



**Thai Beverage Public Company Limited**  
 (“ThaiBev”, or the “Company”) is a company incorporated under the laws of Thailand and listed on the Mainboard of the Singapore Exchange Securities Trading Limited (Registration No: 010754000342)



**INVITATION TO THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS NO. 1/2024 ENCLOSURE 2 DOCUMENT TO SHAREHOLDERS DATED 30 AUGUST 2024**  
 Scan QR code for more information

**THIS DOCUMENT TO SHAREHOLDERS (“DOCUMENT”) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**



## Proposed Share Swap

Comprising:

- (a) the proposed transfer of 601,627,606 ordinary shares in Fraser and Neave, Limited (“**F&N**”) (representing approximately 41.30% of the total number of F&N’s issued shares (excluding treasury shares)) by TCC Assets Limited (“**TCCAL**”) to InterBev Investment Limited (“**IBIL**”), an indirect wholly-owned subsidiary of ThaiBev; and
- (b) the proposed transfer of 1,130,041,272 ordinary shares in Frasers Property Limited (“**FPL**”) (representing approximately 28.78% of the total number of FPL’s issued shares (excluding treasury shares)) by IBIL to TCCAL, (collectively the “**Proposed Share Swap**”)

**Financial Adviser to ThaiBev and IBIL in relation to the Proposed Share Swap**



**DBS Bank Ltd.**

(Company Registration No.: 196800306E)  
 (Incorporated in the Republic of Singapore)

**Independent Financial Adviser to the Relevant Directors and the Audit Committee in relation to the Proposed Share Swap**

**Deloitte & Touche Corporate Finance Pte Ltd**

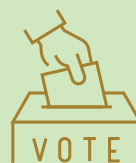
(Company Registration No.: 200200144N)  
 (Incorporated in the Republic of Singapore)

## Important Dates and Times

<b>Dialogue session with SIAS</b>	<b>6 September 2024 at 1.00 p.m. (Singapore time)</b>
<b>Latest date and time for lodgement of Voting Instructions Forms (applicable to persons holding their Shares in Securities Accounts with the CDP)</b>	<b>12 September 2024 at 5.00 p.m. (Singapore time)</b>
<b>Latest date and time for lodgement of Proxy Forms (applicable to persons holding their Shares through the Thailand Securities Depository Co., Ltd. (“TSD”))</b>	<b>19 September 2024 at 10.00 a.m. or at the EGM venue before the EGM commences</b>
<b>Date and time of the EGM</b>	<b>20 September 2024 at 10.00 a.m.</b>

*Unless otherwise stated, all references to dates and times are to Bangkok dates and times.*

## Your Vote Counts



**Please vote in person or by submitting your Voting Instruction Form or Proxy Form**

All capitalised terms shall, if not otherwise defined, have the same meanings ascribed to them in this Document. The information in this section is a summary of the Proposed Share Swap and is qualified by, and should be read in conjunction with, the full information contained in the rest of this Document. In the event of any inconsistency or conflict between the terms of this summary and the rest of this Document, the terms set out in the rest of this Document shall prevail.

If you are in any doubt in relation to the contents of this Document or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser immediately. If you have sold all your Shares in the Company, please forward this Document to the purchaser or bank or stockbroker or agent through whom the sale was effected for onward transmission to the purchaser.

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Document.

## Table of Contents

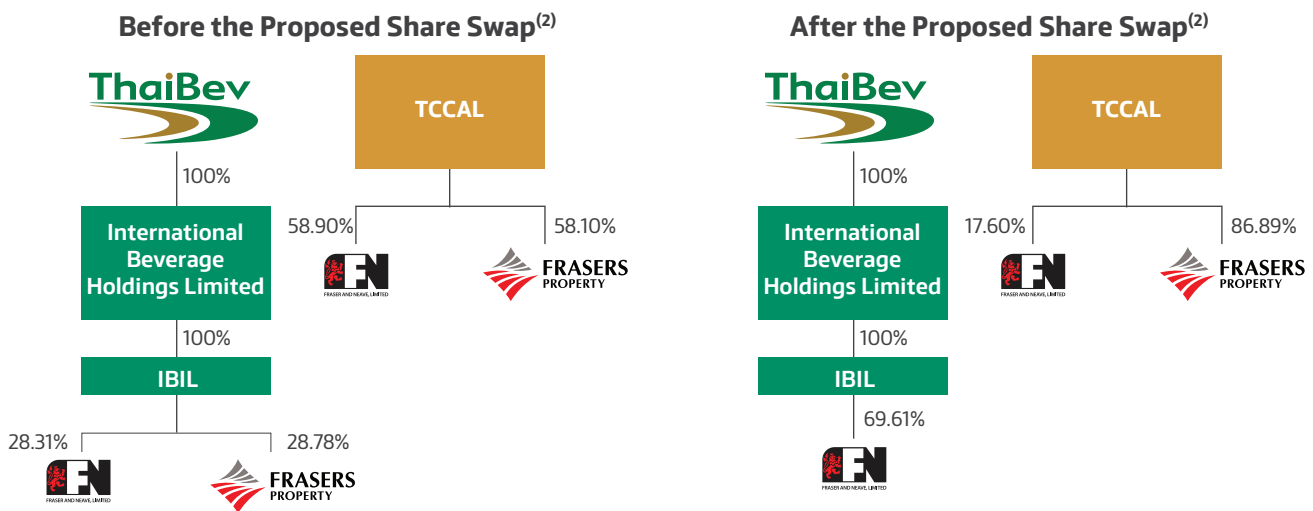
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# 1

## Overview

### Summary

- ThaiBev, through its indirect wholly-owned subsidiary, IBIL, has entered into a conditional share swap agreement with TCCAL on 17 July 2024 in connection with the Proposed Share Swap.
- Under the Proposed Share Swap, ThaiBev will attain an indirect majority shareholding in F&N with no cash outlay required by ThaiBev.
- The Proposed Share Swap will increase ThaiBev's percentage interest (through its subsidiary, IBIL)<sup>(1)</sup> in F&N Shares from approximately 28.31% to approximately 69.61% and fully divest ThaiBev's interest in FPL Shares (as depicted in the diagrams below).



### Swap Ratio<sup>(3)</sup>

- The Swap Ratio of 1.88 FPL Shares for each F&N Share is based on the mutually agreed negotiated prices of:
  - **S\$3.55** for each F&N Share; and
  - **S\$1.89** for each FPL Share.
- The negotiated prices of F&N and FPL and the Swap Ratio were derived after extensive negotiations between IBIL and TCCAL on an arm's length commercial basis. This is backed by a robust valuation assessment undertaken by DBS, prepared for the benefit of IBIL (to facilitate IBIL's negotiations with TCCAL), on the range of fair values of each of F&N and FPL on a standalone basis.

<sup>(1)</sup> Based on the total number of issued shares of F&N (excluding treasury shares) as at the date of the Share Swap Agreement.

<sup>(2)</sup> As of the date of the Announcement, based on information available to the Company and to the knowledge of the Company:

a) for the remaining 12.79% of F&N Shares not held by IBIL or TCCAL, none of the Directors, substantial shareholders, or controlling shareholders of ThaiBev has any interest in such F&N Shares; and

b) for the remaining 13.12% of FPL Shares not held by IBIL or TCCAL, (i) approximately 1.78% is held by TCC Group Investments Limited, a corporation wholly-owned by the children of Mr. Charoen Sirivadhanabhakdi, and (ii) Mr. Vivat Tejapaibul, Director of the Company, has a deemed interest in approximately 0.02% of FPL Shares. Save for the foregoing, none of the Directors, substantial shareholders, or controlling shareholders of ThaiBev has any interest in the remaining 13.12% of FPL Shares.

<sup>(3)</sup> All references to the Swap Ratio in this summary are an approximate figure rounded to two (2) decimal places. Please refer to paragraphs 3.2 and 6 of this Document for further details on the calculation of the Swap Ratio.

## 2

## Background of Proposed Share Swap

### Advance progress towards PASSION 2025 Roadmap as announced in 2020

- ✓ Advance ThaiBev's progress in achieving its PASSION 2025 goals: BUILD, STRENGTHEN, UNLOCK
- ✓ Objective of the Proposed Share Swap: Streamline the Company's focus by exiting the property business towards becoming a pure-play beverage and food business.

### Robust negotiation process and corporate governance safeguards in place to mitigate potential conflicts of interest

- Directors who are the relevant interested persons or associates of the relevant interested persons were not involved in the approval process in relation to the Proposed Share Swap and were not involved in any decision making of the Board, nor of the Audit Committee. Directors who held concurrent non-executive directorships in F&N and/or FPL also voluntarily abstained, and will also continue to voluntarily abstain, from voting on any board resolutions of the Company in relation to the Proposed Share Swap.
- Valuation assessment by DBS was conducted solely based on independent third-party resources, publicly available information and the Company's internal estimates.
- Negotiated prices of F&N and FPL and the Swap Ratio were derived after extensive negotiations between IBIL and TCCAL on an arm's length commercial basis.

### The Relevant Directors are of the view that the Proposed Share Swap is presently the best option to the Company and the Shareholders

#### 1

#### F&N is the most natural acquisition target for the Company

- ThaiBev already owns a significant minority stake of approximately 28.31% and is familiar with F&N's management and operations.
- The Proposed Share Swap paves the way for ThaiBev to directly pursue value-creation opportunities by fully integrating F&N into the Group and cement the Group's position as the leading regional pure-play beverage and food business in Southeast Asia.

#### 2

#### No cash outlay to ThaiBev by utilising 28.78% interest in FPL Shares as consideration

- **Unlikely to achieve higher valuation through the sale of FPL to an independent third party due to lack of control premium.** The Relevant Directors are of the view that it would be very unlikely that the alternative of selling the FPL Transfer Shares to an independent third party would achieve a higher valuation than the negotiated price for FPL due to several reasons, including that the FPL Shares are a sizeable non-controlling minority stake (which would not attract a premium for control).
- Without the control premium, the likelihood of selling FPL, currently trading at a 67% discount to NAV, alongside its peers<sup>(4)</sup>, which are also trading at a similarly steep 63% discount to NAV, is exceedingly low.

(4) Sourced from Capital IQ as at 17 July 2024, comprising City Development Limited, UOL Group Limited, Singapore Land Group Limited, GuocoLand Limited, Ho Bee Land Limited and OUE Limited, which were selected based on the following criteria: (i) principally engaged in real estate development, investment and asset management, (ii) operating across at least three (3) asset classes similar to FPL, and (iii) with presence in markets where FPL operates in.

# 3

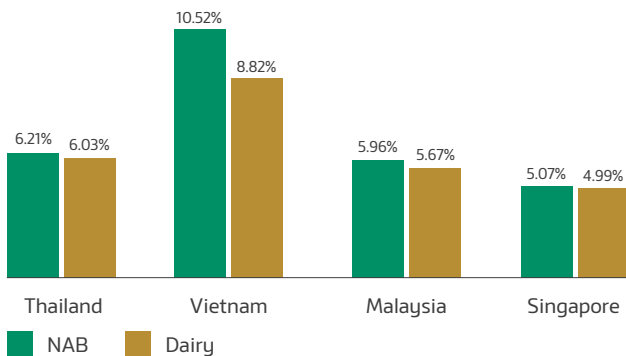
## Rationale

### 1. BUILD

#### Deepen ThaiBev's exposure to high growth NAB and Dairy segments

- Well-positioned to capitalise on the growing demand for wellness products. Within the NAB segment, functional beverages such as sports drinks, beverages with reduced sugar content, as well as dairy products – all of which are core products and a strategic focus for F&N – are expected to benefit from this increasing trend towards health-consciousness.

#### Projected growth rates of retail sales for the NAB and dairy segments in ThaiBev's core markets from 2023 to 2028 (per annum)



Source: Industry research reports

#### F&N's strong brand portfolio and F&NHB's high-tech integrated dairy farm, AgriValley, will equip ThaiBev with critical competitive advantages in the NAB and Dairy segments respectively

1

Leveraging on F&N's strong portfolio of leading brands that can be introduced into other markets where ThaiBev operates and extended into adjacent products



2

High-tech integrated dairy farm "AgriValley" in Gemas, Negeri Sembilan, Malaysia



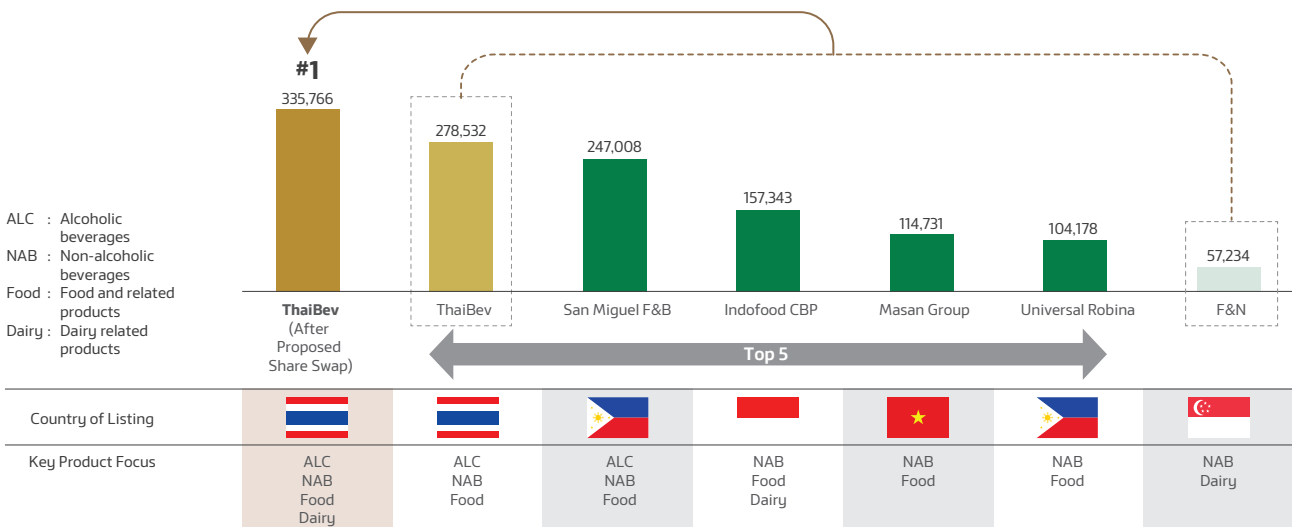
- AgriValley leverages on the increasing popularity of drinking milk products in the region.
- Integrative farming system and automation technology is expected to allow F&NHB to be highly cost competitive amidst an inflationary environment and weakening Malaysian ringgit.
- 2,726-hectare farm, expected to accommodate 20,000 milking cows producing an annual volume of 200 million litres of fresh milk.
- First milking expected to commence in 2025.

### 2. STRENGTHEN

#### Cementing ThaiBev's #1 Position amongst Top Comparable Beverage and Food Players in Southeast Asia by Revenue

#### Top 5 comparable publicly-listed beverage and food players in Southeast Asia by Revenue (THB millions)

Last Twelve Months ("LTM") ended 31 March 2024



Note: This is based on respective LTM financials sourced from company filings. Assumes that foreign exchange rates are SGD/THB = 26.94, IDR/THB = 0.00229, VND/THB = 0.00146, and PHP/THB = 0.65 as at 31 March 2024. Revenue calculations for ThaiBev after the Proposed Share Swap does not account for intercompany eliminations between ThaiBev and F&N. Listed comparable beverage and food players were selected based on having: (i) at least two (2) similar key product focus segments as ThaiBev; and (ii) at least a majority of their revenues being contributed by such segments.

All capitalised terms shall, if not otherwise defined, have the same meanings as ascribed to them in this Document

# 3

## Rationale (cont'd)

### 2. STRENGTHEN

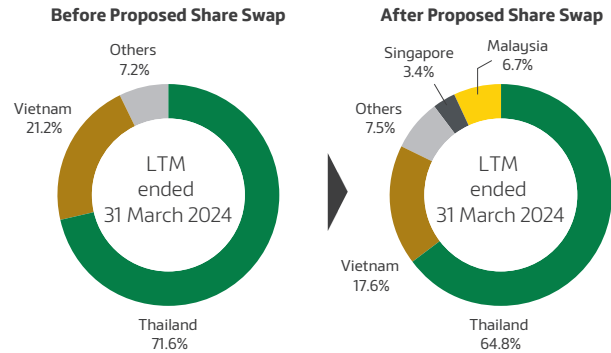
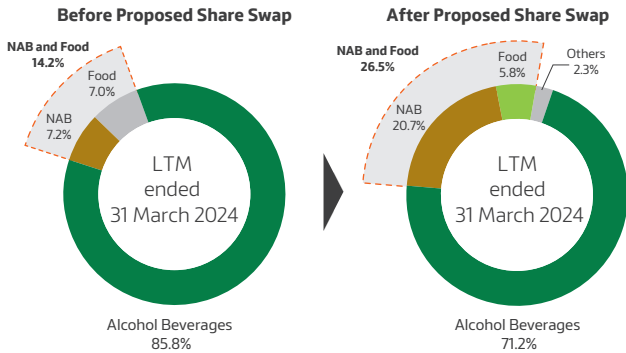
Bolstering the Group's resilience through Economic and Product Cycles through Greater Diversification of Business Segments and Countries

**Increase in revenue contribution from NAB and Food segments from 14.2% to 26.5%**

**Expand its geographical presence in Singapore and Malaysia**

Revenue split by product segment for LTM ended 31 March 2024<sup>(5)</sup>

Revenue split by geography for LTM ended 31 March 2024<sup>(6)</sup>



Source: Company Filings

Note: Based on foreign exchange rates of SGD/THB 26.94 as of 31 March 2024.

(5) Revenue segmentation after the Proposed Share Swap has not eliminated intercompany sales between ThaiBev and F&N. "Others" in product segments includes printing and publishing business from Times Publishing Group; and its stakes in Cocoland Holdings Berhad Group; Sri Nona Group; F&N International Holding Co., Ltd. and F&N Retail Connection Co., Ltd.

(6) Revenue calculations for ThaiBev after the Proposed Share Swap do not account for intercompany eliminations between ThaiBev and F&N.

### Enabling ThaiBev to realise Operational Synergies

ThaiBev will be able to realise operational synergies

**Cross selling of F&N products in ThaiBev's core markets is expected to generate incremental revenue growth**

- Further expansion of F&N's beverage and dairy products in traditional route-to-market channels in Thailand where ThaiBev has a strong presence

**Rationalisation of infrastructure networks, including distribution, is expected to eliminate redundancies and overlaps, thereby achieving substantial savings**

**Economies of scale can be enhanced in procurement, supply chain management, and research and development**

- Increased bargaining power with suppliers through coordinated sourcing strategies and consolidating orders for essential raw materials and packaging, ultimately reducing procurement costs
- Potential for development of innovation lab for NAB and dairy products to help facilitate sharing of knowledge, broader insights and market trends, in turn leading to faster development cycles and shorter time-to-market for new products

All capitalised terms shall, if not otherwise defined, have the same meanings as ascribed to them in this Document

## 3

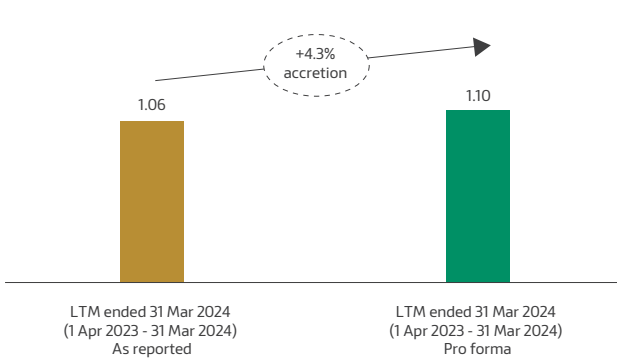
## Rationale (cont'd)

## 2. STRENGTHEN

Resulting in an accretive EPS impact and improving its net IBD to EBITDA ratio

### Positive pro forma financial impacts of the Group (including F&N and its subsidiaries)

for LTM ended 31 March 2024



In THB'millions (Unless otherwise stated)	For the LTM ended 31 March 2024	
	Before the Proposed Share Swap	After the Proposed Share Swap
<b>Key financials</b>		
Interest Bearing Debt (IBD)	207,260	238,314
Equity	240,517	256,251
EBITDA	50,941	59,383
<b>Key leverage metrics (x)</b>		
IBD to EBITDA	4.07	4.01
Net IBD to EBITDA	3.16	3.02
IBD to Equity	0.86	0.93
Net IBD to Equity	0.67	0.70

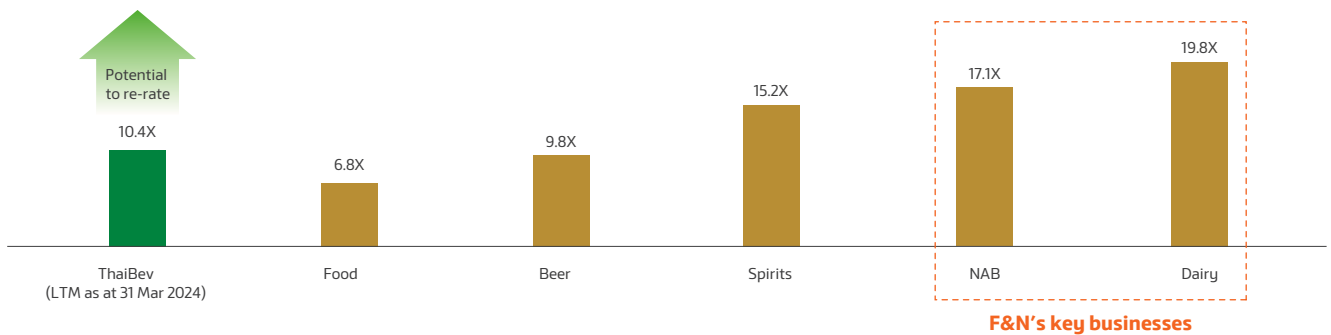
For illustrative purposes only and not indicative of actual or potential financial performance, financial position or earnings of the Group after the completion of the Proposed Share Swap, the financial effects of the Proposed Share Swap on the Group as set out above are prepared based on the audited consolidated financial statements of the Group for the twelve-month period ended 30 September 2023 and the condensed interim financial statements of the Group for the six months ended 31 March 2024. The financial effects have been prepared based on certain assumptions and adjustments, please refer to the notes to Figure L in the Document for more details on such assumptions and adjustments.

## 3. UNLOCK

Potential Re-Rating Through Pure-Play Status

### ThaiBev's Pure-Play peers in NAB and dairy trade at a significantly higher LTM EV/EBITDA multiple

EV/EBITDA (As at 31 March 2024)



Source: Capital IQ as at 17 July 2024

- (1) Food segment peers comprise Jollibee Food Corporation, MK Restaurant Group PCL and S&P Syndicate PCL.
- (2) Beer segment peers comprise Kirin Holdings Company, Limited, Asahi Group Holdings, Ltd., Budweiser Brewing Company APAC Limited, Heineken Malaysia Berhad and Carlsberg Brewery Malaysia Berhad.
- (3) Spirits segment peers comprise Diageo Plc, Pernod Picard SA, Emperador Inc. and Remy Cointreau SA.
- (4) NAB segment peers comprise Carabao Group PCL, Sappe PCL and Osotspa PCL.
- (5) Dairy segment peers comprise PT Ultrajaya Milk Industry & Trading Company, Farm Fresh Berhad, and Dutch Lady Milk Industries Berhad.

All capitalised terms shall, if not otherwise defined, have the same meanings as ascribed to them in this Document

## 4

## Independent Shareholders' Approval is Required

- The Proposed Share Swap constitutes an “interested person transaction” and a “major transaction” under the Listing Manual and is hence subject to Shareholders' approval.
- Approval of the Proposed Share Swap by ThaiBev’s Shareholders (excluding Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi and their associates) will be sought at the EGM in accordance with the requirements of the Listing Manual.
- Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi are **required to abstain, and have undertaken to ensure that their associates will abstain**, from voting on Resolution 2 relating to the Proposed Share Swap at the EGM.
- **Approval threshold of more than 50% of total number of votes cast by eligible Shareholders at the EGM is required for Resolution 2 to be passed.**

## 5

## Opinion of the Independent Financial Adviser and the Recommendation of the Relevant Directors

### Opinion of the Independent Financial Adviser



Taking into consideration the factors set out in the IFA Letter, the Independent Financial Adviser is of the opinion that **the Proposed Share Swap is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.**

**Deloitte & Touche Corporate Finance Pte Ltd**

### Recommendation of the Relevant Directors



The Relevant Directors, having considered the relevant factors, including the terms of the Proposed Share Swap and the rationale for, and benefit of, the Proposed Share Swap as set out in paragraph 7 of this Document, as well as the opinion of the Independent Financial Adviser as set out in the IFA Letter, recommend that Shareholders **VOTE IN FAVOUR** of Resolution No. 2 relating to the Proposed Share Swap, at the EGM.

**Relevant Directors**

**IT IS IMPORTANT THAT YOU READ THE ABOVE EXTRACTS TOGETHER WITH THE FULL TEXT AND CONTEXT OF THIS DOCUMENT AND THE IFA LETTER (WHICH CAN BE FOUND IN SCHEDULE 1 TO THE DOCUMENT).**

All capitalised terms shall, if not otherwise defined, have the same meanings as ascribed to them in this Document



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## What is required for the Proposed Share Swap to be approved?

### EGM

#### RESOLUTION NO. 2

Approval of  
Proposed Share Swap

#### Approval threshold

- Majority of the total number of votes cast by eligible Shareholders<sup>(1)</sup>

7

## How do I vote on the Proposed Share Swap?



You are holding Shares in Securities Account(s) with CDP

OR

You are holding Shares through TSD



You now have the Notice of EGM and Voting Instructions Form



You now have the Notice of EGM and Proxy Form



### VOTE

on the resolution to approve the Proposed Share Swap by completing the Voting Instructions Form and returning it **to CDP no later than 5.00 p.m. (Singapore time) on 12 September 2024**



### VOTE

on the resolution to approve the Proposed Share Swap by attending the EGM **or** appointing a proxy to attend and vote on your behalf by completing the Proxy Form and returning it to: **(i) the Office of Corporate Secretariat of the Company<sup>(2)</sup> no later than 24 hours before the time fixed for the EGM; or (ii) at the venue of the EGM before the EGM commences**

## Two possible outcomes of the EGM

### Shareholders vote FOR the Proposed Share Swap

ThaiBev transfers its 28.78% stake in FPL to TCCAL in return for TCCAL's 41.30% in F&N

### Shareholders vote AGAINST the Proposed Share Swap

ThaiBev will **continue to hold** its 28.78% stake in FPL and does **not** receive the additional 41.30% stake in F&N from TCCAL

- Under Thai law, ThaiBev, as a Thailand-incorporated company, is required to hold its general meetings in Thailand. It should also be noted that as a matter of Thai law, and as disclosed in ThaiBev's prospectus dated 19 May 2006, CDP shall be the only holder of record of Shares in Securities Accounts held through CDP and accordingly, the only person recognised as a Shareholder and legally entitled to attend and vote at the EGM. Accordingly, persons who hold Shares through Securities Accounts with CDP will not be able to attend the EGM and will need to instruct CDP to exercise the voting rights for their deposited Shares. Please refer to the Invitation to the EGM and paragraph 22 of this Document for further details.
- Located at Sangsom Building, 6<sup>th</sup> floor, 14 Vibhavadi Rangsit Road, Chomphon Sub-district, Chatuchak District, Bangkok 10900, Thailand.

All capitalised terms shall, if not otherwise defined, have the same meanings as ascribed to them in this Document

## 8

## Important Information

### Important Information on the Conduct of the EGM

- ThaiBev, as a company incorporated in Thailand, is required to hold its general meetings in Thailand.
- As a matter of Thai law, and as disclosed in ThaiBev's prospectus dated 19 May 2006, CDP shall be the only holder of record of Shares in Securities Accounts held through CDP and accordingly, the only person recognised as a Shareholder and legally entitled to attend and vote at the EGM.
- Persons who hold Shares through Securities Accounts with CDP will not be able to attend the EGM and will need to instruct CDP to exercise the voting rights for their deposited Shares. Please refer to the Invitation to the EGM and paragraph 22 of this Document for further details.
- A dialogue session is to be held on 6 September 2024 at 1.00 p.m. (Singapore time) for Singapore-based shareholders to engage with the management of ThaiBev on the Proposed Share Swap ahead of the EGM.

