

(Translation)

AIT/16 - 752

October 26, 2016

Subject: Clarification about the Investment in HOTPOT

To: The President  
The Stock Exchange of Thailand

According to The Stock Exchange of Thailand ("SET") requires Thai Factory Development Public Company Limited ("The Company") to clarify the information about the investment in Hotpot Public Company Limited ("HOTPOT"), due to the fact that on 27 September 2016, Thai Factory Development Public Company Limited (TFD) informed the SET that "the company is considering to invest in Hot Pot Public Company Limited (HOTPOT) news occurred in newspapers was not true.

However, on 19 October 2016, HOTPOT disclosed that a major shareholder of HOTPOT sold 41.50 million shares (10.22% of paid up capital) to Mr. Apichai Taechaubol and TFD. The number of shares sold to Mr. Apichai Taechaubol was 32.40 million (7.98%) and the number of shares sold to TFD was 9.10 million (2.24%). Mr. Apichai Taechaubol was found to be a current Executive Chairman and a major shareholder (24.52% of paid up capital) of TFD. In order for investors to receive clear and complete information, the SET requires TFD to clarify and disclose detailed information to the SET within 26 October 2016

The Company would like to clarify the information as follow.

**1. Please explain of the procedure of TFD for investing in HOTPOT. And when did the transaction pass the board of director's resolution? Who was responsible for this transaction? Did the executive chairman involve in any decision making of the investment?**

Regarding the investment in HOTPOT, The Company has the purpose for this investment to be a short-term investment and expected the return of an investment from the capital gain. This investment was approved by The Investment Committee which have been authorized by The Board of Director's resolution No.10/2014 held on 28 April 2014 that approved the appointment of 3 following persons to become The Investment Committee.

1. Mr.Apichai Taechaubol Vice Chairman and Executive Chairman
2. Mr.Gumpol Tiyarat Director, Executive Director and Managing Director
3. Mr.Anukul Ubonnuch Director

The Investment Committee have the authority to invest in any equity and derivative which amount not exceeding 110 Million baht.

On 10 October 2016 the company received the information from Mr.Apichai Taechaubol that he received the proposal from the major shareholder of HOTPOT to sell some of HOTPOT shares. Mr.Apichai Taechaubol was interested, consequently he asked Managing Director of The Company, whether The Company interested to invest in HOTPOT or not. Managing Director then submitted the agenda concerning HOTPOT investment to The Investment Committee's meeting No.10/2016 held on 12 October 2016. The Investment Committee has considered from the price of the proposal which was 2.80 baht/share and deemed that it was such an interesting investment because such price was below the average market price of 15 days before the considering date of The Investment Committee (21 September 2016 to 11 October 2016) which was 3.02 bath/share. In consequence The Investment committee approved to invest in HOTPOT in the proportion not exceeding 10,000,000 shares which was 2.46 of paid up capital of HOTPOT in the sum not exceeding 28 million baht by authorized Mr.Gumpol Tiyarat to decides the trading includes amount of shares and the time to invest under limited financial amount and shares approving by The Investment Committee. This approval was within the scope of the investment policy that stipulates The Company to be able to invest in listed company by focus on short to middle-term investment which depend on the decision of The Investment Committee. The Company shall use the investment fund, receiving from some shares selling in the portfolio that were food and beverage business just like HOTPOT which price were incline to become lower, so that The Company shall invest in

HOTPOT instead, hence the price of HOTPOT was lower than the market price. In any case on 11 October 2016 The Company had 84.50 million baht investment fund remaining therefore after the investment in HOTPOT, the value not exceeding 28.00 million baht which is not exceeding the financial amount approving by The Board of Director's resolution.

Besides the consideration and approval of such agenda of The Investment Committee, Mr.Apichai Taechaubol did not participated in the meeting or voted to approve the investment in HOTPOT.

**2. The opinion of the Board of Directors of TFD about the appropriate and benefits of the investment of TFD in HOTPOT 2.24%, as well as the chairman of TFD who acquired HOTPOT shares of 7.98%. Moreover, what is the procedure of the company to eliminate conflict of interest.**

This Investment did not have been considered and approved by The Board of Director's meeting because the proportion of the investment was not exceeding 28 million baht which was under the authority of The Investment Committee to approve. The Investment Committee has considered the matter and deemed that this transaction is appropriate and has an opportunity to make the benefit to The Company in the form of the return of an investment according to the details in clause 1.

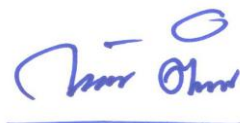
Regarding the conflict of interest elimination's procedure, The Company deem that this investment shall not contribute the conflict of interest because the decision to invest in HOTPOT was the result of the consideration of The Investment Committee, whereas Mr.Apichai Taechaubol was merely an informer of the investment and not taking part in considering or approving process. Moreover the investment policy between The Company and Mr.Apichai Taechaubol might be difference, because The Company intently to invest in a short-term, whereas Mr.Apichai Taechaubol may invest in HOTPOT for a middle-term or for a long-term depend on his decision. In any case The Company shall submit this subject to The Board of Director's meeting next time within 14 November 2016.

**3. The reasons that TFD declined the news about the investment in HOTPOT to the SET on 27 September 2016; however, TFD purchased HOTPOT shares on 19 October 2016, which is only 3 weeks time after that.**

On 27 September 2016 The Company Secretary has inquired Managing Director of The Company (TFD) and he informed that he did not received the information or the proposal from the major shareholder of HOTPOT because the negotiation was privately between Mr.Apichai Taechaubol and The Seller directly. Thereby The Company declined such news to The Stock Exchange of Thailand. Subsequently after having the summary of price and proportion and decided to invest in HOTPOT, Mr.Apichai Taechaubol informed The Company about the investment in HOTPOT on 10 October 2016. The Company then informed such proposal to The Investment Committee to consider before investing in HOTPOT on 12 October 2016 according to details in clause 1.

Please be informed accordingly.

Sincerely yours,



(Mr.Gumpol Tiyarat)  
Managing Director