

(Translation)

**Opinion of the Independent Financial Advisor  
on Acquisition and Disposal of Assets and Connected Transactions**

- 1. Acquisition and disposal of assets with respect to the Company and its subsidiaries entering into the transaction with the Real Estate Investment Trust**
- 2. Acquisition of assets and connected transaction with respect to a subsidiary acquiring shares in Krungthep Land Public Company Limited**

of



**Univentures**

**Univentures Public Company Limited**

Prepared by



**Advisory Plus Company Limited**

November 14, 2014

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## Abbreviations

The Company or UV	Univentures Plc.
GOLD	Golden Land Property Development Plc.
KLAND	Krungthep Land Plc.
LRK	Lertrattakarn Co., Ltd.
NSR	North Sathorn Realty Co., Ltd.
F&N	Fraser and Neave Ltd.
FCL	Fraser Centerpoint Ltd.
SMJC	SMJC Real Estate Co., Ltd.
FTPL	Fraser (Thailand) Pte. Ltd.
PF	Property Perfect Plc.
TCC Group	TCC group of companies
REIT	The Real Estate Investment Trust
REIT Transaction	Entering into REIT Transaction by the Company and GOLD, comprising (1) Entering into a transaction by LRK, a subsidiary of the Company, in order to sublease land, lease office building, structures, and mechanical and electrical systems, and dispose of other assets of Park Ventures Ecoplex Project to the Trustee, on behalf of and for the benefit of REIT, including establishment of a new subsidiary, having a registered capital of Baht 10 million, in order to serve as REIT Manager, with the Company to hold 99.99% of shares in the new subsidiary; (2) Entering into a transaction by NSR, a subsidiary of GOLD, in order to sublease land and office building, structures, mechanical and electrical systems and dispose of other assets of Sathorn Square Office Tower Project to the Trustee, on behalf of and for the benefit of REIT; and (3) Subscription by GOLD for REIT units in the amount not exceeding 30.00% of all sold units of REIT (“REIT Unit Subscription Transaction”)
SEC	The Office of the Securities and Exchange Commission
SET	The Stock Exchange of Thailand
Acquisition or Disposal Notifications	Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as an Acquisition or a 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 or Disposal of Assets, B.E. 2547, and the amendments thereto
Connected Transaction Notifications	Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions, B.E. 2546, and the amendments thereto

AP. 111/2557

November 14, 2014

**Subject** Opinion of the Independent Financial Advisor on acquisition and disposal of assets and connected transactions of Univentures Plc.

**To** Audit Committee and Shareholders  
Univentures Plc.

The meeting of the Board of Directors of Univentures Plc. (“the Company” or “UV”) No. 6/2014 on October 14, 2014 considered and approved important issues as follows:

1. Approved to propose to the shareholders’ meeting of the Company to consider and approve the entering into a transaction with the Real Estate Investment Trust (“REIT”) by Lertrattakarn Co., Ltd. (“LRK”), a subsidiary of the Company, which will enter into the transaction of subleasing of land, lease of office building, structures, and mechanical and electrical systems, and disposal of other assets of Park Ventures Ecoplex Project to the Trustee, on behalf of and for the benefit of REIT (“REIT Transaction”), with the value not less than Baht 2,700 million.

In this regard, the sublease transaction, the lease transaction and the disposal transaction shall be subject to the terms and conditions under the relevant agreements, as well as the following conditions:

- 1) The conditions specified in the sublease agreement, the lease agreement, the sale and purchase of assets agreement, the undertaking agreement and any other agreement entered into by and between Lertrattakarn Co., Ltd. and the Trustee, made in the name of REIT and for its benefit, must be satisfied in all respects.
- 2) The new company to serve as REIT Manager must obtain approval for its establishment and for management of REIT from the Office of the Securities and Exchange Commission (“SEC”).
- 3) REIT units must be offered to the public and the general investors.\
- 4) The assets to be invested must be registered as REIT.

Furthermore, the Board of Directors’ meeting approved the establishment of a company to act as REIT Manager, whereby the scope of authority, duties and responsibilities of REIT Manager shall be in accordance with the relevant rules prescribed by the SEC. The new company shall have a registered capital of not less than Baht 10 million, in which UV will hold a stake of 99.99%. In this respect, the Executive Committee and/or the person designated by the Executive Committee is authorized to appoint directors of the new company.

2. Approved to propose the shareholders’ meeting of the Company to consider granting approval for Golden Land Property Development Plc. (“GOLD”), which is a 55.73%-owned subsidiary of the Company, to enter into a transaction with REIT, whereby North Sathorn Realty Co., Ltd. (“NSR”), a subsidiary of GOLD, will enter into the transaction in sublease of land and office

building, structures, and mechanical and electrical systems and disposal of other assets of Sathorn Square Office Tower Project to the Trustee, on behalf of and for the benefit of REIT (“REIT Transaction”), with the value not less than Baht 5,500 million.

In this regard, the sublease transaction and the disposal transaction shall be subject to the terms and conditions under the relevant agreements, as well as the following conditions:

- 1) The conditions specified in the sublease agreement, the sale and purchase of assets agreement, the undertaking agreement and any other agreement entered into by and between NSR and the Trustee, made in the name of REIT and for its benefit, must be satisfied in all respects.
- 2) The new company to serve as REIT Manager must obtain approval for its establishment and for management of REIT from the SEC.
- 3) REIT units must be offered to the public and the general investors.
- 4) The assets to be invested must be registered as REIT.

3. Approved to propose the shareholders’ meeting of the Company to consider and grant approval for GOLD, a subsidiary of the Company, to subscribe for REIT units in the amount of not exceeding 30% of all sold units of REIT, with the value of not exceeding Baht 3,000 million (“REIT Unit Subscription Transaction”), whereby the REIT Unit Subscription Transaction shall be subject to the following conditions:

- 1) REIT units must be offered to the public and the general investors.
- 2) The assets to be invested must be registered as REIT.

4. Approved to propose the shareholders’ meeting of the Company to consider and grant approval for GOLD, a subsidiary of the Company, to acquire 1,780,000,000 ordinary shares or equivalent to 100% of the total paid-up shares in Krungthep Land Plc. (“KLAND”), or in the minimum amount that will lead GOLD to hold at least 51% of all paid-up shares of KLAND and cause the Company to have controlling power in KLAND, at the price of Baht 2 per share, totaling Baht 3,560,000,000 million from the existing shareholders of KLAND, whereby this acquisition of KLAND will include only the portion of KLAND’s horizontal real estate business.<sup>1</sup>

**The sublease of land, lease of office building, structures, and mechanical and electrical systems and the disposal of other assets of Park Ventures Ecoplex Project of the Company as in Item 1, with the value not less than Baht 2,700 million, and the sublease of land and office building, structures, and mechanical and electrical systems and the disposal of other assets of Sathorn Square Office Tower Project of GOLD as in Item 2, with the value not less than Baht 5,500 million,** are regarded as the disposal of assets transactions in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as an Acquisition or a Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand (“SET”) Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposal of Assets, B.E. 2547, and the

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<sup>1</sup> SMJC Real Estate Co., Ltd. (“SMJC”) has expressed an intention to GOLD to sell the ordinary shares in KLAND held by SMJC Group (39.33%) to the Company together with the entitlement to purchase additional KLAND shares from Property Perfect Plc. (20.22%). The said sale and purchase of KLAND shares transaction does not include investments in Riverside Homes Development Co., Ltd. (“RHD”) and Waterside Land Co., Ltd. (which is 100% owned by RHD). As of September 30, 2014, RHD held the status of a jointly controlled entity of KLAND and Frasers (Thailand) Pte. Ltd. (“FTPL”), which own 5,100,505 shares and 4,900,490 shares representing 51% and 49% of RHD’s paid-up capital respectively. According to the proposal on sales of KLAND shares to GOLD, SMJC will, before selling its shares in KLAND to GOLD, arrange for KLAND to sell all shares in RHD held by KLAND. (See more details in Attachment 2 Profile of Krungthep Land Public Company Limited.)

amendments thereto (the “Acquisition or Disposal Notifications”). From the calculation of the transaction value based on consolidated financial statements of the Company and its subsidiaries for the six-month period ended June 30, 2014, the highest value of transaction, calculated on the total value of consideration basis, is equal to not less than 11.84% and not less than 24.12% of the total assets of the Company and its subsidiaries respectively. Therefore, the disposal of assets transactions have a total size of 35.95% based on the total value of consideration.

However, the said value of assets disposal of the Company and GOLD is the minimum value. The final price of the assets to be disposed to REIT will depend on negotiation between the related parties, whereby the consideration value of the aforementioned transactions will be considered based on related factors and market situation at that time. Thus, the Company and GOLD intend to seek approval from their respective shareholders’ meeting for entering into such transactions, which are required to be approved with affirmative votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding the votes of shareholders who have a vested interest.

**The subscription for REIT units by GOLD as in Item 3** has an approximate value not exceeding Baht 3,000 million. REIT is currently at the preparatory stage for establishment and filing of an establishment application to the SEC and the SET. In this respect, the Company will set up a new subsidiary with a registered capital of Baht 10 million in order to serve as REIT Manager. The new subsidiary establishment by the Company and REIT unit subscription by GOLD are deemed as the acquisition of assets transactions in accordance with the Acquisition or Disposal Notifications. From the calculation of the transaction value based on consolidated financial statements of the Company and its subsidiaries for the six-month period ended June 30, 2014, the highest value of transaction, calculated on the total value of consideration basis, is equal to 0.04% and 13.15% of the total assets of the Company respectively.

**The acquisition of shares in KLAND by GOLD as in Item 4**, with the value not exceeding Baht 3,560 million, is deemed as the purchase or acquisition of business of other company in accordance with Section 107 of the Public Limited Companies Act B.E. 2535 (and the amendments thereto) and is also regarded as the acquisition of assets transaction in accordance with the Acquisition or Disposal Notifications. From the calculation of the transaction value based on consolidated financial statements of the Company and its subsidiaries for the six-month period ended June 30, 2014, the highest value of transaction, calculated on the NTA basis, is equal to not less than 45.49% of net asset value of the Company (calculated based on comparison with the financial statement of KLAND as of June 30, 2014, only for the horizontal real estate and the sale of investment in available-for-sale securities occurring on August 27, 2014).

To consider the total transaction size, the acquisition of KLAND shares by GOLD has been aggregated with other acquisition of assets transactions taking place in the past six months, including (1) the investment in construction of FYI Center office building of GOLD which has the highest transaction size, calculated based on the total value of consideration, equal to 14.07% of total assets of the Company and its subsidiaries, and (2) other acquisition of assets transactions that the Board of Directors’ meeting of the Company No. 6/2014 and the Board of Directors’ meeting of GOLD No. 6/2014 will seek approval for from the Company’s and GOLD’s Extraordinary General Meeting of Shareholders No. 1/2014, comprising the establishment of a new subsidiary to serve as REIT Manager which has the highest transaction size, calculated based on the total value of consideration, equal to 0.04% of total assets of the Company and its subsidiaries and the subscription for REIT units by GOLD which has the highest transaction size, calculated based on the total value of consideration, equal to 13.15% of total assets of the Company and its subsidiaries. From such aggregation, the total maximum transaction size of all acquisition transactions of the Company will still be derived from the NTA criteria, equal to 45.49% as described above, which is regarded as the Type 2 acquisition of assets transaction with the value of transaction higher than 15% but not exceeding 50%.



In addition, the acquisition of KLAND shares is regarded as a connected transaction under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the SET Board of Governors Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions, B.E. 2546, and the amendment thereto (“Connected Transaction Notifications”). This is because some of the existing shareholders of KLAND will sell their shares in KLAND to some of GOLD’s shareholders, comprising SMJC Real Estate Co., Ltd. (“SMJC”) and SMJC group members (holding 700,000,160 shares in KLAND or 39.33% of total paid-up shares of KLAND) or Frasers (Thailand) Pte. Ltd. (“FTPL”) (holding 720,000,000 shares in KLAND or 40.45% of total paid-up shares of KLAND) (in case FTPL wishes to sell the ordinary shares in KLAND to GOLD), and these sellers of KLAND shares are connected persons of GOLD and the Company. Consequently, the purchase of KLAND shares from SMJC, SMJC group members and FTPL, with the total transaction value of Baht 2,840 million, is regarded as the connected transaction. Such transaction value is equivalent to 41.47% of the net tangible assets of the Company and its subsidiaries, which is higher than 3% of the net tangible assets, calculated based on the consolidated financial statements of the Company and its subsidiaries for the six-month period ended June 30, 2014. When aggregating with total value of other connected transactions taking place in the past six months of 0.019% of the net tangible assets, the total value of all connected transactions is equal to 41.49%, which is higher than 3.00% of the net tangible assets of the Company and its subsidiaries.

Therefore, as the parent of GOLD, the Company has to propose such transaction of GOLD to the Board of Directors’ meeting for consideration and is also required to disclose information memorandum on the transaction to the SET and to seek approval from the shareholders’ meeting of the Company, whereby the shareholders’ resolution thereon must be passed with affirmative votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding the votes of shareholders who have a vested interest, i.e. Adelfos Co., Ltd. which holds 1,262,010,305 shares or 66.01% in the Company, as of October 30, 2014.

The notice of the shareholders’ meeting is required to be accompanied by opinion from an independent financial advisor regarding (1) reasonableness and benefits of the transaction to the listed company, (2) fairness of price and conditions for the transaction, and (3) recommendation as to whether the shareholders should vote for or against the transaction together with reasons thereof. In this respect, the Company has appointed Advisory Plus Co., Ltd. as the independent financial advisor (“IFA”) to render opinion to the Company’s shareholders regarding the entry into transactions in Items 1 - 4 above.

In providing opinion herein, we have studied information and documents obtained from the Company, GOLD and KLAND, including publicly available information such as resolutions of the Board of Directors’ meeting of the Company, the Information Memorandum relating to the transactions, annual registration statement (Form 56-1), the auditor’s report, financial statements, financial projection and relevant assumptions, property appraisal reports, agreements and licenses relating to business operation of the Company, GOLD and KLAND, other documents received from the Company, GOLD and KLAND, and information obtained from interviews with the management of the Company, GOLD and KLAND, as well as assessment of relevant industry situations and economic factors, as a basis for the analysis and rendering of opinion.

The opinion expressed herein is based on the assumption that all information and documents available from the Company, GOLD and KLAND and the information derived from the interviews with the management of the Company, GOLD and KLAND are true, correct and complete without any material change thereof. Our rendering of opinion is, moreover, based on the economic environment and the information prevailing at the time of conducting this study only. As such, if there is any significant change in these factors, it will likely have a material impact on the Company, the entry into the transactions contemplated herein, and the shareholders’ voting decision. Besides, a final conclusion has not yet been fully and completely reached regarding accounting, tax, agreements and contracts relating to the REIT Transaction, thus likely leading factual information occurring in the



future to change from those stated in this report. Therefore, in providing opinion herein, we may not affirm as to whether there will be any potential material impact on the Company in the future. Our opinion can be summed up as follows:





## Executive Summary

The meeting of the Board of Directors of Univentures Plc. No. 6/2014 on October 14, 2014 considered and approved important issues as follows:

1) Approved to propose to the shareholders' meeting of the Company to consider and approve the entering into a transaction with REIT by LRK, a subsidiary of the Company, which will enter into the transaction of subleasing of land, lease of office building, structures, and mechanical and electrical systems, and disposal of other assets of Park Ventures Ecoplex Project to the Trustee, on behalf of and for the benefit of REIT, with the value not less than Baht 2,700 million.

Moreover, the Board of Directors also approved the establishment of a new subsidiary of the Company to act as REIT Manager, whereby the scope of authority, duties and responsibilities of REIT Manager shall be in accordance with the relevant rules prescribed by the SEC. The new company shall have a registered capital of not less than Baht 10 million, in which UV will hold a stake of 99.99%. In this respect, the Executive Committee and/or the person designated by the Executive Committee is authorized to appoint directors of the new company.

2) Approved to propose the shareholders' meeting of the Company to consider granting approval for GOLD, which is a 55.73%-owned subsidiary of the Company, to enter into a transaction with REIT, whereby NSR, a subsidiary of GOLD, will enter into the transaction in sublease of land and office building, structures, and mechanical and electrical systems and disposal of other assets of Sathorn Square Office Tower Project to the Trustee, on behalf of and for the benefit of REIT, with the value not less than Baht 5,500 million.

3) Approved to propose the shareholders' meeting of the Company to consider and grant approval for GOLD, a subsidiary of the Company, to subscribe for REIT units in the amount of not exceeding 30% of all sold units of REIT, with the value of not exceeding Baht 3,000 million ("**REIT Unit Subscription Transaction**").

4) Approved to propose the shareholders' meeting of the Company to consider and grant approval for GOLD, a subsidiary of the Company, to acquire 1,780,000,000 ordinary shares or equivalent to 100% of the total paid-up shares in Krungthep Land Plc. ("KLAND"), or in the minimum amount that will lead GOLD to hold at least 51% of all paid-up shares of KLAND and cause the Company to have controlling power in KLAND, at the price of Baht 2 per share, totaling Baht 3,560,000,000 million from the existing shareholders of KLAND, whereby this acquisition of KLAND will include only the portion of KLAND's horizontal real estate business.

**The sublease of land, lease of office building, structures, and mechanical and electrical systems and the disposal of other assets of Park Ventures Ecoplex Project of the Company as in Item 1), with the value not less than Baht 2,700 million, and the sublease of land and office building, structures, and mechanical and electrical systems and the disposal of other assets of Sathorn Square Office Tower Project of GOLD as in Item 2), with the value not less than Baht 5,500 million,** are regarded as the disposal of assets transactions in accordance with the Acquisition or Disposal Notifications. From the calculation of the transaction value based on consolidated financial statements of the Company and its subsidiaries for the six-month period ended June 30, 2014, the highest value of transaction, calculated on the total value of consideration basis, is equal to not less than 11.84% and not less than 24.12% of the total assets of the Company and its subsidiaries respectively. Therefore, the disposal of assets transactions have a total size of 35.95% based on the total value of consideration.

*(See details of calculation of the disposal transaction size in Items 1.1.2 and 1.2.2 'Type and size of the transaction.')*

However, the said value of assets disposal of the Company and GOLD in Items 1) - 2) is the minimum value. The final price of the assets to be disposed to REIT will depend on negotiation between the related parties, whereby the consideration value of the aforementioned transactions will be considered based on related factors and market situation at that time. Thus, the Company and GOLD intend to seek approval from their respective shareholders' meeting for entering into such transactions, which are required to be approved with affirmative votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding the votes of shareholders who have a vested interest.

**The subscription for REIT units by GOLD as in Item 3)** has an approximate value not exceeding Baht 3,000 million. REIT is currently at the preparatory stage for establishment and filing of an establishment application to the SEC and the SET. In this respect, the Company will set up a new subsidiary with a registered capital of Baht 10 million in order to serve as REIT Manager. The new subsidiary establishment by the Company and the REIT unit subscription by GOLD are deemed as the acquisition of assets transactions in accordance with the Acquisition or Disposal Notifications. From the calculation of the transaction value based on consolidated financial statements of the Company and its subsidiaries for the six-month period ended June 30, 2014, the highest value of transaction, on the total value of consideration basis, is equal to 0.04% and 13.15% of the total assets of the Company respectively.

**The acquisition of shares in KLAND by GOLD as in Item 4)**, with the value not exceeding Baht 3,560 million, is deemed as the purchase or acquisition of business of other company in accordance with Section 107 of the Public Limited Companies Act B.E. 2535 (and the amendments thereto) and is also regarded as the acquisition of assets transaction in accordance with the Acquisition or Disposal Notifications. From the calculation of the transaction value based on consolidated financial statements of the Company and its subsidiaries for the six-month period ended June 30, 2014, the highest value of transaction, calculated on the NTA basis, is equal to not less than 45.49% of net asset value of the Company (calculated based on comparison with the financial statement of KLAND as of June 30, 2014, only for the horizontal real estate and the sale of investment in available-for-sale securities occurring on August 27, 2014).

By aggregating with other acquisition of assets transactions taking place in the past six months, including 1) the investment in construction of FYI Center office building of GOLD which has the highest transaction size, calculated based on the total value of consideration, equal to 14.07% of total assets of the Company and its subsidiaries, and 2) other acquisition of assets transactions that the Board of Directors' meeting of the Company No. 6/2014 and the Board of Directors' meeting of GOLD No. 6/2014 will seek approval for from their respective Extraordinary General Meeting of Shareholders No. 1/2014, comprising the establishment of a new subsidiary to serve as REIT Manager which has the highest transaction size, calculated based on the total value of consideration, equal to 0.04% of total assets of the Company and its subsidiaries and the subscription for REIT units by GOLD which has the highest transaction size, calculated based on the total value of consideration, equal to 13.15% of total assets of the Company and its subsidiaries, the total maximum transaction size of all acquisition transactions of the Company will still be derived from the NTA criteria, equal to 45.49% as described above, which is regarded as the Type 2 acquisition of assets transaction with the value of transaction higher than 15% but not exceeding 50%.

*(See details of calculation of the acquisition transaction size in Item 2.2 'Type and size of the transaction.')*

In addition, the acquisition of KLAND shares is regarded as a connected transaction under the Connected Transaction Notifications because some of the existing shareholders of KLAND who will sell their shares in KLAND to some of GOLD's shareholders, comprising SMJC Real Estate Co., Ltd. ("SMJC") and SMJC group members or Frasers (Thailand) Pte. Ltd. ("FTPL"), are connected persons of GOLD and the Company. Consequently, the purchase of KLAND shares from SMJC, SMJC group members and FTPL, with the total transaction value of Baht 2,840 million, is regarded as the



connected transaction. Such transaction value is equivalent to 41.47% of the net tangible assets of the Company and its subsidiaries, which is higher than 3% of the net tangible assets, calculated based on the consolidated financial statements of the Company and its subsidiaries for the six-month period ended June 30, 2014. When aggregating with total value of other connected transactions taking place in the past six months of 0.019% of the net tangible assets, the total value of all connected transactions is equal to 41.49%, which is higher than 3.00% of the net tangible assets of the Company and its subsidiaries.

*(See details of calculation of the connected transaction size in Item 2.2 'Type and size of the transaction.')*

**The sublease of land, office building, structures, and mechanical and electrical systems and the disposal of other assets of Park Ventures Ecoplex Project and Sathorn Square Office Tower Project of the Company and GOLD** to REIT are in line with the UV group's policy on continuous expansion of real estate investment and development. Currently, revenues are generated mainly from property development business, which requires a huge amount of funds for new project development. The disposal of assets to REIT will allow the Company and GOLD to reap **benefits from the entry into such transactions**, including availability of additional cash or fund to invest in new property development in accordance with the future investment plan and ability to use proceeds from the disposal of assets for repaying loans relating to the disposed assets, thus helping to reduce debts and increase ability to raise new loans. Moreover, by disposing of the assets, the Company will be relieved from full risk exposure associated with inconsistency of future rental revenues in its capacity as the direct lessor of the buildings. The Company will earn additional income from its subsidiary that serves as REIT Manager and as Property Manager of REIT. Besides, in the disposal of assets to REIT, the Company will, according to the basic taxation principles, not incur a corporate income tax on gains from the disposal of assets immediately as of the transaction date, but will gradually recognize income in order to pay tax throughout the sublease period. However, this will not include the disposal of other assets such as furniture, tools and facilities that are subject to immediate tax payment on gains from the disposal of those assets, but in an insignificant amount.

However, the above transactions will also create **negative impacts and downside risks** to the Company and GOLD. For instance, revenues from rentals and other related services will be transferred to REIT, leading the Company and GOLD to no longer earn such revenues. They will bear additional debts from the recognition of consideration for the disposal of assets as liabilities under the caption, 'advances received from sale of leasehold right to REIT,' in the financial statements since the entry into the REIT Transaction, in accounting aspect, may not be regarded as a true sale transaction. In addition, in case the conditions precedent are not satisfied, all expenses relating to the transactions will be wasted. However, such expenses are in a small amount, including advisory fees, property appraisal expenses, etc.

The minimum price of the disposal of assets of Park Ventures Ecoplex Project at **not less than Baht 2,700 million is considered reasonable** as it is higher than the appraised value by the Financial Advisor and the independent appraiser at Baht 2,386.54 million and Baht 2,698.50 million respectively. Likewise, the minimum price of the disposal of assets of Sathorn Square Office Tower Project at **not less than Baht 5,500 million is deemed appropriate** as it is higher than the appraised value by the Financial Advisor and the independent appraiser at Baht 5,316.29 million and Baht 5,133.20 million respectively.

The conditions for the transactions are deemed appropriate as they are in conformity with the guidelines on entering into the acquisition and disposal of assets transactions and other relevant laws and/or the usual conditions for sublease of land, office building, structures, mechanical and electrical systems, and other assets and/or the conditions voluntarily agreed upon by the agreement parties. Those conditions do not cause the Company to lose any benefit.

**The Financial Advisor views that the entry into such disposal of assets transactions by the Company and GOLD described above is appropriate with fair transaction prices and conditions. The shareholders will obtain benefits from the entry into the transactions and should therefore vote in favor of the transactions.**

**The subscription for REIT units by GOLD** will help accommodate the issuance and public offering of REIT units in the future and enable REIT to mobilize enough funds for the acquisition of assets from the Company and GOLD as planned. In view of the assets' potentials of continuous rental income generation for REIT, GOLD as holder of REIT units will have an opportunity to receive favorable return from investment in REIT. Nonetheless, the subscription for REIT units that will take place before GOLD receives proceeds from the disposal of assets to REIT will result in interest expenses incurred on short-term loans required for a short period to cover the REIT unit subscription before obtaining funds from the said disposal of assets.

Moreover, the unit price of REIT units to be invested by GOLD will be based on the market price and equal to the price of REIT units at which to sell to general investors by a book building process.

**The Financial Advisor views that the entry into the REIT Unit Subscription Transaction by GOLD is appropriate with a fair transaction price. The shareholders will obtain benefits from the entry into the transaction and should therefore vote in favor of the transaction.**

**The acquisition of KLAND shares by GOLD** is deemed as an expansion of investment in real estate business which is the main business in which GOLD has had skill and experience. KLAND is a reputable entity with impressive performance and business potential and, hence, can support the business of GOLD and serve as a channel for business expansion, market expansion, and competitiveness enhancement. Furthermore, it will provide an opportunity for GOLD and the Company to receive good return from investment and will help increase the asset size and revenues for the group and also help create a synergy. At the same time, GOLD will be able to instantly diversify its property business from the middle-class segment to the upscale market, which is in line with the group's target and strategy to become Thailand's top-tier real estate developer.

However, the acquisition of KLAND shares will cause GOLD to incur additional debts from borrowing to finance such shares acquisition. GOLD may also be exposed to risk from such investment given that it fails to achieve the expected operation and risk from failure to create a synergy between the two entities, hence a decrease in the required benefits from investment.

