

(Translation)

**Opinion of the Independent Financial Advisors Regarding
Connected Transactions and Acquisition of Assets on
Accepting the assignment of right and the Purchase of 100% of
the total charter capital of METRO Cash & Carry Vietnam Limited**

of



Berli Jucker Public Company Limited

Prepared by



Jaydee Partners Limited and Advisory Plus Limited

24 March 2015

This English report of the Independent Financial Advisor's Opinions has been prepared solely for the convenience of foreign shareholders of Berli Jucker Public Company Limited and should not be relied upon as the definitive and official document. The Thai language version of the Independent Financial Advisor's Opinion is the definitive and official document and shall prevail in all aspects in the event of any inconsistency with this English Translation.

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Glossary

The Company or BJC	Berli Jucker Public Company Limited
TCC Holding or TCCH	TCC Holding Limited
METRO Vietnam	METRO Cash & Carry Vietnam Limited
METRO AG	METRO AG
METRO International Holding or Seller	METRO Cash & Carry International Holding B.V.
METRO Vietnam stores	Cash & carry and self-service wholesale outlets in Vietnam, operated by METRO Cash & Carry Vietnam Limited under the name “METRO”.
Proposed Transaction	A transaction to acquire 100% of the total charter capital of Metro Cash & Carry Vietnam Limited from METRO Cash & Carry International Holding B.V. at an enterprise value of EUR 655 million (THB 23,600 million) on a debt-free and cash-free basis.
Sale and Purchase Agreement (SPA)	A sale and purchase agreement with regard to the acquisition of 100% of the total charter capital of Metro Cash & Carry Vietnam Limited from METRO Cash & Carry International Holding B.V. at an enterprise value of EUR 655 million (THB 23,600 million) on a debt-free and cash-free basis.
First Sale and Purchase Agreement (First SPA)	Sale and purchase agreement on charter capital in METRO Cash & Carry Vietnam Limited that was made between the Company and the Seller dated August 7, 2014.
New Sale and Purchase Agreement (New SPA)	The new sale and purchase agreement on charter capital in METRO Cash & Carry Vietnam Limited and other relevant agreements that was made between TCCH and the Seller dated February 18, 2015.
Novation Agreement	An agreement that the company was made with TCCH and METRO International Holding in order to be the chartered capital purchaser instead of TCCH.
The Investment Certificate (IC)	The investment certificate no. 411013000980 dated 20 May 2013 (6 th amendment) issued by Ho Chi Minh City People’s Committee
The Amended IC	The new investment certificate, which would be amended from the investment certificate no. 411043000980 dated 20 May 2013 (6 th amendment) issued by the Ho Chi Minh City People’s Committee to reflect the transfer of METRO Cash & Carry International Holding B.V.’s interest in METRO Cash & Carry Vietnam Limited from METRO Cash & Carry International Holding B.V. to the Berli Jucker Public Company Limited and/or its subsidiaries.
Acceptance of an Assignment of Rights Transaction	To enter into the Novation Agreement with TCCH and the Seller in order to accept an assignment of rights under the New SPA from TCCH.
Independent Financial Advisor or IFA	Jaydee Partners Limited and Advisory Plus Limited
SET	The Stock Exchange of Thailand
SEC	The Securities and Exchange Commission
Notification of the Acquisition and Disposition	Notification of Capital Market Supervisory Board TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and 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 Asset B.E. 2546 and the amendments

Notification on Connected
Transaction

Notification of the Capital Market Supervisory Board No. TorChor.
21/2551 Re: Rules on Connected Transactions and the Notification of
the Board of Governors of the Stock Exchange of Thailand (“SET”)
regarding Disclosure of Information and Other Acts of Listed
Companies Concerning the Connected Transaction B.E. 2546 and the
amendments

AP. 010/2558

March 24, 2015

Subject: Opinion of the Independent Financial Advisors regarding Connected transactions and Acquisition of assets on accepting the assignment of right and the purchase of 100% of the total charter capital of METRO Cash & Carry Vietnam Limited

To: Shareholders
Berli Jucker Public Company Limited

According to the Extraordinary Shareholders' Meeting of Berli Jucker Public Company Limited ("BJC" or "the Company") No.1/2015 held on January 8, 2015, resolved to disapprove the Company and/or its subsidiaries entering into transaction to acquire the charter capital in METRO Cash & Carry Vietnam Limited ("METRO Vietnam") from METRO Cash & Carry International Holding B.V ("Metro International Holding" or "Seller") under the new terms. Then the TCC Holding Company Limited ("TCCH") has notified the Company that even though the company's shareholders' meeting has resolved to disapprove this transaction, but TCCH will further negotiate on entering into a transaction to acquire the charter capital in METRO Vietnam with the Seller on its behalf, providing the condition to the Seller that if TCCH can achieve the mutual agreement with the Seller, TCCH shall propose the agreed terms to the board of directors and the shareholders' meeting to reconsider again whether to approve the Company entering into a transaction to acquire the charter capital in METRO Vietnam under such terms or not.

Later, on February 20, 2015, TCCH had notified the Company in writing that TCCH could agree to all the terms relating to the acquisition of the charter capital of METRO Vietnam and entered into the SPA and other related agreements with the Seller. Providing the agreements' terms regarding this matter for the Company to propose to the board of directors and the shareholders' meeting to consider whether to approve the Company and/or its subsidiaries entering into a transaction to acquire the charter capital in METRO Vietnam under such terms or not.

The Board of Directors' Meeting No.4/2015 held on March 12, 2015, considered all terms related to the purchase of the charter capital in METRO Vietnam according to the notification of TCCH and had made the unanimous resolution to propose to the shareholders' meeting to consider the approval for the Company and/or its subsidiaries to purchase the charter capital in METRO Vietnam in the proportion of 100% under the terms of the New SPA and other relevant agreements that had made between TCCH (as the Purchaser) and METRO International Holding (as the Seller) dated February 18, 2015 ("the New SPA"). In the event that the shareholders' meeting approving the acquisition of the charter capital in METRO Vietnam, the Company and/or its subsidiaries shall enter into a transaction accepting the assignment of rights of TCCH under the New SPA. The Company and/or its subsidiaries will enter into the Novation Agreement with TCCH and the Seller ("Acceptance of the Assignment of Rights Transaction") and enter into a transaction to acquire the

charter capital in the proportion of 100 % in METRO Vietnam from the Seller at the Enterprise Value of EUR 655 million or equal to THB 23,600 million¹, including the leasehold approximately VND 1,296,008 million or equal to EUR 54 million² (or equal to THB 1,944 million³) which already paid for the remaining rental period of 6-36 years and calculating from METRO Vietnam that has debt-free and cash-free (“the Purchase of Charter Capital” or “The Proposed Transaction”).

The Acceptance of the Assignment of Rights Transaction is within the scope of the connected transactions, according to the notification of the Capital Market Supervisory Board, No. Tor Jor.21/2551 Re: Rules on the connected transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand (“SET”) Re: Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions B.E. 2546 (“the Notification on Connected Transactions”). *The Proposed Transaction* is the purchasing or acquiring of the other company’s business under the Section 107 of the Public Limited Companies Act B.E. 2535 (as amended) and its considered as the acquisition of assets in accordance with the Notification of the Capital Market Supervisory Board, No. Tor Jor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and 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 Asset B.E.2547 (“Notification of the Acquisition or Disposition of Assets”). The maximum size of the transaction equals to 52.24% of the Company’s total assets (THB 45,179.38 million) that is the highest value calculating the transactions based on the measurement of total value of return by calculating from the consolidated financial statements ended on December 31, 2014 and after combined such transactions with other assets acquisition of the Company in the last 6 months that the maximum transaction size based on the measurement of the total value of return equal to 0.001⁴ and the total transaction size equal to 52.241% of total assets that the transaction size was higher than 50%, but lower than 100%. Thus, it is regarded as the Acquisition of Assets Transaction Class 1 under the Notification on Acquisition or Disposition.

Therefore, the Company is required to disclose the information of transactions to the SET and shall ask for the approval to enter into transactions from the shareholders’ meeting, the vote shall be passed not less than three-fourths of the total votes of the shareholders attending the meeting and eligible to vote without counting the votes of the interested shareholders. In addition, the Company is required to appoint an Independent Financial Advisor to provide an opinion concerning the reasonableness of the transaction, the fairness of the price and the transaction conditions to the shareholders of the Company to consider the approval for the transaction. In the meeting invitation letter that sent to the shareholders defined that the Company is required to send the opinion of the Independent Financial Advisor on the following matters: (1) The reasonableness and advantage of the transaction to the listed companies; (2) the fairness of the price and the transaction conditions; (3) The shareholders should have the agree or disagree resolution on the transaction providing reasons.

According to the Board of Directors’ Meeting No. 4/2015 held on March 12, 2015 has approved the appointment of Jaydee Partners Limited and Advisory Plus Limited (“Independent Financial Advisor” or “the IFA”) as financial advisor approved by the Office of the Securities and Exchange Commission (“the SEC”). And they do not have any relationship with the Company to perform together in providing the opinion to the Company’s shareholders for considering the approval on the entering into the connected transactions and the acquisition of assets transaction.

¹ EUR figures converted to THB at the Bank of Thailand EUR-THB selling rate of 36.03 on March 6, 2015.

² VND figures converted to EUR at the Bank of Thailand EUR-VND 24,019.67 on March 6, 2015.

³ VND figures converted to THB at the Bank of Thailand THB-VND 666.7 on March 6, 2015.

⁴ The acquisition of assets transaction occurred during last 6 months that is (1) The establishment of the new subsidiary transaction namely BJC International Holding PTE LTD value THB 0.41million the transaction size is 0.001%.

This IFA's report has been prepared based on the information from interviewing and documents received from the Company and other publicly available information. Furthermore, the IFA has taken the current economy into account in the consideration of providing the opinion for this transaction. If such information has any significant changes in the future, the opinion provided by the IFA may differ accordingly. The information used for preparing this report, such as:

- The board of directors' resolution related to the transaction.
- The information about entering into the connected transactions and the acquisition of assets.
- The annual registration statement (56-1 Form) and 2013 annual report.
- The financial statement that reviewed and audited by a certified public accountant (CPA) of the Company for the year ended December 31, 2012 - 2014.
- The financial statement of METRO Vietnam that reviewed and audited by a certified public accountant (CPA) of the Company for the year ended December 31, 2014 - 2015, the financial statement for the 9-month period ended September 30, 2013, and the financial statement of 2014 ended September 30, 2014.
- The agreements related to the transaction.
- The information from interviewing the executives and employees of the Company.
- The information and documents received from the Company.

In addition, the IFA's opinion was based on the following assumptions:

- All information and documents that the IFA received from the Company and the information from interviewing the executives of the Company are accurate and true, and the opinion are reliably and similar to the current situation.
- No past events or imminent events or impending events would create materiality negative impacts on the performance and financial position of the Company and METRO Vietnam.

All business contracts with other parties related to the operation of the Company and METRO Vietnam are still valid under the law and binding, there would not be any amendments, revocation nor cancellation. The IFA has prepared the report of the opinion on entering into the connected transactions and the Company's acquisition of assets transaction as of March 16, 2015 and hereby certified that it has studied and analyzed all above information, complying with the professional standard and rendered the opinion based on the unbiased analysis with regards to the best benefit of the shareholders. However, the opinion of the IFA based on the assumption that such information and documents received from the Company, including from interviewing the executives of the Company as well as the publicly available information and other relevant information were accurate and true at the time of preparing this report. Therefore, if such information is found to be inaccurate, and/or unreliable, and/or incomplete, and/or have any significant changes in the future, it may affect the opinion of the IFA in this report. As a result, the IFA is unable to hold responsible for any impacts on the Company and its shareholders in the future from such factor. In addition, the objective of this IFA's opinion is merely to provide an opinion on the transaction to the Company's shareholders only. The decision to vote is the sole discretion of the shareholders, which shall include the consideration of advantages, disadvantages, risk factors, and consideration the opinion associated with such transactions attached to this invitation letter carefully before voting to make the most appropriate decision. In this regards, the opinion of the IFA does not certify the success of entering into transactions as well as the possible impacts. The IFA does not hold any responsibilities for the impacts that might arise from such transaction both directly and indirectly.

The IFA has considered the reasonableness of the connected transactions and the Company's acquisition of assets with details as follows:

Executive Summary

According to the Extraordinary Shareholders' Meeting No.1/2015 held on January 8, 2015, resolved to disapprove the Company and its subsidiaries entering into transaction to acquire the charter capital in METRO Vietnam from Metro International Holding or the Seller under the new terms. Then the TCC Holding Company Limited ("TCCH") has notified the Company that even though the company's shareholders' meeting has resolved to disapprove this transaction, but TCCH will further negotiate on entering into a transaction to acquire the charter capital in METRO Vietnam with the Seller on its behalf, providing the condition to the Seller that if TCCH can achieve the mutual agreement with the Seller, TCCH shall propose the agreed terms to the board of directors and the shareholders' meeting to reconsider again whether to approve the Company entering into a transaction to acquire the charter capital in METRO Vietnam under such terms or not.

Later, on February 20, 2015, TCCH had notified the Company in writing that TCCH could agree to all the terms relating to the acquisition of the charter capital of METRO Vietnam and entered into the SPA and other related agreements with the Seller. Providing the agreements' terms regarding this matter for the Company to propose to the board of directors and the shareholders' meeting to consider whether to approve the Company and/or its subsidiaries entering into a transaction to acquire the charter capital in METRO Vietnam under such terms or not.

The Board of Directors' Meeting No.4/2015 held on March 12, 2015, considered all terms related to the purchase of the charter capital in METRO Vietnam according to the notification of TCCH and had made the unanimous resolution to propose to the shareholders' meeting to consider the approval for the Company and/or its subsidiaries to purchase the charter capital in METRO Vietnam in the proportion of 100% under the terms of the New SPA and other relevant agreements that had made between TCCH and the Seller dated February 18, 2015. In the event that the shareholders' meeting approving the acquisition of the charter capital in METRO Vietnam, the Company and/or its subsidiaries shall enter into a transaction accepting the assignment of rights under the New SPA from TCCH. The Company and/or its subsidiaries will enter into the Novation Agreement with TCCH and the Seller and enter into a transaction to acquire the charter capital in the proportion of 100 % in METRO Vietnam from the Seller at the Enterprise Value of EUR 655 million or equal to THB 23,600 million, including the leasehold approximately VND 1,296,008 million or equal to EUR 54 million (or equal to THB 1,944 million) which already paid for the remaining rental period of 6-36 years and calculating from METRO Vietnam that has debt-free and cash-free.

The acceptance of the assignment of rights under the New SPA from TCCH is within the scope of the connected transactions in accordance with the notification of the connected transaction and the purchase of charter capital in the proportion of 100% in METRO Vietnam is the purchase or acquisition of the business of another company under Section 107 of the Public Company Limited Act B.E. 2535 (as amended) and is considered as an asset acquisition transaction according to the Notification of the Acquisition and Disposition. The maximum size of the transaction equals to 52.24% of the Company's total assets (THB 45,179.38 million) that is the highest value calculating the transactions based on the measurement of total value of return by calculating from the consolidated financial statements ended on December 31, 2014 and after combined such transactions with other assets acquisition of the Company in the last 6 months that the maximum transaction size based on the measurement of the total value of return equal to 0.001 and the total transaction size equal to 52.241% of total assets that the transaction size was higher than 50%, but lower than 100%. Thus, it is regarded as the Acquisition of Assets Transaction Class 1 under the Notification on Acquisition or Disposition. Therefore, the Company is required to disclose the information of transactions to the Stock Exchange of Thailand and shall ask for the approval to enter into transactions from the shareholders' meeting, the vote shall be passed not less than three-fourths of the total votes of the shareholders attending the meeting and eligible to vote without counting the votes of the interested shareholders that is TCCH who holds shares in the Company equal to 73.69% of the Company's issued shares, which is not eligible to vote at the shareholders' meeting in order to consider approving such transaction.

Based on our analysis in relation to the appropriateness of the transaction, including the fairness of the price and conditions of the acquisition of charter capital in METRO Vietnam, the IFA views that the acquisition of 100% in METRO Vietnam that doing business as the cash & carry and self-service wholesale outlets of consumer goods under the name “METRO” in Vietnam from METRO International Holding or the Seller. The transaction value of EUR 655.00 million (approximately THB 23,600 million), including the leasehold approximately VND 1,296,008 million or equal to EUR 54 million (or equal to THB 1,944 million) which already paid for the remaining rental period of 6-36 years and calculated from METRO Vietnam that has debt-free and cash-free basis. Although there is the advantage to the Company in several ways, such as the Company will move forward to be the second largest entrepreneur of the stores or the Modern Grocery Market in Vietnam in terms of its market share. This will support the Groups to increase the distribution channel for consumer goods in Vietnam coverage both retail and wholesale. The Company will have a comprehensive supply chain infrastructure in Vietnam that will generate synergies within the Group. This will expand the new customer base in order to further sell the products and increase the distribution channel of goods and services as well as to decrease the cost and increase the opportunity of the Group to make profits in the future. In order to enhance the competitiveness of the Group and to be in a good position ready for the ASEAN Economic Community or “AEC” at the end of 2015. With the appropriate value of investment in METRO Vietnam at EUR 655.00 million (approximately THB 23,600 million), since it’s in a reasonable price range estimated by the IFA using the Discounted Cash Flow Approach equal to THB 21,227 - 24,499 million.

Moreover, the proposed transaction may have an effect and potential risk to the Company such as the performance of the Group may dropped by the loss recognition of METRO Vietnam at present and the loss that may occur in the future. If the Company cannot improve the performance of METRO Vietnam as planned, it may affect the ability of the Company on the dividend payment. The Company may obligate to loans and interest expenses with the financial institution to be the source of funds for entering into the transaction and in the event of using funds from the capital increase, the transaction will have a dilution effect to the shareholders such as to a decrease in domination, a decrease in earnings per share. In addition, the investment in METRO Vietnam is an investment in new business that the Company did not have direct experience, the Company may need time to study business. And the Company will be affected from the recognition of goodwill of METRO Vietnam in the financial statement. The asset value of METRO Vietnam based on the latest audited financial statement as of September 30, 2014 equal to VND 5,813,214.49 million (THB 8,719.82 million), while the value of this transaction is equal to EUR 655.00 million (THB 23,600 million). Including the risk to not obtain the return on investment in METRO Vietnam as projected, or the impairment of investment if the performance of METRO Vietnam does not conform to the plan or goal, and for the case of such impairment, it will be recorded as an expense and will affect the performance of the Company in the future.

However, the transaction terms under the New SPA may generate significant risk and negative affect to the overall financial position, performance, and liquidity to run the business of the Company. As a result of the terms of agreement concerning the payment of sales and purchase of charter capital that may have to pay to the capital account of METRO Vietnam before the Vietnamese authorities will issue the Amended IC, the ownership of METRO Vietnam will not yet belong to the Company and/or its subsidiaries. And in the event of the agreement terminates, it cannot get the refund promptly and may take a long time to proceed. Furthermore, if the Company does not accept the proposal of the assignment of rights and not acquire the charter capital in METRO Vietnam but TCCH who is the parent company of the Company is the Purchaser of the charter capital in METRO Vietnam directly from the Seller, regarding the event that TCCH has already entered into the SPA with the Seller, it shall generate beneficial to the Company and/or its subsidiaries to be able to maintain the distribution channels of the Company through major retailer that is METRO Vietnam. After TCCH has already acquired METRO Vietnam, the Company and/or its subsidiaries do not take the risk on investing by itself. And if proceed under the agreement’s terms between TCCH and the Seller regarding the currency, any dispute between the Seller and the Company and TCCH from the First SPA shall be ended. In the other side, if agreement’s term

regarding the currency cannot be complete, the Company and TCCH will still in dispute with the Seller under the First SPA.

In addition, if the shareholders of the Company disapprove the Proposed Transaction and TCCH purchase the charter capital in METRO Vietnam. In case the Company has a related parties transaction with METRO Vietnam in the future such as purchase of goods, use distribution channels via METRO Vietnam, the Company will pursue according to the Securities and Exchange Act, regulation, announcement, or order of the SET and complied with accounting standard of disclosure. In case of normal business transactions and being related parties transaction in the future, the Company has set standard and guidelines for normal business practice base on appropriate, fair and traceable price. The transactions are approved by the Board. Moreover, if consider the retail business of the Company which operated by the Company's subsidiaries in Vietnam under the brand "B's mart", the operation did not compete with the future business of TCCH in METRO Vietnam due to difference target customers. METRO Vietnam has target in HoReCa group, while B's mart has target in retail customers.

The IFA opinions that even the transactions will be beneficial to the Company and the transaction value is appropriated but the terms of the New SPA may generate significant risk and negative effect to the overall financial status, performance, and liquidity to run the business of the Company. The Company and/or its subsidiaries should not enter into such transaction. However, if TCCH continues under the agreement that were made with the Seller in acquiring the charter capital in METRO Vietnam by itself, the Company and/or the subsidiaries should obtain the beneficial through the investment of TCCH and reduce the risk from any dispute according to the First SPA. Therefore, **the shareholders should disapprove the transaction to accept the assignment of rights and the acquisition of the charter capital in METRO Vietnam this time.**

In order to approve or disapprove the transaction this time, the shareholders can consider from the reason and the opinion of the IFA stated above. The final decision is at the discretion of the shareholders.

1. Characteristic and Details of the Proposed Transaction

The Company has an intention to propose transaction to the shareholders' meeting to consider approving the Company and/or its subsidiaries for acquisition 100 % of METRO Vietnam, according to the New SPA and other relevant agreements, which made between TCCH and Metro International Holding or the Seller dated February 18, 2015. The Company and/or its subsidiaries will accept the assignment of rights on the New SPA from TCCH, and will enter into the Novation Agreement with TCCH and the Seller to acquire the charter capital of METRO Vietnam that run the business as the cash & carry and self-service wholesale outlets of consumer goods under the name "METRO" in Vietnam, from METRO International Holding. The value of the transaction equals to EUR 655.00 million (or equal to THB 23,600 million, including the leasehold approximately VND 1,296,008 million or equal to EUR 54 million (or equal to THB 1,944 million), which has already paid for the remaining period of 6-36 years and calculated based on the case that METRO Vietnam has debt-free and cash-free).

1.1 Types and Size of the Proposed Transaction

(1) Assignment Transaction

Assignment Transaction of TCCH under the New SPA considered as the connected transactions as notification of the connected transaction. Such acceptance the Company and/or its subsidiaries will make the Novation Agreement between TCCH and METRO International Holding or the Seller without paying any compensation to TCCH or the assignor. Thus, there is no size of the transaction.

(2) Capital Acquisition Transaction

Capital Acquisition Transaction in METRO Vietnam is to purchase or acquire the business of another company in accordance with the Section 107 of the Public Limited Company Act B.E. 2535 (as amend) and considered to be the acquisition of assets accordance with the Notification of the Acquisition or Disposition. The maximum size of the transaction equals to 52.24% of total company assets (THB 45,179.38 million) that is the highest value calculating the transactions based on the measurement of total value of return by calculating from the consolidated financial statements ended on December 31, 2014 and after combined such transactions with other assets acquisition of the Company in the last 6 months that the maximum transaction size based on the measurement of the total value of return equal to 0.001⁵ and the total transaction size equal to 52.241% of total assets.

Detail of the transaction size calculation are as below:

Calculation basis	Formula	Transaction size	
1. Net tangible assets	$\frac{\text{Total value of the tangible assets of METRO Vietnam} \times 100\%}{\text{Total value of the tangible assets of the Company}}$	$\frac{(1,508.13^1) \times 100\%}{10,129.60^2}$	(14.89%)
2. Net profit	$\frac{\text{Net loss from the operation after tax of METRO Vietnam} \times 100\%}{\text{Net profit from the operation after tax of the Company}}$	$\frac{(441.25^3) \times 100\%}{1,679.50^4}$	(26.27%)
3. Total value of consideration	$\frac{\text{Enterprise value of METRO Vietnam} \times 100\%}{\text{Total value of assets of the Company}}$	$\frac{23,600 \times 100\%}{45,179^5}$	52.24%

⁵ The acquisition of assets transaction occurred during last 6 months that is (1) The establishment of the new subsidiary transaction namely BJC International Holding PTE LTD value THB 0.41million the transaction size is 0.001%.

- Note: ¹ Net total of tangible assets of METRO Vietnam as of September 30, 2014, equal to VND (1,005.42) billion or equal to THB (1,508.13) million, calculated using the exchange rate determined by the BOT as of March 6, 2015 equal to 666.667 VND per 1 THB.
- ² Net total of tangible assets of the Company and its subsidiaries as of December 31, 2014 based on the consolidated financial statement of the year ended December 31, 2014.
- ³ Net loss from the operation after tax deduction of METRO Vietnam for a period of 12 months ended on September 30, 2014 equal VND 294.17 billion or equal to THB 441.25 million, calculated using the exchange rate determined by the BOT as of March 6, 2015 equal to VND 666.667 per 1 THB.
- ⁴ Net profit from the operation after tax deduction of the Company and its subsidiaries for a period of 12 months ended on December 31, 2014.
- ⁵ Total assets of the Company and its subsidiaries as of December 31, 2014.

The above transaction has transaction size higher than 50% but lower than 100%. Thus, it is regarded as the Acquisition of Asset Transaction Class 1 under the Notification on Acquisition or Disposition. Therefore, the Company is required to disclose relevant information to the SET and to ask the shareholders' meeting for approval the transaction with the votes of not less than three-fourths of the shareholders attending the meeting and eligible to vote, without counting the votes of the interested shareholders that is TCCH who holds the ordinary share in the Company equal to 73.69% of the total issued and paid shares, which is not eligible to vote at the shareholders' meeting in order to consider approving such transaction.

1.2 Contract Parties and key Conditions to the Sale and Purchase Agreement

1.2.1 Contract Parties

(1) Assignment

Assignor	:	TCC Holding Company Limited or TCCH
Assignee	:	Berli Jucker Public Company Limited and/or its subsidiaries
Relationship between the parties	:	TCCH (the assignor) is the major shareholder of the Company currently holding 73.69% of all issued shares of the Company.

(2) Purchase of Charter Capital

Purchaser	:	Berli Jucker Public Company Limited and/or its subsidiaries ⁶
Seller	:	METRO Cash & Carry International Holding B.V., a company registered under the laws of The Netherlands.
Relationship between the parties	:	The Company and/or its subsidiaries have no relationship with METRO Cash & Carry International Holding and METRO Vietnam

⁶ This is the case that the Company and/or its subsidiaries become the purchaser of the chartered capital in METRO Vietnam.

