

CSO/EL 004/2018

2 March 2018

Subject: Investment in NR Instant Produce Co., Ltd. ([Additional Information](#))
Attention: President
Stock Exchange of Thailand
Enclosure: Information Memorandum on Asset Acquisition with respect to Investment in NR Instant Produce Co., Ltd.

Dusit Thani Public Company Limited (the “**Company**”) would like to report the investment in NR Instant Produce Co., Ltd. (“**NRIP**”), a company engaging in the business of production and export of ready-made food, by virtue of the resolutions passed by Board of Directors Meeting No. 2/2018, convened on 22 February 2018, resolved to approve the investment with conditional, having the material details as follows:

- (1) The investment in NRIP by the Company or a newly incorporated subsidiary to acquire from Wellpo Capital Limited, which is not a connected person of the Company, 2,452,076 ordinary shares, equivalent to 24.9 percent of the total shares of NRIP, totaling THB 613,019,000, and acquire 200,000 newly-issued ordinary shares of NRIP, totaling THB 50,000,000. The total investment is THB 663,019,000, with the total shareholding in NRIP of 2,652,076 shares, representing 25.9 percent of the total shares of NRIP (after the completion of the registration of capital increase). In this regard, after the Company or its subsidiary acquires such shares, NRIP will become an associated company of the Company.
- (2) The incorporation of a subsidiary for the purposes of investment in NRIP, in accordance with the following details:

Company Name:	Dusit Foods Co., Ltd.
Type of Business:	Investment in a company engaging in the food business
Registered Capital:	THB 100,000, divided into 1,000 ordinary shares at the par value of THB 100 per share
Shareholding Structure:	The Company holds 99.7 percent of the total shares
- (3) The authorization of the Executive Committee: (a) to enter into negotiations, agreements, to determine, amend, change the details, conditions, procedures necessary for the acquisition of the ordinary shares, as well as the subscription for the newly-issued ordinary shares of NRIP, the execution of agreements, memorandum of understanding, and documentation, including but not limited to, share purchase agreements, share subscription agreements, and shareholders agreements; (b) to execute agreements, including forms, applications, and evidence necessary

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for and relevant to the acquisition of the ordinary shares, as well as the subscription for the newly-issued ordinary shares of NRIP; (c) to contact, apply for permission, relaxation with the government agencies or relevant regulatory authorities, as well as to undertake any necessary and appropriate act in the best interests of the Company.

With the condition that the Executive Committee shall complete the negotiation and execution of the relevant agreements in accordance with the resolution of the Board of Directors.

In addition, the Company would like to inform you that, on 1 March 2018, the Company has entered into the Share Purchase Agreement with Wellpo Capital Limited, and the Share Subscription Agreements with respect to the newly-issued shares in NRIP with the relevant parties. Under the share purchase agreement, the material conditions precedent are set out in Clause 4 of the Information Memorandum enclosed herewith.

The investment in NRIP constitutes an asset acquisition transaction of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (collectively, the “**Notifications on Acquisition or Disposal**”), having the highest transaction value of 17.7 percent calculated by based on the Net Profit Basis, from the Consolidated Financial Statement for the period ending 31 December 2017. In this regard, as there were no other asset acquisition transactions of the Company during the six-month period prior to the date of this transaction, according to calculation based on the Net Profit Basis, the Company’s total transaction value is equivalent to 17.7 percent. This transaction, therefore, is classified as a Class 2 Asset Acquisition Transaction, i.e., a transaction with the value of equivalent to or higher than 15 percent but lower than 50 percent pursuant to the Notifications on Acquisition or Disposal. As a result, the Company is required to disclose an information memorandum on the entering into of the transaction to the Stock Exchange of Thailand (the “**Stock Exchange**”), and to serve a letter informing the shareholders of the transaction within a period of 21 days from the date on which the transaction is disclosed to the Stock Exchange.

In this regard, after the Board of Directors has taken into account the overall interest of the Company, including leverages with respect to any entering into of the relevant agreement, the Board of Directors is of the view that the facts are subject to change, and the time of the information disclosure is of the essence. Accordingly, the Company did not disclose the details on the entering into of the transaction to the investors and the Stock Exchange immediately after the approval thereon was granted from the Board of Directors Meeting, convened on 22 February 2018. Now that the facts and details with respect to the entering into of the transaction are stable to a certain extent, the Company would like to inform

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the material details of and disclose the information on the entering into of the transaction, to the investors and the Stock Exchange. The details are set out in the Enclosure.

Please be informed accordingly.

Sincerely yours,

(Ms. Mantanee Surakarnkul)

Company Secretary

Company Secretary Office

Tel.: 0-2200-9999 ext. 3638

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Information Memorandum on Asset Acquisition
with respect to Investment in NR Instant Produce Co., Ltd.