The acquisition price of KLAND shares at Baht 2.00 per share is considered by the Financial Advisor **to be a reasonable price** since it is **lower than** the appraised value by the Financial Advisor, using the net asset value approach and the discounted cash flow approach by which the appraised price is Baht 2.20 per share and Baht 2.16 per share respectively.

**The Financial Advisor views that the acquisition of KLAND shares by GOLD, which is a connected transaction, is appropriate with fair transaction price and conditions. The shareholders will obtain benefits from the entry into the transaction and should therefore vote in favor of the transaction.**

In deciding whether to approve the proposed transactions, the shareholders can consider the reasons and opinion provided by the Financial Advisor in this report. The final decision depends primarily on the individual shareholders' judgment.

## **1. The entry into transactions with REIT**

The Company and GOLD, which is a subsidiary of the Company, intend to enter into transactions with the Real Estate Investment Trust (“REIT Transaction”) that will be established. The REIT Transaction consists of:

1.1) Entering into a transaction with REIT by LRK, a subsidiary of the Company, by subleasing of land, lease of office building, structures, and mechanical and electrical systems, and disposal of other assets of Park Ventures Ecoplex Project to the Trustee, on behalf of and for the benefit of REIT, including an establishment of a new subsidiary of the Company with a registered capital of Baht 10 million, in which the Company will hold a stake of 99.99%, in order to act as REIT Manager;

1.2) Entering into a transaction with REIT by NSR, a subsidiary of GOLD, by subleasing of land and office building, structures, and mechanical and electrical systems, and disposal of other assets of Sathorn Square Office Tower Project to the Trustee, on behalf of and for the benefit of REIT;

1.3) Subscription for REIT units by GOLD in the amount not exceeding 30.00% of the total sold units of REIT (“REIT Unit Subscription Transaction”).

The Company will enter into these transactions after approval from the shareholders’ meeting of the Company and approval from the shareholders’ meeting of GOLD are obtained. The shareholders’ meeting of the Company and of GOLD will be held on December 9, 2014. In case the shareholders’ meeting of both entities approves the entry into the transactions, the sublease of assets of Park Ventures Ecoplex Project and Sathorn Square Office Tower Project to REIT will take place after the establishment of REIT has been registered with the SEC and all conditions precedent under the terms and conditions specified in the sublease agreement and/or the lease agreement and the sale and purchase of assets agreement have been fulfilled. The subscription for REIT units by GOLD will take place when REIT offers its units for sale. The Company and GOLD are currently at the preparatory stage for REIT establishment and filing of an establishment application to the SEC and the SET.

Details of all transactions are as follows:

### **1.1 Sublease of land, lease of office building, structures, and mechanical and electrical systems, and disposal of other assets of Park Ventures Ecoplex Project**

#### **1.1.1 Nature and details of the transaction**

The Company intends to enter into a transaction with the Real Estate Investment Trust (“REIT”) that will be established, by having LRK, a subsidiary of the Company, enter into the transaction of subleasing of land, lease of office building, structures, and mechanical and electrical systems, and disposal of other assets of Park Ventures Ecoplex Project to the Trustee, on behalf of and for the benefit of REIT, with the value not less than Baht 2,700 million. To accommodate the entry into the REIT Transaction, the Company will set up a new subsidiary with a registered capital of Baht 10 million, in which the Company will hold a stake of 99.99%, to act as REIT Manager.

In case the shareholders’ meeting of the Company approves the entry into such transaction, the Company anticipates that the sublease of land, lease of office building, structures, and mechanical and electrical systems, and disposal of other assets of Park Ventures Ecoplex Project to REIT will take place after the establishment of REIT has been registered with the SEC and all conditions precedent under the terms and conditions specified in the sublease agreement and/or the lease

agreement and the sale and purchase of assets agreement have been fulfilled. The Company and GOLD are currently at the preparatory stage for REIT establishment and filing of an establishment application to the SEC and the SET.

### 1.1.2 Type and size of the transaction

The sublease of land, lease of office building, structures, and mechanical and electrical systems, and disposal of other assets of Park Ventures Ecoplex Project to REIT, with the value not less than Baht 2,700 million, is regarded as the disposal of assets transaction in accordance with the Acquisition or Disposal Notifications. The highest value of transaction, on the total value of consideration basis, is equal to 11.84% of the total assets of the Company, calculated based on consolidated financial statements of the Company and its subsidiaries for the six-month period ended June 30, 2014, which showed the total assets of Baht 22,807.15 million.

The disposal of assets transaction value, calculated on the total value of consideration basis, is as follows:

$$\begin{aligned}
 \text{Total value of consideration basis} &= \frac{\text{Consideration received} * 100\%}{\text{Total assets of the Company}} \\
 &= \frac{2,700,000,000 * 100\%}{22,807,147,000} \\
 &= \mathbf{11.84\%}
 \end{aligned}$$

Note: The transaction value is not calculated by the NTA and the net profit criteria because this transaction is not a shares selling transaction, nor by the new shares offering criteria because there is no issuance of new shares of the Company.

By aggregating with the other disposal of assets transaction, i.e. the sublease of land and office building and disposal of other assets of Sathorn Square Office Tower Project to REIT by GOLD with the value not less than Baht 5,500 million, which has the highest value of transaction, on the total value of consideration basis, equal to 24.12% of the total assets of the Company and its subsidiaries, all disposal of assets transactions will then have a total size of 35.95% based on the total value of consideration.

However, the said value of assets disposal of the Company and GOLD is the minimum value. The final price of the assets to be disposed to REIT will depend on negotiation between the related parties, whereby the consideration value of the aforementioned transactions will be considered based on related factors, market situation at that time, and the appraisal value of the assets by the independent appraisers. Thus, the Company and GOLD intend to seek approval from their respective shareholders' meeting for entering into such transactions, which are required to be approved with affirmative votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding the votes of shareholders who have a vested interest.

### 1.1.3 Value of assets being disposed of and value of consideration

LRK will receive a consideration for the sublease of land, lease of office building, structures, and mechanical and electrical systems, and disposal of other assets of Park Ventures Ecoplex Project to REIT at the value not less than Baht 2,700 million, whereby the final price of the assets will depend on negotiation between the related parties, related factors, market situation at that time, and the appraisal value of the assets by the independent appraisers.

The value of consideration determined at not less than Baht 2,700 million is higher than the book value of those assets as of June 30, 2014 by Baht 350.82 million or 14.93%.

#### 1.1.4 Connected persons and nature of relationship

- *Parties involved*

**Sub-lessor and Seller** : Lertrattakarn Co., Ltd. (“LRK”)

**Sub-lessee and Buyer** : The Freehold and Leasehold Real Estate Investment Trust (“REIT”), having Kasikorn Asset Management Co., Ltd. as the Trustee acting on behalf of and for the benefit of REIT

- *Relationship between the involved parties and scope of interest of the connected persons*

- LRK is a subsidiary of the Company in which the Company holds a stake of 100.00%, as of June 30, 2014.
- The Company and LRK are unrelated to REIT since REIT is currently still under preparation for establishment. However, GOLD, a subsidiary of the Company, plans to subscribe for investment units of REIT in the amount not exceeding 30.00% of the total sold units of REIT. Moreover, NSR, a 100%-owned subsidiary of GOLD and a sub-lessor of land and office building, structures, and mechanical and electrical systems together with disposal of other assets of Sathorn Square Office Tower Project to REIT, plans to serve as Property Manager of REIT.

#### 1.1.5 Details of assets being disposed of

Details of the assets of Park Ventures Ecoplex Project that LRK will sell to REIT are as follows:

Assets to be subleased and sold/purchased	: 1) The rights to sublease the land, on which Park Ventures Ecoplex office building is located, with the total area of 5-0-36.2 rai, including the underground parking area within such land, with the remaining period of the sublease right of approximately 27 years (terminated on September 5, 2041) 2) The rights to lease the office building, structures, and mechanical and electrical systems of Park Ventures Ecoplex Project, with the remaining lease period of approximately 27 years (terminated on September 5, 2041), which are comprised of the following: <ul style="list-style-type: none"> <li>▪ The office building of Park Ventures Ecoplex, Floors 1-22,<sup>1/</sup> with internal area of approximately 53,304 square meters and total leased area of approximately 27,184 square meters, including the underground parking area of such office building;</li> <li>▪ The building, construction and other connected facilities that are component parts of, and will be constructed on, such office building;</li> <li>▪ Other systems, such as electrical engineering system, air conditioning system, sanitary system, fire extinguishing system, communication system, and utilities within such office building;</li> <li>▪ Other properties that will be agreed upon between the agreement parties after the due diligence review</li> </ul> 3) The ownership over furniture, tools, equipment and facilities, including other tools used for decoration and/or used in the office
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		<p>building renting business and the connected rights</p> <p><u>Note:</u> <sup>1/</sup> Park Ventures Ecoplex has a total of 33 levels (not including basement level). However, the floor running numbers are Floors No. 1-12 and Floors No. 14-34, with Floor No. 13 being skipped, which is a generally accepted practice adopted by other high-rise buildings.</p> <p>Besides, in December 2011, LRK leased to TCC Luxury Hotels and Resort Co., Ltd. some areas of the building (Floors 23 – 34) for hotel business operation under a long-term 30-year lease agreement. Thus, the subleased area of the building in this transaction does not include such long-term leased area.</p>
Asset location	:	57 Wireless Road, Lumpini, Pathumwan, Bangkok
Access and environment	:	The building is accessible via the main road, Wireless Road, and is connected with Phloenchit BTS Station.
Current use	:	The building space is rented to offices and retail shops. At present, the occupancy rate is roughly 100% of the rentable area, with the average renting period of approximately 3 years.
Ownership	:	LRK owns the right to lease the land, which has been leased from the landowner who has no relationship and/or are not the connected person of the Company, and is the owner of the office building of Park Ventures Ecoplex (the ownership over such building will be handed over to the landowner in the future as specified in the land lease agreement, whereby the landowner has the right to decide whether to have Lertrattakarn Co., Ltd. demolish the building or otherwise hand over the building to the lessee, or Lertrattakarn Co., Ltd. has the right to propose a renewal of the lease agreement in the future), including furniture, tools, facilities and other equipment used for decoration and/or for operation of business relating to the said office space renting, together with the connected rights.
Encumbrance	:	The right to lease the land is under the conditional assignment of lease agreement and the office building of Park Ventures Ecoplex is mortgaged with Kasikornbank Plc.

## Details of Park Ventures Ecoplex

### 1.1 General information on Park Ventures Ecoplex

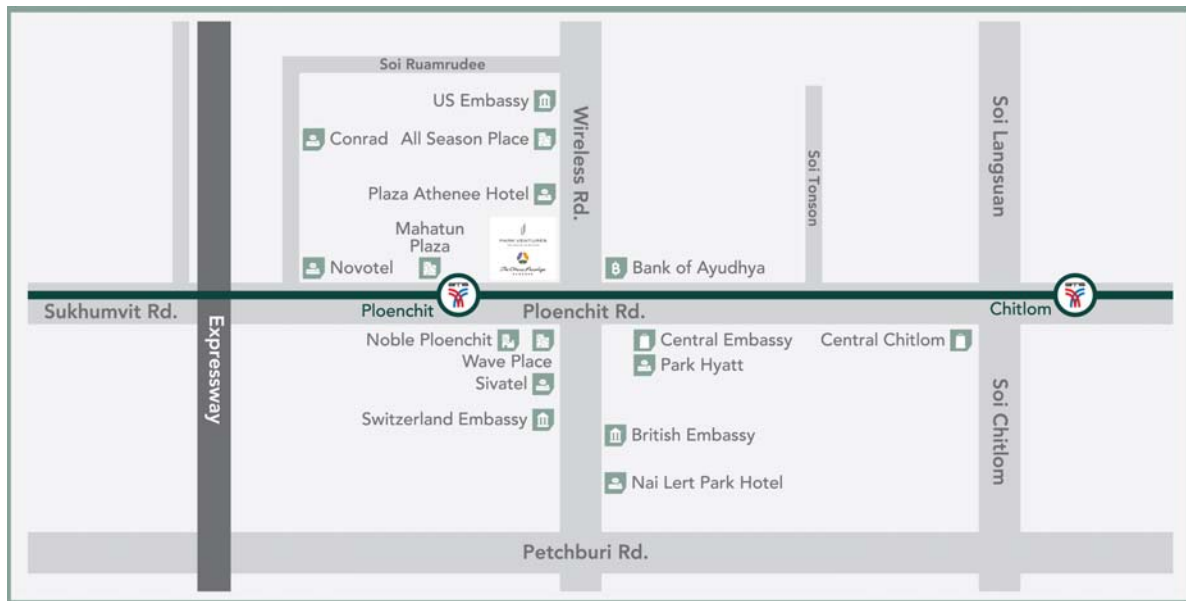




- Location

Park Ventures Ecoplex is located at 57 Wireless Road, Lumpini, Pathumwan, Bangkok 10330, at the corner of Phloenchit-Wireless road which is in CBD zone. The building is connected with Phloenchit BTS Station and surrounded by complete business facilities and amenities such as banks, retail shops, the Sky Lounge & Restaurant on the deck, a luxurious five-star hotel, ‘The Okura Prestige Bangkok,’ and others.

- Map of building location



- Details of building, construction and utilities system

Park Ventures Ecoplex, located in Bangkok’s CBD zone, is a 33-storied<sup>2</sup> office building with one basement level for car parking and a roof deck. Floors 1-22 are office space for rent (the area to be disposed of to REIT) and Floors 23-34 are the location of Okura Hotel (the area not to be disposed of to REIT). The office building has a total rentable area of around 27,184 square meters, located on a plot of land of 5 rai 36.2 square wah, leased by Lertrattakarn Co., Ltd. from M.L. Suthada Kasemsant for a term of 30 years from September 6, 2011 to September 5, 2041. The building was finished and opened for commercial operation in September 2011.

Park Ventures Ecoplex is fully equipped with utilities such as electrical system, air conditioning system, ventilation system, sanitary system, lifts, telephone system, fire protection system, and automatic fire extinguishing system. There are four escalators and 13 passenger lifts, comprising nine general passenger lifts, three car park lifts and one service lift.

## 1.2 Management

Park Ventures Ecoplex has been under the leasehold right of Lertrattakarn Co., Ltd. (“LRK”), a 100%-owned subsidiary of the Company. LRK has engaged Jones Lang LaSalle Management Co., Ltd. to undertake the project management, responsible for managing all utilities systems and other

<sup>2</sup> Park Ventures Ecoplex has a total of 33 levels (not including basement level). However, the floor running numbers are Floors No. 1-12 and Floors No. 14-34, with Floor No. 13 being skipped, which is a generally accepted practice adopted by other high-rise buildings.



general services, under a building management agreement of three years from March 1, 2014 to February 28, 2017.

### 1.3 Details of rented areas and usage (only the section subleased to REIT which does not include the hotel section on Floors 23-34)

Details of rentable areas of Park Ventures Ecoplex building are as follows:

<b>Floor no.</b>	<b>Particulars</b>	<b>Area (sq.m.)</b>
B1- 7	Car park (529 cars)	2,740
	Storage area	278
1	Retail & shopping area	1,016
8 - 22	Office area for rent	25,019
8	Victor Club	871
	Common facility area	26,120
<b>Total building area</b>		<b>56,044</b>

### 1.4 Type of rentees

Rentees of the building space (only the section subleased to REIT which does not include the hotel section on Floors 23-34) consist of:

- Retail tenants which are merchandise and service shops such as restaurants, commercial banks, etc.;
- Office tenants which are business entities renting the areas as their offices; and
- Common facility area which is the area rented for exhibition, meeting or seminar and any other events.

Note: The hotel section that is not included in the subleased area to REIT has been rented by TCC Luxury Hotels and Resort Co., Ltd. in order to operate a hotel business, The Okura Prestige Bangkok.

### 1.5 Current status and occupancy rate of the whole building

As of August 31, 2014, Park Ventures Ecoplex building recorded the occupancy rate as follows:

	<b>Storage area</b>	<b>Retails</b>	<b>Office</b>	<b>Total</b>
Rentable area (sq.m.)	278	1,016	25,019	26,313
Area rented (sq.m.)	278	1,016	25,019	26,313
Occupancy rate (%)	100.00	100.00	100.00	100.00

In addition, Victor Club with an area of 871 square meters is available for customers requiring an occasional meeting room for a short period.

### 1.6 Strengths of Park Ventures Ecoplex building

Park Ventures Ecoplex is a new energy saving building located in the heart of Phloenchit City, distinguished by its unique architectural design inspired by the beautiful Thai traditional greeting gesture, called 'a wai,' and the lotus combined with state-of-the-art designing and construction innovation. It is the first building in Thailand to receive LEED (Leadership in Energy and Environmental Design) Platinum Certification from the U.S. Green Building Council (USGBC). Its unique qualities include:

- A green area of 25%, from the top view;
- A link to Phloenchit BTS Station, which helps reduce its tenants' needs for car use;
- Energy saving windows that have three layers (laminated and insulated glass with Low E coating) with air between each layer of glass to provide protection against external sound, sunlight and heat;
- A variable air volume control air-conditioning system which balances the cool and hot air in each area;
- An indoor air quality system which controls the air quality and reduce air pollution inside the building;
- An automatic dimmer system which automatically balances the indoor lighting with the natural outdoor lighting and automatically dims the unnecessary overlighting;
- A gray water reuse system which recycles the water for reuse internally and for watering the plants, thus minimizing water consumption volume;
- A building automatic system which connects the engineering system with all internal systems including the energy gauge and control system;
- An intelligent lift system which stops only at areas designated to personnel on each floor and could therefore save 30% energy.

#### **1.1.6 Reasonableness and benefits of the transactions to the listed company**

##### **(1) Objective and necessity of the transaction**

The disposal of assets transaction of the Company, whereby LRK, its subsidiary, will sublease land, lease office building, structures, and mechanical and electrical systems and dispose of other assets of Park Ventures Ecoplex Project to REIT, is consistent with the Company's policy on continuous expansion of real estate investment and development. Currently, the Company generates revenues mainly from property development business, which requires a huge amount of funds for new project development. Hence, the disposal of assets to REIT will enable the Company to utilize the assets throughout the remaining leasehold right period (about 27 years) for the utmost benefit (the right to lease the land under the main lease agreement made with the property owner will terminate on September 5, 2041). The Company will receive total proceeds from this transaction in the amount not less than Baht 2,700 million.

The Company will use the net proceeds from the disposal of assets, after deduction of relevant expenses and repayment of loans relating to such assets to financial institutions, of approximately Baht 1,030 million (assuming that LRK receives the minimum price of Baht 2,700 million from the disposal of assets) for financing the operation of new real estate projects in order to ensure continuous revenue generation and growth in the future. The Company could then save interest expenses from such loan repayment. At the same time, it will benefit from the disposed assets in the form of REIT management fee as it will set up a new subsidiary to act as REIT Manager and in the form of property management fee as NSR, which is its indirect subsidiary through shareholding by GOLD, will serve as the Property Manager. The Company will also have an opportunity to receive return from investment in REIT units since GOLD, a subsidiary of the Company, will invest in REIT in the amount not exceeding Baht 3,000 million.

Besides, the said disposal of assets, in tax terms, is not deemed as a true sale transaction and, thus, tax profit and income tax on the disposal of assets will not be estimated immediately. Income recognition and tax payment will instead be gradually made in each period throughout the sublease term.

## **(2) Benefits from the transaction**

### *1) Availability of additional cash or fund for investment in new property development in the future*

In making investments in real estate development, the Company needs a huge amount of funds for acquisition of land and construction of buildings and all structures. By renting out areas inside the buildings, it will generate income in the form of rental fees and service fees that are gradually recognized over a long period of time. Meanwhile, this type of investment has a long payback period or it takes time to generate new cash flow to sufficiently finance continuous development of new projects.

The disposal of assets of Park Ventures Ecoplex to REIT by sublease of land, lease of office building, structures, and mechanical and electrical systems and disposal of other assets of the project will help bring in a large amount of funds for the Company, after deduction of tax and related expenses and repayment of debt relating to those assets to financial institutions. In case LRK receives the minimum amount of proceeds from the disposal of assets of Baht 2,700 million, the Company will have net cash balance available of approximately Baht 1,030 million that can be used for financing its new real estate project development under the future investment plan, thus ensuring a fast and consistent revenue earning and growth for the Company in the future.

### *2) Reduction of debts and increase of ability to raise new loans in the future*

The Company will use proceeds receivable from the disposal of assets of Park Ventures Ecoplex partly for repaying loans borrowed by LRK from financial institutions in relation to the disposed assets in the amount of Baht 1,274.00 million (based on the debt balance to remain outstanding as of December 30, 2014). This will help to lower the subsidiary's debt burden and relatively increase its ability to raise additional loans from financial institutions in order to further finance new property investment and development. Besides, such loan repayment will result in saving of interest expenses.

Such disposal of assets could be deemed as a financial transaction where the consideration received by LRK from the sublease of land, lease of office building, structures, and mechanical and electrical systems and disposal of other assets of the project will be classified as debt from accounting estimates as if it were long-term borrowing. Such debt will gradually decrease as if it were principal repayment within the remaining sublease period. However, the debt to be factored into calculation of debt to equity ratio under financial covenants set out by commercial banks for general lending does not include debt arising from accounting estimates or any non-interest bearing debt. As a result, despite the additional debt incurred by the Company and its subsidiaries from such disposal of assets, this will not have any impact on their ability to fulfill the financial covenants required by financial lenders.

### *3) Mitigation of risk associated with future performance*

The consideration for the sublease of assets in the amount, before expenses, not less than Baht 2,700 million to be received from this transaction could be deemed as a receipt of future rental revenues at present value in full amount immediately when the transaction is executed, with the Company not having to await the future yearly performance over an approximate period of 27 years. Moreover, the Company will not have to assume total risk associated with possible uncertainties in business operation and effect from competition in the future. Still, the Company could remain vulnerable, given the future performance fails to reach the expected targets, which could affect the return from investment in REIT units to be invested in by GOLD, a subsidiary of the Company, in the amount not exceeding 30% of the total sold units of REIT.

4) *Earning of additional income from acting as REIT Manager and as Property Manager of REIT*

The Company will gain benefits from the disposal of assets to REIT in the form of management fee since it will set up a new subsidiary, in which the Company will hold a stake of 99.99%, to act as REIT Manager in order to support the entry into the REIT Transaction, thus allowing the subsidiary to generate more income from management of REIT.

Moreover, REIT intends to engage NSR, an indirect subsidiary of the Company (shareholding through GOLD), to serve as Property Manager of REIT, thereby enabling the subsidiary to earn additional income from such management service provision. NSR is currently the manager of Sathorn Square Office Tower Project and, thus, has had experience and expertise in management of rented areas. Nonetheless, the rate of compensation for such management services has yet to be finalized because, at present, the preparation for REIT establishment and negotiations on all agreements among all concerned parties are still underway.

5) *No burden on instant payment of corporate income tax on gains from disposal of assets on transaction date due to gradual income recognition and tax payment throughout the sublease period*

Total value of the disposal of assets of Park Ventures Ecoplex of not less than Baht 2,700 million is higher than cost of such assets by approximately Baht 350.82 million. However, according to the basic taxation principles, the said disposal of assets, which will be executed under the REIT Transaction, may not be deemed as a true sale transaction because the ownership over the assets will not be actually transferred and, as a consequence, tax profit and income tax on the disposal of assets will not be estimated immediately. The consideration that LRK will receive from the disposal of assets will not be recorded as proceeds from disposal of assets (in tax terms) as of the transaction date, as though the assets were not actually disposed of. Recognition of net income and payment of income tax will instead be gradually made according to the actual amount incurred in each period throughout the remaining sublease term, which will help increase efficiency in cash management. However, in the disposal of other assets of the project such as furniture, tools and facilities to REIT, if there are gains from the disposal of those assets, the Company will have to pay corporate income tax on the difference between the selling price and the book value, which is expected to be in an insignificant amount.

### **(3) Impacts and risks from the transaction**

1) *A decrease in cash receivable from rental and service fees from Park Ventures Ecoplex*

After this transaction, revenues from rentals and other services relating to the assets of Park Ventures Ecoplex Project disposed of to REIT will be transferred to REIT, leading LRK to no longer earn such revenues. However, the Company will receive total consideration of not less than Baht 2,700 million, which can be used for loan repayment to financial institutions and investment in new property development in order to generate revenues and return for the shareholders.

2) *An increase in debt to equity ratio*

Since the entry into this transaction may not be regarded as a true sale transaction, the consideration for the disposal of assets of not less than Baht 2,700 million will then be recorded as liabilities in the statements of financial position (under the 'unearned sublease fee income' caption), which will gradually decrease each year and will, at the same time, be gradually recognized as income in the statements of income by an amount of approximately Baht 100 million a year (calculated from the minimum selling price of Baht 2,700 million divided by sublease period of approximately 27 years). From the estimation of such impact by basing on the statements of financial position as of June 30, 2014 of the Company and its subsidiaries, the liabilities will increase from Baht 12,594.65 million

to Baht 22,418.21 million (including the impact from additional liabilities from the disposal of assets of Sathorn Square Office Tower with value of not less than Baht 5,500 million of NSR and net of loan repayment from proceeds receivable from such disposal of assets, plus loans raised by GOLD to finance the acquisition of KLAND shares). Moreover, the debt to equity ratio will edge up from 1.23 times to 2.19 times and the interest-bearing debt to equity ratio will rise from 0.84 time to 1.17 times.

Nonetheless, the higher debt to equity ratio is expected to have no impact on fulfillment of the financial covenants required by financial institutions as discussed above. Rather, the use of proceeds from the disposal of assets for loan repayment will help increase the Company's ability to raise new borrowing in order to finance other additional real estate development projects.

### 3) *Risk from failure to fulfill the conditions precedent*

Before entering into this transaction, a number of conditions precedent must be fulfilled. Among them is the requirement to obtain approval from the shareholders' meeting of the Company and/or GOLD for LRK and GOLD to enter into the disposal of assets transactions with REIT as described above and approval for GOLD to subscribe for REIT units. Moreover, the terms and conditions specified in all relevant agreements must be completely honored; the owners of the assets<sup>3</sup> must acknowledge and sign in a letter of consent and approval relating to the execution of sublease agreements; REIT Manager obtains approval from the SEC for REIT establishment and for management of REIT; REIT units are offered to the public and general investors; and REIT is duly registered. Therefore, in case these conditions precedent are not satisfied, all expenses relating to the transactions paid by the Company will be wasted. Such expenses primarily include property appraisal expenses, financial advisory fees, expenses on arrangement of shareholders' meeting, etc.