1.2.2 Key Conditions of Contracts

Summary of Key Stipulations to the New SPA

Parties to the Contract	:	1. TCC Holding Company Limited as a “Purchaser” ⁷ 2. METRO Cash & Carry International Holding B.V. as a “Seller”
Contract date	:	18 February 2015
Assets Being Sold	:	The entire 100% of the total charter capital (as specified in the New SPA, METRO Vietnam has charter capital of VND 1,911,749 million or THB 2,868 million ⁸) with all the rights that METRO Cash & Carry International Holding B.V. has in METRO Vietnam, such as the wholesale license, land use rights for METRO stores approximately of VND 1,296,008 million or EUR 54.00 million (THB 1,944 million) which has been pre-paid for the following 6 - 36 years, and the rights to receive all dividends that METRO Vietnam declares to pay in respect of the Seller’s interest after the closing of the Proposed Transaction.
Purchase Price	:	The enterprise value is equivalent to EUR 655.00 million (THB 23,600 million), on a debt-free and cash-free basis. However, the final purchase price that the Purchaser must pay to the Seller will be adjusted for cash, debt and debt-like items (including METRO Vietnam’s short-term and long-term interest bearing external debt, and shareholder loans), and net working capital (key net working capital items include the value of inventory, account receivables and account payables).
Key Stipulations and Criteria		
Pre-closing Stipulation	:	<ol style="list-style-type: none"> (a) The Seller has received confirmation in writing from the State Bank of Vietnam to its satisfaction that the purchase price can be paid in EUR; or (b) In the case that the Seller does not receive such confirmation to its satisfaction, the Seller and the Purchaser have amended the New SPA so that the payment of the purchase price is consistent with the laws and regulations of the State Bank of Vietnam (which may include payment in VND) without changing economic effects on the part of the Seller. The Purchaser has received the evidence from the relevant authorities in Vietnam to show that there are no competition issues in relation to the acquisition, taking into consideration the level of combined market share. Amendment of the investment certificate of METRO Vietnam to reflect the transfer of shares from the Seller to the Purchaser. METRO Vietnam has obtained investment certificate 411043000980 dated 20 May 2013 (6th amendment) issued by Ho Chi Minh City People’s Committee to METRO Vietnam (the “Investment Certificate - IC”), which shall have been

⁷ The Company and/or its subsidiaries will become the purchaser in place of TCCH by entering into the Novation Agreement with TCCH and the Seller.

⁸ VND figures converted to THB at the Bank of Thailand THB-VND 666.7 on March 6, 2015.

		<p>amended to reflect the transfer of the Seller's interest from the Seller to the Purchaser (the "Amended IC"). In this regard, the amendment of the IC will not affect the land use rights which belong to METRO Vietnam. The IC held by METRO Vietnam was originally issued for a foreign investor. Therefore, this amendment is merely to reflect the transfer of ownership interest without limitation on foreign shareholding.</p> <p>4. No material change having occurred between the date of signing the SPA and the date immediately prior to the date on which the Amended IC is issued.</p> <p>5. The Supervisory Board of METRO AG has approved the Seller to enter into the Proposed Transaction.</p>
Rights to terminate the contract	:	<ul style="list-style-type: none"> ▪ If the condition precedent in 1(a) has not been fulfilled within 30 days after the date of the New SPA, the Purchaser is entitled to propose the amendment of the New SPA as stipulated as the condition precedent in 1(b) (in which case, the Seller is obliged to negotiate such amendment with the Purchaser). If the condition precedent in 1 has not been fulfilled within 90 days after the date of the new SPA, the New SPA will be terminated automatically. ▪ If the condition precedent in 5 has not been fulfilled within one week after the condition precedent in 1 is fulfilled, the New SPA will be terminated automatically. ▪ If all other conditions precedent have not been fulfilled on or before the date that is one year following the date on which the condition precedent in 1 is fulfilled or such later date as determined in writing by the Parties, either of the Parties may terminate this Agreement by written notice to the other Party. ▪ If at any time prior to the date on which the Amended IC is issued, any Material Adverse Change as set out in the New SPA, occurs then the Purchaser may give written notice to the Seller to terminate this Agreement. ▪ The Purchaser shall be entitled to terminate the New SPA if there is material fraud by the Seller and the payment to the Purchaser of damages for the fraud would be an inadequate remedy in the circumstances.
Seller Warranties	:	<p>In the case of breach of warranties by the Seller, and where the Purchaser has given the Seller written notice of the breach, if the Seller has not remedied the breach by the date falling 30 days after the date on which such notice is served on the Seller or the date that the Amended IC is issued, then the Parties agree that the Final Purchase Price shall be reduced such that the Purchaser is placed in the same position as it would have been had such material breach of Warranty not occurred.</p>
Protective covenant post-closing	:	<p>Neither the Seller nor any member of the Seller Group shall carry on or be engaged in any manner in any competing business (a wholesale and cash & carry business) or in any Food Retail Business in Vietnam for 30 months after the Closing Date.</p>
Payment and Security	:	<ul style="list-style-type: none"> ▪ As the security instrument, the Purchaser shall, at its own cost and within the period of two calendar days prior to the date on which the application for the Amended IC is first filed, deliver to the Seller an irrevocable first demand bank guarantee or letter of credit for immediate available funds in an aggregate amount of EUR 655 million from an international bank under

		<p>the agreed condition. The Seller will be entitled to demand payment under the bank guarantee upon the issuance of the Amended IC.</p> <ul style="list-style-type: none"> After the issuance of the Amended IC, the Purchaser shall transfer the amount from the Capital Account of METRO Vietnam to the Seller at the Closing Date (The Closing Date is the 5th business day after the Company obtains the Amended IC in Metro Vietnam)
Other Conditions	:	<p>The Company has the rights to obtain services from METRO AG covering various support functions under a transitional period of up to 36 months from the closing date (except for the use of METRO brand which will be provided for a transitional period of not more than 18 months and IT services which may be provided for a transitional period of more than 36 months). These services could include the use of METRO brand, expat staff from METRO AG, IT services, employee training, central administrative services etc., and are delivered to METRO Vietnam in return for the payment of a fixed fee to METRO AG for each service at the agreed amount.</p>
Dispute Settlement	:	<p>Upon the condition precedents in 1(a) or 1(b) being fulfilled, any potential disputes between the Seller and the Company and/or TCCH in respect of the First SPA and other relevant agreements will be deemed settled completely.</p>

Summary of Key Stipulations to the Supplemental Deed

Parties to the Contract	:	<ol style="list-style-type: none"> TCC Holding Company Limited as a “Purchaser”⁹ METRO Cash & Carry International Holding B.V. as a “Seller”
Contract date	:	18 February 2015
Objective	:	<p>The parties desire to enter into this Supplemental Deed to supplement the New SPA to set forth the agreed course of action to be taken if it becomes necessary to pay the Preliminary Share Purchase Price before the date of issuance of the Amended IC or into an account in Vietnam.</p>
Additional Conditions	:	<ol style="list-style-type: none"> Since it is possible that the Ho Chi Minh City Department of Planning and Investment, the People’s Committee of the Ho Chi Minh City, or other relevant authorities of Vietnam (“the Authority”) may request documents (such as proof of payment) evidencing that the Purchaser has paid the Preliminary Share Purchase Price before issuance of the Amended IC. In such case, the Parties shall in good faith discuss and work together with the view to procuring that the Authority does not work (or waives) such request as a condition to the issuance of the Amended IC. As part of the efforts of the Parties (acting in good faith) to procure that the Authority does not make (or waives) any request for payment of the Preliminary Share Purchase Price before the issuance of the Amended IC, the Parties agree to make their best efforts to work with the Authority (if necessary) in order for the Authority to consider the Bank Guarantee as sufficient evidence of such payment.

⁹ The Company and/or its subsidiaries will become the purchaser in place of TCCH by entering into the Novation Agreement with TCCH and the Seller.

	<p>3. If the Authority requires proof of payment of the Preliminary Share Purchase Price prior to issuing the Amended IC or if either Party is of the opinion that the Preliminary Share Purchase Price is required to be paid in Vietnam, the Parties acknowledge that:</p> <p>(a) The Preliminary Share Purchase Price shall be calculated by the Seller in good faith on the basis of the Sample Calculation using the most recent financial information available at the relevant time. The Seller shall deliver to the Purchaser together with its calculation of the Preliminary Share Purchase Price, the most recent quarterly balance sheet that has been prepared by Metro Vietnam at the relevant time plus a summary explanation in writing of how the Preliminary Share Purchase Price has been calculated based on such quarterly balance sheet; and</p> <p>(b) The Purchaser shall pay the Preliminary Share Purchase Price in Euros to the Capital Account of METRO Vietnam within eight Business Days after receiving the calculation of the amount from the Seller (in the case that the Authority requires proof of payment of the Preliminary Share Purchase Price prior to issuing the Amended IC) or within five Business Days after the issuance of the Amended IC and the Purchaser receiving the calculation of the amount from the Seller (in the case that the Authority does not make it a requirement, but a Party is of the opinion that the Preliminary Share Purchase Price is required to be paid in Vietnam) under the following conditions:</p> <p>(1) the amount of the EUR 655 million bank guarantee shall be reduced by an amount equal to the amount paid by the Purchaser to METRO Vietnam's Capital Account;</p> <p>(2) the Purchaser shall provide another bank guarantee of EUR 50 million to the Seller as security for remittance of money out of Vietnam. The Seller will be entitled to demand payment under this bank guarantee if, following the issuance of the Amended IC, METRO Vietnam is not able to remit the Preliminary Share Purchase Price from its Capital Account to the Seller's offshore bank account within five Business Days after the due date;</p> <p>(3) in the event that the Amended IC has been issued but the Preliminary Share Purchase Price cannot be remitted to the Seller's offshore bank account within one year after the date on which the condition precedent in 1 is fulfilled, the Seller has the right to terminate the New SPA. In that case, the Parties agree as follows:</p> <p>(a) the Seller shall provide the Purchaser with a EUR 655 million bank guarantee as security for the refund of the purchase price and other amounts that the Seller must repay the Purchaser;</p> <p>(b) the Parties shall submit an application for the amendment of the Amended IC for the re-transfer to the name of the Seller; and</p> <p>(c) By the date falling 2 Business Days after the date of the amendment of the Amended IC for such re-transfer or the date falling one year after the submission of the application for such amendment of the Amended CI (whichever is earlier), the Seller shall repay (and/or cause METRO Vietnam</p>
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		to repay) the purchase price and other amounts that must be repaid to the Purchaser. If the Seller and METRO Vietnam fails to repay, the Purchaser is entitled to demand payment under the EUR 655 million bank guarantee immediately.
		4. All disputes arising out of or in connection with the Supplemental Deed shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (“ICC”) (“the Rules”) by three arbitrators appointed in accordance with the Rules. The seat of arbitration shall be London and the language of the arbitration shall be English. Each Party irrevocably submits to the jurisdiction of the ICC tribunal and irrevocably agrees that any award rendered in connection with the Supplemental Deed is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

Summary of Key Stipulations to the Novation Agreement

Parties to the Contract	:	1. METRO Cash & Carry International Holding B.V. as a “Seller” 2. TCC Holding Company Limited as a “Purchaser” 3. The Company and/or its subsidiaries as a “Substitute Purchaser”
Contract date	:	20 April 2015
Key Conditions	:	1. The Company and/or its subsidiaries will become the purchaser of the charter capital of METRO Vietnam from the Seller under the terms and conditions of the New SPA and the Supplemental Deed in place of TCCH. 2. In the case that TCCH has breached any terms and conditions of the New SPA and the Supplement Deed before the date of the Novation Agreement, the Company and/or its subsidiaries will be not liable for such breaches.

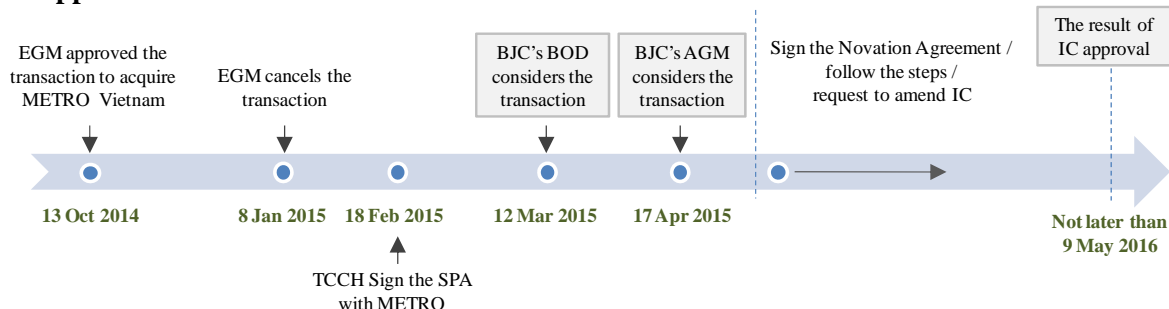
1.3 Value of the acquired assets, basis used to determine the value of consideration and sources of funds to finance the purchase

This proposed transaction, the Company and/or its subsidiaries will pay for the enterprise value of METRO Vietnam to the Seller at the amount EUR 655.00 million (or THB 23,600 million, including prepaid leasehold approximately VND 1,296,008 million or the equivalent of EUR 54 million (or equal to THB 1,944 million) in case that METRO Vietnam has debt-free and cash-free basis. However, there may be a price adjustment of the date of completion of purchasing) by the Company and/or its subsidiaries pay the whole amount to the Seller at the date of acquisition of 100% in METRO Vietnam to the Company and/or its subsidiaries (to guarantee the payment, it will send a bank guarantee : SBLC to the Seller at the total amount of EUR 655.00 million) or the Purchaser may pay such amount into a Capital Account of METRO Vietnam prior to the date that the Seller assign its rights on the charter capital of 100% in METRO Vietnam to the Company and/or its subsidiaries (if the authority requested to submit the evidence of the payment of the initial price offering in Vietnam before issuing an Amended IC or in case that either party has an opinion that the payment of the initial price offering shall be made in Vietnam).

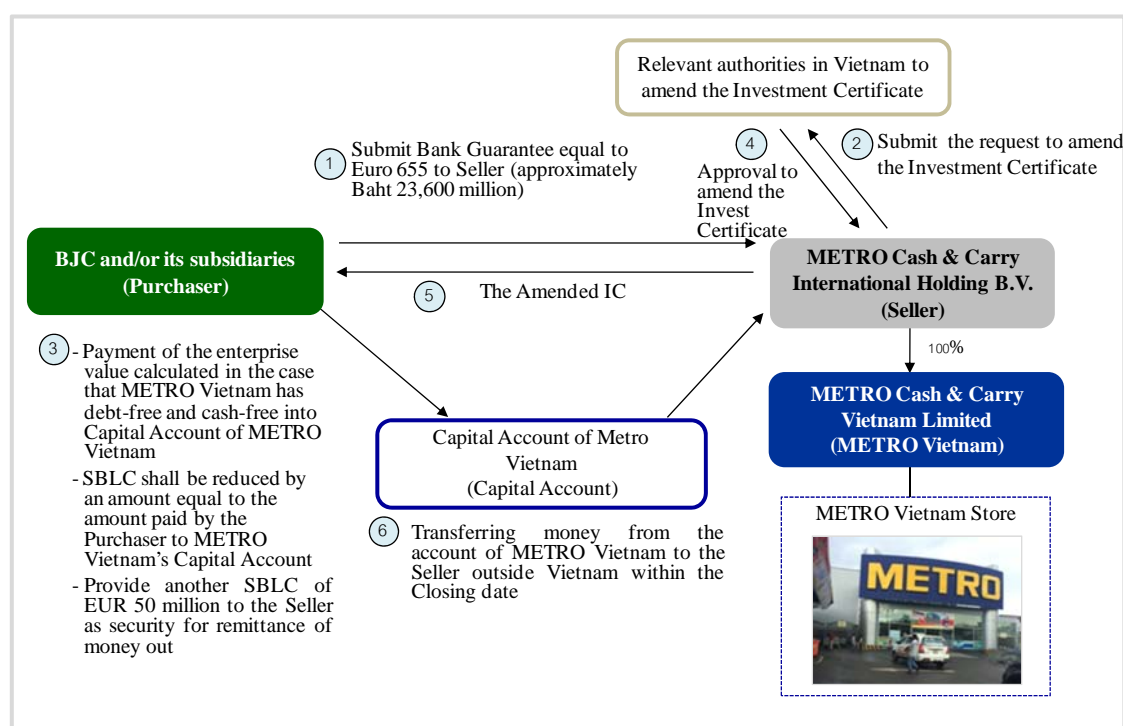
Furthermore, in the event of the Company and/or its subsidiaries must pay the price offering to the capital account of METRO Vietnam. The Company and/or its subsidiaries will send the second bank guarantee at the amount of EUR 50 million to the Seller. The Company expects to completely accept the assignment of rights on the charter capital in the second quarter of year 2016. However,

such period will depend on the duration of the enforced conditions has succeed, such as the period of operation of the Vietnamese government to approve the amendment of the investment certificate.

The approximate schedule of transactions:



Summarize of the payment structure in acquiring the charter capital



Note : The Closing Date is the 5th business day after the Purchaser obtains the Amended IC in Metro Vietnam

(Details of the payment method and the payment guarantee are based on the conditions listed in the table above.)

However, the criteria to determine the consideration value of such transaction according to the Seller and TCCH agreed that in the event of the shareholders' meeting approved the Company and/or its subsidiaries purchased the investment in METRO Vietnam. The Company and/or its subsidiaries shall provide the source of fund to acquire the charter capital in METRO Vietnam by applying short-term loans and/or long-term loans. And the board of directors may consider the Company's capital increased by allocating the ordinary shares capital increase to the shareholders in the right offering proportion and/or allocate the ordinary shares capital increase to offer to the person in a private placement at the amount and proportion that is appropriate and sufficient to be the source of funds for paying back the loans above which has to be proposed for approval to the shareholders' meeting again.

In addition, the Company can choose the support on business operation in various aspects in METRO Vietnam from METRO AG, such as using the trade name of METRO, hiring executives

from METRO AG. (Expat Staff), information system service, staffs' training service, global service. By paying the remuneration to METRO AG. The fees for the above support are based on the fixed determining value under the agreement that the Company has negotiated to be appropriated with the business model of the Company and in accordance with the procedure and fee structure that METRO Vietnam was paid in the past.

1.4 Details of the assets being acquired

The Company and/or its subsidiaries will be acquire 100% of the total charter capital of METRO Cash & Carry Vietnam Limited, an operator of cash & carry and self-service wholesale stores under the trade name "METRO" in Vietnam, please see detail of METRO Vietnam in Attachment 3.

2. Appropriateness for the Proposed Transaction

2.1 Objectives of the Proposed Transaction

The acquisition of 100% of METRO Vietnam is consistent with BJC's existing strategy to become a leading regional player covering the entire value chain. Following the Proposed Transaction, BJC will become a scale player in the Vietnamese modern trade market as the second largest player in terms of market share. Modern trade business in Vietnam as well as the general economic environment are currently viewed as attractive given the strong forecast growth outlook compared to other countries in the ASEAN. Also, the broader supply chain infrastructure of the Group (post-transaction) from now owning distribution channels both in form of wholesale and retail, may result in business synergies within the Company's existing operations in Vietnam. For example, the METRO Vietnam network may provide additional channels to market for the Group's existing products and services, as well as providing overall cost saving opportunities from co-procurement and the sharing of logistics facilities. This will allow an increase in profit generating capability of the Group, and will consequently strengthen the Company's competitiveness and ensure a good business standpoint for the commencement of AEC in 2015.

With the business potential of METRO Vietnam in various aspects including its store network (both in terms of number of stores and location), available workforce, Information Technology and Customer Relationship Management System, and logistics facilities, together with a series of growth initiatives by BJC's management, there is significant potential to improve the performance of METRO Vietnam and generate an attractive return on investment for the Company in the future.

2.2 Compare advantages and disadvantages of entering into the transaction

▪ Advantages and disadvantages of entering into the transaction

Advantages of entering into the transaction

1) Investment in business with attractive asset portfolio

The Proposed Transaction is an investment in a modern trade business with high growth potential in Vietnam. Established in 2002, METRO is the pioneer and the only cash & carry player in Vietnam with a #2 position in the local grocery market in terms of its market share and is well known among consumers. The key contribution of METRO Vietnam's success in modern trade business includes;

- Broad store network including 19 METRO cash & carry outlets across central business districts and large cities like METRO An Phu¹⁰ and METRO Binh Phu¹¹, both of which are the pioneer stores that have been continuously generating revenue and profit.
- An effective Information Technology and Customer Relationship Management with a database of more than 911,000 registered customers, including HoReCa, Traders, and Services and Companies & Offices, which have high purchasing power and are quality-oriented customers.
- Integrated supply chain infrastructure consisting of warehouses and cross docking distribution centers.

Therefore, given METRO Vietnam's potential and its position as a strong platform for wholesale operation as mentioned above, along with a series of planned growth initiatives for METRO Vietnam by the Group in various aspects including store layout improvement, active negotiation on trade terms with business partners, human resource management, cost control management, and working capital efficiency improvement etc., there exists a unique opportunity to improve operational performance of the business and earn potentially attractive returns through this investment. Nonetheless, according to post-closing conditions as per the SPA, the Seller and all members of the Seller Group have agreed not to carry on or be engaged in any competing business (defined as any wholesale and cash & carry business) or any food retail business in Vietnam for 30 months. Additionally, the IFA views that in the case the Seller would like to re-enter those businesses in Vietnam, the Seller will be required to proceed according to the regulation in obtaining an investment license from the relevant authorities all over again, which maybe unlikely to occur.

2) Enhance revenue generating capability and diversification of income sources

The Proposed Transaction provides a business expansion opportunity for the Company in modern trade in Vietnam. In 2013, the Company invested in this business area in Vietnam through Thai An Vietnam Trading Company Limited, providing technical assistance and sourcing service to B's mart, a locally owned CVS store business. In the past few years, Vietnam has demonstrated rapid growth in terms of the overall economy, investment, and domestic consumption. The World Bank forecasts continued economic growth of Vietnam for the years 2014 - 2016 at 5.4%, 5.5% and 5.8%, respectively, higher than average growth of ASEAN countries of 4.5%, 5.0%, and 5.1% over the same period. In this regard, modern trade is experiencing dynamic growth and consumer behavior changes. Planet Retail expects a compound annual growth rate during 2013 - 2018 of 16.9%. This is due to the fact that the penetration rate of modern trade in Vietnam for the years 2013 is only at 4.00% compared to the average rate of 39.6% of ASEAN countries. The acquisition of METRO Vietnam will therefore create a new source of income and returns on investment for the Company in future, assuming the Vietnam economy continues to grow as forecast and METRO Vietnam's performance is in line with the company's business plans.

3) Quick startup of new business

Through the acquisition of METRO Vietnam, the Company will be able to enter the market quickly and earn its return on investment faster compared to making an investment in an entirely new platform - it would take a significant amount of time to build a store network in locations similar to the existing 19 outlets of METRO Vietnam. Also, investment in an established store network will

¹⁰ An Phú is a district of An Giang Province in the Mekong Delta region of Vietnam connecting the two important economies of Vietnam (Ho Chi Minh City and Can Tho) with Phnom Penh, Cambodia

¹¹ Binh Phu is a district of Thái Nguyên, the ninth largest city in Vietnam. Thai Nguyen is famous for tea and tea plantations as well as the education center.

enable the Company to promptly generate income, and be able to more quickly benefit from the rapid expansion of Vietnam's modern trade market from 2015 onwards. Given the various attractive aspects of the business as highlighted in 1), an investment in METRO Vietnam could lead to success in a high growth modern trade environment.

4) *Creation of potential synergies*

The Proposed Transaction could create potential synergies among the existing operations of the Group, for example;

- Entry into a new wholesale market segment in modern trade: the acquisition of the target company is an in organic growth opportunity allowing the Company to widen its market coverage to include the wholesale market segment. The company's current distribution channel in Vietnam is through other operators and B's Mart, a locally owned CVS store business, to which Thai An Trading, a subsidiary of BJC, provides technical assistance and sourcing services.
- Expanding of customer base and increase in revenue of the Group: as the major target customers of METRO Vietnam are HoReCa, Traders, and Services and Companies & Offices, by entering into this transaction, it will not only help to expand the Group's customer base to cover target customers of METRO Vietnam but also increase the Group's distribution channels. This has the potential to generate revenue and margin improvement opportunities for BJC's existing products and services, for example, Cellox, the Group's sanitary paper product. The Cellox converting plant is located in Binh Dong province, Vietnam and has operated commercially since September 2011.
- Improving efficiency of logistics management in Vietnam: As a result of sharing infrastructure owned by METRO Vietnam including warehouses and Cross Docking distribution centers located in Hanoi, the northern region and Binh Duong, the southern region of Vietnam, the Group will immediately have more warehouse spaces in more locations (the Company currently has its warehouses located in Ho Chi Minh, Da Nang, Hanoi and Can Tho, which are the main cities housing METRO stores), leading to import/export as well as domestic distribution advantages. Sharing of supply chain infrastructure will lead to improved efficiency in terms of timing management and availability of service areas. At present, the Company is using distribution and transportation services of Thai Corp International (Vietnam) Company Limited and Phu Thai Group Joint Stock Company (Phu Thai Group Joint Stock Company is currently the largest distributor of products to wholesales, retailers and convenience stores in the northern part of Vietnam). The Company will continue to focus on improving the efficiency of its logistics management in Vietnam. The improvement in logistics efficiency could further lead to overall cost savings for the Group.
- Increase efficiency and bargaining power: even with different customer target groups between METRO Vietnam and B's Mart, a locally owned CVS store business to which Thai An Group, a subsidiary of BJC, provides technical assistance and sourcing services, the Company expects co-purchasing of certain products to gain better trading terms. Currently, METRO Vietnam has a high volume of sales, ranked as the second largest operator in terms of market share. While B's Mart operates 94 outlets as of 2014. Following the Proposed Transaction, the Group expects to expand its branch network for both METRO Vietnam and B's Mart, a locally owned CVS store business to which Thai An Group, a subsidiary of BJC, provides technical assistance and sourcing services nationwide.

5) *Enhance the Group's competitiveness to be well positioned for stronger growth towards the AEC*

The acquisition of METRO Vietnam will lead to an integrated supply chain infrastructure of the Group in Vietnam, ranging from upstream activities as a manufacturer, midstream activities as a distributor and downstream activities as both retailer and wholesaler. In addition, the Company's policy to build business synergies and share resources amongst all its business units could result in lower operational costs while increasing revenue generating capability. Consequently, this is likely to increase the Group's competitiveness in the future, especially towards the commencement of the AEC in 2015. In addition, the acquisition of METRO Vietnam, one of the modern trade leaders in Vietnam, will enlarge the Group's business scale and boost its reputation as a key player in Vietnam as well as in ASEAN countries.

6) *Diversification of business*

Expanding into Vietnam's modern trade market as a wholesaler will improve variety of business and invested locations for the Group. Diversification helps to reduce the risk of unexpected performance of the existing business portfolio. In 2014, the Group's revenues from packaging supply chain accounted for 41.62% of total revenue, respectively. Revenues from consumer supply chain accounted for 37.50% of total revenue, respectively. Health care and technical supply chain contributed 17.85% of total revenue, respectively. Other business contributed 4.60% of the total revenues respectively. Revenues from domestic business and services accounted for 76.4% of total revenues, respectively, while 23.6% of total revenues were generated from foreign businesses. Overall, 68% of foreign business revenues were generated from business in Vietnam.

7) *Consistent with the Group's existing strategy*

Following BJC's long-term strategy of becoming a regional leader across the entire value chain in ASEAN, the Proposed Transaction allows the Company to widen its distribution channels to cover both retail and wholesale channels in Vietnam. The Proposed Transaction will assist in the development of integrated supply chain infrastructure, therefore facilitating further expansion into other neighboring countries.

Disadvantages of entering in to the transaction

1) *Risk of consolidating deteriorated financial results of METRO Vietnam into the Group's financial performance*

Upon completion of the Proposed Transaction, METRO Vietnam will become a subsidiary of the Group. Therefore, the Company will consolidate the performance of METRO Vietnam into its financial statements. In the event of potential difficulties in improving METRO Vietnam's performance in the future, the Company's overall financial performance might be impacted. METRO Vietnam's audited financial statements for the year 2014 ended 30 September 2014 recorded a loss of VND 294.17 million (THB 441.26 million). However, during the interview with management of the Group, post - transaction plans have been prepared which outline strategies to improve METRO Vietnam's performance. Such plans include marketing strategies to boost sales, product mix strategies, cost reduction strategies, and expense control strategies which are all aimed at achieving improved performance of METRO Vietnam.