### Determining the Number of Shares Held

#### 1

If you hold your Shares through the CDP, you can check the number of Shares you hold with CDP through your online CDP account or by contacting CDP at:

#### The Central Depository (SGX Center Office)

2 Shenton Way, #02-02  
SGX Centre 1  
Singapore 068804

11 North Buona Vista Drive, #05-07  
The Metropolis Tower 2  
Singapore 138589

Telephone: +65 6236 8888  
Email: asksgx@sgx.com

#### Opening hours

Monday to Friday: 8.30 a.m. to 5.00 p.m. (Singapore time)  
Closed on Saturdays, Sundays & Public Holidays in Singapore

#### 2

If you hold your Shares through the TSD, you can check the number of Shares you hold through TSD by:

Completing Form TSD-302, downloaded from: <https://www.set.or.th/th/tsd/rules-regulations/forms#others-tds>, and submit it with the enclosures and identification documents as stipulated in the Form.

How to submit:

- Submit to TSD Counter Services during the working hours, Monday to Friday, 08.30 to 16.30 hrs. (Bangkok time) on the 1<sup>st</sup> floor, Tower B, The Stock Exchange of Thailand Building; or
- Send the registered mail to Thailand Securities Depository Co., Ltd. at 93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok, Thailand 10400.

Subscribing to the Investor Portal service via <https://www.set.or.th/thitsd/services/investors-services/investor-portal> (only for individual shareholders).

#### 3

If you own Shares through a bank, broker or any other intermediaries, you can also check the number of Shares you hold through such intermediaries by contacting them directly.

## 8

## Important Information (cont'd)

## Important Dates and Times

Dialogue session with SIAS

6 September 2024  
at 1.00 p.m. (Singapore time)

Latest date and time for lodgement of Voting Instructions Forms  
(applicable to persons holding their Shares in Securities Accounts  
with CDP)

12 September 2024  
at 5.00 p.m. (Singapore time)

Latest date and time for lodgement of Proxy Forms  
(applicable to persons holding their Shares through TSD)

19 September 2024  
at 10.00 a.m. or at the EGM venue  
before the EGM commences

Date and time of EGM

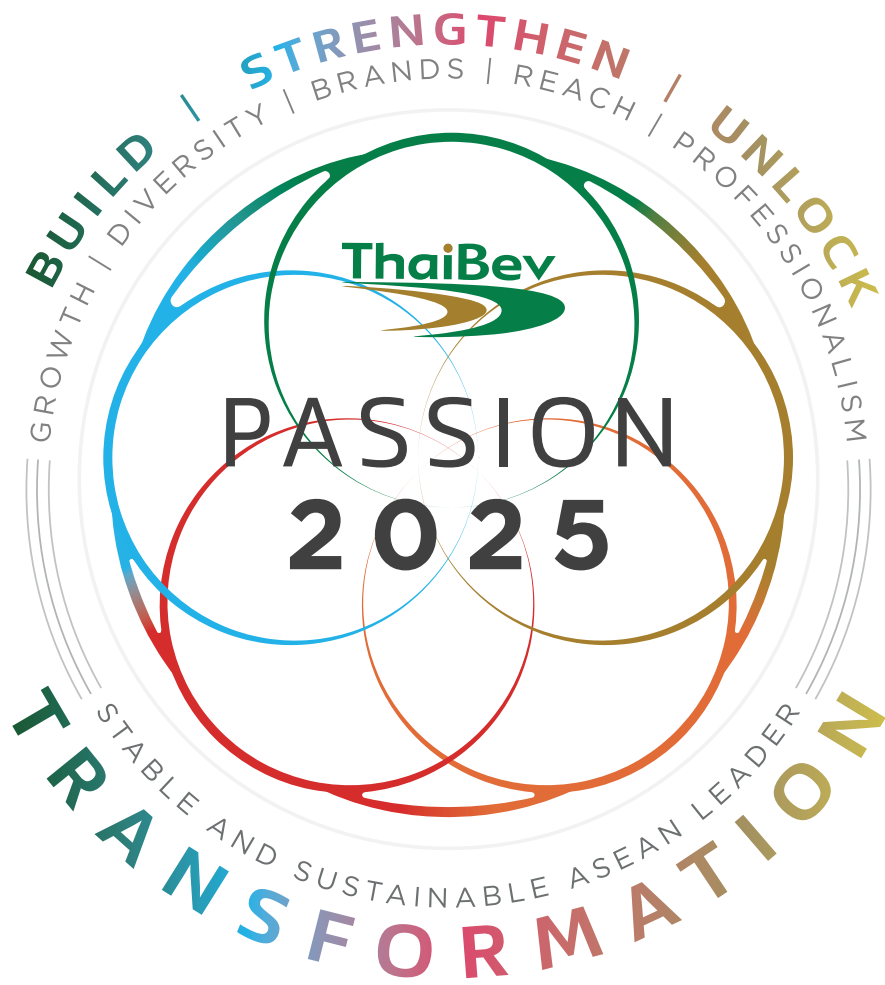
20 September 2024  
at 10.00 a.m.

***Unless otherwise stated, all references to dates and times are to Bangkok dates and times.***

**For more information, please contact**

Email: [IR@THAIBEV.COM](mailto:IR@THAIBEV.COM)

All capitalised terms shall, if not otherwise defined, have the same meanings as ascribed to them in this Document



*This Document to Shareholders relating to the Proposed Share Swap (as defined below) between TCC Assets Limited and InterBev Investment Limited of their shareholdings in Fraser and Neave, Limited and Frasers Property Limited respectively will be proposed to the Extraordinary General Meeting of Shareholders No. 1/2024 for consideration and approval.*

## DOCUMENT TO SHAREHOLDERS

**PROPOSED SHARE SWAP COMPRISING (A) THE PROPOSED TRANSFER OF 601,627,606 ORDINARY SHARES IN FRASER AND NEAVE, LIMITED (REPRESENTING APPROXIMATELY 41.30% OF THE TOTAL NUMBER OF FRASER AND NEAVE, LIMITED'S ISSUED SHARES (EXCLUDING TREASURY SHARES)) BY TCC ASSETS LIMITED TO INTERBEV INVESTMENT LIMITED, AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THAI BEVERAGE PUBLIC COMPANY LIMITED AND (B) THE PROPOSED TRANSFER OF 1,130,041,272 ORDINARY SHARES IN FRASERS PROPERTY LIMITED (REPRESENTING APPROXIMATELY 28.78% OF THE TOTAL NUMBER OF FRASERS PROPERTY LIMITED'S ISSUED SHARES (EXCLUDING TREASURY SHARES)) BY INTERBEV INVESTMENT LIMITED TO TCC ASSETS LIMITED**

### 1. BACKGROUND

The board of directors of Thai Beverage Public Company Limited (the "**Company**" or "**ThaiBev**") refers to (a) the Invitation to the Extraordinary General Meeting of Shareholders No. 1/2024 dated 30 August 2024 (the "**Invitation**"), convening the extraordinary general meeting of the Company to be held on 20 September 2024 ("**EGM**"), and (b) Resolution No. 2 set out in the Invitation.

### 2. DEFINITIONS

The following definitions, or such other definitions as the SGX-ST may from time to time determine, shall apply throughout this Document to Shareholders ("**Document**") (including the Schedules attached hereto), unless the context otherwise requires:

" <b>Acquisition</b> "	Shall bear the meaning set out in paragraph 3.1(b) of this Document
" <b>ADTV</b> "	Average daily trading volume
" <b>Announcement</b> "	The Company's announcement dated 18 July 2024 titled "Conditional Share Swap Agreement between InterBev Investment Limited and TCC Assets Limited"
" <b>Audit Committee</b> "	The audit committee of the Company
" <b>CDP</b> "	The Central Depository (Pte) Limited
" <b>Code</b> "	Singapore Code on Take-overs and Mergers
" <b>Companies Act</b> "	Companies Act 1967 of Singapore
" <b>Company</b> " or " <b>ThaiBev</b> "	Thai Beverage Public Company Limited
" <b>Completion Date</b> "	The date of completion of the Proposed Share Swap
" <b>Consideration</b> "	Shall bear the meaning set out in paragraph 8.4 of this Document
" <b>Control</b> "	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
" <b>Controlling Shareholder</b> "	A person who: (a) holds directly or indirectly 15% or more of the total voting rights in the company. The SGX-ST may determine that a person who satisfies this sub-paragraph (a) is not a Controlling Shareholder; or (b) in fact exercises Control over a company
" <b>Director</b> "	A director of the Company
" <b>Disposal</b> "	Shall bear the meaning set out in paragraph 3.1(a) of this Document
" <b>Document</b> "	This Document to Shareholders dated 30 August 2024
" <b>EBITDA</b> "	Earnings before interest, tax, depreciation and amortisation
" <b>EGM</b> "	The extraordinary general meeting of the Company to be held on 20 September 2024
" <b>EPS</b> "	Earnings per share

<b>"EV"</b>	Enterprise value
<b>"F&amp;N"</b>	Fraser and Neave, Limited
<b>"F&amp;NHB"</b>	Fraser & Neave Holdings Berhad, a subsidiary of F&N
<b>"F&amp;N 1HFY2024 Financial Statements"</b>	The condensed interim financial statements of F&N and its subsidiaries for the six (6) months ended 31 March 2024
<b>"F&amp;N Offer"</b>	Shall bear the meaning set out in paragraph 8.3(d) of this Document
<b>"F&amp;N Shares"</b>	Ordinary shares in the share capital of F&N
<b>"F&amp;N Transfer Shares"</b>	601,627,606 ordinary shares in the share capital of F&N (which represented approximately 41.30% of the total number of F&N Shares (excluding treasury shares) as at the date of the Share Swap Agreement)
<b>"F&amp;N Transfer Shares FY2024 Dividend"</b>	Shall bear the meaning set out in paragraph 8.4(b) of this Document
<b>"Financial Adviser" or "DBS"</b>	DBS Bank Ltd., the financial adviser in relation to the Proposed Share Swap
<b>"FPL"</b>	Frasers Property Limited
<b>"FPL 1HFY2024 Financial Statements"</b>	The condensed interim financial statements of FPL for the six (6) months ended 31 March 2024
<b>"FPL Shares"</b>	Ordinary shares in the share capital of FPL
<b>"FPL Transfer Shares"</b>	1,130,041,272 ordinary shares in the share capital of FPL (which represented approximately 28.78% of the total number of FPL Shares (excluding treasury shares) as at the date of the Share Swap Agreement)
<b>"FPL Transfer Shares FY2024 Dividend"</b>	Shall bear the meaning set out in paragraph 8.4(a) of this Document
<b>"FY2023 Market Capitalisation"</b>	Shall bear the meaning set out in paragraph 9.2 of this Document
<b>"Group"</b>	The Company and its subsidiaries
<b>"Group 1HFY2024 Financial Statements"</b>	The condensed interim financial statements of the Group for the six (6) months ended 31 March 2024
<b>"Group FY2023 Financial Statements"</b>	The audited consolidated financial statements of the Group for the twelve-month period ended 30 September 2023
<b>"IBD"</b>	Interest-bearing debt
<b>"IBIL"</b>	InterBev Investment Limited, an indirect wholly-owned subsidiary of the Company. IBIL is a direct wholly-owned subsidiary of International Beverage Holdings Limited, which is in turn a direct wholly-owned subsidiary of the Company
<b>"IFA Letter"</b>	The letter from the Independent Financial Adviser to the Relevant Directors and the Audit Committee dated 30 August 2024
<b>"Illustrative Exchange Rate"</b>	An exchange rate of S\$1 to THB 26.45, solely for illustrative purposes in this Document. This should not be construed as a representation that the relevant amounts have been or could be converted at the Illustrative Exchange Rate or at any other rate
<b>"Independent Financial Adviser"</b>	Deloitte & Touche Corporate Finance Pte Ltd, the independent financial adviser appointed pursuant to Rule 921(4)(a) of the Listing Manual, as well as to advise the Relevant Directors and the Audit Committee on whether the Proposed Share Swap is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders
<b>"Invitation"</b>	The Invitation to the Extraordinary General Meeting of Shareholders No. 1/2024 dated 30 August 2024
<b>"Last Market Day"</b>	17 July 2024, being the market day preceding the date of the Share Swap Agreement (which was signed after the close of trading on 17 July 2024)
<b>"Latest Practicable Date"</b>	6 August 2024, being the latest practicable date prior to the printing of this Document

<b>"Listing Manual"</b>	The listing manual of the SGX-ST
<b>"LTM"</b>	Last twelve months
<b>"Materiality Thresholds"</b>	Materiality thresholds under Rules 905 and 906 of the Listing Manual
<b>"NAB"</b>	Non-alcoholic beverages
<b>"NAV"</b>	Net asset value
<b>"NTA"</b>	Net tangible assets
<b>"Proposed Share Swap"</b>	Shall bear the meaning set out in paragraph 3.1 of this Document
<b>"Relevant Directors"</b> and each, a <b>"Relevant Director"</b>	The Directors who are considered independent for the purposes of the Proposed Share Swap, namely, Ms. Potjaneer Thanavarant, Clinical Prof. Emiritus Piyasakol Sakolsatayadorn, M.D., Mr. Timothy Chia Chee Ming, Prof. Khemchai Chutiwongse, Dr. Chatri Banchuin, Dr. Pasu Loharjun, Assoc. Prof. Dr. Kritika Kongsompong, Mrs. Busaya Mathelin, Mr. Ueychai Tantha-Obhas, Mr. Vivat Tejapaibul and Dr. Pisanu Vichiensanth
<b>"RNAV"</b>	Revalued net asset value
<b>"Securities Account"</b>	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
<b>"Securities and Futures Act"</b>	The Securities and Futures Act 2001 of Singapore
<b>"SGX-ST"</b>	Singapore Exchange Securities Trading Limited
<b>"Share Swap Agreement"</b>	The conditional share swap agreement dated 17 July 2024 and entered into between IBIL and TCCAL
<b>"Shareholders"</b>	The registered holders of Shares in the capital of the Company
<b>"Shares"</b>	Ordinary shares in the capital of the Company
<b>"SIC"</b>	Securities Industry Council of Singapore
<b>"SIC's Ruling"</b>	Shall bear the meaning set out in paragraph 8.3 of this Document
<b>"SOTP"</b>	Sum-of-the-parts
<b>"STI"</b>	The Straits Times Index
<b>"Substantial Shareholder"</b>	A substantial shareholder of the Company as defined under Section 2(5) of the Securities and Futures Act
<b>"Swap Ratio"</b>	Shall bear the meaning set out in paragraph 3.2 of this Document
<b>"S\$"</b>	Singapore dollars, the legal currency of the Republic of Singapore
<b>"TCCAL"</b>	TCC Assets Limited
<b>"TFRS"</b>	Thai Financial Reporting Standards
<b>"THB"</b>	Thai Baht, the lawful currency of Thailand
<b>"Vinamilk"</b>	Vietnam Dairy Products Joint Stock Company
<b>"VWAP"</b>	Volume weighted average price
<b>"%" or "per cent"</b>	per centum

Under otherwise provided, all percentages of the total number of issued shares of F&N or FPL reflected in this Document are percentages of the total number of issued shares (excluding treasury shares) of F&N or FPL (as the case may be) as at the Latest Practicable Date. As at the Latest Practicable Date, the total number of issued shares of F&N (excluding treasury shares) is 1,456,824,279 and the total number of issued shares of FPL (excluding treasury shares) is 3,926,041,573.

Any term defined under the Companies Act, the Listing Manual or the Securities and Futures Act and used in this Document shall, where applicable, have the meaning assigned to it under the Companies Act, the Listing Manual or the Securities and Futures Act (as the case may be), unless otherwise provided. Without prejudice to the generality of the foregoing, the

terms "**Depositor**" and "**Depository Agent**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, the term "**subsidiary**" shall have the meaning ascribed to it under Section 5 of the Companies Act, and the terms "**associate**" and "**associated company**" shall have the meanings ascribed to them in the Listing Manual.

Unless the context otherwise requires, words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the other genders and *vice versa*. References to persons shall, where applicable, include firms, corporations and other entities.

The headings in this Document are inserted for convenience only and shall not be taken into account in the interpretation or construction of this Document.

Any reference in this Document to any statute or enactment is a reference to that statute or enactment for the time being amended, modified or re-enacted. Summaries of the provisions of any laws and regulations (including the Listing Manual) contained in this Document are of such laws and regulations (including the Listing Manual) as at the Latest Practicable Date.

Any discrepancies in tables included herein between the amounts in the columns of the tables and the totals thereof, and relevant percentages, if any, are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Document shall be a reference to Bangkok time unless otherwise stated.

Neither the Company nor its professional advisers shall be held liable for any inconsistency arising between the English and Thai translation versions of this Document. The English version of this Document shall prevail in the event of any such inconsistency.

WongPartnership LLP is the legal advisor to the Company as to Singapore law in respect of the Proposed Share Swap.

### 3. INTRODUCTION

3.1 On 18 July 2024, the Company announced that InterBev Investment Limited ("**IBIL**"), an indirect wholly-owned subsidiary of the Company, had entered into a conditional share swap agreement (the "**Share Swap Agreement**") with TCC Assets Limited ("**TCCAL**") on 17 July 2024, pursuant to which:

(a) IBIL shall transfer to TCCAL and/or TCCAL's nominees 1,130,041,272 ordinary shares in the share capital of Frasers Property Limited ("**FPL**", such shares, the "**FPL Transfer Shares**", and ordinary shares in the share capital of FPL referred to as "**FPL Shares**") (which represented approximately 28.78% of the total number of FPL's issued shares (excluding treasury shares) as at the date of the Share Swap Agreement) (the "**Disposal**"); and

(b) TCCAL shall transfer or procure the transfer to IBIL and/or IBIL's nominees 601,627,606 ordinary shares in the share capital of Fraser and Neave, Limited ("**F&N**", such shares, the "**F&N Transfer Shares**", and ordinary shares in the share capital of F&N referred to as "**F&N Shares**") (which represented approximately 41.30% of the total number of F&N's issued shares (excluding treasury shares) as at the date of the Share Swap Agreement) (the "**Acquisition**"),

(the Acquisition and the Disposal, collectively, the "**Proposed Share Swap**").

3.2 IBIL and TCCAL have agreed that the Proposed Share Swap should be based on the mutually agreed negotiated prices of S\$3.55 for each F&N Share and S\$1.89 for each FPL Share. Accordingly, IBIL will transfer approximately 1.88 FPL Shares to TCCAL in exchange for each F&N Share that it expects to receive from TCCAL pursuant to the Proposed Share Swap (the "**Swap Ratio**"). Further details on the factors that were taken into account in arriving at the Swap Ratio are set out in paragraph 6 of this Document.



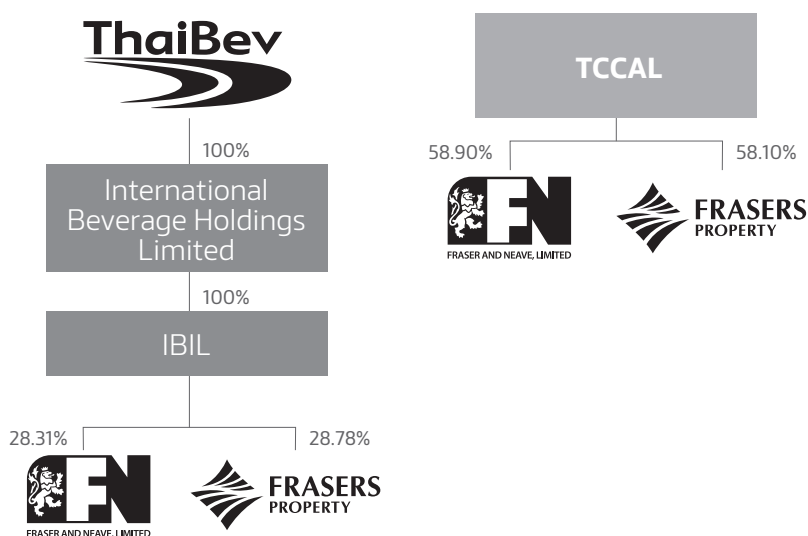
3.3 Following the completion of the Proposed Share Swap, it is expected that:

- (a) the Company's percentage interest (through its subsidiary, IBIL) in F&N Shares will increase from approximately 28.31% to approximately 69.61% (based on the total number of issued shares of F&N (excluding treasury shares) as at the date of the Share Swap Agreement);
- (b) IBIL will cease to hold any FPL Shares, and accordingly, the Company will cease to have any interest in FPL Shares;
- (c) TCCAL's percentage interest in FPL Shares will increase from approximately 58.10% to approximately 86.89% (based on the total number of issued shares of FPL (excluding treasury shares) as at the date of the Share Swap Agreement); and
- (d) TCCAL's percentage interest in F&N Shares will decrease from approximately 58.90% to approximately 17.60% (based on the total number of issued shares of F&N (excluding treasury shares) as at the date of the Share Swap Agreement).

Accordingly, following the completion of the Proposed Share Swap, the Company (through IBIL) will become the holding company of F&N (and its subsidiaries), while TCCAL will remain the holding company of FPL (and its subsidiaries). The Company and IBIL will not retain any interest in FPL and FPL will no longer be an associated company of the Company. TCCAL will retain a strategic minority stake in F&N. Please refer to **Figures A and B** below for diagrams reflecting the Company's shareholding in F&N and FPL before and immediately after completion of the Proposed Share Swap.

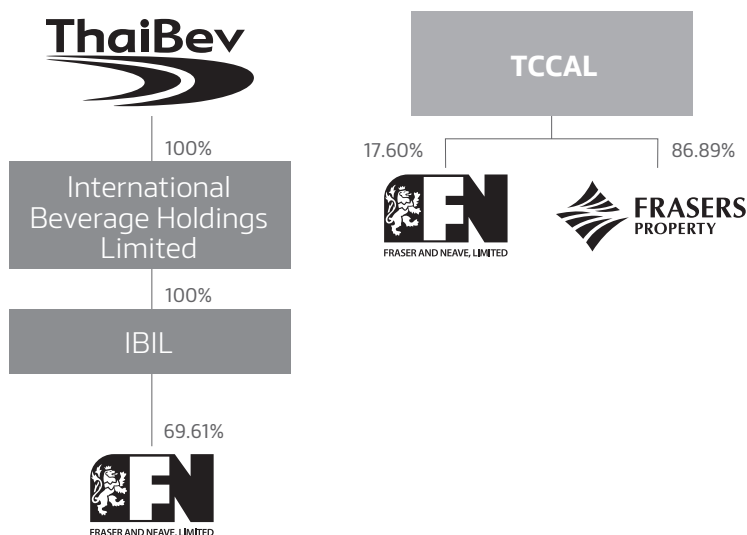
Given F&N's strong brand value and heritage, the Company believes that there is merit for F&N to remain a listed entity after the completion of the Proposed Share Swap. Accordingly, the Company intends for F&N to continue with its existing activities and there are no current plans to acquire the remaining F&N Shares held by TCCAL and/or privatise F&N.

**Figure A: Illustration of Company's shareholding in F&N and FPL (as at the date of the Announcement) before the completion of the Proposed Share Swap<sup>1</sup>**



<sup>1</sup> As of the date of the Announcement, based on information available to the Company, and to the knowledge of the Company:  
 (a) for the remaining 12.79% of F&N Shares not held by IBIL or TCCAL, none of the Directors, substantial shareholders, or controlling shareholders of ThaiBev has any interest in such F&N Shares; and  
 (b) for the remaining 13.12% of FPL Shares not held by IBIL or TCCAL, (i) approximately 1.78% is held by TCC Group Investments Limited, a corporation wholly-owned by the children of Mr. Charoen Sirivadhanabhakdi, and (ii) Mr. Vivat Tejapaibul, Director of the Company, has a deemed interest in approximately 0.02% of FPL Shares. Save for the foregoing, none of the Directors, substantial shareholders, or controlling shareholders of ThaiBev has any interest in the remaining 13.12% of FPL Shares.

**Figure B: Illustration of Company's shareholding in F&N and FPL immediately after the completion of the Proposed Share Swap**



- 3.4 The Proposed Share Swap constitutes both an "interested person transaction" for the purposes of Chapter 9 of the Listing Manual and a "major transaction" for the purposes of Chapter 10 of the Listing Manual (as elaborated on in paragraphs 9 and 10 of this Document, respectively). Accordingly, the completion of the Proposed Share Swap is subject to the approval of the Shareholders at the EGM, in addition to the conditions precedent as described in paragraph 8.3 of this Document. Subject to the satisfaction or waiver of such conditions precedent, IBIL and TCCAL are working towards completing the Proposed Share Swap by 30 September 2024<sup>2</sup>.
- 3.5 The purpose of this Document is to provide Shareholders with information relating to the Proposed Share Swap, in order to seek Shareholders' approval for the Proposed Share Swap at the EGM.

#### **4. INFORMATION ON TCCAL**

TCCAL is an investment holding company incorporated in the British Virgin Islands. TCCAL's shareholders are Mr. Charoen Sirivadhanabhakdi (who is also a Director) and the estate of the late Khunying Wanna Sirivadhanabhakdi. Each of Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi owns 50% of the issued and paid-up capital of TCCAL.

<sup>2</sup> The Share Swap Agreement provides for a long stop date of 31 March 2025 for the satisfaction of all conditions precedent required in respect of the Proposed Share Swap.

## 5. INFORMATION ON F&N AND FPL

- 5.1 F&N and FPL are public companies incorporated in Singapore, with their shares listed on the Mainboard of the SGX-ST. As at the Latest Practicable Date, F&N and FPL are associated companies of the Company.
- 5.2 FPL was previously a wholly owned subsidiary of F&N, serving as its property arm. In August 2013, F&N announced a proposed demerger of its property business by distributing all the FPL Shares that it had held to F&N's shareholders by way of a dividend in-specie, and listing such FPL Shares on the Mainboard of the SGX-ST through an introduction. This demerger had not only unlocked shareholder value but had also enabled FPL to establish financial independence and gain direct access to capital markets.
- 5.3 Following the dividend in-specie and listing of FPL Shares on the Mainboard of the SGX-ST by way of an introduction, FPL Shares were listed on the Mainboard of the SGX-ST on 9 January 2014.
- 5.4 Today, F&N remains a leading Southeast Asian consumer group with expertise and strong standing in the beverage and food and publishing and printing industries. F&N owns an impressive array of renowned brands that hold leadership positions in key markets. F&N is present in more than 11 countries across the Asia Pacific and the Americas. As at 17 July 2024, the market capitalisation of F&N is approximately S\$1,559 million<sup>3</sup>.
- 5.5 FPL is a multinational investor-developer-manager of real estate products and services across the property value chain. FPL's businesses operate across five (5) asset classes, namely, commercial and business parks, hospitality, industrial and logistics, residential and retail, across Asia Pacific and Europe. Its well-established hospitality business owns and/or operates serviced apartments and hotels in over 20 countries. FPL is also the sponsor and manager of real estate investment trusts and a stapled trust. As at 17 July 2024, the market capitalisation of FPL is approximately S\$3,141 million<sup>4</sup>.
- 5.6 Further details on the businesses of F&N and FPL can be found on the SGX website at [www.sgx.com](http://www.sgx.com) and at their respective corporate websites, [www.fraserandneave.com](http://www.fraserandneave.com) and [www.frasersproperty.com](http://www.frasersproperty.com).

## 6. BACKGROUND OF THE PROPOSED SHARE SWAP AND FACTORS TAKEN INTO ACCOUNT IN ARRIVING AT THE NEGOTIATED PRICES AND SWAP RATIO

- 6.1 **ThaiBev's Strategy and PASSION 2025 Roadmap.** The Company has, over the years, considered a share swap with TCCAL to streamline the Company's focus by exiting the property business towards becoming a pure-play beverage and food business. Shareholders have also provided similar feedback to the Company over the years. In addition, the Company has also considered how the strategic merits of the Proposed Share Swap could advance the Company's progress in achieving its PASSION 2025 goals. In 2020, the Company outlined its five (5) year PASSION 2025 roadmap<sup>5</sup>, which encompasses three (3) domains:
  - (a) firstly, the Group aims to **BUILD** new capabilities by innovating to enhance its business and service model, its product offerings, and its channels, as well as by partnering stakeholders to grow with sustainability;
  - (b) secondly, the Group endeavours to **STRENGTHEN** its leadership positions in its core markets – Thailand, Vietnam, Myanmar, Singapore and Malaysia; and
  - (c) thirdly, the Group seeks to **UNLOCK** potential to enhance shareholder value by building partnerships and asset value creation.

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<sup>3</sup> Source: Bloomberg as at 17 July 2024.

<sup>4</sup> Source: Bloomberg as at 17 July 2024.

<sup>5</sup> See also the Company's announcement on SGXNET dated 1 October 2020 titled "ThaiBev Unveils Passion 2025".