## **1.1.7 Fairness of price and conditions for the transaction**

### **1.1.7.1 Fairness of the transaction price**

LRK, a subsidiary of the Company, will enter into the disposal of assets transaction by sublease of land, lease of office building, structures, and mechanical and electrical systems and disposal of other assets of Park Ventures Ecoplex Project to REIT for a lease and sublease period of approximately 27 years (ended September 5, 2041) with the minimum value receivable from REIT of Baht 2,700 million.

In determining appropriateness of the said transaction value, the Financial Advisor has measured a fair value of those assets by employing three financial approaches as follows:

- a) Book value approach
- b) Independent appraiser's appraised value approach
- c) Discounted cash flow approach

Details of the valuation of Park Ventures Ecoplex assets by each approach are as follows:

#### **a) Book value approach**

The appraisal of book value of Park Ventures Ecoplex assets to be disposed of to REIT is made based on book value of leasehold right over land, office building and equipment of Park

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<sup>3</sup> Owners of the assets refer to M.L. Suthada Kasemsant, who owns the land on which Park Ventures Ecoplex Project is location, and the Crown Property Bureau, which owns the land, building, structures, and mechanical and electrical systems of Sathorn Square Office Tower Project.

Ventures Ecoplex as shown in the latest financial statements of LRK as of June 30, 2014, details of which are as follows:

Items	Book value as of June 30, 2014 (Baht million)
Land leasehold right <sup>1/</sup>	157.19
Office building <sup>2/</sup>	2,088.61
Equipment and other assets <sup>2/</sup>	103.38
<b>Total book value of disposed assets</b>	<b>2,349.18</b>

**Note:** <sup>1/</sup>This is the book value of land leasehold right after deduction of leasehold right of the hotel section (allocation of book value pro rata to the leasehold right to each area). The book value of the total land leasehold right before the allocation to the hotel section is equal to Baht 232.31 million.

<sup>2/</sup>Book value of the office building, equipment and other assets is that of the entire portion of LRK, excluding the hotel section that is delivered to Luxury Hotels and Resort Co., Ltd. which leased the area on a 30-year lease term in December 2011. LRK earned rental income under the 30-year lease agreement, which was fully received in advance already, and recognized costs as of the date of delivering the said area.

A fair value of the leasehold right over land, office building, structures, mechanical and electrical systems, and other assets of Park Ventures Ecoplex Project to be disposed of to REIT is appraised, by the book value approach, at Baht 2,349.18 million, which is lower than the minimum price set for the disposal of such assets to REIT at Baht 2,700 million by Baht 350.82 million or 12.99% of the minimum selling price.

#### **b) Independent appraiser's appraised value approach**

By this approach, the Financial Advisor has appraised the assets based on the appraisal by The Valuation & Consultants Co., Ltd. ("The Valuation"), which is an SEC-approved independent valuer. The Valuation appraised the leasehold right over land and construction of Park Ventures Ecoplex for the purpose of determining present value of the assets under lease and also for public purpose.

The Valuation made a survey and appraisal of those assets on October 1, 2014. It employed the **Income Approach** which was deemed suitable for the type of the assets since the appraised assets are considered as income generating property. A summary of the appraisal and assumptions used by The Valuation is given in Attachment 3 of this report.

Details of the appraisal by The Valuation can be summed up as follows:

Appraised assets	Appraised value by The Valuation as of October 1, 2014
Leasehold right over land and construction of Park Ventures Ecoplex	Baht 2,698.50 million

**Note:** In the appraisal of Park Ventures Ecoplex project, The Valuation did not take into account value of the leased area on Floors 23 – 34, which is the location of Okura Hotel (not the area to be disposed of to REIT) because LRK, in December 2011, leased such area to TCC Luxury Hotels and Resort Co., Ltd. to operate a hotel business under a long-term 30-year lease agreement.

A fair value of the leasehold right over land, office building, structures, mechanical and electrical systems, and other assets of Park Ventures Ecoplex Project to be disposed of to REIT is appraised, by the independent appraiser, at Baht 2,698.50 million, which is lower than the minimum price set for the disposal of such assets to REIT at Baht 2,700 million by Baht 1.50 million or 0.06% of the minimum selling price.

The Financial Advisor is of the opinion that the appraisal of Park Ventures Ecoplex Project by The Valuation using the income approach based on the discounted cash flow is an appropriate method for valuing the type of assets that are income-generating property, under the assumption that future revenues from the assets will change according to market situation, which is compatible with the appraised property that is an office building for rent and is under a long-term lease agreement. **Therefore, the Financial Advisor deems that the appraised value by The Valuation is suitable to be used as a reference price for determination of the disposal value of Park Ventures Ecoplex assets under this transaction.**

### c) Discounted cash flow approach

LRK, a subsidiary of the Company, will enter into the transaction by sublease of land, lease of office building, structures, and mechanical and electrical systems for the remaining term of land lease agreed with the landowner of about 26 years and 11 months (October 2014-September 5, 2041), and disposal of other assets of Park Ventures Ecoplex Project to REIT with the value of not less than Baht 2,700 million.

Park Ventures Ecoplex (operated by LRK) is situated at Phloenchit Intersection and is easily accessed via the connection with Phloenchit BTS Station. It is a 33-storied<sup>4</sup> building with one basement level for car park and one roof deck. Floors 1-22 are office space for rent (the area to be disposed of to REIT) and Floors 23-34 are the location of Okura Hotel (the area not to be disposed of to REIT). The office building has a total rentable area of around 27,184 square meters, divided into retail and shopping area of 1,016 square meters, office space of 25,019 square meters, and storage area of 278 square meters. At present, number of rentees that already concluded the rental agreements and made deposit payment accounts for 99% of the total rentable space. In addition, Victor Club, with an area of 871 square meters, is offered for meeting and seminar arrangement services to external customers.

In determining appropriateness of the minimum price or value of the assets to be disposed of to REIT, the Financial Advisor has estimated cash flow of such building over a period of 26 years and 11 months according to the remaining lease term agreed with the landowner, and then discounted the free cash flow expected from future operation to the present value, using the weighted average cost of capital of the Company as a discount rate.

The cash flow projection on such building has been prepared by the Company under the assumptions established from historical data on the building management, forecasts prepared based on the management's experience in project operation, and analysis of industry situation and other factors that have impacts on business operation. The Financial Advisor has reviewed the said projection and adjusted some of the assumptions to match the present relevant environment and the entry into the transaction of the Company, including interviews with or request for additional information from the Company's staff and management and analysis of other data relating to real estate business. The said assumptions have been prepared under the current economic situation. Given that the economic condition and other external factors that have an effect on operation of the building significantly change from the established assumptions, the appraised value of the assets will change accordingly.

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<sup>4</sup> Park Ventures Ecoplex has a total of 33 levels (not including basement level). However, the floor running numbers are Floors No. 1-12 and Floors No. 14-34, with Floor No. 13 being skipped, which is a generally accepted practice adopted by other high-rise buildings.



Here are the key assumptions used in the projection:

*1. Rental income*

*1.1.1 Rental income from office building*

<b>(Unit: Baht million)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Rental income from office building	251.91	265.84	279.13	293.09	307.74	320.05	332.85	346.17	360.01

<b>(Unit: Baht million)</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
Rental income from office building	374.41	389.39	404.97	421.16	438.01	455.53	473.75	492.70	512.41

<b>(Unit: Baht million)</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041 (Jan-Aug)</b>
Rental income from office building	532.91	554.22	576.39	599.45	623.43	648.36	674.30	701.27	486.21

Future office rental income is estimated from rentable area, occupancy rate and rental fee per square meter, as follows:

- Total rentable office space is approximately 25,019 square meters.
- Occupancy rate is set at 99% throughout the project life. Presently, Park Ventures Ecoplex building is fully occupied, with a number of potential rentees on the waiting list who are ready to replace any existing tenants that will move out or not renew the contract. In view of the building's prime location in CBD area with convenient transportation, the management is confident that it will be able to continuously maintain such high occupancy rate in the future.
- The average rental rate per month in 2014-2016 is projected at Baht 803 per square meter, Baht 848 per square meter and Baht 894 per square meter respectively, based on the average rental rate under rental contracts in each year. Each contract is valid for a short term of three years. Upon contract expiration, the Company expects that the rental rate will be increased by 5% per year in 2017-2019 and then by 4% per year from 2020 onwards, which is in line with the increase rate of rental fees of general offices. The high rate of fee increase in the initial period is justifiable because the building is new (Park Ventures Ecoplex building was opened to service in September 2011) and well maintained.

*1.1.2 Rental income from retail and shopping area*

<b>(Unit: Baht million)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Rental income from retail and shopping area	26.95	27.54	29.04	30.56	32.04	33.37	34.67	36.03	37.52

<b>(Unit: Baht million)</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
Rental income from retail and shopping area	38.98	40.50	42.18	43.83	45.54	47.42	49.27	51.20	53.31

<b>(Unit: Baht million)</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041 (Jan-Aug)</b>
Rental income from retail and shopping area	55.39	57.56	59.94	62.28	64.71	67.39	70.02	72.76	50.51

- Total rentable retail and shopping area is about 1,016 square meters.
- Occupancy rate is set at 100% throughout the project life. Presently, the retail and shopping area is fully occupied due to an easy access to the building with connection to Phloenchit BTS Station, thus allowing a great number of tenants, visitors and office workers in Phloenchit Road area to have a convenient access to the building.
- The average rental rate per month in 2014-2016 is projected at Baht 1,994 per square meter, Baht 2,217 per square meter and Baht 2,263 per square meter respectively, based on the average rental rate under rental contracts in each year. Each contract is valid for a short term of three years. Upon contract expiration, the Company expects that the rental rate will be increased by 5% per year in 2017-2019 and then by 4% per year from 2020 onwards. The starting rental rate projected for 2014 is consistent with the independent appraiser's survey of retail space rentals in nearby areas at between Baht 1,500 and 2,000 per square meter.

### 1.1.3 Rental income from storage area

(Unit: Baht million)	2015	2016	2017	2018	2019	2020	2021	2022	2023
Rental income from storage area	1.45	1.59	1.67	1.75	1.84	1.91	1.99	2.07	2.15

(Unit: Baht million)	2024	2025	2026	2027	2028	2029	2030	2031	2032
Rental income from storage area	2.24	2.33	2.42	2.52	2.62	2.72	2.83	2.94	3.06

(Unit: Baht million)	2033	2034	2035	2036	2037	2038	2039	2040	2041 (Jan-Aug)
Rental income from storage area	3.18	3.31	3.44	3.58	3.73	3.87	4.03	4.19	2.91

- Total rentable storage area is about 278 square meters.
- Occupancy rate is set at 100% throughout the project life. Presently, the storage area is fully rented. Since it is a small area, it is likely that the storage space will always be fully occupied.
- The average rental rate per month in 2014-2016 is projected at Baht 420 per square meter, Baht 433 per square meter and Baht 476 per square meter respectively, based on the average rental rate under rental contracts in each year. Each contract is valid for a short term of three years. Upon contract expiration, the Company expects that the rental rate will be increased by 5% per year in 2017-2019 and then by 4% per year from 2020 onwards until the end of the projection period.

The above estimated increase rate is based on forecast by the Company's management which is in line with the increase rate of rental fees of general offices. The high rate of rental fee increase in the initial period is justifiable because the building is new (Park Ventures Ecoplex building was opened to service in September 2011) and is well maintained. Besides, in 2015 when the AEC will be implemented, demand for office space renting is expected to grow in tandem with business expansion, which will contribute to the increase in rental rate in the future.

Furthermore, from the independent appraiser's point of view, since Park Ventures Ecoplex is a new building and in a prime location, it can justifiably offer rental rates higher than its neighboring office buildings such as All Season, Central World, etc.

#### 1.1.4 Service fee income from Victor Club

Victor Club provides meeting and seminar arrangement services to external customers. The Company estimates service income from Victor Club, based on the actual income recorded in 2013 of Baht 6.27 million, to grow by 4% per year over 2014-2041.

#### 1.1.5 Other income of Park Ventures Ecoplex, including:

- 1) Parking fee income is estimated per square meter per month of the total rentable space, based on the actual fee income recorded in 2013 of Baht 34.23 per square meter, and is assumed to increase by 4% per year during 2014-2041.
- 2) Utilities service income, consisting of electricity fee, water supply fee, gas fee, etc., is projected per square meter per month of the total rentable space, based on the actual fee income recorded in 2013 of Baht 54.30 per square meter, and is assumed to increase by 4% per year during 2014-2041.
- 3) Income from after-hours cooling service was equal to Baht 2.48 million in 2013. It is estimated to increase by 4% per year in 2014-2041.
- 4) Income from rendering of services to the tenant of the long-term leased area for the operation of Okura Hotel is from provision of services on repair & maintenance and management of electricity system, water supply system, utilities system and other facilities in the common areas inside the building and the external areas, generating revenues under service agreement of Baht 425,695/month throughout the projection period.
- 5) Other income amounted to Baht 2.18 million in 2013 and is projected for 2014-2041 to increase by 4% per year.

The above estimated increase rate of income is based on forecast by the Company's management, which is at about the same level and not higher than the increase rate of space rental fees of 4%-5% per year.

## 2. Costs of services

- Cost of building management, with Jones Lang LaSalle Management Co., Ltd. hired as the current building manager, is estimated for 2014, based on the Company's budget, at Baht 9.22 million which already reflected the actual building management cost incurred in the first eight months (Jan-Aug) of 2014. For 2015 onwards, such cost is forecast to increase by 4% per year throughout the projection period.
- Cost of utilities service in 2014 is estimated, based on the Company's budget, to be Baht 25.39 million which already reflected the actual cost of utilities service incurred in the first eight months (Jan-Aug) of 2014. For 2015 onwards, such cost is forecast to increase by 4% per year throughout the projection period.
- Cost of cleaning service in 2014 is estimated, based on the Company's budget, to be Baht 4.73 million which already reflected the actual cost of cleaning service incurred in the first eight months (Jan-Aug) of 2014. For 2015 onwards, such cost is forecast to increase by 4% per year throughout the projection period.
- Cost of security service in 2014 is estimated, based on the Company's budget, to be Baht 8.52 million which already reflected the actual cost of security service incurred in

the first eight months (Jan-Aug) of 2014. For 2015 onwards, such cost is forecast to increase by 4% per year throughout the projection period.

- Cost of repair and maintenance of air conditioning system, fire extinguishing system, sanitary system, parking system, etc. is estimated for 2014, based on the Company's budget, to be Baht 9.18 million which already reflected the actual cost of repair and maintenance incurred in the first eight months (Jan-Aug) of 2014. For 2015 onwards, such cost is forecast to increase by 4% per year throughout the projection period.

The increase rate of costs and expenses is based on forecast by the Company's management, which is determined according to the average increase in costs and expenses from past operations.

### 3. Other expenses and tax

- Land rentals

Land rentals payable to the landowner, who is not a connected person, are estimated according to the 30-year land lease agreement, from September 6, 2011 to September 5, 2041, equal to Baht 24.60 million – 40.60 million per year.

- Building tax

Building tax is estimated based on the management's forecast from the amount expected to be actually paid, equal to Baht 9.20 million in 2014, and is assumed to increase by 4% per year from 2015 onwards throughout the projection period.

- Insurance expenses

Insurance expenses are estimated for 2014, based on the Company's budget, at Baht 2.91 million and assumed to increase by 4% per year from 2015 onwards.

### 4. Capital expenditure

Capital expenditure comprises yearly repair and maintenance cost, which is estimated to be 2% of revenues. Besides, the Company has forecast capital expenditure on major renovation in 2026, or about 15 years after the official opening of the building in September 2011, at approximately Baht 100 million.

### 5. Discount rate

The Financial Advisor uses the weighted average cost of capital (WACC) of the Company as a discount rate for estimation of present value of free cash flow of the building, which is equal to 11.62%.

Calculation formula of WACC is as follows:

$$\text{WACC} = K_e * E / (D+E) + K_d * (1-T) * D / (D+E)$$

$$K_e = \text{Cost of equity of 17.74\%}$$

$$K_d = \text{Interest rate on loans of LRK of 5.50\%, based on current interest rate charged by its financial institutions}$$

t	=	Corporate income tax at 0% because the transaction is sales of cash flow of the building which do not involve tax on the disposal of assets
E	=	Total shareholders' equity
D	=	Interest-bearing debt
E/V	=	Percentage of financing that is equity, equal to 50% based on the projection of financing source from the debt to equity ratio of 1:1
D/V	=	Percentage of financing that is debt from loans from financial institutions, equal to 50% based on the projection of financing source from the debt to equity ratio of 1:1

Cost of equity (Ke), or return on equity, is calculated by the Capital Asset Pricing Model (CAPM), as follows:

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

Where:	Risk Free Rate (Rf)	Average bid yield on government bond with remaining maturity of 30 years as of October 10, 2014, equal to 4.01% (source: www.thaibma.or.th), by basing on bonds that have a long maturity period and successive trading and could match the lease agreement term
	Beta ( $\beta$ )	Variance between market return and closing price of the Company's shares over the past three years, equal to 1.404 (source: Bloomberg as of October 10, 2014)
	Rm	Average rate of return on investment from the SET over the past 25 years, which is a period of time that could reflect investment condition in different periods better than the shorter term data (available from the SET records for 1989-2013), equal to 13.79%

**Table illustrating present value of free cash flow in October 2014-August 2041**

(Unit: Baht million)	2014 (Oct-Dec)	2015	2016	2017	2018	2019	2020	2021	2022
Free cash flow	67.36	204.97	214.93	227.50	240.66	254.40	265.58	274.43	286.44
Present value of free cash flow	65.54	178.65	167.83	159.15	150.83	142.84	133.60	123.67	115.65

(Unit: Baht million)	2023	2024	2025	2026	2027	2028	2029	2030	2031
Free cash flow	299.02	312.02	325.55	236.73	351.36	366.57	382.50	398.96	412.81
Present value of free cash flow	108.16	101.11	94.51	61.57	81.87	76.53	71.54	66.85	61.97

(Unit: Baht million)	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041 (Jan-Aug)
Free cash flow	430.73	449.26	468.52	488.69	505.93	527.60	550.29	573.74	597.15	437.47
Present value of free cash flow	57.93	54.13	50.57	47.26	43.83	40.95	38.26	35.74	33.33	22.66

<b>Total PV of free cash flow</b>	<b>2,386.54</b>
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By the discounted cash flow approach, the leasehold right over Park Ventures Ecoplex building is appraised at Baht 2,386.54 million.

**Table illustrating fair value comparison on Park Ventures Ecoplex Project**

Valuation approach	Appraised value (Baht million)	Sublease value (Baht million)	Appraised value higher (lower) than sublease value	
			Baht million	%
1. Book value approach	2,349.18	Not less than 2,700.00	(350.82)	(12.99)
2. Independent appraiser's appraised value approach	2,698.50	Not less than 2,700.00	(1.50)	(0.06)
3. Discounted cash flow approach	2,386.54	Not less than 2,700.00	(313.46)	(11.61)

All approaches have different strengths and weaknesses and differently measure a fair value of the assets. The book value approach reflects the assets' value at a given point in time as recorded in the account only, but does not demonstrate the assets' ability to generate cash flow in the future. The independent appraiser's appraised value approach, under which the income approach was employed, is consistent with the Financial Advisor's appraisal methodology using the discounted cash flow approach, which focuses on the assets' ability to generate cash flow out of the building's cash flow obtainable from rental income under certain assumptions for projection of key items such as rental rate, service fee and occupancy rate in the future over the remaining lease term, together with projection of relevant expenses.

Therefore, the Financial Advisor is of the opinion that the appraised value by the Financial Advisor and the independent appraiser, which have consistent valuation methodology, at Baht 2,386.54 million and Baht 2,698.50 million respectively is suitable for use as a reference price in the said disposal of assets to REIT. By comparing with the said appraised value, the Financial Advisor deems that **the minimum price determined for the sublease of land, lease of office building and disposal of other assets of Park Ventures Ecoplex Project at not less than Baht 2,700 million is a reasonable price as it is higher than the appraised value by the Financial Advisor and the independent appraiser.**

#### 1.1.7.2 Fairness of conditions for the transaction

The Financial Advisor has identified fairness of conditions for entering into the transaction by basing on information appearing in resolution of the Board of Directors' meeting of the Company and the Information Memorandum on Acquisition and Disposal of Assets of the Company in relation to entering into the transaction with REIT, and found that there are key terms and conditions and conditions precedent to be fulfilled by UV group before the entry into this transaction, including:

- 1) The conditions specified in the sublease agreement, the lease agreement, the sale and purchase of assets agreement, the undertaking agreement and any other agreement entered into by and between LRK and the Trustee, made in the name of REIT and for its benefit, must be satisfied in all respects.
- 2) The new company to serve as REIT Manager must obtain approval for its establishment and for management of REIT from the SEC.
- 3) REIT units must be offered to the public and the general investors.
- 4) The assets to be invested must be registered as REIT.

The Financial Advisor is of the opinion that UV group is obligated to fulfill all of the said conditions in order to comply with the regulations on acquisition and disposal of assets and other applicable laws and/or the general conditions applied to the sublease of land, office building, structures, mechanical and electrical systems, and other assets and/or the conditions willingly agreed upon by the agreement parties, and views that these conditions will not cause the Company to lose any benefits. Therefore, the Financial Advisor deems that **the conditions for entering into this transaction by UV group are appropriate.**

**1.2 Sublease of land and office building, structures, and mechanical and electrical systems and disposal of other assets of Sathorn Square Office Tower Project**

**1.2.1 Nature and details of the transaction**

GOLD, a subsidiary of the Company, intends to enter into a transaction with the Real Estate Investment Trust (“REIT”) that will be established, by having NSR, a subsidiary of GOLD, enter into the transaction of subleasing of land and office building, structures, and mechanical and electrical systems, and disposal of other assets of Sathorn Square Office Tower Project to the Trustee, on behalf of and for the benefit of REIT, with the value not less than Baht 5,500 million. NSR will also act as Property Manager of REIT.

GOLD will enter into this transaction after it has obtained approval from its shareholders’ meeting. Besides, since GOLD is a subsidiary of the Company in which the Company, as of September 30, 2014, holds a stake of 55.73%, the transaction is therefore also subject to prior approval from the shareholders’ meeting of the Company.

In case the shareholders’ meeting of both the Company and GOLD approves the entry into such transaction, the it is expected that the sublease of land and office building, structures, and mechanical and electrical systems, and disposal of other assets of Sathorn Square Office Tower Project to REIT will take place after the establishment of REIT has been registered with the SEC and all conditions precedent under the terms and conditions specified in the sublease agreement and/or the lease agreement and the sale and purchase of assets agreement have been fulfilled. The Company and GOLD are currently at the preparatory stage for REIT establishment and filing of an establishment application to the SEC and the SET.

**1.2.2 Type and size of the transaction**

The sublease of land and office building, structures, and mechanical and electrical systems, and disposal of other assets of Sathorn Square Office Tower Project to REIT, with the value not less than Baht 5,500 million, is regarded as the disposal of assets transaction in accordance with the Acquisition or Disposal Notifications. The highest value of transaction, on the total value of consideration basis, is equal to 24.12% of the total assets of the Company, calculated based on consolidated financial statements of the Company and its subsidiaries for the six-month period ended June 30, 2014, which showed the total assets of Baht 22,807.15 million.

The disposal of assets transaction value, calculated on the total value of consideration basis, is as follows:

$$\begin{aligned}
 \text{Total value of consideration basis} &= \frac{\text{Consideration received} * 100\%}{\text{Total assets of the Company}} \\
 &= \frac{5,500,000,000 * 100\%}{22,807,147,000} \\
 &= \mathbf{24.12\%}
 \end{aligned}$$

Note: The transaction value is not calculated by the NTA and the net profit criteria because this transaction is not a shares selling transaction, nor by the new shares offering criteria because there is no issuance of new shares of the Company.

By aggregating with the other disposal of assets transaction taking place in the past six months, i.e. the sublease of land, lease of office building, structures, and mechanical and electrical systems, and disposal of other assets of Park Ventures Ecoplex Project to REIT by the Company with the value not less than Baht 2,700 million, which has the highest value of transaction, on the total value of consideration basis, equal to 11.84% of the total assets of the Company and its subsidiaries,

all disposal of assets transactions will then have a total size of 35.95% based on the total value of consideration.

However, the said value of assets disposal of the Company and GOLD is the minimum value. The final price of the assets to be disposed to REIT will depend on negotiation between the related parties, whereby the consideration value of the aforementioned transactions will be considered based on related factors, market situation at that time, and the appraisal value of the assets by the independent appraisers. Thus, the Company and GOLD intend to seek approval from their respective shareholders' meeting for entering into such transactions, which are required to be approved with affirmative votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding the votes of shareholders who have a vested interest.

### 1.2.3 Value of assets being disposed of and value of consideration

NSR will receive a consideration for the sublease of land and office building, structures, and mechanical and electrical systems, and disposal of other assets of Sathorn Square Office Tower Project to REIT at the value not less than Baht 5,500 million, whereby the final price of the assets will depend on negotiation between the related parties, related factors, market situation at that time, and the appraisal value of the assets by the independent appraisers.

The value of consideration determined at not less than Baht 5,500 million is higher than the book value of those assets as of June 30, 2014 by Baht 1,650.59 million or 42.88%.

### 1.2.4 Connected persons and nature of relationship

- *Parties involved*

- Sub-lessor and Seller** : North Sathorn Realty Co., Ltd. ("NSR"), a subsidiary of GOLD
- Sub-lessee and Buyer** : The Freehold and Leasehold Real Estate Investment Trust ("REIT"), having Kasikorn Asset Management Co., Ltd. as the Trustee acting on behalf of and for the benefit of REIT

- *Relationship between the involved parties and relationship with the listed company*

- NSR is a subsidiary of GOLD in which GOLD holds a stake of 100.00%, as of June 30, 2014.
- GOLD is a subsidiary of the Company in which the Company holds a stake of 55.73%, as of September 30, 2014.
- The Company, GOLD and NSR are unrelated to REIT since REIT is currently still under preparation for establishment. However, GOLD plans to subscribe for investment units of REIT in the amount not exceeding 30.00% of the total sold units of REIT, and NSR plans to serve as Property Manager of REIT.

