



## MEDIA RELEASE

For Immediate Release

# ThaiBev to Expand Food Business with the Acquisition of KFC Stores in Thailand

*Collaboration to accelerate growth in a sustainable manner over the long-term*

**BANGKOK, Thailand, 8 August 2017** – Thai Beverage Public Company Limited (“ThaiBev”, and together with its subsidiaries, the “Group”) today announced that our subsidiary, The QSR of Asia Co., Ltd.<sup>1</sup> (“QSA”), has entered into an asset sale and purchase agreement (“ASPA”) with Yum Restaurants International (Thailand) Co., Ltd. to acquire more than 240 existing and a number of developing KFC stores<sup>2</sup> in Thailand. The preliminary amount of consideration for the existing KFC stores is approximately Thai Baht 11.3 billion (including VAT), and an additional amount of consideration for the developing KFC stores which will be determined at closing. This will enable ThaiBev to expand further into the food business and to capture the current lifestyle of consumers within the quick service restaurant segment.

Mrs. Nongnuch Buranasetkul, Senior Vice President – Food Business (Thailand), ThaiBev, commented, “The acquisition of the KFC stores represents more than just an opportunity to enlarge ThaiBev’s food business. KFC’s extensive network in Thailand will give the Group direct access to multiple customer touch points across the country, enabling us to understand trends and stay at the forefront of the industry. This is essential for sustainable growth over the long term. With QSA’s restaurant management expertise, we are well positioned to accelerate KFC’s further expansion in Thailand. We look forward to partnering with Yum Restaurants International (Thailand) Co., Ltd. to achieve this goal and will focus not only on enhancing operations, but also human capital development.”

KFC brand has been the number one quick service restaurant brand in Thailand measured by brand share and number of outlets.<sup>3</sup> KFC has been in Thailand for more than 30 years, with the fastest pace of store growth in the last 5 years.

<sup>1</sup> QSA was set up under Food of Asia Co., Ltd., ThaiBev’s wholly-owned subsidiary and food product group flagship company in Thailand

<sup>2</sup> Including the necessary properties and assets for the operation of the stores

<sup>3</sup> Based on the research conducted by Nielsen Thailand

The consideration is subject to the price adjustment mechanisms as set out in the ASPA, and depends on the exact number of the existing and developing KFC stores to be acquired at closing. The acquisition is expected to be completed by the end of December 2017.

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### **About Thai Beverage Public Company Limited**

Thai Beverage Public Company Limited (“ThaiBev” or the “Group”) is a leading beverage company in Southeast Asia and the largest in Thailand. The Group’s vision to become a world-class total beverage company embodying commercial excellence, continuous product development and premiumisation, as well as professionalism. ThaiBev’s business consists of four segments – spirits, beer, non-alcoholic beverages, and food.

The Group was listed on the mainboard of the Singapore Exchange in 2006. With a market capitalisation of around S\$24 billion as at 31 July 2017, it is currently one of the largest Singapore-listed companies. In 2012, ThaiBev expanded its business overseas through the acquisition of Fraser and Neave, Limited (“F&N”), a highly recognized company in Singapore with a portfolio that boasts of many renowned brands. With the acquisition of F&N, the Group further cemented its position as the leading beverage producer and distributor in the region.

As at 31 March 2017, ThaiBev has 131 subsidiaries, including 18 distilleries, three breweries, and 11 non-alcoholic beverage production facilities in Thailand. The Group also has an extensive distribution network covering 400,000 points of sale in the country. In addition, ThaiBev has an international presence in over 90 countries. The Group has five production facilities in Scotland which are known for producing single malt scotch whiskies such as Balblair, Old Pulteney, as well as Speyburn; and also owns one distillery in China which produces the famous Yulinquan Chinese spirit.

ThaiBev’s most recognised spirits brands include Ruang Khao, SangSom, Mekhong, Hong Thong, as well as Blend 285; and the Group’s signature beer, Chang, is very popular among Thai beer drinkers. In the non-alcoholic beverage space, ThaiBev’s leading brands include Oishi green tea, est cola, and Crystal drinking water. In addition, ThaiBev operates Japanese restaurants, as well as ready-to-cook and ready-to-eat food businesses through its subsidiary Oishi Group Public Company Limited. The Group has also started branching out from these well-established Japanese restaurants and food products, and is accelerating the expansion of its food business by leveraging its subsidiary Food of Asia.