6.2 **Strategic Considerations in deciding to embark on the Proposed Share Swap.** Given the Company's PASSION 2025 objectives and the feedback received from Shareholders, the Relevant Directors are of the view that the Proposed Share Swap is presently the best option to the Company and the Shareholders for the following reasons:

- (a) F&N is the most natural acquisition target for the Company as the Company already owns a significant minority stake of approximately 28.31% in F&N Shares (as of the date of the Announcement), and the Company is familiar with F&N's management and operations, having been a shareholder of F&N for over a decade. The Proposed Share Swap would allow the Company to consolidate F&N while divesting FPL, paving the way for ThaiBev to directly pursue value-creation opportunities by fully integrating F&N into our Group, in order to cement the Group's position as the leading regional pure-play beverage and food business in Southeast Asia; and
- (b) the Proposed Share Swap allows the Company to acquire a controlling stake in F&N with **no cash outlay**, by utilising its approximately 28.78% interest in FPL Shares (as of the date of the Announcement) as consideration, which is non-core to the Company. The Relevant Directors had also considered and deliberated on the merits of the Proposed Share Swap vis-à-vis the alternative of selling the FPL Transfer Shares to an independent third party, and are of the view that it would be very unlikely that the latter would achieve a higher valuation than the negotiated price for FPL due to several reasons, including that the FPL Shares are a sizeable non-controlling minority stake (which would not attract a premium for control). Without the control premium, the likelihood of selling FPL, currently trading at a 67% discount to NAV, alongside its peers<sup>6</sup>, which are also trading at a similarly steep 63% discount to NAV, is exceedingly low.

6.3 **Robust negotiation process and safeguards to mitigate potential conflicts of interest.** Corporate governance protocols and various safeguards were put in place, and were adhered to throughout the entire approval process in relation to the Proposed Share Swap. In particular, Directors who are the relevant interested persons or associates of the relevant interested persons were not involved in such approval process and were not involved in any decision making of the Board, nor of the Audit Committee. In addition, Directors who held concurrent non-executive directorships in F&N and/or FPL also voluntarily abstained, and will also continue to voluntarily abstain, from voting on any board resolutions of the Company in relation to the Proposed Share Swap<sup>7</sup>. The Relevant Directors therefore approved the commencement of the processes relating to the Proposed Share Swap, including the authorisation of representatives of the management of the Company (who are not associates of the relevant interested persons) to appoint legal and financial advisors to advise the Company on the Proposed Share Swap, and to assist the Company with the processes relating to Proposed Share Swap, such as the valuation assessment and negotiations with TCCAL.

Further, DBS's valuation assessment was conducted solely based on independent third-party resources, publicly available information and the Company's internal estimates. While DBS had obtained certain clarifications from the management of F&N and FPL as part of its valuation assessment, strict information protocols were put in place to ensure that no material non-public price sensitive information was received from F&N and FPL.

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<sup>6</sup> Sourced from Capital IQ as at 17 July 2024, comprising City Development Limited, UOL Group Limited, Singapore Land Group Limited, GuocoLand Limited, Ho Bee Land Limited and OUE Limited, which were selected based on the following criteria: (i) principally engaged in real estate development, investment and asset management, (ii) operating across at least three (3) asset classes similar to FPL, and (iii) with presence in markets where FPL operates in.

<sup>7</sup> Please refer to paragraph 12 for more information on the individuals that recused themselves from voting on any board resolutions relating to, and who have abstained from making any recommendation to the Shareholders.

The negotiated prices of F&N and FPL and the Swap Ratio were derived after extensive negotiations between IBIL and TCCAL on an arm's length commercial basis. This is backed by a robust valuation assessment undertaken by DBS, prepared for the benefit of IBIL (to facilitate IBIL's negotiations with TCCAL), on the range of fair values of each of F&N and FPL on a standalone basis (as elaborated upon in paragraphs 6.6.1 and 6.6.2 below). The initial valuation assessment undertaken by DBS was subsequently updated on 17 July 2024 (being the Last Market Day).

**6.4 Market prices of F&N and FPL have limited reference value as benchmark for F&N's and FPL's intrinsic value.**

The Company is of the view that the low trading liquidity and current market prices of both F&N and FPL do not appropriately reflect the fair values of each business. Based on their 12-month ADTV as at the Last Market Day, the trading liquidity of F&N and FPL is over 90% lower than the mean and median of STI constituents – a representation of the most liquid stocks traded on the SGX-ST. This methodology is a widely accepted approach to benchmark trading liquidity for transactions involving SGX-listed companies, and is commonly used by independent financial advisers to assess whether prevailing market share prices are a meaningful reference point in the assessment of intrinsic value<sup>8</sup>. Trading liquidity is typically influenced by several factors including, *inter alia*, the amount of public float, and equity analyst coverage. The following data points would be relevant to better understand why F&N and FPL have low trading liquidity:

- (a) the public float of F&N and FPL is approximately 12.79% and 11.33% respectively (as at the Last Market Day); and
- (b) as at the Latest Practicable Date, F&N is not covered by any analysts whilst FPL is only covered by three (3) analysts<sup>9</sup>.

6.5 Please refer to **Figures C and D** for diagrams reflecting the low trading liquidity of F&N and FPL, and the historical market prices of F&N and FPL respectively. Both F&N and FPL have historically traded at significant discounts to their respective NAVs which is a sign that they are likely to be undervalued relative to their intrinsic values. For F&N in particular, it has historically traded at a significantly lower P/NAV compared to profitable beverage and dairy peers (see footnote 3 in Figure E below) which, on average, trade at approximately 4.4 times their respective NAVs<sup>10</sup>.

6.6 Based on the above, the Company, in consultation with DBS, concluded that share prices have limited reference value for purposes of evaluating the intrinsic values of F&N and FPL, and initiated a discussion with TCCAL regarding the possibility of approaching the Proposed Share Swap based on a negotiated price for each of F&N and FPL premised on an assessment of their respective intrinsic values.

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<sup>8</sup> Since 2021, there have been ten successful privatisation transactions involving SGX-ST listed companies with a deal value of over S\$1 billion, and in six (6) out of the ten transactions, the independent financial advisers had compared the trading liquidity of the target company against the constituents of a market index to assess liquidity and whether trading prices would be reflective of the intrinsic value of the target company.

<sup>9</sup> Based on Bloomberg's consensus inclusions where analyst reports are prepared on a fundamental basis with target prices that are not more than 90 days prior to the Latest Practicable Date.

<sup>10</sup> Sourced from Capital IQ as at 17 July 2024, comprising of PT Ultrajaya Milk Industry & Trading Company; Farm Fresh Berhad, Dutch Lady Milk Industries Berhad; Carabao Group Public Company Limited; Osotspa Public Company Limited; and Sappe Public Company Limited.

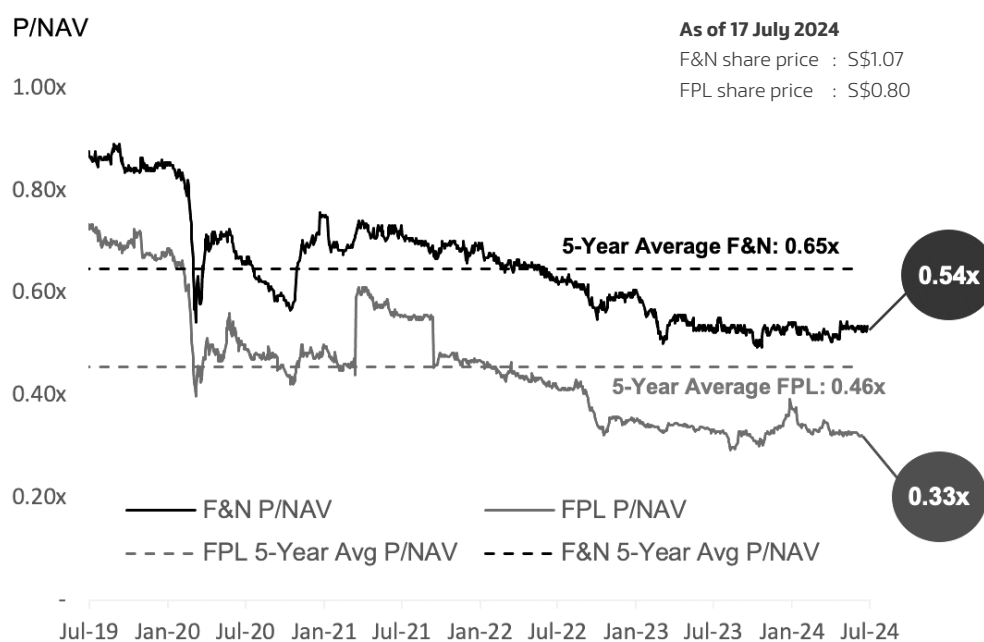
**Figure C: Low trading liquidity of F&N and FPL**

	Market Capitalisation	Free Float	12M ADTV <sup>1</sup> / Free Float	12M ADTV <sup>1</sup> / Shares Outstanding
	S\$m	(%)	(%)	(%)
F&N <sup>2</sup>	1,559	12.8%	0.03%	0.00%
FPL <sup>2</sup>	3,141	11.3%	0.03%	0.00%
STI		Mean:	0.37%	0.21%
Constituents <sup>3</sup>		Median:	0.35%	0.19%

Source: Bloomberg as at 17 July 2024

1. ADTV based on the total number of shares traded divided by the number of trading days in the 12-month period
2. Sourced from company filings
3. Sourced from Bloomberg

**Figure D: F&N and FPL have historically traded at significant discounts to their NAVs**



Source: Bloomberg and Capital IQ as at 17 July 2024

### 6.6.1 Valuation of F&N

A sum-of-the-parts ("**SOTP**") valuation was undertaken to determine a range of fair values for F&N on a standalone basis, which has four (4) key businesses comprising:

- (a) Vinamilk;
- (b) F&NHB;
- (c) F&N's remaining unlisted beverage and dairy business; and
- (d) Times Publishing Limited,

as set out in **Figure E** below.

**Figure E: Bases and benchmarks used for the valuation range of F&N**

Sum-of-the-Parts Components	Set of Peer Comparables	Peer Valuation Multiples <sup>1</sup>
Vinamilk	Regional Dairy <sup>2</sup>	EV/EBITDA: 20x
F&NHB	Regional Beverage & Dairy <sup>3</sup>	EV/EBITDA: 16-18x
Unlisted Beverage & Dairy Businesses	Regional Beverage & Dairy <sup>3</sup>	EV/EBITDA: 16-18x
Times Publishing Limited	Regional Printing and Publishing <sup>4</sup>	P/NAV: 1x

**Valuation multiples implied by the negotiated price of F&N of S\$3.55<sup>11</sup>**

EV/EBITDA: 16.4x

P/NAV: 1.8x

1. Based on the mean and median valuation multiples of selected peers as of 17 July 2024.
2. Comprising PT Ultrajaya Milk Industry & Trading Company (listed on the Indonesia Stock Exchange ("IDX")), Farm Fresh Berhad (listed on the Bursa Malaysia ("KLSE")), and Dutch Lady Milk Industries Berhad (listed on the KLSE).
3. Comprising PT Ultrajaya Milk Industry & Trading Company (listed on the IDX); Farm Fresh Berhad (listed on the KLSE), Dutch Lady Milk Industries Berhad (listed on the KLSE), Yeo Hiap Seng Limited (listed on the SGX-ST); Carabao Group Public Company Limited (listed on The Stock Exchange of Thailand ("SET")), Osotspa Public Company Limited (listed on the SET), and Sappe Public Company Limited (listed on the SET).
4. Comprising TOPPAN Holdings Inc. (listed on the Tokyo Stock Exchange ("TSE")), China South Publishing (listed on the Shanghai Stock Exchange ("SSE")); China Publishing & Media (listed on the SSE), Hung Hing Printing Group (listed on the HKEX); Amarin Corporations (listed on the SET), and Wellco Holdings Corporation (listed on the TSE).

(i) **Peer selection criteria.** The above peer comparables were selected based on their comparability to F&N's component businesses in terms of:

- (A) primary area of operations, (e.g. dairy, non-alcoholic beverage and dairy, and printing and publishing);
- (B) geography of operations; and
- (C) scale of business and financial performance.

(ii) **Selection of the appropriate valuation multiple – an EV / EBITDA<sup>12</sup> valuation multiple.** An earnings-based EV/EBITDA multiple approach as opposed to an asset or net-asset based approach was used as the primary basis for valuation because:

- (A) beverage and food businesses are customarily evaluated on earnings-based valuation multiples; and
- (B) an EV/EBITDA valuation multiple provides an indication of the market value of a company's business relative to its historical cash flows without having regard to its capital structure.

<sup>11</sup> The EV to EBITDA ratio was used for computing the valuation multiples of Vinamilk, F&NHB and F&N's unlisted beverage and dairy businesses. The price to NAV ratio was used for computing the valuation multiple of Times Publishing Limited.

<sup>12</sup> EBITDA stands for the historical earnings before interest, tax, depreciation and amortisation expenses, exceptional items and includes the share of results of joint venture and associated companies.

For the above-mentioned reasons, an EV/EBITDA approach was used to value all the identified component businesses as set out in Figure E, except for Times Publishing Limited where a P/NAV ratio was used. This was because Times Publishing Limited's was loss making and is asset heavy, and hence, it would not be meaningful to evaluate Times Publishing Limited on an EV/EBITDA approach.

(iii) **Sum-of-the-parts.** The valuation of each of F&N's four (4) businesses implied by their respective peers' valuation multiples was then aggregated to arrive at the SOTP valuation of F&N. The Company decided to adopt a peers' multiple valuation approach for Vinamilk and F&NHB instead of referring to market prices of Vinamilk and F&NHB as market prices may not be a reflective measure of intrinsic value for the following reasons:

- (A) 78.4% of F&NHB shares are in the hands of only five (5) shareholders (as of 17 July 2024); and
- (B) Similarly, 67.9% of Vinamilk's shares are in the hands of only five (5) shareholders (as of 17 July 2024)<sup>13</sup>.

**On an overall basis, the implied EV/EBITDA multiple based on the negotiated price of F&N is 16.4 times, which is in line with the mean and median of its beverage and dairy peers of 18 times and 16 times respectively.**

**For further reference, the implied P/NAV of F&N based on the negotiated price is 1.8 times, which is below the mean and median of its beverage and dairy peers of 4.4 times and 4.4 times respectively.**

The SOTP valuation was also cross-checked against a standalone discounted cash flow valuation based on inputs, including, inter alia, historical financials, industry and country growth rates, historical operating margins of F&N and its comparable peers (refer to notes 2 to 4 to **Figure E** for the list of comparable peers referred to in such valuation), and ThaiBev's internal assessment of the prospects of F&N, taking into account strategic initiatives such as the high-tech integrated dairy farm, AgriValley. In addition, the valuation was further benchmarked against similar precedent transactions in the region, and reviewed based on interviews with management, and equity analyst and industry research reports.

#### 6.6.2 Valuation of FPL

A NAV-based valuation approach was utilised to determine the range of fair values for FPL which took into account the following factors:

- (a) FPL's latest available financial statements as at 31 March 2024 and related public disclosures;
- (b) latest market valuations of FPL's stakes in listed real estate investment trusts;
- (c) value of the asset management platform based on precedent transactions – price-to-earnings ratio of 18 times; and
- (d) discount to RNAV based on precedent SGX-listed privatisation of real estate companies by controlling shareholders<sup>14</sup> – applying a RNAV discount range of 20-25%.

<sup>13</sup> Shareholding information sourced from company filings.

<sup>14</sup> Based on selected Singapore precedent take-private transactions of: (i) Global Dragon Limited (announced on 10 February 2023); (ii) Chip Eng Seng Corporation Ltd (announced on 25 November 2022); (iii) Capitaland Limited (announced on 22 March 2021); (iv) Perennial Real Estate Holdings Limited (announced on 12 June 2020); (v) United Engineers Limited (announced on 25 October 2019); (vi) Wheelock Properties (Singapore) Limited (announced on 19 July 2018); (vii) LCD Global Investments Ltd (announced on 12 January 2015). The mean and median RNAV discount for the selected precedent privatisation transactions are 28% and 24% respectively. These precedent transactions were selected based on the following criteria: (A) they are all take-private transactions of SGX mainboard listed real estate companies; (B) they involve controlling shareholders buying out minority shareholders; (C) they have received a fair and reasonable opinion from the independent financial adviser advising on the transaction; and (D) they were successfully completed between 1 January 2015 and 17 July 2024.



**The implied P/NAV and P/RNAV based on the negotiated price of FPL is 0.77 times and 0.76 times, which is approximately double the mean P/NAV of its peers<sup>15</sup> of 0.37 times, and the mean P/RNAV of precedent SGX-listed privatisation of real estate companies of 0.72 times.**

6.7 **Conclusion.** Based on the above valuation methodologies, the negotiated price of F&N is at the lower end of the valuation range determined by DBS and the negotiated price of FPL is close to the mid-point of the valuation range determined by DBS. This is reflective of the difference in the underlying methodology used to determine the valuation ranges of F&N and FPL because:

(a) for F&N, no control premium was applied or considered; whereas

(b) for FPL, the negotiated price was benchmarked against precedent SGX-listed privatisation of real estate companies by controlling shareholders, as opposed to benchmarking against its listed peers which are trading at much steeper discounts to their RNVAs. This resulted in a narrower discount to RNAV<sup>16</sup> and a higher agreed price for FPL. This also reflects what a motivated acquirer would have needed to pay to acquire a meaningful stake in an SGX-listed real estate company

6.8 The Swap Ratio is an outcome of robust and extensive arms-length negotiations between the IBIL and TCCAL and the Company believes that the Swap Ratio would allow the Company to benefit from the strategic merits of the Proposed Share Swap for the reasons detailed in paragraph 7 of this Document.

6.9 **Shareholders may refer to the IFA Letter found in Schedule 1 for an independent assessment of the financial terms of the Proposed Share Swap.**

## **7. RATIONALE FOR THE PROPOSED SHARE SWAP**

7.1 The Proposed Share Swap will allow the Company to attain an indirect majority shareholding in F&N, in exchange for its 28.78% stake in FPL, with **no cash outlay** required by the Company. After the completion of the Proposed Share Swap, which will see the Group no longer having any interest in FPL's property business, the Company will be a pure-play<sup>17</sup> beverage and food (alcoholic and NAB) business, which is supported by the four (4) main pillars of:

(a) spirits;

(b) beer;

(c) NAB; and

(d) food.

7.2 The Company believes that the Proposed Share Swap will accelerate the Company's progress towards PASSION 2025 by enhancing its ability to:

(a) **BUILD** new capabilities and competitive advantages to capitalise on the strong NAB and dairy growth trends in Southeast Asia;

<sup>15</sup> Sourced from Capital IQ as at 17 July 2024, comprising City Development Limited, UOL Group Limited, Singapore Land Group Limited, GuocoLand Limited, Ho Bee Land Limited and OUE Limited, which were selected for the reasons stated in footnote 8.

<sup>16</sup> As at 31 March 2024, the NAV of FPL is S\$2.44 per share and the RNAV of FPL is S\$2.47 per share. The difference between the RNAV and NAV of FPL was due to adjustments made to NAV for the: (i) latest market valuations of FPL's stakes in listed real estate investment trusts as at 17 July 2024; and (ii) value of the asset management platform based on precedent transactions at a price-to-earnings ratio of 18 times.

<sup>17</sup> Save for ThaiBev's interests in Times Publishing Limited which contributes less than 1.7% of proforma revenue on a LTM ending 31 March 2024 basis.

- (b) **STRENGTHEN** its position by (i) cementing the Company's #1 position amongst top comparable beverage and food players in Southeast Asia by revenue, (ii) bolstering the Company's resilience through economic and product cycles through greater diversification of business segments and countries, (iii) enabling the Company to realise operational synergies, and (iv) resulting in an accretive EPS impact and improving its net IBD to EBITDA ratio; and
- (c) **UNLOCK** the Company's potential by streamlining the Company's focus towards the beverage and food industry with a potential re-rating in line with its pure-play beverage and food peers.

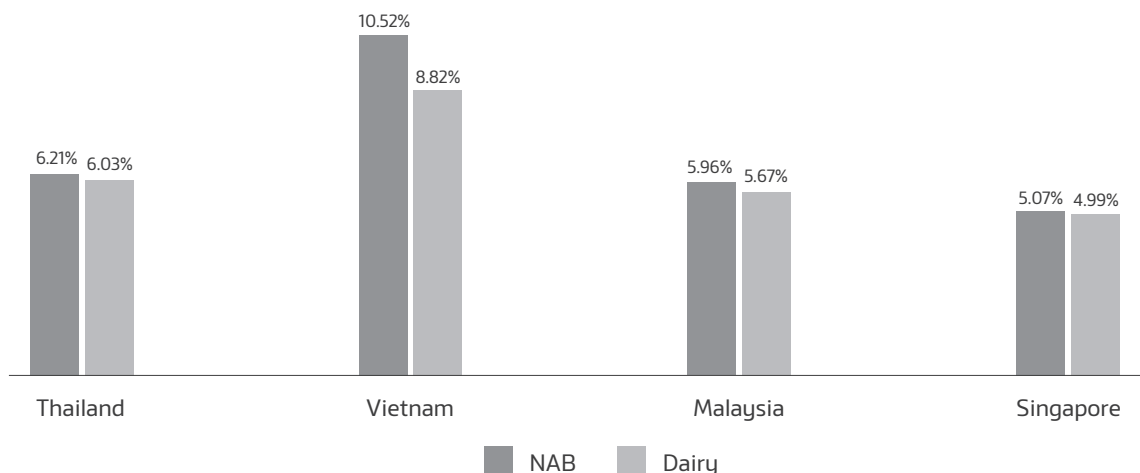
**Figure F: Passion 2025**



7.3 **BUILD** new capabilities and competitive advantages to capitalise on the strong NAB and dairy growth trends in Southeast Asia

The Proposed Share Swap will deepen the Company's exposure to the high growth NAB and dairy segments. The Company will be well-positioned to capitalise on major consumer trends across Southeast Asian markets, such as the growing demand for wellness products. Within the NAB segment, functional beverages such as sports drinks, beverages with reduced sugar content, as well as dairy products – all of which are core products and a strategic focus for F&N – are expected to benefit from this increasing trend towards health-consciousness.

**Figure G: Projected growth rates for retail sales for the NAB and dairy segments in the Company's core markets from 2023 to 2028 (per annum)<sup>18</sup>**



Source: Industry research reports

F&N's strong brand portfolio, and F&NHB's high-tech integrated dairy farm, AgriValley, in Gemas, Malaysia, will equip the Company with critical competitive advantages in the NAB and dairy segments respectively.

(a) Strong brand portfolio

F&N has a strong portfolio of leading brands including "F&N", "100Plus", "Ice Mountain", "Nutrisoy", and "Teapot". Its iconic brand, 100Plus, is the number one player in isotonic drinks across Malaysia and Singapore<sup>19</sup>, while Ice Mountain tops the bottled drinking water market in Singapore<sup>20</sup>. By tapping on the Company's strong distribution network and broad sales channels, these core brands can be introduced into other markets where the Company operates, as well as extended into adjacent products.

(b) High-tech integrated dairy farm, AgriValley

F&NHB, a subsidiary of F&N, is currently carrying out construction of a game-changing integrated dairy farm, AgriValley, in Gemas, Negeri Sembilan, Malaysia. The RM1.7 billion farm, which spans 2,726 hectares, is expected to accommodate 20,000 milking cows, producing an annual volume of 200 million litres of fresh milk. First milking is expected to commence in 2025. AgriValley leverages on the increasing popularity of drinking milk products in the region. The farm's integrative system and automation technology is expected to allow F&NHB to be highly cost competitive amidst an inflationary environment and weakening Malaysian ringgit, whilst ensuring F&N's commitment to producing high-quality drinking milk products.

<sup>18</sup> Projection data is sourced from industry research reports.

<sup>19</sup> Based on data from The Nielsen Company.

<sup>20</sup> Based on data from The Nielsen Company.

7.4 **STRENGTHEN** its position by:

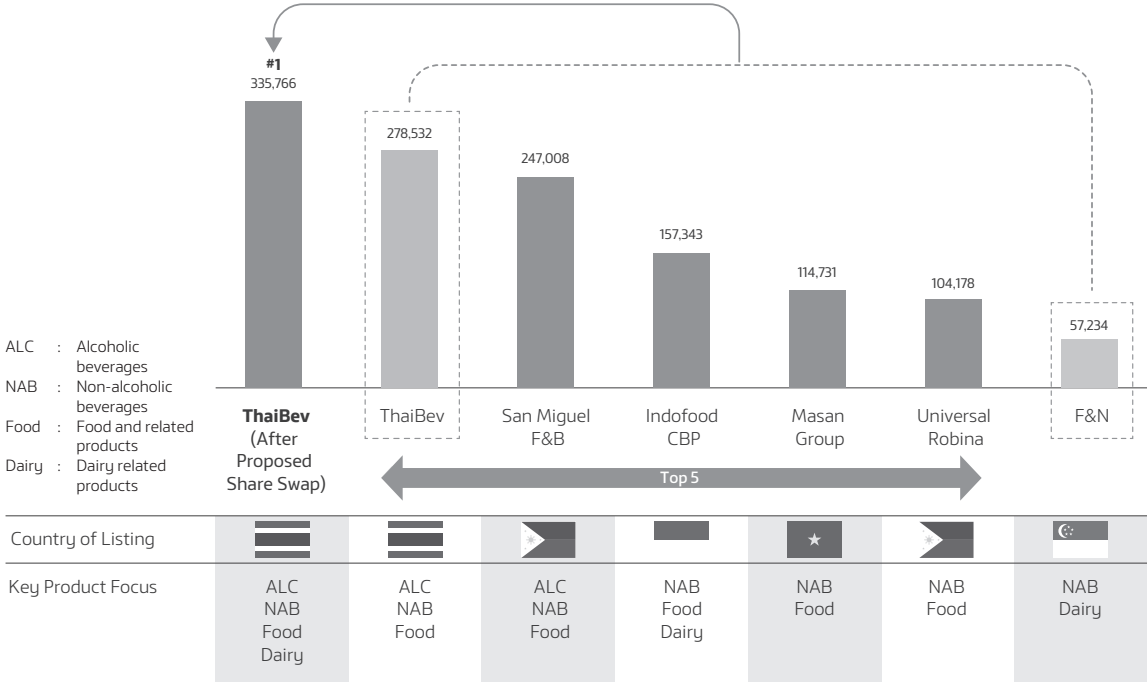
(a) Cementing the Company's #1 position amongst top comparable beverage and food players in Southeast Asia by revenue

The Proposed Share Swap, if approved by Shareholders, is expected to cement the Company's revenue base as the largest among comparable publicly listed beverage and food players in Southeast Asia (based on LTM revenue, as illustrated in **Figure H**).

The geographical extension by the Company into Singapore and Malaysia through F&N's and F&NHB's operations will help to complete the Company's presence in Southeast Asia. Furthermore, F&N Dairies (Thailand) Limited will complement the Company's current NAB product range with its strong presence in the dairy segment, while the combination of F&N's Emerald Brewery with the Company's Grand Royal Group's market share in Myanmar will position the Group as a leading alcoholic beverage player in Myanmar's alcoholic beverage market.

**Figure H: Top five (5) comparable publicly-listed beverage and food players in Southeast Asia by revenue (THB millions)**

LTM ended 31 March 2024

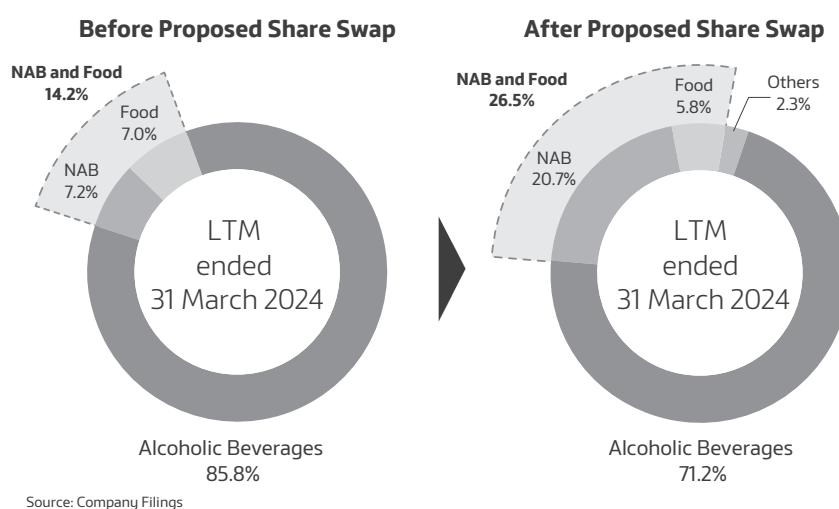


Note: This is based on respective LTM financials sourced from company filings. Assumes that foreign exchange rates are SGD/THB = 26.94, IDR/THB = 0.00229, VND/THB = 0.00146, and PHP/THB = 0.65 as at 31 March 2024. Revenue calculations for ThaiBev after the Proposed Share Swap does not account for intercompany eliminations between ThaiBev and F&N. Listed comparable beverage and food players were selected based on having: (i) at least two (2) similar key product focus segments as ThaiBev; and (ii) at least a majority of their revenues being contributed by such segments.