### 1.2.5 Details of assets being disposed of

Details of the assets of Sathorn Square Office Tower Project that NSR will sell to REIT are as follows:

Assets to be subleased and sold/purchased	:	1) The rights to sublease the land and office building, structures, and mechanical and electrical systems, with the remaining period of the sublease right of approximately 26 years
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		<p>(terminated on October 6, 2040), consisting of</p> <ul style="list-style-type: none"> <li>▪ The land on which Sathorn Square Office Tower office building is located, with the total area of 5-0-60.32 rai, including the underground parking area within such land;</li> <li>▪ The office building of Sathorn Square Office Tower, 39<sup>1/</sup> floors, with internal area of approximately 114,700 square meters and total leased area of approximately 74,313 square meters, including the underground parking area of such office building;</li> <li>▪ The building, construction and other connected facilities that are component parts of such office building to be constructed in the future and become property of the owner (Crown Property Bureau) in the future;</li> <li>▪ Other systems, such as electrical engineering system, air conditioning system, sanitary system, fire extinguishing system, communication system, and utilities within such office building;</li> <li>▪ Other properties that will be agreed upon between the agreement parties after the due diligence review</li> </ul> <p>2) The ownership over furniture, tools, equipment and facilities, including other equipment used for decoration and/or used in the office building renting business and the connected rights</p> <p>Note: <sup>1/</sup> The building has 39 levels according to the license, but since Floor No. 13 is skipped from the floor running number, the floor numbers accordingly run to No. 40.</p>
Asset location	:	98 North Sathon Road, Silom, Bang Rak, Bangkok
Access and environment	:	The building is accessible via the main road, North Sathon Road, and is connected with Chong Nonsi BTS Station.
Current use	:	The building space is rented to offices and retail shops. At present, the occupancy rate is roughly 81% of the rentable area, with the average renting period of approximately 3 years.
Ownership	:	NSR owns the right to lease the land and office building, structures, and mechanical and electrical systems of Sathorn Square Office Tower Project from the Crown Property Bureau, and also owns other assets of such project.
Encumbrance	:	The right to lease the land and office building, structures, and mechanical and electrical systems, and ownership of other assets of Sathorn Square Office Tower Project is under the conditional assignment of lease agreement with Thanachart Bank Plc., Kasikornbank Plc. and Bank of Ayudhya Plc.

## Details of Sathorn Square Office Tower

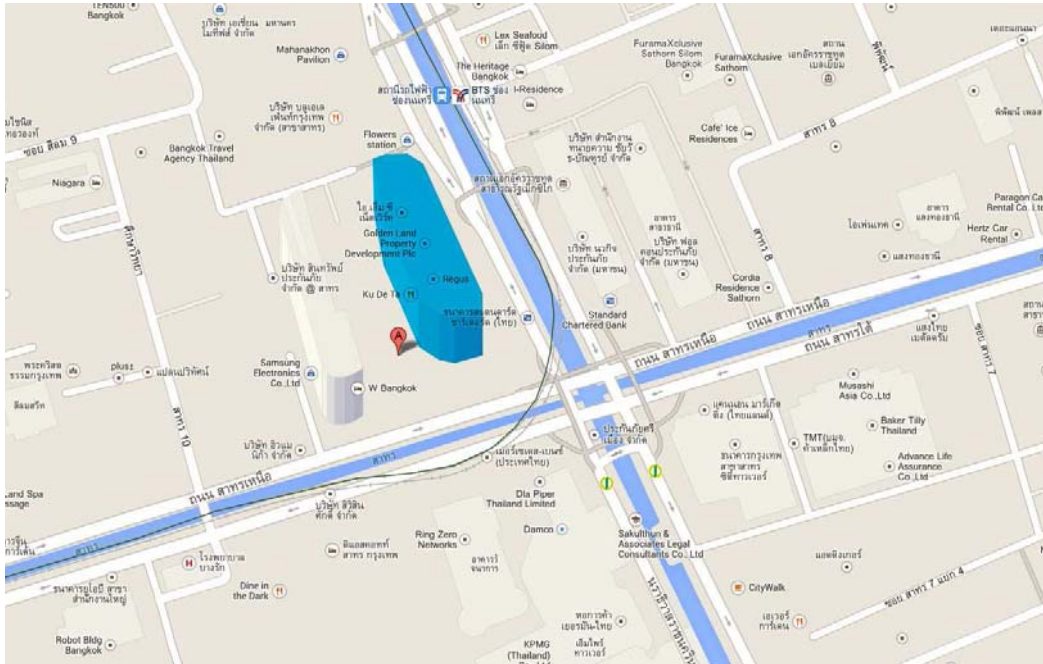
### 1.1 General information on Sathorn Square Office Tower



- Location

Sathorn Square Office Tower is located at 98 North Sathon Road, Silom, Bang Rak, Bangkok 10500, at the corner of Narathiwat Ratchanakharin and Sathon crossroads, or near the junction of Sathon - Chong Nonsi. The building is directly connected with BTS's Chong Nonsi Station and BRT's Sathon Station, surrounded by complete business facilities such as a five-star W Hotel Bangkok, a restaurant developed on a historical site preserved by the Fine Arts Department, and others.

- Map of building location



- Details of building, construction and utilities system

Sathorn Square Office Tower, located in the heart of Sathon, is a 39-storied<sup>5</sup> office building with five basement levels for car park, offering a total rentable area of approximately 75,000 square meters. The building is sited on a total land area of 5 rai 60.32 square wah, or 8,241.28 square meters, leased by NSR from the Crown Property Bureau for a term of 30 years from October 7, 2010 to October 6, 2040. The building was finished and opened for commercial operation in September 2011.

Sathorn Square Office Tower is fully equipped with utilities such as electrical system, air conditioning system, ventilation system, sanitary system, lifts, telephone system, fire protection system, and automatic fire extinguishing system. There are eight escalators and 24 passenger lifts, comprising 18 general passenger lifts, four car park lifts and two fire main lifts.

## 1.2 Management

Sathorn Square Office Tower is managed by NSR, which is a 100%-owned subsidiary of GOLD and has the Company as its ultimate parent. NSR is responsible for managing all utilities systems and other general services.

## 1.3 Details of rented areas and usage

Details of rentable areas of Sathorn Square Office Tower are as follows:

<b>Floor no.</b>	<b>Particulars</b>	<b>Area (sq.m.)</b>
B1 - B5	Car park and common facility area (930 cars)	52,030
B1, B4	Storage area	459
1 - 2	Retail & shopping area	2,134
3 - 38	Office area for rent	67,931
39 - 40	Luxurious 'Ku de Ta' restaurant	2,867
	Victor Club	922
<b>Total building area</b>		<b>126,343</b>

## 1.4 Type of rentees

Rentees of the building space consist of:

- Retail tenants which are merchandise and service shops such as restaurants, commercial banks, ATM kiosks, etc.;
- Office tenants which are business entities renting the areas as their offices or for meeting/seminar arrangement; and
- Common facility area which is the area rented for exhibition and any other events.

## 1.5 Current status and occupancy rate of the whole building

As of August 31, 2014, Sathorn Square Office Tower recorded the occupancy rate as follows:

<sup>5</sup> Sathorn Square Office Tower has a total of 39 levels (not including basement levels). However, the floor running numbers are Floors No. 1-12 and Floors No. 14-40, with Floor No. 13 being skipped, which is a generally accepted practice adopted by other high-rise buildings.

	<b>Storage area</b>	<b>Office</b>	<b>Retail</b>	<b>Total</b>
Rentable area (sq.m.)	459	70,798	2,134	73,391
Area rented (sq.m.)	459	44,274	2,025	46,758
Occupancy rate (%)	100.00	62.54	94.89	63.71

In addition, Victor Club with an area of 922 square meters is available for customers requiring an occasional meeting room for a short period.

### 1.6 Strengths of Sathorn Square Office Tower

Sathorn Square Office Tower boasts an elegant architectural design concept, combined with state-of-the-art designing and construction innovations. It was awarded the Gold Level LEED (Leadership in Energy and Environmental Design) Certification as an energy conservation building from the U.S. Green Building Council (USGBC), the highest level ever received by any building on Sathorn Road. The building also features eco-friendly innovations, including:

- The building is specially designed to have 2.95-m. ceiling heights, the highest in Thailand, in order to increase floor space and provide a comfortable feeling of spacious freedom that well accommodates potential vertical decorative designs and raised flooring without reducing office aesthetics.
- The structural innovations with a column free design allow increased efficiency and flexibility in optimum space usage by tenants of either large or small areas. The “Office Duplex” concept is also established to satisfy some tenants’ needs for multi-floor offices with internal stairs to directly connect the occupied floors, thus allowing tenants a freedom in their office space arrangement to deliver value from every square meter.
- The perfect floor plan of symmetrical length between floor and window allows the access of natural light on each floor, while accommodating an optimized space usage.
- The total 18 high-speed passenger lifts, divided into Low Zone, Middle Zone and High Zone, are automatically controlled with state-of-the-art technology to minimize waiting time to not more than 27.5 seconds, and allow an access to every floor direct from the lobby.
- The major construction material, glass which is glossed with a Low-E ultra violet protection substance with a higher level of noise and heat protection than the normal applied standard, is used as part of the building’s eco-friendly exterior wall finishes, leading to an optimum use of space and a tremendous saving of energy.
- The building has a variable air volume controlled air conditioning system that provides an energy saving solution with automatic temperature adjustment to cool its internal building space and deliver a consistent temperature in all parts of the building, together with provision for after-hours cooling.
- The building is equipped with an indoor air quality control system that provides fresh air at proper oxygen levels.
- A building automatic system is employed to connect the engineering and system management to the central control unit, and also to monitor and control energy consumption so as to circumvent any unnecessary use of excess energy.
- An automatic control and security system is established to satisfy multinational corporations’ requirements.

## 1.2.6 Reasonableness and benefits of the transaction to the listed company

### (1) Objective and necessity of the transaction

The disposal of assets transaction of GOLD, whereby NSR, its subsidiary, will sublease land and office building, structures, and mechanical and electrical systems and dispose of other assets of Sathorn Square Office Tower Project to REIT, is consistent with the GOLD's policy on continuous expansion of real estate investment and development. Currently, GOLD brings in revenues mainly from property development business, which requires a huge amount of funds for new project development. Hence, the disposal of assets to REIT will enable it to utilize the assets throughout the remaining leasehold right period (about 26 years) for the utmost benefit (the right to lease the land under the main lease agreement made with the property owner will terminate on October 6, 2040). GOLD will receive total proceeds from this transaction in the amount not less than Baht 5,500 million.

GOLD will use the net proceeds from the disposal of assets, after deduction of relevant expenses and repayment of loans relating to such assets to financial institutions, of approximately Baht 3,100 million (assuming that NSR receives the minimum price of Baht 5,500 million from the disposal of assets) for financing the operation of new real estate projects in order to ensure continuous revenue generation and growth in the future. GOLD could then save interest expenses from such loan repayment. At the same time, it will benefit from the disposed assets in the form of property management fee as NSR, its subsidiary, will serve as the Property Manager of REIT. It will also have an opportunity to receive return from its investment in REIT units in the amount not exceeding Baht 3,000 million.

Besides, the said disposal of assets, in tax terms, is not deemed as a true sale transaction and, thus, tax profit and income tax on the disposal of assets will not be estimated immediately. Income recognition and tax payment will instead be gradually made in each period throughout the sublease term.

### (2) Benefits from the transaction

#### *1) Availability of additional cash or fund for investment in new property development in the future*

In making investments in real estate development, GOLD needs a huge amount of funds for acquisition of land and construction of buildings and all structures. By renting out areas inside the buildings, it will generate income in the form of rental fees and service fees that are gradually recognized over a long period of time. Meanwhile, this type of investment has a long payback period or it takes time to generate new cash flow to sufficiently finance continuous development of new projects.

The disposal of assets of Sathorn Square Office Tower to REIT by sublease of land and office building, structures, and mechanical and electrical systems and disposal of other assets of the project will help bring in a large amount of funds for the Company, after deduction of tax and related expenses and repayment of debt relating to those assets to financial institutions. In case NSR receives the minimum amount of proceeds from the disposal of assets of Baht 5,500 million, GOLD will have net cash balance available of approximately Baht 3,100 million that can be used for financing its new real estate project development under the future investment plan, thus ensuring a fast and consistent revenue earning and growth for GOLD in the future. It can also use such fund for the subscription for REIT units in the amount not exceeding Baht 3,000 million.

2) *Reduction of debts and increase of ability to raise new loans in the future*

GOLD will use proceeds receivable from the disposal of assets of Sathorn Square Office Tower partly for repaying loans borrowed by NSR from financial institutions in relation to the disposed assets in the amount of Baht 1,643.23 million (based on the debt balance to remain outstanding as of December 30, 2014). This will help to lower the subsidiary's debt burden and relatively increase its ability to raise additional loans from financial institutions in order to further finance new property investment and development.

Such disposal of assets could be deemed as a financial transaction where the consideration received by NSR from the sublease of land and office building, structures, and mechanical and electrical systems and disposal of other assets of the project will be classified as debt from accounting estimates as if it were long-term borrowing. Such debt will gradually decrease as if it were principal repayment within the remaining sublease period. However, the debt to be factored into calculation of debt to equity ratio under financial covenants set out by commercial banks for general lending does not include debt arising from accounting estimates or any non-interest bearing debt. As a result, despite the additional debt incurred by the Company, GOLD and subsidiaries from such disposal of assets, this will not have any impact on their ability to fulfill the financial covenants required by financial lenders.

3) *Mitigation of risk associated with future performance*

The consideration for the sublease of assets in the amount, before expenses, not less than Baht 5,500 million to be received from this transaction could be deemed as a receipt of future rental revenues at present value in full amount immediately when the transaction is executed, with GOLD not having to await the future yearly performance over an approximate period of 26 years. Moreover, GOLD will not have to assume total risk associated with possible uncertainties in business operation and effect from competition in the future. Still, GOLD could remain vulnerable, given the future performance fails to reach the expected targets, which could affect the return from investment in REIT units to be invested in by GOLD, a subsidiary of the Company, in the amount not exceeding 30% of the total sold units of REIT.

4) *Earning of income from acting as Property Manager*

The Company will gain benefits from the disposal of assets to REIT since REIT intends to engage NSR, a subsidiary of GOLD, to serve as Property Manager of REIT, thereby enabling the subsidiary to earn additional income from such management service provision. NSR is currently the manager of Sathorn Square Office Tower Project and, thus, has had experience and expertise in management of rented areas. Nonetheless, the rate of compensation for such management services has yet to be finalized because, at present, the preparation for REIT establishment and negotiations on all agreements among all concerned parties are still underway.

5) *No burden on instant payment of corporate income tax on gains from disposal of assets on transaction date due to gradual income recognition and tax payment throughout the sublease period*

Total value of the disposal of assets of Sathorn Square Office Tower of not less than Baht 5,500 million is higher than cost of such assets by approximately Baht 1,650.59 million. However, according to the basic taxation principles, the said disposal of assets, which will be executed under the REIT Transaction, may not be deemed, in accounting aspect, as a true sale transaction because the ownership over the assets will not be actually transferred and, as a consequence, tax profit and income tax on the disposal of assets will not be estimated immediately. The consideration that NSR will receive from the disposal of assets will not be recorded as proceeds from disposal of assets (in tax terms) as of the transaction date, as though the assets were not actually disposed of. Recognition of net income and payment of income tax will instead be gradually made according to the actual amount

incurred in each period throughout the remaining sublease term, which will help increase efficiency in cash management. However, in the disposal of other assets of the project such as furniture, tools and facilities to REIT, if there are gains from the disposal of those assets, the Company will have to pay corporate income tax on the difference between the selling price and the book value, which is expected to be in an insignificant amount.

### **(3) Impacts and risks from the transaction**

#### *1) A decrease in cash receivable from rental and service fees from Sathorn Square Office Tower*

After this transaction, revenues from rentals and other services relating to the assets of Sathorn Square Office Tower Project disposed of to REIT will be transferred to REIT, leading NSR to no longer earn such revenues. However, NSR will receive total consideration of not less than Baht 5,500 million, which can be used, after deduction of relevant expenses, for loan repayment to financial institutions and investment in new property development in order to generate revenues and return for the shareholders.

#### *2) An increase in debt due to recognition of consideration from the disposal of assets as liabilities in financial statements*

Since the entry into this transaction may not be regarded as a true sale transaction, the consideration for the disposal of assets of not less than Baht 5,500 million will then be recorded as liabilities in the statements of financial position (under the ‘unearned sublease fee income’ caption), which will gradually decrease each year and will, at the same time, be gradually recognized as income in the statements of income by an amount of approximately Baht 211.54 million a year (calculated from the minimum selling price of Baht 5,500 million divided by sublease period of approximately 26 years). From the estimation of such impact by basing on the statements of financial position as of June 30, 2014 of the Company and its subsidiaries, the liabilities will increase from Baht 12,594.65 million to Baht 22,418.21 million (including the impact from additional liabilities from the disposal of assets of Park Ventures Ecoplex with value of not less than Baht 2,700 million of LRK and net of loan repayment from proceeds receivable from such disposal of assets, plus loans raised by GOLD to finance the acquisition of KLAND shares). Moreover, the debt to equity ratio will edge up from 1.23 times to 2.19 times and the interest-bearing debt to equity ratio will rise from 0.84 time to 1.17 times.

Nonetheless, the higher debt to equity ratio is expected to have no impact on fulfillment of the financial covenants required by financial institutions as discussed above. Rather, the use of proceeds from the disposal of assets for loan repayment will help increase the Company’s ability to raise new borrowing in order to finance other additional real estate development projects.

#### *3) Risk from failure to fulfill the conditions precedent*

Before entering into this transaction, a number of conditions precedent must be fulfilled. Among them is the requirement to obtain approval from the shareholders’ meeting of the Company and/or GOLD for LRK and GOLD to enter into the disposal of assets transactions with REIT as described above and approval for GOLD to subscribe for REIT units. Moreover, the terms and conditions specified in all relevant agreements must be completely honored; the owners of the assets must acknowledge and sign in a letter of consent and approval relating to the execution of sublease agreements; REIT Manager obtains approval from the SEC for REIT establishment and for management of REIT; REIT units are offered to the public and general investors; and REIT is duly registered. Therefore, in case these conditions precedent are not satisfied, all expenses relating to the transactions paid by the Company will be wasted. Such expenses primarily include property appraisal expenses, financial advisory fees, expenses on arrangement of shareholders’ meeting, etc.

## 1.2.7 Fairness of price and conditions for the transaction

### 1.2.7.1 Fairness of the transaction price

NSR, a subsidiary of GOLD, will enter into the disposal of assets transaction by sublease of land and office building, structures, and mechanical and electrical systems and disposal of other assets of Sathorn Square Office Tower Project to REIT for a sublease period of approximately 26 years (ended October 6, 2040) with the minimum value receivable from REIT of Baht 5,500 million.

In determining appropriateness of the said transaction value, the Financial Advisor has measured a fair value of those assets by employing three financial approaches as follows:

- a) Book value approach
- b) Independent appraiser's appraised value approach
- c) Discounted cash flow approach

Details of the valuation of Sathorn Square Office Tower assets by each approach are as follows:

#### a) Book value approach

The appraisal of value of Sathorn Square Office Tower assets to be disposed of to REIT is made based on the approximate book value of leasehold right over land, office building and equipment of Sathorn Square Office Tower as of June 30, 2014, details of which are as follows:

Items	Approximate book value as of June 30, 2014 (Baht million)
Land leasehold right	412.73
Office building	3,426.10
Equipment and other assets	10.58
<b>Total book value of disposed assets</b>	<b>3,849.41</b>

A fair value of the leasehold right over land, office building, structures, mechanical and electrical systems, and other assets of Sathorn Square Office Tower Project to be disposed of to REIT is appraised, by the book value approach, at Baht 3,849.41 million, which is lower than the minimum price set for the disposal of such assets to REIT at Baht 5,500.00 million by Baht 1,650.59 million or 30.01% of the minimum selling price.

#### b) Independent appraiser's appraised value approach

By this approach, the Financial Advisor has appraised the assets based on the appraisal by The Valuation & Consultants Co., Ltd. ("The Valuation"), which is an SEC-approved independent valuer. The Valuation appraised the leasehold right over land, office building and construction of Sathorn Square Office Tower for the purpose of determining present value of the assets under lease and also for public purpose.

The Valuation made a survey and appraisal of those assets on October 1, 2014. It employed the **Income Approach** which was deemed suitable for the type of the assets since the appraised assets are considered as income generating property. **A summary of the appraisal and assumptions used by The Valuation is given in Attachment 4 of this report.**



Details of the appraisal by The Valuation can be summed up as follows:

Appraised assets	Appraised value by The Valuation as of October 1, 2014
Leasehold right over land and construction of Sathorn Square Office Tower	Baht 5,133.20 million

A fair value of the leasehold right over land, office building, structures, mechanical and electrical systems, and other assets of Sathorn Square Office Tower Project to be disposed of to REIT is appraised, by the independent appraiser, at Baht 5,133.20 million, which is lower than the minimum price set for the disposal of such assets to REIT at Baht 5,500 million by Baht 366.80 million or 6.67% of the minimum offering price.

The Financial Advisor is of the opinion that the appraisal of Sathorn Square Office Tower Project by The Valuation using the income approach based on the discounted cash flow is an appropriate method for valuing this type of assets that are income-generating property, under the assumption that future revenues from the assets will change according to market situation, which is compatible with the appraised property that is an office building for rent and is under a long-term lease agreement. **Therefore, the Financial Advisor deems that the appraised value by The Valuation is suitable to be used as a reference price for determination of the disposal value of Sathorn Square Office Tower assets under this transaction.**

#### c) Discounted cash flow approach

NSR, a subsidiary of GOLD, will enter into the transaction by sublease of land and office building, structures, and mechanical and electrical systems for the remaining term of land lease agreed with the landowner of about 26 years (October 2014-October 6, 2040), and disposal of other assets of Sathorn Square Office Tower Project to REIT with the value of not less than Baht 5,500 million.

Sathorn Square Office Tower (operated by NSR) is situated in Bangkok's CBD zone at the crossroads of Sathon-Narathiwat Ratchanakharin, conveniently accessed via the connection with Chong Nonsi BTS Station. Its unique architectural design with an open, column-free space on each floor allows for a flexible office area arrangement. The building has 39 stories<sup>6</sup> with five basement levels for car park and one roof deck. It offers a total rentable area of around 74,313 square meters, divided into retail and shopping area of 2,134 square meters, office space of 70,798 square meters, and storage area of 459 square meters. At present, number of rentees that already concluded the rental agreements and made deposit payment accounts for 63% of the total rentable space. In addition, Victor Club, with an area of 922 square meters, is offered for meeting and seminar arrangement services to the general public.

In determining appropriateness of the minimum price or value of the assets to be disposed of to REIT, the Financial Advisor has estimated cash flow of such building over a period of 26 years and 3 months according to the remaining lease term agreed with the landowner, and then discounted the free cash flow expected from future operation to the present value, using the weighted average cost of capital as a discount rate.

The cash flow projection on such building has been prepared by GOLD under the assumptions established from historical data on the building management, forecasts prepared based on the management's experience in project operation, and analysis of industry situation and other factors that have impacts on business operation. The Financial Advisor has reviewed the said projection and

<sup>6</sup> Sathorn Square Office Tower has a total of 39 levels (not including basement levels). However, the floor running numbers are Floors No. 1-12 and Floors No. 14-40, with Floor No. 13 being skipped, which is a generally accepted practice adopted by other high-rise buildings.

adjusted some of the assumptions to match the present relevant environment and the entry into the transaction of GOLD, including interviews with or request for additional information from GOLD's staff and management and analysis of other data relating to real estate business. The said assumptions have been prepared under the current economic situation. Given that the economic condition and other external factors that have an effect on operation of the building significantly change from the established assumptions, the appraised value of the assets will change accordingly.

Here are the key assumptions used in the projection:

### 1. Rental income

#### 1.1 Rental income from office building

<b>(Unit: Baht million)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Rental income from office building	614.69	614.69	634.10	710.19	710.19	710.19	795.41	795.41

<b>(Unit: Baht million)</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
Rental income from office building	795.41	890.86	890.86	890.86	997.77	997.77	997.77	1,117.50	1,117.50

<b>(Unit: Baht million)</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040 (Jan-Sep)</b>
Rental income from office building	1,117.50	1,251.60	1,251.60	1,251.60	1,401.79	1,401.79	1,401.79	1,570.01	1,177.51

Future office rental income is estimated from rentable area, occupancy rate and rental fee per square meter, as follows:

- Total rentable office space is approximately 70,798 square meters.
- Occupancy rate is set to be 80% for 2014, 95% for 2015-2016 and 98% from 2017 onwards of the total rentable space. Such increase in the occupancy rate is in line with the management's forecast on growing demand for space renting based on the independent appraiser's overview of office building market situation that witnesses healthy growth in demand for office space as propelled by the forthcoming advent of the AEC.
- The average rental rate per month is equal to Baht 680 per square meter in 2014, and is expected to increase by 12% in 2015 because some existing rental contracts will expire by late 2014 and will therefore be renewed in such year. After that, the rental rate will be increased by 12% every three years, which is in line with the increase rate of rental fees of general offices.

#### 1.2 Rental income from retail and shopping area

<b>(Unit: Baht million)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Rental income from retail and shopping area	32.70	32.70	32.70	36.62	36.62	36.62	41.02	41.02

<b>(Unit: Baht million)</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
Rental income from retail and shopping area	41.02	45.94	45.94	45.94	51.45	51.45	51.45	57.62	57.62

(Unit: Baht million)	2032	2033	2034	2035	2036	2037	2038	2039	2040 (Jan-Sep)
Rental income from retail and shopping area	57.62	64.54	64.54	64.54	72.28	72.28	72.28	80.96	60.72

- Total rentable retail and shopping area is about 2,134 square meters.
- Occupancy rate is set at 100% throughout the project life. Presently, the retail and shopping area is fully occupied due to an easy access to the building with connection to Chong Nonsi BTS Station.
- The average rental rate per month is equal to Baht 1,140 per square meter in 2014, and is expected to increase by 12% in 2015 because some existing rental contracts will expire by late 2014 and will therefore be renewed in such year. After that, the rental rate will be increased by 12% every three years, which is in line with the increase rate of rental fees in general.

### 1.3 Rental income from storage area

(Unit: Baht million)	2015	2016	2017	2018	2019	2020	2021	2022
Rental income from storage area	1.54	1.54	1.54	1.70	1.70	1.70	1.87	1.87

(Unit: Baht million)	2023	2024	2025	2026	2027	2028	2029	2030	2031
Rental income from storage area	1.87	2.06	2.06	2.06	2.26	2.26	2.26	2.49	2.49

(Unit: Baht million)	2032	2033	2034	2035	2036	2037	2038	2039	2040 (Jan-Sep)
Rental income from storage area	2.49	2.74	2.74	2.74	3.01	3.01	3.01	3.31	2.48

- Total rentable storage area is about 459 square meters.
- Occupancy rate is set at 100% throughout the project life. Presently, the storage area is fully rented. Since it is a small area, it is likely that the storage space will always be fully occupied.
- The average rental rate per month is equal to Baht 255 per square meter in 2014, and is expected to increase by 10% in 2015 because some existing rental contracts will expire by late 2014 and will therefore be renewed in such year. After that, the rental rate will be increased by 10% every three years, which is in line with the increase rate of rental fees in general.

