



L-WAVE 74/2557

3 December 2014

Subject: Resolutions of Board of Directors meeting No.8/2014 of Wave Entertainment Public Company Limited

To: The President  
The Stock Exchange of Thailand

Enclosure: Information Memorandum on acquisition of shares in Jeffer Restaurant Company Limited

On 3 December 2014, the Board of Directors Meeting No.8/2014 of Wave Entertainment Public Company Limited (the "**Company**") approved investment in Jeffer Restaurant Company Limited ("**Jeffer**") through acquisition of all shares in Jeffer (the "**Transaction**"). The aforementioned Transaction is considered as the acquisition of assets according to 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 dated 31 August 2008 (as amended) 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 Assets, dated 29 October 2004 (as amended) (the "**Notification of Acquisition and Disposition**").

Brief summary of the approvals on the Transaction can be summarized as followed:

- 1) Investment through acquisitions of all shares in Jeffer for the total value of not exceeding Baht 650,000,000 by Wave Food Group Company Limited ("**Wave Food Group**"), the Company's wholly-owned subsidiary
  - a. To enter into Share Sale and Purchase Agreement by Wave Food Group with the existing shareholders of Jeffer for the total purchase price of not exceeding Baht 550,000,000; and
  - b. To enter into Share Subscription Agreement by Wave Food Group for the subscription of newly issued shares in Jeffer for the total subscription price of not exceeding Baht 100,000,000.

After such acquisitions, Wave Food Group will hold a total of 10,098,000 shares which is 100% of issued and paid-up shares of Jeffer.

The Transaction is considered as the acquisition of assets according to 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 dated 31 August 2008 (as amended) 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 Assets, dated 29 October 2004 (as amended) (the "**Notification of Acquisition and Disposition**"). The Transaction is classified as a Class 2 transaction with the maximum calculated size of 35.29% based on the total value of consideration criterion. The calculation is based on the Company's consolidated financial statement as of 30 September 2014.

Therefore, the Company is required to:

1. disclose information regarding the acquisition or disposal of assets of the Company to the Stock Exchange of Thailand (the “**SET**”); and
2. provide its shareholders the written notice of its decision to enter into the Transaction containing at least the information specified by the Notification of Acquisition and Disposition by the SET within 21 days from the date on which the information memorandum disclosed to the SET.

However, the acquisition of Jeffer shares is not deemed a connected transaction in pursuance to the Notification of the Capital Market Supervisory Commission No. Tor Jor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 and the Notification of the Board of Governors of the SET Re: Disclosure of Information of Listed Company concerning the connected transactions B.E. 2546 dated 19 November 2003;

- 2) Appoint Mr. Matthew Kichodhan as the authorized director to negotiate and finalize the terms and conditions of the aforementioned agreements, perform any act necessary for the purchase and transfer of shares, execute any agreements, memorandum of agreement and other documents related to the investment in Jeffer and perform any act required and necessary for the purpose of investment in Jeffer, including liaising with authorities or supervisory agencies such as the Securities and Exchange Commission and the SET; and
- 3) Approve the borrowings from financial institution by the Company or Wave Food Group for the purpose of investment in the aforementioned Transaction.

Please be informed accordingly.

Sincerely Yours,

*- Signature -*

(Mr. Matthew Kichodhan)

Chairman and Chief Executive Officer

**Wave Entertainment Public Company Limited**

**INFORMATION MEMORANDUM**

**THE ACQUISITION OF SHARES IN**

**JEFFER RESTAURANT COMPANY LIMITED**



**WAVE ENTERTAINMENT PUBLIC COMPANY LIMITED**

**(Amendment)**

**Information Memorandum regarding the Acquisition of Shares in  
Jeffer Restaurant Company Limited  
of  
Wave Entertainment Public Company Limited**

On 4 December 2014, Wave Food Group Company Limited (“**Wave Food Group**”), a subsidiary of Wave Entertainment Public Company Limited (the “**Company**” or “**Wave**”), entered into a transaction to purchase shares of 10,098,000 in aggregate (par value at THB 10 each) of Jeffer Restaurant Company Limited (“**Jeffer**”), equal to 100% of total issued and paid-up shares, from the existing shareholders of Jeffer and Jeffer (collectively called the “**Seller**”) as approved by the Board of Directors Meeting of Wave No.8/2014 held on 3 December 2014 (the “**Transaction**”).

The aforementioned Transaction is considered as the acquisition of assets according to 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 dated 31 August 2008 (as amended) 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 Assets, dated 29 October 2004 (as amended) (the “**Notification of Acquisition and Disposition**”). The Transaction is classified as a Class 2 transaction with the maximum calculated size of 35.29% based on the total value of consideration criterion. The calculation is based on the Company's consolidated financial statement as of 30 September 2014. Therefore, the Company is required to:

- 1) disclose information regarding the acquisition or disposal of assets of the Company to the Stock Exchange of Thailand (the “**SET**”); and
- 2) provide its shareholders the written notice of its decision to enter into the Transaction containing at least the information specified by the Notification of Acquisition and Disposition by the SET within 21 days from the date on which this information memorandum disclosed to the SET.