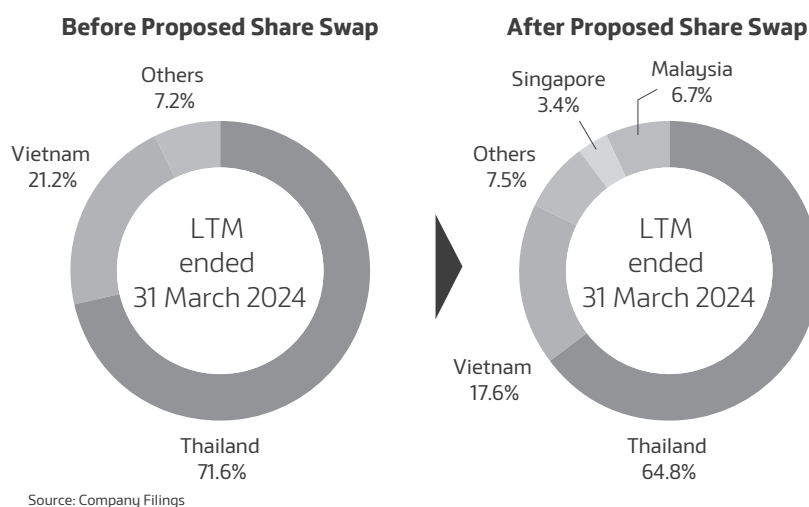
(b) Bolstering the Group's resilience through economic and product cycles through greater diversification of business segments and countries

In relation to the business portfolio mix, it is anticipated that the Proposed Share Swap will increase the Company's revenue exposure to the NAB and food segments from 14.2% to 26.5%; expand its geographical presence in Singapore and Malaysia through consolidating F&N's and F&NHB's operations while reducing reliance on the Thailand market from 71.6% to 64.8%, as illustrated in **Figures I and J**. A more balanced product portfolio and geographical exposure will reduce the Group's concentration risk on any single business segment and country, which will bolster the Group's resilience through economic and product cycles.

**Figure I: Revenue split by product segment for LTM ended 31 March 2024<sup>21</sup>**



**Figure J: Revenue split by geography for LTM ended 31 March 2024<sup>22</sup>**



<sup>21</sup> Based on foreign exchange rates of SGD/THB 26.94 as of 31 March 2024. Revenue segmentation after the Proposed Share Swap has not eliminated intercompany sales between the Company and F&N. "Others" in product segments includes printing and publishing business from Times Publishing Group; and its stakes in Cocoaland Holdings Berhad Group; Sri Nona Group; F&N International Holding Co., Ltd. and F&N Retail Connection Co., Ltd.

<sup>22</sup> Based on foreign exchange rates of SGD/THB 26.94 as of 31 March 2024. Revenue calculations for the Company after the Proposed Share Swap do not account for intercompany eliminations between the Company and F&N.

(c) Enabling the Company to realise operational synergies

The completion of the Proposed Share Swap will result in the Company becoming the majority shareholder of F&N, allowing the Company to drive the realisation of both revenue and cost synergies.

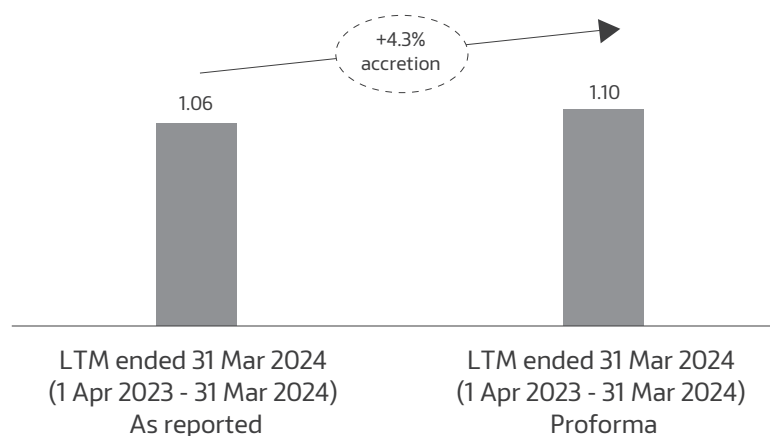
Cross selling of F&N products in the Company's core markets such as Thailand and Vietnam is expected to generate incremental revenue growth. For instance, F&N beverage and dairy products can be further expanded in traditional route-to-market channels in Thailand where ThaiBev has a strong presence. The rationalisation of infrastructure networks, including distribution, is expected to eliminate redundancies and overlaps, thereby achieving substantial savings. Furthermore, economies of scale can be enhanced in procurement, supply chain management and research and development. For example, implementing coordinated sourcing strategies and consolidating orders for essential raw materials and packaging can increase bargaining power with suppliers, ultimately reducing procurement costs. Additionally, there is potential for developing an innovation lab for NAB and dairy products which can help facilitate the sharing of knowledge, broader insights and trends, leading to faster development cycles and shorter time-to-market for new products.

(d) Resulting in an accretive EPS impact and improving its net IBD to EBITDA ratio

Assuming the Proposed Share Swap was completed on 1 April 2023, the pro forma EPS of the Group (including F&N and its subsidiaries) for the last twelve months ended 31 March 2024 would have increased to THB 1.10 from the reported EPS of the Group of THB 1.06 for the last twelve months ended 31 March 2024. This translates to a pro forma EPS accretion of 4.3%, as illustrated in **Figure K**.

In addition, assuming the Proposed Share Swap had been effected at 31 March 2024, the pro forma net IBD to EBITDA ratio of the Group (including F&N and its subsidiaries) as of 31 March 2024 would have reduced to 3.02 times from the net IBD to EBITDA of the Group of 3.16 times per the reported financial statements ended 31 March 2024, as illustrated in **Figure L**.

**Figure K: Earnings accretive on a LTM basis ended 31 March 2024**



**Figure L: Key financial leverage items and ratios**

In THB'millions (Unless otherwise stated)	For the LTM ended 31 March 2024	
	Before the Proposed Share Swap	After the Proposed Share Swap
<b>Key financials</b>		
IBD	207,260	238,314
Equity	240,517	256,251
EBITDA	50,941	59,383
<b>Key leverage metrics (x)</b>		
IBD to EBITDA	4.07	4.01
Net IBD to EBITDA	3.16	3.02
IBD to Equity	0.86	0.93
Net IBD to Equity	0.67	0.70

For illustrative purposes only and not indicative of actual or potential financial performance, financial position or earnings of the Group after the completion of the Proposed Share Swap, the financial effects of the Proposed Share Swap on the Group as set out above are prepared based on the Group FY2023 Financial Statements and the Group 1HFY2024 Financial Statements. The financial effects have been prepared based on the following assumptions and adjustments:

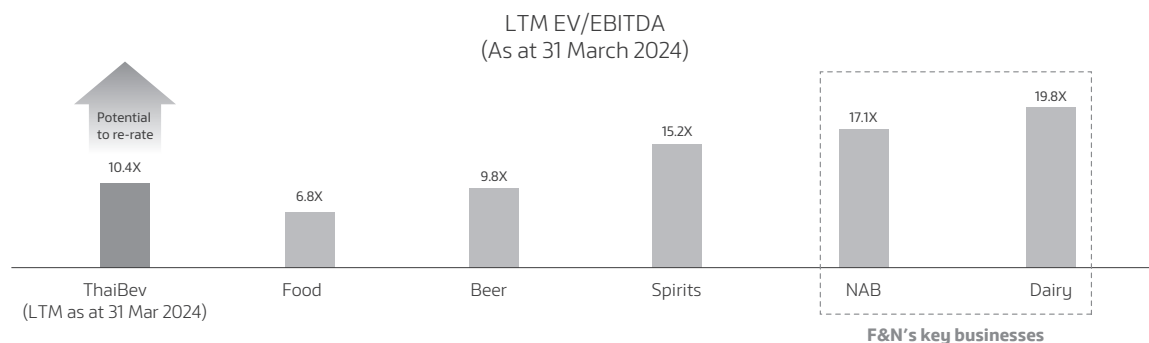
- the Proposed Share Swap was completed on 1 April 2023 with the financial position and financial performance of the Group adjusted for the period from 1 April 2023 to 31 March 2024;
- the Proposed Share Swap became effective after the transfer of the FPL Shares from IBIL to TCCAL; and the transfer of the F&N Shares from TCCAL to IBIL;
- the negotiated prices of F&N Shares and FPL Shares are S\$3.55 and S\$1.89 respectively, implying a Swap Ratio of approximately 1.88 FPL Shares for each F&N Share with no cash consideration payable by IBIL and/or TCCAL;
- the elimination of intercompany transactions between the Group and F&N and its subsidiaries;
- the Proposed Share Swap is treated as a business combination under common control in accordance with TFRS which applies book value accounting;
- for adjustments made to the financial performance of the Group, average exchange rates of SGD/THB = 25.87<sup>23</sup> were used for the period of 1 October 2022 to 30 September 2023, average exchange rates of SGD/THB = 26.52 were used for the period of 1 October 2023 to 31 March 2024;
- for adjustments made to the financial position of the Group, closing exchange rates of SGD/THB 27.02 as of 31 March 2024 were used; and
- transaction costs have not been factored in.

7.5 **UNLOCK** the Company's potential by streamlining the Company's focus towards the beverage and food industry with a potential re-rating in line with its pure-play beverage and food peers.

With FPL in its portfolio, the Company currently trades at an LTM EV/EBITDA multiple of 10.4x. Streamlining the Company's focus towards a pure-play beverage and food business by exiting the property business and increasing its exposure to NAB and dairy could result in a potential re-rating in line with pure-play beverage and food peers.

<sup>23</sup> Please be informed that there was a typographical error in Note (f) to Figure L in paragraph 5.4(d) of the Announcement, whereby the average exchange rate used for the period of 1 October 2022 to 30 September 2023 should be "SGD/THB = 25.87" instead of "SGD/THB = 26.87". Save as disclosed, all other information contained in paragraph 5.4(d) of the Announcement remains unchanged.

**Figure M: The Company's Pure-Play peers in NAB and dairy trade at a significantly higher LTM EV/EBITDA multiple**



Source: Capital IQ as at 17 July 2024

1. Food segment peers comprise Jollibee Food Corporation, MK Restaurant Group PCL and S&P Syndicate PCL.
2. Beer segment peers comprise Kirin Holdings Company, Limited, Asahi Group Holdings, Ltd., Budweiser Brewing Company APAC Limited, Heineken Malaysia Berhad and Carlsberg Brewery Malaysia Berhad.
3. Spirits segment peers comprise Diageo Plc, Pernod Picard SA, Emperador Inc. and Remy Cointreau SA.
4. NAB segment peers comprise Carabao Group PCL, Sappe PCL and Osotspa PCL.
5. Dairy segment peers comprise PT Ultrajaya Milk Industry & Trading Company, Farm Fresh Berhad; and Dutch Lady Milk Industries Berhad.

## 8. PRINCIPAL TERMS OF THE SHARE SWAP AGREEMENT

### 8.1 Acquisition of the F&N Transfer Shares

TCCAL has agreed to transfer or procure the transfer of the F&N Transfer Shares to IBIL and/or IBIL's nominees, free from all encumbrances and together with all rights, dividends, entitlements and advantages attaching thereto as at the date of the Share Swap Agreement, in consideration for the FPL Transfer Shares to be transferred by IBIL to TCCAL (as described in paragraph 8.2 of this Document), subject to the terms and conditions of the Share Swap Agreement.

### 8.2 Disposal of the FPL Transfer Shares

IBIL has agreed to transfer the FPL Transfer Shares to TCCAL and/or TCCAL's nominees, free from all encumbrances and together with all rights, dividends, entitlements and advantages attaching thereto as at the date of the Share Swap Agreement, in consideration for the F&N Transfer Shares to be transferred by TCCAL to IBIL (as described in paragraph 8.1 of this Document), subject to the terms and conditions of the Share Swap Agreement.

### 8.3 Conditions

Under the terms of the Share Swap Agreement, completion of the Proposed Share Swap is subject to the fulfilment or waiver of the following conditions:

- (a) the Company having received the approval of the Shareholders (excluding Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi and their associates) in a general meeting of the Company, for the Proposed Share Swap, in accordance with the requirements of the Listing Manual;



- (b) IBIL, TCCAL and the Company having received all relevant governmental, statutory and regulatory consents, permits and approvals relating to the Proposed Share Swap which are required under any and all applicable laws in any jurisdiction, such consents, permits and approvals remaining in full force and effect as at the Completion Date, and where such consents, permits and approvals are subject to conditions, such conditions being reasonably satisfactory to IBIL, TCCAL and (as the case may be) the Company;
- (c) TCCAL having received: (i) approval from its lenders in connection with the Proposed Share Swap; and (ii) the full and unconditional release and discharge of the F&N Transfer Shares from all encumbrances; and
- (d) the Company having received a written confirmation and/or ruling from the SIC that IBIL will not be required to make a general offer (the "**F&N Offer**") for F&N under Rule 14.1 of the Code in the event that it acquires more than 30% of the total voting rights in F&N as a result of the Proposed Share Swap, and such confirmation and/or ruling remaining in full force and effect as at the Completion Date<sup>24</sup>.

The SIC had ruled on 30 May 2024 that IBIL will not be required to make the F&N Offer in the event that it acquires more than 30% of the total voting rights in F&N as a result of the Proposed Share Swap ("**SIC's Ruling**").

For the avoidance of doubt, since the SIC's Ruling has been obtained in respect of F&N (which is the holding company of F&NHB), IBIL and the persons acting in concert with it would not be required to extend a downstream mandatory take-over offer to acquire all the remaining ordinary shares in F&NHB not already owned by F&N pursuant to Note 3 of paragraph 4.01 of the Rules on Take-overs, Mergers and Compulsory Acquisitions of Malaysia.

#### 8.4 Consideration for the Proposed Share Swap

As mentioned in paragraphs 8.1 and 8.2 of this Document, the consideration for the Acquisition is the Disposal, and vice versa (the "**Consideration**"). The Consideration shall be satisfied by the completion of the transfer of the F&N Transfer Shares from TCCAL to IBIL and the completion of the transfer of the FPL Transfer Shares from IBIL to TCCAL (as the case may be). For the avoidance of doubt, no cash consideration is payable by IBIL and TCCAL for the F&N Transfer Shares and the FPL Transfer Shares respectively. The intention is that, on or around the Completion Date, IBIL or TCCA (as the case may be) shall effect the Proposed Share Swap to the respective recipient's Securities Account.

If, after the date of the Share Swap Agreement:

- (a) IBIL receives, or is entitled to receive, any dividend in respect of the FPL Transfer Shares for the financial year of FPL ending 30 September 2024 ("**FPL Transfer Shares FY2024 Dividend**"); or
- (b) TCCAL receives, or is entitled to receive, any dividend in respect of the F&N Transfer Shares for the financial year of F&N ending 30 September 2024 ("**F&N Transfer Shares FY2024 Dividend**"),

IBIL shall account for the FPL Transfer Shares FY2024 Dividend to TCCAL and TCCAL shall account for the F&N Transfer Shares FY2024 Dividend to IBIL. Both TCCAL and IBIL shall agree on the appropriate method and procedure to effect such accounting of the FPL Transfer Shares FY2024 Dividend and F&N Transfer Shares FY2024 Dividend.

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<sup>24</sup> As TCCAL currently holds more than 50% of the issued share capital of FPL, it already has statutory control of FPL under the Code. Consequently, the transfer of additional FPL Shares from IBIL to TCCAL pursuant to the Proposed Share Swap will not trigger any obligations on TCCAL under Rule 14.1 of the Code. "Statutory control" as defined under the Code, means a holding, or aggregate holdings, of shares carrying more than 50% of the voting rights.

The factors taken into account in arriving at the negotiated prices of F&N and FPL and the Swap Ratio, and consequently the Consideration, are set out in paragraph 6 of this Document.

## 9. INTERESTED PERSON TRANSACTION UNDER CHAPTER 9 OF THE LISTING MANUAL

- 9.1 The Proposed Share Swap is subject to the requirements of Chapter 9 of the Listing Manual (which governs interested person transactions). Under Chapter 9 of the Listing Manual, a transaction shall be subject to shareholders' approval where the value of that transaction with an interested person singly, or, on aggregation with the values of other transactions conducted with the same interested person in the same financial year equals to, or exceeds, 5% of the group's latest audited NTA.
- 9.2 As announced by the Company on 27 February 2024, the SGX-ST has approved the Company's use of the Company's market capitalisation as at the last day of the financial year ended 30 September 2023 as the reference point for the purposes of computing the materiality thresholds under Rules 905 and 906 of the Listing Manual ("**Materiality Thresholds**") for the financial year ending 30 September 2024. The market capitalisation of the Company shall be determined by multiplying the total number of issued Shares (excluding treasury shares) by the weighted average price of such Shares transacted on the last market day of the financial year ended 30 September 2023. Accordingly, the market capitalisation of the Company for the purposes of computing the Materiality Thresholds for the financial year ending 30 September 2024, is approximately S\$14,472 million (the "**FY2023 Market Capitalisation**"), calculated based on 25,124,754,010 Shares (being the total number of Shares (excluding treasury shares)), multiplied by S\$0.576 (rounded to the nearest three (3) decimal places), being the weighted average price of the Shares on the SGX-ST transacted on 29 September 2023 (which is the last market day of the financial year ended 30 September 2023).
- 9.3 The Proposed Share Swap is an interested person transaction for the Company under Chapter 9 of the Listing Manual as:
- (a) IBIL, a wholly-owned subsidiary of the Company, is an "entity at risk" for the purposes of Chapter 9 of the Listing Manual; and
  - (b) Each of Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi have a deemed interest in approximately 65.84% of the Shares and are Controlling Shareholders of the Company<sup>25</sup>. Mr. Charoen Sirivadhanabhakdi is also a Director. TCCAL is an associate of Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi and thus, an "interested person" for the purposes of Chapter 9 of the Listing Manual.
- 9.4 The value of a transaction under Rule 909 of the Listing Manual is the amount at risk to the issuer. In particular, in respect of disposals, Rule 909(4) provides that in the case that the market value or book value of the asset to be disposed of is higher than the consideration from an interested person, the value of the transaction is the higher of the market value or book value of the asset. Based on the foregoing, the value of the Acquisition and the Disposal pursuant to Rule 909 of the Listing Manual is as follows:

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<sup>25</sup> Please refer to Schedule 2 of this Document for more information on the manner in which Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi have a deemed interest in the Shares.

**(a) Value of the Acquisition for purposes of Rule 909 of the Listing Manual**

The value of the Acquisition for the purposes of Rule 909 of the Listing Manual will be based on the Consideration for the Acquisition of the F&N Transfer Shares, which will be computed based on the negotiated price of S\$1.89 for each FPL Share. Accordingly, the Consideration for the Acquisition is approximately S\$2,136 million, representing 14.76% of the FY2023 Market Capitalisation.

For completeness, the book value of the FPL Transfer Shares, (based on the Group 1HFY2024 Financial Statements), and the open market value of the FPL Transfer Shares (on the Last Market Day, as set out below in paragraph 10.2(b)), are each lower than the said Consideration for the Acquisition.

**(b) Value of the Disposal for purposes of Rule 909 of the Listing Manual**

The value of the Disposal for the purposes of Rule 909 of the Listing Manual will be based on the Consideration for the Disposal of the FPL Transfer Shares, which will be computed based on the negotiated price of S\$3.55 for each F&N Share. Accordingly, the Consideration for the Disposal is approximately S\$2,136 million, representing 14.76% of the FY2023 Market Capitalisation.

For completeness, for the purposes of Rule 909(4), the book value of the FPL Transfer Shares (based on the Group 1HFY2024 Financial Statements), and the open market value of the FPL Transfer Shares (on the Last Market Day, as set out below in paragraph 10.2(b)), are each lower than the said Consideration for the Disposal.

9.5 As the value of the Acquisition and Disposal as computed under paragraphs 9.4(a) and 9.4(b) of this Document exceeds 5% of the FY2023 Market Capitalisation, the Proposed Share Swap is subject to the approval of the Shareholders, in accordance with Rule 906(1)(a) of the Listing Manual.

9.6 From the start of the current financial year up to 30 June 2024<sup>26</sup> (i.e. the period between 1 October 2023 up to 30 June 2024):

(a) the value of all interested person transactions entered into between the Company and/or its entity(ies) at risk on one hand, and TCCAL and/or TCCAL's associates on the other hand, is approximately S\$26 million; and

(b) the value of all interested person transactions entered into by the Company and/or its entity(ies) at risk with all of its/their interested persons is approximately S\$26 million.

For the avoidance of doubt, these figures exclude any transactions less than S\$100,000 in value, transactions falling within the exceptions under Rules 915 and 916 of the Listing Manual, and transactions conducted under a general mandate granted by the Shareholders pursuant to Rule 920 of the Listing Manual, as these transactions are disregarded for the purposes of Rule 906 of the Listing Manual.

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<sup>26</sup> Shareholders should note that for the period between 1 July 2024 to the Latest Practicable Date, the Company and/or its entity(ies) at risk may have entered into certain additional interested person transactions with its/their interested persons (including TCCAL and/or TCCAL's associates). Based on the Company's internal estimates, the value of all such interested person transactions (if any) when aggregated with the value of all interested person transactions entered into by the Company and/or its entity(ies) at risk with all of its/their interested persons in the current financial year up to 30 June 2024 (being approximately S\$26 million, as disclosed in this paragraph 9.6(b)), will not exceed 3% of the FY2023 Market Capitalisation.

## 10. MAJOR TRANSACTION UNDER CHAPTER 10 OF THE LISTING MANUAL

10.1 The Proposed Share Swap is subject to the requirements of Chapter 10 of the Listing Manual. The relative figures for the Proposed Share Swap, computed separately for the Acquisition and for the Disposal on the bases set out in Rule 1006 of the Listing Manual, are as follows:

Rule 1006	Bases	Relative Figures (%)	
		The Acquisition	The Disposal
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable to the Acquisition.	23.1% <sup>(1A)</sup>
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	8.0% <sup>(2A)</sup>	12.0% <sup>(2B)</sup>
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares (excluding treasury shares).	16.9% <sup>(3A)</sup>	11.1% <sup>(3B)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable. No equity securities will be issued by the Company.	Not applicable to the Disposal.

Notes:

- (1A) The net asset value of the FPL Transfer Shares based on the Group 1HFY2024 Financial Statements amounted to approximately S\$2,102 million (approximately THB 55,586 million based on the Illustrative Exchange Rate)<sup>27</sup>. Based on the Group 1HFY2024 Financial Statements, the Group's net asset value amounted to approximately THB 240,517 million (approximately S\$9,093 million based on the Illustrative Exchange Rate).
- (2A) The net profits attributable to the F&N Transfer Shares based on the latest announced F&N 1HFY2024 Financial Statements amounted to approximately S\$61 million (approximately THB 1,620 million based on the Illustrative Exchange Rate). Based on the Group 1HFY2024 Financial Statements, the Group's net profits amounted to approximately THB 20,315 million (approximately S\$768 million based on the Illustrative Exchange Rate).
- (2B) The net profits attributable to the FPL Transfer Shares based on the Group 1HFY2024 Financial Statements amounted to approximately S\$92 million (approximately THB 2,444 million based on the Illustrative Exchange Rate). The Group's net profits amounted to approximately THB 20,315 million, as explained in note (2A) above.
- (3A) In accordance with Rule 1003(3) of the Listing Manual, the value of the consideration to be given for the Acquisition of the F&N Transfer Shares (which is the net asset value of the FPL Transfer Shares based on the Group 1HFY2024 Financial Statements) is approximately S\$2,102 million (approximately THB 55,586 million based on the Illustrative Exchange Rate). The net asset value of the FPL Transfer Shares is higher than the market value of the FPL Transfer Shares.

The Company's market capitalisation is approximately S\$12,413 million, calculated based on the total number of Shares (excluding treasury shares), being 25,127,674,910 Shares, multiplied by the VWAP of the Shares on the SGX-ST on the Last Market Day rounded to the nearest three (3) decimal places.

<sup>27</sup> The "Illustrative Exchange Rate" of S\$1 to THB 26.45 is solely for illustrative purposes in this Announcement and should not be construed as a representation that the relevant amounts have been or could be converted at this rate or at any other rate.

(3B) In accordance with Rule 1003(3) of the Listing Manual, the value of the consideration to be received for the Disposal of the FPL Transfer Shares (which is the net asset value of the F&N Transfer Shares based on the F&N 1HFY2024 Financial Statements) is approximately S\$1,384 million. The net asset value of the F&N Transfer Shares is higher than the market value of the F&N Transfer Shares.

The Company's market capitalisation is approximately S\$12,413 million, as explained in note (3A) above.

*(Note: Rule 1006(e) of the Listing Manual is not applicable to the Proposed Share Swap.)*

As the relative figure under Rule 1006(a) of the Listing Manual exceeds 20%, the Proposed Share Swap constitutes a "major transaction" for the purposes of Chapter 10 of the Listing Manual and is hence subject to Shareholders' approval.

10.2 For the purposes of Rule 1010(5) of the Listing Manual:

(a) in relation to the Acquisition:

- (i) based on the F&N 1HFY2024 Financial Statements, the book value attributable to the F&N Transfer Shares is approximately S\$1,384 million<sup>28</sup>;
- (ii) based on the F&N 1HFY2024 Financial Statements, the net tangible asset value attributable to the F&N Transfer Shares is approximately S\$1,276 million; and
- (iii) based on the VWAP of the F&N Shares on the SGX-ST on the Last Market Day of S\$1.070 per F&N Share (rounded to the nearest three (3) decimal places), the open market value of the F&N Transfer Shares is approximately S\$644 million; and

(b) in relation to the Disposal:

- (i) based on the Group 1HFY2024 Financial Statements, the book value attributable to the FPL Transfer Shares is approximately S\$2,102 million;
- (ii) based on the Group 1HFY2024 Financial Statements, the net tangible asset value attributable to the FPL Transfer Shares is approximately S\$2,102 million<sup>29</sup>; and
- (iii) based on the VWAP of the FPL Shares on the SGX-ST on the Last Market Day of S\$0.800 per FPL Share (rounded to the nearest three (3) decimal places), the open market value of the FPL Transfer Shares is approximately S\$904 million.

10.3 For the purposes of Rule 1010(6) of the Listing Manual, in respect of the Disposal, the excess of the consideration for the Disposal (computed based on negotiated price of S\$3.55 for each F&N Transfer Share) over the Group's book value attributable to the FPL Transfer Shares is approximately S\$34 million.

10.4 For the purposes of Rule 1010(7) of the Listing Manual, there is no gain or loss on the Disposal and the impact has been reflected in other component of equity item in the balance sheet of the Group in accordance with business combination under common control under TFRS.

10.5 For the purposes of Rule 1010(12) of the Listing Manual, there are no directors proposed to be appointed to the Company in connection with the Proposed Share Swap.

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<sup>28</sup> As at 31 March 2024. Based on the NAV of the F&N Transfer Shares in the F&N 1HFY2024 Financial Statements.

<sup>29</sup> As at 31 March 2024. Based on the carrying cost of the FPL Transfer Shares on the Group 1HFY2024 Financial Statements.

## 11. FINANCIAL EFFECTS OF THE PROPOSED SHARE SWAP

### 11.1 For the twelve months ended 31 March 2024

**For illustrative purposes only**, the financial effects of the Proposed Share Swap on the Group as set out below are prepared based on the Group FY2023 Financial Statements and the Group 1HFY2024 Financial Statements.

#### (a) EPS

Based on the assumptions below, the Group's consolidated EPS would increase from approximately THB 1.06 to approximately THB 1.10.

#### (b) NTA per Share

Based on the assumptions below, the Group's consolidated NTA per Share would decrease from approximately THB 1.42 to approximately THB 0.84.