The above increase rate of rental fee is based on forecast by GOLD management, which is compatible with the increase rate of rentals of office buildings in locations and with type of building comparable with Sathorn Square Office Tower.

### 1.4 Service fee income from Victor Club

Victor Club provides meeting and seminar arrangement services to external customers, officially opened for service in late October 2014. GOLD expects to begin generating service income from Victor Club in 2015 of approximately Baht 500,000 million per month, then projected to grow by 3% per year from 2016 onwards throughout the projection period.

*1.5 Other income of Sathorn Square Office Tower, including:*

- 1) Parking fee income is estimated per square meter per month of the total rentable space, based on the actual fee income recorded in 2013 of Baht 25 per square meter, and is assumed to grow by 3% per year during 2014-2040.
- 2) Utilities service income, consisting of electricity fee, water supply fee, gas fee, etc., is projected per square meter per month of the total rentable space, based on the actual fee income recorded in 2013 of Baht 35 per square meter, and is assumed to grow by 3% per year during 2014-2040.
- 3) Income from after-hours cooling service is estimated per square meter of the total rentable space, based on the actual fee income recorded in 2013 of Baht 10 per square meter. It is estimated to grow by 3% per year in 2014-2040.
- 4) Other income is projected for 2014-2040 at Baht 5 million per year.

*2. Costs of services and expenses on building management*

- Fixed costs are comprised of cost of building management, cost of cleaning service, cost of security service, and cost of repair and maintenance of air conditioning system, fire extinguishing system, sanitary system, parking system, etc. Fixed costs are estimated based on the actual costs and expenses on the building incurred in 2013 of Baht 60 per square meter, and are forecast for 2014-2040 to increase by 3% per year throughout the projection period.
- Variable costs, comprising costs of utilities services, are projected based on the actual costs and expenses on the building incurred in 2013 of Baht 115 per square meter, and are forecast for 2014-2040 to increase by 3% per year throughout the projection period.

The estimation of growth in costs and expenses above is based on forecast by GOLD management and their experience in building management, and also on historical growth rates.

*3. Other expenses and tax*

- Land rentals

Land rentals payable to the landowner, who is not a connected person, are estimated according to the 30-year land lease agreement, from October 7, 2011 to October 6, 2040, equal to Baht 36 million per year.

- Building tax

Building tax is estimated based on the forecast by GOLD's management from the amount expected to be actually paid, equal to Baht 5.30 million in 2014, and is assumed to increase by 4% per year from 2015 onwards throughout the projection period.

- Insurance expenses

Insurance expenses are estimated for 2014-2040 at 0.40% of total revenues, based on the actual percentage recorded in 2013.

#### 4. Capital expenditure

Capital expenditure comprises yearly repair and maintenance cost, which is estimated to be 2% of revenues. Besides, GOLD has forecast capital expenditure on major renovation in 2022 at approximately Baht 100 million and in 2032 at Baht 150 million, or every 11 years after the official opening of the building in October 2011.

#### 5. Discount rate

The Financial Advisor uses the weighted average cost of capital (WACC) of GOLD as a discount rate for estimation of present value of free cash flow of the building, which is equal to 11.85%.

Calculation formula of WACC is as follows:

$$\text{WACC} = K_e * E / (D + E) + K_d * (1 - T) * D / (D + E)$$

$$K_e = \text{Cost of equity of 18.20\%}$$

$$K_d = \text{Interest rate on loans of NSR of 5.50\%, based on current interest rate charged by its financial institutions}$$

$$t = \text{Corporate income tax at 0\% because the transaction is sales of cash flow of the building which do not involve tax on the disposal of assets}$$

$$E = \text{Total shareholders' equity}$$

$$D = \text{Interest-bearing debt}$$

$$E/V = \text{Percentage of financing that is equity, equal to 50\% based on the projection of financing source from the debt to equity ratio of 1:1}$$

$$D/V = \text{Percentage of financing that is debt from loans from financial institutions, equal to 50\% based on the projection of financing source from the debt to equity ratio of 1:1}$$

Cost of equity ( $K_e$ ), or return on equity, is calculated by the Capital Asset Pricing Model (CAPM), as follows:

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

Where: Risk Free Rate Average bid yield on government bond with remaining maturity of 30 years as of October 10, 2014, equal to 4.01% (source: [www.thaibma.or.th](http://www.thaibma.or.th)), by basing on bonds that have a long maturity period and successive trading and could match the lease agreement term

Beta ( $\beta$ ) Variance between market return and closing price of GOLD shares over the past three years, equal to 1.451 (source: Bloomberg as of October 10, 2014)

$R_m$  Average rate of return on investment from the SET over the past 25 years, which is a period of time that could reflect investment condition in different periods better than the shorter term data (available from the SET records for 1989-2013), equal to 13.79%

**Table illustrating present value of free cash flow in October 2014 - September 2040**

(Unit: Baht million)	2014 (Oct-Dec)	2015	2016	2017	2018	2019	2020	2021	2022
Net cash flow	119.49	498.83	498.70	513.35	587.86	584.61	581.27	664.79	561.23
Present value of free cash flow	116.19	433.67	387.62	356.73	365.23	324.73	288.66	295.16	222.78

(Unit: Baht million)	2023	2024	2025	2026	2027	2028	2029	2030	2031
Net cash flow	657.57	751.19	747.30	743.28	848.24	843.97	839.57	957.21	952.54
Present value of free cash flow	233.37	238.35	211.99	188.51	192.34	171.10	152.17	155.11	138.00

(Unit: Baht million)	2032	2033	2034	2035	2036	2037	2038	2039	2040 (Jan-Sep)
Net cash flow	797.72	1,079.59	1,074.47	1,069.19	1,217.00	1,211.39	1,205.61	1,371.29	1,008.96
Present value of free cash flow	103.33	125.02	111.25	98.97	100.72	89.63	79.75	81.10	54.78

<b>Total PV of free cash flow</b>	<b>5,316.29</b>
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By the discounted cash flow approach, the leasehold right over Sathorn Square Officer Tower is appraised at Baht 5,316.29 million.

**Table illustrating fair value comparison on Sathorn Square Officer Tower Project**

Valuation approach	Appraised value (Baht million)	Sublease value (Baht million)	Appraised value higher (lower) than sublease value	
			Baht million	%
1. Book value approach	3,849.41	Not less than 5,500.00	(1,650.59)	(30.01)
2. Independent appraiser's appraised value approach	5,133.20	Not less than 5,500.00	(366.80)	(6.67)
3. Discounted cash flow approach	5,316.29	Not less than 5,500.00	(183.71)	(3.34)

All approaches have different strengths and weaknesses and differently measure a fair value of the assets. The book value approach reflects the assets' value at a given point in time as recorded in the account only, but does not demonstrate the assets' ability to generate cash flow in the future. The independent appraiser's appraised value approach, under which the income approach was employed, is consistent with the Financial Advisor's appraisal methodology using the discounted cash flow approach, which focuses on the assets' ability to generate cash flow out of the building's cash flow obtainable from rental income under certain assumptions for projection of key items such as rental rate, service fee and occupancy rate in the future over the remaining lease term, together with projection of relevant expenses.

Therefore, the Financial Advisor is of the opinion that the appraised value by the Financial Advisor and the independent appraiser, which have consistent valuation methodology, at Baht 5,316.29 million and Baht 5,133.20 million respectively is suitable for use as a reference price in the said disposal of assets to REIT. By comparing with the said appraised value, the Financial Advisor deems that **the minimum price determined for the sublease of land and office building and disposal of other assets of Sathorn Square Office Tower Project at not less than Baht 5,500 million is a reasonable price as it is higher than the appraised value by the Financial Advisor and the independent appraiser.**

#### 1.2.7.2 Fairness of conditions for the transaction

The Financial Advisor has identified fairness of conditions for entering into the transaction by basing on information appearing in resolution of the Board of Directors' meeting of the Company and the Information Memorandum on Acquisition and Disposal of Assets of the Company in relation to

entering into the transaction with REIT, and found that there are key terms and conditions and conditions precedent to be fulfilled by UV group before the entry into this transaction, including:

- 1) The conditions specified in the sublease agreement, the lease agreement, the sale and purchase of assets agreement, the undertaking agreement and any other agreement entered into by and between NSR and the Trustee, made in the name of REIT and for its benefit, must be satisfied in all respects.
- 2) The new company to serve as REIT Manager must obtain approval for its establishment and for management of REIT from the SEC.
- 3) REIT units must be offered to the public and the general investors.
- 4) The assets to be invested must be registered as REIT.

The Financial Advisor is of the opinion that UV group is obligated to fulfill all of the said conditions in order to comply with the regulations on acquisition and disposal of assets and other applicable laws and/or the general conditions applied to the sublease of land, office building, structures, mechanical and electrical systems, and other assets and/or the conditions willingly agreed upon by the agreement parties, and views that these conditions will not cause the Company to lose any benefits. Therefore, the Financial Advisor deems that **the conditions for entering into this transaction by UV group are appropriate.**

### 1.3 Subscription for REIT units

#### 1.3.1 Nature and details of the transaction

The Company will establish a new subsidiary with a registered capital of Baht 10 million, in which the Company will hold a stake of 99.99%, to act as REIT Manager. GOLD, a subsidiary of the Company, will subscribe for REIT units in the amount of not exceeding 30% of all sold units of REIT, with the value of not exceeding Baht 3,000 million (“REIT Unit Subscription Transaction”).

#### 1.3.2 Type and size of the transaction

The establishment of a new subsidiary of the Company and the entry into the REIT Unit Subscription Transaction by GOLD are deemed as the acquisition of assets transactions in accordance with the Acquisition or Disposal Notifications. The highest value of transaction, on the total value of consideration basis, is equal to 0.04% and 13.15% of the total assets of the Company respectively, from the calculation based on consolidated financial statements of the Company and its subsidiaries for the six-month period ended June 30, 2014.

Details of the calculation of the acquisition of assets transaction size are tabulated below:

Calculation criteria*	New subsidiary establishment	REIT Unit Subscription Transaction
Total value of consideration basis	<u>Consideration received * 100%</u>	
	Total assets of the Company	
	<u>(10,000,000 * 100%)</u>	<u>(3,000,000,000 * 100%)</u>
	22,807,147,000**	22,807,147,000**
Transaction size	<b>0.04%</b>	<b>13.15%</b>

Note: \* The transaction value is not calculated by the NTA and the net profit criteria because this transaction is still in the process of REIT establishment, nor by the new shares offering criteria because there is no issuance of new shares of the Company.

\*\* Total assets of the Company and its subsidiaries as of June 30, 2014 according to the Company’s consolidated financial statements for the 6-month period ended June 30, 2014, reviewed by the auditor.

By aggregating with other acquisition of assets transactions taking place in the past six months, including (1) the investment in construction of FYI Center office building of GOLD which has the highest transaction size, calculated based on the total value of consideration, equal to 14.07% of total assets of the Company and its subsidiaries, and (2) other acquisition of assets transactions that the Board of Directors’ meeting of the Company No. 6/2014 will seek approval for from the Extraordinary General Meeting of Shareholders No. 1/2014, comprising the acquisition of KLAND shares by GOLD which has the transaction size, calculated based on the total value of consideration, equal to 15.61% of total assets of the Company and its subsidiaries, the total value of all acquisition of assets transactions, based on the total value of consideration, will be equal to 42.87%. However, since the acquisition of KLAND shares by GOLD has the highest value of transaction, calculated on the value of assets basis, is equal to 45.49%, the total size of all acquisition transactions is 45.49%, based on the NTA criteria, which is regarded as the Type 2 acquisition of assets transaction with the value of transaction higher than 15% but not exceeding 50%.

#### 1.3.3 Value of assets being acquired and value of consideration

GOLD, which is a subsidiary of the Company, will enter into the REIT Unit Subscription Transaction in the amount of not exceeding 30% of all sold units of REIT, with the value of not exceeding Baht 3,000 million.



However, the final subscription value of REIT units will depend on the final offering price of REIT units that will be derived by a book building process and also hinge on factors such as the market condition at that time, the appraised value of assets that REIT will invest based on the appraisal by the independent appraiser, response from investors, etc.

Financing source for the subscription for REIT units by GOLD will come from cash flow received from the disposal of assets of Sathorn Square Office Tower to REIT.

#### **1.3.4 Connected persons and nature of relationship**

- *Parties involved*

**Buyer** : Golden Land Property Development Plc. (“GOLD”), a subsidiary of the Company

**Seller** : The Freehold and Leasehold Real Estate Investment Trust (“REIT”), having Kasikorn Asset Management Co., Ltd. as the Trustee acting on behalf of and for the benefit of REIT

- *Relationship between the involved parties and relationship with the listed company*

- GOLD is a subsidiary of the Company in which the Company holds a stake of 55.73%, as of September 30, 2014.
- The Company and GOLD are unrelated to REIT since REIT is currently still under preparation for establishment. However, GOLD plans to subscribe for investment units of REIT in the amount not exceeding 30.00% of the total sold units of REIT. Moreover, a subsidiary of GOLD plans to sublease land and office building, structures, and mechanical and electrical systems and dispose of other assets to REIT and also to act as Property Manager of REIT, whereas a subsidiary of the Company plans to sublease land, lease office building, structures, and mechanical and electrical systems, and dispose of other assets to REIT.

#### **1.3.5 Reasonableness and benefits of the transaction to the listed company**

##### **1.3.5.1 Objective and necessity of the transaction**

GOLD will enter into the REIT Unit Subscription Transaction in the amount of not exceeding 30% of all sold units of REIT, with the value of not exceeding Baht 3,000 million. The said transaction will help accommodate the issuance and public offering of REIT units in the future and enable REIT to mobilize enough funds for the acquisition of assets from the Company and GOLD as planned. In view of the assets’ potentials of continuous rental income generation for REIT, GOLD as holder of REIT units will have an opportunity to receive favorable return from investment in REIT in the form of, for instance, dividend obtainable from REIT’s growing performance in the future.

##### **1.3.5.2 Benefits from the transaction**

- 1) Enhancement of REIT’s ability to mobilize the desired amount of funds

The REIT Unit Subscription Transaction will help ensure a success in the issuance and offering of REIT units in the future as planned and enable REIT to mobilize enough funds for the acquisition of assets from the Company and GOLD.

## 2) Return obtainable from investment

The assets in which REIT will invest have a potential of continuous rental income generation for REIT. GOLD, as holder of REIT units, will then have an opportunity to receive favorable return from investment in REIT in the form of, for instance, dividend obtainable from REIT's growing performance in the future. There will also be an opportunity to receive capital gains if in the future the market price of REIT units that are tradable on the SET edges up above the investment cost borne by GOLD and GOLD, upon selling those REIT units, will receive capital gains from such price difference. As such, the Company will reap the benefits from the shareholding through GOLD.

### 1.3.5.3 Impacts and risks from the transaction

#### 1) Possible interest burden from short-term loans to finance the subscription for REIT units

GOLD will likely incur interest expenses on short-term loans to be used as part of the financing sources for the REIT Unit Subscription Transaction, which will be temporarily borrowed before GOLD and the Company receive payments for the disposed assets from REIT.

#### 2) Risk from investment in REIT

The subscription for REIT units will create investment risk to GOLD. Risk may arise from the operation of REIT given that the established targets are not met due to factors such as income uncertainty caused by economic situation, intensified competition among developers of office buildings for rent, efficiency in asset management, and so on.

### 1.3.6 Fairness of price and conditions for the transaction

The offering price of REIT units will be determined by a book building process which hinges on factors such as trading prices of other similar trust funds on the SET at the time of issuance and offering of REIT units, the appraised value of assets that REIT will invest in, the overall market condition at that time, the amount of funds to be raised by REIT for assets acquisition, feedback from investors, etc. Moreover, the price per unit of REIT that GOLD will subscribe for will be equal to the offering price of REIT units sold to the public that will be determined by a book building process, which is one of the criteria for market price determination as per the definition of issuance and offering of securities set forth by the SEC. The book building process involves a survey of subscription demand from institutional investors who will conduct an analysis of the trust fund's fundamentals and operational capability, including economic condition and money and capital market situation. The price at which REIT will acquire assets will be a reasonable price and be based on the asset appraisal by two independent appraisers, which is in conformity with the general regulations for an application for approval from the SEC for trust funds offering, and such price will be consistent with the trust fund's income earning ability in the long term.

After all, the offering of REIT units is subject to final price determination process by the Company, GOLD, the financial advisor on REIT establishment, and the underwriter, before fixing the final price of REIT unit offering to other investors and the public. Such price determination process could institute a fair price set by the buyer and the seller under the market condition at the time of offering. The offering price that could ensure a success in fund mobilization of REIT will be a price that reflects the rate of return which is close to or comparable with prices and returns offered by other trust funds of a similar type during the period of the offering of REIT units.

Based on all above reasons, **the IFA is of the opinion that the entry into the REIT Unit Subscription Transaction in the amount of not more than 30% of all sold units of REIT with the value of not exceeding Baht 3,000 million is appropriate.**



## 2. Acquisition of shares in Krungthep Land Plc.

### 2.1 Nature and details of the transaction

GOLD, a subsidiary of the Company, intends to acquire 1,780.00 million ordinary shares or equivalent to 100% of the total paid-up shares in Krungthep Land Plc. (“KLAND”), or in the minimum amount that will lead GOLD to hold at least 51% of all paid-up shares of KLAND and cause GOLD to have controlling power in KLAND, at the price of Baht 2 per share, totaling Baht 3,560 million from the existing shareholders of KLAND (GOLD expects to be informed of the decision result of each seller by November 2014). This acquisition of KLAND will include only the portion of KLAND’s horizontal real estate business, considering that the current assets of KLAND, i.e. horizontal residential projects, have income generating prospect, hence opportunity for GOLD and the Company to receive good returns from investment.

In this respect, KLAND will manage to complete its business restructuring from the type of both vertical and horizontal real estate to only horizontal real estate before entering into this transaction with GOLD. (Details of shareholding structure of KLAND after the acquisition of shares in KLAND by GOLD are presented in Attachment 2 ‘Profile of Krungthep Land Public Company Limited.’)

### 2.2 Type and size of the transaction

The acquisition of 1,780,000,000 ordinary shares in KLAND or equivalent to 100% of the total paid-up shares in KLAND from the existing shareholders of KLAND at the price of Baht 2 per share, totaling Baht 3,560 million is deemed as the purchase or acquisition of business of other company in accordance with Section 107 (b) of the Public Limited Companies Act B.E. 2535 (and the amendments thereto) and is also regarded as the acquisition of assets transaction in accordance with the Acquisition or Disposal Notifications. The transaction value is equal to 45.49%, the highest value calculated on the value of assets basis. The calculation of the transaction value is based on consolidated financial statements of the Company and its subsidiaries for the six-month period ended June 30, 2014 (referred to the financial statement of KLAND as of June 30, 2014, only for the horizontal real estate, with adjustment to the sale of investment in available-for-sale securities occurring on August 27, 2014).

The acquisition of assets transaction value is calculated as follows:

Criteria	Formula	Transaction size
1. NTA	$\frac{\% * \text{NTA of KLAND} * 100\%}{\text{NTA of UV}^*}$	$= \frac{3,115,185,600^{1/} * 100}{6,847,786,000}$ = 45.49%
2. Net profit	$\frac{\% * \text{NI of KLAND} * 100\%}{\text{NI of UV}}$	$= \frac{207,171,311^{2/} * 100}{509,866,155}$ = 40.63%
3. Total value of consideration	$\frac{\text{Consideration paid} * 100\%}{\text{Total assets of the Company}^{**}}$	$= \frac{((3,560,000,000) * 100)}{22,807,147,000}$ = 15.61%
4. New shares offering	$\frac{\text{Number of shares issued for acquisition of assets} * 100\%}{\text{Number of issued and paid-up shares of the Company}}$	No issuance of shares for acquisition of assets

Notes: <sup>1/</sup> NTA of KLAND is calculated based on the financial statements as of June 30, 2014 reviewed by the auditor. Such financial statements were adjusted by key items that occurred and/or are

expected to occur after the financial statement date, i.e. the sale of investment in available-for-sale securities of Property Perfect Plc. (“PF”) and sale of shares in Riverside Homes Development Co., Ltd. (“RHD”).

- <sup>2/</sup> The net profit of KLAND is calculated based on the financial statements as of June 30, 2014 reviewed by the auditor, for the part of horizontal real estate only (Baht 218,220,927), and adjusted by the sale of investment in available-for-sale securities occurring on August 27, 2014 (loss of Baht 11,049,616).
- NTA (net tangible asset) means total assets less intangible assets, liabilities and non-controlling interests.
  - Net profit of the Company refers to the net profit attributable to equity holders of UV over the past four quarters from July 1, 2013 to June 30, 2014.
  - Total assets of the Company and its subsidiaries as of June 30, 2014 are based on the Company’s reviewed consolidated financial statements for the six-month period as of June 30, 2014.

By aggregating with other acquisition of assets transactions taking place in the past six months, including 1) the investment in construction of FYI Center office building of GOLD which has the highest transaction size, calculated based on the total value of consideration, equal to 14.07% of total assets of the Company and its subsidiaries, and 2) other acquisition of assets transactions that the Board of Directors’ meeting of the Company No. 6/2014 and the Board of Directors’ meeting of GOLD No. 6/2014 will seek approval for from the Company’s and GOLD’s Extraordinary General Meeting of Shareholders No. 1/2014, comprising 1) establishment of the new subsidiary having a registered capital of Baht 10 million, in order to serve as REIT Manager, with the Company to hold 99.99% of shares in the new subsidiary, equivalent to the highest transaction size of 0.04% of total assets of the Company and its subsidiaries, calculated based on the total value of consideration, and 2) subscription by GOLD for investment units of REIT, which will be established, in the amount of not exceeding 30.00% of all sold units of REIT with the total value of not exceeding Baht 3,000 million, equivalent to the highest transaction size of 13.15% of total assets of the Company and its subsidiaries, calculated based on the total value of consideration (the calculation of the transaction size of the subscription for REIT units will depend on the final offering price of REIT units), the total maximum transaction size of all acquisition transactions of the Company and its subsidiaries will still be derived from the value of assets method, equal to 45.49% as described above, which is regarded as the Type 2 acquisition of assets transaction with the value of transaction higher than 15% but not exceeding 50%.

#### Details of calculation of the acquisition of assets transaction size

1. Net tangible asset criteria = % NTA of transacting entity/NTA of listed company

Acquisition of assets transaction	Details of calculation	Transaction size
1.Acquisition of all KLAND shares by GOLD	= Baht 3,115.19 million* x 100% / Baht 6,847.79 million**	45.49%
2.Establishment of a new subsidiary of UV to act as REIT Manager	Not calculable by this method	-
3.Subscription for REIT units by GOLD	Not calculable by this method	-
4.Investment in construction of FYI Center office building by GOLD (a transaction occurring in the previous six-month period)	Not calculable by this method	-
<b>Total transaction size under NTA criteria</b>		<b>45.49%</b>

Note: \* NTA of KLAND is based on its financial statement as of June 30, 2014, which takes into account only the horizontal real estate business and the adjustment of the sale of investment in available-for-sales securities occurring on August 27, 2014, details of which are as follows:

NTA of KLAND (unit: Baht million)	= Total assets – Intangible assets – Total liabilities – Non-controlling interests = 6,250.14 – 10.11 – 3,124.84 – 0.00 = Baht 3,115.19 million
Where: Total assets	= Total assets as of June 30, 2014 + [Proceeds obtained from disposal of investment in a vertical real estate entity which is a joint venture between KLAND and FTPL based on the selling price agreed by KLAND and FTPL with buyers before the entry into this transaction of the Company – Investment in a jointly controlled entity] + [Proceeds obtained from disposal of available-for-sales securities based on the selling price prevailing on August 27, 2014 – Investment in available-for-sales securities – Adjustment to deferred tax assets to reflect losses on disposal of investment in available-for-sales securities as above] = 6,040.17 + [870.00 – 654.99] + [ 87.39 – 90.25 – 2.19 ] = 6,250.14
Intangible assets	= Deferred tax assets as of June 30, 2014 – Deferred tax assets from the adjustment to deferred tax assets to reflect losses on disposal of investment in available-for-sales securities on August 27, 2014 = 12.30 – 2.19 = 10.11
Total liabilities	= Total liabilities as of June 30, 2014 + [Income tax payable from gains on disposal of investment in jointly controlled entity] – [Decrease in income tax payable due to realized loss from disposal of investment in available-for-sales securities] = 3,055.61 + 71.99 - 2.76 = 3,124.84

\*\* NTA of UV is based on its reviewed consolidated financial statement for the six-month period ended June 30, 2014, details of which are as follows:

NTA of UV (unit: Baht million)	= Total assets – Intangible assets – Total liabilities – Non-controlling interests = 22,807.15 – 84.55 – 12,594.65 – 3,280.16 = Baht 6,847.79 million
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2. Net profit from operation criteria = % Net profit of transacting entity/Net profit of listed company

Acquisition of assets transaction	Details of calculation	Transaction size
1. Acquisition of all KLAND shares by GOLD	= Baht 207.17 million* x 100% / Baht 509.87 million**	40.63%
2. Establishment of a new subsidiary of UV to act as REIT Manager	Not calculable by this method	-
3. Subscription for REIT units by GOLD	Not calculable by this method	-
4. Investment in construction of FYI Center office building by GOLD (a transaction occurring in the previous six-month period)	Not calculable by this method	-
<b>Total transaction size under net profit from operation criteria</b>		<b>40.63%</b>

Note: \* Based on net profit of KLAND in the past four quarters from July 1, 2013 to June 30, 2014 only in horizontal real estate business (Baht 218.22 million) and adjustment to disposal of investment in available-for-sales securities on August 27, 2014 (loss of Baht 11.05 million)

\*\* Based on net profit attributable to equity holders of parent of UV in the past four quarters from July 1, 2013 to June 30, 2014

3. Total value of consideration criteria = Consideration paid / Total assets of listed company

Acquisition of assets transaction	Details of calculation	Transaction size
1. Acquisition of all KLAND shares by GOLD amounting to 1,780.00 million shares at Baht 2.00 per share	= Baht 3,560.00 million / Baht 22,807.15 million	15.61%
2. Establishment of a new subsidiary of UV to act as REIT Manager	= Baht 10.00 million / Baht 22,807.15 million	0.04%
3. Subscription for REIT units by GOLD	= Not exceeding Baht 3,000.00 million / Baht 22,807.15 million	13.15%
4. Investment in construction of FYI Center office building by GOLD (a transaction occurring in the previous six-month period)	= Baht 3,208.04 million / Baht 22,807.15 million	14.07%
<b>Total transaction size under total value of consideration criteria</b>		<b>42.87%</b>

The transaction value is not calculable by the new shares offering criteria because, for this transaction, there is no issuance of any new shares of the Company as payment for the consideration for the said acquisition of assets.