Moreover, the acquisition of Jeffer shares is not deemed a connected transaction in pursuance to the Notification of the Capital Market Supervisory Commission No. Tor Jor. 21/2551 Re: Rules on Connected Transactions dated 31 August 2008 and the Notification of the Board of Governors of the SET Re: Disclosure of Information of Listed Company concerning the connected transactions B.E. 2546 dated 19 November 2003.

Details regarding the Transaction are as follows:

**1. Transaction Date**

The Board of Directors of Wave No. 8/2014 held on 3 December 2014 has resolved to approve the Company to appoint Wave Food Group, a subsidiary of the Company, to enter into (1) the Share Purchase Agreement (the “**SPA**”) with the existing shareholders of Jeffer and (2) Share Subscription Agreement (the “**SSA**”) with Jeffer. The aforementioned share purchase is subject to certain terms and conditions and condition precedents as agreed upon among the Company and the Seller.

On 4 December 2014, all the specified conditions precedent in the SPA and SSA has been fulfilled. The Company therefore acquired existing ordinary shares and preferred shares of 98,000 shares as well as newly issued shares totaling 1,000,000 shares of Jeffer, equal to 10,098,000 shares in aggregate or 100% of total issued and paid-up shares, on 4 December 2014 (the “**Completion Date**”).

Key conditions precedent specified in the SPA and SSA are as follows: (1) Wave Food Group has secured source of fund for the Transaction; (2) The existing shareholders of Jeffer settle all outstanding debts incurred under “Jeffer” restaurant business; and (3) Jeffer has assets to operate “Jeffer” restaurant business as agreed.

**2. Parties involved and the relation with the listed company**

Buyer: Wave Food Group Company Limited (“**Wave Food Group**”)

Seller: Jeffer’s existing shareholders (**Kritsadachatree Family**) and Jeffer

Relation with the listed company: None

**3. General Characteristic of the transaction**

Wave Food Group has acquired existing 98,000 shares, consisting of ordinary shares and preferred shares (par value at THB 10 each) of Jeffer from the Seller and acquired 10,000,000 shares of Jeffer’s newly issued ordinary shares (par value at THB 10 each) for a total consideration of THB 631.35 million.

The calculation of the transactions size is based on the consolidated financial statements of the Company as at 30 September 2014, which has been reviewed by a Certified Public Accountant as well as the most updated financial information of Jeffer. Details of the calculation are summarized below:

**1) Net tangible assets method**

$$\begin{aligned} \text{Transaction size} &= \frac{\text{Net tangible asset of Jeffer}}{\text{Net tangible asset of the Company}} \\ &= \frac{0.98}{(207.58)} \times 100 \\ &= \text{N.A.} \end{aligned}$$

**2) Net profit method**

This criteria is ineligible for the purpose of transaction size calculation as Jeffer was recently established on 21 October 2014 and there is no historical financial performance.

**3) Consideration method**

$$\begin{aligned} \text{Transaction size} &= \frac{\text{Total consideration paid}}{\text{Total assets of the Company}} \times 100 \\ &= \frac{631.35}{1,788.81} \times 100 \\ &= \text{35.29\%} \end{aligned}$$

**4) Value of newly issued shares as consideration method**

This criteria is ineligible for the purpose of transaction size calculation since the Company did not issue any new shares for consideration purposes.

The Acquisition and Disposal of Assets Notifications provide that the highest values of the transaction size calculated using the above methods shall apply. The highest value of the transaction size equals to 35.29%, which is calculated based on the consideration method. Therefore the transaction is categorized as asset Type 2 asset acquisition transaction.

#### 4. Details of assets acquired

<b>Assets to be acquired</b>	Ordinary and preferred shares of Jeffer for a total consideration of THB 631.35 million, consisting of: <ol style="list-style-type: none"> <li>1) Ordinary and preferred shares of Jeffer in the amount of 98,000 shares, consisting of:             <ol style="list-style-type: none"> <li>a. 49,000 of ordinary shares at par value of THB 10 each;</li> <li>b. 49,000 of preferred shares at par value of THB 10 each; and</li> </ol> </li> <li>2) 10,000,000 of newly issued shares of Jeffer at par value of THB 10 each.</li> </ol>
<b>General Information of the assets acquired</b>	
1. Company Registration Name	Jeffer Restaurant Company Limited
2. Date of registration	21 October 2014
3. Company Registration No.	0105557156983
4. Head office	11/58, Moo 3, Sukapibal 5 Soi 50, O Ngoen Sub-district, Sai Mai District, Bangkok 10220
5. Registered Capital	Baht 100,980,000
6. Paid-Up Capital	Baht 100,980,000
7. Type of Business	Operate restaurant chains under the trademark of “Jeffer” of 74 branches nationwide offering affordable steak and western style meals targeting at teenagers and young adults.
8. Board of Directors	Board of Directors as of 21 October 2014: <ol style="list-style-type: none"> <li>1) Mr. Saharat Kritsadachtree</li> <li>2) Ms. Pantiwa Kritsadachtree</li> </ol>
9. Shareholding Structure	<b>Before the Transaction:</b> Existing shareholders (Kritsadachtree Family) hold 100% of Jeffer’s issued and paid-up shares. <b>After the Transaction:</b> Wave Food Group holds 100% of Jeffer’s issued and paid-up shares.