The illustrative financial effects above have been prepared based on the following assumptions and adjustments:

- (i) for the computation of EPS in paragraph 11.1(a) above, the Proposed Share Swap was completed on 1 April 2023 with the financial position and financial performance of the Group adjusted for the period from 1 April 2023 to 31 March 2024;
- (ii) for the computation of NTA per Share in paragraph 11.1(b) above, the Proposed Share Swap was completed on 31 March 2024 with the financial position and financial performance of the Group adjusted for the period from 1 April 2023 to 31 March 2024;
- (iii) the Proposed Share Swap became effective after the transfer of the FPL Shares from IBIL to TCCAL and the transfer of the F&N Shares from TCCAL to IBIL;
- (iv) the negotiated prices of F&N Shares and FPL Shares of S\$3.55 and S\$1.89 respectively, implying a Swap Ratio of approximately 1.88 FPL Shares for each F&N Share with no cash consideration payable by IBIL and/or TCCAL;
- (v) the elimination of intercompany transactions between the Group and F&N and its subsidiaries;
- (vi) the Proposed Share Swap is treated as a business combination under common control in accordance with TFRS which applies book value accounting;
- (vii) for adjustments made to the financial performance of the Group, average exchange rates of SGD/THB = 25.8659<sup>30</sup> were used for the period of 1 October 2022 to 30 September 2023, average exchange rates of SGD/THB = 26.5161 were used for the period of 1 October 2023 to 31 March 2024;
- (viii) for adjustments made to the financial position of the Group, closing exchange rates of SGD/THB 27.0208 as of 31 March 2024 were used; and
- (ix) transaction costs have not been factored in.

The illustrative financial effects as set out above are theoretical in nature and for illustrative purposes only, and are therefore not indicative of the actual or potential financial performance, financial position or earnings of the Group after the completion of the Proposed Share Swap.

<sup>30</sup> Please be informed that there was a typographical error in paragraph 9.1(vii) of the Announcement, whereby the average exchange rate used for the period of 1 October 2022 to 30 September 2023 should be "SGD/THB = 25.8659" instead of "SGD/THB = 26.8659". Save as disclosed, all other information in paragraph 9.1 of the Announcement remains unchanged.

11.2 For the financial year ended 30 September 2023

**For illustrative purposes only**, the financial effects of the Proposed Share Swap on the Group as set out below are prepared based on the Group FY2023 Financial Statements.

(a) EPS

Based on the assumptions below, the Group's consolidated EPS would decrease slightly from approximately THB 1.09 to approximately THB 1.08.

(b) NTA per Share

Based on the assumptions below, the Group's consolidated NTA per Share would decrease from approximately THB 1.35 to approximately THB 0.73.

The illustrative financial effects above have been prepared based on the following assumptions and adjustments:

- (i) for the computation of EPS in paragraph 11.2(a) above, the Proposed Share Swap was completed on 1 October 2022 with the financial position and financial performance of the Group adjusted for the period from 1 October 2022 to 30 September 2023;
- (ii) for the computation of NTA per Share in paragraph 11.2(b) above, the Proposed Share Swap was completed on 30 September 2023 with the financial position and financial performance of the Group adjusted for the period from 1 October 2022 to 30 September 2023;
- (iii) the Proposed Share Swap became effective after the transfer of the FPL Shares from IBIL to TCCAL and the transfer of the F&N Shares from TCCAL to IBIL;
- (iv) the negotiated prices of F&N Shares and FPL Shares of S\$3.55 and S\$1.89 respectively, implying a Swap Ratio of approximately 1.88 FPL Shares for each F&N Share with no cash consideration payable by IBIL and/or TCCAL;
- (v) the elimination of intercompany transactions between the Group and F&N and its subsidiaries;
- (vi) the Proposed Share Swap is treated as a business combination under common control in accordance with TFRS which applies book value accounting;
- (vii) for adjustments made to the financial performance of the Group, average exchange rates of SGD/THB = 25.8659 were used for the period of 1 October 2022 to 30 September 2023;
- (viii) for adjustments made to the financial position of the Group, closing exchange rates of SGD/THB 26.8148 as of 30 September 2023 were used; and
- (ix) transaction costs have not been factored in.

The illustrative financial effects as set out above are theoretical in nature and for illustrative purposes only, and are therefore not indicative of the actual or potential financial performance, financial position or earnings of the Group after the completion of the Proposed Share Swap.

## **12. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

- 12.1 Mr. Charoen Sirivadhanabhakdi, who is a Director and controlling shareholder of the Company, and the estate of the late Khunying Wanna Sirivadhanabhakdi, which is also a controlling shareholder of the Company, each owns 50% of the issued and paid-up capital of TCCAL. Mr. Charoen Sirivadhanabhakdi is also the chairman of the board of directors and a non-independent and non-executive director of F&N, and a non-executive and non-independent chairman of the board of directors of FPL. Mr. Charoen Sirivadhanabhakdi is also the chairman of the TCC group of companies. Each of Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi has a deemed interest in approximately 65.84% of the Shares. Please refer to Schedule 2 of this Document for further details.
- 12.2 Mr. Thapana Sirivadhanabhakdi and Mr. Panote Sirivadhanabhakdi, who are Directors of the Company, are the children of Mr. Charoen Sirivadhanabhakdi and the late Khunying Wanna Sirivadhanabhakdi and therefore associates of Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi. Mr. Thapana Sirivadhanabhakdi is a director of IBIL, a non-independent and non-executive director of F&N, a non-executive and non-independent director of FPL and chairman of the Board Executive Committee of FPL, and a director of the TCC group of companies. Furthermore, Mr. Panote Sirivadhanabhakdi is also the Group Chief Executive Officer and an executive and non-independent director of FPL, and a director of the TCC group of companies.
- 12.3 Accordingly, Mr. Charoen Sirivadhanabhakdi, Mr. Thapana Sirivadhanabhakdi and Mr. Panote Sirivadhanabhakdi have abstained and will continue to abstain from voting on any board resolutions relating to, and will abstain from making any recommendation to the Shareholders, on Resolution No. 2, being the resolution relating to the Proposed Share Swap, at the EGM.
- 12.4 For completeness, Mr. Wee Joo Yeow, an independent Director of the Company, is a non-executive and independent director of FPL. Mr. Sithichai Chaikriangkrai, a Director of the Company, is also a non-executive and non-independent director of FPL, a non-executive and non-independent director of F&N, and a director of TCC Assets (Thailand) Company Limited. Mr. Wee Joo Yeow and Mr. Sithichai Chaikriangkrai have also voluntarily abstained, and will also continue to voluntarily abstain, from voting on any board resolutions relating to the Proposed Share Swap. Mr. Wee Joo Yeow and Mr. Sithichai Chaikriangkrai will also voluntarily abstain from making any recommendation to the Shareholders on the Proposed Share Swap.
- 12.5 The interests of the Directors and Substantial Shareholders of the Company in the Shares are disclosed in Schedule 2 to this Document.
- 12.6 Save as disclosed in this paragraph 12 of this Document, and based on the information available to the Company as at the Latest Practicable Date, none of the Directors or (to the best of the knowledge of the Directors) the Controlling Shareholders of the Company have any interest, direct or indirect, in the Proposed Share Swap.

## **13. ABSTENTION FROM VOTING**

- 13.1 Under Rule 919 of the Listing Manual, where a meeting is held to obtain shareholders' approval, the interested person and any associate of the interested person must not vote on a resolution in respect of which such person is interested, nor accept appointments as proxies, unless specific instructions as to voting are given.



- 13.2 As stated in paragraph 13.1 above, Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi, are controlling shareholders of the Company, and each owns 50% of the issued and paid-up capital of TCCAL. Accordingly, Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi will abstain, and have undertaken to ensure that their associates will abstain, from voting on Resolution No. 2 relating to the Proposed Share Swap. They will also not accept appointment as proxies for any Shareholder to vote on the said resolution unless specific voting instructions have been given by the Shareholder as to how such Shareholders' votes should be cast in respect of the said resolution. The Company will disregard any votes cast by Mr. Charoen Sirivadhanabhakdi, the estate of the late Khunying Wanna Sirivadhanabhakdi and/or their respective associates on Resolution No. 2 (if any).

#### **14. INDEPENDENT FINANCIAL ADVISER'S OPINION**

- 14.1 Deloitte & Touche Corporate Finance Pte Ltd has been appointed as the Independent Financial Adviser pursuant to Rule 921(4)(a) of the Listing Manual, as well as to advise the Relevant Directors and the Audit Committee as to whether the Proposed Share Swap is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.
- 14.2 Taking into consideration the factors set out in the IFA Letter, the Independent Financial Adviser is of the opinion that the Proposed Share Swap is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders. The IFA Letter is reproduced in Schedule 1 to this Document.

#### **15. AUDIT COMMITTEE'S STATEMENT**

The Audit Committee, having considered the relevant factors, including the terms of the Proposed Share Swap and the rationale for, and benefit of, the Proposed Share Swap as set out in paragraph 7 of this Document, as well as the opinion of the Independent Financial Adviser as set out in the IFA Letter, is of the view that the Proposed Share Swap is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

#### **16. RELEVANT DIRECTORS' RECOMMENDATION**

The Relevant Directors, having considered the relevant factors, including the terms of the Proposed Share Swap and the rationale for, and benefit of, the Proposed Share Swap as set out in paragraph 7 of this Document, as well as the opinion of the Independent Financial Adviser as set out in the IFA Letter, recommend that Shareholders **VOTE IN FAVOUR** of Resolution No. 2 relating to the Proposed Share Swap, at the EGM.

#### **17. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Document and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Document constitutes full and true disclosure of all material facts about the Proposed Share Swap, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Document misleading. Where information in this Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Document in its proper form and context.

## **18. FINANCIAL ADVISER'S RESPONSIBILITY STATEMENT**

DBS Bank Ltd. has been appointed as the Financial Adviser to the Company and IBIL in relation to the Proposed Share Swap.

The Financial Adviser confirms that, to the best of its knowledge and belief, this Document constitutes full and true disclosure of all material facts about the Proposed Share Swap, the Company and its subsidiaries, and it is not aware of any facts the omission of which would make any statement in this Document misleading.

## **19. INDEPENDENT FINANCIAL ADVISER'S CONSENT**

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this Document with the inclusion of its name, its opinion as set out in paragraph 14 of this Document and the IFA Letter and all references thereto, in the form and context in which they appear in this Document.

## **20. FINANCIAL ADVISER'S CONSENT**

The Financial Adviser has given and has not withdrawn its written consent to the issue of this Document with the inclusion of its name and all references thereto, in the form and context in which they appear in this Document.

## **21. EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out in the Invitation, will be held at Plenary Hall, 1<sup>st</sup> Floor, No. 60 Queen Sirikit National Convention Center, Ratchadaphisek Road, Khlong Toei Sub-district, Khlong Toei District, Bangkok 10110, Thailand on 20 September 2024 at 10.00 a.m., for the purposes of, among others, considering and, if thought fit, passing with or without modifications, Resolution No. 2 relating to the Proposed Share Swap.

## **22. ACTION TO BE TAKEN BY SHAREHOLDERS**

### Appointment of Proxies

- 22.1 Shareholders, other than those who hold their Shares in the Company through the CDP, who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf, will find attached to the Invitation a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, (a) so as to arrive at the Office of Corporate Secretariat of the Company, at Sangsom Building, 6<sup>th</sup> floor, 14 Vibhavadi Rangsit Road, Chomphon Sub-district, Chatuchak District, Bangkok 10900, Thailand, no later than 24 hours before the time fixed for the EGM; or (b) at the venue of the EGM before the EGM commences and for the attention of the Company Secretary. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so.
- 22.2 Persons who hold Shares in Securities Accounts with CDP may instruct CDP to exercise the voting rights for their deposited Shares; such persons will find, attached to the Invitation, a Voting Instructions Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event so as to arrive at CDP at the address stated in the Voting Instructions Form no later than 5.00 p.m. (Singapore time) on 12 September 2024. However, it should be noted that as a matter of Thai law, and as disclosed in the Company's prospectus dated 19 May 2006, CDP shall be the only holder of record of such Shares and, accordingly, the only person recognised as a Shareholder and legally entitled to attend and vote at the EGM.

- 22.3 Persons who hold Shares in Securities Accounts with CDP who wish to personally attend and vote in their own names at the EGM must take such steps as are necessary to transfer their Shares out of the CDP system and to have the relevant Shares registered with the Company in their own names by 29 August 2024, being the date on which the register of the Shareholders of the Company will be closed for the purpose of determining the rights of the Shareholders to attend and to vote at the EGM. It should be further noted that such Shares which have been transferred out of the CDP system cannot be traded on the SGX-ST unless they are transferred back into the CDP system. In this regard, such transfers shall be subject to applicable taxes and fees. Please contact CDP at (65) 6535 7511 (or via email at [cdp@sgx.com](mailto:cdp@sgx.com)) should you require any guidance on the process of such transfer and registration.

#### Submission of Questions

- 22.4 All Shareholders whose names appear in the share registration book as at 30 August 2024 and Depositors and Depository Agents with Shares standing to the credit of their Securities Accounts as at 5.00 p.m. (Singapore time) on 29 August 2024 are permitted to submit substantial and relevant questions in advance of the EGM. Submissions of questions for the EGM shall be made either (a) by post to (i) the Office of Corporate Secretariat of Thai Beverage Public Company Limited, at Sangsom Building, 6<sup>th</sup> Floor, 14 Vibhavadi Rangsit Road, Chomphon Sub-district, Chatuchak District, Bangkok 10900, Thailand; or (ii) the Share Registry Services, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or (b) by electronic mail to the Company at [ir@thaibev.com](mailto:ir@thaibev.com), no later than 4.00 p.m. (Bangkok time) or 5.00 p.m. (Singapore time) on 12 September 2024.

### **23. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection at the registered office of the Company at Sangsom Building, 14 Vibhavadi Rangsit Road, Chomphon Sub-district, Chatuchak District, Bangkok 10900, during normal business hours for a period of three (3) months from the date of the Announcement:

- (a) the IFA Letter; and
- (b) the Share Swap Agreement.

### **24. OTHERS**

- 24.1 The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Document.
- 24.2 If you are in any doubt as to the contents herein or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser immediately.
- 24.3 If you have sold all your Shares in the Company, please forward this document to the purchaser or bank or stockbroker or agent through whom the sale was effected for onward transmission to the purchaser.

**INDEPENDENT FINANCIAL ADVISER'S LETTER**

**DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD**  
**(Incorporated in the Republic of Singapore)**  
**Company Registration Number: 200200144N**

30 August 2024

The Independent Directors  
Thai Beverage Public Company Limited  
14 Vibhavadi Rangsit Road,  
Chomphon Sub-District,  
Chatuchak District, Bangkok 10900,  
Thailand

Dear Sir / Madam,

**INDEPENDENT FINANCIAL ADVISER'S LETTER IN RELATION TO THE PROPOSED SHARE SWAP COMPRISING (A) THE PROPOSED TRANSFER OF 601,627,606 SHARES IN FRASER AND NEAVE, LIMITED (REPRESENTING APPROXIMATELY 41.30% OF THE TOTAL NUMBER OF FRASER AND NEAVE, LIMITED'S ISSUED SHARES (EXCLUDING TREASURY SHARES)) BY TCC ASSETS LIMITED TO INTERBEV INVESTMENT LIMITED, AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THAI BEVERAGE PUBLIC COMPANY LIMITED AND (B) THE PROPOSED TRANSFER OF 1,130,041,272 SHARES IN FRASERS PROPERTY LIMITED (REPRESENTING APPROXIMATELY 28.78% OF THE TOTAL NUMBER OF FRASERS PROPERTY LIMITED'S ISSUED SHARES (EXCLUDING TREASURY SHARES)) BY INTERBEV INVESTMENT LIMITED TO TCC ASSETS LIMITED, AS AN INTERESTED PERSON TRANSACTION**

For the purpose of this letter ("**IFA Letter**"), capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 30 August 2024 to the Shareholders of Thai Beverage Public Company Limited ("**ThaiBev**" or the "**Company**") (the "**Circular**").

**1. OVERVIEW OF THE SITUATION**

**1.1 INTRODUCTION**

On 18 July 2024, the Company announced that InterBev Investment Limited ("**IBIL**"), an indirect wholly-owned subsidiary of the Company, had entered into a conditional share swap agreement (the "**Share Swap Agreement**") with TCC Assets Limited ("**TCCAL**") on 17 July 2024, pursuant to which:

- (a) IBIL shall transfer to TCCAL and/or TCCAL's nominees 1,130,041,272 ordinary shares in the share capital of Frasers Property Limited ("**FPL**", such shares, the "**FPL Transfer Shares**", and ordinary shares in the share capital of FPL referred to as "**FPL Shares**") (which represented approximately 28.78% of the total number of FPL's issued shares (excluding treasury shares) as at the date of the Share Swap Agreement) (the "**Disposal**"); and
- (b) TCCAL shall transfer or procure the transfer to IBIL and/or IBIL's nominees 601,627,606 ordinary shares in the share capital of Fraser and Neave, Limited ("**F&N**", such shares, the "**F&N Transfer Shares**", and ordinary shares in the share capital of F&N referred to as "**F&N Shares**") (which represented approximately 41.30% of the total number of F&N's issued shares (excluding treasury shares) as at the date of the Share Swap Agreement) (the "**Acquisition**"),

(the Acquisition and the Disposal, collectively, the "**Proposed Share Swap**").

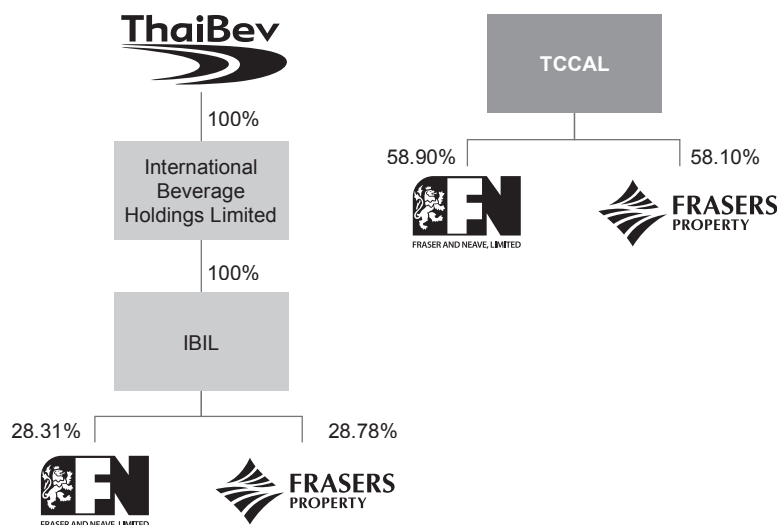
IBIL and TCCAL have agreed that the Proposed Share Swap should be based on the mutually agreed negotiated prices of S\$3.55 for each F&N Share and S\$1.89 for each FPL Share. Accordingly, IBIL will transfer approximately 1.88 FPL Shares to TCCAL in exchange for each F&N Share that it expects to receive from TCCAL pursuant to the Proposed Share Swap (the "**Swap Ratio**"). Please refer to Paragraph 6 of the Circular to the Shareholders for further details.

Following the completion of the Proposed Share Swap, it is expected that:

- (a) the Company's percentage interest (through its subsidiary, IBIL) in F&N Shares will increase from approximately 28.31% to approximately 69.61% (based on the total number of issued shares of F&N (excluding treasury shares) as at the date of the Share Swap Agreement);
- (b) IBIL will cease to hold any FPL Shares, and accordingly, the Company will cease to have any interest in FPL Shares;
- (c) TCCAL's percentage interest in FPL Shares will increase from approximately 58.10% to approximately 86.89% (based on the total number of issued shares of FPL (excluding treasury shares) as at 17 July 2024 being the date of the Share Swap Agreement); and
- (d) TCCAL's percentage interest in F&N Shares will decrease from approximately 58.90% to approximately 17.60% (based on the total number of issued shares of F&N (excluding treasury shares) as at the date of the Share Swap Agreement).

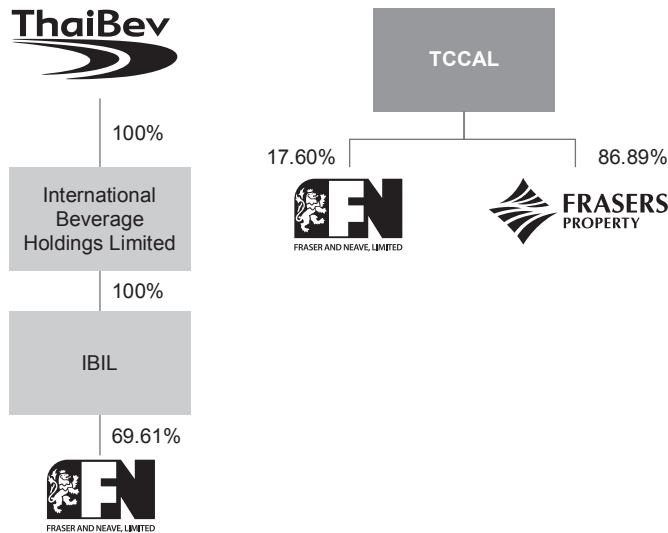
Accordingly, following the completion of the Proposed Share Swap, the Company (through IBIL) will become the holding company of F&N (and its subsidiaries), while TCCAL will remain the holding company of FPL (and its subsidiaries). The Company and IBIL will not retain any interest in FPL and FPL will no longer be an associated company of the Company. TCCAL will retain a strategic minority stake in F&N. Please refer to **Figures A and B** below for diagrams reflecting the Company's shareholding in F&N and FPL before and immediately after completion of the Proposed Share Swap.

**Figure A: Illustration of Company's shareholding in F&N and FPL (as at the date of the Announcement) before the completion of the Proposed Share Swap<sup>1</sup>**



<sup>1</sup> As of the date of the Announcement on 18 July 2024, based on information available to the Company, and to the knowledge of the Company:  
 (a) for the remaining 12.79% of F&N Shares not held by IBIL or TCCAL, none of the Directors, substantial shareholders, or controlling shareholders of ThaiBev has any interest in such F&N Shares; and  
 (b) for the remaining 13.12% of FPL Shares not held by IBIL or TCCAL, (i) approximately 1.78% is held by TCC Group Investments Limited, a corporation wholly-owned by the children of Mr. Charoen Sirivadhanabhakdi, and (ii) Mr. Vivat Tejapaibul, Director of the Company, has a deemed interest in approximately 0.02% of FPL Shares. Save for the foregoing, none of the Directors, substantial shareholders, or controlling shareholders of ThaiBev has any interest in the remaining 13.12% of FPL Shares.

**Figure B: Illustration of Company's shareholding in F&N and FPL immediately after the completion of the Proposed Share Swap**



The Proposed Share Swap constitutes both an "interested person transaction" for the purposes of Chapter 9 of the Listing Manual and a "major transaction" for the purposes of Chapter 10 of the Listing Manual (as elaborated on in Paragraphs 9 and 10 of the Circular to the Shareholders, respectively). Accordingly, the completion of the Proposed Share Swap is subject to the approval of the Shareholders at the extraordinary general meeting (the "EGM"), in addition to the conditions precedent as described in Paragraph 8.3 of the Circular to the Shareholders. Subject to the satisfaction or waiver of such conditions precedent, IBIL and TCCAL are working towards completing the Proposed Share Swap by 30 September 2024<sup>2</sup>.

## 1.2 SUMMARY OF CONDITIONS

The completion of the Proposed Share Swap is subject to the fulfilment or waiver of the conditions. The conditions are extracted from Paragraph 8.3 of the Circular to the Shareholders as follows:

- (a) *the Company having received the approval of the Shareholders (excluding Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi and their associates) in a general meeting of the Company, for the Proposed Share Swap, in accordance with the requirements of the Listing Manual;*
- (b) *IBIL, TCCAL and the Company having received all relevant governmental, statutory and regulatory consents, permits and approvals relating to the Proposed Share Swap which are required under any and all applicable laws in any jurisdiction, such consents, permits and approvals remaining in full force and effect as at the Completion Date, and where such consents, permits and approvals are subject to conditions, such conditions being reasonably satisfactory to IBIL, TCCAL and (as the case may be) the Company;*
- (c) *TCCAL having received: (i) approval from its lenders in connection with the Proposed Share Swap; and (ii) the full and unconditional release and discharge of the F&N Transfer Shares from all encumbrances; and*

<sup>2</sup> The Share Swap Agreement provides for a long stop date of 31 March 2025 for the satisfaction of all conditions precedent required in respect of the Proposed Share Swap.

- (d) *the Company having received a written confirmation and/or ruling from the SIC that IBIL will not be required to make a general offer (the "F&N Offer") for F&N under Rule 14.1 of the Code in the event that it acquires more than 30% of the total voting rights in F&N as a result of the Proposed Share Swap, and such confirmation and/or ruling remaining in full force and effect as at the Completion Date.*<sup>3</sup>

We note that the SIC had ruled on 30 May 2024 that IBIL will not be required to make a general offer (the "F&N Offer") for F&N in the event that it acquires more than 30% of the total voting rights in F&N as a result of the Proposed Share Swap ("**SIC's Ruling**").

For the avoidance of doubt, since the SIC's Ruling has been obtained in respect of F&N (which is the holding company of F&NHB), IBIL and the persons acting in concert with it would not be required to extend a downstream mandatory take-over offer to acquire all the remaining ordinary shares in F&NHB not already owned by F&N pursuant to Note 3 of Paragraph 4.01 of the Rules on Take-overs, Mergers and Compulsory Acquisitions of Malaysia.

### 1.3 INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

The interest of directors and controlling shareholders are extracted from Paragraph 12 of the Circular to the Shareholders as follows:

- 12.1 *Mr. Charoen Sirivadhanabhakdi, who is a Director and controlling shareholder of the Company, and the estate of the late Khunying Wanna Sirivadhanabhakdi, which is also a controlling shareholder of the Company, each owns 50% of the issued and paid-up capital of TCCAL. Mr. Charoen Sirivadhanabhakdi is also the chairman of the board of directors and a non-independent and non-executive director of F&N, and a non-executive and non-independent chairman of the board of directors of FPL. Mr. Charoen Sirivadhanabhakdi is also the chairman of the TCC group of companies. Each of Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi has a deemed interest in approximately 65.84% of the Shares. Please refer to Schedule 2 of this Document for further details.*
- 12.2 *Mr. Thapana Sirivadhanabhakdi and Mr. Panote Sirivadhanabhakdi, who are Directors of the Company, are the children of Mr. Charoen Sirivadhanabhakdi and the late Khunying Wanna Sirivadhanabhakdi and therefore associates of Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi. Mr. Thapana Sirivadhanabhakdi is a director of IBIL, a non-independent and non-executive director of F&N, a non-executive and non-independent director of FPL and chairman of the Board Executive Committee of FPL, and a director of the TCC group of companies. Furthermore, Mr. Panote Sirivadhanabhakdi is also the Group Chief Executive Officer and an executive and non-independent director of FPL, and a director of the TCC group of companies.*
- 12.3 *Accordingly, Mr. Charoen Sirivadhanabhakdi, Mr. Thapana Sirivadhanabhakdi and Mr. Panote Sirivadhanabhakdi have abstained and will continue to abstain from voting on any board resolutions relating to, and will abstain from making any recommendation to the Shareholders, on Resolution No. 2, being the resolution relating to the Proposed Share Swap, at the EGM.*

<sup>3</sup> As TCCAL currently holds more than 50% of the issued share capital of FPL, it already has statutory control of FPL under the Code. Consequently, the transfer of additional FPL Shares from IBIL to TCCAL pursuant to the Proposed Share Swap will not trigger any obligations on TCCAL under Rule 14.1 of the Code. "Statutory control" as defined under the Code, means a holding, or aggregate holdings, of shares carrying more than 50% of the voting rights.

- 12.4 *For completeness, Mr. Wee Joo Yeow, an independent Director of the Company, is a non-executive and independent director of FPL. Mr. Sithichai Chaikriangkrai, a Director of the Company, is also a non-executive and non-independent director of FPL, a non-executive and non-independent director of F&N, and a director of TCC Assets (Thailand) Company Limited. Mr. Wee Joo Yeow and Mr. Sithichai Chaikriangkrai have also voluntarily abstained, and will also continue to voluntarily abstain, from voting on any board resolutions relating to the Proposed Share Swap. Mr. Wee Joo Yeow and Mr. Sithichai Chaikriangkrai will also voluntarily abstain from making any recommendation to the Shareholders on the Proposed Share Swap.*
- 12.5 *The interests of the Directors and Substantial Shareholders of the Company in the Shares are disclosed in Schedule 2 to this Document.*
- 12.6 *Save as disclosed in this Paragraph 12 of this Document, and based on the information available to the Company as at the Latest Practicable Date, none of the Directors or (to the best of the knowledge of the Directors) the Controlling Shareholders of the Company have any interest, direct or indirect, in the Proposed Share Swap.*

#### 1.4 INTERESTED PERSON TRANSACTION

The Proposed Share Swap is subject to the requirements of Chapter 9 of the Listing Manual (which governs interested person transactions). Under Chapter 9 of the Listing Manual, a transaction shall be subject to shareholders' approval where the value of that transaction with an interested person singly, or, on aggregation with the values of other transactions conducted with the same interested person in the same financial year equals to, or exceeds, 5% of the group's latest audited net tangible asset ("**NTA**").