In addition, the acquisition of KLAND shares is regarded as a connected transaction as SMJC, SMJC group members and FTPL are connected persons of GOLD (see details of their relationship in Item 2.4 'Connected persons and nature of relationship'). Consequently, the purchase of KLAND shares from SMJC, SMJC group members and FTPL, with the total transaction value of Baht 2,840 million, is regarded as the connected transaction in accordance with the Connected Transaction Notifications. Such transaction value is equivalent to 41.47% of the net tangible assets of the Company and its subsidiaries, calculated based on the consolidated financial statements of the Company and its subsidiaries as of June 30, 2014.

The connected transaction size is calculated as shown below:

Criteria	Transaction size
<u>Value of consideration for connected persons</u> NTA of the Company and its subsidiaries	= $((1,400,000,320 + 1,440,000,000) * 100) / 6,847,786,000$ = 41.47%

Note: NTA (net tangible asset) means total assets less intangible assets, liabilities and non-controlling interests.

When aggregating the transaction size of KLAND's acquisition with total value of other connected transactions taking place in the past six months, i.e. provision of accounting, financial and IT services to Variety Asset 5 Co., Ltd. and Kasem Subsiri Co., Ltd., which had the value of Baht 1.15 million and Baht 0.12 million, representing the transaction size of 0.017% and 0.002%, or the combined value of Baht 1.27 million representing the transaction size of 0.019%, the total size of all connected transactions will be 41.49%, which is higher than 3.00% of the net tangible assets.

#### Details of calculation of the connected transaction size

Connected transaction size = Value of consideration / NTA of listed company

Connected transaction	Details of calculation	Transaction size
1. Acquisition of KLAND shares by GOLD from SMJC and SMJC group amounting to 700,000,160 shares at Baht 2.00 per share	= Baht 1,400.00 million / Baht 6,847.79 million	20.44%



Connected transaction	Details of calculation	Transaction size
2. Acquisition of KLAND shares by GOLD from FTPL amounting to 720,000,000 shares at Baht 2.00 per share	= Baht 1,440.00 million / Baht 6,847.79 million	21.03%
3. Provision of accounting, financial and IT services to Variety Asset 5 Co., Ltd. and Kasem Subsiri Co., Ltd. (other connected transactions occurring in the previous six-month period)	= Baht 1.27 million / Baht 6,847.79 million	0.019%
<b>Connected transaction size</b>		<b>41.49%</b>

Therefore, it is required to seek approval for such transaction of GOLD from the shareholders' meeting of GOLD and the Company, whereby the shareholders' resolution thereon must be passed with affirmative votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding the votes of shareholders who have a vested interest, i.e. Adelfos Co., Ltd. which holds 1,262,010,305 shares or 66.01% in the Company, as of October 30, 2014. GOLD and the Company are also required to appoint an independent financial advisor to render opinion regarding the reasonableness of the transactions and the fairness of the price and conditions for the transactions to the shareholders of GOLD and the Company for consideration.

### 2.3 Value of assets being acquired and value of consideration

GOLD, a subsidiary of the Company, will pay a consideration for 1,780 million shares in KLAND at the price of Baht 2.00 per share, or the total amount of Baht 3,560 million.

Such purchase of KLAND shares will be partially financed by loans from financial institutions. As of June 30, 2014, GOLD recorded cash and cash equivalents of Baht 252.06 million and current investment in fixed deposit account of Baht 40.02 million.

### 2.4 Connected persons and nature of relationship

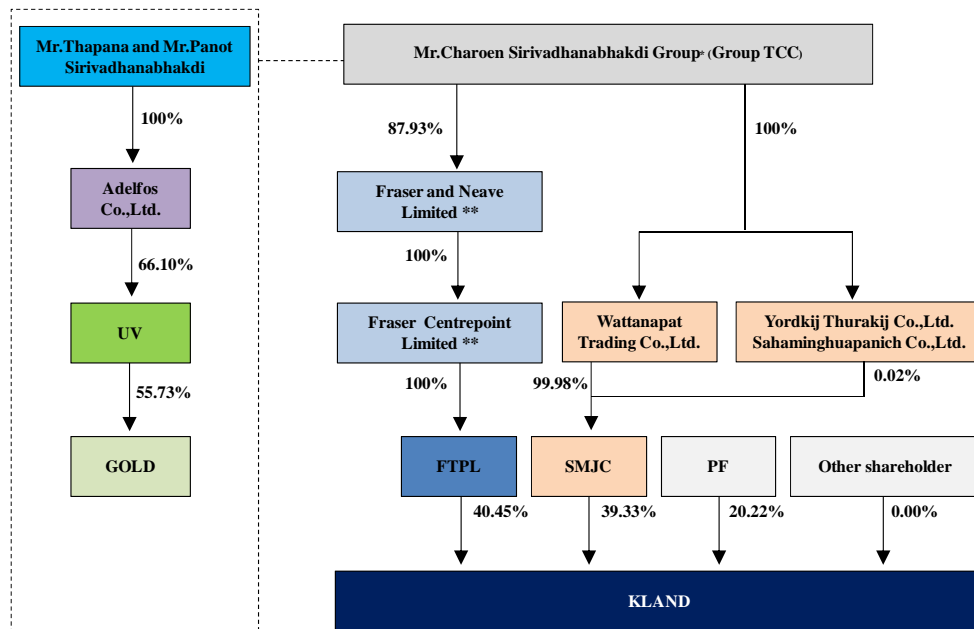
#### - *Parties involved*

- Buyer** : Golden Land Property Development Plc. ("GOLD"), a subsidiary of the Company
- Sellers** :
1. SMJC Real Estate Co., Ltd. ("SMJC") and SMJC group members, holding 700,000,160 shares in KLAND or 39.33% of total paid-up shares of KLAND
  2. Other existing shareholders who may sell their shares in KLAND, namely;
    - 2.1 Fraser (Thailand) Pte. Ltd. ("FTPL"), holding 720,000,000 shares in KLAND or 40.45% of total paid-up shares of KLAND
    - 2.2 Property Perfect Plc. ("PF"), holding 359,999,640 shares in KLAND or 20.22% of total paid-up shares of KLAND
    - 2.3 Minority shareholders who are not the connected persons of the Company and GOLD, holding 200 shares in KLAND or 0.00% of total paid-up shares of KLAND

#### - *Relationship between the involved parties and scope of interest of the connected persons*

- The directors and major shareholders who could influence the determination of management policy or operation of TCC Group (i.e. Mr. Charoen Sirivadhanabhakdi

and Khunying Wanna Sirivadhanabhakdi<sup>7</sup>) hold 87.93% of shares in Fraser and Neave Ltd. (“F&N”), which holds 100% of shares in FTPL,<sup>8</sup> and is a shareholder of three entities that hold all shares of SMJC,<sup>9</sup> and also have close relationship with the directors and/or major shareholders of the Company and GOLD, a subsidiary of the Company (i.e. Mr. Panot Sirivadhanabhakdi<sup>10</sup>, Mr. Thapana Sirivadhanabhakdi<sup>11</sup> and Mr. Chotipat Bijananda<sup>12</sup>). The shareholding structure is as follows:



Note: \* Having close relationship with the directors and the major shareholders of GOLD, UV and Adelfos Co., Ltd.

\*\* Listed on Singapore Stock Exchange

<sup>7</sup> Mr. Charoen Sirivadhanabhakdi and Khunying Wanna Sirivadhanabhakdi are the directors of Fraser and Neave Ltd. (“F&N”) and Fraser Centrepoint Ltd. (“FCL”).

<sup>8</sup> F&N indirectly holds 100% of shares in FTPL via 100% shareholding in FCL, which holds 100% of shares in FTPL.

<sup>9</sup> SMJC is a company in TCC Group. As of April 29, 2014, SMJC’s shareholders consisted of (1) Wattanapat Trading Co., Ltd., holding 99.98% of shares; (2) Yordkij Thurakij Co., Ltd., holding 0.01% of shares, and (3) Sahaminghuapanich Co., Ltd., holding 0.01% of shares. In this regard, Wattanapat Trading Co., Ltd. is 70% owned by TCCCL Krungthon Co., Ltd. and 30% by Bangna Pattanakij Co., Ltd. Yordkij Thurakij Co., Ltd. and Sahaminghuapanich Co., Ltd. are 100% owned by TCC group members.

<sup>10</sup> Mr. Panot Sirivadhanabhakdi is the director of the Company, GOLD and FCL, and is the major shareholder of UV which is the major shareholder of GOLD, holding 55.73% of shares (Mr. Panot Sirivadhanabhakdi is the director and holds 50% of shares in Adelfos Co., Ltd., which holds 66.01% of shares in UV as of September 30, 2014).

<sup>11</sup> Mr. Thapana Sirivadhanabhakdi is the director of the Company, GOLD and F&N, and is the major shareholder of UV which is the major shareholder of GOLD, holding 55.73% of shares (Mr. Thapana Sirivadhanabhakdi is the director and holds 50% of shares in Adelfos Co., Ltd., which holds 66.01% of shares in UV as of September 30, 2014).

<sup>12</sup> Mr. Chotipat Bijananda is the director of GOLD, F&N and FCL.



- The Company, GOLD, F&N and FCL have mutual directors as listed below:

Director Name	UV	GOLD	F&N	FCL
Mr. Thapana Sirivadhanabhakdi	/	/	/	-
Mr. Panot Sirivadhanabhakdi	/	/	-	/
Mr. Chotipat Bijananda	-	/	/	/
Mr. Sithichai Chaikriangkrai	/	/	/	/

- PF<sup>13</sup> and other minority shareholders, who are KLAND's shareholders, have no relationship with and/or are not connected persons of the Company in accordance with the definition of the connected transaction set forth in the 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 Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, B.E. 2546.
- GOLD is a subsidiary of the Company which held 55.73% of shares as of September 30, 2014.

## 2.5 Details of assets being acquired

Assets being acquired	:	1,780.00 million shares in KLAND or equivalent to 100% of the total paid-up shares in KLAND to be acquired from the existing shareholders
Profile of KLAND	:	<b>See Attachment 2 Profile of Krungthep Land Public Company Limited</b>

Crucial conditions for the sale and purchase of KLAND shares and the right to purchase shares from PF are as follows:

- SMJC agreed to sell all shares in SMJC that held KLAND in total of 699,998,060 shares. Company in SMJC group sell all shares that hold for 2,100 shares. SMJC and group of company sell shares 700,000,160 shares at 39.33% of all number of shares sold of KLAND.
- SMJC agrees to transfer the right to buy the KLAND shares more from PF as 359,999,640 shares according to right of contract of trading shares at a share price Baht 2.00 per share.
- Before the date of trading KLAND's shares, KLAND has to restructure company's group to remain 4 subsidiary companies such as Regal Region Co., Ltd., First Square Co., Ltd., Prime Plus Asset Co., Ltd., Sidewalk Land Co., Ltd. This is not include Riverside Homes Development Co., Ltd. ("RHD") and Waterside Land Co., Ltd. ("Waterside Land") that operates development of real estate projects in high-rise residential project (The Pano).
- The seller and the buyer agree to sell trading shares including the right to buy shares more from PF at a share price Baht 2.00 per share. Such price is all agreed both seller and buyer

<sup>13</sup> The top five major shareholders of PF as of July 3, 2014 are (1) Andaman Long Beach Resort Co., Ltd., holding 9.76% of shares; (2) The Hongkong and Shanghai Banking Corporation Limited, Fund Services Department, holding 7.09% of shares; (3) Japan Asia Group Limited, holding 6.59% of shares; (4) Nathee International Law Office Ltd., holding 5.04% of shares; and (5) Mrs. Sumalee Ongcharit, holding 3.78% of shares.

which include cash received from selling the investment in jointly controlled entity (RHD) and Waterside Land (RHD's subsidiary company) as mentioned above.

- 5) Purchase of such shares to be completed in December 31, 2014.

## **2.6 Reasonableness and benefits of the transaction to the listed company**

### **2.6.1 Objectives and necessity of the transaction**

In September 2014, SMJC, a major shareholder of KLAND, submitted the proposal to GOLD, a subsidiary of the Company, to sell 699,998,060 ordinary shares in KLAND, equivalent to 39.33% of the total paid-up shares in KLAND (SMJC and SMJC group members hold a total of 700,000,160 shares in KLAND), at the price of Baht 2.00 per share (par value of Baht 1 per share) and the right to purchase an addition of 359,999,640 shares in KLAND from Property Perfect Plc. ("PF") under the agreement on entitlement to sale or purchase of shares<sup>14</sup>, representing 20.22% of the total paid-up shares in KLAND at the price of Baht 2.00 per share. The said offering price does not include RHD and Waterside Land Co., Ltd., a subsidiary of RHD (KLAND and FTPL jointly hold shares in RHD in the proportion of 51% and 49% respectively). SMJC will arrange for KLAND to sell shares in RHD to SMJC before SMJC's transfer of shares in KLAND to GOLD as SMJC intends to make investment in the condominium project only, which is the same business as RHD's. GOLD has already expressed its intention to SMJC to purchase shares in KLAND and the right to purchase shares in KLAND from PF in the total amount of 1,059,997,700 shares, equivalent to 59.55% of the total paid-up shares of KLAND. The share sale and purchase is scheduled for December 2014. (See more details in Attachment 2 'Profile of Krungthep Land Public Company Limited.')

GOLD intends to acquire a total of 1,780.00 million shares in KLAND or equivalent to 100% of the total paid-up shares in KLAND at the price of Baht 2.00 per share with the total value of Baht 3,560 million, or in the minimum amount that will lead GOLD to hold at least 51% of all paid-up shares of KLAND in order to have controlling power in KLAND. GOLD expects to be informed of the consideration result from each seller by November 2014.

The acquisition of KLAND shares by GOLD will contribute to an expansion of investment in real estate business which is the main business in which GOLD has had skill and experience. KLAND is a reputable entity with impressive performance and business potential and, hence, can support the business of GOLD and serve as a channel for business expansion, market expansion, and competitiveness enhancement. Furthermore, it will provide an opportunity for GOLD and the Company to receive good return from investment and will help increase the asset size and revenues for the group. KLAND focuses on project development to satisfy the premium market segment, which largely has high purchasing power. It also has many horizontal residential projects under development in various high-potential locations, hence contributing to expansion of target groups and asset size of GOLD and the Company. At the same time, GOLD will be able to instantly diversify its property business from the middle-class segment to the upscale market, which is in line with the group's target and strategy to become Thailand's top-tier real estate developer.

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<sup>14</sup> SMJC holds 699,998,060 shares in KLAND, equivalent to 39.33% of the total paid-up shares of KLAND, through purchase of shares from the existing shareholders of KLAND on August 21, 2014. SMJC also entered into the agreement on entitlement to sale and purchase of shares with PF, which gives SMJC the right to sell or purchase an addition of 359,999,640 shares in KLAND from PF, equivalent to 20.22% of the total paid-up shares in KLAND.

## **2.6.2 Advantages and disadvantages between entering and not entering into the transaction**

### **1) Advantages of entering into the transaction**

#### *(1.1) Increase of opportunity to receive return from investment in high potential business*

The acquisition of KLAND ordinary shares will be beneficial to GOLD and the Company as it is an investment in high-potential business. KLAND has recorded continuous profit growth, which will provide opportunity for GOLD and the Company to receive favorable return from investment.

#### *(1.2) Expansion of investment into the business in which GOLD has skill and expertise*

KLAND engages in real estate development business in the type of horizontal residence, which GOLD is also operating. Therefore, GOLD will be able to use its skill and expertise for the benefits of the overall operations.

#### *(1.3) Increase of asset size and revenues*

This transaction will increase the asset size of the group with KLAND having horizontal residence projects in many high-potential locations. Increase of the asset size of GOLD and the Company will have positive effect of enhancing cash flow and expanding the customer base in the future. In addition, with GOLD's acquisition of shares in KLAND of at least 51% of the total paid-up shares of KLAND and the controlling power in KLAND, KLAND will become a subsidiary of GOLD and will be included in the consolidated financial statements of GOLD. As of August 31, 2014, KLAND recorded total assets (after adjustment by the sale of shares in RHD) of Baht 6,250 million and revenue from sale of single detached house and townhome in the 8-month period of 2014 of Baht 1,263.99 million, which will increase of the asset size of GOLD and the Company.

#### *(1.4) Benefits from the synergy*

After the acquisition of shares in KLAND, it is expected that GOLD and KLAND will have business synergy and utilize the existing resources such as personnel, property development and management knowledge, etc. for the best interest of the group. However, GOLD and KLAND will have clear operation policy that they will not compete with each other but will provide mutual support for utmost benefits of the group.

#### *(1.5) Controlling power*

In this transaction, GOLD intends to purchase all shares in KLAND or at least 51% of the total paid-up shares in KLAND in order to obtain the controlling power in KLAND. If GOLD is able to obtain at least 75% of the total paid-up shares in KLAND which represents not less than three-fourths of the total votes, and almost has full controlling power in KLAND, it is certain that GOLD will manage the operation of KLAND in accordance with the investment plans and procedures for the optimum benefits of the group.

### **2) Disadvantages of entering into the transaction**

#### *(2.1) Increase of debts*

GOLD will borrow loans from financial institutions to finance the acquisition of shares in KLAND. As of June 30, 2014, GOLD recorded cash and cash equivalents of Baht 252.06 million and current investment in fixed deposit account of Baht 40.02 million. With loans from financial institutions to finance such acquisition of shares, GOLD will incur additional debts and interest expenses. As of June 30, 2014, GOLD and its subsidiaries had total liabilities of Baht 6,302.14 million, total shareholders' equity of Baht 7,333.00 million, debt to equity ratio of 0.86 time.



Meanwhile, the Company and its subsidiaries had total liabilities of Baht 12,594.65 million, total shareholders' equity of Baht 10,212.50 million and debt to equity ratio of 1.23 times. By incorporating effects from additional debts arising from the disposal of assets of Park Ventures Ecoplex and Sathorn Square Office Tower with disposal value of not less than Baht 2,700 million and Baht 5,500 million respectively of LRK and NSR, net of repayment of loans out of proceeds received from the said disposal of assets, and including loans raised by GOLD for the acquisition of KLAND shares, the debt to equity ratio will then increase from 1.23 times to 2.19 times and the interest-bearing debt to equity ratio will also go up from 0.84 time to 1.17 times. (See more details in Item 2.6.3 'Impacts of the acquisition of shares in KLAND on the financial position and operating results of the Company and GOLD with regard to the material items.')

*(2.2) Risks from project operation*

KLAND engages in horizontal real estate business, similar to GOLD. The merger of KLAND business will increase the asset size of the group as well as the supply of horizontal residential projects. A success in the project operation relies on the demand and purchasing power of consumers, economic condition, and property market condition which are uncontrollable external factors. If these factors turn unfavorable, the group's project development as well as revenues and return from project investments will be affected.

*(2.3) Risk from failure to achieve the synergy*

This investment in KLAND ordinary shares may not deliver benefits as planned due probably to different organization culture, nature of operation, business process and procedures, which may cause conflict or work delay and relatively lead to failure to achieve the synergy and a decrease in the required benefits from the investment.

**3) Advantages of not entering into the transaction**

(3.1) No additional debts will be incurred from loans from financial institutions to finance the acquisition of shares in KLAND.

(3.2) There will be no additional risk from operation. Since KLAND has some projects that are under development, risk could arise from failure to meet the sales target of KLAND and GOLD or from cost overrun. Without such acquisition of shares in KLAND, GOLD will not be exposed to such risk.

**4) Disadvantages of not entering into the transaction**

(4.1) There will be a loss of opportunity to invest in high-potential business and to receive return from investment.

(4.2) The group will not obtain benefits from the synergy as they will not have the chance to optimize the use of resources of both companies, including personnel, property management knowledge and experience.

**5) Advantages and disadvantages of entering into the transactions with a connected party compared with a third party, necessity of entering into the transactions with a connected party, and reasons for not entering into the transactions with a third party**

This transaction with the connected person is pursuant to the proposal of SMJC to sell to GOLD shares in KLAND, representing 39.33% of the total paid-up shares in KLAND, and the right to purchase additional shares in KLAND from PF under the agreement on entitlement to sale or purchase of shares, representing 20.22% of the total paid-up shares in KLAND, or the total offering of 59.55% under such proposal. This will enable GOLD to have at least 51% shareholding in KLAND



and have controlling power in KLAND, whereby after such acquisition of shares, the operation of KLAND will be directed by GOLD. KLAND engages in real estate business which is the main business in which GOLD has had skill and experience. KLAND also has horizontal residential projects in many high-potential locations, most of which are targeted at the premium market segment, which is not overlapping or in direct competition with the current projects of GOLD.

The transaction size to acquire the whole business of KLAND is Baht 3,560 million, which is within the capacity of GOLD to procure financing source to support the entering into the transaction. The entry into the transaction with a third party is unlikely to happen. Currently, GOLD has not been approached by any other real estate entities that will enable it to acquire similar assets under the terms and conditions similar to this transaction. Therefore, this transaction offers the best possible price and conditions for the Company at the moment.

### **2.6.3 Impacts of the acquisition of shares in KLAND on the financial position and operating results of the Company and GOLD with regard to the material items**

After GOLD acquires all shares in KLAND (at least 51% of the total paid-up shares in KLAND) and has controlling power in KLAND, GOLD is required to consolidate the financial position and operating results of KLAND, hence an impact on the consolidated financial statements of GOLD and also on the Company's consolidated financial statements since GOLD is a subsidiary of the Company. To consider impacts on the financial position of the Company, other related transactions are also taken into account, i.e. sublease of land, lease of office building and disposal of other assets of Park Ventures Ecoplex Project; sublease of land and office building and disposal of other assets of Sathorn Square Office Tower Project; and subscription for REIT units, under the assumption that GOLD is able to acquire 100% of shares in KLAND and the impacts are demonstrated based on the interim financial statements for the six-month period ended June 30, 2014, details of which are shown in the table below:

<b>Significant items in the financial statements</b> <b>(Unit : Baht million)</b>	<b>Consolidated financial statements of KLAND and subsidiaries as of June 30, 2014</b>	<b><u>Before the transaction</u></b> <b>Consolidated financial statements of UV and subsidiaries as of June 30, 2014</b>	<b><u>After the transaction</u></b> <b>Consolidated financial statements of UV and subsidiaries as of June 30, 2014</b>	<b>Reasons of major changes in the financial statements after the transaction</b>
Cash and cash equivalents	1,044.03	413.25	3,918.73	- Increase due to inclusion of KLAND's cash from disposal of assets to REIT, and decrease due to debt repayment to financial institutions and payment for subscription for REIT units
Trade accounts receivable	-	310.95	310.95	
Inventories	-	206.73	206.73	
Cost of property development	5,092.72	7,941.14	13,468.57	- Increase due to inclusion of property development cost of KLAND and the difference between the amount paid for acquisition of KLAND shares of Baht 3,560 million and the net asset value of KLAND as of June 30, 2014 of Baht 3,125 million
Other current assets	18.27	282.10	705.87	- Increase due to projected withholding tax on the disposal of assets to REIT
<b>Total current assets</b>	<b>6,155.02</b>	<b>9,603.43</b>	<b>19,064.33</b>	
Investment properties	19.78	8,149.70	7,005.95	- Decrease after purchase of REIT units by GOLD, following the disposal of assets to REIT, as projected at not exceeding 30% of all sold units of REIT, hence necessitating mutual transaction elimination
Investment in REIT units	-	-	1,367.92	- Net increase due to purchase of REIT units by GOLD, following the disposal of assets to REIT, as projected at not exceeding 30% of all sold units of REIT
Property, plant and equipment	34.69	2,317.35	2,315.23	- Decrease due to disposal of other assets including furniture, tools, equipment and facilities to REIT
Leasehold rights	11.83	-	11.83	- Increase after inclusion of leasehold right of KLAND
Prepaid rents	-	1,827.36	1,690.72	- Decrease after purchase of REIT units by GOLD, following disposal of assets to REIT, as projected at not exceeding 30% of all sold units of REIT, hence necessitating mutual transaction elimination
Other non-current assets	8.39	382.95	711.33	- Increase due to projected expenses on disposal of assets such as stamp duty, lease registration fee, etc. to REIT
<b>Non-current assets</b>	<b>95.12</b>	<b>13,203.72</b>	<b>13,571.84</b>	
<b>Total assets</b>	<b>6,250.14</b>	<b>22,807.15</b>	<b>32,636.18</b>	

<b>Significant items in the financial statements</b> <b>(Unit : Baht million)</b>	<b>Consolidated financial statements of KLAND and subsidiaries as of June 30, 2014</b>	<b><u>Before the transaction</u></b> <b>Consolidated financial statements of UV and subsidiaries as of June 30, 2014</b>	<b><u>After the transaction</u></b> <b>Consolidated financial statements of UV and subsidiaries as of June 30, 2014</b>	<b>Reasons of major changes in the financial statements after the transaction</b>
Bank overdrafts and short-term loans from financial institutions	46.36	2,018.00	5,624.36	- Increase due to inclusion of liabilities of KLAND and increase in provisions for liabilities of GOLD from the acquisition of shares in KLAND
Trade accounts payable	292.42	608.14	900.55	- Increase due to inclusion of liabilities of KLAND
Loans from financial institutions	2,589.29	6,335.03	6,007.09	- Net decrease due to inclusion of liabilities of KLAND and loan repayment to financial institutions after disposal of assets to REIT
Long-term loans from shareholders of subsidiaries	-	273.41	273.41	
Rental received in advance from related companies		1,342.76	1,342.76	
Provisions for long-term employee benefits	28.10	32.33	60.43	- Increase due to inclusion of provisions for long-term employee benefits of KLAND
Advance from disposal of leasehold rights to REIT	-	-	6,240.55	- Increase due to projected net cash from disposal of assets to REIT and mutual transaction elimination after purchase of REIT units by GOLD, following the disposal of assets to REIT, as projected at not exceeding 30% of all sold units of REIT
Other current liabilities	168.68	592.86	408.26	- Decrease due to transfer of rentees' deposits to REIT after disposal of assets to REIT
<b>Total liabilities</b>	<b>3,124.84</b>	<b>12,594.65</b>	<b>22,418.21</b>	
Issued and fully paid-up capital	1,780.00	1,911.93	1,911.93	
Premium on ordinary shares	252.40	5,063.20	5,063.20	
Retained earnings				
Appropriated – Legal reserve	44.45	90.48	90.48	
Unappropriated	1,048.46	363.24	365.97	- Increase from recognition of profit from disposal of other assets such as furniture, tools, equipment and facilities to REIT
Other components of equity	-	(496.50)	(496.50)	
<b>Equity attributable to owners of the Company</b>	<b>3,125.30</b>	<b>6,932.34</b>	<b>6,935.07</b>	

<b>Significant items in the financial statements</b>	<b>Consolidated financial statements of KLAND and subsidiaries as of June 30, 2014</b>	<b><u>Before the transaction</u> Consolidated financial statements of UV and subsidiaries as of June 30, 2014</b>	<b><u>After the transaction</u> Consolidated financial statements of UV and subsidiaries as of June 30, 2014</b>	<b>Reasons of major changes in the financial statements after the transaction</b>
<b>(Unit : Baht million)</b>				
Non-controlling interests	-	3,280.16	3,282.89	
<b>Total shareholders' equity</b>	<b>3,125.30</b>	<b>10,212.50</b>	<b>10,217.96</b>	
<b>Total liabilities and shareholders' equity</b>	<b>6,250.14</b>	<b>22,807.15</b>	<b>32,636.18</b>	
Debt to equity ratio (time)	1.00	1.23	2.19	
Interest-bearing debt to equity ratio (time)	0.84	0.84	1.17	



However, in case GOLD acquires less than 100% of shares in KLAND, impacts on items in the financial statements will differ from those shown in the above table. Loans to finance the acquisition of KLAND shares will be lowered. The Company and GOLD will have higher non-controlling interests in proportion to the amount of unacquired shares in KLAND.