Dusit Thani Public Company Limited (the “**Company**” or “**DTC**”) would like to report its investment in NR Instant Produce Co., Ltd., a company engaging in the business of the production and export of ready-made food. The investment shall be made by the Company or a newly incorporated subsidiary acquire from Wellpo Capital Limited, which is not a connected person of the Company, 2,452,076 ordinary shares, equivalent to 24.9 percent of the total shares of NRIP, totaling THB 613,019,000, and acquire 200,000 newly-issued ordinary shares of NRIP, totaling THB 50,000,000. The total investment is THB 663,019,000, with the total shareholding in NRIP of 2,652,076 shares, representing 25.9 percent of the total shares of NRIP (after the completion of the registration of capital increase) (collectively, the “**Investment in NRIP**” or “**Transaction**”).

The investment in NRIP constitutes an asset acquisition transaction of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (collectively, the “**Notifications on Acquisition or Disposal**”), having the highest transaction value of 17.7 percent calculated by based on the Net Profit Basis, from the Consolidated Financial Statement for the period ending 31 December 2017. In this regard, as there were no other asset acquisition transactions of the Company during the six-month period prior to the date of this transaction, according to calculation based on the Net Profit Basis. This transaction, therefore, is classified as a Class 2 Asset Acquisition Transaction, i.e., a transaction with the value of equivalent to or higher than 15 percent but lower than 50 percent pursuant to the Notifications on Acquisition or Disposal. As a result, the Company is required to disclose an information memorandum on the entering into of the transaction to the Stock Exchange of Thailand (the “**Stock Exchange**”), and to distribute a letter informing the shareholders of the transaction within a period of 21 days from the date on which the transaction is disclosed to the Stock Exchange.

The Company would like to disclose the following information with regard to the entering into of the transaction:

1. Transaction Date

On 1 March 2018, the Company entered into the Share Purchase Agreement with Wellpo Capital Limited, and the Share Subscription Agreements with respect to the newly-issued shares in NRIP with the relevant parties (in accordance with the details under Clause 2(b)). The Company anticipates that the Transaction should be completed by March 2018.

2. Name of Related Party and its Relationship with the Company

(A) Share Acquisition Transaction

Buyer: Dusit Thani Public Company Limited or a newly incorporated subsidiary as specified in Clause 3.1

Seller: Wellpo Capital Limited*

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Remark: * Wellpo Capital Limited is incorporated and registered in Hong Kong. It is a holding company which has a director and a sole shareholder under the same group as the majority shareholders of NRIP.

Relationship with the Company:

There is no relationship between the Buyer and the Seller, and neither party is a connected person of the other.

(B) Transaction to subscribe for the newly-issued ordinary shares

Subscriber: Dusit Thani Public Company Limited or a newly incorporated subsidiary as specified in Clause 3.1

Offeror: NR Instant Produce Co., Ltd. (the issuer of the newly-issued securities)

In addition, the Company has entered into Share Subscription Agreements with respect to the newly-issued shares with: (1) Asian Food Corporation Ltd.; (2) DP Partners Limited; (3) DLN 2017 Limited; (4) DPA Fund S Limited; and (5) NR. Instant Produce Co., Ltd. According to the Share Subscription Agreements, the existing shareholders in (1)–(3) shall waive their right to acquire the newly-issued ordinary shares of NRIP and (4) DPA Fund S Limited, shall only subscribe for 200,000 newly-issued ordinary shares, and waive their right to subscribe for the remaining newly-issued shares to the newly incorporated subsidiary as specified in Clause 3.1).

Relationship with the Company:

There is no relationships between the Subscriber and the Offeror, and neither party is a connected party of the other.

3. General Characteristics, Type, and Value of the Transaction

3.1 General Characteristics and Type of Transaction

After Dusit Foods Co., Ltd. is incorporated, which will become a subsidiary of the Company (“**Dusit Foods**”), Dusit Foods will acquire from Wellpo Capital Limited, 2,452,076 ordinary shares, totaling THB 613,019,000, and acquire 200,000 newly-issued ordinary shares of NRIP, totaling THB 50,000,000. The total investment is THB 663,019,000, with the total shareholding in NRIP of 2,652,076 shares, representing 25.9 percent of the total shares of NRIP after the completion off the registration of the capital increase.

3.2 Size of Transaction

The total value of the Transaction is THB 663,019,000, with the highest transaction value of 17.7 percent calculated based on a Net Profit Basis, from the Consolidated Financial Statements for the period ending 31 December 2017.