As announced by the Company on 27 February 2024, the SGX-ST has approved the Company's use of the Company's market capitalisation as at the last day of the financial year ended 30 September 2023 as the reference point for the purposes of computing the materiality thresholds under Rules 905 and 906 of the Listing Manual ("**Materiality Thresholds**") for the financial year ending 30 September 2024. The market capitalisation of the Company shall be determined by multiplying the total number of Shares (excluding treasury shares) by the weighted average price of such Shares transacted on the last market day of the financial year ended 30 September 2023. Accordingly, the market capitalisation of the Company for the purposes of computing the Materiality Thresholds for the financial year ending 30 September 2024, is approximately S\$14,472mn (the "**FY2023 Market Capitalisation**"), calculated based on 25,124,754,010 Shares (being the total number of Shares (excluding treasury shares)), multiplied by S\$0.576 (rounded to the nearest three (3) decimal places), being the weighted average price of the Shares on the SGX-ST transacted on 29 September 2023 (which is the last market day of the financial year ended 30 September 2023).

The Proposed Share Swap is an interested person transaction for the Company under Chapter 9 of the Listing Manual as:

- (a) IBIL, a wholly-owned subsidiary of the Company, is an "entity at risk" for the purposes of Chapter 9 of the Listing Manual; and
- (b) Each of Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi have a deemed interest in approximately 65.84% of the Shares and are Controlling Shareholders of the Company. Mr. Charoen Sirivadhanabhakdi is also a Director. TCCAL is an associate of Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi and thus, an "interested person" for the purposes of Chapter 9 of the Listing Manual.



The value of a transaction under Rule 909 of the Listing Manual is the amount at risk to the issuer. In particular, in respect of disposals, Rule 909(4) provides that in the case that the market value or book value of the asset to be disposed of is higher than the consideration from an interested person, the value of the transaction is the higher of the market value or book value of the asset. Based on the foregoing, the value of the Acquisition and the Disposal pursuant to Rule 909 of the Listing Manual is as follows:

**(a) Value of the Acquisition for purposes of Rule 909 of the Listing Manual**

The value of the Acquisition for the purposes of Rule 909 of the Listing Manual will be based on the consideration for the Acquisition (“**Consideration**”) of the F&N Transfer Shares, which will be computed based on the negotiated price of S\$1.89 for each FPL Share. Accordingly, the Consideration for the Acquisition is approximately S\$2,136mn, representing 14.76% of the FY2023 Market Capitalisation.

For completeness, the book value of the FPL Transfer Shares, (based on the Group 1HFY2024 Financial Statements), and the open market value of the FPL Transfer Shares (on the Last Market Day, as set out in Paragraph 10.2(b) of the Circular to the Shareholders), are each lower than the said Consideration for the Acquisition.

**(b) Value of the Disposal for purposes of Rule 909 of the Listing Manual**

The value of the Disposal for the purposes of Rule 909 of the Listing Manual will be based on the Consideration for the Disposal of the FPL Transfer Shares, which will be computed based on the negotiated price of S\$3.55 for each F&N Share. Accordingly, the Consideration for the Disposal is approximately S\$2,136mn, representing 14.76% of the FY2023 Market Capitalisation.

For completeness, for the purposes of Rule 909(4), the book value of the FPL Transfer Shares (based on the Group 1HFY2024 Financial Statements, and the open market value of the FPL Transfer Shares (on the Last Market Day, as set out in Paragraph 10.2(b) of the Circular to the Shareholders), are each lower than the said Consideration for the Disposal.

As the value of the Acquisition and Disposal as computed in (a) and (b) above exceeds 5% of the FY2023 Market Capitalisation, the Proposed Share Swap is subject to the approval of the Shareholders, in accordance with Rule 906(1)(a) of the Listing Manual.

In connection to the above, we, Deloitte & Touche Corporate Finance Pte Ltd (“**DTCF**”), have been appointed as independent financial adviser (the “**IFA**”) pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the Directors who are considered independent for the purposes of the Proposed Share Swap (the “**Independent Directors**”) and the Audit Committee as to whether the Proposed Share Swap is on normal commercial terms and is not prejudicial to the interests of ThaiBev and its minority Shareholders.

This IFA Letter, which sets out our evaluation for the Independent Directors and the Audit Committee in respect of this engagement, is an integral part of the Circular.

**2. TERMS OF REFERENCE**

DTCF has been appointed as the IFA pursuant to Rule 921(4)(a) of the Listing Manual. Our responsibility is to provide our opinion in respect to whether the Proposed Share Swap is on normal commercial terms and is not prejudicial to the interests of ThaiBev and its minority Shareholders, and whether the Independent Directors should recommend the minority Shareholders to vote in favour or against the resolution in respect of the Proposed Share Swap. We are providing our services to also comply with the latest Guidelines on Independent Financial Advisers published by the SGX-ST on 3 July 2023.

**We were neither a party to the negotiations entered into by ThaiBev in relation to the Proposed Share Swap, nor were we involved in the deliberations leading up to the decision on the part of the Company to undertake the Proposed Share Swap.**

We do not, by this IFA Letter or otherwise, advise or form any judgement on the strategic or commercial merits or financial merits or risks of the Proposed Share Swap. All such evaluations, advice, judgements or comments remain the sole responsibility of the directors of the Company (the “**Directors**”) and their advisors. We have however drawn upon such evaluations, judgements and comments on the Proposed Share Swap as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of ThaiBev. We do not express any view as to the price at which the Shares may trade upon completion of the Proposed Share Swap on the future value, financial performance or condition of ThaiBev after the Proposed Share Swap.

It is also not within our terms of reference to compare the merits of the Proposed Share Swap to any alternative transactions that were or may have been available to ThaiBev. Such comparison and consideration remain the responsibility of the Directors and their advisors.

In the course of our evaluation, we have held discussions with the Company, and have considered the information contained in the Circular, publicly available information collated by us as well as information, both written and verbal, provided to us by the Company. We have relied upon and assumed the accuracy of the relevant information, both written and verbal, provided to us by the aforesaid parties and have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness, and adequacy of such information. We have not independently verified and have assumed that all statements of fact, belief, opinion, and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty (whether express or implied) is made, and no responsibility is accepted by us concerning the accuracy, completeness, or adequacy of such information. We have nonetheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, the real properties) of ThaiBev or Proposed Share Swap.

Our views are based on market, economic, industry, monetary and other conditions (where applicable) prevailing on and our analysis of the information made available to us as at 6 August 2024, being the latest practicable date (“**Latest Practicable Date**” or “**LPD**”). We assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent development after the LPD that may affect our opinion or factors, or assumptions contained herein. The Shareholders should take note of any announcements relevant to their considerations of the Proposed Share Swap which may be released by ThaiBev after the LPD.

ThaiBev has been separately advised by its own legal adviser in the preparation of the Circular other than this IFA Letter. We have had no role or involvement and have not provided any advice whatsoever in the preparation, review and verification of the Circular other than this IFA Letter. Accordingly, we take no responsibility for, and express no views, whether express or implied, on the contents of the Circular except for this IFA Letter.

We have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder. As the Shareholders will have different investment objectives, we advise the Independent Directors and the Audit Committee to recommend that any Shareholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisors.

This IFA Letter is prepared pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the Independent Directors and the Audit Committee on whether the Proposed Share Swap is on normal commercial terms and is not prejudicial to the interests of ThaiBev and its minority Shareholders and will be incorporated as Schedule 1 to the Circular to the Shareholders. The Company may not reproduce, disseminate, or quote this IFA Letter or any part thereof for any purpose, without our prior written consent in each instance, other than for matters relating to the Proposed Share Swap.

Our opinion is prepared pursuant to Rule 921(4)(a) of the Listing Manual as well as addressed expressly to the Independent Directors and the Audit Committee for their benefit and deliberation in connection with and for the purpose of their consideration of the Proposed Share Swap. Any recommendation made by the Independent Directors and the Audit Committee to the Shareholders in respect of the Proposed Share Swap shall remain the responsibility of the Independent Directors and the Audit Committee. Our opinion in relation to the Proposed Share Swap, as set out under Paragraph 4 of this IFA Letter should be considered in the context of the entirety of our advice.

**3. EVALUATION OF THE PROPOSED SHARE SWAP, AS AN INTERESTED PERSON TRANSACTION**

**General bases and assumptions**

Pursuant to the Circular, ThaiBev announced that IBIL had entered into a Share Swap Agreement with TCCAL on 17 July 2024 for the Proposed Share Swap. IBIL and TCCAL have agreed that the negotiated price of each F&N Share is S\$3.55, the negotiated price of each FPL Share is S\$1.89, and the Swap Ratio is 1.88 based on these values. Based on the negotiated price of each F&N Share and FPL Share respectively, IBIL expects to receive 601,627,606 F&N Shares in exchange for 1,130,041,272 FPL Share that it holds under the Proposed Share Swap.

**Swap Ratio Summary**

<b>Swap Ratio</b>	
Negotiated price of each F&N Share	S\$ 3.55
Negotiated price of each FPL Share	S\$ 1.89
<b>Swap Ratio (number of FPL Share per each F&amp;N Share)</b>	<b>1.88</b>

**Valuation metrics**

We have applied the following valuation metrics to our analysis:

<b>Valuation Ratio</b>	<b>Description</b>
<b>LTM EV/EBITDA Multiple</b>	<p>“EV” or “<b>enterprise value</b>” is the sum of the company’s market capitalisation, preferred equity, minority interests, short and long-term debt less its cash and cash equivalents and other investments. Market capitalisation is calculated based on the share price multiplied by the total ordinary shares outstanding.</p> <p>“LTM” stands for last twelve months.</p> <p>“EBITDA” stands for the historical earnings before interest, tax, depreciation and amortisation expenses, and exceptional items.</p> <p>The “LTM EV/EBITDA” or “LTM <b>enterprise-value-to-EBITDA</b>” multiple typically illustrates the ratio of the enterprise value of a company’s business relative to its LTM historical pre-tax operating cash flow performance, without regard to the Company’s capital structure.</p>

Valuation Ratio	Description
<b>LTM P/E Multiple</b>	The “LTM P/E” or “LTM price-to-earnings” multiple typically illustrates the ratio of the market capitalisation of a company’s shares relative to its LTM historical earnings attributable to common shareholders excluding exceptional items. Market capitalisation is calculated based on the share price multiplied by the total ordinary shares outstanding. The LTM P/E multiple may be affected by, amongst others, the capital structure of a company, its tax position as well as its accounting policies relating to revenue recognition, depreciation and intangible assets.
<b>P/NAV Multiple</b>	<p>“NAV” or “net asset value” is the book value of a company’s shareholders’ equity (excluding minority interest or preferred equity).</p> <p>The “P/NAV” or “price-to-NAV” ratio illustrates the ratio of the market price of a company’s units relative to its historical book value per unit as recorded in its latest reported financial statements. Comparisons of companies using their book value are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.</p>

### Evaluation of the Proposed Share Swap

We have confined our evaluation to the financial terms of the Proposed Share Swap. In evaluating the financial terms of the Proposed Share Swap, we have assessed the fair values of F&N Shares and FPL Shares and the corresponding implied Swap Ratio. In reaching our recommendation with respect to the Proposed Share Swap, we have given due consideration to the following factors:

- (i) rationale for the Proposed Share Swap;
- (ii) historical financial performance and position of ThaiBev;
- (iii) historical swap ratio and market liquidity analysis of F&N and FPL;
- (iv) assessment of the intrinsic appraised sum-of-the-parts (“SOTP”) market valuation of F&N;
- (v) assessment of the intrinsic appraised market valuation of FPL;
- (vi) evaluation of Swap Ratio;
- (vii) the pro forma financial effects of the Proposed Share Swap;
- (viii) other relevant considerations that may have a significant bearing on our assessment.

In the course of our analysis, we have held discussions with the Company, and considered information contained in the Circular, publicly available information and written and verbal information provided to us by the Company. Based on such information, we have outlined any considerations relating to material assets in the assessment of the fair values of F&N and FPL in Paragraphs 3.4.1, 3.4.3, 3.5.1 and 3.5.2 of this IFA Letter.

**Please note that any discrepancies in the figures included in this IFA Letter between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown in totals herein may not be an arithmetic aggregation of the figures that precede them.**

#### 3.1 RATIONALE FOR THE PROPOSED SHARE SWAP

The disclosures made in relation to the rationale for the Proposed Share Swap are set out in Paragraph 7 of the Circular to the Shareholders.

- (i) The Proposed Share Swap will allow the Company to attain an indirect majority shareholding in F&N, in exchange for its 28.78% stake in FPL, with **no cash outlay** required by the Company. After the completion of the Proposed Share Swap, which will see the Group no longer having any interest in FPL's property business, the Company will be a pure-play beverage and food (alcoholic and non-alcoholic beverages) business, which is supported by the four (4) main pillars of: (a) spirits; (b) beer; (c) non-alcoholic beverages; and (d) food.
- (ii) The Company believes that the Proposed Share Swap will accelerate the Company's progress towards PASSION 2025 by enhancing its ability to:
- (a) **BUILD** new capabilities and competitive advantages to capitalise on the strong non-alcoholic beverages and dairy growth trends in Southeast Asia;
- (b) **STRENGTHEN** its position by (i) cementing the Company's #1 position amongst top comparable beverage and food players in Southeast Asia by revenue, (ii) bolstering the Company's resilience through economic and product cycles through greater diversification of business segments and countries, (iii) enabling the Company to realise operational synergies, and (iv) resulting in an accretive earnings per share ("**EPS**") impact and improving its net interest-bearing debt ("**IBD**") to earnings before interest, tax, depreciation and amortisation ("**EBITDA**") ratio; and
- (c) **UNLOCK** the Company's potential by streamlining the Company's focus towards the beverage and food industry with a potential re-rating in line with its pure-play beverage and food peers.

Kindly refer to Paragraph 7 of the Circular to the Shareholders for further details on the rationale. We recommend that the Independent Directors and the Audit Committee read this information carefully.

### 3.2 HISTORICAL FINANCIAL PERFORMANCE AND POSITION OF THAIBEV

We set out below the financial performance of the Company for the audited FY2021, FY2022 and FY2023 financial statements and unaudited 1H FY2023 and 1H FY2024 of the Company and the financial position of the Company for the audited FY2022 and FY2023 and unaudited 31 March 2024 financial statements of the Company. The following financial statements should be read in conjunction with the full text of the Company's annual reports and financial results announcements in respect of the relevant financial periods.

#### Historical Financial Performance of the Company

THB'mn	Consolidated for the year ended			Consolidated for the six-month period ended	
	FY2021	FY2022	FY2023	1H FY2023	1H FY2024
Revenue from sale of goods and rendering of services	240,543	272,359	279,085	148,295	147,742
Cost of sales of goods and rendering of services	169,060	191,902	196,284	104,774	102,875
<b>Gross profit</b>	<b>71,484</b>	<b>80,456</b>	<b>82,801</b>	<b>43,522</b>	<b>44,867</b>
Distribution costs	23,288	26,909	30,406	15,517	15,878
Administrative expenses	14,413	14,965	16,166	8,189	7,985
Net loss on foreign exchange	-	-	62	54	-
Finance costs	6,825	6,227	6,728	3,220	3,637
<b>Operating profit</b>	<b>26,957</b>	<b>32,356</b>	<b>29,439</b>	<b>16,542</b>	<b>17,368</b>
Interest income	1,367	1,562	2,417	1,160	1,111
Net gain on foreign exchange	142	184	-	-	186
Other income	731	795	1,088	689	527
<b>Net operating profit</b>	<b>29,196</b>	<b>34,896</b>	<b>32,944</b>	<b>18,391</b>	<b>19,192</b>
Share of profit of investments in associates and joint ventures, net of income tax	2,777	5,044	3,465	2,427	1,123

THB'mn	Consolidated for the year ended			Consolidated for the six-month period ended	
	FY2021	FY2022	FY2023	1H FY2023	1H FY2024
Profit before income tax expense	31,973	39,941	36,410	20,819	20,315
Income tax (expense) benefit	(4,634)	(5,436)	(5,682)	(3,037)	(3,397)
Profit for the period	27,339	34,505	30,727	17,781	16,917
Basic EPS (THB)	0.98	1.20	1.09	0.64	0.61

Source: Company financial statements, company announcements

### FY2021 vs FY2022

For the year ended 30 September 2022, total sales revenue of the Company was THB 272,359mn, an increase of THB 31,816mn or 13.2%, from THB 240,543mn of last year. This was due to an increase in sales of beer business of 23.5%, non-alcoholic beverages business of 14.6%, food business of 45.7%, and spirits business of 1.0% from COVID-19 recovery in this year.

Gross profit was THB 80,457mn, an increase of 12.6% or THB 8,974mn, from THB 71,483mn of last year, this was due to an increase in gross profit of beer business of 28.8%, non-alcoholic beverages business of 13.7%, and food business of 41.2% while spirits business was slightly decreased.

Net profit included associated companies was THB 34,505mn, an increase of 26.2%, or THB 7,166mn, from THB 27,339mn of last year. This was due to an increase of EBITDA resulted in an increase of net profit mainly from beer business of 143.6%, non-alcoholic beverage business of 27.8%, food business of 177.1% and associated companies of 91.5%, although there was a decrease from spirits business of 1.1%.

### FY2022 vs FY2023

For the year ended 30 September 2023, total sales revenue of the Company was THB 279,085mn, an increase of THB 6,726mn or 2.5%, from THB 272,359mn of last year. This was due to an increase in sales of spirits business of 3.1%, non-alcoholic beverages business of 12.4% and food business of 16.0%, partly offset by a decrease in sales from beer business of 1.4%.

Gross profit was THB 82,801mn, an increase of 2.9% or THB 2,344mn, from THB 80,457mn of last year. This was due to an increase of gross profit from spirits business of 5.5%, non-alcoholic beverages business of 12.5%, and food business of 11.0%, partly offset by a decrease in gross profit from beer business of 4.9% due to a decrease in sales revenue.

Net profit included associated companies was THB 30,727mn, a decrease of 10.9%, or THB 3,778mn, from THB 34,505mn of last year. This was due to a decrease of net profit mainly from beer business of 34.3%, food business of 82.7%, and associated companies of 37.0%. Although there was an increase of net profit from spirits business of 2.5%, and non-alcoholic beverages business of 15.2%.

### 1H FY2023 vs 1H FY2024

For the six-month ended 31 March 2024, total sales revenue of the Company was THB 147,742mn, a decrease of THB 553mn, or 0.4%, from THB 148,295mn of last year. This was due to a decrease in sales of beer business of 3.0%, partly offset by an increase in sales of spirits business of 0.5%, non-alcoholic beverages business of 5.2% and food business of 5.2%.

Gross profit was THB 44,867mn, an increase of 3.1% or THB 1,346mn, from THB 43,521mn of last year. This was due to an increase in gross profit of spirits business of 1.2%, beer business of 2.5%, non-alcoholic beverages of 14.1% and food business of 4.8%.

Net profit included associated companies was THB 16,917mn, a decrease of 4.9%, or THB 864mn, from THB 17,781mn of last year. This was due to a decrease in net profit of food business of 59.8% and associated companies of 58.8%, partly offset by an increase in net profit of spirits business of 1.1%, beer business of 7.1% and non-alcoholic beverages business of 24.6%.

### **Historical Financial Position of the Company**

THB'mn	30-Sep-22	30-Sep-23	31-Mar-24
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash at financial institutions	51,867	45,672	46,198
Current investments - unit trust in debt instruments	2,161	57	57
Trade receivables	4,983	5,405	7,249
Other receivables	1,736	2,365	2,855
Short-term loans to and other receivables from related parties	435	758	651
Inventories	46,073	52,084	55,175
Other current assets	3,438	2,809	3,444
<b>Total current assets</b>	<b>110,693</b>	<b>109,150</b>	<b>115,629</b>
<b>Non-current assets</b>			
Investments in associates and joint ventures	112,630	110,601	108,866
Other long-term investments	423	385	371
Long-term loans to and other receivables from related parties	165	193	193
Investment properties	2,043	2,384	2,415
Property, plant and equipment	59,176	57,528	56,624
Right-of-use assets	10,720	11,189	11,384
Goodwill	168,870	161,293	159,020
Other intangible assets	36,959	35,073	34,440
Deferred tax assets	3,504	4,363	5,004
Other non-current assets	2,606	2,392	2,259
<b>Total non-current assets</b>	<b>397,096</b>	<b>385,399</b>	<b>380,576</b>
<b>Total assets</b>	<b>507,789</b>	<b>494,549</b>	<b>496,205</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Bank overdrafts and short-term loans from financial institutions	25,133	13,165	8,715
Trade payables	9,172	8,705	9,299
Other payables	14,955	15,063	16,125
Current portion of debentures	21,882	26,294	24,298
Current portion of long-term loans from financial institutions	8,291	22,463	6,341
Current portion of long-term loans from other party	-	-	88
Short-term loans from and other payables to related parties	469	374	319
Current portion of lease liabilities	1,348	2,004	1,474
Corporate income tax payable	2,741	2,687	2,905
Other current liabilities	5,140	7,327	4,064
<b>Total current liabilities</b>	<b>89,129</b>	<b>98,082</b>	<b>73,627</b>
<b>Non-current liabilities</b>			
Long-term loans from and other payables to related parties	5	5	5
Debentures	107,204	118,184	130,423
Long-term loans from financial institutions	45,807	22,101	37,395
Long-term loans from other parties	47	88	-
Lease liabilities	4,731	4,961	4,679
Deferred tax liabilities	4,868	4,838	4,751
Non-current provisions for employee benefits	4,427	4,436	4,297
Other non-current liabilities	2,181	332	512
<b>Total non-current liabilities</b>	<b>169,271</b>	<b>154,945</b>	<b>182,061</b>
<b>Total liabilities</b>	<b>258,400</b>	<b>253,027</b>	<b>255,688</b>

THB'mn	30-Sep-22	30-Sep-23	31-Mar-24
<b>Equity</b>			
Issued and paid-up share capital	25,121	25,125	25,128
Premium on ordinary shares	17,418	17,480	17,527
Difference arising from common control transactions	(20,492)	(20,492)	(20,492)
Difference arising from change in ownership interest in subsidiaries	696	(1,875)	(1,875)
Retained earnings:			
Appropriated - legal reserve	2,900	2,900	2,900
Unappropriated	162,048	174,444	178,358
Other components of equity	18,058	3,740	(836)
<b>Equity attributable to owners of the Company</b>	<b>205,748</b>	<b>201,322</b>	<b>200,710</b>
Non-controlling interests	43,640	40,200	39,807
<b>Total equity</b>	<b>249,389</b>	<b>241,522</b>	<b>240,517</b>
<b>Total liabilities and equity</b>	<b>507,789</b>	<b>494,549</b>	<b>496,205</b>
<b>Net asset value per share (THB)</b>	<b>8.19</b>	<b>8.01</b>	<b>7.99</b>

Source: Company financial statements, Company announcements

### As at 31 Mar 2024

#### Assets

Total assets as at 31 March 2024 was THB 496,205mn, an increase of THB 1,656mn or 0.3% compared with total assets at the end of September 2023. This was mainly due to an increase in cash and cash at financial institutions of THB 526mn, trade receivables and other receivables of THB 2,334mn, inventories of THB 3,091mn and other current assets of THB 635mn. In addition, there was a decrease in investments in associates and joint ventures of THB 1,735mn, goodwill of THB 2,273mn, and property, plant and equipment of THB 904mn.

#### Liabilities

Total liabilities as at 31 March 2024 was THB 255,688mn, an increase of THB 2,661mn or 1.1% compared with total liabilities at the end of September 2023. This was mainly due to a net increase in interest-bearing debts from bank and debentures and others of THB 4,965mn.

The periods to maturity of interest-bearing debts from bank, debentures and others were as follows:

	Unit: THB'mn
Within one year	39,442
After one year but within five years	152,674
After five years	15,144
<b>Total</b>	<b>207,260</b>

#### Shareholders' Equity

Total equity as at 31 March 2024 was THB 240,517mn, a decrease of THB 1,006mn or 0.4% compared with the equity at the end of September 2023. This was mainly due to a decrease in foreign currency translation differences from foreign operation, partly offset by an increase in net retained earnings from the net profit of the period after deducting the dividend payment.

Based on the above, we note that:

- (i) ThaiBev recorded the profit sharing from F&N and FPL under "Share of profit of investments in associates and joint ventures, net of income tax", which appears after "Net operating profit" on the Historical Financial Performance of the Company; and
- (ii) EPS declined from 1H FY2023 to 1H FY2024 due to the lower profit sharing from FPL<sup>4</sup>.

<sup>4</sup> The attributable profits from FPL in 1H FY2023 and 1H FY2024 were at S\$225.8mn and S\$57.4mn, respectively.

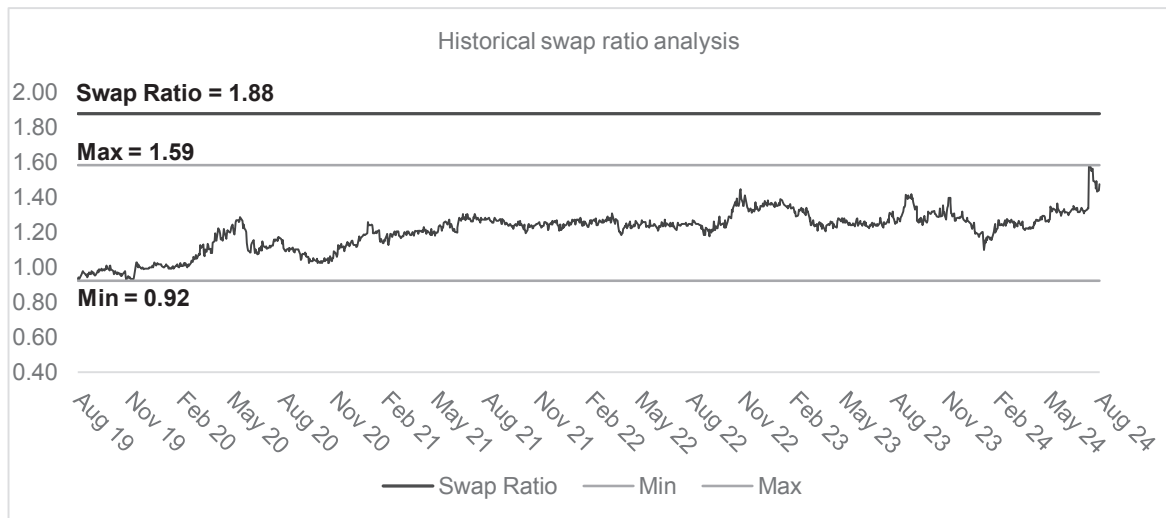


**3.3 HISTORICAL SWAP RATIO AND MARKET LIQUIDITY ANALYSIS OF F&N AND FPL**

**Historical swap ratio analysis of F&N and FPL**

We make reference to the five-year historical share price of F&N and FPL and the corresponding historical swap ratio as illustrated in Figure 1 below:

**Figure 1: 5-year historical swap ratio analysis**



Source: Capital IQ

Based on the above, we note that the Swap Ratio of 1.88 is above the range of historical swap ratio range between 0.92 and 1.59. However, we have also noted that the historical swap ratio may not be reflective of the intrinsic swap values of the F&N Shares and FPL Shares as both F&N and FPL are fairly illiquid.

**Market liquidity analysis of F&N and FPL**

We have evaluated the liquidity and free float of the F&N Shares and FPL Shares relative to the 30 STI Companies as at the LPD in order to determine whether the historical market prices of the F&N Shares and FPL Shares provide a meaningful benchmark and reference point.