#### 5. Value of consideration

Total consideration size is at THB 631.35 million. The Company’s Board of Directors has approved the acquisition of not more than THB 650 million. After negotiations with the Seller, the parties have come into agreement for the total consideration size at THB 631.35 million for which THB 531.35 million will be paid to Jeffer’s existing shareholders and THB 100 million will be paid for new share subscription.

Total consideration would entirely be settled by cash. Wave Food Group has fully paid for Jeffer’s newly issued shares upon the Completion Date valued at THB 100.00 million for the existing shareholders to settle all outstanding debts incurred from operations of the restaurant business under

the trademark “Jeffer”. The payment of THB 531.35 million to the Seller shall be in installments with terms and conditions as specified in the SPA as follows:

- First installment: THB 308.30 million payable on 15 December 2014; and
- Second installment: THB 223.05 to be fully paid in the first quarter of 2016 or by installments in the first quarter of 2016 and in the first quarter of 2017 in accordance with terms and conditions with respect to operating performance as agreed upon among the Buyer and the Seller.

## **6. Value of assets acquired**

The assets acquired are 10,098,000 shares of Jeffer, equal to 100% of total issued and paid-up shares, comprising of (1) 98,000 of existing ordinary shares and preferred shares of Jeffer at a value of THB 531.35 million and (2) 10,000,000 of Jeffer’s newly issued ordinary shares at a value of THB 100.00 million. Value of total assets acquired is THB 631.35 million in total.

As of 4 December 2014, key assets of Jeffer include assets of “Jeffer” restaurants of 74 branches, right to use “Jeffer” trademark, and business information (including recipe, etc.).

## **7. Basis used to determine the value of consideration**

The value of consideration is based on the negotiation between the Seller and the Buyer, taking into consideration share price valuation based on Discounted Cash Flow methodology as well as Market Comparable approach. Past performance and potential business growth are taken into account.

The Company has appointed the following advisors to ensure suitability of the Transaction: (1) The Siam Commercial Bank Public Company Limited as a financial advisor to assist the Company in investment feasibility, business valuations, and negotiations processes, who after considering forecasted assumptions, views that the purchase price is reasonable; (2) Hunton & Williams (Thailand) Company Limited as legal advisor to assist the Company in legal aspects and definitive agreements preparation; and (3) Deloitte Touche Tohmatsu Jaiyos Company Limited to conduct financial due diligence on the target company.

## **8. Expected benefits**

The Company anticipates that the benefits of such shares acquisitions are as follows:

- 1) enhance earnings growth opportunities by expanding into restaurant business;
- 2) provide platform for further expansion into food and restaurant business in the future;
- 3) expand into a Lifestyle & Entertainment Company; and
- 4) diversify existing business risks by venturing into new business sector.

## **9. Sources of fund**

The sources of fund for this transaction are loans from financial institution.

## **10. Conditions of the entry into the transaction**

As the Transaction is considered Type 2 assets acquisition pursuant to the Acquisition and Disposal of Assets Notifications, the Company shall have the duties as follows:

- 1) to disclose the information memorandum in respect of the entry into such transaction to the SET; and

- 2) to provide its shareholders the written notice of its decision to enter into the Transaction containing at least the information specified by the Notification of Acquisition and Disposition by the SET within 21 days from the date on which this information memorandum disclosed to the SET.

**11. Entry into transaction with a connected person holding at least 10 percent of the total shares of the Company with voting rights**

-None-

**12. Opinion of the Board of Directors on the entry into the transaction**

The Board of Directors' Meeting No.8/2014 of the Company, held on 3 December 2014, considered that the Transaction is reasonable and will benefit the Company and the shareholders, therefore; resolved to approve the acquisition by Wave Food Group as follows:

- 1) The acquisition of ordinary shares and preferred shares of Jeffer totaling 98,000 shares (at par value of THB 10 each) from Jeffer's existing shareholders at an amount of not exceeding THB 550 million; and
- 2) The acquisition of Jeffer's newly issued ordinary shares totaling 10,000,000 shares (at par value of THB 10 each) at an amount of not exceeding THB 100.00 million.

Post Transaction, Wave Food Group, a subsidiary of the Company, shall directly own 10,098,000 shares of Jeffer, equal to 100% of total issued and paid-up shares.

**13. Opinion of the Audit Committee and/or the director(s) of the Company which is different from the Board of Directors' opinion under Clause 12**

None of the directors and/or the Audit Committee had a different opinion from that of the Board of Directors of the Company in the Board of Directors' Meeting No. 8/2014, held on 3 December 2014.

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