The transaction value calculated by applying the calculation formula pursuant to Notifications on Acquisition or Disposal by referring to information from the Consolidated Financial Statements of the Company as at 31 December 2017, is detailed as follows:

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(A) Net Tangible Asset (NTA) Basis:

Not applicable as the net tangible asset value of NRIP is a negative number.

(B) Net Profit Basis:

= $\frac{\text{Acquired percentage} \times \text{Net profit from the investment} \times 100}{\text{Net profit from the business operation of a listed company}}$

= $\frac{25.9\% \times 182.51^* \times 100}{267.04}$

= Approximately 17.7 percent

Remark* it was consisted of figures audited by auditors from 1 January to 2 October 2017 and from NRIP management from 2 October to 31 December 2017

(C) Total Value of Consideration Basis:

= $\frac{\text{Total value of consideration paid} \times 100}{\text{Total asset value of the Company and subsidiaries}}$

= $\frac{663.019 \times 100}{9,978.32}$

= Approximately 6.64 percent

(D) Value of Securities issued by the Company as consideration for the assets acquired:

Not applicable as there is no issuance of the securities.

In this regard, as there were no other asset acquisition transactions of the Company during the six-month period prior to the date of this transaction, according to calculations based on the Net Profit Basis, the transaction to invest in NRIP represents the value calculated based on the Net Profit Basis of 17.7 percent which is classified as a Class 2 Asset Acquisition Transaction, i.e., a transaction with the value of equivalent to or higher than 15 percent but lower than 50 percent pursuant to the Notifications on Acquisition or Disposal. As a result, the Company is required to disclose an information memorandum on the entering into of the transaction to the Stock Exchange, and to distribute a letter informing the shareholders of the transaction within a period of 21 days from the date on which the transaction is disclosed to the Stock Exchange.

4. Details of the assets to be acquired

Dusit Foods, a newly incorporated subsidiary will acquire from Wellpo Capital Limited, 2,452,076 ordinary shares, totaling THB 613,019,000, and acquire 200,000 newly-issued ordinary shares of NRIP, totaling THB 50,000,000. The total investment is THB 663,019,000, with the total shareholding in NRIP of 2,652,076 shares, representing 25.9 percent of the total shares of NRIP after the registration of capital increase.

In addition, the investment in NRIP shall take place after all following conditions precedent are fulfilled or waived:

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- (1) The person granted credit facilities to NRIP must allow the release of the pledge of shares to be sold to the Company or its subsidiaries, as well as allow the Company or its subsidiaries to hold the shares in NRIP under the conditions approved by the Company; and
- (2) The seller shall ensure that the person granted credit facilities to NRIP releases the pledge of shares to be sold to the Company or its subsidiaries under the conditions approved by the Company.

4.1 General Information of NRIP

Company Name:	NR Instant Produce Co., Ltd
Year of Incorporation:	1991*
Nature of Business:	Production and export of dried foods and seasonings to the overseas customers, as well as production and sale of such products under its brand
Registered Capital:	THB 980,925,000
Paid-up Capital:	THB 980,925,000, at the par value of THB 100 per share

Note: NR Instant Produce Co., Ltd. has been amalgamated with Panthera Partners Co., Ltd. in 2017

4.2 Shareholding Structure and Board of Directors

Shareholding Structure and Board of Directors of NRIP prior to the investment in NRIP of the Company:

- List of Shareholders

Shareholder	No. of Shares	Percentage
Asian Food Corporation Limited	5,020,815	51.2
DP Partners Limited	1,708,305	17.5
Sweet Chilli Holdings Limited*	2,452,076	24.9
DLN 2017 Limited	628,054	6.4
Total	9,809,250	100.0

Note: * Wellpo Capital Limited will acquire 2,452,076 shares from Sweet Chilli Holdings Limited before Investment in NRIP.

- Board of Directors of NRIP
 1. Mr. Danai Pathomvanich
 2. Ms. Pen-urai Chaichatchawan
 3. Mr. Theerapong Loratchawee
 4. Mr. Tawat Kitkungvan
 5. Mr. Faris Ibrahim Taha Ayoub

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6. Mr. Thomas James Pugh
7. Mr. Kok Tong Yao

Shareholding Structure and Board of Directors of NRIP after the investment in NRIP of the Company:

● List of Shareholders

Shareholder	No. of Shares	Percentage
Asian Food Corporation Limited	5,020,815	49.2
DP Partners Limited	1,708,305	16.7
DLN 2017 Limited	428,054	4.2
DPA Fund S Limited	200,000	2
Dusit Foods Co., Ltd.	2,652,076	25.9
Other minor shareholders	200,000	2
Total	10,209,250	100.0

● Board of Directors:

1. Mr. Danai Pathomvanich
2. Ms. Pen-urai Chaichatchawan
3. Mr. Theerapong Loratchawee
4. Mr. Tawat Kitkungvan
5. Mr. Kok Tong Yao
6. Mr. Udomkarn Udomsap
7. Mrs. Suphajee Suthumpun*
8. Ms. Pattaneeporn Thienprasiddhi*
9. (Under nomination process)

Remark: * DTC is entitled to appoint two representatives from DTC to serve on the Board of Directors of NRIP. The two representatives from DTC who will serve on the Board of Directors of NRIP after the investment by the Company are Mrs. Suphajee Suthumpun and Ms. Pattaneeporn Thienprasiddhi.

