Bank Public Company Limited which issued a letter on 24 July 2018 confirming financial support to the Offeror in the Tender Offer within the limit of THB 4,500,000,000 for the period from 1 August 2018 to 30 November 2018

The aggregate funding for this Tender Offer amounts to a total of THB 10,565,183,854.03 (ten billion, five hundred and sixty-five million, one hundred eighty three thousand, eight hundred fifty-four Baht and 3 Satangs) which sufficiently covers the total value of the Tender Offer. Thus, in considering the supporting documentation as appeared in the Tender Offer (Form 247-4), the Tender Offeror has clear evidence of source of funds to finance this Tender Offer.

7.3 Policies and Plans of Business Operations

Within the period of 12 months after the completion of the Tender Offer, the Tender Offeror does not intend to make any significant changes to the objectives, policies or plans of the business operations or the policy on dividend payment. If necessary, the Offeror may modify business operation plans, management of corporate and personnel structure, financial structure to ensure appropriate normal business operations and financial position of the Company, as well as to streamline business operations to increase agility, efficiency, competitiveness and good corporate governance for the highest benefit of the Business and shareholders.

In cases where the Offeror intends to undertake any material change which deviates from what is specified in the Tender Offer within the period of 12 months following the completion of the Tender Offer, the Offeror must seek a resolution of approval from the Board of Directors' and/or shareholders' meetings in accordance with the relevant legal and regulatory requirements including notification to the SEC.

The IFA is of the opinion that the impact on the Company from business operation and the Company's financial position should not be much in the short term since objectives, plans and policies related to business operations, as well as corporate and personnel structure will not be materially changed in such time period. Moreover, the Offeror also has sufficient capital and liquidity to sustain business operations as well as future growth.



In addition, any material change to the Business would require a resolution of approval from the Board of Directors or the shareholders' meeting in accordance with the relevant legal and regulatory requirements including notification to the SEC and SET.

7.3.1 Change in Corporate Structure, Management and Recruitment

Within the period of 12 months after the completion of the Tender Offer, the Tender Offeror has no plan to make any changes to the Company's Board of Directors, unless there are reasonable grounds, in which case the Offeror would follow appropriate process, taking into consideration the best interest of the Company, in accordance with corporate regulations, as well as relevant legal and regulatory requirements in effect at the time.

The IFA is of the opinion that the Company's business operations should be able to carry on since the Board of Directors remains the same and in order to ensure continuity of business operations. Moreover, in coordinating with the various agencies and existing customer groups, the incumbent Board of Directors already have good relations with such groups. Therefore, it is expected that there will not be any significant impact on the corporate structure, management and recruitment.

7.3.2 Structure of the Board of Directors

The Board of Directors of PB as at 15 August 2018 comprises 15 directors as follows:

Table 7-2: Board of Directors of PB

No.	Name	Position
1	Mr. Pipat Paniangvait	Chief Executive Officer
2	Mr. Apichart Thammanomai	Managing Director
3	Mr. Apisate Thammanomai	Vice Managing Director
4	Mr. Vichai Kulsomphob	Director
5	Miss Pojjanee Paniangvait	Director
6	Mr. Pun Paniangvait	Director
7	Mrs. Malee Tangjaisanong	Director
8	Miss Petcharat Anantawichai	Director
9	Mr. Thavach Keawpitag	Director
10	Miss Panida Prayottaweekij	Director
11	Mr. Teravuti Boonyasopon	Chairman of Independent Director and Audit Committee
12	Miss Suwimon Keeratipibul	Independent Director and Audit Committee
13	Mrs. Yupa Soontrapa	Independent Director and Audit Committee
14	Mr. Boonsak Chiempricha	Independent Director
15	Mrs. Aim-On Pathumarak	Independent Director and Audit Committee

The Offeror has no plans to change the Board of Directors' structure or propose nominations for appointment to the Board of Directors following completion of Tender Offer. The Offeror, therefore, has no influence on vote of the Board of Directors. However, the Offeror may change directors after completion of the Tender Offer if there are reasonable grounds, in which case the Offeror will comply with corporate regulations, as well as relevant legal and regulatory requirements in effect at the time.

7.3.3 Sale of Company Shares

Within the period of 12 months after the completion of the Tender Offer, the Offeror does not intend to sell or transfer ownership of the ordinary shares of the Business it held prior to Tender Offer, as well as the shares to be acquired under this Tender Offer, to others in any significant number.