2) *Increasing cost of financing from financial institutions*

If the Annual General Meeting of shareholders no.1/2015 approves for the Company and/or its subsidiaries to purchase the charter capital of METRO Vietnam, the Company and/or its subsidiaries must procure sufficient funds for such purpose, for which the Company intends to fund the consideration payable under the Capital Acquisition Transaction initially via short-term and/or long-term debt facilities. In addition, the Board of Directors may consider the capital increase of the

Company once again¹² by allocating of shares for sale through a rights offering and/or a private placement at the price and in the proportion that is deemed to be appropriate and adequate for use as a source of funds for repaying the aforementioned debt facilities. Such matter must be proposed to the meeting of the shareholders for its consideration and approval. The Company is in the process of considering terms and conditions of the loans from various financial institutions and deciding on appropriate transaction currencies which could be in Euro and/or Thai Baht as well as appropriate strategies to be put in place to effectively manage the foreign exchange rate risk. The Company expects a loan tenor of not less than 5 years at market interest rates at the time of entering into the new facilities.

By entering into this Proposed Transaction, the Company and/or its subsidiaries will incur additional interest expenses from loan financing (according to the financing plan, aside from the long-term loans mentioned above, the Company and/or its subsidiaries intends to enter into a bridging loan, provided by financial institutions, ahead of receiving cash from the capital increase and finalizing longer-term debt facilities). As of 31 December 2014, the Company's interest bearing debt was THB 16,928.98 million while the interest bearing debt to equity ratio was 0.93 times. After the transaction, assuming the full subscription of new shares, the Company will then require approximately THB 7,380.45 million of debt financing to fund the remaining portion of the consideration for the Proposed Transaction. As a result, the interest bearing debt of the Company post-transaction will increase to THB 24,309.43 million, or equal to an interest bearing debt to equity ratio of 0.70 times (considering only the consolidated financial position of as of 31 December 2014 without taking into account future performance). However, in the event that the capital increase is not fully subscribed, the Company may incur higher level of debts as well as interest expenses. TCCH has expressed their intention to over-subscribe the shares exceeding its right in proportion to its shareholding. In this regard, the oversubscription of TCCH will be subject to the condition that such oversubscription will not cause TCCH to have a duty to make a tender offer for all of the Company's securities.

3) Impact to shareholders from the capital increase

In the event that the Company must increase capital by allocating of shares for sale through a rights offering and/or a private placement at the price and in the proportion that is deemed to be appropriate and adequate for use as a source of funds for repaying the aforementioned debt facilities. The shareholder will receive control dilution and earning dilution effect and in the case that the Company increase capital at the lower price than market price, this will also has price dilution effect too. The effect of dilution will depend on the detail of capital increase such as numbers of share issue, allocation and price, which the Board must be proposed to the meeting of shareholder for its consideration and approval in the future.

However, if reference the extraordinary general meeting no. 1/2014 resolution to increase the registered capital by up to 360,434,444 newly issued ordinary shares with the par value of THB 1 per share or total value of up to THB 360,434,444 million, to the existing shareholders of the Company in the ratio of 2 new shares for 9 original shares and/or to allocate any remaining shares from the Rights Offering to specific persons under the private placement scheme, at THB 45 per share, in order to raise funds for this transaction. In the case where the Rights Offering is fully subscribed by existing shareholders, there will be no control dilution. However, if the existing shareholders do not exercise their entitlement under the Rights Offering, the impact to shareholders will be as follows:

¹² The capital increase according to the resolutions of Extraordinary General Meeting no. 1/2014 held on October 13, 2014 was terminated due to the objective of capital increase is to purchase the investment of METRO Vietnam according to the First SPA (dated August 7, 2014). Therefore, when the shareholder disapproved the Proposed Transaction on the First SPA, the capital increase has been cancelled.

Impact to the Shareholders from the Capital Increase*

Events	Control Dilution (%)	Earnings Dilution** (%)	Price Dilution*** (%)
Scenario 1 All shareholders fully exercise their rights	-	18.18	-
Scenario 2 Shareholders do not exercise their rights	18.18	18.18	-

Details of the Calculations of Dilution Effect*

Unit: million shares and THB million

- 1. Control Dilution** = number of new shares to be issued / (original number of shares** + number of new shares to be issued)
= 360.43 / (1,621.96+360.43)
= 18.18 %
- 2.Earning Dilution***** = (EPS before new shares issue - EPS after new shares issue) / EPS before new shares issue
(1.04-0.85) / 1.04
= 18.18%
- where
EPS before new share issues = Net Profit of previous 4 quarters ended 31 December 2014 / original number of shares
= 1,679.50/1,621.96
= THB 1.04 per share
- EPS after new share issues = Net Profit of previous 4 quarters ended 31 December 2014 / (original number of shares + number of new shares to be issued)
= 1,679.50 / (1,621.96+360.43)
= THB 0.85 per share
- 3. Price Dilution** = (current share price - share price after new shares issued) / current share price
= (38.43-39.62) / 38.43
= (3.01)%, the share price after issued new shares were higher than current share price, thus no price dilution
- where
share price after the new shares issued = [(Current share price*** x original number of shares) + (issue price of new shares x number of new issued shares)] / (original number of shares + number of new shares to be issued)
= [(38.43 x 1,621.96 million shares) +(45.00x360.43 million shares)] / (1,621.96 + 360.43million shares)
= THB 39.62 per share

- Notes * With reference to the resolutions of the Board of Director Meetings No.8/2014, the number of new shares to be issued is up to 360.43 million shares at THB 45.00 per share. The impact to shareholders will vary from the calculation above if the number of new shares and/or offering price of new shares vary.
- ** Total number of shares, including new shares from the exercise of ESOP warrants that can happen before the rights offering. As of March 11, 2017 the Company had paid up shares of 1,592.22 million. If calculate by using the existing paid up shares (in the case where none of the ESOP warrants were exercised), the number of new shares to be issued under the Rights Offering will change to 353.83 million shares. Nevertheless, there will be no significant change to the control dilution, earnings dilution and price dilution.
- *** the IFA calculated earnings dilution based on the average of the Company's last 4 quarters net profit ending 31 December 2014 which amounted to THB 1,679.50 million. Nonetheless, the Company's operating result is subject to change after the acquisition. In the case that the Company increased its capital during the second half of 2015, the weighted average number of shares would be 1,802.17 million shares, calculated based on 1,621.96 million shares at the first half of the year and 1,982.39 million shares at the second half of the year. In this case, earnings dilution would reduce to approximately 10.00%.
- ****Price of the Company's shares is calculated using the 15 day weighted average share price (VWAP) ending 11 March 2015, which was the date of the meeting no.4/2015 of Board of Directors that approved the offering of the newly issued ordinary shares.

4) *Impacts to the Company's ability to pay dividends*

The partial source of funding for this transaction is through debt finance, which will result in an increase in liabilities and interest expenses. Together with the fact that METRO Vietnam is currently generating operational losses, if the Company is unable to improve METRO Vietnam's performance as planned, there may be an impact on cash flows from operations to be used for debt repayment and dividend payments to the Company in the future. The dividend payout ratio of the Company from 2012 - 2014 was 55.24%, 55.07% and 56.88%, respectively. The company dividend payment policy is no less than 50% of consolidated net profit after tax and other legal reserves (if any). The dividend payment will be considered based on the available cash flows and/or any new investments of both existing businesses and potentially new businesses.

5) *Risks from investment in new business with limited experience*

Since the Company has never been in the business of operating wholesale cash & carry stores (such as METRO Vietnam), it might take time for management to explore the business. The Company might also have to rely on the knowhow of existing personnel of METRO Vietnam. However, since the Company is a leader in supply chain solutions and retail businesses in Thailand, and also has experience in operating businesses in Vietnam such as manufacturers, export-import service providers, warehouse and logistics service providers and the convenience store business, the Company can make use of their own resources, knowledge and experiences to effectively adapt to the cash & carry business of METRO Vietnam.

6) *Impact from the recognition of goodwill in the Company's financial statements*

There may be an impact from the recognition of goodwill in the Company's financial statements in the case where the acquisition price of METRO Vietnam is higher than the fair value of METRO Vietnam's net assets as of the closing date. Additionally, upon completion of the Proposed Transaction, in the event that the Group is unable to improve METRO Vietnam's performance, the Company might have to re-evaluate the recorded amount of goodwill, which may impact the Company's financial statement in the future. In this regard, the Company will arrange for the evaluation of METRO Vietnam's fair value of net assets upon completion of the Proposed Transaction (to be presented on a cash-free, debt-free basis), to be compared with the transaction price of EUR 655 million or THB 23,600 million (based on the exchange rate from the Bank of Thailand as of March 6, 2015 at THB 36.03 to EUR 1). Meanwhile, the asset value of METRO Vietnam based on its latest audited financial statements as of September 30, 2014 was VND 5,813,214.49 million or THB 8,720 million (based on the exchange rate as of March 6, 2015 from Bloomberg at VND 666.67 to 1 THB)

In the case where a significant amount of goodwill is recorded, it might affect the calculation of transaction size pertaining to any acquisition and/or connected transactions of the Company in the future (if any). Nonetheless, the Company's proposed capital increase via a Rights Offering to partially fund the Proposed Transaction is expected to raise the Company's net tangible assets accordingly. Additionally, in case the Company enters into any acquisitions and/or connected transactions in the future, it will comply with all relevant regulations.

2.3 Key Risks Associated with the Proposed Transaction

1) *Risks associated with the entering into the transaction*

- The risk in case of conditions precedent to the transaction is unsuccessful: according to the conditions in purchase agreement which determined the conditions precedent to both parties operate successful prior to transaction in many respects, such as the acquiring the charter capital in METRO Vietnam must be approved from the shareholders' meeting and free from control in amalgamation. With the trade competition from the relevant agencies in Vietnam,

the Company must receive the revised investment license, which take a long operation period of the Vietnamese government, including there must not be any change occurred between the date of signing the contract and prior to the date the revised investment license is issued. The Seller must be approved the sale of investment in METRO Vietnam by the supervisory board of METRO AG and the conditions related to the currency to pay the investment has performed successfully. Therefore, if any one of the conditions is not successful, which the Company cannot do transaction, the Company must pay the expense associated with the wasteful transactions such as the due diligence of Metro Vietnam, legal fee, the cost of IFA for transaction, charge for the provision of the recognizance in payment and the cost of provision a lot of funding in the event that there must be a transfer of money for acquisition the business to capital account of Metro Vietnam, including delivery the additional guarantees prior to the Seller conveyance the fund.

- Exchange rate risk: Due to the Company and/or its subsidiaries will pay the investment in METRO Vietnam amount EUR 655 million to the Seller in the same period but there are uncertain that must be paid as Vietnamese dong currency or Euro currency, depending on the conditions obtaining written confirmation from the central bank of Vietnam. During the one year ago (March 7, 2014 - March 6, 2015) the exchange rate EUR per THB range 36.03 - 42.11 THB per EUR. The Euro has weakened considerably against the Baht. With the rate of change in (14.44)%. Thus, the Company took the risk from the fluctuation of the exchange rate at this time. However, the executive noticed the Company has a plan to make the agreement of hedging in proportion of investment, for decreasing the risk of fluctuation of the currency which is pending limitations and conditions obtained from the financial situation.

2) *Risk from deteriorating performance of METRO Vietnam*

METRO Vietnam's financial performance may not meet the Group's expected plan, which could be due to an unexpected economic slowdown, the delay of execution of operational improvement plans and/or expected synergies among the existing business of the Group not resulting in performance improvement. Other factors which may affect the performance of METRO Vietnam could include a potential increase in competition from new modern trade operators who plan to enter the Vietnamese retail market, or the expansion plans of existing players. For example, Saigon Co-op, the largest retail chain operator in Vietnam made an entry into the hypermarket and large scale warehouse club in 2013 under the brand "Co-op Xtra Plus", and further aim to open one to two new stores each year. The expansion plan of Saigon Co-op in to the wholesale segment is considered a threat to METRO Vietnam's performance as Saigon Co-op will become METRO Vietnam's direct competitor. This could affect the performance of METRO Vietnam in the future. Nonetheless, according to the post-closing condition as per the SPA, the Seller and all members of the Seller Group have agreed not to carry on or be engaged in any competing business (defined as a wholesale and cash & carry business) or in any food retail business in Vietnam for 30 months. Additionally, the IFA views that in the case the Seller would like to re-enter those businesses in Vietnam, the Seller will be required to proceed according to the regulation in obtaining an investment license from the relevant authorities all over again, which maybe less likely to occur.

3) *Risk from the change of METRO Vietnam's trade name*

Referencing the interview with the Company's management, the Company plans to change the trade name of METRO to its own brand 12 - 18 months post-closing so that the Company will have enough time to study the market and prepare itself for the use of a new brand for this wholesale channel. As a result, this may have a negative impact on market sentiment especially to the loyal customers of "METRO". This could lead to a decrease in sales, and/or the incurring of extra expenses related to the rebranding that was not originally included in the business plan. That being said, the Company will put in place an appropriate action plan to support the rebranding such as the use of marketing activities.

4) *Risk from modern trade restrictions and regulations in Vietnam*

At present, there are restrictions and constraints in Vietnam for foreign investment in retail businesses. For example, the requirement for foreign business entities to file for a permit at the state level and municipal level when new stores are to be opened. The approval is based on the result of an economic needs test. To explain further, factors such as population density, number of existing stores in that area and market stability will be taken into consideration. These constraints can result in a bottleneck to open new stores or may cause a delay in METRO Vietnam's new store expansion plan. Henceforth, METRO Vietnam may not be able to fully compete with other domestic competitors. Its performance can also deviate from the overall business plan.

5) *Risk from investing in Vietnam*

Currently, the Vietnam government is adopting a policy to promote domestic direct investment. Development of infrastructure and amendment of certain restrictions and regulations to support direct investment is happening continuously. Some examples include the assurance from the government not to take ownership of any businesses and to allow 100% ownership of businesses by foreigners. Foreigners are also allowed to use land use rights as collateral for loans. The government also plans to decrease corporate income tax from 22% to 20% in 2016. Despite all these, investing in Vietnam is still subject to a number of constraints. For example, limitations on infrastructure and transportation system, frequent amendment of rules and regulations regarding trade and investment, and increase in wages. These constraints may pose investment risk to the Company after acquiring METRO Vietnam.

2.4 Adequacy of funding source for the asset acquisition

The source of fund to purchase the charter capital in METRO Vietnam came from short loans and/or long term loans. And the board of directors may consider the capital increased of the Company by appropriate the ordinary share increased the capital to propose to the shareholders in the proportion to the number of shares which each shareholder holding (Right Offering) and/or appropriate the ordinary shares increased the capital to propose to the person in private placement in amount and proportion that is appropriate and sufficient to use as source of funds to pay back the loans above which has to be proposed for approval to the shareholders' meeting again.

3. Fairness of price and conditions of the transaction

3.1 Fairness of transaction price

In evaluating the fairness of the transaction price, the IFA has carried out the following valuation approaches:

- 1) Discounted Cash Flow Approach
- 2) Market Comparable Approach
 - Enterprise Value to Sales
 - Enterprise Value to Earnings before Interest, Tax, Depreciation and Amortization Ratio Approach
 - Price to Earnings Ratio Approach
 - Price to Book Value Ratio Approach
- 3) Precedent Transaction Approach
 - Implied Enterprise Value to Sales
 - Implied Enterprise Value to Earnings before Interest, Tax, Depreciation and Amortization Ratio Approach

IFA have not evaluating the fairness of METRO Vietnam using book value approach and adjusted book value approach due to the purchase of charter capital in METRO Vietnam has reference in enterprise value, Thus this two evaluating approach which reference to book value did not reflect the enterprise value and METRO Vietnam did not conducted any revaluation of the assets.

Details of each valuation approach used to evaluate the fair value of METRO Vietnam are explained below:

1) Discounted Cash Flow Approach

This approach considers the ability of METRO Vietnam to generate future free cash flows based on pro forma financial projections; such free cash flows will then be discounted by the Weighted Average Cost of Capital (WACC) to obtain the net present value of METRO Vietnam. The IFA has prepared the financial projections of METRO Vietnam based on the financial projections received from the Company, which contained financial data reclassified from the Vietnamese Accounting Standard to the International Financial Reporting Standard in accordance with the preparation of the Company's financial statements. Then, the IFA further adjusted certain assumptions in the financial projections to reflect our view on the current market conditions, competition within the industry, and the overall economic environment so as to take a conservative approach. The projected period covers the years 2015 - 2051 corresponding to the remaining period of the investment certificate held by METRO Vietnam. In this regard, we prepared these financial projections under the assumption that there will not be any significant changes that will affect the operations of METRO Vietnam in the future. In the case where any event significantly affects the operations of METRO Vietnam in the future, our valuation may be affected accordingly.

Key assumptions underlying the financial projections are presented as follows:

1) Revenue from sales

The IFA projected revenue from sales by using the average sales per square meter applied to the total sales area of the existing 19 stores and the new 9 stores (where location studies have been conducted and are reasonably certain) to be opened during 2017 - 2021 based on management's

expansion plans. Then, the IFA forecasted sales growth for each store opened in different periods of time based on historical actual performance during the years 2011 - 2014, as well as forecast growth rates by management. The table below shows the projected average sales growth across all stores for each year.

Growth of Sales Revenue

	2015	2016	2017	2018	2019	2020	2021	2022-2051
Sales growth	4.7%	11.1%	12.6%	14.1%	14.5%	14.8%	12.2%	9.5 - 5.5%
Number of stores	19	19	21	23	25	27	28	28

Our projected sales of METRO Vietnam for the fiscal year 2015 (ended September 30, 2015), which is the period prior to closing, is similar to the actual sales figure in 2014 and is in line with the actual performance of METRO Vietnam. For fiscal year 2015, which is the first year that the Company enter to operation in METRO Vietnam, sales growth is projected at 11.1% per annum (while the forecast inflation rates in Vietnam as per the IMF Economic Outlook Report are 5.2for 2014 and 2015) and projected to 12.6% in 2017. Given the Company's plan to focus on core target customers based on its market analysis of Segmenting-Targeting-Positioning Analysis (STP) as well as further adjustments of product assortments to better suit Vietnamese consumers such as increases in product variety, improvement of shelf space layout, etc. We view that those initiatives by the management could contribute to a higher sales growth. Nonetheless, with management's plan to change the "METRO" brand to BJC's own brand in 2017, it is expected that sales growth (per sq.m.) in that year might be slightly lower at 7.0% per annum. Post the brand change, sales growth (per sq.m.) is expected to improve to 8.0% per annum in the 2018 - 2022 period. Then, we applied the long term sales growth (per sq.m.) of 7.0% per annum in the 2023 - 2027 period, slowing down to 5.5% - 6.5% per annum from 2028 onwards. Our projected sales growth in 2017 - 2022 also reflects additional growth from the opening of new stores.

2) Cost of goods sold

The IFA projected cost of goods sold for each type of product based on the following factors: actual cost of products sold in 2013 - 2014, which were on average 88.2% of total sales revenue; an estimation based on Company management's plan to decrease the proportion of food products and increase the proportion of non-food products, which have exhibited a higher gross profit margin; the plan to improve product management efficiency; active negotiation with suppliers and the initiative to co-procure certain products with B's mart, the existing convenience store operator in Vietnam. All these factors could contribute to a higher gross profit margin in the future. Therefore, the IFA projected costs of goods sold as a proportion of total sales revenue to be 86.3% in 2015 and thereafter.

3) Selling and administrative expenses

Selling and administrative expenses include employees' salary and benefits, advertising and public relation (PR) expenses, service fees paid to METRO AG, energy costs, maintenance expenses, and rental fees. The IFA projected these expenses based on the actual amount incurred during the years 2011 - 2014 together with the estimates by the Company's management. Details of the forecasts are presented as follows:

- Employees' salary and benefits: based on the monthly salary rate of employees and the number of employees in both stores and head office, together with the Company's plan in human resource management in 2016 to further improve workforce productivity. During 2017 - 2021, salary and benefits are projected to further grow at 9.5% - 13.5% per annum due to an increase in the number of employees following the new store roll out. From 2022 onwards, salary and benefits are projected to grow at 6.6% per annum, gradually slowing to 4.2% per

annum in 2051. These forecasts are consistent with the projected sales growth in each relevant period.

- Advertising and PR expenses: given the Company's plan to phase out METRO's brand during 2016 - 2017, the IFA therefore forecast an increase in advertising and PR expenses at 1.20% and 1.85% of sales revenue each year, respectively. During 2018 - 2021, to support the opening of new stores, advertising and PR expenses are estimated at 1.1% of sales revenue, declining to 1.0% from 2022 onwards, consistent with the historical average figure.
- The METRO AG fees: consists of franchise fee, expat salaries, and IT service fee. The IFA forecasted these fees based on the conditions under the Transitional Service Agreement for the types of services that the Company will be obtaining from METRO AG
- Energy cost: based on the actual cost incurred per square meter of sales area and applying a range of growth rates between 4.5% - 7.0% per annum.
- Maintenance expenses: based on actual expenses incurred per square meter during 2011 - 2014 together with management estimates, and applying a range of growth rates between 7.0% - 8.0% per annum.
- Land lease payment: based on current rates of land lease payments together with management estimates.

4) Capital Expenditure (CAPEX)

The IFA projected the capital expenditure of METRO Vietnam based on management forecasts with certain adjustments made based on our view. These capital expenditures will be financed entirely by the internal cash flows of METRO Vietnam. The capital expenditures can be divided into three categories as follows:

- Store renovation CAPEX (excludes normal maintenance expenses which are included in selling and administrative expenses): the IFA projected store renovation CAPEX at VND 80,000 million per year in 2016 with a further increase of 5.0% per annum from 2017 onwards.
- Additional CAPEX for new IT systems, customer relationship management systems, and related hardware and equipment: the Company's management expect to invest VND 985,611 million during 2018 - 2020 in a new IT system.
- New stores expansion CAPEX: the IFA projected investment for the construction of new stores based on historical investment cost per square meter of METRO Vietnam with a future growth rate of 5.0% per annum applied.

Projection of Capital Expenditure

VND Million	2016	2017	2018	2019	2020	2021	2022
Store renovation	80,000	84,000	88,200	92,610	97,241	102,103	107,208
IT & customer relationship management system	-	-	533,333	266,667	200,000	-	-
Investment in new stores	-	723,793	759,983	797,982	837,881	439,887	-
Total Capital Expenditure	80,000	807,793	1,381,516	1,157,258	1,135,121	541,990	107,208

5) Working Capital

The IFA projected the average collection period, the average inventory period, and the average payable period of METRO Vietnam based on the actual figures in 2014 and the estimates from Company management as follows:

Projection of the Company's Working Capital

Items	2015	2016	2017	2018	2019	2020 Onward
Average collection period (days)	2.5	2.5	2.5	2.5	2.5	2.5
Average inventory period (days)						
- Food products (days)	22	20	20	20	20	20
- Others (days)	75	72	72	72	72	72
Average payable period (days)	38	40	42	45	47	49

6) Discount Rate

The IFA applied the Weighted Average Cost of Capital (WACC) as a discount rate to calculate the present value of free cash flows to the firm. WACC can be calculated based on the following equation.

$$WACC = K_e \cdot [E/(D+E)] + K_d \cdot (1 - t) \cdot [D/(D+E)]$$

Cost of equity ("K_e") is necessary in order to calculate the WACC. K_e can be derived from the Capital Asset Pricing Model (CAPM) based on the following equation.

$$K_e = R_f + \beta (R_m - R_f)$$

Where

- R_f = Risk-free rate based on the 30-year Thai government bond yield as of 9 March 2015, the preparation date of this report, which equates to 3.73% (Source: www.thaibma.or.th)
- β = Beta coefficient of comparable companies being MAKRO, BIGC, PGOLD and DAIRYFARM, who operate similar "cash & carry" and "hypermarket" retail outlets in ASEAN, over the 3 year period until 10 March 2015. The IFA calculated the Unlevered Beta of these comparable companies to remove the impact of the companies bearing different capital structures by using the following equation: Unlevered Beta = Levered Beta / [(1+Tax)*(D/E)_{Comparable company}]. Then, we relevered the obtained Unlevered Beta based on the targeted capital structure of METRO Vietnam by using the following equation: Levered Beta = Unlevered Beta * [(1+Tax)*(D/E)_{METRO Vietnam}]. The resultant Beta is 1.147.
- R_m = The expected market return based on the average change in SET index during the past 35 years from 1980 - 2014, which equates to 13.75% (Source: www.set.or.th and the IFA's calculation)

Based on the aforementioned assumptions, K_e can be calculated as follows:

Calculation of the Cost of Equity

Items	Assumptions
Risk-free Rate (1)	3.73%
Risk Premium ($R_m - R_f$) (2)	10.02%
β (3)	1.147
Cost of Equity or K_e (4) = (1) + [(3)*(2)]	15.22%

The cost of equity (K_e) shown in the Table above is 15.22%. However, to reflect an incremental risk possibly arising from making an investment abroad, the IFA therefore included a country risk premium as per the study by Damodaran in 2015 (Aswath Damodaran. (January 2015), Country Default Spreads and Risk Premiums (Source: www.stern.nyu.edu)), at a rate of 2.84% for the investment made in Vietnam. As a result, K_e increases to 18.06%. Given this K_e , WACC is calculated at 12.14%. Details of which are shown in the Table below:

K_e = Cost of equity of 18.06%, calculated using the Capital Asset Pricing Model (CAPM) shown in the equation above.

K_d = Cost of debt of 9.50%. The IFA estimated this K_d using the average interest rates of corporate debentures issued in Vietnam (Source: Bloomberg)

t = METRO Vietnam's corporate tax rate of 22.00%

$D/(D+E)$ = METRO Vietnam's target debt ratio

Calculation of the Weighted Average Cost of Capital (WACC)

Factors	Assumptions
Cost of Equity or K_e (1)	18.06%
Cost of Debt or K_d (2)	9.50%
$D/(D+E)$ (3)	55.56%
Corporate tax rate or t (4)	22.00%
WACC or Discount Rate (5) = {(1)*[1-(3)]} + {(2)*[1-(4)]*(3)}	12.14%

7) Terminal Value

To calculate the terminal value, the IFA made the assumption that METRO Vietnam will continue to operate its business on a going concern basis with a long-term perpetual growth rate of zero percent based on a conservative view.

Summary of projected free cash flows is shown in the following Table.

(VND Million)	2016	2017	2018	2019	2020	2021	2022	2023 - 2051
Earnings before interest and taxes	383,098	280,526	411,232	616,383	705,060	869,132	1,121,005	181,234,535
Less tax	(28,418)	(56,105)	(82,246)	(123,277)	(141,012)	(173,826)	(224,201)	(36,246,907)
Add depreciation and amortization	299,990	462,580	597,137	728,528	785,783	789,084	299,990	9,002,701
Add prepaid expenses	37,802	37,802	37,802	37,802	37,802	37,802	37,802	979,889
Less capital expenditures	(807,793)	(1,381,516)	(1,157,258)	(1,135,121)	(541,990)	(107,208)	(807,793)	(7,015,545)
Add working capital	133,794	221,925	211,369	254,280	105,564	78,190	133,794	5,278,363
Add terminal value	-	-	-	-	-	-	-	89,842,189
Free cash flow	748,384	(111,786)	(330,223)	182,156	449,536	1,082,464	1,694,673	153,233,036
Net present value of free cash flow	15,242,012							

From the above calculation, the fair value of METRO Vietnam on a cash-free and debt-free basis is VND 15,242,012 million. In addition, the IFA has performed a sensitivity analysis in order to analyze the impact to the valuation from the variation of certain factors to illustrate the impact in a case where the performance of METRO Vietnam deviates from our base case projection. We selected two factors that significantly contribute to the value of METRO Vietnam with which to perform the sensitivity analysis as presented below.