## 2.7 Fairness of price and conditions for the transaction

### 2.7.1 Fairness of transaction price

We have measured an appropriate value of KLAND shares by various approaches, details of which are as follows:

- 1) Book value approach
- 2) Net asset value approach
- 3) Market comparable approach
  - 3.1) Price to book value ratio approach
  - 3.2) Price to earnings ratio approach
  - 3.3) Enterprise value to earnings before interest, taxes, depreciation and amortization (EV/EBITDA) ratio approach
- 4) Discounted cash flow approach

The market value approach is not applied because KLAND is not a SET-listed company and, hence, no reference price is available for valuation of its shares.

Details of the share valuation are as follows:

#### 1) Book value approach

By this approach, the share value is appraised based on the book value of KLAND and its subsidiaries according to the consolidated financial statements of KLAND ended August 31, 2014 which were reviewed for a specific purpose by Mr. Suphachai Panyawattano, an SEC-approved auditor, of EY Office Limited.

The acquisition of shares in KLAND will take place after KLAND has sold its shares in RHD to SMJC. As a result, the book value of KLAND used in the share valuation is the book value after the sale of investments in RHD shares. We have adjusted the book value of KLAND and its subsidiaries using the net profit from the sale of investments in RHD shares according to KLAND's financial statements as of August 31, 2014 which is projected at about Baht 148.10 million (projected proceeds from the share selling – book value of investment in RHD by the equity method – tax on profit from the share selling (20%) =  $870.0 - 649.9 - 72.0 =$  Baht 148.1 million).

The book value of KLAND as of August 31, 2014 adjusted by the sale of investment in RHD shares is summarized as follows:

As of August 31, 2014	Amount (Baht million)
Issued and fully paid-up capital	1,780.00
Share premium	252.39
Retained earnings	
Appropriated – Legal reserve	44.45

As of August 31, 2014	Amount (Baht million)
Unappropriated	895.40
<b>Total shareholders' equity</b>	<b>2,972.24</b>
Add Net profit from the sale of RHD shares	148.10
<b>Total shareholders' equity</b>	<b>3,120.34</b>
Par value (Baht per share)	1.00
Total number of paid-up shares (million shares)	1,780.00
<b>Book value per share (Baht)</b>	<b>1.75</b>

The book value approach reflects the financial position of KLAND and its subsidiaries as of August 31, 2014 after adjustment of the sale of RHD shares which is the condition precedent to the acquisition of KLAND shares by GOLD, but does not reflect the market value of major assets owned by KLAND for development or income generation, i.e. vacant land, land and construction under development into property projects, and leasehold right. It also does not reflect the profitability of KLAND and its subsidiaries in the future.

By this approach, KLAND shares are valued at Baht 1.75 per share, which is lower than the transaction value of Baht 2 per share by Baht 0.25 per share or by 12.50% of the transaction value.

## 2) Net asset value approach

By this approach, the book value according to the financial statements of KLAND and its subsidiaries as of August 31, 2014 after the sale of RHD shares is adjusted by the increased value of assets according to the appraisal of major assets by an independent appraiser, including vacant land, land and construction in the type of single detached house and townhome, both complete units for sale and those under construction and development, undeveloped vacant land with future development plan, and leasehold right, in order to reflect the revenues and profit from the assets which are completely built (in case of the appraisal of land and construction) based on the projected selling price in the current property market condition.

### Appraised value of assets

GOLD arranged to have an appraisal of assets by an independent appraiser, Knight Frank Chartered (Thailand) Co., Ltd. ("Knight Frank" or "independent appraiser"), an SEC-approved appraiser. Knight Frank conducted the appraisal of KLAND's assets in seven locations, which excludes the land and construction in Maneeya Village project on Sai Ma – Bangrak Noi – Tha It Road (Soi Tha It) currently used as public utilities area in Maneeya Village. According to the document of title, the area is stated as the project's public utilities area and has currently been used as part of the project's public utilities and facilities, which normally cannot be changed to other purpose.

The objective of the seven reports of the independent appraiser dated October 13, 2014 is to obtain the market value of the assets in the unencumbered condition and to be used for public purpose. Details are as follows:

1. Vacant land, and land with construction under development into The Grand Rama II
2. Land with construction under development into The Grand Wongwaen-Pracha Uthit
3. Land with construction under development into The Grand Udomsuk
4. Land with construction under development into The Grand Pinklao

5. Land with construction under development into Tyme Rama V
6. Vacant land without access adjacent to Ratchaphruek Village, Wongwaen-Phetkasem Road Soi 14
7. Leasehold right on the land (total area of 11-3-32.80 rai) adjacent to Pracha Uthit Road, near Pracha Uthit intersection (Mengjai intersection), which currently is the location of restaurants and retail space.

Details of the valuation approaches and the assumptions used by the independent appraiser are presented in Attachment 5. The share valuation can be summarized as follows:

### 1. Vacant land and land with construction under development into The Grand Rama II

To appraise the vacant land and land with construction under development into The Grand Rama II, Knight Frank applied the **residual method, cost method and comparative method**, depending on the type and progress of the property.

**Residual Method:** Using this method, the project is valued after the project development is completed, and deducted by all project development costs and expenses, both direct and indirect, including return for the operator and interest expense during the development. The net income after expense is the value of asset or land in its current condition.

**Cost Method:** This method compares the market value of land together with the value of construction in its current condition, using the cost-to-date calculation.

**Comparative Method:** By this method, the value of the appraised property is compared to the market value obtained from the survey of similar assets, taking into account the size, shape, location, access, environment that could affect the price, the sale and purchase price in the past as well as the economic factors that may impact the property market.

The appraised property – The Grand Rama II on Rama II Road, near km 16+400, Phanthai Norasing Sub-district, Mueang District, Samut Sakhon Province – consists of 1) Land under 463 title deeds, all adjoining, with the total areas of 476 rai, 2 ngan and 88.40 sq.wah (190,688.40 sq.wah or 476.7210 rai) currently under development into residential project divided into eight phases including Phase 3, 4.2, 6, 7, 9, 11, 12 and 13; and 2) Construction including a total of 282 units of two-storied single detached houses which have been partially completed. Details are tabulated below:

The Grand Rama II	Appraised property		Valuation method	Appraised value (Baht million)
	Land (total area as per title documents)	Construction		
Phase 3 (Lake Gradios'e)	25-0-67.60 rai	Two-storied single detached house with 7 designs - a total of 20 units, 9 of which are completely built and the remaining 11 are 52% built	Residual method	200.10
Phase 4.2 (Court Yard)	43-0-64.70 rai	Two-storied single detached house with 11 designs - a total of 70 units, 33 of which are completely built, 10 are 85% built and the remaining are unbuilt	Residual method	585.50
Phase 6 (Zeen Scenery)	23-0-76.60 rai	Two-storied single detached house with 4 designs - a total of 46 units, 26 of which are completely built and the remaining 20 are 49% built	Residual method	224.10



The Grand Rama II	Appraised property		Valuation method	Appraised value (Baht million)
	Land (total area as per title documents)	Construction		
Phase 7 (The Creek)	88-2-10.20 rai which is vacant land for development	No construction at present but plan to build two-storied single detached house with 7 designs - a total of 316 units	Comparative method	309.80
Phase 9 (Zenith)	8-3-0.90 rai	Two-storied single detached house with 4 designs - a total of 21 units, 11 of which are completely built and the remaining 10 are 89% built	Residual method	160.00
Phase 11 (Infinia)	38-0-59.90 rai	Two-storied single detached house with 8 designs - a total of 82 units, 34 of which are completely built and the remaining 48 are 89% built	Residual method	321.90
Phase 12 (Bliss)	70-0-09.00 rai under development with partial landfill	Two-storied single detached house with 7 designs - a total of 241 units, 43 of which are 3% built and the remainder are unbuilt	Comparative method and cost method	263.60
Phase 13 (Qoarts)	83-0-52.00 rai under development with partial landfill	No construction at present but plan to build two-storied single detached house with 8 designs - a total of 271 units	Comparative method	291.00
<b>Total</b>				<b>2,356.00</b>

The public utilities system of Phase 3, 4.2, 6, 9 and 11 have been constructed, and only some parts remain unfinished.

The appraisal of the vacant land and land with construction under development into The Grand Rama II is summarized in the table below:

Unit: Baht million

Appraised property	Book value as of August 31, 2014	Appraised value	Appraised value higher (lower) than book value
Vacant land and land with construction under development	2,027.54	2,356.00	328.46

## 2. Land with construction under development into The Grand Wongwaen-Pracha Uthit

Knight Frank applied the **residual method** to appraise a fair value of the vacant land and land with construction under development into The Grand Wongwaen-Pracha Uthit. The appraised property is adjacent to Kanchanaphisek frontage road (Highway No. 9 Southern Outer Ring Road), Tungkrui Sub-district, Tungkrui District, Bangkok, comprising 1) Land under 117 title deeds, all adjoining, with the total areas of 63 rai, 2 ngan and 53.90 sq.wah (25,453.90 sq.wah or 63.6348 rai) under development into residential project divided into 2 phases; and 2) Construction including a total of 105 units of two-storied single detached houses which have been partially built. Details are as follows:



The Grand Wongwaen-Pracha Uthit	Appraised property		Valuation method	Appraised value (Baht million)
	Land (total area as per title documents)	Construction		
Phase 1	41-1-76.50 rai	Two-storied single detached house with 7 designs - a total of 40 units, 33 of which are completely built and the remaining 7 are 98% built, and completely built public utilities	Residual method	237.10
Phase 2	22-0-77.40 rai	Two-storied single detached house with 7 designs - a total of 65 units, 14 of which are completely built and the remaining 51 are 56% built, with 88%-complete public utilities	Residual method	276.90
<b>Total</b>				<b>514.00</b>

The valuation of the land with construction under development into The Grand Wongwaen-Pracha Uthit is summarized in the table below:

Unit: Baht million

Appraised property	Book value as of August 31, 2014	Appraised value	Appraised value higher (lower) than book value
Land with construction under development	355.83	514.00	158.17

### 3. Land with construction under development into The Grand Udomsuk

Knight Frank appraised the land with construction under development into The Grand Udomsuk using the **residual method**. The appraised property is adjacent to Kanchanaphisek frontage road (Highway No. 9 Eastern Outer Ring Road), Dokmai Sub-district, Prawet District, Bangkok, comprising 1) Land under 158 title deeds, all adjoining, covering the total areas of 63 rai, 2 ngan and 52.20 sq.wah (25,552.20 sq.wah or 63.8805 rai) under development into residential project divided into 2 phases; and 2) Construction including a total of 131 units of two-storied single detached houses which have been partially completed. Details are given below:

The Grand Udomsuk	Appraised property		Valuation method	Appraised value (Baht million)
	Land (total area as per title documents)	Construction		
Phase 1 - 2	63-2-52.20 rai with complete landfill and development (100% complete landfill in Phase 1 and 97% complete in Phase 2)	Two-storied single detached house with 11 designs - a total of 131 units, 27 of which are completely built, 36 are 71% built, and the remaining 68 are unbuilt, with 95%-complete public utilities for Phase 1 and 56%-complete for Phase 2.	Residual method	653.40
<b>Total</b>				<b>653.40</b>

The appraisal of the land with construction under development into The Grand Udomsuk is summarized as follows:



Unit: Baht million

Appraised property	Book value as of August 31, 2014	Appraised value	Appraised value higher (lower) than book value
Land with construction under development	651.51	653.40	1.89

#### 4. Land with construction under development into The Grand Pinklao

Knight Frank appraised the vacant land and land with construction under development into The Grand Pinklao using the **residual method**. The appraised property is adjacent to Borommaratchachonnani Road, near Buddhamonthon 3 intersection, Sala Thammasop Sub-district, Thawi Watthana District, Bangkok, comprising 1) Land under 377 title deeds, all adjoining, with the total areas of 190 rai, 2 ngan and 22.10 sq.wah (76,222.10 sq.wah or 190.5553 rai) under development into residential project divided into 2 phases; and 2) Construction including a total of 350 units of two-storied single detached houses which have been partially completed. Details are as below:

The Grand Pinklao	Appraised property		Valuation method	Appraised value (Baht million)
	Land (total area as per title documents)	Construction		
Phase 1 - Aplina	93-2-71.60 rai (70% complete landfill)	Two-storied single detached house with 12 designs - a total of 141 units, 4 of which are completely built, 35 are 54% built, and the remainder are unbuilt	Residual method	1,105.90
Phase 2 - De Pine	96-3-50.50 rai (68% complete landfill)	Two-storied single detached house with 7 designs - a total of 209 units, 15 of which are completely built, 57 are 71% built, and the remainder are unbuilt	Residual method	1,066.20
<b>Total</b>				<b>2,172.10</b>

The appraisal of the land with construction under development into The Grand Pinklao is summarized in the table below:

Unit: Baht million

Appraised property	Book value as of August 31, 2014	Appraised value	Appraised value higher (lower) than book value
Land with construction under development	1,793.86	2,172.10	378.24

#### 5. Land with construction under development into Tyme Rama V

Knight Frank applied the **residual method** to appraise the land with construction under development into Tyme Rama V. The appraised property is adjacent to Bangkruey-Sainoi Road, Bang Srithong Sub-district, Bangkruey District, Nonthaburi Province (about 5.5 km from the west of MRT Purple Line, Tiwanon Station, and about 7.5 km. from the east of the Government Complex), comprising 1) Land under 145 title deeds, all adjoining, with the total areas of 16 rai, 1 ngan and 29.50 sq.wah (6,529.50 sq.wah or 16.32375 rai) under development into residential project; and 2) Construction including a total of 141 units of townhomes which have been partially completed. Details are as below:



Tyme Rama V	Appraised property		Valuation method	Appraised value (Baht million)
	Land (total area as per title documents)	Construction		
Tyme Rama V	16-1-29.50 rai	Two-storied townhome, 5.50 meters wide, one design – a total of 141 units, 75% of which have been completed.	Residual method	282.80
<b>Total</b>				<b>282.80</b>

The appraisal of the land with construction under development into Tyme Rama V is summarized in the table below:

Unit: Baht million

Appraised property	Book value as of August 31, 2014	Appraised value	Appraised value higher (lower) than book value
Land with construction under development	250.38	282.80	32.42

#### 6. Vacant land without access, adjacent to Ratchaphruek Village, Wongwaen-Phetkasem Soi 14 Road

The vacant land without access, adjacent to Ratchaphruek Village, located on Wongwaen-Phetkasem Soi 14 Road was appraised by Knight Frank using the **comparative method** with sales adjustment grid to compare the appraised value with the market data obtained from a survey of similar assets, taking into account the size, shape, location, access, environment that could affect the price, the sale and purchase price in the past as well as the economic factors that may impact the property market. The sale and purchase price according to the market data is then adjusted using the sales adjustment grid and compared with the appraised property, taking into consideration the related factors such as location, area, plot shape, land width, land level, land use potential and the sale and purchase price in the current property market competition.

The appraised vacant land has no legal right of way (landlocked land) covering total area of 9-3-56 rai (3,956.00 sq.wah). It is adjacent to Ratchaphruek Village (behind the Ratchaphruek Village project site), Wongwaen-Phetkasem Soi 14 Road, Nong Khaem Sub-district, Nong Khaem District, Bangkok, and about 10.5 km. from the southwest of Lak Song Station (Soi Phetkasem 82), MRT Blue Line (to be completed by 2017). The landfill is complete. The land level is the same as the front road level. The land has been left vacant without utilization.

**Official appraised value** - Knight Frank conducted a survey on the official appraised value determined by the Treasury Department. The official appraised value is Baht 5,000 per sq.wah or equivalent to a total of Baht 19,780,000.

For the market value of vacant land without a legal right of way, Knight Frank was unable to find market data on similar type of property for comparison. Thus, the general market data on land with a usual access were applied with adjustment by the above mentioned factors as well as the asset liquidity in the current condition. Generally, the price of land without access is about 30-50% lower than land with access, depending on the land use potential, possibility or opportunity to acquire an access, demand for continuous usage by the adjacent land, and ability to negotiate on the sale and purchase price or the access to the land.

Knight Frank conducted seven market surveys on the land near the appraised property and selected three pieces of land comparable to the appraised property which have the offering price of Baht 3,900,000 - 7,000,000 per rai for this analysis to identify an appropriate value of the appraised



property. Such market prices were adjusted up/down according to the related key factors. The derived fair market value of the land is Baht 1,800,000 per rai (Baht 4,500 per sq.wah) or equivalent to a total of Baht 17,802,000, or rounded down to Baht 17,800,000.

The appraisal of land without access is summarized below:

Unit: Baht million

Appraised property	Book value as of August 31, 2014	Appraised value	Appraised value higher (lower) than book value
Vacant land without access	19.78	17.80	(1.98)

#### 7. Leasehold right of the land which currently is location of restaurants and retail space adjacent to Pracha Uthit Road, near Pracha Uthit intersection (Mengjai intersection)

Knight Frank valued the leasehold right of the land with the remaining period of 12 years and 90 days using the **profit rent method of valuation** to find the total sum of net present value of the difference between the market rent and the contract rent. The **market rent** was obtained by comparing the market data derived from survey of similar properties, taking into account the size, shape, location, access, environment that could affect the price, and offering rental rate in the past. This method also takes into consideration the economic factors that may impact the property market. The **contract rent** was derived from the rental rate stated in the contract for each year throughout the remaining contract period.

The appraised property is considered carrying a long-term leasehold right, as defined by law, based on the lease period of 27 years (from January 1, 2000 to December 31, 2026), with the remaining lease period of 12 years and 90 days as of October 3, 2014 (the value determination date). It consists of a long-term leasehold land under five land title deeds, all adjoining, covering the area of 11-3-32.80 rai, adjacent to Pracha Uthit Road or Pracha Uthit intersection (Mengjai intersection), Samsen Nok Sub-district, Huai Khwang District, Bangkok. The land was filled already and the land level is about 0.20 meters higher than the front road level. At present, it is the location of Laem Charoen Seafood and Ploenwan 88 restaurants, parking space and retail shops. (The leasehold right is valued as a vacant land and the construction thereon is not taken into consideration.)

Knight Frank conducted market surveys on seven sets of data on the leasehold right of similar assets. The upfront premium was compared with the market value on a freehold value basis and the annual market rent to the market value was calculated on a freehold value basis. The results thereof were then adjusted up/down according to the location, utilization potential and other related factors. The derived upfront premium or the lease fee is 10% of the freehold value. The annual market rent is set at 1.50% of the freehold value.

The discount rate applicable in valuation of the net present value is 14.50%. For the leasehold right with the remaining period of 12.25 years, the appraised value is Baht 106,500,000.

The valuation of the leasehold right is summarized as follows:

Unit: Baht million

Appraised property	Book value as of August 31, 2014	Appraised value	Appraised value higher (lower) than book value
Land leasehold right	11.64	106.50	94.86



**Summary of the valuation of assets**

Unit: Baht million

<b>Appraised property</b>	<b>Book value as of August 31, 2014</b>	<b>Appraised value</b>	<b>Appraised value higher/ (lower) than book value</b>
1. Vacant land, and land with construction under development into The Grand Rama II	2,027.54	2,356.00	328.46
2. Land with construction under development into The Grand Wongwaen-Pracha Uthit	355.83	514.00	158.17
3. Land with construction under development into The Grand Udomsuk	651.51	653.40	1.89
4. Land with construction under development into The Grand Pinklao	1,793.86	2,172.10	378.24
5. Land with construction under development into Tyme Rama V	250.38	282.80	32.42
6. Vacant land without access, adjacent to Ratchaphruek Village, Wongwaen-Phetkasem Road Soi 14	19.78	17.80	(1.98)
7. Leasehold right on the land adjacent to Pracha Uthit Road, near Pracha Uthit intersection (Mengjai intersection)	11.64	106.50	94.86
<b>Total</b>	<b>5,110.54</b>	<b>6,102.60</b>	<b>992.06</b>

**Opinion of the Financial Advisor on the appraisal of KLAND assets by the independent appraiser**

The Financial Advisor has opinion regarding the appraisal of assets by Knight Frank, the independent appraiser, as follows:

- The land valuation using the sale adjustment grid for each item of the appraised assets is deemed appropriate because the independent appraiser selected market data that could well reflect value of the appraised property. For instance, the land areas of market data are of about the same size and are similarly developable into property projects, with the same potentials for land use. Moreover, scoring on factors for the property appraisal was adjusted up/down, including location, environment, road passing the property, etc., in order to suit with the appraised property. Then, a final adjustment was made through weighting on the adjusted price to arrive at a fair value of the appraised property, which is part of the market price valuation process under professional practices of the independent appraiser.
- The appraisal of land and construction using the residual method for each item of the appraised assets is considered appropriate since the independent appraiser took into account the potential of land or project by assuming that the property is developed for the optimum and best possible benefits under the market situation at that time, deducted by costs or profits of the project. This is a suitable approach for valuing properties that are still under construction. Nonetheless, the valuation by this method will depend on the assumptions established by the independent appraiser in relation to, for example, revenues, costs, expenses, profits, discount rate and so on. In this case, the assumptions are considered sound and reliable and can be used as a reference under the current market condition and environment.
- The appraisal of land leasehold right by the profit rent method of valuation is deemed appropriate since the leasehold right can generate income both at present and in future and can reflect present value of operating profit from rent, which is part of the market price valuation process under professional practices of the independent appraiser.

By the net asset value approach, the Financial Advisor has added up the book value according to the financial statements of KLAND as of August 31, 2014 (after adjustment by sale of shares in RHD) by the difference between the appraised value derived from the independent appraiser and the book value of the appraised property. The net asset value of KLAND is calculated as follows:

#### Calculation of the net asset value

	<b>Unit: Baht million</b>
Shareholders' equity of KLAND as of August 31, 2014 after adjustment by sale of shares in RHD	3,120.34
<u>Adjustment</u>	
<u>Add</u> Increase of the appraised value	992.06
<u>Less</u> Corporate income tax of 20%	198.41
<b>Net book value after adjustment</b>	<b>3,913.99</b>
Total paid-up shares (million shares)	1,780.00
<b>Price per share by the adjusted book value approach (Baht)</b>	<b>2.20</b>

This method reflects the net asset value of KLAND better than the book value approach, taking into account the market value of the core operating assets of KLAND, i.e. vacant land, land with partially completed construction and leasehold right. The market value of these assets as valued by the independent appraiser could reflect the revenues and profit from the existing assets in the completely built condition (in case of land with construction), thus reflecting future revenues and profitability from development of the existing assets with the selling price projected under the current property market circumstance. However, this method takes no account of the opportunity of income growth from future business or project expansion, nor business potential or risks in long term and the time value of money of future revenues or cash flow.

By the net asset value approach, the price of KLAND shares is appraised at Baht 2.20 per share, which is higher than the transaction price of Baht 2 per share by Baht 0.20 per share or by 10.00% of the transaction price.

### 3) Market comparable approach

By this approach, the shares are valued based on market ratios including the price to book value (P/BV) ratio (P/BV), the price to earnings (P/E) ratio, and the enterprise value and earnings before interest, taxes, depreciation and amortization (EV/EBITDA) ratio of companies listed under the SET's Property & Construction Industry Group, Property Development Sector and having similar size of total assets as KLAND, i.e. Baht 5,000 million - 10,000 million, as of June 30, 2014. As of August 31, 2014, KLAND's total assets after adjustment by sale of shares in RHD were about Baht 6,250 million.

The peer companies are listed below:

<b>Company name</b>	<b>Stock symbol</b>
1. AQ Estate Plc.	AQ
2. Country Group Development Plc.	CGD
3. Eastern Star Real Estate Plc.	ESTAR
4. Lalin Property Plc.	LALIN
5. M.K. Real Estate Development Plc.	MK

Company name	Stock symbol
6. Natural Park Plc.	NPARK
7. Nusasiri Plc.	NUSA
8. Prinsiri Plc.	PRIN
9. Sena Development Plc.	SENA

However, the peer companies in the share valuation by this method do not include companies in the Property & Construction Industry Group, Property Development Sector, that have engaged in construction service and industrial estate development which are different from KLAND's nature of business.

### 3.1) Price to book value ratio approach

This method considers the book value of KLAND as of August 31, 2014 as per Item 1, i.e. Baht 1.75 per share. The book value is multiplied by the average price to book value (P/BV) ratio of peer companies in SET's Property & Construction Industry Group, Property Development Sector, in the past three months, six months, nine months and 12 months, up to the cut-off date of October 13, 2014 which is the last business day before the date of approval for the acquisition of shares in KLAND by the Company's Board of Directors.

The share value is then discounted by 15% as KLAND is not listed on the SET like the peer companies (based on the discount rate in the share valuation for the initial public offering of about 10-20%).

#### *P/BV ratio of peer companies in Property Development Sector*

Period	AQ	CGD	ESTAR	LALIN	MK	NPARK	NUSA	PRIN	SENA	Average
Average of retroactive 3 months	0.85	2.34	1.21	0.84	0.69	3.21	1.23	0.54	0.92	1.31
Average of retroactive 6 months	0.71	2.17	1.09	0.79	0.65	2.78	1.04	0.51	0.86	1.18
Average of retroactive 9 months	0.63	2.06	0.95	0.76	0.62	2.64	0.97	0.48	0.81	1.10
Average of retroactive 12 months	0.61	2.01	0.92	0.78	0.61	2.56	0.93	0.47	0.79	1.08

Note: Data available from [www.setsmart.com](http://www.setsmart.com)

#### *Summary of KLAND share valuation by the price to book value approach*

Period	Average P/BV of peer companies in Property Development Sector	KLAND share price (Baht per share)	KLAND share price (Discount 15%) (Baht per share)
Average of retroactive 3 months	1.31	2.29	1.95
Average of retroactive 6 months	1.18	2.07	1.76
Average of retroactive 9 months	1.10	1.93	1.64
Average of retroactive 12 months	1.08	1.89	1.61

This approach uses the book value of KLAND which reflects the operating results and financial position in a certain period. It does not take into account the performance and profitability in the future.