The IFA is of the opinion that the Offeror clearly specifies that there is no intention of selling the Business shares within the period of 12 months following completion of the Tender Offer unless the Offeror is required to comply with applicable laws or regulations in effect at that time in addition as other received current informations do not show an evident of intention to sale the Company's share in 12 months after the end of Tender Offer period. Therefore, there should not be any material impact on the Company.

7.3.4 Dividend payout policy

Currently, PB has dividend payout policy at minimum 50 percent of net profit after income tax according company's policy and enforced law. Tender Offeror has no intention to change dividend payout policy within period of 12 months after the completion of Tender Offeror.

The IFA is of the opinion that the Offeror hasn't specified the plan of changing dividend payout policy of the Company in the Tender Offer form (Form 247-4)

Table 7-3: Historical PB's dividend payment

Year	Interim dividend (Baht / Share)	Final dividend (Baht / Share)	Total (Baht / Share)	Dividend payout ratio (%) ¹
2017	0.71	0.79	1.50	50.51%
2016	0.74	0.91	1.65	50.77%
2015	0.62	0.83	1.45	50.00%

Remark: ¹Calculated from separate financial statement

2.PB paid average 3 years dividend payout ratio at THB 1.53 per share or 50.43 percent

Before the Tender Offer, the Company has dividend payment policy at 2 times per year at dividend payout policy rate, at minimum 50 percent of net profit after income tax and legal reserved (an other additional conditions)

The IFA is of the opinion that the effect to dividend policy is low and insignificant. As expecting, the dividend policy will not be change in short period of time. However, the Offeror may adjust dividend payout policy to support business operation and financial situation or increase the efficiency and competitiveness of the Company in the future.

7.3.5 Connected Transactions

The Company currently has set policies and procedures for approval of connected transactions in accordance with the regulations issued by the SET and SEC. In order to prevent conflicts of interest between the Company and its subsidiary, associated or related companies and/or persons with possible conflicts of interest; directors or executive directors or persons who may have conflicts and stand to gain or lose on any matter are not allowed to vote on such matter.

There are past connected transaction as follow:

**Table 7-4: Summary of Related party transaction**

Relation	Type of related party transaction	Amount (THB)		Description and rationale of transaction
		For the year ended 31 December 2017	6 Months ended 30 June 2018	
A,B,C,D	Land acquisition	54,000,000	-	Normal business operation on arm's length basis
	Rental expense	497,904	-	Normal business operation on arm's length basis
	Material cost	-	20,450	Normal business operation on arm's length basis
	Paid dividend	68,430,288	166,739,612	Normal amount of dividend per share announced by PB
	Total	122,928,192	166,760,062	

Remarks: Type of relation

A: Share holding in company

B: Common director(s)

C: Trading between companies

D: Shareholder or director are close relative to director.

Within the period of 12 months following completion of the Tender Offer, the Offeror has no plans to modify the set policies and procedures relating to connected transactions. Any such transactions between the Company and its subsidiaries, associate and related companies as well as shareholders would be governed by conditions applicable to arm's length transactions or regulations issued by the SEC and SET and/or other relevant legal and regulatory requirements.

Following consideration, the IFA is of the opinion that from past to present, connected transactions between the Company and subsidiaries and companies in the same corporate group as the Offeror have already existed. The Offeror does not intend to significantly change its policy on connected transactions in terms of transaction class or volume. Moreover, it is expected that future connected transactions would pertain to normal business operations of the Company and subsidiaries and companies within the same corporate group as the Offeror. In addition, in each such transaction, the Company as a listed company is obliged to comply with the legal and regulatory requirements on connected transactions of the SEC and/or SET. The IFA, therefore, has the opinion that the Company should not, in any way, be impacted by the policy and business operation plans related to connected transactions as specified by the Offeror in the Tender Offer (Form 247-4).



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 accept the Tender Offer** because the appropriate share price of PB is in range of THB 57.89 - 63.98 per share and at THB 60.75 per share as based case. Therefore, the IFA views that the offering price at THB 61.16 per share is **appropriate** as it is in the range of appropriated price. Even though, the shareholders can choose to sell their shares in the SET, with higher price than the Tender Offer Price but due to low liquidity of the Company's share, shareholders may not be able to sell their shares for the desired price and within the desired timeframe.

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.

Although the share price during such period may be higher than the Offer Price, but if the liquidity of the Company's ordinary shares decline further, shareholders who do not accept the Tender Offer may not be able to sell their shares for the desired price and within the desired timeframe.

Yours faithfully,

Monvalai Rachatakul

Supervisor

Grant Thornton Services Ltd.

Orapapai Sukumalchantr

Partner

Grant Thornton Services Ltd.



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