Sensitivity Analysis

Scenario	Enterprise Value	
	(VND million)	(THB million)
Base Case	15,242,012	22,863
Scenario 1 Sales growth increase or decrease 20% from base case	14,903,200 - 15,580,823	22,355 - 23,371
Scenario 2 Gross margin increase or decrease 5% from base case	14,151,138 - 16,332,887	21,227 - 24,499

Note: Exchange rate as of 6 March 2015, THB 1 = VND 666.67 (source: BOT)

According to the sensitivity analysis shown above, the fair value of **METRO Vietnam is in the range of THB 21,227 - 24,499 million**, which is (10.06)% lower - 3.81% higher than the transaction price of THB 23,600 million.

2) Market Comparable Approach

Market Comparable Approach is a relative valuation approach that determines the fair value of METRO Vietnam based on the market ratios of the comparable listed companies who operate a similar business and are within the same industry as METRO Vietnam. This valuation approach is performed with the key underlying assumption that the financial ratios of the selected comparable companies such as Enterprise Value to Sales (“EV/Sales”), Enterprise Value to Earnings before Interest, Tax, Depreciation and Amortization (“EV/EBITDA”), Price to Earnings Ratio (“PER”) and Price to Book Value Ratio (“PBV”) possess comparable characteristics to one another. Under this valuation approach, the IFA has only selected a group of listed companies that operate “cash & carry” and “hypermarket” retail outlets within the ASEAN region as the comparable peers in order to reflect similar business operations as well as similar economic conditions and competitive environments to METRO Vietnam, shown as follows:

List of Comparable Companies to METRO Vietnam

Comparable Company	Listing Country	Platform	Business characters
1. Siam Makro Public Company Limited	Thai	Cash&Carry	Operator of cash and carry outlets under the brand “MAKRO”, which targets small to medium business customers. At the end of 2014, MAKRO had 77 cash and carry outlets, located both in Bangkok and other provinces, together with 5 Siam Frozen stores, which operate a smaller food shop format.
2. Big C Super Center Public Company Limited	Thai	Hypermarket	BIGC operates 2 main businesses including retail and property businesses (lease of shop areas). Currently, BIGC operates many types of outlets, with a total of around 636 outlets at the end of 2014. These outlets consist of 123 hypermarkets (i.e. Big C Supercenter, Big C Xtra and Big C Jumbo), 37 Big C Markets, 324 Mini Big C, and 152 “Pure” pharmacy shops by Big C.
3. Puregold Price Club Inc	Philippines		Retail chain operator in Philippines having many types of outlets including “Hypermarket”, “Supermarket”, “Supercenter” and “Membership Warehouse Club”. At the end of September 2014, PGOLD operated 233 outlets consisting of 120 hypermarkets, 76 supermarkets, 29 supercenters, 8 Company E and Parco supermarkets.
4. DairyFarm International Holdings Ltd	Singapore		A leading Asian retailer who operates retail chains (including supermarkets, hypermarkets, convenience stores), health and beauty stores, home furnishings stores and restaurants under various brands namely Giant, IKEA, 7-Eleven, Cold Storage, Hero, Mannings, Maxim’s and Wellcome. As of June 2014, total number of outlets was 5,891.

Source: the Company

To perform the valuation under this market comparable approach, the IFA used 1) Enterprise Value to Sales (“EV/Sales”) 2) Enterprise Value to Earnings before Interest, Tax, Depreciation and

Amortization (“EV/EBITDA”) 3) Price to Earnings Ratio (“PER”) and 4) Price to Book Value Ratio (“PBV”). The details of the valuation are presented below.

A) Enterprise Value to Sales Approach

In determining the fair value of METRO Vietnam by using the enterprise value to sales approach, the IFA used the forward EV/Sales ratios of the aforementioned 4 comparable listed companies for the years 2015 - 2017 to obtain the average value, details of which are shown as follows:

Average Forward EV/Sales of Comparable Companies

Comparable Companies	2015	2016	2017
MAKRO	1.1	0.9	0.8
BIGC	1.5	1.3	1.2
PGOLD	1.1	1.1	0.9
DAIRY	1.0	1.1	0.9
Average Forward EV/Sales	1.2	1.1	1.0

Source: Information as of 11 March 2015 from FactSet.

The IFA then calculated the fair value of METRO Vietnam by multiplying the average forward EV/Sales ratios obtained above with the forecast sales of METRO Vietnam during 2015 - 2017. Details of the calculations are presented as follows:

Fair Value of METRO Vietnam based on EV/Sales Multiple

Year (VND Million)	Average Forward EV/Sales (times) (1)	Forecast sales (2)	Enterprise Value (3) = (1) x (2)
2015	1.2	14,595,748	17,238,206
2016	1.1	16,208,707	17,171,979
2017	1.0	18,245,632	17,454,739
Fair Value of METRO Vietnam (VND Million)			17,171,979 - 17,454,739
Fair Value of METRO Vietnam (THB Million)			25,758 - 26,182

Note: Exchange rate as of 6 March 2015, THB 1 = VND 666.67 (source: BOT)

Based on the EV/Sales ratio approach, **fair value of METRO Vietnam on a cash-free and debt-free basis is between THB 25,758 - 26,182 million**, which is higher than the proposed transaction price at THB 23,600 million by 9.14% - 10.94%.

B) Enterprise Value to Earnings Before Interest, Tax, Depreciation and Amortization Ratio Approach

In determining the fair value of METRO Vietnam by using the enterprise value to EBITDA approach, the IFA used the forward EV/EBITDA ratios of the aforementioned 4 comparable listed companies for the years 2015 - 2017 to obtain the average value, in which details are shown as follows:

Average Forward EV/EBITDA of Comparable Companies

Comparable Companies	2015	2016	2017
MAKRO	18.9	15.7	13.1
BIGC	12.5	11.1	10.2
PGOLD	13.1	11.3	9.4
DAIRY	15.3	14.1	12.7
Average Forward EV/EBITDA	14.9	13.0	11.4

Source: Information as of 11 March 2015 from FactSet

The IFA then calculated the fair value of METRO Vietnam by multiplying the average forward EV/EBITDA ratios obtained above with the forecast EBITDA of METRO Vietnam during 2015 - 2017. Details of the calculations are presented as follows:

Fair Value of METRO Vietnam based on EV/EBITDA Multiple

Year (VND Million)	Average Forward EV/EBITDA(times) (1)	Forecast EBITDA (2)	Enterprise Value (3) = (1) x (2)
2015	14.9	459,839	6,872,443
2016	13.0	592,214	7,727,030
2017	11.4	580,516	6,590,018
Fair Value of METRO Vietnam (VND Million)			6,590,018 - 7,727,030
Fair Value of METRO Vietnam (THB Million)			9,885 - 11,591

Note: Exchange rate as of 6 March 2015, THB 1 = VND 666.67 (source: BOT)

Based on the EV/EBITDA ratio approach, **fair value of METRO Vietnam on a cash-free and debt-free basis is between THB 9,885 - 11,591 million**, which is lower than the proposed transaction price at THB 23,600 million by 50.89% - 58.11%.

C) Price to Earnings Ratio Approach

In determining the fair value of METRO Vietnam by using the price to earnings ratio approach, the IFA used the forward P/E ratios of the aforementioned 4 comparable listed companies for the years 2015 - 2017 to obtain the average value, details of which are shown as follows:

Average Forward PER of Comparable Companies

Comparable Companies	2015	2016	2017
MAKRO	28.6	24.0	20.1
BIGC	22.3	19.9	17.6
PGOLD	22.9	19.7	18.4
DAIRY	23.8	21.6	19.6
Average Forward PER	24.4	21.3	18.9

Source: Information as of 11 March 2015 from FactSet

The IFA then calculated the fair value of METRO Vietnam by multiplying the average forward P/E ratios obtained above with the forecast earnings of METRO Vietnam during 2015 - 2017. Details of the calculations are presented as follows:

Fair Value of METRO Vietnam based on PER Multiple

Year (VND Million)	Average Forward PER(times) (1)	Forecast Earnings (2)	Equity Value (3) = (1) x (2)	Net Interest Bearing Debt (4)	Enterprise Value (5) = (3) + (4)
2015	24.4	103,803	2,531,068	4,439,300	6,970,368
2016	21.3	320,821	6,832,665	4,439,300	11,271,965
2017	18.9	267,528	5,064,940	4,439,300	9,504,240
METRO Vietnam Fair Value (VND Million)				6,970,368 - 11,271,965	
METRO Vietnam Fair Value (THB Million)				10,456 - 16,908	

Note: Exchange rate as of 6 March 2015, THB 1 = VND 666.67 (source: BOT)

Net Interest Bearing Debt = Interest Bearing Debt - Cash of METRO Vietnam as of September 30, 2014

Based on the PER approach, **fair value of METRO Vietnam on a cash-free and debt-free basis is between THB 10,456 - 16,908 million**, which is lower than the proposed transaction price at THB 23,600 million by 28.36% - 55.69%.

D) Price to Book Ratio Approach

In determining the fair value of METRO Vietnam by using the price to book value ratio approach, the IFA used the forward P/BV ratios of the aforementioned 4 comparable listed companies for the year 2015 to obtain the average value, details of which are shown as follows:

Average Forward P/BV of Comparable Companies

Comparable Companies	2015
MAKRO	12.0
BIGC	3.8
PGOLD	3.1
DAIRY	7.8
Average Forward P/BV	6.7

Source: Information as of 11 March 2015 from FactSet

The IFA then calculated the fair value of METRO Vietnam by multiplying the average forward P/BV ratio obtained above with the forecast shareholders' equity of METRO Vietnam as of 30 September 2015, which was VND (57,496) million. Details of the calculation are presented as follows:

Fair Value of METRO Vietnam based on P/BV Multiple

Unit: VND Million

Average Forward P/BV(times) (1)	Forecast Book Value (2)	Equity Value (3) = (1) x (2)	Net Interest Bearing Debt(4)	Enterprise Value (5) = (3) + (4)
6.7	(57,496)	(382,774)	4,439,300	4,056,526
Fair value of METRO Vietnam (VND Million)			4,056,526	
Fair value of METRO Vietnam (THB Million)			6,085	

Note: Exchange rate as of 66 March 2015, THB 1 = VND 667.67 (source: BOT)

Net Interest Bearing Debt = Interest Bearing Debt - Cash of METRO Vietnam as of September 30, 2014

Based on the P/BV approach, **fair Value of METRO Vietnam on a cash-free and debt-free basis is THB 6,085 million**, which is lower than the proposed transaction price at THB 23,600 million by 74.22%.

In this regard, the net asset value of METRO Vietnam shown above is based on the book value of its investment costs which have been made since 2002 and thereafter. These asset values have not been reappraised to reflect present market values.

3) Precedent Transaction Comparable Approach

The Precedent Transaction Comparable Approach determines the fair value of METRO Vietnam by taking in to consideration similar transactions that have previously taken place in the market. We have selected precedent transactions involving purchases and sales of entire ownership stakes in operators of “cash & carry” and “hypermarket” outlets to reflect similar transactions that have adequate public information available for our analysis. We also disregarded precedent transactions that took place prior to the preceding 3 years from our valuation date. The key underlying assumption for this valuation approach is that the transaction price of the precedent transactions in the market could reflect the appropriate amount of premium or discount to be incorporated in the offer price in the case of the acquisition of a 100% ownership stake. The list of comparable precedent transactions are shown in the following Table.

List of Selected Precedent Transactions involving Cash & Carry and Hypermarkets Operators

Transaction Date	Acquirer	Target	Acquired Stakes	Enterprise Value (USD Million)	Implied EV/EBITDA (times)	Implied EV/Sales (times)
April 2013	CPALL	Siam Makro	100%	6,462	30.9	1.6
March 2012	Puregold Price Club Inc	Kareila Management Corporation*	100%	393	16.1	2.5

Source: Publicly available information, news and reports of independent financial advisors

Note: Kareila Management Corporation owns and operates S&R warehouse club membership stores, which is cash & carry stores, in the Philippines.

In determining the fair value of METRO Vietnam by using the precedent transaction approach, the IFA used the implied EV/Sales and implied EV/EBITDA ratios of the aforementioned precedent transactions for the calculations, details of which are shown as follows:

A) Implied Enterprise Value to Sales Approach

The IFA multiplied the range of implied EV/sales ratios of the said precedent transactions with the forecast sales of METRO Vietnam for 2015. Details of the calculation are presented as follows:

Fair value of METRO Vietnam based on Implied EV/Sales ratios of precedent transactions

Items	Implied EV/Sales
Range of Implied EV/Sales	1.6 - 2.5
Forecast Sales for 2014 (VND Million)	14,595,748
Range of Enterprise Value (VND Million)	23,607,716 - 36,984,402
Range of Enterprise Value(THB Million)	35,411 - 55,476

Note: Exchange rate as of 6 March 2015, THB 1 = VND 666.67 (source: BOT)

Based on the implied EV/Sales approach, **fair value of METRO Vietnam on a cash-free and debt-free basis is between THB 35,411 - 55,476 million**, which is higher than the proposed transaction price at THB 23,600 million by 50.05% - 135.07%

B) Implied Enterprise value to Earnings Before Interest, Tax, Depreciation and Amortization Ratio Approach

The IFA multiplied the range of implied EV/EBITDA ratios of the said precedent transactions with the forecast EBITDA of METRO Vietnam for 2015. Details of the calculation are presented as follows:

Fair value of METRO Vietnam based on Implied EV/EBITDA ratios of precedent transactions

Items	Implied EV/EBITDA
Range of Implied EV/EBITDA	16.1 - 30.9
Forecast EBITDA for 2015 (VND Million)	459,839
Range of Enterprise Value (VND Million)	7,389,618 - 14,188,386
Range of Enterprise Value(THB Million)	11,084 - 21,282

Note: Exchange rate as of 6 March 2015, THB 1 = VND 666.67 (source: BOT)

Based on the implied EV/EBITDA approach, **fair value of METRO Vietnam on a cash-free and debt-free basis is between THB 11,084 - 21,282 million**, which is lower than the proposed transaction price at THB 23,600 million by 9.82% - 53.03%.

Summary of valuation by Independent Financial Advisor

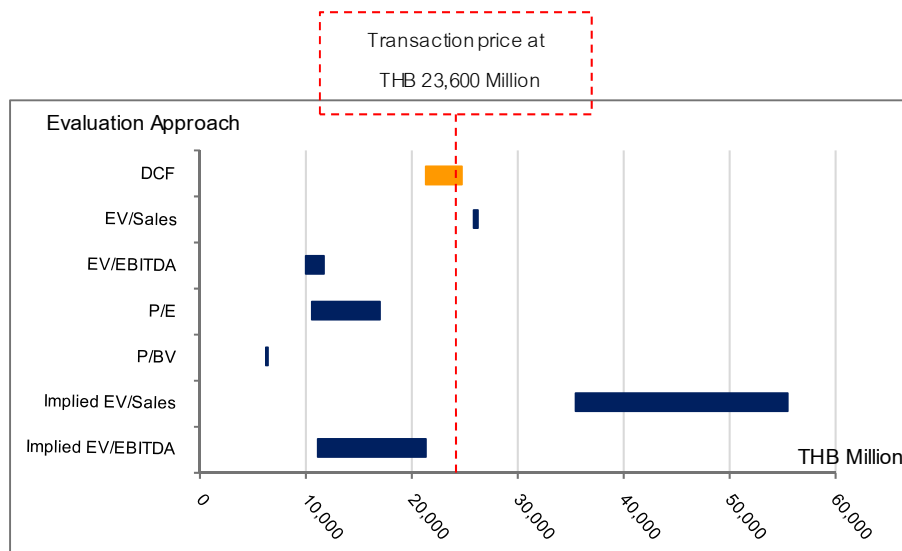
Each valuation approach employed by the IFA to evaluate the fair value of METRO Vietnam presented in the section above has its own advantages and disadvantages. The Market Comparable Approach that relies on the financial ratios of comparable companies such as EV/Sales, EV/EBITDA, PER and P/BV as the valuation benchmark exhibit certain limitations. This is because the details involving the operations of each comparable company are different in terms of product mix, target customers, size of the business, competitive environment in each country and liquidity of shares trading in each listed market. Therefore, the average financial ratios of the selected comparable

companies may not be the appropriate benchmark to accurately value the operations of METRO Vietnam. Thus, the IFA views that this approach is inappropriate.

Under the Precedent Transaction Comparable Approach, the pricing of each transaction may reflect various factors that are specific to each transaction. For example, each target company has different business models and asset qualifications, differences in market environment and growth potential in each country, and there are also differences in the timing of each transaction, necessity of the acquirer to enter into the transaction, and expected synergies with the acquirer etc. With that said, the IFA views that this approach is inappropriate for the valuation of METRO Vietnam.

Although the Discounted Cash Flow Approach relies on various input assumptions, it is able to reflect the potential of METRO Vietnam in generating future cash flows from its operations upon the implementation of operational improvement plans by the Company's management. Therefore, the IFA views that **fair value of METRO Vietnam on a cash-free and debt-free basis based on the Discounted Cash Flow Approach, which ranges between THB 21,227 - 24,499 million and is (lower) / higher than the proposed transaction price of THB 23,600 million by (10.06)% - 3.18%.**

Range of Fair Value Evaluated by the IFA



3.2 Fairness of the Transaction Conditions

The IFA has considered the condition of the transaction from the New SPA, detailed as shown in section 1.2.2. of this report. The IFA views that terms and/or conditions of this agreement are protecting the benefits of the Company to acquire the assets at the status that both parties have mutually agreed before entering into the transaction. As well as the terms and/or conditions that will allow the Company to continue managing the business of METRO Vietnam smoothly, immediately after the transaction, which allow the Company to benefit from this transaction based on the objectives such as:

- The term that a Purchaser can choose the support various aspects of operating the business in METRO Vietnam AG to continue for a period of 36 months from the date of the transaction under the conditions specified in the Transitional Services Agreement to allow the Company to continue doing the business immediately.
- The term of amending the investment license to the Purchaser and evidence that the acquisition of such investment, is free from the control of the amalgamation, the trade competition from relevant agencies of Vietnam.

- The term of liability insurance, according to the contract which set can decrease the price of the transaction. In case the Purchaser has received the damage caused by wrong declaration.
- The term to cancel the transaction, if the Seller destruction, corruption, and such action could not be compensated to the Purchasers in sufficiently.
- The term that the Seller will not operate the business as competition for a period 30 months from the date of transaction.

Furthermore, the IFA views that the terms and/or condition mentioned above, will reduce the risk that may be incurred to the Company from the transaction, such as the risk that the actual state of METRO Vietnam does not in accordance with the acknowledge of the Company prior to the transaction. The risk that the performance of Metro Vietnam will deteriorate after the transaction. Caused by the change of the executives and rename the store immediately.

However, the supplemental deed specify the conditions that if the Vietnamese authorities asked to submit evidence of payment of initial investment in Vietnam prior to issuing the Amended IC. The Purchaser must pay the price to capital account of METRO Vietnam, the amount of bank guarantee Euro 655 million (first issued of guarantee that the Purchaser will delivery to the Seller, to secure the payment of the purchase price within 2 business days prior to filling a request to amend the IC to the relevant authorities) will decrease an amount equal to the amount the Purchaser paid to the capital account of METRO Vietnam, in addition, the Purchaser will have to deliver the guarantee, the second edition of EUR 50 million to the Seller to ensure the transfer of money out of the country, Vietnam.

The IFA views that the Company will have the risk of acquiring loans and bring money into the account of METRO Vietnam in advance. The number is equal to the initial trading price calculated by the Seller. While there is uncertainly in obtaining acquiring the charter capital in METRO Vietnam and/or there is uncertainty in the duration to get the money back if the cancellation of the contract.

Furthermore, in the event the Vietnamese authorities determine to send an evidence of the payment prior to issue the investment license as amended, which make the Seller to transfer the money into capital account of METRO Vietnam amount equivalent of the initial price offering calculated by the Seller (the value is equal to the price offer subtract with net debts of METRO Vietnam) and send the second bank guarantee amount EUR 50 million for guarantee to transfer the money from such capital account out of Vietnam. With this reason, the Company has a risk in the event that the Vietnamese government does disapprove the investment license as amended, or in the event that the amendment of the investment license accord with the conveyancing the benefits of the Seller to the Purchaser, but Metro Vietnam cannot transfer the money for purchase the charter capital out of the country, Vietnam, to the Seller within 5 business day after the payment due date, which the Seller can claim to the bank to be paid according to the letter of guarantee amount EUR 50 million. or in the event the Seller does not receive the payment until the date specified in the agreement, which depend on certain conditions but not later than May 19, 2016. The Seller has the right to terminate the agreement, in such cases. The Company will have a risk of provision the loans and bring the money into the capital account of METRO Vietnam, in Vietnam, including the expenses related to such operation such as interests and bank fees that there is uncertainty in acquiring the charter capital of METRO Vietnam, and in the event of cancellation the agreement, it may be a long period of time to receive a refund from the Seller.

With the risk and effect that may occur on the financial position and liquidity of the Company's overall business operations significantly. As a result of the conditions of the supplemental deed above (in case the Vietnamese government asked to submit the evidence of payment of the initial price offering in Vietnam prior to issuing the Amended IC). Therefore, the IFA views that the conditions for investment in Vietnam under the supplemental deed is the **inappropriate** conditions.

The risk of dispute regarding the Sale and Purchase Agreement (SPA)

Based on the opinion of its legal counsel such Weerawong Chinnawat and Peangpanor company limited (“the legal consultant”) dated December 2, 2014, the opinions of the legal consultant on the investment in METRO Vietnam under the new terms (the new terms have proposed to the extraordinary shareholders’ meeting no.1/2015 held on January 8, 2015, in addition to the original terms which has been approved by the extraordinary shareholders’ meeting no.1/2014 held on October 13, 2014) which has been discussed by the question about the law of Vietnam and the laws related to the investment in METRO Vietnam under the new terms. And the law office of Russin & Vecchi International Legal Counselors (“Russin & Vecchi”)¹³ and the law office of Slaughter and May (“Slaughter & May”)¹⁴, provided the opinions on the legal effect that may occur due to the extraordinary shareholders’ meeting no.1/2015 held on January 8, 2015, not to approve the acquisition of the investment in METRO Vietnam under the new terms, summarized as follows:

- (1) If the Shareholders disapprove the Transaction under the Additional Conditions, it can be considered that the Condition Precedent according to the Sale and Purchase Agreement does not fulfill. Thus, the Company is not liable to purchase Metro Vietnam from the Seller according to the Sale and Purchase Agreement.
- (2) Notwithstanding, Slaughter & May also commented that under this case, it is likely that the seller may claim the followings:
 - (a) The Company has breached the Sale and Purchase Agreement (which specify that Company to perform the Transaction with reasonable best efforts to procure the shareholders to approve the Transaction as soon as applicable and/or
 - (b) The Company has breached the warranties as stated in the Sale and Purchase Agreement (which is the warranty on the authority and approval as necessary for the entry into and the performance of its obligations under the Sale and Purchase Agreement) and demand that the Company pays damages for such breach of agreement of warranties (such as actual expenses incurred and the Seller’s loss of opportunity) but it is unlikely that the Seller will be entitled under the English law to the remedy of specific performance requiring the Company to proceed with the purchase of the capital in METRO Vietnam pursuant to the terms of SPA.

The IFA views, according to the condition of the New sale and purchase agreement, when it performs under the conditions of the agreement on currency to pay the investment is completed, any dispute between the Seller and the Company and/or TCCH on the original agreement of the currency and the other agreements related, are terminated. Such conditions will complete when the Seller receives a letter of confirmation from the central bank of Vietnam that can pay the purchase price as

¹³ Russin & Vecchi is the international law firm established in 1969 in Bangkok, Ho Chi Minh City – Vietnam, Santo Domingo, Spain and Washington DC – USA. The objective is to establish the international guidelines for business sector in Asia and Latin America. At present, there are 11 offices worldwide and offer legal trade advise service both domestic law and international law. More info of Russin & Vecchi can be found at www.russinvecchi.com.

¹⁴ Slaughter & May is one of the well-known law firms recognized internationally, established in 1889. Recently, Slaughter & May is the legal advisor on international transaction of public sector, financial institution and the government agencies. At present there are offices in the cities of the center economy worldwide, such as Hong Kong, London – UK, Brussels – Belgium, Beijing – China. Major service offer are the legal advisor on business merger/acquisition, company and commercial law, financial law. More info of Slaughter & May can be found at www.slaughterandmay.com.

Euro currency, or when the amendments of the payment as Vietnamese dong (in some case) (detailed in section 1.2.2 of the condition item (1) (a) or (b)).

However, in the event that the Shareholders' Meeting No. 1/2015 to be held on April 17, 2015, resolves to disapprove the acquiring the charter capital in Metro Vietnam. TCCH will continue to be a party in the acquiring the charter capital in Metro Vietnam, according to the new sale and purchase agreement. And when the performance under the condition of the agreement on currency that will pay the purchase completely, any disputes between the Seller and the Company and/or TCCH concern on the original sale and purchase agreement and the other agreement are terminated.

From the mentioned above, the IFA views that the condition of transactions, according to the new sale and purchase agreement has a risk and effect that may occur in the financial situation and liquidity of the operating business overall with significantly. If the Company does not accept the proposal to convey the rights and TCCH, which is the parent company, will be the Purchaser of the capital investment in Metro Vietnam directed, would be the benefits to the Company to maintain the distribution channels of the Company through a major retailer, which is Metro Vietnam. After TCCH acquisition the Company of Metro Vietnam, the Company will not take a risk from the investment by itself, including the performance under the conditions of the agreements between TCCH and the Seller on the currency completely, any disputes between the Seller and the Company and TCCH will be ended. In the other side, if agreement's term regarding the currency cannot be complete, the Company and TCCH will still in dispute with the Seller under the First SPA.

4. Conclusion of the Independent Financial Advisor's opinion

In our opinion, the acquisition of 100% in METRO Vietnam that doing business as the cash & carry and self-service wholesale outlets of consumer goods under the name "METRO" in Vietnam from METRO International Holding or the Seller. The transaction value of EUR 655.00 million (approximately THB 23,600 million) calculated on the debt-free and cash-free basis. Including the leasehold approximately VND 1,296,008 million or equal to EUR 54 million (or equal to THB 1,944 million) which already paid for the remaining rental period of 6-36 years. Although there is the advantage to the Company in several ways, such as the Company will move forward to be the second largest entrepreneur of the stores or the Modern Grocery Market in Vietnam in terms of its market share. This will support the Groups to increase the distribution channel for consumer goods in Vietnam coverage both retail and wholesale. The Company will have a comprehensive supply chain infrastructure in Vietnam that will generate synergies within the Group. This will expand the new customer base in order to further sell the products and increase the distribution channel of goods and services as well as to decrease the cost and increase the opportunity of the Group to make profits in the future. In order to enhance the competitiveness of the Group and to be in a good position ready for the ASEAN Economic Community or "AEC" at the end of 2015. With the appropriate value of investment in METRO Vietnam at EUR 655.00 million (approximately THB 23,600 million), since it's in a reasonable price range estimated by the IFA using the Discounted Cash Flow Approach equal to THB 21,227 - 24,499 million.