The table below outlines the average daily trading volume for the past twelve-month (“**Past 12M ADT Volume**”) and the average daily trading value (“**Past 12M ADT Value**”) leading up to the LPD of the shares of F&N, FPL and of the 30 STI Companies:

**Figure 2: Liquidity analysis of the F&N, FPL and the 30 STI Companies**

No.	Company name	Market Cap. <sup>(1)</sup>	Free Float <sup>(1)</sup>	Free Float Shares <sup>(1)</sup>	Past 12M ADT Volume <sup>(2)</sup>	Past 12M ADT Value <sup>(3)</sup>	Past 12M ADT Volume/Free Float <sup>(2)</sup>	Past 12M ADT Value/Market Cap. <sup>(3)</sup>
		(\$\$'mn)	(%)	(m)	('000)	(\$\$'000)	(%)	(%)
1	DBS Group Holdings Ltd	93,145	70.9	2,016	4,161	133,652	0.21	0.14
2	Oversea-Chinese Banking Corporation Limited	62,211	72.0	3,237	5,025	67,678	0.16	0.11
3	United Overseas Bank Limited	49,495	60.1	1,006	2,601	75,984	0.26	0.15
4	Singapore Telecommunications Limited	47,063	48.6	8,020	27,791	69,623	0.35	0.15
5	Singapore Airlines Limited	21,051	55.2	1,970	5,723	37,768	0.29	0.18
6	Wilmar International Limited	18,791	28.1	1,752	5,299	17,994	0.30	0.10
7	CapitaLand Integrated Commercial Trust	13,739	76.3	5,136	19,190	37,271	0.37	0.27
8	Jardine Matheson Holdings Limited	13,352	80.6	234	273	14,710	0.12	0.11
9	Singapore Technologies Engineering Ltd	13,005	48.6	1,516	4,023	15,970	0.27	0.12
10	CapitaLand Investment Limited	12,640	46.0	2,304	8,566	24,369	0.37	0.19
11	Thai Beverage Public Company Limited	12,187	28.8	7,232	57,638	29,418	0.80	0.24
12	CapitaLand Ascendas REIT	11,476	99.9	4,394	12,825	34,960	0.29	0.30
13	Keppel Ltd.	10,692	78.1	1,410	3,441	23,375	0.24	0.22
14	Singapore Exchange Limited	10,141	76.0	812	1,736	16,534	0.21	0.16
15	Jardine Cycle & Carriage Limited	9,924	16.2	64	608	16,489	0.95	0.17
16	Genting Singapore Limited	9,658	47.0	5,669	28,088	25,537	0.50	0.26
17	Hongkong Land Holdings Limited	9,537	46.6	1,028	1,896	8,421	0.18	0.09
18	Yangzijiang Shipbuilding (Holdings) Ltd.	9,244	64.1	2,533	21,315	38,783	0.84	0.42
19	Sembcorp Industries Ltd	7,937	49.0	873	4,203	21,810	0.48	0.27
20	Mapletree Logistics Trust	6,471	66.6	3,341	19,357	28,118	0.58	0.43
21	Mapletree Pan Asia Commercial Trust	6,466	43.7	2,296	13,877	18,356	0.60	0.28
22	Mapletree Industrial Trust	6,296	74.9	2,122	5,540	12,614	0.26	0.20
23	Seatrium Limited	4,835	61.8	2,106	24,866	46,420	1.18	0.96
24	SATS Ltd.	4,575	59.7	890	4,005	10,968	0.45	0.24
25	City Developments Limited	4,538	46.4	414	2,646	15,742	0.64	0.35
26	UOL Group Limited	4,402	53.7	454	1,920	11,399	0.42	0.26
27	Venture Corporation Limited	4,178	91.7	266	1,126	15,104	0.42	0.36
28	Frasers Centrepoint Trust	4,004	65.4	1,185	2,864	6,258	0.24	0.16
29	Frasers Logistics & Commercial Trust	3,758	74.4	2,797	10,353	10,964	0.37	0.29
30	DFI Retail Group Holdings Limited	3,087	22.4	303	641	1,819	0.21	0.06
	<b>Min</b>	<b>3,087</b>	<b>16.2</b>	<b>64</b>	<b>273</b>	<b>1,819</b>	<b>0.12</b>	<b>0.06</b>
	<b>Mean</b>	<b>16,263</b>	<b>58.4</b>	<b>2,246</b>	<b>10,053</b>	<b>29,604</b>	<b>0.42</b>	<b>0.24</b>
	<b>Median</b>	<b>9,791</b>	<b>59.9</b>	<b>1,861</b>	<b>4,614</b>	<b>20,083</b>	<b>0.36</b>	<b>0.21</b>
	<b>Maximum</b>	<b>93,145</b>	<b>99.9</b>	<b>8,020</b>	<b>57,638</b>	<b>133,652</b>	<b>1.18</b>	<b>0.96</b>
	<b>Fraser and Neave, Limited</b>	<b>1,690</b>	<b>12.3</b>	<b>179</b>	<b>70</b>	<b>78</b>	<b>0.04</b>	<b>0.00</b>
	<b>Frasers Property Limited</b>	<b>3,082</b>	<b>10.7</b>	<b>421</b>	<b>156</b>	<b>132</b>	<b>0.04</b>	<b>0.00</b>

Source: Capital IQ

Notes:

- (1) All figures are as at the LPD of 6 August 2024.
- (2) Average daily trading volume as a percentage of free float is computed taking the Past 12M ADT Volume up to the LPD divided by free float number of shares.
- (3) Average daily trading value as a percentage of market capitalisation is computed taking the Past 12M ADT Value up to the LPD divided by market capitalisation of the companies.

Based on the table above, we note the following in respect of the liquidity of F&N Shares and FPL Shares:

- (i) The Past 12M ADT Volume for F&N Shares and FPL Shares, as a percentage of F&N's and FPL's free float, is below the range of measures for the 30 STI Companies; and
- (ii) The Past 12M ADT Value for F&N Shares and FPL Shares, as a percentage of F&N's and FPL's market capitalisation, is below the range of measures for the 30 STI Companies.

The above analyses indicate that the F&N Shares and FPL Shares are fairly illiquid. Hence, the historical swap ratio would not be reflective of the intrinsic swap values of the F&N Shares and FPL Shares, and the historical share price would not be a reflective measure of valuation. As such we will be using the intrinsic appraised market value<sup>5</sup> as the primary driver for F&N's and FPL's valuation.

### 3.4 ASSESSMENT OF THE INTRINSIC APPRAISED MARKET VALUE OF F&N

We note that F&N has 4 key components (the "**F&N Business Components**") comprising:

- (a) Fraser & Neave Holdings Bhd ("**F&NHB**");
- (b) Vietnam Dairy Products Joint Stock Company ("**Vinamilk**");
- (c) Times Publishing Limited; and
- (d) F&N remaining beverage & dairy business ("**Unlisted Beverage & Dairy**").

Given the profile of F&N whereby F&N comprises several distinct business segments and listed entities, we have considered the valuation of each of the F&N Business Components to arrive at an aggregate valuation for F&N on a SOTP basis. We have arrived at a range of valuation for F&N rather than a single specific value to provide a more objective measure of the value of the F&N Shares taking into account, *inter alia*, market price efficiency of listed entities under F&N. Additionally, we have considered the intrinsic appraised market value of F&N's distinct printing and publishing operating segment and other unlisted entities, which are principally engaged in the manufacturing of non-alcoholic and dairy beverages.

We set out in Figure 3 the different valuation metrics that we have considered and utilised in order to derive the valuation for each of the F&N Business Components. We have also set out our criteria for selecting the comparables used in the valuation of each F&N Business Component as per Figure 3 below and under Paragraphs 3.4.1 to 3.4.4.

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<sup>5</sup> The intrinsic appraised market value refers to the value of an asset or stock as determined through various valuation methodologies, such as listed comparables and appraisals by professional appraisers, in order to estimate the derived value of a company.

**Figure 3: SOTP valuation methodology**

F&N Business Components	Business description	Valuation metric
<b>F&amp;NHB</b>	Manufactures, sells, trades and distributes ready-to-drink beverages, including soft drinks and dairy beverages and some food products	<b>LTM EV/EBITDA</b> of selected comparable listed companies operating in non-alcoholic, ready-to-drink and dairy beverages in Southeast Asia
<b>Vinamilk</b>	Processes, manufactures and distributes dairy products in Vietnam and internationally	<b>LTM EV/EBITDA</b> of selected comparable listed companies operating in dairy beverages in Southeast Asia
<b>Times Publishing Limited</b>	Engages in printing, publishing, retail and distribution of books and magazines. Principal activities are within Singapore, with some presence in Malaysia and China	<b>P/NAV</b> of selected comparable listed companies operating in printing and publishing in Southeast Asia
<b>Unlisted Beverage &amp; Dairy</b>	Comprises of any other unlisted beverage businesses (including dairy) besides F&NHB, Vinamilk and Times Publishing Limited	<b>LTM EV/EBITDA</b> of selected comparable listed companies operating in non-alcoholic, ready-to-drink and dairy beverages in Southeast Asia

We set out below a summary of our SOTP analysis of F&N as at LPD of 6 August 2024.

F&N Business Components	Valuation	
	Low (S\$'mn)	High (S\$'mn)
<i>Attributable to F&amp;N</i>		
F&NHB	2,512	2,706
Vinamilk	2,527	2,527
Times Publishing Limited	117	191
Unlisted Beverage & Dairy	(269)	(222)
<b>Implied equity value</b>	<b>4,886</b>	<b>5,202</b>
<b>Implied equity value per F&amp;N Share (S\$)<sup>(1)</sup></b>	<b>3.35</b>	<b>3.57</b>

Note: (1) Based on the outstanding shares of F&N of 1,456,824,279

Based on the SOTP approach:

- (i) the SOTP implied equity value of F&N is between S\$4,886mn and S\$5,202mn and the SOTP implied equity value per share is S\$3.35 to S\$3.57;
- (ii) negotiated price of F&N Shares of S\$3.55 is within the range of implied equity value per F&N Share of S\$3.35 and S\$3.57;

**The Independent Directors should note that a discount may be applied on the SOTP valuation of a conglomerate such as F&N for various reasons. In an efficient capital market, investors can generally diversify more effectively by purchasing a portfolio of stocks of focused firms as compared to purchasing stocks of a conglomerate investing in a range of diverse businesses. A valuation discount may also be applied as conglomerates are generally believed to use capital less efficiently. In arriving at the SOTP valuation of F&N above, we have not applied any conglomerate discount as the quantification of such discount is highly subjective. The conglomerate discount is dependent on, *inter alia*, the size of the conglomerate, the extent of business diversification or synergies (if any) within the conglomerate and the requirement for additional management as compared to standalone businesses.**

In addition, as a part of the SOTP analysis, we utilise historical share price and trading activity. We have however not applied any control premium as the quantification of such premium is highly subjective. We note that trading multiples are and will continue to be affected to varying extents by changes in, amongst others, market, economic, political, industry, monetary and other general macroeconomic conditions as well as company-specific factors. Accordingly, the historical trading multiples should not be relied upon as a promise of F&N’s future trading performance.

As part of the SOTP analysis, we utilise valuation ratios of selected comparable listed companies. We wish to highlight that the list of selected comparable listed companies is not exhaustive and there may not be any companies listed on the SGX-ST or other stock exchanges that are directly comparable to each F&N Business Component or subsegment in terms of business activities, scale or operations, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria.

We also note that the accounting principles used by the selected comparable listed companies and each F&N Business Component may be different. Such differences may therefore render any comparisons carried out less useful than if the same accounting principles were being used. As such, any comparison made with respect to the selected comparable listed companies is intended to serve only as an illustrative guide. We further wish to highlight that the underlying financial data used to calculate the valuation ratios in our analysis has been extracted from the relevant companies’ financial statements, Bloomberg, Capital IQ and other relevant information sources. We have not independently verified (nor have we assumed responsibility or liability for independently verifying) or ascertained and make no representations or warranties, expressed or implied, on the accuracy or completeness of such information.

The Independent Directors should note that we have performed the SOTP analysis on an “as is” basis based on publicly available information, assuming F&N continues to manage the various businesses and assets as it currently does. Our SOTP valuation is not a proxy for the break-up value of F&N.

For avoidance of doubt, the SOTP analysis is not and should not be in any way construed as an estimate for realisable net asset value.

#### 3.4.1 F&NHB

F&NHB is a listed subsidiary of F&N on Bursa Malaysia’s Main Board, which manufactures, sells, trades and distributes ready-to-drink beverages, including soft drinks and dairy beverages and some food products.

We set out below the shareholdings of the top five shareholders of F&NHB as at the LPD.

#	Shareholders of F&NHB	Shareholding
1	Fraser & Neave, Limited	55.5%
2	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	11.5%
3	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	7.2%
4	Kumpulan Wang Persaraan (Diperbadankan)	3.1%
5	Amanahraya Trustees Berhad - Amanah Saham Malaysia	1.0%
	<b>Total</b>	<b>78.3%</b>

Sources: F&NHB Annual Report for FY2023, company announcements (Bursa Malaysia)  
 Note: As at LPD of 6 August 2024. Rounding differences are noted.

We note that the top five shareholders hold 78.3% stake in F&NHB. F&N is the largest shareholder holding 55.5% stake in F&NHB, while the remaining four shareholders, who are all affiliated to the Malaysian Government, hold 22.8% stake in F&NHB. As F&NHB is tightly held by a small group of shareholders, hence the market price may not be a reflective measure of the intrinsic value of F&NHB.

For the purposes of assessing the intrinsic appraised market value of F&NHB, we have taken a valuation metric approach based on LTM EV/EBITDA of selected comparable listed non-alcoholic, ready-to-drink and dairy beverage manufacturers in Southeast Asia which have broadly similar business focus as F&NHB. We have had discussions with the ThaiBev management about the suitability and reasonableness of the selected comparable listed companies as a basis for comparison with F&NHB.

The following is a list of selected comparable listed companies, together with a brief description of their principal activities.

Company	Country	Business Description
Nestlé (Malaysia) Berhad	Malaysia	Nestlé (Malaysia) Berhad manufactures and sells food and beverage products. They offer various ready-to-drink beverages such as milk, juices, instant coffee and others.
Osotspa Public Company Limited	Thailand	Osotspa manufactures various energy drinks, sports drinks and ready-to-drink coffee.
Carabao Group Public Company Limited	Thailand	Carabao Group manufactures carbonated and non-carbonated energy drinks, vitamin C drinks, sports drinks, ready-to-drink coffee and water.
Sappe Public Company Limited	Thailand	Sappe manufactures health food and beverages, notably ready-to-drink fruit juices, beauty drinks, kombuchas and coconut beverages.
Farm Fresh Berhad	Malaysia	Farm Fresh primarily engages in rearing of dairy cows and manufacturing of ready-to-drink dairy beverages and other dairy products such as yogurt.
Dutch Lady Milk Industries Berhad	Malaysia	Dutch Lady produces various dairy products, primarily ready-to-drink dairy beverages such as UHT, flavoured milk and drinking yogurt.

Note: PT Ultrajaya Milk Industry & Trading Co (“Ultrajaya”) was excluded from the list of selected comparable listed companies as Ultrajaya principally operates in the Indonesian market. We note from industry reports and analyst reports that the Indonesian per capita consumption of dairy in 2023 was at 16.3 litres per annum, being the lowest in Southeast Asia. Based on this, Ultrajaya may not be a strong reflection of market consumption trends of the F&N Components and was excluded on such basis.

We set out the financial multiples of the selected comparable listed companies as below:

Company	Last filing date	Market capitalisation as at LPD (\$’mn)	Enterprise value as at LPD (\$’mn)	LTM EV/EBITDA as at LPD	P/NAV as at LPD
Nestlé (Malaysia) Berhad	30 June 2024	7,536	7,887	23.3x	38.3x <sup>(1)</sup>
Osotspa Public Company Limited	31 March 2024	2,582	2,609	15.3x	5.1x
Carabao Group Public Company Limited	31 March 2024	2,336	2,467	17.9x	4.0x
Sappe Public Company Limited	31 March 2024	1,031	942	15.4x	6.6x
Farm Fresh Berhad	31 March 2024	804	893	23.8x	4.1x
Dutch Lady Milk Industries Berhad	31 March 2024	583	571	12.1x	4.2x
<b>Min</b>				<b>12.1x</b>	<b>4.0x</b>
<b>Mean</b>				<b>18.0x</b>	<b>4.8x</b>
<b>Median</b>				<b>16.7x</b>	<b>4.2x</b>
<b>Max</b>				<b>23.8x</b>	<b>6.6x</b>

Note: (1) Nestlé (Malaysia) Berhad’s P/NAV has been excluded as an anomaly due to its low net asset position as a result of significant liabilities, primarily trade payables and a debt-to-equity ratio of more than 100%, which is substantially higher than the other peers.  
Sources: Bloomberg, company financial statements, company announcements

We note that the P/NAV of comparable listed companies in non-alcoholic, ready-to-drink and dairy beverages in Southeast Asia range between 4.0 times and 6.6 times. However, we focus on an income-based valuation ratio as it would be more appropriate to appraise the intrinsic value of a profitable company. The LTM EV/EBITDA valuation ratio was used to best exclude the effects of varying capital structures.

**Figure 4: Implied attributable equity value of F&NHB**

F&NHB		Valuation	
		Low	High
Equity value attributable to F&N <sup>(1)</sup>	S\$'mn	2,512	2,706
Equity value per F&N share	S\$	1.72	1.86

Note: (1) Translated based on the exchange rate as at the LPD of 6 August 2024 at SGD:MYR of 3.3762, based on Bloomberg.

Based on the above:

- (i) the median LTM EV/EBITDA of selected comparable listed companies in non-alcoholic, ready-to-drink and dairy beverage manufacturers in Southeast Asia is 16.7 times. Accordingly, the implied equity valuation of F&NHB attributable to F&N is S\$2,512mn; and
- (ii) the mean LTM EV/EBITDA of selected comparable listed companies in non-alcoholic, ready-to-drink and dairy beverage manufacturers in Southeast Asia is 18.0 times. Accordingly, the implied equity valuation of F&NHB attributable to F&N is S\$2,706mn.

As such, the range of valuation adopted for F&NHB is S\$2,512mn to S\$2,706mn.

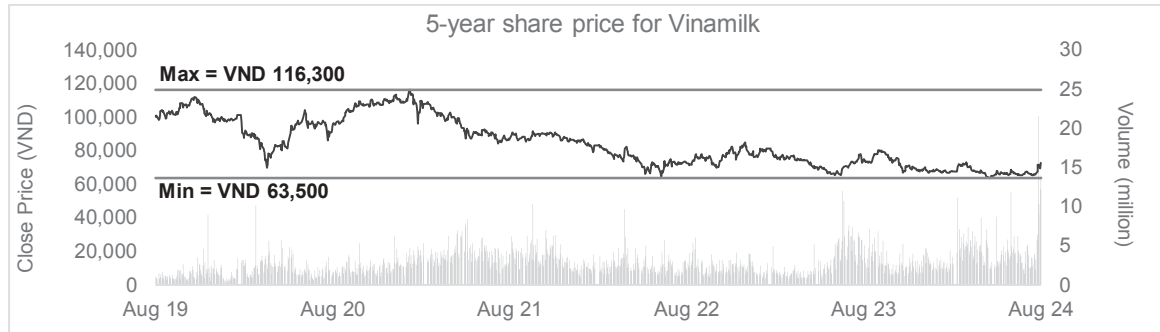
We further note from an announcement by F&NHB dated 15 June 2023, that F&NHB is pursuing the construction of a modern integrated dairy farm, AgriValley, in Gemas, Negeri Sembilan, Malaysia. F&NHB shared in their second quarter 2024 press release dated 9 May 2024, that F&NHB has completed the social impact study and is nearing completion on the land clearance and site preparation. We also note from the ThaiBev announcement of Proposed Share Swap dated 18 July 2024 that F&NHB is currently carrying out construction on the expected MYR 1.7bn dairy farm, which spans 2,726 hectares. The dairy farm is expected to accommodate 20,000 milking cows, producing an annual volume of 200 million litres of fresh milk. The first milking is expected to commence in 2025. We note that this may not have been factored into the earnings or asset base and we have not factored this into our assessment of the intrinsic value of F&NHB.

### 3.4.2 Vinamilk

Vinamilk is a listed associate investment of F&N on the Ho Chi Minh Stock Exchange, which is the largest manufacturer of dairy based products in Vietnam. Vinamilk holds more than 50% of the domestic market share in Vietnam<sup>6</sup>. We set out in Figure 5 the 5-year historical share price performance for Vinamilk up to the LPD.

<sup>6</sup> Noted from HSBC Global Research Vinamilk Analyst Report "Buy:Positive sell-in data, Moc Chau Milk listing", dated 6 May 2024.

**Figure 5: 5-year historical share price for Vinamilk**



Source: Capital IQ  
 Note: 5-years up to the LPD of 6 August 2024

We note that the Vinamilk share price has declined over the 5-year period. Based on analyst reports, in the past 5 years, Vinamilk has experienced downturn in share prices amidst weakened macroeconomic conditions, including an elevated price of raw materials and softer demand. We also note that in the first quarter of 2024, material costs for the dairy sector have recovered with consumption trends expected to pick up from second half of 2024.

For the purposes of assessing the intrinsic appraised market value of Vinamilk, we have taken a valuation metric approach based on LTM EV/EBITDA of selected comparable listed dairy focused peers in Southeast Asia which have broadly similar business focus as Vinamilk. We note that Vinamilk is the only listed dairy player in Vietnam, thus we have benchmarked a wider scope of dairy players in the Southeast Asian region. We have had discussions with the ThaiBev management about the suitability and reasonableness of the selected comparable listed companies as a basis for comparison with Vinamilk.

The following is a list of selected comparable listed companies, together with a brief description of their principal activities.

Company	Country	Business Description
Farm Fresh Berhad	Malaysia	Farm Fresh primarily engages in rearing of dairy cows and manufacturing of ready-to-drink dairy beverages and other dairy products such as yogurt.
Dutch Lady Milk Industries Berhad	Malaysia	Dutch Lady produces various dairy products, primarily ready-to-drink dairy beverages such as UHT, flavoured milk and drinking yogurt.

We set out the financial multiples of the selected comparable listed companies as below:

Company	Last filing date	Market capitalisation as at LPD (S\$'mn)	Enterprise value as at LPD (S\$'mn)	LTM EV/EBITDA as at LPD	P/NAV as at LPD
Farm Fresh Berhad	31 March 2024	804	893	23.8x	4.1x
Dutch Lady Milk Industries Berhad	31 March 2024	583	571	12.1x	4.2x
<b>Min</b>				<b>12.1x</b>	<b>4.1x</b>
<b>Mean</b>				<b>17.9x</b>	<b>4.2x</b>
<b>Median</b>				<b>17.9x</b>	<b>4.2x</b>
<b>Max</b>				<b>23.8x</b>	<b>4.2x</b>

Sources: Capital IQ, Bloomberg, company financial statements, company announcements



We note that the P/NAV of comparable listed companies in dairy beverages in Southeast Asia ranges between 4.1 times and 4.2 times. However, we focus on an income-based valuation ratio as it would be more appropriate to appraise the intrinsic value of a profitable company. The LTM EV/EBITDA valuation ratio was used to best exclude the effects of varying capital structures.

**Figure 6: Implied attributable equity value of Vinamilk**

Vinamilk		Valuation
Equity value attributable to F&N <sup>(1)</sup>	S\$'mn	2,527
Equity value per F&N share	S\$	1.73

Note: (1) Translated based on the exchange rate as at the LPD of 6 August 2024 at SGD:VND of 18,964, based on Bloomberg.

Based on the above, the median and mean LTM EV/EBITDA of selected dairy beverage manufacturers in Southeast Asia is 17.9 times. Accordingly, the implied equity valuation of Vinamilk attributable to F&N is S\$2,527mn.

We further note that the LTM EV/EBITDA multiple of the selected comparable listed companies in dairy beverages in Southeast Asia is in line with a recent precedent transaction in the dairy space. On 7 December 2020, Japfa Ltd announced that TPG and Northstar Group acquired 80% of Greenfields Dairy Singapore from Japfa Ltd at an implied EV/EBITDA multiple of 20.8 times.

### 3.4.3 Times Publishing Limited

Times Publishing Limited is an unlisted wholly-owned subsidiary of F&N, which engages in the printing and publishing of various print material, such as books, partworks, directories, magazines and others. Along with their subsidiaries, Times Publishing Limited forms the printing & publishing segment under F&N.

We note that Times Publishing Limited is an unlisted wholly-owned subsidiary of F&N and lacks publicly available information, thus, we have assessed the intrinsic valuation of the segment based on its last financial period ended 30 September 2023. We also note the historical loss-making nature of Times Publishing Limited.

For the purposes of assessing the intrinsic appraised market value of Times Publishing Limited, we have taken a valuation metric approach based on P/NAV of selected comparable listed printing and publishing companies in Southeast Asia which has broadly similar business focus as Times Publishing Limited.

The following is a list of selected comparable listed companies, together with a brief description of their principal activities.

Company	Country	Business Description
Amarin Company Public Company Limited	Thailand	Amarin engages in printing, publishing and publication distribution in Thailand. Print media produced includes books, magazines, books, annual reports and many others.
Star Media Group Berhad	Malaysia	Star Media is a printing, publishing and media company in Malaysia. Their printing and publishing segment produces and distributes newspapers and magazines.
Sasbadi Holdings Berhad	Malaysia	Sasbadi Holdings is a printing and publishing company in Malaysia that primarily publishes educational printed material such as textbooks, workbooks and various other educational print media.
A-Smart Holdings Ltd.	Singapore	A-Smart is an print management company which provides a range of printing and publication services in Singapore. It carries out printing, conceptualisation, design, printing, distribution and delivery of corporate reports, brochures, magazines and other print media.

We set out the financial multiples of the selected comparable listed companies as below:

Company	Last filing date	Market capitalisation as at LPD (S\$'mn)	P/NAV as at LTD
Amarin Corporations Public Company Limited	31 March 2024	142	0.8x
Star Media Group Berhad	31 March 2024	89	0.5x
Sasbadi Holdings Berhad	31 May 2024	19	0.4x
A-Smart Holdings Ltd.	31 January 2024	20	1.0x
<b>Min</b>			<b>0.4x</b>
<b>Mean</b>			<b>0.7x</b>
<b>Median</b>			<b>0.6x</b>
<b>Max</b>			<b>1.0x</b>

Sources: Bloomberg, company financial statements, company announcements

We focus on an asset-based valuation approach due to the loss-making nature of the business. The P/NAV valuation ratio was adopted to evaluate the value based on the fundamental underlying assets of the business.

**Figure 7: Implied attributable equity value of Times Publishing Limited**

Times Publishing Limited		Valuation	
		Low	High
<b>Equity value attributable to F&amp;N</b>	<b>S\$'mn</b>	<b>117</b>	<b>191</b>
<b>Equity value per F&amp;N share</b>	<b>S\$</b>	<b>0.08</b>	<b>0.13</b>

We have adopted the median P/NAV of peers as the low range and the P/NAV of A-Smart as the benchmark for the high range. A-Smart was adopted as a specific high-end benchmark due to its similar business profile to Times Publishing Limited, as a printing and publishing peer that principally operates in Singapore.

Based on the above:

- (i) the median P/NAV of selected comparable listed companies in printing and publishing in Southeast Asia is 0.6 times. Accordingly, the implied equity valuation of Times Publishing Limited attributable to F&N is S\$117mn; and
- (ii) the P/NAV of A-Smart Holdings Ltd. is 1.0 times. Accordingly, the implied equity valuation of Times Publishing Limited attributable to F&N is S\$191mn.

As such, the range of valuation adopted for Times Publishing Limited is S\$117mn to S\$191mn.

We further note that Times Publishing Limited owns a 0.4 hectare freehold industrial property located at No. 1 New Industrial Road, Singapore 536196, known as the Times Centre property. We have not factored in any fair value changes relating to the Times Centre property in our assessment of the intrinsic value of Times Publishing Limited.

### 3.4.4 Unlisted Beverage & Dairy

The Unlisted Beverage & Dairy segment represents the remaining operations of F&N that are not separately identifiable as a distinct business segment and are unlisted. The Unlisted Beverage & Dairy segment operations primarily relate to the manufacturing and distribution of non-alcoholic, ready-to-drink and dairy beverages.

For the purposes of assessing the intrinsic appraised market value of Unlisted Beverage & Dairy, we have taken a valuation metric approach based on LTM EV/EBITDA of selected comparable listed non-alcoholic, ready-to-drink and dairy beverage manufacturers in Southeast Asia which have broadly similar business focus as F&NHB and the Unlisted Beverage & Dairy segment due to its broad coverage of product offerings.

We re-present the following list of selected comparable listed companies, together with a brief description of their principal activities and valuation multiples below:

Company	Country	Business Description
Nestlé (Malaysia) Berhad	Malaysia	Nestlé (Malaysia) Berhad manufactures and sells food and beverage products. They offer various ready-to-drink beverages such as milk, juices, instant coffee and others.
Osotspa Public Company Limited	Thailand	Osotspa manufactures various energy drinks, sports drinks and ready-to-drink coffee.
Carabao Group Public Company Limited	Thailand	Carabao Group manufactures carbonated and non-carbonated energy drinks, vitamin C drinks, sports drinks, ready-to-drink coffee and water.
Sappe Public Company Limited	Thailand	Sappe manufactures health food and beverages, notably ready-to-drink fruit juices, beauty drinks, kombuchas and coconut beverages.
Farm Fresh Berhad	Malaysia	Farm Fresh primarily engages in rearing of dairy cows and manufacturing of ready-to-drink dairy beverages and other dairy products such as yogurt.
Dutch Lady Milk Industries Berhad	Malaysia	Dutch Lady produces various dairy products, primarily ready-to-drink dairy beverages such as UHT, flavoured milk and drinking yogurt.