4.3 Nature of Business

NRIP is the producer and exporter of dried food and seasonings to overseas customers in Europe, America, Australia, and other countries, and is also the producer and distributor of products under its own brand such as Porkwan, Thai Delight, DEDE, and Lee Brand.

The products are categorized in four groups as follows:

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- Cooking ingredients, such as stir-fry sauce and curry paste;
- Ready-made food without additional seasoning required, such as Pad-Thai, instant noodles;
- Seasoning sauces, such as chicken sauce, plum sauce, and seasonings, such as fish sauce and soy sauce;
- Other types of products, such as salad dressings, dried fruits, powdered instant drinks, and beverages, such as Thai tea, green tea, bubble tea, coconut juice.

The standard of NRIP products is guaranteed by IFS Food, GMP, BRC Global Standard as well as US FDA standards.

4.4 Financial Information of NRIP for the past three years

(THB : Million)

	Audited Financial Statement	Audited Financial Statement	Financial Statement
	2015	2016	2017*
Total Assets	787.39	613.30	2,524.42
Total Liabilities	200.92	255.04	1,706.96
Shareholders' Equity	586.47	358.26	817.46
Total Revenues	1,045.95	1,056.47	1,048.39
Net Profit	85.75	138.27	182.51

Remark* * it was consisted of figures audited by auditors from 1 January to 2 October 2017 and from NRIP management from 2 October to 31 December 2017

5. Total Value of Consideration and Value of the Acquired Assets

The total value of the investment in NRIP is THB 663,019,000 which shall be fully paid in cash by Dusit Foods.

6. Basis used to determine the total value of consideration

The Company has appointed Phatra Securities Public Company Limited (the “**Financial Advisor**”) to act as financial advisor to perform valuation of NRIP. The Financial Advisor has worked alongside the Company’s working team and management to perform due diligence, including conducting interviews with NRIP’s management, meeting key business partners, and conducting site visit. The Financial Advisor has performed valuation of NRIP using Discounted Cash Flows approach, taking into consideration various factors including NRIP’s historical performance, business nature and risk, growth opportunities in the industry, and management’s business plan, and Trading Comparable approach using price-to-earnings ratio of companies listed in the Stock Exchange of Thailand that have businesses similar to NRIP as references.

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The total value of the consideration was determined from the negotiation between the Company and the seller and the purchase price was in the range which the Financial Advisor evaluates based on the valuation result, conditions and percentage acquired in the transaction, as well as management policy, and business direction.

7. Expected Benefits to the Company

The Company formulate its business strategy in three aspects, i.e., business growth expansion, diversification, and revenue balancing, in the interests of the long-term sustainability of the Company.

The investment in NRIP, a company engaging in the business of production and export of food products and seasonings, is in line with one of the said strategies and Dusit's key strategy, which focuses on the business growth expansion by expanding into other adjacent business. Furthermore, Dusit is an expert in food production for its group restaurants. Therefore, in addition to the investment returns, the investment in NRIP would allow the business to promote its products with the quality and under the standard of Dusit brand to both the local and overseas market by creating a partnership with NRIP in the future, whereby the Company will comply with the relevant regulations and once the transaction is certain, the Company will further inform the Stock Exchange.

8. Sources of Funds

The funds for this transaction shall be obtained from the cash flow of the Company and/or its affiliate companies, and the loan shall be obtained from local financial institutions.

9. Opinions of the Board of Directors on the entering into of the transaction

After due consideration, the Board of Directors was of the view that the investment in NRIP would be of utmost benefit to the Company and its shareholders because [the conditions and price in investing in NRIP are reasonable and in line with the valuation by the financial advisors](#) as well as in line with one of Dusit's key strategies, which focuses on the business growth expansion by expanding into other adjacent businesses. In addition, the investment would allow the business to promote the products and foods of the quality and under the standard of Dusit brand to both the local and oversea market in the future. The Board of Directors, therefore, deemed it appropriate to approve the Investment in NRIP.

10. Opinions of the Audit Committee and/or directors of the Company which are different from those of the Board of Directors under Clause 9

The Audit Committee had no opinion that was contrary to that of the Board of Directors.