Moreover, the proposed transaction may have an effect and potential risk to the Company such as the performance of the Group may dropped by the loss recognition of METRO Vietnam at present and the loss that may occur in the future. If the Company cannot improve the performance of METRO Vietnam as planned, it may affect the ability of the Company on the dividend payment. The Company may obligate to loans and interest expenses with the financial institution to be the source of funds for entering into the transaction and in the event of using funds from the capital increase, the transaction will have a dilution effect to the shareholders such as to a decrease in domination, a decrease in earnings per share. In addition, the investment in METRO Vietnam is an investment in new business that the Company did not have direct experience, the Company may need time to study business. And the Company will be affected from the recognition of goodwill of METRO Vietnam in the financial statement. The asset value of METRO Vietnam based on the latest audited financial statement as of September 30, 2014 equal to VND 5,813,214.49 million (THB 8,719.82 million), while the value of this transaction is equal to EUR 655.00 million (THB 23,600 million). Including the risk to not obtain the return on investment in METRO Vietnam as projected, or the impairment of investment if the performance of METRO Vietnam does not conform to the plan or goal, and for the case of such impairment, it will be recorded as an expense and will affect the performance of the Company in the future.

However, the transaction terms under the New SPA may generate significant risk and negative affect to the overall financial position, performance, and liquidity to run the business of the Company. As a result of the terms of agreement concerning the payment of sales and purchase of charter capital that may have to pay to the capital account of METRO Vietnam before the Vietnamese authorities will issue the Amended IC, the ownership of METRO Vietnam will not yet belong to the Company and/or its subsidiaries. And in the event of the agreement terminates, it cannot get the refund promptly and may take a long time to proceed. Furthermore, if the Company does not accept the proposal of the assignment of rights and not acquire the charter capital in METRO Vietnam but TCCH who is the parent company of the Company is the Purchaser of the charter capital in METRO Vietnam directly from the Seller, regarding the event that TCCH has already entered into the SPA with the Seller, it shall generate beneficial to the Company and/or its subsidiaries to be able to maintain the distribution channels of the Company through major retailer that is METRO Vietnam. After TCCH has already acquired METRO Vietnam, the Company and/or its subsidiaries do not take the risk on investing by itself. And if proceed under the agreement's terms between TCCH and the Seller regarding the currency, any dispute between the Seller and the Company and TCCH from the First SPA shall be ended. In the other side, if agreement's term

regarding the currency cannot be complete, the Company and TCCH will still in dispute with the Seller under the First SPA.

The IFA opinions that even the transactions will be beneficial to the Company and the transaction value is appropriated but the terms of the New SPA may generate significant risk and negative effect to the overall financial status, performance, and liquidity to run the business of the Company. The Company and/or its subsidiaries should not enter into such transaction. However, if TCCH continues under the agreement that were made with the Seller in acquiring the charter capital in METRO Vietnam by itself, the Company and/or the subsidiaries should obtain the beneficial through the investment of TCCH and reduce the risk from any dispute according to the first SPA. Therefore, **the shareholders should disapprove the transaction to accept the assignment of rights and the acquisition of the charter capital in METRO Vietnam this time.**

Finally, the Company is exposed to other risks, such as foreign exchange risk as the purchase price is denominated in Euro currency (however appropriate strategies will be put in place to effectively manage this risk), and the risk of incurring expenses relating to the Proposed Transaction when pre-closing conditions may not be fulfilled and the Company may be unable to enter into the Proposed Transaction. These costs could include due diligence fees, legal advisor fees, bank guarantee fees and financial advisor fees.

Jaydee Partners Limited and Advisory Plus Limited, as the Independent Financial Advisory of the Company, has performed the study and analysis with care in accordance with the professional standard and has provided the opinion based on the fair analysis of information by taking into consideration the benefits of all shareholders.

The opinion of the independent financial advisor is based on the information which has been received from the Company as well as interviews with the Company's management, publicly available information and other relevant documents. The Independent Financial Advisor assumes that all information received is truthful and correct. Therefore, if the said information is incorrect and/or is not truthful and/or has been significantly changed in the future, it will affect the opinion of the Independent Financial Advisor. Therefore, the Independent Financial Advisor is unable to certify or warrant the future impact that may arise to the Company and the shareholders. In addition, the opinion of the Independent Financial Advisor is only to provide comments to the shareholders, and providing this opinion does not warrant the accomplishment of the Proposed Transaction and any impact flowing from the Transaction to the Company.

In order to approve or disapprove the transaction this time, the shareholders can consider from the reason and the opinion of the IFA stated above. The final decision is at the discretion of the shareholders.

We hereby certify that we have rendered opinion with due care and under professional practices by paying regard to the interest of the shareholders.

Yours sincerely,

.....
- *Mrs. Duangjai Lorlertwit* -

(Mrs. Duangjai Lorlertwit)

Executive Partner

.....
- *Ms. Jirayong Anuman-Rajadhon* -

(Ms. Jirayong Anuman-Rajadhon)

Managing Partner / Operation Controller

Jaydee Partners Limited, the Independent Financial Advisor

.....

.....
- *Mr. Prasert Patradhilok* -

(Mr. Prasert Patradhilok)

President

.....
- *Mrs. Nisaporn Rerk-aram* -

(Mrs. Nisaporn Rerk-aram)

Managing Director / Operational Controller

Advisory Plus Limited, the Independent Financial Advisor

Attachment 1

Material Terms and Conditions of the New Sale and Purchase Agreement which are different from the First Sale and Purchase Agreement

	First Sale and Purchase Agreement propose to the EGM of Shareholders No. 1/2015	New Sale and Purchase Agreement to propose to this AGM
1. Condition regarding the currency to be used for payment of the purchase price of the charter capital	Payment of the purchase price in Euro currency	<p>The Agreement provides that the payment of the purchase price be made in Euros subject to the additional conditions as follows:</p> <p>(a) If the Seller receives a letter from the State Bank of Vietnam confirming that the party may make payment of the purchase price in Euros, the Seller shall make payment of the purchase price in Euros as agreed in the Agreement;</p> <p>(b) If the Seller does not receive the confirmation letter under (a), the Purchaser is entitled to amend the Agreement for the payment of the purchase price to be made in the Vietnamese Dong;</p> <p>(c) If the Seller does not receive the confirmation letter under(a) and the Purchaser does not amend the Agreement for the payment of the purchase price be made in the Vietnamese Dong (b), the Agreement shall be deemed to be terminated.</p>
2. Dispute resolution with respect to the First Sale and Purchase Agreement	None	Upon the receipt of the confirmation letter from the State Bank of Vietnam by the Seller under 1(a) or the amendment of the Agreement under 1(b) (as the case may be) (“ the Currency Condition Satisfaction Date ”), it shall be deemed that any dispute between the Seller and BJC and/or TCCH with respect to the First Sale and Purchase Agreement and other related agreements shall be terminated.
3. Approval by METRO AG	None	The Seller shall be required to seek approval from the Supervisory Board of METRO AG within one week following the Currency Condition Satisfaction Date, otherwise, the Agreement shall be deemed to be terminated.
4. Payment of the purchase price of the charter capital in Vietnam	It is not provided that the amount of EUR 655 million under the letter of guarantee will be decreased if the Purchaser is required to pay the purchase price of the charter capital to the Capital Account of METRO Vietnam.	<p>If the Purchaser is required to pay the purchase price of the charter capital to the Capital Account of METRO Vietnam:</p> <p>(a) The amount of EUR 655 million under the letter of guarantee shall be decreased to the amount equivalent to the purchase price of the charter capital that the Purchaser is required to transfer to the Capital Account of METRO</p>

	First Sale and Purchase Agreement propose to the EGM of Shareholders No. 1/2015	New Sale and Purchase Agreement to propose to this AGM
	<p>If the conditions in the Investment Certificate are amended to be in line with the transfer of the Seller's privileges to the Company but METRO Vietnam is unable to transfer the payment of the purchase price of the charter capital from the Capital Account to the Seller outside Vietnam within five business days, the Seller may demand that the issuing bank pay the amount under the letter of guarantee immediately.</p>	<p>Vietnam;</p> <p>(b) The Purchaser shall deliver to the Seller the second letter of guarantee covering the amount of EUR 50 million as security against the fund transfer outside Vietnam.</p> <p>If the conditions in the Investment Certificate are amended to be in line with the transfer of the Seller's privilege to the Purchaser but METRO Vietnam is unable to transfer the payment of the purchase price of the charter capital from the Capital Account to the Seller outside Vietnam:</p> <p>(1) The Seller may demand that the issuing bank pay the amount of EUR 50 million under the letter of guarantee;</p> <p>(2) If the Seller does not receive any payment within the period specified in the Agreement (subject to certain conditions, provided that it shall be no later than 19 May 2016), the Seller is entitled to terminate this Agreement. Upon any such termination:</p> <p>(a) The Seller shall return to the Purchaser the letter of guarantee of EUR 655 million;</p> <p>(b) The parties shall file an application for the amendment of the Investment Certificate to be under the name of the Seller;</p> <p>(c) The Seller (and/or METRO Vietnam) shall refund the amount to the Purchaser after the Investment Certificate is amended to be under the name of the Seller, or one year after the filing of the application for the amendment of the Investment Certificate to be under the name of the Seller; otherwise, the Purchaser may demand that the issuing bank pays the amount of EUR 655 million under the letter of guarantee under (a).</p>

Attachment 2

Company Information

In 1882 Albert Jucker and Henry Sigg established a company in Thailand under the name Jucker and Sigg & Co. Originally, the BJC business was involved in being a trade representative for French, British, and Italian companies as well as other foreign insurance companies and banks. The Company was also engaged in rice milling and import and export activities. The Company was then changed into a majority owned Thai Limited Company under the name “Berli Jucker Co. Ltd”. The key historic milestones and events related to the Company’s investment in Vietnam are as follows:

- 2001 : A Change in the Company’s shareholder structure. Nakorncheun Company Limited, a subsidiary of Thai Charoen Corporation Group or TCC Group owned 83.50% of the total issued and offered shares after completion of a tender offer.
- 2008 :
 - The Company acquired an entire stake in Jacy Foods Snd Bhd, a Malaysian manufacturer and distributor of potato chips and extruded snacks both in its domestic market and other Asian countries, including Singapore, Hong Kong, Philippines and Brunei.
- 2010 :
 - The Company entered into a joint venture with Owen-Illinois, one of the world largest glass manufacturers. The joint venture propelled Thai Glass Industries to become the largest glass manufacturer in Southeast Asia with a production capacity of up to 3,300 tons per day.
- 2011 :
 - Thai Corp International (Vietnam) Company Limited (the Company’s subsidiary of indirect subsidiary) obtained an investment certificate to operate a business as an importer, exporter, and distributor of consumer products and other goods all over Vietnam.
- 2012 :
 - TBC-Ball Beverage Can Vietnam Limited, a manufacturer of aluminum cans and containers, started to operate. The firm is a joint venture between Thai Beverage Can Company Limited (the Company’s 50%-owned direct subsidiary) and Ball Corporation, one of the world’s leading aluminum can manufacturers.
 - BJC launched its own skincare products under the brand “Premedica”, which a manufacturing outsource to Korea
- 2013 :
 - BJC invested in 75.00% of the charter capital of Ichiban Company Limited, a manufacturer and distributor of tofu/bean curd and related products in Vietnam.
 - BJC acquired a 65.00% stake in Thai An Vietnam Joint Stock Company (“Thai An”), a distributor, importer, exporter, wholesaler and retailer of consumer products in northern Vietnam.
 - BJC provided financial support to Phu Thai Group Joint Stock Company (“Phu Thai”), the Company’s subsidiary in acquiring the charter capital from the existing owner of a convenience store business in Vietnam. The support also included preliminary working capital for business expansion. At the end of 2013, Phu Thai’s portfolio included more than 60 convenience stores under “B’s mart” trade name.
 - BJC established its first health and beauty store under owned brand “Ogenki”. Ogenki’s main products comprise food supplements, vitamins, and other related beauty products. At the end of 2013, BJC owned 8 Ogenki stores in total.
 - BJC entered into a joint venture agreement with a business alliance to invest and operate as a business consultant for wholesale and retail of consumer products through BJC-Mpoint International Company Limited. This joint investment would enhance BJC’s business expansion as well as broaden sales and distribution channels of consumer goods in Thailand, Laos, and in other Southeast Asian countries. At the

end of 2013, there were 17 “MPoint” convenient stores.

- 2014
- The Company had closed the factory in Ratburana on September 8, 2014 while launch opening ceremony of new glass furnaces for TM3, at Thai Malaya Glass Co., Ltd. on September 11, 2014. The new glass furnace is acquired to reflect readiness and success of our manufacturing capacity toward increasing demand from customers, and to highlight our strong determination to business expansion and steady growth with sustainable future. One way to gauge how effective our operative strategies have been, is through accolades and recognitions we have been granted from various institutions. The Company is acclaimed National Honor Award for “Best Factory: Labour Affairs and Welfares 2014” for seventh consecutive years.
 - The Company received “Outstanding Investor Relations Awards” in SET Awards 2014 of companies owning assets between 20,000 - 50,000 million baht.

As of December 31, 2014, BJC’s registered capital was THB 2,014,389,444, of which 2,014,389,444 shares were ordinary shares at THB 1.00 per share. The Company’s paid-up capital was THB 1,592,221,000, of which 1,592,221,000 shares were ordinary shares at THB 1.00 per share. In addition, as of December 31, 2014, the Company has the following debentures:

1.) Berli Jucker Public Company Limited No. 1/2010 Due 2015

Bond type	: Name registered, Unsubordinated, and Unsecured debentures without Debentures Holder's Representative
Distribution	: Private Placement to not more than 10 investors within limited period of 4 months.
Issue term	: 5 years from the issue date of the bond
Issue size (THB)	: THB 1,900,000,000
Issue size (unit)	: 1,900,000 units
Initial par	: THB 1,000
Current par	: THB 1,000
Issue date	: 14 July 2010
Maturity date	: 9 July 2015
Interest Rate	: Fixed 3.45% through its tenor
Interest Payment	: Every 6 month period through its tenor
Outstanding size	: THB 1,900,000,000

2.) Berli Jucker Public Company Limited No.1/2011 Series 2 Due 2016

Bond type	: Name registered, Unsubordinated, and Unsecured debentures with Debentures Holder's Representative.
Distribution	: Institutional investors, Major investors and/or Public investors
Issue size	: Not more than 1,000,000 units (THB 1,000,000,000)
Initial par	: THB 1,000
Current par	: THB 1,000
Issue term	: 5 years from the issue date
Issue date	: 31 May 2011
Maturity date	: 31 May 2016
Interest Rate	: Fixed 3.98% p.a.

Repayment	:	Repayment in full on the Maturity Date
Interest Payment	:	Every 6 month on 31 May and 30 November of each year. First interest date payment is on 30 November 2011
Residual value	:	THB 1,000,000,000
Redemption	:	Redemption of the bond will be transacted on the Maturity Date. Principle and Interest of the last period will be paid in full to the bondholder.
Bond buyback	:	Issuer has the right to buy back its debenture from the secondary market any time, any place. The issuer must report the buy back to the bond registrar as soon as possible since this results in the termination of the said debentures and thereby the decrease in the company's liabilities.
Rating	:	A+ / TRIS (on 13 August 2014)

3) Subsidiary Debentures

Issue size (THB)	:	THB 91,500,000
Issue term	:	3 years from the issue date
Issue date	:	November 2011
Maturity date	:	November 2014
Interest Rate	:	Fixed 11.4625% p.a.
Interest Payment	:	Every 6 month period

Legal entities of which the Company owns at least 10.00% shares as of December 31, 2014

Company	Ownership Interest (%)	Registered Capital	Paid-up Capital	Type of Business
Direct Subsidiaries				
Montana Company Limited	100.00	0.50 Mil. THB	0.50 Mil. THB	Distribution of pharmaceutical products, medical equipment and supplies
Berli Jucker Foods Company Limited	100.00	320.00 Mil. THB	320.00 Mil. THB	Manufacturer of snack foods
Rubia Investments Limited (Incorporated in British Virgin Islands)	100.00	30.00 Mil. THB	30.00 Mil. THB	Investment
Berli Jucker Logistics Company Limited	100.00	50.00 Mil. THB	50.00 Mil. THB	Customs clearing, warehousing, transportation and distribution services
Thai Glass Technology Company Limited	100.00	100.00 Mil. THB	100.00 Mil. THB	Seminar and training center
BJC Healthcare Company Limited	100.00	200.00 Mil. THB	200.00 Mil. THB	Distribution of pharmaceutical products, medical equipment and supplies
BJC Industrial and Trading Company Limited	100.00	250.00 Mil. THB	250.00 Mil. THB	Sale of imaging products, stationery and construction supplies
Thai Flourspar & Minerals Company Limited	100.00	2.00 Mil. THB	2.00 Mil. THB	Dormant
BJC Logistics and Warehouse Company Limited	100.00	1,611.00 Mil. THB	1,611.00 Mil. THB	Investment
Berli Jucker (Myanmar) Limited (Incorporated in Myanmar)	100.00	1.00 Mil. MMK	0.62 Mil. MMK	Dormant
BJC International Company Limited (Incorporated in Hong Kong)	100.00	650.00 Mil. HKD	1.12 Mil. HKD	Distribution

Company	Ownership Interest (%)	Registered Capital	Paid-up Capital	Type of Business
Rubia Industries Limited	99.85	70.00 Mil. THB	70.00 Mil. THB	Manufacturer of soap, cosmetics and confectionary
Berli Jucker Specialties Limited	99.15	63.79 Mil. THB	63.79 Mil. THB	Sale of chemicals
Thai Glass Industries Public Co., Ltd	98.59	1,170.00 Mil. THB	1,170.00 Mil. THB	Manufacturer of glass containers
Berli Jucker Cellox Limited	94.84	900.00 Mil. THB	900.00 Mil. THB	Manufacturer of tissue products
TCC Technology Company Limited	51.00	180.00 Mil. THB	180.00 Mil. THB	Rendering of information technology services
Thai Beverage Can Limited	50.00*	1,500.00 Mil. THB	1,500.00 Mil. THB	Manufacturer of aluminum cans
BJC Packaging Company Limited	100.00	2,055.00 Mil. THB	2,055.00 Mil. THB	Investment
BJC Commerce Company Limited (formerly known as BJC Retail Company Limited)	100.00	1.00 Mil. THB	0.25 Mil. THB	Retail
BJH Investment Company Limited	100.00	200.00 Mil. THB	50.00 Mil. THB	Investment
BJC International Holding Pte. Ltd. (Incorporated in Singapore)	100.00	9,999.00 EUR	9,999.00 EUR	Investment
Indirect Subsidiaries				
BJC Foods (Malaysia) Sdn Bhd (Incorporated in Malaysia)	100.00	12.00 Mil. Malaysian Ringgit	12.00 Mil. Malaysian Ringgit	Manufacturer of snack foods
Cosma Medical Company Limited	100.00	5.00 Mil. THB	1.33 Mil. THB	Distributor of pharmaceutical products, medical equipment and supplies
BJC International (Vietnam) Limited (Incorporated in Vietnam)	100.00	14.00 Mil. USD	14.00 Mil. USD	Distribution
BJC Glass Company Limited (Incorporated in Hong Kong)	100.00	10.00 Mil. HKD	8.31 Mil. HKD	Investment, trading, import and export
Thai-Scandic Steel Company Limited	100.00	586.00 Mil. THB	586.00 Mil. THB	Manufacturer of galvanized steel structures
Marble & Stones Company Limited	100.00	99.80 Mil. THB	99.80 Mil. THB	Dormant
Thai Corp International Company Limited (Incorporated in Hong Kong)	75.00	50.00 Mil. HKD	41.00 Mil. THB	Investment
TBC-Ball Beverage Can Holding Limited (Incorporated in Hong Kong)	26.79*	60.00 Mil. USD	60.00 Mil. USD	Investment
Thai Malaya Glass Company Limited	100.00	2,270.00 Mil. THB	2,270.00 Mil. THB	Manufacturer of glass containers
Asia Books Company Limited	100.00	301.72 Mil. THB	301.72 Mil. THB	Retailer of books and magazines
BJC Ogenki Limited (formerly known as BJC Journal Holdings Company Limited)	100.00	142.10 Mil. THB	142.10 Mil. THB	Retail
BJIMK Company Limited (Incorporated in Hong Kong)	75.00	10.00 Mil. HKD	10.00 Mil. HKD	Distribution
BJC Danone Dairy Company Limited	51.00	735.20 Mil. THB	735.20 Mil. THB	Manufacturer and distributor of fresh yogurt and milk products
Ichiban Company Limited (Incorporated in Vietnam)	75.00	30,000.00 Mil. VND	30,000.00 Mil. VND	Manufacturer of soybean products
Thai An Vietnam Joint Stock	65.00	600,000.00	600,000.00	Investment

Company	Ownership Interest (%)	Registered Capital	Paid-up Capital	Type of Business
Company (Incorporated in Vietnam)		Mil. VND	Mil. VND	
BJC-Mpoint International Company Limited	51.00	260.00 Mil. THB	260.00 Mil. THB	Wholesaler and retailer
BJC Mahe Medical Company Limited	100.00	20.00 Mil. THB	15.00 Mil. THB	Sale of medical products
BJC International (Myanmar) Company Limited (Incorporated in Myanmar)	100.00	50,000.00 USD	50,000.00 USD	Consulting services in product analysis and data collection
BJC & CF (Thailand) Company Limited	51.00	30.00 Mil. THB	15.00 Mil. THB	Manufacturer and seller of healthcare products
Subsidiaries of Indirect Subsidiaries				
BJC Glass Vietnam Limited (Incorporated in Vietnam)	100.00	15.82 USD	15.82 USD	Manufacturer of glass containers
Thai Corp International (Vietnam) Company Limited (Incorporated in Vietnam)	75.00	5,400.00 Mil. VND	5,400.00 Mil. VND	Distribution
TBC-Ball Beverage Can Vietnam Limited (Incorporated in Vietnam)	26.79*	390,000.00 Mil. VND	390,000.00 Mil. VND	Manufacturer of aluminum cans
Gold Medallion Limited	100.00	1.00 Mil. THB	1.00 Mil. THB	Dormant
Distri-Thai Limited	100.00	11.00 Mil. THB	11.00 Mil. THB	Retailer of books and magazines
Phu Thai Group Joint Stock Co. (Incorporated in Vietnam)	64.55	366,265.34 Mil. VND	366,265.34 Mil. VND	Sale of consumer products
Phu Thai Telecommunication Joint Stock Co. (Incorporated in Vietnam)	64.49	50,000.00 Mil. VND	50,000.00 Mil. VND	Sale of consumer products
Phu Thai Construction and Investment Joint Stock Co. (Incorporated in Vietnam)	64.49	10,000.00 Mil. VND	10,000.00 Mil. VND	Sale of construction materials
Phu Thai Hanoi Trading Joint Stock Co. (Registered in Vietnam)	64.49	19,000.00 Mil. VND	19,000.00 Mil. VND	Sale of consumer products
Phu Thai Can Tho Distribution Joint Stock Co. (Incorporated in Vietnam)	64.49	15,000.00 Mil. VND	15,000.00 Mil. VND	Sale of consumer products
Phu Thai Food Vietnam Company Limited (Incorporated in Vietnam)	64.55	87,300.00 Mil. VND	87,300.00 Mil. VND	Sale of consumer products
Phu Thai Food Central Vietnam One Member Company Limited (Incorporated in Vietnam)	64.55	5,000.00 Mil. VND	5,000.00 Mil. VND	Sale of consumer products
Phu Thai Food North Company Limited (Incorporated in Vietnam)	64.55	60,000.00 Mil. VND	60,000.00 Mil. VND	Sale of consumer products
PT Food Distribution Joint Stock Co. (Incorporated in Vietnam)	51.61	10,000.00 Mil. VND	10,000.00 Mil. VND	Sale of consumer products
Van Phu Export Import Trading Manufacturing Company Limited (Incorporated in Vietnam)	64.55	1,900.00 Mil. VND	1,900.00 Mil. VND	Warehouse
Thai An Vietnam Trading Company Limited (Incorporated in Vietnam)	64.55	123,240.00 Mil. VND	123,240.00 Mil. VND	Retail
Phu Thai Food Distribution Joint Stock Co. (Incorporated in Vietnam)	64.55	9,000.00 Mil. VND	9,000.00 Mil. VND	Sale of consumer products
BJC-Mpoint (Hong Kong) Company Limited (Incorporated in Hong Kong)	51.00	4.30 Mil. USD	4.30 Mil. USD	Consultant service in management of franchise and trade
BJC-MPM (Lao) Sole Company Limited (Incorporated in Laos)	51.00	25,506.00 Mil. Kip	25,506.00 Mil. Kip	Consultant service in trade and investment

Company	Ownership Interest (%)	Registered Capital	Paid-up Capital	Type of Business
Subsidiaries' Joint Ventures				
BJC O-I Glass Pte. Limited (Incorporated in Singapore)	50.00**	245.83 Mil. USD	245.83 Mil. USD	Investment
Direct Subsidiary of Jointly-controlled Entity of the Subsidiary				
Malaya Glass Products Sdn Bhd (Incorporated in Malaysia)	50.00**	100.00 Mil. Malaysian Ringgit	55.17 Mil. Malaysian Ringgit	Manufacturer of glass containers
Indirect Subsidiary of Jointly-controlled Entity of the Subsidiary				
Malaya-Vietnam Glass Limited (Incorporated in Vietnam)	35.00**	322,209.16 Mil. VND	322,209.16 Mil. VND	Manufacturer of glass containers
Associates				
BJC Marine Resources Development Company Limited	50.00	100.00 Mil. THB	94.40 Mil. THB	Dormant
Berli Asiatic Soda Company Limited	50.00	40.00 Mil. THB	40.00 Mil. THB	Import and distribution of soda ash
Berli Dynaplast Company Limited	49.00	303.93 Mil. THB	303.93 Mil. THB	Manufacturer of rigid plastic Containers
Gaew Grung Thai Company Limited	24.65	320.00 Mil. THB	320.00 Mil. THB	Trading cullets, glass bottle, plastics and used supplies

Note * The Company has the authority to govern the financial and operating policies of the subsidiaries.

** The consolidated financial statements include the Group's proportionate share of the entities' assets, liabilities, revenue and expenses.

Source: The Company

2.1 Business overview

The Company and the subsidiaries ("the Group") specialize in manufacturing, marketing, sales and distribution as well as the provision of other services. The four major business groups are as follows:

1) Packaging Supply Chain

The three types of businesses in this group include:

1.1) Glass Container Packaging Business operated by the Company and its subsidiaries as follows:

- Packaging Product Division
The Packaging Product Division is responsible for marketing and distribution of the glass packaging manufactured by Thai Glass Industries Public Company Limited and Thai Malaya Glass Company Limited, the Company's subsidiaries.
- Thai Glass Industries Public Company Limited
Thai Glass Industries Public Company Limited manufactures and sells glass containers to the Packaging Product Division, which markets and distributes the products to large industries both domestically and internationally.
- Thai Malaya Glass Company Limited
Thai Malaya Glass Company Limited manufactures and distributes glass containers to large industries both domestically and internationally.
- BJC Glass Company Limited
BJC Glass Company Limited was established for the purpose of investing in legal entities overseas, manufacturing, marketing, and distributing glass

containers and other related products.

- BJC O-I Glass Pte. Limited BJC O-I Glass Pte. Limited was established for the purpose of investing in legal entities overseas, manufacturing, marketing, and distributing glass containers and other related products.
- Malaya Glass Products Sdn Bhd Malaya Glass Products Sdn Bhd manufactures and distributes glass containers to large industries both domestically and internationally.
- Malaya-Vietnam Glass Limited Malaya-Vietnam Glass Limited manufactures and distributes glass containers to large industries both domestically and internationally.
- Thai Glass Technology Company Limited Thai Glass Technology Company Limited trains, develops, and prepares workers for glass container packaging businesses in Thailand. The institute provides training and develops knowledge in relation to glass container production and technology as well as organizing seminars and training to enhance personnel technical skills pertaining to glass container packaging and general management.