Company	Last filing date	Market capitalisation as at LPD (S\$'mn)	Enterprise value as at LPD (S\$'mn)	LTM EV/EBITDA as at LPD	P/NAV as at LPD
Nestlé (Malaysia) Berhad	30 June 2024	7,536	7,887	23.3x	38.3x <sup>(1)</sup>
Osotspa Public Company Limited	31 March 2024	2,582	2,609	15.3x	5.1x
Carabao Group Public Company Limited	31 March 2024	2,336	2,467	17.9x	4.0x
Sappe Public Company Limited	31 March 2024	1,031	942	15.4x	6.6x
Farm Fresh Berhad	31 March 2024	804	893	23.8x	4.1x
Dutch Lady Milk Industries Berhad	31 March 2024	583	571	12.1x	4.2x
<b>Min</b>				<b>12.1x</b>	<b>4.0x</b>
<b>Mean</b>				<b>18.0x</b>	<b>4.8x</b>
<b>Median</b>				<b>16.7x</b>	<b>4.2x</b>
<b>Max</b>				<b>23.8x</b>	<b>6.6x</b>

Note: (1) Nestlé (Malaysia) Berhad's P/NAV has been excluded as an anomaly due to its low net asset position as a result of significant liabilities, primarily trade payables and a debt-to-equity ratio of more than 100%, which is substantially higher than the other peers.  
Source: Capital IQ, Bloomberg, company financial statements, company announcements

Similar with F&NHB, we note that the P/NAV of comparable listed companies in non-alcoholic, ready-to-drink and dairy beverages in Southeast Asia range between 4.0 times and 6.6 times. However, we focus on an income-based valuation ratio as it would be more appropriate to appraise the intrinsic value of a profitable company. The LTM EV/EBITDA valuation ratio was used to best exclude the effects of varying capital structures.

**Figure 8: Implied attributable equity value of Unlisted Beverage & Dairy**

Unlisted Beverage & Dairy		Valuation	
		Low	High
Equity value attributable to F&N	S\$'mn	(269)	(222)
Equity value per F&N share	S\$	(0.18)	(0.15)

Note: Unlisted Beverage & Dairy accounts for the overall net debt position and minority interests of F&N, after excluding consolidated financial positions from F&NHB and Times Publishing Limited, which have been accounted separately under the respective SOTP analysis above.

Based on the above:

- (i) the median LTM EV/EBITDA of selected comparable listed companies in non-alcoholic, ready-to-drink and dairy beverage manufacturers in Southeast Asia is 16.7 times. Accordingly, the implied equity valuation of Unlisted Beverage & Dairy attributable to F&N is S\$(269)mn; and
- (ii) the mean LTM EV/EBITDA of selected comparable listed companies in non-alcoholic, ready-to-drink and dairy beverage manufacturers in Southeast Asia is 18.0 times. Accordingly, the implied equity valuation of Unlisted Beverage & Dairy attributable to F&N is S\$(222)mn.

As such, the range of valuation adopted for Unlisted Beverage & Dairy is S\$(269)mn to S\$(222)mn.

### 3.5 ASSESSMENT OF THE INTRINSIC APPRAISED MARKET VALUE OF FPL

In our evaluation of the intrinsic appraised market value of FPL, we have considered the carrying value, the NAV, and whether any assets should be valued at an amount materially different from the NAV. Additionally, we have taken into account other factors that may impact the NAV per share, potentially resulting in the revaluation of NAV.

#### 3.5.1 Carrying value

We referred to the Group 1HFY2024 Financial Statements as at 31 March 2024, we note that the carrying value of FPL attributable to ThaiBev on a 28.78% stake is approximately S\$2,102mn. This implies that the carrying value of FPL on a 100% basis is approximately S\$7,301mn or S\$1.86 per FPL Share.

#### 3.5.2 NAV and the Revalued NAV of FPL

##### NAV

The NAV of FPL refers to the aggregate value of all the assets in their existing condition, net of any minority interests and all liabilities of FPL. The NAV approach may provide an estimate of the value of a group assuming the hypothetical sale of all of its assets over a reasonable period of time, the proceeds of which would be first used to settle the liabilities of that group with the balance available for distribution to its shareholders.

We note that such a hypothetical scenario is assumed to be made without considering factors such as, inter alia, time value of money, market conditions, legal fees, liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers, which would theoretically lower the NAV that can be realised.

Based on FPL's 1HFY2024 Financial Statements as at 31 March 2024, the NAV attributable to the Shareholders is approximately S\$9,583mn or approximately S\$2.44 per FPL Share.

	As at 31 March 2024
<b>NAV of FPL</b>	<b>S\$9,583mn</b>
<b>NAV per FPL share<sup>(1)</sup></b>	<b>S\$2.44</b>
<b>FPL Transfer Share</b>	<b>S\$1.89</b>
<b>Discount of the FPL Transfer Share to the NAV</b>	<b>22.5%</b>

Note: (1) Based on the outstanding shares of FPL of 3,926,041,573

Based on the above, we note that the FPL Transfer Share represents a discount of approximately 22.5% to the NAV per FPL Share as FPL's 1HFY2024 Financial Statements as at 31 March 2024.

We note that the assets of the FPL as at 31 March 2024 comprise mainly of the following: (i) investment properties of approximately 61% of the total assets; (ii) investment in subsidiaries, joint ventures and associates (inclusive of the listed REITs stakes held by FPL) of approximately 11% of the total assets and (iii) properties held for sale of approximately 9% of the total asset.

The carrying amount of FPL's investment properties and properties held for sale as of 31 March 2024 are based on valuations determined by independent external valuers as of 30 September 2023. FPL has assessed these carrying values and determined that they approximate to their fair values as of 31 March 2024.

We note that there has been no recent revaluation of the investment properties performed or announced by FPL, as such we have relied on the reported carrying amounts of the investment properties and properties held for sale as of 31 March 2024.

## RNAV

Given that investments in subsidiaries, joint ventures, and associates (including the listed REITs stakes) form a major part of the total assets, we have considered the fair value changes between 31 March 2024, and the LPD, based on changes in share prices and shareholding stakes.

A summary of the Revalued NAV of FPL is set as follows:

	S\$'mn
<b>NAV of FPL</b>	<b>9,583</b>
Less: NAV of listed REITs stakes as at 31 March 2024	(3,192)
Add: Fair value of listed REITs stakes as at the LPD	Note A 2,878
Add: Net cash adjustment from the acquisition/ disposal of REITs stakes	Note A (28)
<b>Revalued NAV of FPL</b>	<b>9,241</b>
<b>Per share basis (S\$)</b>	<b>2.35</b>

Based on the above, the Revalued NAV attributable to the Shareholders is approximately S\$9,241mn or approximately S\$2.35 per FPL Share. We note that the FPL Transfer Share of S\$1.89 represents a discount of approximately 19.6% to the Revalued NAV per FPL Share as at the LPD.

### Note A: Fair value of listed REITs stakes as at the LPD

For the valuation of FPL's stakes in the listed REITs, we have utilised the market capitalisation of the listed REITs and FPL's effective interest, based on the latest company filing up to the LPD of 6 August 2024 to derive the fair value of FPL's listed REITs stakes as at the LPD.

In addition, we have considered the net cash adjustments pursuant to the listed REITs stakes transactions based on available company filing from 31 March 2024 up to the LPD. However, we have excluded any tax liabilities adjustment due to lack of visibility and the impact on the tax liabilities is expected to be minimal.

Listed REITs stake held by FPL	Market Cap. (S\$'mn) (A)	FPL stake as at LPD (%) (B)	NAV <sup>(1)</sup> (S\$'mn) (C)	P/NAV (x) (A) / (C)	Fair value as at LPD (S\$'mn) (A) x (B)
Frasers Centrepont Trust ("FCT")	4,000	39.71	4,104	1.0	1,588
Frasers Logistics & Commercial Trust ("FLCT")	3,758	22.88	4,352	0.9	860
Frasers Property Thailand Industrial Freehold & Leasehold REIT ("FTREIT")	1,238	15.87	1,361 <sup>(2)(3)</sup>	0.9	196
Frasers Hospitality Trust ("FHT")	809	25.75	1,275	0.6	208
Golden Ventures REIT ("GVREIT")	163	15.35	336 <sup>(2)</sup>	0.5	25
<b>Estimated fair value</b>	<b>9,968</b>		<b>11,428</b>		<b>2,878</b>

Sources: Bloomberg, company financial statements, company announcements

Notes:

(1) Based on the quarterly results as at 31 March 2024.

(2) Translated based on the exchange rate as at the LPD of 6 August 2024 at SGD:THB of 26.75, based on Bloomberg.

(3) Based on the quarterly results as at 30 June 2024.

Based on the above, the fair value of the listed REITs stakes held by FPL as at the LPD is S\$2,878mn.

Discount to Revalued NAV

Given that the Revalued NAV may not be reflective of realisable value and pricing available in a market transaction, we have referred to precedent privatisations of real estate companies in Singapore for the last 3 years to benchmark the range of discounts to Revalued NAV discounts that were adopted for companies similar to FPL.

**The selected precedent transactions are provided for illustrative purposes only. The selected precedent transactions and the acquired companies may not be directly comparable to the present transaction and may vary with respect to, amongst other factors, the geographical spread of activities, business mix and model, scale of operations, asset intensity, accounting policies, risk profile, track record and future prospects. Accordingly, the selected precedent transactions may not provide a meaningful basis for valuation comparison. We further wish to highlight that underlying financial data used to calculate the valuation ratios in our analysis has been extracted from the relevant companies' financials, Bloomberg, Capital IQ and other relevant information resources as at the relevant announcement date of each transaction as well as publicly available information. We have not independently verified (nor have we assumed responsibility or liability for independently verifying) or ascertained and makes no representations or warranties, express or implied, on the accuracy or completeness of such information.**

**Figure 9: Precedent privatisations of real estate companies in Singapore for the last 3 years**

Target	Type	IFA Opinion	Ann. Date	Premium / (Discount) over benchmark price					Implied Valuation		
				LTP (%)	1M VWAP (%)	3M VWAP (%)	6M VWAP (%)	12M VWAP (%)	P/NAV (x)	P/RNAV (x)	Premium / (Discount) to RNAV (%)
Global Dragon Limited	VGO	Fair and reasonable	Feb-23	14.3	15.4	22.4	17.6	17.6	1.0	0.7	(26.6)
Chip Eng Seng Corporation Ltd.	MGO	Fair and reasonable	Nov-22	5.6	13.1	26.5	33.7	42.6	0.8	0.6	(43.9)
Hwa Hong Corporation Limited	VGO	Fair and reasonable	May-22	36.5	36.1	32.0	22.0	24.6	1.4	0.8	(20.8)
Roxy-Pacific Holdings Limited	VGO	Not fair but reasonable	Dec-21	19.6	21.0	23.5	30.3	37.0	N.A.	0.6	(36.1)
Singapore Press Holdings Limited	SOA	Fair and reasonable	Nov-21	1.3	10.1	16.7	26.1	47.3	1.1	N.A.	N.A. <sup>(1)</sup>
SingHaiyi Group Ltd.	VGO	Not fair but reasonable	Nov-21	7.1	7.0	10.7	18.3	20.0	0.8	0.6	(40.0)
Fragrance Group Limited	VGO	Not fair but reasonable	Jul-21	16.9	19.0	19.0	20.0	21.1	0.7	0.7	(29.9)
CapitaLand Limited	SOA	Fair and reasonable	Mar-21	24.0	27.0	26.0	35.0	39.0	0.9	0.8	(22.2)
World Class Global Limited	SOA	Fair and reasonable	Mar-21	112.1	107.9	107.9	89.2	73.6	1.5	0.8	(16.6)
<b>Min</b>									<b>0.7</b>	<b>0.6</b>	<b>(16.6)</b>
<b>Mean</b>									<b>1.0</b>	<b>0.7</b>	<b>(29.5)</b>
<b>Median</b>									<b>1.0</b>	<b>0.7</b>	<b>(28.3)</b>
<b>Max</b>									<b>1.5</b>	<b>0.8</b>	<b>(43.9)</b>

Note: (1) Excluded from computation as no relevant information provided

We have adopted the minimum discount to Revalued NAV of 16.6% for the higher case valuation for FPL. Thus, the intrinsic appraised market value of the FPL is arrived at S\$7,710mn or approximately S\$1.96 per FPL Share. The FPL Transfer Share of S\$1.89 represents a discount of approximately 3.6% to the minimum discount to the Revalued NAV per FPL Share.

Based on the analysis above:

- (i) the implied price of FPL is between S\$1.86 and S\$1.96 per share based on the minimum discount to Revalued NAV and carrying value of FPL based on ThaiBev's books as at 31 March 2024; and
- (ii) the negotiated price of FPL Shares of S\$1.89 is within the range of the implied price of FPL of S\$1.86 and S\$1.96.

### 3.5.3 Trading Multiples Analysis with Selected SGX-listed companies engaged in property development

For illustrative purposes only, we have also considered the P/NAV multiple of FPL in relation to selected SGX-listed companies engaged in property development.

**Figure 10: Trading multiples of selected SGX-listed companies engaged in property development**

Target	Exchange	Market Cap <sup>(1)</sup>	NAV <sup>(2)</sup>	P/NAV
		S\$'m	S\$'m	(x)
City Developments Limited	SGX	4,538	9,180	0.5x
UOL Group Limited	SGX	4,401	11,042	0.4x
GuocoLand Limited	SGX	1,704	4,249	0.4x
Ho Bee Land Limited	SGX	1,182	3,596	0.3x
Singapore Land Group Limited	SGX	2,479	8,189	0.3x
OUE Limited	SGX	764	3,640	0.2x
Wing Tai Holdings Limited	SGX	990	3,081	0.3x
<b>Min</b>				<b>0.2x</b>
<b>Mean</b>				<b>0.4x</b>
<b>Median</b>				<b>0.4x</b>
<b>Max</b>				<b>0.5x</b>
<b>FPL</b>				<b>0.3x</b>
<b>Implied P/NAV based on negotiated price of FPL</b>				<b>0.8x</b>

Sources: Bloomberg, company financial statements, company announcements

Notes:

(1) As at the LPD i.e. 6 August 2024

(2) Based on the latest quarterly results as at the LPD

Based on the analysis above, we note that the:

- (i) the current P/NAV of FPL of 0.3 times is within the peers' range but lower than the mean and median P/NAV of its peers of 0.4 times respectively; and
- (ii) the implied P/NAV of FPL based on the negotiated price of 0.8 times is out of the peers' range and approximately double the mean and median P/NAV of its peers of 0.4 times respectively.



The benchmarking above is merely for illustration only as the historical NAV may not reflect the intrinsic appraised market value of FPL Shares as they are fairly illiquid. For the purpose of evaluating the Proposed Share Swap, we will rely primarily on the intrinsic appraised market value derived from the discount to RNAV as our basis of evaluation.

### 3.6 EVALUATION OF SWAP RATIO

We have assessed the intrinsic appraised market values of F&N from a pure markets approach on an as-is basis without factoring in any future potential, and FPL on a Revalued NAV and carrying value basis. Based on our analyses above, we have summarised our intrinsic appraised market values for each F&N Business Component, F&N (as a whole) and FPL along with the implied Swap Ratio based on the range of intrinsic appraised market values.

**Figure 11: Summary of Implied Swap Ratio**

Component	Low	High
F&NHB	2,512	2,706
Vinamilk	2,527	2,527
Times Publishing Limited	117	191
Unlisted Beverage & Dairy	(269)	(222)
<b>Implied F&amp;N Shares price (S\$)</b>	<b>3.35</b>	<b>3.57</b>
<b>Implied FPL Shares price (S\$)</b>	<b>1.96</b>	<b>1.86</b>
<b>Implied Swap Ratio (x)</b>	<b>1.71</b>	<b>1.92</b>
<b>Swap Ratio (x)</b>	<b>1.88</b>	

Based on the above, the Swap Ratio of 1.88x is within the range of the Implied Swap Ratio of 1.71x and 1.92x.

### 3.7 THE PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED SHARE SWAP

The pro forma financial effects of the Proposed Share Swap are set out in Paragraph 11 of the Circular to the Shareholders.

On the basis presented and using the assumptions made as set out in Paragraph 11 of the Circular to the Shareholders, we note the illustrated pro forma financial effects of the Proposed Share Swap as follows:

#### **For the twelve months ended 31 March 2024**

**For illustrative purposes only**, the financial effects of the Proposed Share Swap on the Group as set out below are prepared based on the Group FY2023 Financial Statements and the Group 1HFY2024 Financial Statements.

#### EPS

Based on the assumptions as set out in Paragraph 11.1 of the Circular to the Shareholders, the Group's consolidated EPS would increase from approximately THB 1.06 to approximately THB 1.10.

#### NTA per Share

Based on the assumptions as set out in Paragraph 11.1 of the Circular to the Shareholders, the Group's consolidated NTA per Share would decrease from approximately THB 1.42 to approximately THB 0.84.

**For the financial year ended 30 September 2023**

**For illustrative purposes only**, the financial effects of the Proposed Share Swap on the Group as set out below are prepared based on the Group FY2023 Financial Statements.

**EPS**

Based on the assumptions as set out in Paragraph 11.2 of the Circular to the Shareholders, the Group's consolidated EPS would decrease slightly from approximately THB 1.09 to approximately THB 1.08.

**NTA per Share**

Based on the assumptions as set out in Paragraph 11.2 of the Circular to the Shareholders, the Group's consolidated NTA per Share would decrease from approximately THB 1.35 to approximately THB 0.73.

Based on the pro-forma effects for LTM ended 31 March 2024, we note that:

- (i) The adjusted EPS will increase from THB 1.06 to THB 1.10 and is 4.3% accretive, due to the consolidation of F&N results which is higher than the eliminations of the combined share of profits from F&N and FPL; and
- (ii) The adjusted NTA per share will decrease 40.6% from THB 1.42 to THB 0.84, due to the recognition of intangible assets from F&N brands which was higher than the recognition of difference arising from business combination under common control in the equity part in the Group's Balance Sheet.

Based on the pro-forma effects for FY2023, we note that:

- (i) The adjusted EPS will reduce from THB 1.09 to THB 1.08 and is 1.1% dilutive, due to the consolidation of F&N results which is lower than the elimination of the combined share of profits from F&N and FPL; and
- (ii) The adjusted NTA per share will decrease 46.2% from THB 1.35 to THB 0.73, due to the recognition of intangible assets from F&N brands which was higher than the recognition of difference arising from business combination under common control in the equity part in the Group's Balance Sheet.

**3.8 OTHER RELEVANT CONSIDERATIONS THAT MAY HAVE A SIGNIFICANT BEARING ON OUR ASSESSMENT**

**3.8.1 Negotiated pricing of F&N and FPL**

The negotiated prices of F&N and FPL and the Swap Ratio were derived after extensive negotiations between IBIL and TCCAL on an arm's length commercial basis, backed by a robust valuation assessment undertaken by DBS on the range of fair values of each of F&N and FPL on a standalone basis.

**3.8.2 Cashless transaction**

No cash consideration is payable by IBIL and TCCAL for the F&N Transfer Shares and the FPL Transfer Shares respectively. The intention is that, on or around the Completion Date, IBIL or TCCAL (as the case may be) shall effect the Proposed Share Swap to the respective recipient's Securities Account.

### 3.8.3 Waiver on mandatory take-over offer

We note the Company having received a written confirmation and/or ruling from the SIC that IBIL will not be required to make a general offer for F&N under Rule 14.1 of the Code in the event that it acquires more than 30% of the total voting rights in F&N as a result of the Proposed Share Swap, and such confirmation and/or ruling remaining in full force and effect as at the Completion Date as referred to in Paragraph 8.3 of the Circular to the Shareholders.

## 4. OUR RECOMMENDATION

In arriving at our recommendation, we have taken into account the following factors which we considered to have a significant bearing on our assessment of the Proposed Share Swap:

- (i) the rationale for the Proposed Share Swap;
- (ii) the historical swap ratio may not be reflective of the intrinsic swap values of the F&N Shares and FPL Shares as both F&N and FPL are fairly illiquid;
- (iii) the Past 12M ADT Volume for F&N Shares and FPL Shares, as a percentage of F&N's and FPL's free float, is below the range of measures for the 30 STI Companies;
- (iv) the Past 12M ADT Value for F&N Shares and FPL Shares, as a percentage of F&N's and FPL's market capitalisation, is below the range of measures for the 30 STI Companies;
- (v) based on the SOTP approach, the SOTP implied equity value of F&N is between S\$4,886mn and S\$5,202mn and the SOTP implied equity value per share is S\$3.35 to S\$3.57;
- (vi) negotiated price of F&N Shares of S\$3.55 is within the range of implied equity value per F&N Share of S\$3.35 and S\$3.57;
- (vii) the implied price of FPL is between S\$1.86 and S\$1.96 per share based on the minimum discount to Revalued NAV and carrying value of FPL based on ThaiBev's books as at 31 March 2024;
- (viii) the negotiated price of FPL Shares of S\$1.89 is within the range of the implied price of FPL of S\$1.86 and S\$1.96;
- (ix) the Swap Ratio of 1.88x is within the range of the Implied Swap Ratio of 1.71x to 1.92x;
- (x) the adjusted EPS will increase from THB 1.06 to THB 1.10 and is 4.3% accretive for LTM ended 31 March 2024, due to the consolidation of F&N results which is higher than the eliminations of the combined share of profits from F&N and FPL;
- (xi) the adjusted NTA per share will decrease 40.6% from THB 1.42 to THB 0.84 as at 31 March 2024, due to the recognition of intangible assets from F&N brands which was higher than the recognition of difference arising from business combination under common control in the equity part in the Group's Balance Sheet;
- (xii) the adjusted EPS will reduce from THB 1.09 to THB 1.08 and is 1.1% dilutive for the financial year ended 30 September 2023, due to the consolidation of F&N results which is lower than the elimination of the combined share of profits from F&N and FPL; and
- (xiii) the adjusted NTA per share will decrease 46.2% from THB 1.35 to THB 0.73 as at the year ended 30 September 2023, due to the recognition of intangible assets from F&N brands which was higher than the recognition of difference arising from business combination under common control in the equity part in the Group's Balance Sheet.

**Having considered the above and subject to the assumptions and qualifications set out herein and taking into account the prevailing conditions as at the LPD, we are of the opinion that the Proposed Share Swap is on normal commercial terms and is not prejudicial to the interests of ThaiBev and its minority Shareholders.**

**Accordingly, we are of the opinion that the Independent Directors, and the Audit Committee may recommend that the Shareholders vote in favour of the Proposed Share Swap to be proposed at the Extraordinary General Meeting.**

Our recommendation is issued pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the Independent Directors and the Audit Committee for their benefit in connection with and for the purpose of their consideration of the Proposed Share Swap. Any recommendation made by the Independent Directors and the Audit Committee in respect of the Proposed Share Swap shall remain their responsibility.

Our recommendation is governed by the laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

**Deloitte & Touche Corporate Finance Pte Ltd**

Koh Soon Bee  
Executive Director

SCHEDULE 2 TO THE DOCUMENT TO SHAREHOLDERS

DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

The interests of the Directors and Substantial Shareholders of the Company in the Shares, based on the register of the Substantial Shareholders of the Company and information made available to the Company, as at the Latest Practicable Date, are set out below.

**A. Directors' Interests**

Name of Director	Direct Interest (No. of Shares)	% <sup>(1)</sup>	Deemed Interest (No. of Shares)	% <sup>(1)</sup>
1. Mr. Charoen Sirivadhanabhakdi <sup>(2)</sup>	-	-	16,544,687,762	65.84
2. Ms. Potjaneer Thanavarant	-	-	-	-
3. Clinical Prof. Emeritus Piyasakol Sakolsatayadorn, M.D.	-	-	-	-
4. Mr. Timothy Chia Chee Ming	-	-	-	-
5. Prof. Khemchai Chutiwongse	-	-	-	-
6. Dr. Chatri Banchuin	-	-	-	-
7. Assoc. Prof. Dr. Kritika Kongsompong	-	-	-	-
8. Mr. Wee Joo Yeow	190,000	0.001	-	-
9. Mrs. Busaya Mathelin	-	-	-	-
10. Dr. Pasu Loharjun	-	-	-	-
11. Mr. Vivat Tejapaibul <sup>(3)</sup>	1,541,500	0.006	220,000,000	0.876
12. Mr. Panote Sirivadhanabhakdi	107,000,000	0.426	-	-
13. Mr. Thapana Sirivadhanabhakdi	107,000,000	0.426	-	-
14. Mr. Ueychai Tantha-Obhas <sup>(4)</sup>	1,534,388	0.006	84,608	0.0003
15. Mr. Sithichai Chaikriangkrai <sup>(5)</sup>	364,389	0.002	84,608	0.0003
16. Dr. Pisanu Vichiensanth <sup>(6)</sup>	364,388	0.002	84,608	0.0003

Notes:

- (1) Based on the Company's total number of issued Shares of 25,127,674,910 Shares as at the Latest Practicable Date.
- (2) Each of Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi jointly hold a 100% direct interest in Shiny Treasure Holdings Limited ("**Shiny Treasure**") and a 51% direct interest in Siriwana Co., Ltd. ("**Siriwana**"). Shiny Treasure holds a 49% direct interest in Siriwana. Siriwana holds 11,368,060,000 Shares (representing an approximately 45.24% direct interest in the Shares). Siriwana also holds a 100% direct interest in Siriwanan Co., Ltd. ("**Siriwanan**") which holds 5,176,627,762 Shares (representing an approximately 20.60% direct interest in the Shares).
- Each of Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi is therefore deemed to have an interest in the Shares as shown in the table above.
- (3) Mr. Vivat Tejapaibul's spouse, Mrs. Chompoonuch Tejapaibul, holds 70,000,000 Shares (representing an approximately 0.2786% direct interest in the Shares). He and his adult relative also jointly hold over 100% direct interest in Hakim Holdings Limited ("**Hakim**"). Hakim holds 150,000,000 Shares (representing an approximately 0.5970% direct interest in the Shares). Mr. Vivat is therefore deemed to have an interest in the Shares as shown in the table above.

- (4) Mr. Ueychai Tantha-Obhas has an aggregate interest in 1,618,996 Shares (representing an approximately 0.006% interest in the Shares), which includes a deemed interest in 84,608 Shares as a result of his contingent awards under the long term incentive plan of ThaiBev as per the details shown in the table above.
- (5) Mr. Sithichai Chaikriangkrai has an aggregate interest in 448,997 Shares (representing an approximately 0.002% interest in the Shares), which includes a deemed interest in 84,608 Shares as a result of his contingent awards under the long term incentive plan of ThaiBev as per the details shown in the table above.
- (6) Dr. Pisanu Vichiensanth has an aggregate interest in 448,996 Shares (representing an approximately 0.002% interest in the Shares), which includes a deemed interest in 84,608 Shares as a result of his contingent awards under the long term incentive plan of ThaiBev as per the details shown in the table above.

## B. Substantial Shareholders' Interests

Name of Substantial Shareholder	Direct Interest (No. of Shares)	% <sup>(1)</sup>	Deemed Interest (No. of Shares)	% <sup>(1)</sup>
1. Siriwana Co., Ltd. <sup>(2)</sup>	11,368,060,000	45.24	5,176,627,762	20.60
2. Siriwanan Co., Ltd.	5,176,627,762	20.60	-	-
3. Shiny Treasure Holdings Limited <sup>(3)</sup>	-	-	16,544,687,762	65.84
4. Mr. Charoen Sirivadhanabhakdi <sup>(4)</sup>	-	-	16,544,687,762	65.84
5. The estate of the late Khunying Wanna <sup>(4)</sup>	-	-	16,544,687,762	65.84

Notes:

- (1) Based on the Company's total number of issued Shares of 25,127,674,910 Shares as at the Latest Practicable Date.
- (2) Siriwana holds an approximately 45.24% direct interest in Shares, as shown in the table above. Siriwana also holds a 100% direct interest in Siriwanan. Siriwana is therefore deemed to have an interest in all of the Shares in which Siriwanan has an interest, as shown in the table above.
- (3) Shiny Treasure holds a 49% direct interest in Siriwana and is therefore deemed to have an interest in all of the Shares in which Siriwana has an interest.
- (4) Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi jointly hold a 51% direct interest in Siriwana and a 100% direct interest in Shiny Treasure, which holds the remaining 49% direct interest in Siriwana. Siriwana holds an approximately 45.24% direct interest in Shares. Siriwana also holds a 100% direct interest in Siriwanan which holds an approximately 20.60% direct interest in Shares. Each of Mr. Charoen Sirivadhanabhakdi and the estate of the late Khunying Wanna Sirivadhanabhakdi is therefore deemed to have an interest in all of the Shares in which Siriwana and Siriwanan have an interest in, as shown in the table above.



