



Thai Beverage Public Company Limited

ANNOUNCEMENT

Date: 8 August 2017
To: Singapore Exchange Securities Trading Limited
Subject: Entering into Asset Sale and Purchase Agreement with Yum Restaurants International (Thailand) Co., Ltd.

Thai Beverage Public Company Limited (“**THBEV**”) is pleased to announce that today our subsidiary, The QSR of Asia Co., Ltd. (“**QSA**”)¹, has entered into an Asset Sale and Purchase Agreement (“**ASPA**”) with Yum Restaurants International (Thailand) Co., Ltd. (“**YRIT**”), a company currently operating KFC stores in Thailand, for the potential acquisition of over 240 existing KFC stores and a number of developing KFC stores in Thailand, as well as the properties and assets which are necessary or used for the operation of the foregoing KFC stores (the “**Acquisition**”). The preliminary amount of consideration for the existing KFC stores is approximately Thai Baht 11.3 billion including VAT (subject to the price adjustment mechanisms as set out in the ASPA, and depending on the exact number of the existing KFC stores to be acquired at closing), and an additional amount of consideration for the developing KFC stores which will be determined at closing in accordance with the terms of the ASPA. The Acquisition is expected to be completed by the end of December 2017.

Completion of the Acquisition is subject to satisfaction of certain conditions precedent set out in the ASPA, including but not limited to obtaining the applicable regulatory and other relevant consents.

Since the KFC brand has been the number one quick service restaurant brand in Thailand measured by brand share and number of outlets², the Acquisition will enable THBEV and its subsidiaries to expand further into the food business and to capture the current lifestyle of consumers within the quick service restaurant segment. The food business not only provides exciting growth opportunities but also allows us to closely understand the consumer consumption trends which are crucial to the long term success of our food and beverage businesses.

The Acquisition will be funded with a combination of internal generated cashflow and external bank borrowings and is not expected to have any material adverse impact on the earnings per share nor net tangible assets per share of THBEV.

To the best knowledge of the directors of THBEV (the “**Directors**”), none of the Directors or substantial shareholders of THBEV has any interest, direct or indirect (other than through their respective shareholdings in THBEV), in the Acquisition.

Please be informed accordingly.

Yours faithfully,

Vaewmanee Soponpinij
Company Secretary

¹ QSA was set up under Food of Asia Co., Ltd. (“**FOA**”) which is our wholly-owned subsidiary and food product group flagship company in Thailand.

² Based on the research conducted by Nielsen Thailand.