All glass bottle containers manufactured by the Company's subsidiaries, including those for beer, liquor, wine, soda, soft drinks, energy drinks, pharmaceutical and food products, are marketed to large industry groups both domestic and internationally, such as Myanmar, Laos, Philippines, Malaysia, Vietnam, Cambodia, Indonesia, Australia, India, China and etc.

1.2) Aluminum Cans Packaging Business includes the following subsidiaries:

- Thai Beverage Can Company Limited Thai Beverage Can Company Limited manufactures and distributes aluminum beverage cans. Each can is made of two parts i.e. the can body and the can end (or lid). Can printing per customer's instructions are part of the service.
- TBC-Ball Beverage Can Holding Limited TBC-Ball Beverage Can Holding Limited was established for the purpose of investing in legal entities in other countries, manufacturing, marketing and distributing aluminum cans and containers.
- TBC-Ball Beverage Can Vietnam Limited TCB-Ball Beverage Can Vietnam Limited is a manufacturer and distributor of aluminum beverage cans.

1.3) Plastic Container Packaging Business is operated by Berli Dynaplast Company Limited, a manufacturer, distributor and developer of plastic molds and plastic bottles, boxes and lids. Services include trademark printing, sticker applying and label printing on plastic containers for various kinds of products. For example, these products could include cosmetic and toiletries, dairy and food, lubricating oil, and etc.

2) Consumer Supply Chain

The business operation of BJC Consumer Supply Chain covers the whole value chain - manufacturing, marketing and distributing the Company's own products and customers' products. Products are marketed in the domestic and Southeast Asian country markets. The Consumer Supply Chain business comprises seven subgroups as follows:

2.1) Food Group is operated by the Food Products Division of the Company, handling marketing and distribution for the Company's food businesses both domestically and overseas. The Division provides total solution service on marketing and advertising and also distributes products for third parties.

2.2) Non-food Group is operated by the Company as follows:

- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ Personal Care & Household Products Division | <p>The Personal Care & Household Products Division collaborates to develop, market, and distribute personal care and household products for local and international markets. The Division also provides marketing, advertising, and devises distribution plans for its own companies and other suppliers.</p> |
| <ul style="list-style-type: none"> ▪ Stationery and Office Supplies Division | <p>The Stationery and Office Supplies Division is responsible for distribution, sales, and marketing of stationery products imported and produced locally for third party brands, such as 3M, Scotch.</p> |
| <ul style="list-style-type: none"> ▪ Consumer Electronics Products Division | <p>Markets and distributes consumer electronics products, including mobile phones, tablet computers, notebook computers, and household and office appliances, for various brands, such as Samsung, Apple, Electroluxe, LG, Sony, Dell, Toshiba, Panasonic.</p> |

2.3) Manufacturing is operated by the Company's subsidiaries as follows:

- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ Berli Jucker Foods Co., Ltd. | <p>Berli Jucker Foods Co., Ltd. is a manufacturer, importer, and distributor of snack products and chocolate drinks. For example, "Tasto", "Party", "Campus", "Bitee", "Dozo" and etc.</p> |
| <ul style="list-style-type: none"> ▪ BJC Foods (Malaysia) Sdn Bhd | <p>BJC Foods (Malaysia) Sdn Bhd manufactures and distributes snack products, such as potato chips and fried seaweed under "Wise", "Tasto", and "Dozo" brands. The Company also manufactures products for "Calbee" and "Testo".</p> |
| <ul style="list-style-type: none"> ▪ Berli Jucker Cellox Limited | <p>Berli Jucker Cellox Limited manufactures various sanitary paper products under the company's own brand, such as Cellox, Zilk, Belle, and Maxmo. Products are distributed to modern trade groups in the country and overseas.</p> |
| <ul style="list-style-type: none"> ▪ Rubia Industries Limited | <p>Rubia Industries Limited manufactures the company's branded products, such as "Nok Kaew" soap and "Berli Pops" cosmetics. It also manufactures personal care, toiletry, cosmetics and confectionery products for third party brands.</p> |

2.4) Logistics Business operated by Berli Jucker Logistics Co., Ltd, provides complete supply chain and logistics services to the Company's subsidiaries and outside customers. The Logistic Business consists of three subgroups as follows:

- Warehouse and Inventory Management: Services include merchandise receiving and checking, storing and/or sorting of products (by category, type, and expiration date), disbursement of goods, and cash on delivery. These services are provided per customer's preferences and criteria.

- **Transportation and Distribution Services:** Services covers distribution of various products, carrier management and route selection using own fleet and approved carriers as well as coordination with outside carriers.
- **Customs Brokerage Services:** With Custom Brokerage Service License No. 208, the company offers a total solution for customs clearance services. These cover both import and export by air, sea, and land freight, freight cost management, supply chain management, and other related services, such as duty refund under BIS 19, and etc.

2.5) Thai Corp International Group

- **Thai Corp International Company Limited** Thai Corp International is a certified importer, exporter, and distributor of all consumer products in Vietnam. Its network spans the entire 64 provinces in Vietnam, covering more than 1,800 wholesalers and 50,000 retailers.
- **Thai Corp International (Vietnam) Company Limited**
- **Ichiban Company Limited** Ichiban manufactures and distributes tofu products under the Ichiban brand.

2.6) Thai An Group is one of the major distributors of consumer products, durable goods and construction materials in Vietnam, covering more than 20 provinces. Thai An Trading provides technical assistance and sourcing service to B's mart, a locally owned CVS stores.

2.7) BJC Danone Dairy Co., Ltd. is a manufacturer and distributor of yoghurt and cultured drinking yoghurt under the "Activia" brand.

3) Healthcare Technical Supply Chain

3.1) Healthcare Supply Chain operated by the Company and its subsidiaries are as follows:

- **Pharmaceutical Division and Cosma Medical Company Limited** The Pharmaceutical Division and Cosma Medical Company Limited are in the healthcare business involving distribution of pharmaceutical products from well-known suppliers worldwide. For example, products could include medicines, wellness products, and condoms.
- **Medical Division** The Medical Division imports and distributes medical equipment and supplies from well-recognized manufacturers in the U.S., Europe, and Asia. The Division comprises four main businesses: (1) Diagnostic medical equipment, (2) Surgical products and equipment, (3) Medical Innovation and Informatic Products, and (4) Rehabilitation products and resuscitation equipment.
- **Business Development Division** The Business Development Division seeks joint venture and investment opportunities with local and overseas partners in the upstream and downstream healthcare industry. The Division is responsible for marketing products and services of the Pharmaceutical and Medical Divisions to customers and hospitals through leasing programs as well as providing consultation services on investment in high-cost medical equipment and operations. In addition, the Division looks for cooperation with partners in concessions or investment promotion in neighboring countries.

3.2) Technical Supply Chain is operated by the Company and its subsidiaries as follows:

- | | |
|--------------------------------------|---|
| ▪ Specialties Division | The Specialties Division specializes in imported high-quality ingredients and additives for foods and beverages, cosmetics, and industrial chemicals from prominent manufacturers worldwide. |
| ▪ Industrial and Trading Division | (1) Engineering Department - provides design, installation, consultation, and after-sale services for imported products, equipment, and various engineering systems, such as conveyor system, warehouse systems and equipment, and industrial machineries.

(2) Industrial Manufacturing Department – markets and distributes imported printing equipment and machines, such as digital printing presses, print management software, printing paper, and carbon ribbon, from leading producers worldwide. |
| ▪ Thai-Scandic Steel Company Limited | Thai-Scandic Steel Company Limited is a designer and manufacturer of galvanized steel structures for high voltage transmission towers in telecommunications and other industries both domestically and abroad. |
| ▪ Berli Asiatic Soda Company Limited | A distributor of industrial chemicals, Berli Asiatic Soda's main product is sodium carbonate or soda ash. The company imports soda ash from producers abroad, and stores and distributes to customers throughout Thailand. |

4) Others Business Group

4.1) International Business is operated by the Company's subsidiaries as follows:

- | | |
|---|---|
| ▪ BJC International Company Limited | Established for the purpose of investing in legal entities overseas, handling import and export activities, and manufacturing and distributing. |
| ▪ BJC International (Vietnam) Limited | Manufactures and distributes sanitary napkin products in Vietnam and overseas. |
| ▪ BJC International (Myanmar) Company Limited | Established to support and promote overseas businesses of BJC Group in Myanmar as well as to provide business consultation. |

4.2) Retail Business operated by the Company and its subsidiaries are as follows:

- | | |
|------------------------------|--|
| ▪ Asia Books Company Limited | Asia Books Company Limited offers a large range of books in English and other languages as well as stationary and products that promote creativity and encourage learning in kids. The company also co-publishes and co-distributes books for local and international publishers. In addition, Asia Books is the sole importer and distributor of foreign magazines in Thailand. |
|------------------------------|--|

- BJC Ogenki Company Limited
BJC Ogenki Company operates a Japanese style beauty & health retail business called “OGENKI”. Products include vitamins, supplements, skincare and cosmetic.

4.3) Other Business is operated by TCC Technology Company Limited, a service provider of commercial data centers (primary and secondary sites). TCC Technology has expanded its data center services to cover the Southeast Asian region by collaborating with leading service providers, which include CMC Telecom (Vietnam), The AIMS Asia Group (Malaysia), and 1-Net Singapore (Singapore).

The revenue structure of the Group for the year 2012-2014

Revenue	% of Shareholding Investment	2012		2013		2014	
		Mil. THB	%	Mil. THB	%	Mil. THB	%
Packaging Supply Chain							
Berli Jucker Public Company Limited	Holding Company	6,228	16.64	6,019	14.24	4,744	10.93
Thai Glass Industries Public Company Limited	98.59%	7,516	20.08	7,060	16.72	6,358	14.64
Thai Malaya Glass Company Limited	100.00%	3,611	9.65	3,987	9.44	5,123	11.80
Thai Beverage Can Company Limited	50.00%	5,182	13.84	5,167	12.24	5,552	12.79
TBC-Ball Beverage Can Holding Limited	26.79%	639	1.71	738	1.75	873	2.01
TBC-Ball Beverage Can Vietnam Limited	26.79%	729	1.95	1,654	3.92	1,914	4.41
Malaya-Vietnam Glass Limited	35.00%	389	1.04	569	1.35	537	1.24
Malaya Glass Products Sdn Bhd	50.00%	1,062	2.84	1,014	2.40	1,110	2.55
BJC International (Vietnam) Limited	100.00%	352	0.94	28	0.07	54	0.12
BJC International Company Limited	100.00%	8	0.02	9	0.02	28	0.06
Thai Glass Technology Company Limited	100.00%	-	-	-	-	19	0.04
		25,716	68.71	26,245	62.15	26,312	60.59
Less BJC Intra-firm Trade		(8,851)	(23.65)	(8,497)	(20.12)	(8,238)	(18.97)
		16,865	45.06	17,748	42.03	18,074	41.62
Consumer Supply Chain							
Berli Jucker Public Company Limited	Holding Company	9,408	25.13	10,075	23.86	9,777	22.52
Berli Jucker Foods Company Limited	100.00%	2,501	6.68	2,620	6.20	2,365	5.44
BJC Foods (Malaysia) Sdn Bhd	100.00%	345	0.92	384	0.91	344	0.79
Berli Jucker Cellox Limited	94.84%	2,375	6.35	2,591	6.13	2,506	5.77
Rubia Industries Limited	99.85%	1,899	5.08	1,841	4.36	1,999	4.60
Berli Jucker Logistics Company Limited	100.00%	641	1.71	708	1.68	750	1.73
Thai Corp International (Vietnam) Company Limited	75.00%	822	2.20	1,114	2.64	1,264	2.91
BJC Danone Dairy Company Limited	51.00%	273	0.73	651	1.54	508	1.17
BJC International (Vietnam) Limited	100.00%	39	0.10	32	0.08	29	0.07
Ichiban Company Limited	75.00%	-	-	80	0.19	92	0.21
Thai An Group	65.00%	-	-	2,609	6.18	3,313	7.63
		18,303	48.90	22,705	53.77	22,947	52.84
Less BJC Intra-firm Trade		(6,369)	(17.02)	(7,130)	(16.89)	(6,662)	(15.34)
		11,934	31.88	15,575	36.88	16,285	37.50
Healthcare & Technical Supply Chain							
Berli Jucker Public Company Limited	Holding Company	5,842	15.61	5,857	13.87	4,744	10.93
BJC Healthcare Company Limited	100.00%	25	0.07	677	1.60	1,572	3.62

Revenue	% of Shareholding Investment	2012		2013		2014	
		Mil. THB	%	Mil. THB	%	Mil. THB	%
Montana Company Limited	100.00%	20	0.05	48	0.11	61	0.14
Cosma Medical Company Limited	100.00%	668	1.78	646	1.53	1,044	2.41
Thai-Scandic Steel Company Limited	100.00%	515	1.38	509	1.21	1,456	3.35
BJC Industrial and Trading Company Limited	100.00%	4	0.01	10	0.02	1	-
Berli Jucker Specialties Company Limited	99.15%	229	0.61	135	0.32	176	0.41
BJC International Company Limited	100.00%	102	0.27	80	0.19	88	0.20
BJC International (Vietnam) Limited	100.00%	40	0.11	41	0.10	48	0.11
		7,445	19.89	8,003	18.95	9,190	21.17
Less BJC Intra-firm Trade		(292)	(0.78)	(688)	(1.63)	(1,440)	(3.32)
		7,153	19.11	7,315	17.32	7,750	17.85
Other Business							
Berli Jucker Public Company Limited	Holding Company	83	0.23	51	0.12	71	0.17
BJC International (Vietnam) Limited	100.00%	-	-	-	-	-	-
Asia Books Company Limited	100.00%	1,041	2.78	994	2.35	914	2.11
Distri-Thai Limited	100.00%	4	0.01	7	0.02	1	-
BJC Ogenki Limited	100.00%	-	-	8	0.02	55	0.13
TCC Technology Company Limited	51.00%	633	1.69	667	1.58	579	1.33
BJC-Mpoint (International) Company Limited	51.00%	-	-	28	0.07	-	-
BJC-MPM (Lao) Sole Company Limited	51.00%	-	-	13	0.03	60	0.14
Thai An Vietnam Trading Company Limited	64.55%	-	-	34	0.08	358	0.82
		1,761	4.71	1,802	4.27	2,038	4.70
Less BJC Intra-firm Trade		(124)	(0.33)	(77)	(0.18)	(42)	(0.10)
		1,637	4.38	1,725	4.09	1,996	4.60
Total		37,589	100.43	42,363	100.32	44,105	101.57
Less BJC Intra-firm Trade		(160)	(0.43)	(137)	(0.32)	(682)	(1.57)
TOTAL Group		37,429	100.00	42,226	100.00	43,423	100.00

Source: The Company

■ Board of Directors and shareholders

- The Company Board of Directors, according to the affidavit as of August 1, 2014 was composed of fifteen members as follows:

Name	Position
1. Mr. Charoen Sirivadhanabhakdi	Chairman/ Chairman of Executive Board
2. Khunying Wanna Sirivadhanabhakdi	Vice Chairman
3. Mr. Aswin Techajareonvikul	Director/ President
4. Mr. Thirasakdi Nathikanchanalab	Director
5. Mr. Chaiyut Pilun-Owad	Director
6. Mr. Sithichai Chaikriangkrai	Director
7. Mr. Thapana Sirivadhanabhakdi	Director
8. Mrs. Thapanee Techajareonvikul	Director
9. Mr. Panot Sirivadhanabhakdi	Director

Name	Position
10. Mr. Prasert Maekwatana	Director
11. Ms. Potjanee Thanavarant	Independent Director
12. Mr. Prasit Kovilailool	Independent Director/ Chairman of Audit Committee
13. Mr. Weerawong Chitmittrapap	Independent Director/ Audit Committee Member
14. Mr. Suvit Maesincee	Independent Director/ Audit Committee Member
15. Police General Krisna Polananta	Independent Director/ Audit Committee Member

Source: The Company

Duly authorized directors, who jointly sign and affix the company's seal, can be any two directors from the Board of Directors, except Mr. Prasit Kovilaikool, Mr. Weerawong Chittmittrapap, Mr. Suvit Maesincee, Ms. Potjanee Thanavarant, and Police General Krisna Polananta.

▪ Shareholders

As of December 31, 2014 (the latest closing date of shareholder register book to determined right to attend the extraordinary general shareholder meeting no.1/2015) the Company had a registered capital of THB 2,014,389,444 and issued paid-up capital of THB 1,592,221,000, divided into 1,592,221,000 ordinary shares with a par value of THB 1 per share. Details of the shareholders are as follow:

	Shareholders	Number of Shares	% of Total Shares
1.	TCC Holding Company Limited ^{1/}	1,173,284,220	73.69
2.	DBS BANK A/C DBS NOMINEES-PB Clients	81,979,400	5.15
3.	Bualuang Long-Term Equity Funds	40,196,300	2.52
4.	Bualuang Long-Term Equity Funds 75/25	33,272,600	2.09
5.	Bualuang Flexible RMF	16,277,800	1.02
6.	Social Securities Office (2 ports)	14,385,900	0.90
7.	Electricity Generating Authority of Thailand Registered Provident Fund	10,488,600	0.66
8.	Bualuang Top Ten Open-end Fund	9,302,600	0.58
9.	Bualuang Equity RMF	8,314,300	0.52
10.	Thai NVDR Company Limited	7,846,087	0.49
	Total top 10 shareholders	1,395,347,807	87.64
11.	Others	196,873,193	12.36
	Total	1,592,221,000	100.00

Note: ^{1/}The above shareholders have significant influence on the company's management policy or operation. TCC Holding Company is an investment company whose shareholders comprise 1) TCC Group International Limited, holding 489,906,880 shares (48.99%); 2) Mr. Charoen Sirivadhanabhakdi, holding 254,951,450 shares (25.50%); and 3) Khunying Wanna Sirivadhanabhakdi, holding 254,574,750 shares (25.46%).

Source: The Company and www.set.or.th

▪ Summary of operating and financial position

Table summarizing operating results and financial position of the Company and its subsidiaries in 2012 - 2014

Consolidated statements of financial position	Consolidated					
	2012		2013		2014	
	THB million	%	THB million	%	THB million	%
Assets						
Current assets						
Cash and cash equivalents	2,015.45	5.27	1,779.97	4.00	1,488.07	3.29
Trade and other receivables	7,997.71	20.90	8,999.87	20.22	9,606.11	21.26
Inventories	6,863.84	17.94	8,443.29	18.97	7,856.15	17.39
Other current assets	94.84	0.25	91.76	0.21	51.32	0.11
Total current assets	16,971.84	44.36	19,314.89	43.40	19,001.64	42.06
Non-current assets						
Investment in associates	432.38	1.13	467.21	1.05	480.34	1.06
Leasehold	597.39	1.56	545.50	1.23	521.38	1.15
Investment properties	100.27	0.26	106.56	0.24	122.43	0.27
Property, plant and equipment	16,583.07	43.34	18,606.79	41.81	19,736.16	43.68
Goodwill	1,744.68	4.56	3,270.82	7.35	3,270.82	7.24
Other intangible assets	1,186.90	3.10	1,398.86	3.14	1,279.02	2.83
Deferred tax assets	494.92	1.29	579.05	1.30	528.75	1.17
Other non-current assets	148.69	0.39	212.98	0.48	238.86	0.53
Total non-current assets	21,288.30	55.64	25,187.77	56.60	26,177.74	57.94
Total assets	38,260.14	100.00	44,502.66	100.00	45,179.38	100.00
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	4,065.34	10.63	3,861.46	8.68	5,946.19	13.16
Trade and other payables	7,052.14	18.43	8,406.35	18.89	8,025.38	17.76
Current portion of long-term loans	762.17	1.99	696.38	1.56	2,308.54	5.11
Current portion of debentures	-	-	1,597.21	3.59	1,899.59	4.20
Income tax payables	291.53	0.76	229.80	0.52	217.55	0.48
Other current liabilities	55.47	0.14	43.79	0.10	345.03	0.76
Total current liabilities	12,226.65	31.96	14,834.99	33.34	18,742.29	41.48
Non-current liabilities						
Long-term loans from financial institutions	3,947.57	10.32	7,622.46	17.13	5,775.12	12.78
Debentures	4,396.26	11.49	2,898.11	6.51	999.54	2.21
Deferred tax liabilities	647.49	1.69	675.83	1.52	666.72	1.48
Employee benefit obligations	636.24	1.66	640.80	1.44	598.12	1.32
Other non-current liabilities	122.11	0.32	131.55	0.30	121.88	0.27
Total non-current liabilities	9,749.67	25.48	11,968.75	26.89	8,161.37	18.06
Total Liabilities	21,976.32	57.44	26,803.74	60.23	26,903.66	59.55
Shareholders' equity						
Issued and paid-up share capital	1,588.13	4.15	1,590.44	3.57	1,592.22	3.52
Share premium	3,275.66	8.56	3,216.56	7.23	3,952.39	8.75

Consolidated statements of financial position	Consolidated					
	2012		2013		2014	
	THB million	%	THB million	%	THB million	%
Warrant	54.12	0.14	115.44	0.26	177.71	0.39
Retained earnings	8,864.80	23.17	9,765.19	21.94	10,229.15	22.64
Other components of shareholders' equity	(54.78)	(0.14)	72.23	0.16	(93.64)	(0.21)
Total shareholders' equity attributable to owners of the Company	13,727.93	35.88	14,759.86	33.17	15,208.19	33.66
Non-controlling interests	2,555.89	6.68	2,939.06	6.60	3,067.54	6.79
Total shareholders' equity	16,283.82	42.56	17,698.92	39.77	18,275.73	40.45
Total liabilities and shareholders' equity	38,260.14	100.00	44,502.66	100.00	45,179.38	100.00

Consolidated statements of income	Consolidated					
	2012		2013		2014	
	THB million	%	THB million	%	THB million	%
Revenues from sales of goods and rendering of services	37,429.06	98.36	42,226.37	98.57	43,422.52	98.36
Other income	625.44	1.64	613.05	1.43	723.31	1.64
Total revenues	38,054.50	100.00	42,839.42	100.00	44,145.83	100.00
Cost of sales of goods and rendering of services	28,401.96	74.63	32,131.33	75.00	33,642.74	76.21
Selling and administrative expenses	6,115.74	16.07	7,016.59	16.38	7,625.95	17.27
Financial costs	502.88	1.32	575.18	1.34	612.23	1.39
Total expenses	35,020.58	92.03	39,723.10	92.73	41,880.93	94.87
Shares of profits from investments in associates	65.98	0.17	64.93	0.15	71.64	0.16
Profit before income tax expenses	3,099.90	8.15	3,181.25	7.43	2,336.54	5.29
Income tax expenses	604.62	1.59	566.58	1.32	480.52	(1.09)
Profit for the year	2,495.28	6.56	2,614.67	6.10	1,856.02	4.20

Consolidated statements of cash flow

(unit : THB million)	2012	2013	2014
Net cash provided by operating activities	3,658.90	4,088.06	4,483.36
Net cash used in investing activities	(3,891.93)	(5,046.89)	(3,271.91)
Net cash provided by (used in) financing activities	505.38	651.37	(1,443.54)
Net increase (decrease) in cash and cash equivalents	272.35	(307.46)	(232.09)
Cash and cash equivalents at beginning of year	1,827.87	2,015.45	1,779.97
Effect of exchange rate changes on balances held in foreign currencies	(84.77)	71.98	(59.81)
Cash and cash equivalents at the end of year	2,015.45	1,779.97	1,488.07

Note: Financial Statement for 2012 - 2014 were audited by Mr.Chavala Tienpasertkij, CPA Registration No. 4301, of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., SEC-approved auditors.

Key financial ratios

	2012	2013	2014
Liquidity ratio			
Current ratio (time)	1.39	1.30	1.01
Quick ratio (time)	0.83	0.73	0.59
Account receivable turnover ratio (time)	5.67	5.79	5.43
Average collection period (day)	63.45	62.20	66.35
Inventory turnover ratio (time)	4.74	4.20	4.13
Average selling period (day)	75.98	85.75	87.21
Account payable turnover ratio (time)	7.15	6.73	6.79
Payment period (day)	50.38	53.52	53.01
Cash cycle (day)	89.05	94.43	100.55
Profitability ratio			
Gross profit margin (%)	24.12	23.91	22.52
Operating profit margin (%)	7.78	7.29	4.96
Net profit margin (%)	6.45	5.75	3.87
Return on equity (%)	18.38	17.03	11.21
Efficiency ratio			
Return on assets (%)	6.31	5.45	3.72
Return on fixed assets (%)	25.47	23.85	19.42
Asset turnover (time)	1.07	1.04	0.98
Financial policy ratio			
Debt to equity ratio (time)	1.35	1.51	1.47
Interest coverage ratio (time)	5.80	5.22	3.74
Commitment coverage ratio (time)	55.24	55.07	56.88
Dividend payout ratio (%)			
Per share information	1.52	1.53	1.06
Earnings per share (Baht)	8.64	9.28	9.55
Book value per share (Baht)	1.39	1.30	1.01

▪ *Analysis of financial position and operating results*

Operating results in 2012 - 2014

Sales revenue

In 2012-2014, the Company's revenues totaled THB 38,054.50 million, THB 42,839.42 million, and THB 44,145.83 million, respectively. Most of the revenues came from sales and rendering services accounted for THB 37,429.06 million, THB 42,226.37 million and THB 43,422.52

million, respectively, which growing at 12.82% in 2013 and 2.83% in 2014, respectively. The Company's revenue came from manufacturing, distribution, and services from its three business groups: Packaging Supply Chain, Consumer Supply Chain, and Healthcare and Technical Supply Chain. Sales increases across all supply chains contributed considerably to the Company's sales in 2013 and 2014. Consumer Supply Chain, in particular, recorded an increase of 30.51% in 2013 and 4.56% in 2014.

Cost of sales and expenses

In 2012-2014, the Company's cost of sales of goods and rendering services was THB 28,401.96 million, THB 32,131.33 million, and THB 33,642.74 million, respectively. These accounted for 75.88%, 76.09%, and 77.48% of the revenues from sales of goods and rendering of services in each year. Cost of sales of goods and rendering services to the revenues from sales of goods and rendering of services ratios was nearly in each year were the result of efficient cost control.

Selling and administrative expenses for 2012 - 2014 were THB 6,115.74 million, THB 7,016.59 million, and THB 7,625.95 million, respectively. These accounted for 16.07%, 16.38% and 17.27% of revenue from sales and rendering of services respectively. Expenses increased by THB 900.85 million in 2013 and THB 609.36 million in 2014 or 14.73% and 8.68%, respectively, from each of the previous years as a result of increases in advertising and sales promotional activities of goods and services in Consumer Supply Chain mainly contributed to the rise of selling and administrative expenses, particularly those of BJC Danone Dairy Co., Ltd. products and cosmetic products. In 2014, selling and administrative expenses were increase from expenses for close glass containers at Rat-Burana.

Profits

In 2012-2014, the Company's net profit was THB 2,495.28 million, THB 2,614.67 million, and THB 1,856.02 million respectively, increasing by THB 119.38 million or 4.78% in 2013 and decreasing by 758.65 million or 29.02% in 2014. Net profit margin accounted for 6.56%, 6.10% and 4.20% of total revenue each year.

