



Thai Beverage Public Company Limited

ANNOUNCEMENT

Date: 6 November 2022

To: Singapore Exchange Securities Trading Limited

Subject: Approval from the Singapore Exchange Securities Trading Limited in relation to Application for Evergreen Waiver of Listing Rule 712(2A)

We, Thai Beverage Public Company Limited ("**THBEV**" or the "**Company**", and together with our subsidiaries, the "**Group**"), would like to announce that we had applied to Singapore Exchange Securities Trading Limited ("**SGX-ST**") to seek approval for an evergreen waiver from Listing Rule 712(2A) of the Listing Manual of the SGX-ST (the "**Evergreen Waiver**").

Listing Rule 712(2) of the Listing Manual provides the following in relation to the appointment of an auditing firm by an issuer:

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- (2) *The auditing firm appointed by the issuer must be:*
- (a) *Approved under the Accountants Act. The audit partner-in-charge assigned to the audit must be a public accountant under the Accountants Act;*
 - (b) *Approved by, registered with and/or regulated by an independent audit oversight body acceptable to the Exchange. Such oversight bodies should be members of the International Forum of Independent Audit Regulators, independent of the accounting profession and directly responsible for the system of recurring inspection of accounting firms or are able to exercise oversight of inspections undertaken by professional bodies. Where applicable, the audit partner-in-charge assigned to the audit should be approved by, registered with or regulated by a relevant audit oversight body acceptable to the Exchange; or*
 - (c) *Any other auditing firm acceptable by the Exchange."*

Listing Rule 712(2A), which will apply to an issuer's financial statements for its financial years beginning on or after 1 January 2022, further provides that an issuer that appoints an auditing firm that meets the requirements in Listing Rule 712(2)(b) must also appoint an additional auditing firm that meets the requirements in Rule 712(2)(a) to jointly audit its financial statements.

At the 2022 Annual General Meeting of the Company held on 28 January 2022, shareholders' approval was obtained for the appointment of KPMG Phoomchai Audit Ltd. as the Company's external auditor for the financial year ending 30 September 2022 ("**FY2022**"), and for Ms. Nittaya Chetchotiros (Certified Public Accountant No. 4439), Ms. Yuwanuch Thepsongvaj (Certified Public Accountant No. 5371), Ms. Kanokorn Phooriphanyawanit (Certified Public Accountant No. 10512), or Ms. Nadsasin Wattanapaisal (Certified Public Accountant No. 10767) to be appointed as the audit partner in charge of the Company's audit for FY2022.

The foregoing appointments of KPMG Phoomchai Audit Ltd. and the audit partners in charge of the Company's audit for FY2022 are in compliance with Listing Rule 712(2)(b). The Company intends to seek shareholders' approval to renew the appointment of KPMG Phoomchai Audit Ltd. as the Company's external auditors for its upcoming financial year beginning on 1 October 2022 and ending 30 September 2023 ("**FY2023**") at the next AGM to be held in 2023.



Reasons for Seeking the Evergreen Waiver

Given the implementation of Listing Rule 712(2A) which will apply to the Group's financial statements for the upcoming FY2023, the Company had sought an evergreen waiver from Listing Rule 712(2A) for the following reasons:

(a) The Company is registered and located in Thailand

THBEV is incorporated in Thailand and is a public company registered with the Department of Business Development, the Ministry of Commerce of Thailand. The principal businesses of the Group are the production and distribution of alcoholic and non-alcoholic beverages, and food and operating units of the Group are mainly located in Thailand and to a lesser extent, in the Socialist Republic of Vietnam and other geographical locations. Minimal business activities of the Group are conducted in Singapore. As such, it would naturally follow that it would be more appropriate for the audit of the financial statements of the Company to be conducted by KPMG Phoomchai Audit Ltd., rather than a public accountant that has been approved under the Singapore Accountants Act ("**Singapore Public Accountant**").

(b) The Company is legally required to adopt the Thai Financial Reporting Standards and Thai Accounting Standards for the preparation of its financial statements

The Company is governed by Thai laws given that it is incorporated in Thailand. Under Thai laws, the Company is required to adopt the Thai Financial Reporting Standards and Thai Accounting Standards for the preparation of its financial statements. Accordingly, it would follow that KPMG Phoomchai Audit Ltd. would be better placed to conduct an audit on financial statements that have been prepared in accordance with the Thai Financial Reporting Standards and Thai Accounting Standards than a Singapore Public Accountant. Given the language and regulatory barriers, the appointment of a Singapore Public Accountant is unlikely to provide significant benefit to the Company, its investors and shareholders.

(c) The Company's external auditors are KPMG Phoomchai Audit Ltd.

Since its listing, the Company has engaged auditors from KPMG Phoomchai Audit Ltd., as its external auditor. Its clients include listed companies in all major industry sectors, private companies and Thai subsidiaries of KPMG Global clients and other foreign investors.

KPMG Phoomchai Audit Ltd., is a Thai limited liability company incorporated in 2002 and a member firm of the KPMG global organization of independent firms affiliated with KPMG International Limited ("**KPMG International**"), a private English company limited by guarantee. KPMG is a global organization of independent professional services firms providing Audit, Tax and Advisory services. KPMG is the brand under which the member firms of KPMG International operate and provide professional services. "KPMG" is used to refer to individual member firms within the KPMG organization or to one or more member firms collectively. KPMG firms operate in 144 countries and territories with more than 236,000 partners and employees working in member firms around the world. Each KPMG member firm is responsible for its own obligations and liabilities. KPMG International and its related entities do not provide services to clients.

KPMG Phoomchai Audit Ltd. is a qualified audit firm under the Securities and Exchange Commission of Thailand rules and Ms. Nittaya Chetchotiros, Ms. Yuvanuch Thepsongvaj, Ms. Kanokorn Phooriphanyawanit and Ms. Nadsasin Wattanapaisal are included in the list of auditors approved by the office of the Securities and Exchange Commission of Thailand.

(d) Additional costs and time required to complete audits

If the Company is required to appoint a Singapore Public Accountant as an additional auditor to audit its financial statements, this will result in the Company having to incur additional costs and will likely lengthen the time required to complete the audit. Allowing for the appointment of a single auditor will likely enhance the efficiency of the audit and would therefore be beneficial to the Company and shareholders as a whole.

Approval of the Evergreen Waiver

The SGX-ST has informed on 4 November 2022 that based on the Company's submissions and representations to the SGX-ST, it has no objections to the Company's application for the Evergreen Waiver, subject to the following:

- (a) the Company announcing the waivers granted, the reasons for seeking the waivers, the conditions as required under Rule 107 of the Listing Manual of the SGX-ST and if the waivers conditions have been satisfied. If the waivers conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- (b) the Company must consult the SGX-ST on the applicability of Listing Rule 712(2A) in the event there is a change of statutory auditors, or when the Company is aware of any disciplinary action taken by the Securities and Exchange Commission, Thailand or any other regulatory authorities against the Company's current auditors, KPMG Phoomchai Audit Ltd. and/or any of its partners; and
- (c) the Company is required to make an immediate disclosure via SGXNet if the Company is or will be in contravention of any laws and regulations governing the Company and the constitution of the Company (or the equivalent in the Company's country of incorporation) arising from the Evergreen Waiver.

As of the date of this announcement, all relevant conditions in relation to the grant of the Evergreen Waiver have been satisfied.

Please be informed accordingly.

Yours faithfully,

Nantika Ninvoraskul
Company Secretary