



Thai Beverage Public Company Limited

## ANNOUNCEMENT

**Date:** 3 January 2019  
**To:** Singapore Exchange Securities Trading Limited  
**Subject:** Restructuring of the Loan from BeerCo Limited to Vietnam Beverage Company Limited in relation to the acquisition of ordinary shares in Sabeco

We, Thai Beverage Public Company Limited (“**THBEV**”), refer to:

- (1) THBEV’s announcement dated 29 November 2017 in relation to the acquisition of 49% shareholding interest in Vietnam F&B Alliance Investment Joint Stock Company (“**Vietnam F&B**”) by BeerCo Limited (“**BeerCo**”);
- (2) THBEV’s announcement dated 19 December 2017 in relation to Vietnam Beverage Company Limited (“**Vietnam Beverage**”) successful in bid in the competitive offering of ordinary shares in Saigon Beer – Alcohol – Beverage Corporation (“**Sabeco**” and such acquisition, the “**Acquisition of Sabeco Shares**”);
- (3) THBEV’s announcement dated 22 December 2017 in relation to the acquisition of ordinary shares in Sabeco (“**Sabeco Shares**”);
- (4) THBEV’s announcement dated 27 December 2017 in relation to the consummation of the transfer of Sabeco Shares to Vietnam Beverage; and
- (5) THBEV’s Document to Shareholders (“**Document**”) forming part of the Invitation to the 2018 Extraordinary General Meeting of Shareholders on 30 April 2018, dated 9 April 2018.

As mentioned in the said announcements and the Document:

- (a) BeerCo (an indirect wholly-owned subsidiary of THBEV) holds 49% of all shares in Vietnam F&B, which in turn owns 100% of the charter capital of Vietnam Beverage (the company that holds the Sabeco Shares, comprising 53.59% of all issued shares of Sabeco);
- (b) BeerCo has granted a loan to Vietnam Beverage to finance the acquisition of the Sabeco Shares (the “**Loan**”);
- (c) The Loan is secured against, among other things, the Sabeco Shares held by Vietnam Beverage;

As mentioned in the Document, THBEV has been exploring various options for the restructuring of the Loan. THBEV through Vietnam Beverage is committed to doing business with Sabeco in a sustainable manner and using its best endeavors to develop Sabeco to greater



heights, for the benefit of the shareholders of Sabeco, in terms of share price and dividend as well as having regard to all of Sabeco’s stakeholders, including the State and people of Vietnam. Further, to encourage more foreign investment in Vietnam, the State Securities Commission of Vietnam issued its approval letter to Sabeco on 3 December 2018 to remove the foreign ownership limit applicable to Sabeco. As a result, the Loan Conversion became one of the viable options for Vietnam Beverage and BeerCo to consider in the debt restructuring of the Loan. As the Loan amount is considerable, the Loan Conversion (as described below) will therefore also help to reduce the total national debt levels of Vietnam.

THBEV would like to announce that, following detailed evaluation of the various refinancing/restructuring options for the Loan, the Loan restructuring as described below (the “**Loan Conversion**”) has been undertaken, which effectively achieves increase in THBEV’s interest in Sabeco.

Vietnam Beverage and BeerCo entered into an agreement to convert the entire amount of the Loan and interest thereon (which is VND 111,208,798,000,000, equivalent to USD 4,892,600,000 at the applicable exchange rate of USD1 to VND22,730 (the “**Applicable Exchange Rate**”)) into additional charter capital of Vietnam Beverage.

The notice of satisfaction of the conditions for capital contributions/purchase of shares/acquisition of contributed capital by foreign investors (M&A Clearance Approval) was granted by the Hanoi Department of Planning and Investment of Vietnam on 17 December 2018 and 28 December 2018 for Vietnam Beverage’s capital increase contributed by foreign investor to be the amount of VND 22,957,300,000,000 (equivalent to USD 1,010,000,000 based on the Applicable Exchange Rate) and to be VND 111,208,798,000,000 (equivalent to USD 4,892,600,000 based on the Applicable Exchange Rate) respectively. Vietnam Beverage has increased its charter capital from VND 681,663,260,000 to VND 111,890,461,260,000.

As a result of BeerCo’s acquisition of the charter capital of Vietnam Beverage, Vietnam Beverage has been converted from a one-member limited liability company to a multiple-member limited liability company. Vietnam Beverage also obtained its new Enterprise Registration Certificate evidencing the new shareholding structure and charter capital from Hanoi Department of Planning and Investment of Vietnam on 2 January 2019.

As a result of the completion of the Loan Conversion, BeerCo currently holds VND 111,208,798,000,000 (approximately 99.39%) of the charter capital of Vietnam Beverage.

For illustrative purposes only, based on the latest audited consolidated financial statements of the THBEV Group for the financial year ended 30 September 2018 (“**FY2018**”), the financial effects of the Loan Conversion would be as follows:

(1) Net Tangible Assets (“NTA”)

Assuming that the Loan Conversion had been completed on 30 September 2018, the effect on the NTA per share of THBEV is as follows:

	<b>Before the Loan Conversion</b>	<b>After the Loan Conversion</b>
NTA (S\$'000)	(1,848,772)	(1,848,772)
NTA per share	(0.07)	(0.07)

(2) Earnings per Share (“EPS”)

Assuming that (i) the Loan Conversion had been completed on 1 October 2017 and (ii) Vietnam Beverage completed the Acquisition of Sabeco Shares on the same date, the effect on the EPS of THBEV would be as follows:

	<b>Before the Loan Conversion and the Acquisition of Sabeco Shares</b>	<b>After the Loan Conversion and the Acquisition of Sabeco Shares</b>
Profit attributable to shareholders (S\$'000)	781,788	780,075
EPS (S\$)	0.03113	0.03106

Note: An “Illustrative Exchange Rate” of S\$1 to THB23.7017 has been used for the purposes of computing the illustrative financial effects set out above. This 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 such a rate or at any other rate.

In accordance with accounting principles, and as announced previously, the results of operations and cash flows of Sabeco have already been included in the consolidated statements of income and cash flows of THBEV respectively, since the second quarter ended 31 March 2018.

To the best knowledge of the directors of THBEV (the “**Directors**”), none of the Directors nor any substantial shareholders of THBEV have any interest, direct or indirect (other than through their respective shareholdings in THBEV), in the Loan Conversion.

Please be informed accordingly.

Yours sincerely,

Nantika Ninvoraskul  
Company Secretary