Financial position as of the end of 2012 - 2014

Assets

Total assets as of 31 December 2012-2014 amounted to THB 38,260.14 million, THB 44,502.66 million and THB 45,179.38 million, respectively. Current assets were THB 16,971.84 million in 2012, THB 19,314.89 million in 2013, and THB 19,001.46 million in 2014, accounting for 44.36%, 43.40% and 42.06% of the total assets in each year, respectively. During 2012-2014, most of the Company's current assets were account receivables and other receivables which contributed 47.12%, 46.60% and 50.55% of the total current assets, respectively, and inventories which contributed 40.44%, 43.71% and 41.34% of the total current assets, respectively. While non-current assets at the end of 2012-2014 were THB 21,288.30 million, THB 25,187.77 million, and THB 26,177.74 million, or 55.64%, 56.60%, and 57.94% of the total assets, respectively. Property, plant and equipment made up the majority of the total non-current assets in the three years with the amounts of THB 16,583.07 million in 2012, THB 18,606.79 million in 2013 and THB 19,736.16 million in 2014, or 77.90%, 73.87%, and 75.39% of the total non-current assets in each year. Total assets in 2013 increased 16.32% or THB 6,242.52 million due to an increase in property, plant and equipment and inventory. Firstly, property, plant and equipment increased THB 2,023.71 million from a business buyout in the amount of THB 216 million, as well as additional investment of THB 3,601 million for two major businesses: THB 2,665 million in the Packaging Supply Chain and THB 466 million in Consumer Supply Chain. Secondly, inventories increased THB 1,579.45 million from 2012; the majority attributed to Packaging Supply Chain. Total assets at the end of 2014 amounted to

THB 45,179.38 million increased from at the end of 2013 for 16.32% or THB 6,242.52 million due to increase in property, plant and equipment.

Liabilities

As of 31 December 2012-2014, the Company's liabilities totaled THB 21,976.31 million, THB 26,803.74, and THB 26,903.66 million, respectively. Current liabilities accounted for THB 12,226.65 million, THB 14,834.99 million, and THB 18,742.29 million or 55.64%, 55.35%, and 69.66% of total liabilities in each year. Non-current liabilities were THB 9,749.67 million, THB 11,968.75 million and THB 8,161.37 million or 44.36%, 44.65% and 30.34% of total liabilities in 2012-2014, respectively. The increase in total liabilities in 2013 of 21.97% or THB 4,827.42 million was mainly a result of an increase in short-term financing from financial institutions amounted to THB 3,674.90 million and increase in trade and other payables amounted to THB 1,354.22 million. In 2014, total liabilities amounted to THB 26,903.66 million, slightly increase from previous year due to an increase in short-term borrowings from financial institution.

Shareholders' Equity

As of 31 December 2012-2014, the Company's shareholder equity totaled THB 16,283.82 million, THB 17,698.92 million, and THB 18,275.73 million, respectively. These figures represent increases of THB 1,415.10 million or 8.69% growth from 2012, and increases of THB 576 or 3.26% growth from 2013 as a result of net profit in each year.

Liquidity

In 2012-2014, the Company's net cash flows provided from operating activities were THB 3,658.90 million, THB 3,908.30 million, and THB 4,483.36 million, respectively. Profit before tax was the greatest contributor to net cash flows from operating activities: THB 3,099.90 million in 2012, THB 3,181.25 million in 2013, and THB 2,336.54 million in 2014, respectively. Net cash flows used in investing activities were THB 3,891.93 million, THB 4,867.13 million, and THB 3,271.91 million in 2012-2014, respectively. The majority of this cash outflow represented purchases of land, buildings, and equipment: THB 3,661.43 million in 2012, THB 3,656.04 million in 2013, THB 3,407.91 million in 2014. Net cash flows provided by financing activities were THB 505.38 million in 2012, THB 651.37 million in 2013, and THB 1,443.54 million in 2014, most of which are short-term loans and term loans from financial institutions.

2.2 Industry Review

Currently, the Company's core business consists of Packaging Supply Chain, Consumer Supply Chain, Healthcare and Technical Supply Chain, and Other Business (International Business, Retail Business, and Information Technology Business). Thus, the growth of the domestic and ASEAN regions, which are the key target markets for the Company's main business groups, are factors affecting the growth of the Group, which manufactures and provides services from upstream to downstream as well as distributing consumer products. Details of the economies of the domestic and ASEAN regions are as follows:

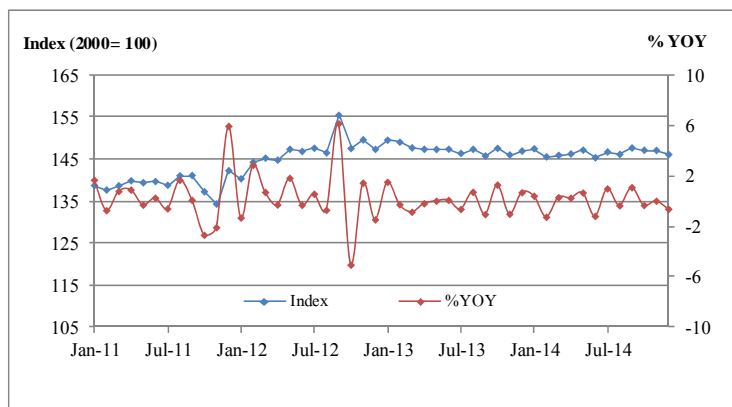
Thailand Economic Overview in 2014

Data from the Bank of Thailand indicated that the outlook for the Thai economy in 2014 has improved from the 1st quarter. The political climate and government policy that became more certain helped boost household and business confidence and thereby led to an increase in domestic spending. Private consumption in 2014, especially in nondurable goods (e.g., food and beverage and healthcare products), improved compared with that of the 1st quarter as consumer's concerns in relation to Thailand's political situation subsided. Spending on durable goods (e.g. automobiles, electrical goods, furniture), meanwhile started to stabilize.

Private Consumption Index (2012-2014)

	2012		2013		2014	
	H1	H2	H1	H2	H1	H2
Index	144.7	149.0	148.0	146.6	146.2	146.7
%YoY	4.1	2.9	-0.6	-0.9	-0.3	0.4

Source: Bank of Thailand



The overall trade situation in July and November 2014 improved from the previous half-year. The wholesale index in July and November 2014 increased 5.8%, improving from the drop of 7.7% in the first half year of 2014. Likewise, the retail index in July and November 2014 declined 1.9% but showed an improvement from the drop of 3.4% in the first half year of 2014. The improved signs in the wholesale and retail indices were a result of rising sales in durable goods and other goods such as new products or specific second-hand products or online shop.

Trade Index (July 2012 - November 2014)

	2012		2013				2014			
	H2	Δ%	H1	Δ%	H2	Δ%	H1	Δ%	Jul - Nov	Δ%
1. Wholesale Index (2002 = 100)	229.82	8.9	220.77	-3.9	211.38	-4.2	195.17	-7.7	206.40	5.8
Non-durable goods	185.48	7.6	191.65	3.3	202.10	5.5	199.85	-1.1	200.74	0.4
Durable goods	139.77	5.1	135.82	-2.8	139.86	3.0	133.89	-4.3	142.02	6.1
Intermediate goods	162.77	6.1	163.23	0.3	159.93	-2.0	158.90	-0.6	161.30	1.5
Others	392.09	11.6	357.79	-8.7	318.98	-10.8	268.95	-15.7	299.84	11.5
2. Retail Index (2002 = 100)	229.50	8.2	225.58	-1.7	214.08	-5.1	206.81	-3.4	202.82	-1.9
Non-durable goods	193.64	6.3	196.83	1.6	196.33	-0.3	203.12	3.5	206.67	1.7
Durable goods	179.53	1.8	176.85	-1.5	176.54	-0.2	171.46	-2.9	174.38	1.7
Department stores and supermarkets	223.52	5.7	220.17	-1.5	224.52	2.0	221.07	-1.5	225.07	1.8
Sale of motor vehicles and automotive fuel	267.92	10.1	260.72	-2.7	235.66	-9.6	222.85	-5.4	208.11	-6.6
Other retail	208.86	9.9	207.24	-0.8	204.42	-1.4	198.94	-2.7	205.73	3.4

Note Δ% = rate of change from the same period of the previous year

Source: Bank of Thailand

Industrial production in 2014 was drop 4.6% from the same period of the previous year, because of decreased in demand from foreign countries which in line of the world economy's recession, especially with key partner such as USA and China. While economic of Japan and Euro zone remained weak, so the export volume was decrease when compare with previous year.

Manufacturing Production Index (2000 - 2014)

Industry	2010		2011		2012		2013		2014	
	Index	Δ%	Index	Δ%	Index	Δ%	Index	Δ%	Index	Δ%
Food products and beverages	145.41	4.3	151.02	3.9	161.24	6.8	150.49	-6.7	146.38	-2.7
Tobacco	100.83	11.2	105.39	4.5	104.08	-1.2	105.20	1.1	101.84	-3.2

Industry	2010		2011		2012		2013		2014	
	Index	Δ%	Index	Δ%	Index	Δ%	Index	Δ%	Index	Δ%
Textiles	73.63	6.5	60.64	-17.6	52.41	-13.6	54.14	3.3	53.37	-1.4
Wearing apparel	143.55	3.8	118.04	-17.8	105.37	-10.7	100.73	-4.4	103.97	3.2
dressing and dyeing of fur	32.62	11.7	31.97	-2.0	26.08	-18.4	25.54	-2.1	25.19	-1.4
Wood and wood product	46.71	5.3	42.60	-8.8	41.49	-2.6	43.64	5.2	48.79	11.8
Paper	122.31	4.1	117.73	-3.7	118.16	0.4	117.12	-0.9	122.93	5.0
Chemicals	166.71	9.2	173.09	3.8	184.73	6.7	183.02	-0.9	187.91	2.7
Rubber and plastics products	128.42	9.7	129.76	1.0	133.07	2.6	136.29	2.4	139.67	2.5
Metal	133.82	16.6	124.90	-6.7	126.25	1.1	130.27	3.2	131.07	0.6
Electrical machinery and apparatus	118.16	11.0	124.10	5.0	146.87	18.3	157.74	7.4	155.10	-1.7
Total	194.17	14.2	177.65	-8.5	181.64	2.2	175.74	-3.2	167.67	-4.6

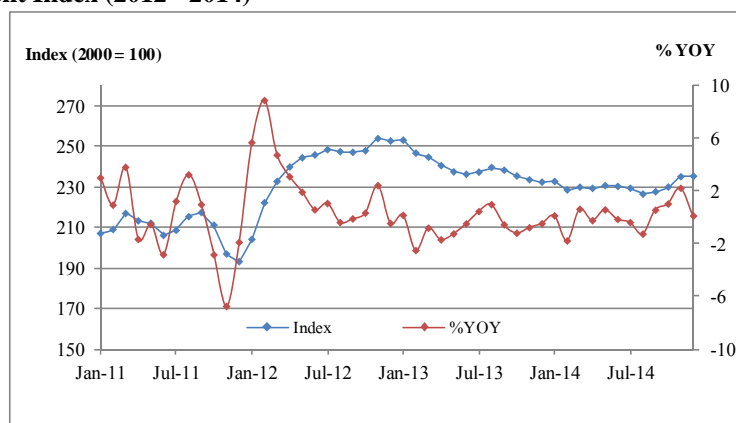
Source: Bank of Thailand

Private investment in 2014 showed signs of slowing in electrical machinery and apparatus and the automobiles industry. Private investment in the construction sectors remained strong compared to the previous quarters. The unemployment rate in 2014 stood at 0.84% of the total labor force. Inflation rose due to the increasing price of instant foods and increasing energy price. The current account recorded a surplus as a result of export improvement and import contraction. The capital account posted a deficit owing to outflows of direct investment and portfolio investment overseas by Thai investors.

Private Investment Index (2012 - 2014)

	2012		2013		2014	
	H1	H2	H1	H2	H1	H2
Index	231.52	249.57	243.13	236.1	230.23	230.63
%YoY	11.8	7.8	-2.6	-2.9	-2.5	0.2

Source: Bank of Thailand



The tourism sector, and hotel and restaurant businesses were affected by political changes and curfews imposed, causing more foreign nations to announce travel advisory warnings for Thailand. In the 2014, the number of foreign tourists in Thailand, totaling 24.78 million, fell 6.7% compared to the same period last year as tourist arrivals from Asia, especially China, Malaysia, Japan and India decreased. Nationwide hotel occupancy rate in 2014 dropped to 55.57% compared with 64.86% for the same period last year.

Tourism Index (2010 - 2014)

	2010	2011	2012	2013	2014
1. Number of tourist (in thousands)	15,936.40	19,230.48	22,353.91	26,546.72	24,779.77
Percentage change from the same period last year (%)	12.6	20.7	16.2	18.8	-6.7
2. Occupancy rate (%)	50.18	57.73	60.81	64.86	55.57

Source: Bank of Thailand

The Fiscal Policy Office in November 2014 projected that the Thai economy in 2014 would expand 1%, and forecasted the Thai economy in 2015 to grow by 3.5% - 4.5%, contributed significantly by an improvement in export sector in line with further recovery of the global economy, a recovery of tourism sector as well as supportive policies, an expansion in private investment especially the BOI's investment projects which were approved in 2014, an expedition of public expenditure and investment, an improvement in car sales and production, and a further decline in crude oil prices that help contain inflationary pressure and raise purchasing power. It is expected that export value will expand by 4.0%, while private consumption and total investment will grow by 2.6% and 5.8%, respectively.

ASEAN economies

Data from the National Economic and Social Development Board ("NESDB") as of November 2014 showed that most ASEAN economies in the third quarter were continued to expand well. The Vietnamese economy expanded by 6.2%, speeding up from 5.4% in the previous quarter, mainly driven by the service sector, industrial and construction sector. The Indonesian economy expanded by 5.0%, the lowest rate in five years, a slight slowdown from 5.1% in the second quarter, mainly due to a softened private consumption and total investment. Meanwhile, government expenditure and exports improved. The Philippines economy tends to grow well contributed largely by higher household consumption in line with the expansion of remittances, and robust export growth. However, the Malaysian economic expanded by 5.6%, slowing down from 6.5% in the second quarter, owing to the slowing in total investment and exports. The inflation rates decreased in almost countries. In the first 3 quarters of 2014, the economies of Vietnam, Indonesia, and Malaysia expanded by 5.6%, 5.1% and 6.1%, respectively.

GDP and export growth in ASEAN economies

	GDP Growth							2014 Export Growth					
	2013	Q1/2014	Q2/2014	Q3/2014	2014 ^F	2015 ^F	2016 ^F	Q1/2014	Q2/2014	Q3/2014	Aug	Sep	Oct
Indonesia	5.8	5.2	5.1	5.0	5.1	5.5	5.6	-2.5	-2.5	2.3	10.7	3.9	n.a.
Malaysia	4.7	6.2	6.5	5.6	5.0	5.0	5.0	3.5	8.5	2.9	4.8	3.0	n.a.
Philippines	7.2	5.6	6.4	n.a.	6.0	6.4	6.5	6.9	9.7	12.9	10.5	15.7	n.a.
Vietnam	5.4	5.1	5.4	6.2	6.0	5.6	5.8	12.2	15.7	11.9	11.3	13.0	4.7

Notes: 2014^F and 2015^F NESDB forecast; 2016^F World Bank forecast

Source: NESDB and World Bank

Thailand and ASEAN economic outlook

With the global economic recovery and increasing domestic consumption, the World bank has forecast 4.5% economic growth in 2015-2016 for Thailand. NESDB expected that in 2015, ASEAN economies tend to perform better than 2014 contributed largely by expansions in export and domestic demand. The Indonesian economy is expected to grow by 5.5%, up from 5.1% in 2014, driven by government expenditures and private investment as a result of improving economic sentiment after the new government formed. The Philippines economy is expected to grow by 6.4% thanks to stronger global recovery which help enhance remittances from abroad as well as the acceleration in the reconstruction spending. The Vietnamese economy is expected to grow by 5.8%, spurring from 5.5% in 2014, fueled by exports and the progress made in resolving NPLs in banking sector. The Malaysian economy is expected to grow 5.6%, down from 6.0% in 2014, owing mainly to the tightened monetary policy in the previous period aiming to reduce the inflationary pressure. Such policy will thus adversely affect private consumption and private investment but exports are expected to grow strongly. However, the growth of the economy in the ASEAN region will remain uncertain

due to a number of factors, for example, a less-than-expected recovery of the global economy, interest rate increases in the global market, and price volatility due to the Eastern European political situation.

Attachment 3

Profile of METRO Vietnam

General Information in relation to METRO Vietnam, of which the Company will acquire 100% of the total charter capital under the terms of the transaction, is as follows:

a) General Information

METRO Vietnam was incorporated in Vietnam in 2002, presently has charter capital of VND 1,911,749 million¹ (THB 2,868 million²) and is 100% owned by METRO Cash & Carry International Holding B.V.³

b) Business Description of METRO Vietnam

METRO Vietnam is a cash & carry and self-service wholesale business, operating under the name “METRO” and providing a wide selection of merchandise. Currently, METRO Vietnam has 19 cash & carry stores with total net sales area of approximately 110,000 square meters. The stores are located in 14 cities across Vietnam: 6 in the northern region, 7 in the central region and 6 in the southern region. The land located those 19 stores are under the land use rights until 2051 which had already been paid for and the remaining lease period is 6 - 36 years. In addition, the business operates two warehouses and two cross-docking stations⁴, located in Hanoi and Binh Duong. These facilities are managed by separate third parties.

¹ Note this does not reconcile to fully paid-up share capital as per the METRO Vietnam balance sheet as a different exchange rate was applied in the preparation of the financial statements compared to the investment certificate documents which state total charter capital.

² VND figures converted to THB at the Bank of Thailand THB-VND 666.7 on 6 March 2015

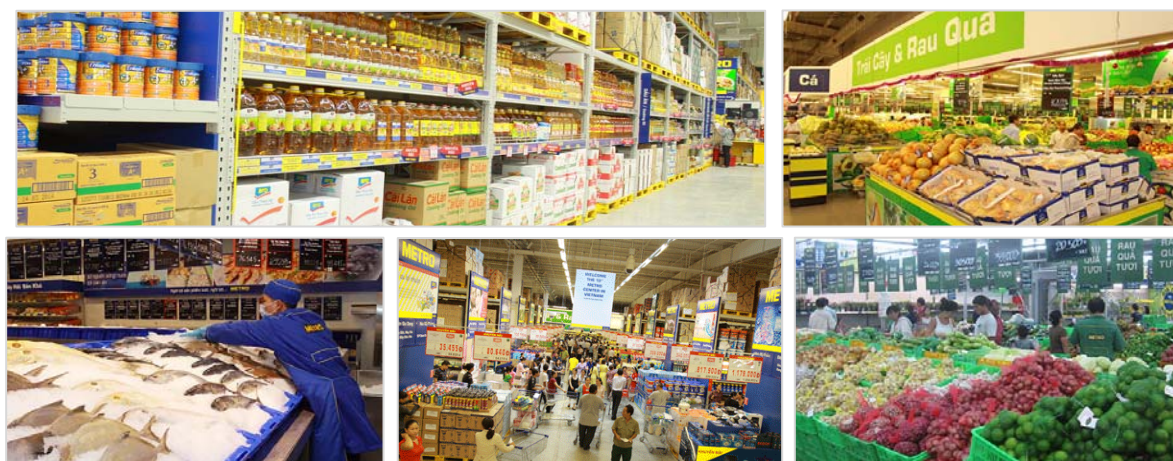
³ METRO Cash & Carry International Holding B.V., a subsidiary of METRO AG, Germany (METRO GROUP), was established in 1964 to operate cash & carry and self-service wholesale membership stores under the name “METRO” in Germany. Currently, there are 750 METRO stores in 26 countries all over Europe, Asia, and North Africa. The core businesses of METRO GROUP are cash & carry wholesale stores, retail grocery stores, consumer goods retailing, and department stores under many store brands, such as METRO Cash & Carry (wholesale stores), Media Market (consumer electronics, electrical appliances, computers, camera), Real (hypermarket), and Saturn (consumer electronics, electrical appliances, computers, camera). Other businesses include real estate, transportation and logistics, information technology and advertising. METRO GROUP presently has 2,200 stores in 30 countries (more information at www.metrogroup.de).

⁴ A cross-docking distribution center can simultaneously receive inbound flows of goods and directly transfer them into outbound flows. At a cross-docking warehouse, materials can be unloaded from an inbound vehicle and loaded directly into an outbound vehicle. Cross-docking reduces inventory level, cuts down inventory holding and lifting costs, and thus reduces total cost and enhances timely distribution of freight.

Information on METRO Cash & Carry Vietnam Stores



Store	Year of Opening	Plot Size (sq.m.)
Northern Region		
ThangLong	July 2003	40,377
Hoang Mai	September 2007	29,843
Hai Phong	October 2005	29,498
Vinh	September 2011	21,306
Ha Long	September 2011	22,830
Ha Dong	October 2012	14,445
Central Region		
An Phu	December 2002	36,265
Binh Duong	November 2010	25,416
Da Nang	December 2005	30,004
Quy Nhon	October 2010	30,000
Vung Tau	December 2010	23,768
Nha Trang	December 2011	21,000
Buon Me Thuot	January 2012	19,000
Southern Region		
Binh Phu	March 2002	28,908
Hiep Phu	October 2005	37,075
Can Tho	December 2004	33,554
Bien Hoa	July 2009	33,228
Long Xuyen	September 2010	34,021
Rach Gia	October 2012	20,000



Currently, METRO Vietnam has an approximate 22.2% share of Vietnam's modern grocery market, the #2 player after Saigon Union of Trading Cooperatives, who holds a 34.3% share of the market (An industry review of modern grocery business can be found in Attachment 2 profile of METRO Vietnam e) Industry Review of this report).

METRO Vietnam's major groups of customers are hotels, restaurants and caterers (HoReCa), traders and services and companies & offices. At present, METRO Vietnam has more than 911,000 registered members. The Company's assortment can be divided into the following categories:-

- 1) Fresh food products, such as bakery, meat, frozen food, dairy products, fruits and vegetables, seafood
- 2) Dry food products, such as alcoholic beverages, canned foods, beverages, snacks, cleaning products; and
- 3) Non-Food & General Merchandise Products e.g. clothing and apparels, sporting goods, stationeries, office supplies, and other groceries products.

Within these product categories, certain products are sold under METRO Vietnam's own brands, including:



Products for
HoReCa customers



Products for
Bars and Café



Fine Quality
Consumer Products



Standard Quality
Consumer Products



Office Supplies

c) Board of Directors and Executives

The following table provides a list of Board of Directors and the Management as of 3 September 2014.

Board of Directors and Board of Management as of 25 December 2014

Name	Position
1. Mr. Philippe Bacac	Chairman & General Director
2. Mr. Dang Yen Phi	Member
3. Mr. Eric Heens	Member
4. Mr. Antonio De Sousa	Member & Finance Director

Source: METRO Vietnam

Once the transaction is completed, the Company will assign its board of directors and executives to that of METRO Vietnam.

However, pursuant to the conditions prescribed in the Transitional Service Agreement, the Company has the rights to obtain services from METRO AG covering various support functions under a transitional period of up to 36 months from the closing date (excluding IT services which may be provided for a transitional period in excess of 36 months and the use of the METRO brand which will be provided for a transitional period of not more than 18 months). The Company plans to transition METRO's brand to its own brand within 12 - 18 months post-closing so that it would have enough time to study the market and prepare itself. Meanwhile, the Company expects to use IT services for approximately 3 - 4 years. The Company will pay to METRO AG a fixed fee for each service at the agreed amount.

d) Summary of Financial Statements and Operating Performance

The IFA has prepared this summary of financial position and operating performance based on the financial statements of METRO Vietnam which was audited by KPMG Limited Vietnam for the year ended December 31, 2012, financial statements for the 9-month period ended September 30, 2013. (In 2013, METRO Vietnam changed its accounting year from 1st January - 31st December to 1st October - 30th September. Therefore, the most recent audited financial statements are that of the 9-month period

ended 30 September 2013) and financial statements for the year ended September 30, 2014. The financial statements presented in the following tables have been prepared according to the criteria defined in Vietnamese Accounting Standards (VAS).

Auditor's Assumptions in Preparation of Financial Statements for the Year 2012, the 9-month Period of 2013 and for the Year 2014

The auditor made additional assumptions in preparation of the financial statements that, on a going concern basis, METRO Vietnam would still be able to carry on its business despite its continuous operating loss. METRO Vietnam's statements of financial positions showed that its current liabilities and total debt exceeded current assets and total assets, respectively. Moreover, there existed significant amount of borrowings that would be due in the next 12 month. This assumption, nonetheless, was based on the principle that METRO Vietnam shareholders would maintain their financial supports necessary for METRO Vietnam to pay its due liabilities and continue to operate the business. The following table presents details of the abridged financial statements.

Summary of Financial Statements and Operating Performance of METRO Cash & Carry Vietnam Limited

Balance Sheet	31 Dec2012		30 Sep 2013		30 Sep 2014	
	VND billion	%	VND billion	%	VND billion	%
Current assets						
Cash and cash equivalents	125.00	1.84	84.13	1.30	70.55	1.21
Account Receivables and other receivables ¹	689.36	10.16	502.05	7.75	584.07	10.05
Inventories	1,124.62	16.58	1,183.53	18.28	871.13	14.99
Other current assets ²	87.60	1.29	213.30	3.29	75.34	1.30
Total current assets	2,026.57	29.88	1,983.01	30.62	1,601.09	27.54
Non-current assets						
Fixed assets ³	3,940.41	58.09	3,713.82	57.35	3,479.86	59.86
Other non-current assets ⁴	816.41	12.04	779.34	12.03	732.26	12.60
Total non-current assets	4,756.82	70.12	4,493.16	69.38	4,212.13	72.46
Total assets	6,783.39	100.00	6,476.17	100.00	5,813.21	100.00
Current liabilities						
Short-term borrowings	2,052.28	30.25	1,664.68	25.70	1,835.32	31.57
- Liabilities from related Parties	1,254.23	18.49	1,265.04	19.53	1,247.12	21.45
- Liabilities from financial institutions	483.50	7.13	-	-	-	-
- Current portion of long-term loan	314.55	4.64	399.64	6.17	588.20	10.12
Trade liabilities	1,272.67	18.76	1,233.21	19.04	1,238.46	21.30
Other current liabilities ⁵	530.20	7.82	478.56	7.39	420.78	7.24
Total current liabilities	3,855.15	56.83	3,376.45	52.14	3,494.56	60.11
Long-term liabilities						
Long-term borrowings	2,794.96	41.20	3,137.45	48.45	2,650.11	45.59
Provision for severance allowance	16.26	0.24	16.10	0.25	16.55	0.28
Total long-term liabilities	2,811.22	41.44	3,153.55	48.69	2,666.65	45.87
Total liabilities	6,666.37	98.27	6,530.00	100.83	6,161.22	105.99

Balance Sheet	31 Dec2012		30 Sep 2013		30 Sep 2014	
	VND billion	%	VND billion	%	VND billion	%
Shareholders' equity						
Fully paid-up share capital ⁶	1,902.68	28.05	1,902.68	29.38	1,902.68	32.73
Retained earnings	(1,785.66)	(26.32)	(1,956.52)	(30.21)	(2,250.69)	(38.72)
Total shareholder's equity	117.03	1.73	(53.83)	(0.83)	(348.00)	(5.99)
Total liabilities and shareholders' equity	6,783.39	100.00	6,476.17	100.00	5,813.21	100.00

Notes 1) Accounts receivable and other receivables consist of trade accounts from sales of goods, discounts from later income receivables.

2) Majority of other current assets were deductible value added tax.

3) Fixed assets consist of plants and buildings, leasehold estates and work-in-progress constructions which were the sites for METRO Vietnam stores, equipment, and information technology systems.

4) Other non-current assets comprise prepaid expenses on leasehold estates and plants and equipment.

5) Other current liabilities include accrued expenses related to METRO Vietnam operating activities (e.g. employee related expenses, utility expenses) and other accrued expenses (e.g. construction expenses, accrued interest).

