



Thai Beverage Public Company Limited

ANNOUNCEMENT

Date: 22 December 2017

To: Singapore Exchange Securities Trading Limited (“SGX-ST”)

Subject: Supplementary Announcement - Acquisition of Ordinary Shares in Saigon Beer - Alcohol - Beverage Joint Stock Corporation (“Sabeco”)

The Board of Directors (“**Board**”) of Thai Beverage Public Company Limited (“**THBEV**” or the “**Company**”, and together with our subsidiaries, the “**Group**”) refers to the Company’s announcements dated 12 December 2017, 17 December 2017 and 19 December 2017 (the last announcement hereinafter called the “**Announcement**”) in relation to the bidding process of a competitive offering and subsequent acquisition by Vietnam Beverage Company Limited (“**Vietnam Beverage**”) of ordinary shares in Sabeco. Words and expressions used in this Supplementary Announcement bear the meanings set out in the Announcement.

The SGX-ST has raised the following questions and the Company sets out below its responses thereto:

- A. Whether any director or controlling shareholder of the Company has any connection (including business dealings) with any of the other shareholders of Vietnam F&B Alliance Investment Joint Stock Company (“**Vietnam F&B**”).

The Company’s response: the Company confirms that no director or controlling shareholder of the Company has any connection (including business dealings) with the other ultimate shareholders of Vietnam F&B.

Since Sabeco is subject to a foreign shareholding limit (as detailed in C. below), the acquisition of 53.59% shares in Sabeco is required to be done via a Vietnamese associated company. To enable the Company to participate in the competitive offering and subsequently acquire a majority stake in Sabeco, the Company relied on two Vietnamese investors to participate with it in the competitive bid.

One of the Vietnamese investors in Vietnam F&B is a businessperson in Vietnam and is in the same group as the Company’s distributor of alcohol beverages in Vietnam. The other Vietnamese investor is the Company’s local business consultant in Vietnam who has been providing advice to the Company in relation to the Acquisition.



- B. The amount of loans extended by BeerCo, whether any interest will be charged on the loans and the repayment terms

The Company's response: There will be interest chargeable on the loans by BeerCo to Vietnam Beverage, which is higher than the cost-of-funds of BeerCo. The loans will be repayable within a 12-month period and will be secured by, among other things, Sabeco's shares to be acquired by Vietnam Beverage.

Separately, the Company and BeerCo have obtained external loans from various local and foreign banks to finance the loans made by BeerCo to Vietnam Beverage to fund the Acquisition. The external loans have been factored into the gearing impact disclosed in paragraph 6(3) of the Announcement.

- C. The rationale for the aforesaid funding arrangement when Vietnam F&B is only an associated company.

The Company's response: The timeline of the competitive offering was extremely tight, making it very difficult for bidders, including Vietnam Beverage, to secure external financing for the Acquisition. As agreed with the two Vietnamese investors in Vietnam F&B, the Company, with its financial strength and good relationship, secured the initial financing to fund the Acquisition (as mentioned under B. above), with a plan to arrange for appropriate refinancing post-acquisition. Furthermore, Sabeco's shares to be acquired by Vietnam Beverage will also serve as strong and valuable collateral for the loan provided by BeerCo to Vietnam Beverage.

The Company considers that the loan provided by BeerCo to Vietnam Beverage has facilitated the investment in a good business with potential and good growth in Vietnam. With its experience in the alcohol beverage business and its supervisory role in the day-to-day operations of Vietnam F&B and Vietnam Beverage, the Company strongly believes in the ability of Vietnam Beverage to generate good revenue and returns, enabling Vietnam Beverage to service the loans in a timely manner.

Please be informed accordingly.

Yours faithfully,

Nantika Ninvoraskul
Company Secretary