6) Note this does not reconcile to the total charter capital as per METRO Vietnam's investment certificate documents as a different exchange rate was applied in the preparation of the financial statements.

Statement of Income	Jan-Dec 2012 (12 Mths)		Jan-Sep 2013 (9 Mths)		Oct 13 - Sep 14 (12 Mths)	
	VND billion	%	VND billion	%	VND billion	%
Total revenue	13,934.55	100.00	10,443.36	100.00	13,976.63	100.00
Cost of sales	13,197.03	94.71	9,894.31	94.74	13,358.72	95.58
Statistical gross profit	737.52	5.29	549.05	5.26	617.91	4.42
Later income (discount on purchase)	753.26	5.41	543.86	5.21	998.99	7.15
Gross profit after later income	1,490.79	10.70	1,092.92	10.47	1,616.90	11.57
Other revenues	29.13	0.21	12.90	0.12	29.91	0.21
Selling and administrative expenses *	1,704.52	12.23	1,098.83	10.52	1,603.00	11.47
Other expenses	15.50	0.11	-	-	10.85	0.08
EBITDA	88.54	0.64	239.26	2.29	347.22	2.48
EBIT	(200.11)	(1.44)	6.98	0.07	32.96	0.24
Financial income	1.54	0.01	2.32	0.02	0.12	0.00
Financial expenses	240.73	1.73	169.16	1.62	297.69	2.13
- Interest expenses	212.07	1.52	112.96	1.08	154.46	1.11
- Realized and unrealized foreign exchange losses and other financial expenses	28.66	0.21	56.19	0.54	143.23	1.02
Loss before tax	(439.30)	(3.15)	(159.85)	(1.53)	(264.60)	(1.89)
Income tax expense / (benefit)	(35.72)	(0.26)	11.00	0.11	29.57	0.21
Net loss after tax	(403.58)	(2.90)	(170.86)	(1.64)	(294.17)	(2.10)

Notes *Selling and administrative expenses consisted mainly of employee costs, advertising fees, utilities, maintenance fees and land rental fees.

Statement of Cash Flow

Unit : VND billion	Jan-Dec 2012 (12 Mths)	Jan - Sep 2013 (9 Mths)	Oct 13 - Sep 14 (12 Mths)
Cash flows from operating activities	(310.23)	252.60	498.46
Cash flows from investing activities	(549.99)	(229.42)	(94.53)
Cash flows from financing activities	854.90	(64.05)	(417.56)
Net cash flows	(5.32)	(40.87)	(13.63)

Financial Ratios

		Jan-Dec 2012	Jan-Sep 2013	Oct 13 - Sep 14
Liquidity Ratio				
Liquidity ratio	(times)	0.53	0.59	0.46
Quick ratio	(times)	0.21	0.17	0.19
Account receivable turnover	(times)	148.83	107.65	144.77
Average collection period	(day)	2.42	3.34	2.49
Average collection period - later income	(day)	191.51	193.40	98.55
Inventory turnover	(times)	8.69	8.09	12.36
Day sales of inventory	(day)	41.42	44.49	29.14
Account receivable turnover	(times)	8.17	7.82	10.72
Days payable outstanding	(day)	44.08	46.05	33.58
Profitability Ratio				
Gross margin (including later income)	(%)	10.70	10.47	11.57
EBITDA margin	(%)	0.64	2.29	2.48
Operating profit margin	(%)	(1.44)	0.07	0.24
Net profit margin	(%)	(2.90)	(1.64)	(2.10)
Efficiency Ratio				
Return on asset	(%)	(2.89)	0.14	0.54
Return on fixed asset	(%)	(5.18)	0.24	0.92
Asset turnover	(times)	2.01	2.10	2.27
Leverage Ratio				
Interest coverage ratio	(times)	(0.94)	0.06	0.21

Notes The IFA did not calculate return on equity and debt to equity ratio because METRO Vietnam had negative shareholder equity.

Operational Performance

Sales revenue

Sales revenue for the year 2012, for the first nine months of 2013 and for the year 2014 amounted to VND 13,934.55 billion, VND 14,443.56 billion and VND 13,976.63 billion respectively, the growth in sales revenue was slowdown as a resulted from a realignment of marketing strategy by METRO

Vietnam's executives in order to focus more specifically on core target groups of customers and gradually reduces the proportion of some lower margin products, thereby enhancing METRO Vietnam's competitiveness in the long run.

Food products accounted for the largest part of METRO Vietnam's revenue structure from the year 2012, for the first nine months of 2013 and for the year 2014, the proportion made up approximately 87% in 2012 and steadily rose to approximately 89% in the first nine months of 2013 and 90% in 2014. Details are as follows:

	2012 (12 Mths)		Jan - Sep 13 (9 Mths)		Oct 13 - Sep 14 (12 Mths)	
	VND billion	%	VND billion	%	VND billion	%
Sales revenue from food products	12,083.96	86.72	9,273.62	88.80	12,524.25	89.61
Sales revenue from other products	1,850.59	13.28	1,169.74	11.20	1,452.38	10.39
Total sales revenue	13,934.55	100.00	10,443.36	100.00	13,976.63	100.00

Additionally, METRO Vietnam revenues from later income for the year 2012, for the first nine months of 2013 and for the year 2014 amounted to VND 753.26 billion, VND 543.86 billion, and VND 998.99 billion, respectively. These were equivalent to 5.41%, 5.21% and 7.15% of sales revenue in each year.

Cost of Sales

METRO Vietnam cost of sales in 2012, for the first 9-month period ended in 2013, and in 2014 were VND 13,197.03 billion, VND 9,894.31 billion, and VND 13,358.72 billion, respectively. These accounted for 94.71%, 94.74% and 95.58% of sales revenue in each year. The ratios of cost of sales to sales revenue were similar in each year. Food products were high proportion in sales mix. Relative to other types of products, food products have a lower gross profit margin, leading to a decline in total group gross profit margin (excluding later income) from 5.29% in 2012 to 5.26% for the first 9-month period of 2013 and 4.42% in 2014. Gross profit margin (including later income) was 10.70% in 2012, 10.47% for the first 9-month period of 2013 and 11.57 in 2014, respectively.

Selling and Administrative Expenses

METRO Vietnam's selling and administrative expense amounted to VND 1,704.52 billion in 2012, VND 1,098.83 billion for the first 9-month period of 2013, and VND 1,603.00 billion in 2014, which accounted for 12.23%, 10.52%, and 11.47% of sales revenue in each year. The main portion of selling and administrative expenses comprise of personnel expenses, advertising expenses, fees paid to METRO AG and energy cost. During the first nine months of 2013, selling and administrative expense accounted for 10.52% of sales revenue. The reasons behind the decline of this expense compared to 2012 were due to no additional store openings and improved cost management and cost saving opportunities for some key expense items. In 2014, selling and administrative expense accounted for 11.47% of sales revenue, which increase from 2013 due to increase in selling expense to stimulate sale revenue.

Financial Expenses

Financial expenses for 2012, for the first 9-month period of 2013 and for 2014 were VND 240.73 billion, VND 169.16 billion, and VND 297.69 billion, respectively. Of these, interest expenses accounted for VND 212.07 billion, VND 112.96 billion and VND 154.46 billion, respectively. And other financial expenses accounted for VND 28.66 billion, VND 56.19 billion and VND 143.23 billion, respectively. Interest expenses were change according to the borrowings amounts which the Company use to finance store expansion. In addition, METRO Vietnam was obliged to pay guarantee and commitment fees to METRO AG, a related company. The guarantee fees to secure loans from financial

institutions for the first 9-month period of 2013 declining from the previous year as METRO Vietnam repaid selected short-term liabilities (i.e. those with high interest rate). While other financial expenses in 2014 was increase from 2013 due to loss from realized and unrealized exchange rate during the year.

EBITDA and Net Profit (Loss) After Tax

In 2012, for the first 9-month period of 2013 and in 2014, METRO Vietnam had earnings before interest, tax, depreciation and amortization (EBITDA) of VND 88.54 billion, VND 239.26 billion, and VND 347.22 billion, respectively. These accounted for 0.64%, 2.29% and 2.48% of sales revenue (EBITDA to sales revenue ratio), respectively. METRO Vietnam experienced a net loss after tax in 2012, for the first 9-month period of 2013 and in 2014 for VND 403.58 billion, VND 170.86 billion, and VND 294.17 billion, respectively. METRO Vietnam performed better in the first nine months as a result of the declining portion of operating expenses from no new branch opening and increase efficiency in expense controlling as mentioned above. However, in 2014 METRO Vietnam experienced a net loss after tax over than last year due to loss from realized and unrealized exchange rate during the year.

Financial Statements

Assets

Total Assets of METRO Vietnam as of December 31, 2012 and September 30, 2013 - 2014 were VND 6,783.39 billion, VND 6,476.17 billion, and VND 5,813.21 billion, respectively. Of these, current assets accounted for 29.88% in 2012, 30.62% in 2013, and 27.54% in 2014. Inventories made up the majority of current assets: 55.49%, 59.68%, and 54.41% in 2012, 2013, and 2014, respectively. Non-current assets in 2012-2014 accounted for 70.12%, 69.38% and 72.46% of total assets, respectively. Tangible fixed assets (i.e. property, plant, & equipment) and intangible assets made up the majority of non-current assets: 82.84%, 82.65%, and 82.62% of total non-current assets for each year.

As of 30 September 2013 total assets of METRO Vietnam were decreased VND 307.22 million or 4.53% from the end of year 2012. This was the result of a decrease in fixed assets of VND 226.59 billion due to depreciation expenses. Trade account receivables also decreased VND 187.31 billion mainly from a fall in accrued purchase discounts which resulted from the negotiations with METRO Vietnam's suppliers. As of 30 September 2014 total assets were decreased VND 662.95 million or 10.24% from 30 September 2013. This was the result of a decrease in inventories of VND 312.40 billion due to METRO Vietnam improve inventory management to be more efficient and decrease in fixed assets of VND 233.95 billion due to depreciation expenses.

Liabilities

As of December 31, 2012 and September 30, 2013 - 2014, METRO Vietnam had total liabilities of VND 6,666.37 billion, VND 6,530.00 billion, and VND 6,161.22 billion, respectively. Current liabilities accounted for 57.83% of total liabilities in 2012, 51.71% in 2013, and 56.72% in 2014. Examining closely the composition of total debts in each of the years, it can be seen that major current liabilities were trade account payables: 33.01% of total current liabilities in 2012, 36.52% in 2013, and 35.44% in 2014. Short-term borrowings were 53.23% of total current liabilities in 2012, 49.30% in 2013, and 52.52% in 2014. Non-current liabilities accounted for 42.17% of total liabilities in 2012, 48.29% in 2013, and 43.28% in 2014. A major proportion of non-current liabilities were long-term borrowings, comprising 99.42% of total non-current liabilities in 2012, 99.49% in 2013, and 99.38% in 2014.

As of 30 September 2013, METRO Vietnam total liabilities were dropped 2.05% or VND 136.36 billion from the end of year 2012 due to a decrease in loans of VND 45.11 billion, decrease in trade account payables of VND 39.46 billion and decrease in other current liabilities of VND 51.63 billion. As of 30 September 2014, total liabilities were dropped 5.65% or VND 367.78 billion from the end of year 2013 due to a decrease in loans of VND 316.70 billion, and decrease in other current liabilities of VND 57.78 billion.

Shareholders' Equity

As of December 31, 2012 and September 30, 2013 - 2014, METRO Vietnam had shareholder equity of VND 117.03 billion, VND (53.83) billion and VND (348.00) billion, respectively. METRO Vietnam's shareholders' equity as of 30 September 2013 - 2014 drop of VND 170.86 billion from the end of 2012 and drop of VND 294.17 billion from the end of 2013 owing again to operating losses.

Liquidity

In 2012, METRO Vietnam's net cash flows from operating activities were VND 310.23 billion. A large decrease in net cash flow in 2012 was due to decreases in account payables and prepaid expenses of VND 869.33 billion, net with increases in account receivables and inventories of VND 660.36 billion. Net cash flows used in investing activities for 2012 were VND 549.99 billion. Most were expenses relating to purchases of fixed assets for store expansion. Net cash flows from financing activities in 2012 were VND 854.90 billion; majority were cash from short-term borrowings and long-term borrowing from institutions.

In 2013, METRO Vietnam's net cash flows from operating activities were VND 252.60 billion. This was mainly due to a rise in trade account payables of VND107.10 billion and net with decrease in trade account receivables of VND 64.66 billion. Net cash flows used in investing activities were VND 229.42 billion, mainly due to investment in fixed assets of VND 232.87 billion. Net cash flows used in financing activities were VND 64.05 billion.

In 2014, METRO Vietnam's net cash flows from operating activities were VND 498.46 billion. This was mainly due to decrease in inventories of VND 336.58 billion. Net cash flows used in investing activities were VND 94.53 billion, mainly due to investment in fixed assets of VND 105.66 billion. Net cash flows used in financing activities were VND 417.56 billion.

e) Industry Review

Overview of Vietnam's economy

Vietnam's economy was ranked 6th largest in the South-East Asia Region ("ASEAN") by GDP and is the most developed nation in the CLMV group of countries, which consist of Cambodia, Lao PDR, Myanmar and Vietnam. Over recent decades, Vietnam's economy has been growing at a higher rate than other countries in ASEAN. Particularly, during 2000 to 2007, real GDP grew notably at an average of 7.2% per annum. Even after the subprime crisis in the United States, real GDP grew at an average of 5.8% per annum during 2008 - 2012. In 2013, Vietnam's real GDP grew at 5.4%, which is higher than ASEAN's average real GDP growth of 5.0%. Recently, driving factors of Vietnam's economic growth are as follows:

- Increase in export of goods and services which led to the first trade surplus of Vietnam in 2012. The trade surplus also increased in 2013.
- Government policy regarding price control on important goods e.g. gasoline, electricity and water, which led to a decrease in inflation from 9% in 2012 to 7% in 2013.
- Development of economic activities from agricultural to industrial and service sectors which has notably improved economic value. In addition, foreign investors became more confident to invest in Vietnam because of its political stability, continuity of economic expansion, and economic reformation plan set out by the government on state enterprise, financial institutions, and public investment. According to the Ministry of Planning and Investment of Vietnam, Foreign Direct Investment ("FDI") in 2013 was USD 21 billion, increasing from

2012 by 54.5%, of which USD 16.6 billion was invested in 600 new projects in the manufacturing sector.

- Increase in consumption due to the growing population particularly the labour force. In 2013, the Vietnamese population reached 90 million (the 3rd largest in ASEAN), and is estimated to increase at 0.9% per annum during 2014 to 2018. As a result of continuity in economic expansion in Vietnam during the past few years, the size of the labour force (above 15 years of age) increased from 42.8 million in 2005 to 52.2 million in 2013. In addition, overall income of the population increased, resulting in the expansion of the middle class population. According to the General Statistics Office of Vietnam, average income of employees in big cities increased from VND 1.6 million/month (approximately THB 2,399/month) in 2005 to VND 5.1 million/month (approximately THB 7,646/month) in 2013. Due to the expanding urbanization, real estate and other related sectors have also expanded. In addition, the changes of lifestyle and consumption behaviors of people are key factors driving the growth of the modern grocery market in Vietnam.

World Bank estimates that Vietnam's real GDP growth will increase at a higher rate than the average of ASEAN, being 5.4%, 5.5% and 5.8% for 2014, 2015 and 2016 respectively, compared to the average of ASEAN of 4.5%, 5.0% and 5.1% respectively.

Actual and forecast real GDP growth of countries in ASEAN during 2012 - 2016

	2012	2013	2014 ^F	2015 ^F	2016 ^F
Indonesia	6.3	5.8	5.2	5.6	5.6
Malaysia	5.6	4.7	5.7	4.9	5.0
Philippine	6.8	7.2	6.4	6.7	6.5
Thailand	6.5	2.9	1.5	3.5	4.0
Vietnam	5.2	5.4	5.4	5.5	5.8
Cambodia	7.3	7.4	7.2	7.5	7.2
Lao PDR	8.0	8.5	7.5	6.4	7.0
Myanmar	7.3	8.3	8.5	8.5	8.2
Southeast Asia	5.7	5.0	4.5	5.0	5.1

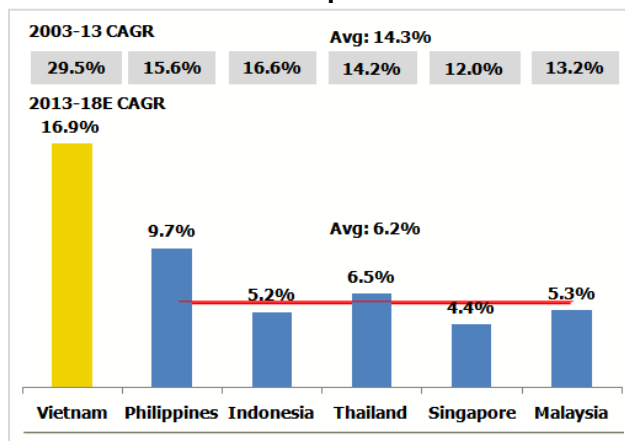
Source: World Bank, East Asia Pacific Economic Report as of October 2014

Modern grocery market in Vietnam

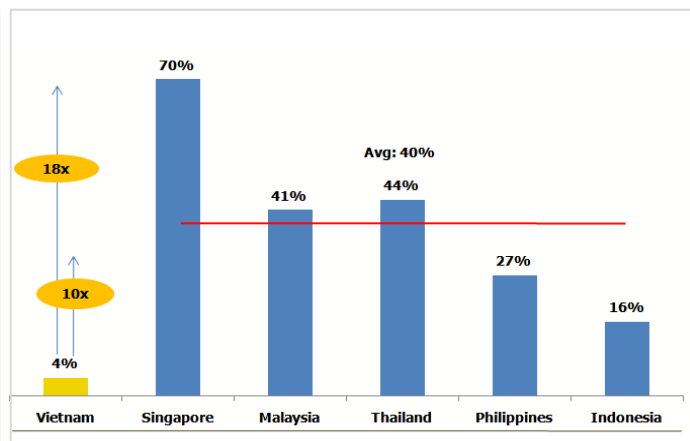
I) Market overview

According to the analysis of retail businesses in Vietnam in 2014 by Planet Retail⁵, it indicates that the size of the modern grocery market in Vietnam was USD 2.7 billion in 2013, representing a Compound Annual Growth Rate ("CAGR") of 29.5% from the market size in 2003, which is higher than the average modern grocery market CAGR of other countries in ASEAN of 14.3%. The main factors driving the higher growth rate in Vietnam were its overall economic growth, increased Foreign Direct Investment, increased consumer purchasing power, and increased new branch expansion from existing modern grocery retailers. In addition, Planet Retail forecasts that Vietnam's modern grocery market will grow further by a CAGR of approximately 16.9% during 2013 to 2018, while the average modern grocery market CAGR of other ASEAN countries is expected to be 6.2%.

⁵ Planet Retail is a world leading company providing retail business data and consultancy services. It is a part of WGSN Group, a provider of strategic analysis on business trends globally. At present, WGSN provides services to many global corporations, including Coca-Cola, Marks & Spencer, Puma, Virgin, and Next. For more information about Planet Retail, please visit www.planetretail.net

Growth of modern grocery market in Vietnam compared to ASEAN

Source: Planet Retail

Modern grocery penetration in Vietnam compared to ASEAN

Source: Euromonitor International

Although the modern grocery market in Vietnam has been growing, its growth is still at an early stage. Traditional grocery is still the most prevalent form of retail in Vietnam, accounting for 96% of total grocery retail value in 2013. This is because consumers still prefer traditional grocery due to its proximity to their homes, which makes it more convenient to access. Furthermore, most of the population, particularly in the countryside, still have a low usage of cars and refrigerators or freezers to store fresh food. On the other hand, many modern grocery outlets e.g. supermarkets, which entered the market during 1990 - 2000, are mostly located in big cities like Ho Chi Minh City and Hanoi. Thus, the proportion of modern grocery outlets to citizens in Vietnam is still lower compared to the average of ASEAN. Planet Retail indicates that, in 2013, Vietnam had 8 modern grocery outlets per million citizens, while other countries in ASEAN had an average of 111 modern grocery outlets per million citizens. Likewise, the penetration rate of modern grocery in Vietnam is relatively low at 4% in 2013, compared to the average of countries in ASEAN at 40%. Since Vietnam still shows a relatively low number of modern grocery outlets as well as the said penetration rate, while the economy is continuously growing, together with expanding urbanization, increases in proportion of the middle class population, constant change in consumer behavior towards higher quality goods and services, convenience of access to those good and services, and increased health consciousness, the modern grocery market in Vietnam has become one of the most interesting markets in ASEAN. In this regard, positive factors that could contribute to the potential growth of modern grocery market in Vietnam are as follows:

- Increase in income level of consumers, which results in higher purchasing power as well as the need for higher quality and more variety of goods and services with convenient access. These factors could drive consumers towards more purchasing at modern grocery outlets rather than traditional grocery venues like wet markets.
- Increase in awareness about the advantages of modern trade, that can satisfy the changing needs of consumers e.g. modern trade offers an increased range of products under various brands with many levels of pricing and packaging size for consumers to choose from.
- Proposed plan of the Ministry of Industry and Trade which aims to increase the share of modern retail in Vietnam to 45% of total retail market value in 2020, by targeting 1,200 – 1,300 supermarkets and 180 department stores by 2020.

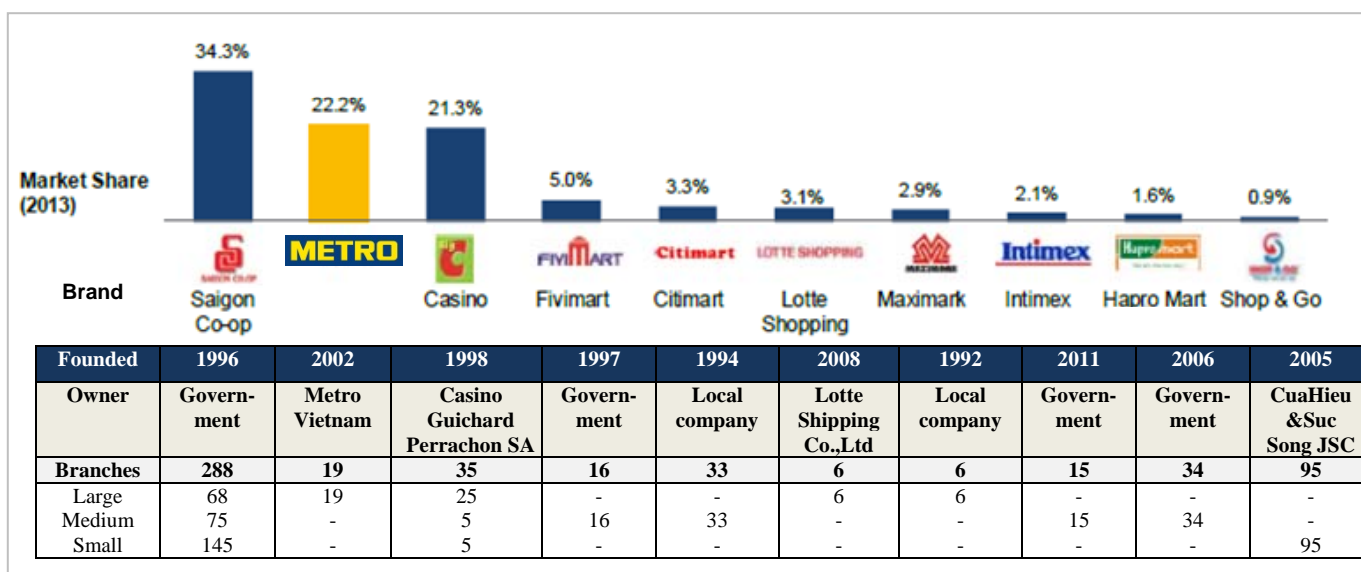
II) Market competition

Currently, there are many types of modern grocery retail channels in Vietnam including hypermarkets, supermarkets, convenience stores, cash & carry and warehouse clubs. Considering the overall market, Saigon Union of Trading Cooperatives (“Saigon Co-op”), a state-owned company, has always been

one of the players with the highest market share, accounting for 34.3% of the total modern grocery retail value in 2013. Its outlets cover all types of modern grocery channels including hypermarkets, supermarkets, convenience stores, and warehouse clubs, under various brands namely “Co-op”, e.g., Co-op Mart, Co-op Store, and Co-op Xtra Plus.

The second largest modern grocery retailer is Metro Vietnam (“METRO”), which operates only cash & carry outlets under the brand “METRO”. In 2013, METRO had 22.2% of total modern grocery retail value. In the past, METRO used to be the only operator of cash & carry outlets, however, in 2013, Saigon Co-op and its Singapore's business partners launched warehouse clubs in Ho Chi Minh City called Co-op Xtra Plus, making the business a direct competitor of METRO. Based on figures sourced from Planet Retail, Saigon Co-op plans to open one or two new Co – op Xtra Plus stores each year in an attempt to reach 20 stores by 2020.

Modern grocery retailers in Vietnam



Source: Planet Retail

Casino Guichard Perrachon SA, the third largest modern retailer in Vietnam, operates hypermarkets under the brand “Big C”. In 2013, Big C had 21.3% market share of total modern grocery retail value in Vietnam. Apart from those mentioned, there are other retailers with smaller market share, which are mostly hypermarkets and supermarkets under various tradenames i.e. Fivimart, Citimart, Lotte Shopping, Maximark, Intimex, and Hapro Mart, while Shop&Go is positioned as a convenience store. All of the aforementioned brands are considered the indirect competitors of METRO.

Various channels of modern grocery outlets in Vietnam



Source : Euromonitor International

Based on information from Euromonitor International⁶ (“Euromonitor”), convenience stores is the fastest growing channel in Vietnam in 2013, increasing by 64% from the previous year, mainly because it attracts teenagers and young adults in urban areas. Hypermarkets are also growing at 28% from the previous year, due to an increasing number of customers attracted by a pleasant shopping environment, and a greater variety of products. Facing strong competition from hypermarkets, supermarket exhibited slower growth relative to other channels, and grew by only 17% from the previous year.

For the future trend of the modern grocery market in Vietnam, Euromonitor has forecast that, as a result of new branch expansion by the existing retailers, increased customers in the modern trade channel from the change in consumer behaviors, and also rising purchasing power, the modern grocery market is expected to continuously grow. It is also expected that the market will become more competitive given the expansion plan of existing retailers, the development of higher quality goods and services, and the various promotional activities expected to be put in place. The entry of new foreign operators may bring more competition as the government has been promoting foreign investment by revising certain regulations to facilitate foreign business operators, for example, foreigners can register a company in Vietnam with 100% foreign ownership. However, Vietnam’s modern grocery market still poses certain obstacles to new foreign operators such as issues concerning counterfeit and/or pirated products, and more importantly, regulations that require foreign operators to file for a permit with the Ministry of Industry and Trade and the Provincial People’s Committee every time they plan to open a new branch or store. The approval will be granted based on the result of an economic needs test, which considers the population density of particular provinces, the number of existing outlets in the area, and market stability. Hence, this factor may be considered as a competitive advantage for local and existing players who are familiar with this process and these approvals (such as METRO Vietnam), and a key consideration for new foreign investors entering the Vietnamese market.

⁶ Euromonitor International, established in 1972, is the world leading provider of strategic research on consumer markets. Currently, Euromonitor has more than 1,000 consultants with several offices worldwide, including England, USA, Singapore, China, Dubai, Japan, and Australia, to monitor market data of over 80 countries. For more information about Euromonitor, please visit www.euromonitor.com