By this approach, the price of KLAND shares is appraised in a range of Baht 1.61 – 1.95 per share, which is lower than the transaction price of Baht 2 per share by Baht 0.05 - 0.39 per share or by 2.50% - 19.50% of the transaction price.

### 3.2) Price to earnings ratio approach

The share price by this method is derived by multiplying KLAND's net earnings per share in the past four quarters from Q3/2013 to Q2/2014 (i.e. Baht 208.84 million which is adjusted by loss from sale of investments in PF of Baht 2.85 million and profit from sale of shares in RHD of Baht 148.10 million, hence net earnings after adjustment of Baht 354.09 million or earnings per share of Baht 0.20) by the average P/E ratio of peer companies. Details are as follows:

#### *P/E ratio of peer companies in Property Development Sector*

Period	ESTAR	LALIN	MK	PRIN	SENA	Average
Average of retroactive 3 months	20.18	8.35	9.61	13.74	7.64	11.90
Average of retroactive 6 months	20.28	8.03	8.68	11.77	7.56	11.26
Average of retroactive 9 months	20.40	7.67	8.25	10.44	7.25	10.80
Average of retroactive 12 months	20.40	7.77	8.20	9.64	7.14	10.63

Note : Data available from www.setsmart.com

However, the calculation of the P/E ratio excludes P/E ratio of CGD and NUSA which incurred loss in the past four quarters, and P/E ratio of AQ and NPARK which are considered an outlier as they recorded unusually high P/E ratios of 63.57 - 183.02 times and 51.72 - 93.43 times respectively.

#### *Summary of KLAND share valuation by price to earnings ratio approach*

Period	Average P/E of peer companies in Property Development Sector	KLAND share price (Baht per share)	KLAND share price (Discount 15%) (Baht per share)
Average of retroactive 3 months	11.90	2.38	2.02
Average of retroactive 6 months	11.26	2.25	1.91
Average of retroactive 9 months	10.80	2.16	1.84
Average of retroactive 12 months	10.63	2.13	1.81

This approach mainly relies on earnings of KLAND in the past twelve months which reflects the operating results at present but not the performance and profitability in the future.

By this approach, the price of KLAND shares is valued in a range of Baht 1.81 - 2.02 per share, which is (lower)/higher than the transaction value of Baht 2 per share by Baht (0.19) - 0.02 per share or by (9.50)% - 1.00% of the transaction price.

### 3.3) EV/EBITDA ratio approach

By this approach, the shares are appraised from the average EV/EBITDA of peer companies, multiplied by EBITDA of KLAND less interest-bearing debts and non-controlling interests and added by cash of KLAND. EBITDA of KLAND in the past four quarters from Q3/2013 to Q2/2014 after adjustment by the sale of investments in PF and RHD is Baht 430.76 million. As of June 30, 2014, KLAND recorded cash and cash equivalents after adjustment by the sale of investments in PF and RHD of Baht 1,044.02 million and interest-bearing debts of Baht 2,635.65 million. The share valuation is detailed below:

$$\begin{aligned} \text{EV of KLAND} &= \text{Average EV/EBITDA of peer companies} \times \text{EBITDA} \\ \text{Where: EV} &= \text{Market cap} + \text{Non-controlling interests} + \text{Interest-bearing} \end{aligned}$$

$$\begin{aligned} \text{Market cap} &= \text{debt} - \text{Cash} \\ &= \text{Share price} \times \text{Total paid-up shares of KLAND} \\ \text{KLAND share price} &= \frac{[(\text{Average EV/EBITDA of peer companies} \times \text{EBITDA}) - \text{Non-controlling interests} - \text{Interest-bearing debts} + \text{Cash}]}{\text{Total paid-up shares}} \end{aligned}$$

*Average EV/EBITDA ratio of peer companies in Property Development Sector*

Period	ESTAR	LALIN	MK	SENA	Average
Average of retroactive 3 months	15.64	8.61	9.37	10.19	10.95
Average of retroactive 6 months	14.26	8.27	8.89	9.91	10.33
Average of retroactive 9 months	12.61	7.99	8.63	9.63	9.72
Average of retroactive 12 months	12.14	8.04	8.44	9.46	9.52

Note : Calculation by the Financial Advisor

By the EV/EBITDA ratio approach, the average EV/EBITDA of CGD and NPARK which incurred net loss and the average EV/EBITDA of AQ, NUSA and PRIN in a range of 30.90 - 108.97 times are not included in the calculation due to high deviation from that of peer companies.

*Summary of KLAND share valuation by the EV/EBITDA ratio approach*

Period	Average EV/EBITDA of peer companies in Property Development Sector	KLAND share price (Baht per share)	KLAND share price (Discount 15%) (Baht per share)
Average of retroactive 3 months	10.95	1.76	1.50
Average of retroactive 6 months	10.33	1.61	1.37
Average of retroactive 9 months	9.72	1.46	1.24
Average of retroactive 12 months	9.52	1.41	1.20

The EV/EBITDA ratio approach focuses on KLAND's profitability in the past twelve months and the financial position as of June 30, 2014, but takes no account of its potential and profitability in the future.

By this approach, the share price of KLAND is appraised in a range of Baht 1.20 - 1.50 per share, which is lower than the transaction value of Baht 2 per share by Baht 0.50 - 0.80 per share, or by 25.00% - 40.00% of the transaction price.

#### 4) Discounted cash flow approach

This approach takes into account the future profitability of KLAND by figuring out the net present value of free cash flow expected from the 6-year financial projection (Oct. 2014-2020) in which, according to the information and work plan received from KLAND, all the existing projects of KLAND are completed and KLAND has no additional investment in vacant land. The said projection is based on the current economic condition and circumstances and under management of the current executive team, regardless of any other future plans or changes to be made by GOLD.

KLAND engages in property development for sales, focusing on project development in Bangkok and its vicinities in promising areas that are adjacent to communities and have convenient transportation. At present, there are five projects under development, namely The Grand Rama II, The Grand Pinklao, The Grand Wongwaen-Pracha Uthit, The Grand Udomsuk and Tyme Rama V-

Nakhon In. KLAND earns revenue from sale of house with land and recognizes such revenue in the statement of income after transfer of ownership to the buyers. The horizontal project, i.e. The Pano which is operated by RHD, a company jointly controlled by KLAND, is not included in the projected cash flow in the share valuation as the acquisition of shares in KLAND requires that KLAND sells shares in RHD to SMJC, and GOLD intends to invest only in KLAND's horizontal properties, i.e. detached single house and townhome.

The financial projection has been prepared by KLAND. The assumptions are based on the ongoing projects under the budget plan, financial information, past financial ratios of KLAND, projection based on the management's experience in project operation, industry analysis and other factors that could impact the business operation. We have reviewed such projection and adjusted some assumptions to suit the relevant condition at present and the entering into the transaction by KLAND. We also obtained information from interview or additional enquiries with KLAND's staff and management and analyzed other real estate-related information. However, the assumptions used in the financial projection were developed under the current economic circumstances. Any material changes in the economic condition and other external factors that affect the operation of KLAND as well as the situation of KLAND may have impacts on the share valuation by this approach.

The assumptions for the financial projection are as follows:

1. *Revenue from sale*

Revenue from sale in each year is projected based on the budget plan of KLAND's management. Sales of each project including the number of monthly sales and the average selling price per unit are derived from the actual information in the 8-month period (Jan.-Aug.) of 2014. Sales of each project are shown below:

<b>(Unit: Baht million)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>(Oct.-Dec.)</b>						
1. The Grand Wongwaen Pracha-Uthit Project	139	417	289	-	-	-	-
2. The Grand Udomsuk	83	334	334	334	334	334	70
3. The Grand Rama II	333	1,515	1,704	1,597	1,165	798	658
4. The Grand Pinklao	264	1,054	1,054	1,054	1,054	1,054	625
5. Tyme Rama V - Nakhon In	83	330	72	-	-	-	-
<b>Total</b>	<b>901</b>	<b>3,650</b>	<b>3,454</b>	<b>2,985</b>	<b>2,554</b>	<b>2,186</b>	<b>1,352</b>

2. *Gross profit margin*

Gross profit margin is projected at 34% according to the average gross profit margin of KLAND during 2011-2013 and the 8-month period (Jan.-Aug.) of 2014. Such gross profit reflects the cost of sale of houses with land, where all expected development costs are allocated to houses with land sold according to the area sold, and recognized as cost of sales in the statement of income upon recognition of revenue from sale. The cost of project development comprises cost of land, cost of land development, cost of construction and relevant interest.

3. *Selling and administrative expenses*

- Selling and administrative expenses in Oct. 2014-2020 are projected at 14.55% of revenues throughout the projection period, based on the budget plan of KLAND. Such percentage of expenses to revenues is revised down from 20% in 2011-2013 and the 8-month period of 2014 due to change in the management structure and major

shareholders of KLAND which results in reduction of administrative expenses such as salaries and management remuneration. Administrative expenses of KLAND consist of personnel-related expenses, utilities expenses, office expenses, depreciation and other expenses.

- Transfer fee and specific business tax is projected at 4% of revenues.

#### 4. Interest expenses

KLAND projects interest expenses based on the project financing by loan which is expected at not more than 70%. The average interest rate expected for each project is 5.50%. The loan repayment is projected at 50-70% of transfer amount in each year.

#### 5. Income tax

Income tax is projected at 20% throughout the projection period.

#### 6. Capital expenditure

Capital expenditure mostly is for purchase of land bank. KLAND has no plan to buy land bank for future project development. The projection is under the assumption that KLAND continues its business operations on the existing land only and has no plan to purchase additional land. As such, it will not have any additional capital expenditure in the future throughout the projection period.

#### 7. Discount rate

The Financial Advisor applies the Weighted Average Cost of Capital (WACC) of KLAND as the discount rate, equal to 10.97%, in the calculation of the net present value of cash flow,

The calculation formula for WACC is as follows:

$$\text{WACC} = K_e * E / (D + E) + K_d * (1 - T) * D / (D + E)$$

$$K_e = \text{Cost of equity, equal to 16.21\%}$$

$$K_d = \text{Loan interest of KLAND, equal to 5.50\%, based on the expected interest rate from the financial institutions}$$

$$t = \text{Corporate income tax of 20\%}$$

$$E = \text{Total shareholders' equity}$$

$$D = \text{Interest-bearing debts}$$

$$E/V = \text{Percentage of financing that is equity, equal to 55.57\%, based on the capital structure as of June 30, 2014}$$

$$D/V = \text{Percentage of financing that is debt from loans from financial institutions, equal to 44.43\%, based on the capital structure as of June 30, 2014}$$

Cost of equity ( $K_e$ ), or return on equity, is calculated by the Capital Asset Pricing Model (CAPM) as follows:

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

Where: Risk Free Rate (Rf) Average bid yield on government bond with remaining maturity of 25 years as of October 10, 2014, equal to 3.95% (source: www.thaibma.or.th), by basing on bonds that have a long maturity period and successive trading and could match the lease agreement term.

Beta ( $\beta$ ) A variance between market return and closing market price of peer companies (levered beta). Since KLAND is not listed on the SET, we use the average beta in the past three years (data available from Bloomberg as of October 10, 2014) of peer companies, adjusted by the debt to equity ratio and corporate income tax rate of each peer company, to calculate an unlevered beta with the debt to equity ratio and income tax of KLAND, equal to 1.246.

Rm Average rate of return on the SET over the past 25 years, which is a period that could reflect investment condition in different time periods better than shorter-term data (SET data from 1989 to 2013), equivalent to 13.79%.

### Summary of the financial projection from Oct. 2014 to 2020

(Unit: Baht million)

	2014 (Oct.-Dec.)	2015	2016	2017	2018	2019	2020
Total revenues	901	3,650	3,454	2,985	2,554	2,186	1,352
Cost of sale	595	2,409	2,279	1,970	1,685	1,443	892
Total expenses	176	679	643	556	476	407	252
Depreciation	1	10	8	6	1	1	1
<b>EBIT</b>	<b>128</b>	<b>552</b>	<b>524</b>	<b>453</b>	<b>392</b>	<b>335</b>	<b>207</b>

### Table: Summary of the net present value of cash flow from Oct. 2014 to 2020

(Unit : Baht million)	2014	2015	2016	2017	2018	2019	2020
	<b>Oct. – Dec.</b>						
EBIT	127.57	552.63	524.31	453.85	391.41	335.61	206.63
Income tax	25.51	110.53	104.86	90.77	78.28	67.12	41.33
	<b>102.05</b>	<b>442.10</b>	<b>419.45</b>	<b>363.08</b>	<b>313.13</b>	<b>268.49</b>	<b>165.31</b>
<u>Add:</u> Depreciation	1	10	8	6	1	1	1
<u>Add:</u> Change in property development cost	122	1,367	774	699	603	779	698
<b>Net cash flow</b>	<b>225.02</b>	<b>1,819.20</b>	<b>1,201.01</b>	<b>1,067.63</b>	<b>918.01</b>	<b>1,048.89</b>	<b>864.78</b>
Net present value of cash flow	219.24	1,597.34	950.33	761.31	589.94	607.43	451.32
<b>Total net present value of cash flow</b>	<b>5,176.92</b>						
<u>Add:</u> Cash as of June 30, 2014	86.63						
<u>Add:</u> Cash from sale of shares in PF <sup>1/</sup>	87.39						
<u>Add:</u> Cash from sale of shares in RHD <sup>2/</sup>	798.00						
<u>Add:</u> Vacant land	73.40						
<u>Less:</u> Interest-bearing debts as of June 30, 2014	2,385.87						
<b>Free cash flow to equity</b>	<b>3,836.48</b>						
No. of shares (million shares)	1,780.00						
<b>Share price (Baht per share)</b>	<b>2.16</b>						





- Note:** <sup>1/</sup> On August 27, 2014, KLAND sold investments in PF and earned Baht 87.39 million from sale of shares in PF.
- <sup>2/</sup> Based on the sale of shares in RHD to SMJC of Baht 870 million and the income tax on gains from the share sale of at a rate 20% between the selling price and the cost of investments (870 -510) \*20%, the net cash received from sale of shares in RHD is Baht 798 million, according to SMJC's proposal to acquire shares in RHD held by KLAND and FTPL on September 22, 2014. The sale and purchase of shares in RHD is expected to complete by November-December 2014.
- <sup>3/</sup> KLAND has vacant land without future development plan in three locations, i.e. land of The Grand Rama II Phase 5 with the book value of Baht 3.94 million, land of The Grand Rama II Phase 14 worth Baht 47.73 million, and one plot of vacant land near Soi Latphrao 126 worth Baht 3.94 million, and vacant land adjacent to Ratchaphruek Village, Wongwaen-Phetkasem Road Soi 14 with the appraisal price of Baht 17.80 million.

By the discounted cash flow approach, KLAND shares are appraised at Baht 2.16 per share, which is higher than the transaction price of Baht 2.0 per share by Baht 0.16 per share or by 8.00% of the transaction price.

In addition, we have conducted a sensitivity analysis on the financial projection to see the effect on the share value from a 1% increase/decrease of WACC from the base case scenario, the outcome of which is as follows:

WACC (%)	Share price (Baht per share)
9.97%	2.23
<b>Base Case 10.97%</b>	<b>2.16</b>
11.97%	2.08

From the above sensitivity analysis, KLAND share price derived from the net present value of cash flow is Baht 2.08 - 2.23 per share, which is higher than the transaction price of Baht 2.0 per share by Baht 0.08 - 0.23 per share or by 4.00 - 11.50% of the transaction price.

**Table: Comparison of KLAND share value and the transaction value**

Valuation method	Appraised value (Baht/share)	Transaction value (Baht/share)	Appraised value higher (lower) than transaction value	
			Baht	%
1 Book value approach	1.75	2.00	(0.25)	(12.50)
2 Net asset value approach	2.20	2.00	0.20	10.00
3 Market comparable approach				
3.1 Price to book value ratio approach	1.61 - 1.95	2.00	(0.05 - 0.39)	(2.50 - 19.50)
3.2 Price to earnings ratio approach	1.81 - 2.02	2.00	(0.19) - 0.02	(9.50) - 1.00
3.3 EV/EBITDA ratio approach	1.20 - 1.50	2.00	(0.50 - 0.80)	(25.00 - 40.00)
4 Discounted cash flow approach				
4.1 Base case	2.16	2.00	0.16	8.00
4.2 Sensitivity analysis	2.08 - 2.23	2.00	0.08 - 0.23	4.00 - 11.50

The above valuation approaches have different strengths and weaknesses in identifying an appropriate value of the shares, as described below:



1) **Book value approach** reflects the financial position at a certain point in time and also the book value of assets and liabilities, but could not reflect the market value of KLAND's key assets for project development. The method does not take into account the performance and profitability of KLAND in the future.

2) **Net asset value approach** could reflect the net asset value better than the book value approach with adjustment of the market value of KLAND's core operating assets, i.e. vacant land, land with partially completed construction and leasehold right. These assets are valued by the independent appraiser to reflect the revenues and profit from the existing assets in the completely built condition (in case of land with construction). This approach therefore reflects future income and profitability from development of the existing assets with the projected selling price under the current property market circumstance. However, this method takes no account of the opportunity of revenue growth from future business or project expansion, business potential and risks in the long term, and the time value of money of future revenues or cash flow.

### 3) **Market comparable approach**

3.1) *Price to book value ratio approach* reflects the financial position in a certain period through comparison with the average of such ratios of the peer group, but takes no account of the profitability and performance in the future.

3.2) *Price to earnings ratio approach* considers the profitability of KLAND by comparing it with the average of P/E ratio of SET-listed peer companies. However, this method appraises the shares by basing only on short-term profits, but does not reflect the profitability and performance in the future.

3.3) *EV/EBITDA ratio approach* takes into account the profitability and financial position of KLAND in the latest period, compared with the average EV/EBITDA ratio of SET-listed peer companies in the similar business, but does not reflect the profitability and performance in long term.

4) **Discounted cash flow approach** takes into account the business operation and profitability of KLAND in the future based on estimation of the net present value of projected free cash flow expected from future operation under the operating assumptions, and also based on the overall economic and industrial trend.

In our opinion, the suitable methods for this share valuation are the net asset value approach, under which the share value is appraised at Baht 2.20 per share which is higher than the transaction value of Baht 2.00 per share by Baht 0.20 per share or by 10.00% of the transaction price, and the discounted cash flow approach, by which the shares are appraised at Baht 2.16 per share which is higher than the transaction price of Baht 2.0 per share by Baht 0.16 per share or by 8.00% of the transaction price. Therefore, we are of the opinion that the acquisition price of KLAND shares of Baht 2.00 per share is a reasonable price.

#### 2.7.2 **Appropriateness of conditions for the transaction**

The acquisition of assets and the connected transaction in relation to the purchase of shares in KLAND will take place after approval is obtained from the Extraordinary General Meeting of Shareholders No. 1/2014 of the Company and GOLD, to be held on December 9, 2014. The condition precedent for GOLD to acquire at least 51% of the total paid-up shares in KLAND in order to obtain the controlling power in KLAND is considered appropriate as the said shareholding proportion will enable GOLD to determine management policy at a certain level and recognize the financial position and operating results of KLAND as a part of its group.

In conclusion, we are of the opinion that the acquisition price of KLAND shares is reasonable and the conditions on the acquisition of such assets are in accordance with general conditions and will not cause the Company to lose any benefit.



## Conclusion of the Financial Advisor's opinion

The sublease of land, office building, structures, and mechanical and electrical systems and the disposal of other assets of Park Ventures Ecoplex Project and Sathorn Square Office Tower Project of the Company and GOLD to REIT are in line with the UV group's policy on continuous expansion of real estate investment and development. Currently, revenues are generated mainly from property development business, which requires a huge amount of funds for new project development. The disposal of assets to REIT will allow the Company and GOLD to reap **benefits from the entry into such transactions**, including availability of additional cash or fund to invest in new property development in accordance with the future investment plan and ability to use proceeds from the disposal of assets for repaying loans relating to the disposed assets, thus helping to reduce debts and increase ability to raise new loans. Moreover, by disposing of the assets, the Company will be relieved from full risk exposure associated with inconsistency of future rental revenues in its capacity as the direct lessor of the buildings. The Company will earn additional income from its subsidiary that serves as REIT Manager and as Property Manager of REIT. Besides, in the disposal of assets to REIT, the Company will, according to the basic taxation principles, not incur a corporate income tax on gains from the disposal of assets immediately as of the transaction date, but will gradually recognize income in order to pay tax throughout the sublease period. However, this will not include the disposal of other assets such as furniture, tools and facilities that are subject to immediate tax payment on gains from the disposal of those assets, but in an insignificant amount.

However, the above transactions will also create **negative impacts and downside risks** to the Company and GOLD. For instance, revenues from rentals and other related services will be transferred to REIT, leading the Company and GOLD to no longer earn such revenues. They will bear additional debts from the recognition of consideration for the disposal of assets as liabilities under the caption, 'advances received from sale of leasehold right to REIT,' in the financial statements since the entry into the REIT Transaction may, in accounting terms, not be regarded as a true sale transaction. In addition, in case the conditions precedent are not satisfied, all expenses relating to the transactions will be wasted. However, such expenses are in a small amount, including advisory fees, property appraisal expenses, etc.

The minimum price of the disposal of assets of Park Ventures Ecoplex Project at **not less than Baht 2,700 million is considered reasonable** as it is higher than the appraised value by the Financial Advisor and the independent appraiser at Baht 2,386.54 million and Baht 2,698.50 million respectively. Likewise, the minimum price of the disposal of assets of Sathorn Square Office Tower Project at **not less than Baht 5,500 million is deemed appropriate** as it is higher than the appraised value by the Financial Advisor and the independent appraiser at Baht 5,316.29 million and Baht 5,133.20 million respectively.

The conditions for the transactions are deemed appropriate as they are in conformity with the guidelines on entering into the acquisition and disposal of assets transactions and other relevant laws and/or the usual conditions for sublease of land, office building, structures, mechanical and electrical systems, and other assets and/or the conditions voluntarily agreed upon by the agreement parties. Those conditions do not cause the Company to lose any benefit.

**The Financial Advisor views that the shareholders will obtain benefits from the entry into the transactions and should therefore vote in favor of the entry into such disposal of assets transactions, and that the transactions are reasonable, with fair prices and conditions.**

**The subscription for REIT units by GOLD** will help accommodate the issuance and public offering of REIT units in the future and enable REIT to mobilize enough funds for the acquisition of assets from the Company and GOLD as planned. In view of the assets' potentials of continuous rental income generation for REIT, GOLD as holder of REIT units will have an opportunity to receive favorable return from the investment in REIT. Nonetheless, the subscription for REIT units that will take place before GOLD receives proceeds from the disposal of assets to REIT will result in interest



expenses incurred on short-term loans required for a short period to cover the REIT unit subscription before obtaining funds from the said disposal of assets.

Moreover, the unit price of REIT units to be invested by GOLD will be based on the market price and equal to the price of REIT units at which to sell to general investors by a book building process.

**The Financial Advisor views that the shareholders will obtain benefits from the entry into this transaction and should therefore vote in favor of such acquisition of assets transactions, and that the transaction is reasonable, with fair price and conditions.**

**The acquisition of KLAND shares by GOLD** is deemed as an expansion of investment in real estate business which is the main business in which GOLD has had skill and experience. KLAND is a reputable entity with impressive performance and business potential and, hence, can support the business of GOLD and serve as a channel for business expansion, market expansion, and competitiveness enhancement. Furthermore, it will provide an opportunity for GOLD and the Company to receive good return from investment and will help increase the asset size and revenues for the group and also help create a synergy. At the same time, GOLD will be able to instantly diversify its property business from the middle-class segment to the upscale market, which is in line with the group's target and strategy to become Thailand's top-tier real estate developer.

However, the acquisition of KLAND shares will cause GOLD to incur additional debts from borrowing to finance such shares acquisition. GOLD may also be exposed to risk from such investment given that it fails to achieve the expected operation and risk from failure to create a synergy between the two entities, hence a decrease in the required benefits from investment.

The acquisition price of KLAND shares at Baht 2.00 per share is considered by the Financial Advisor **to be a reasonable price** since it is **lower than** the appraised value by the Financial Advisor, using the net asset value approach and the discounted cash flow approach by which the appraised price is Baht 2.20 per share and Baht 2.16 per share respectively.

**The Financial Advisor views that the acquisition of KLAND shares by GOLD, which is a connected transaction, is appropriate with fair transaction price and conditions. The shareholders will obtain benefits from the entry into the transaction and should therefore vote in favor of the transaction.**

**From the already mentioned above, The Financial Advisor views that the shareholders will obtain benefits from the entry into the transactions and should therefore vote in favor of such acquisition and disposal of assets transactions and connected transactions, and that the transactions are reasonable, with fair prices and conditions.**

In deciding whether to approve the proposed transactions, the shareholders can consider the above reasons and opinion provided by the Financial Advisor. The final decision depends primarily on the individual shareholders' judgment.



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,  
Advisory Plus Company Limited

- *Prasert Patradhilok* -  
(Prasert Patradhilok)  
President

- *Nisaporn Rerk-aram* -  
(Nisaporn Rerk-aram)  
Managing Director and Operational Controller

## Attachment 1

### Profile of

### Univentures Public Company Limited

#### 1. Background

Univentures Public Co., Ltd. (“the Company” or “UV”), formerly Unithai Oxide Co., Ltd., was established on August 13, 1980 with the business objectives of manufacturing and distributing powder zinc oxide. On December 9, 1988, the Company was listed on the Stock Exchange of Thailand (“SET”) and subsequently converted into a public company on March 31, 1994. It was renamed Univentures Plc. on June 2, 1995.

Since 2001, the Company had gradually invested in and developed dominant real estate projects. However, the Company later experienced financial difficulties affecting the delivery of the projects. By establishing subsidiaries and partnering up with prominent real estate developers, the Company was able to carry on developing condominiums, detached houses, and townhouses. As a result of a continuous and extensive investment, the Company was approved by the SET to change its listing category from Petrochemicals & Chemicals Sector to Property Development Sector on September 21, 2006.

The list of its subsidiaries and associated companies, as of June 30, 2014, is as follows:

Company name	Nature of business	Paid-up capital (Baht million)	Investment proportion (%)	Net value of investment-cost method/ equity method (Baht million)
<b><i>Direct subsidiaries</i></b>				
Thai-Lysaght Co., Ltd.	Manufacturing and distribution of zinc oxide and other chemicals	140.00	100.00	145.00
Forward System Co., Ltd.	Sales of time recording and car parking control equipment	5.00	99.99	12.92
Univentures Consulting Co., Ltd.	Finance and investment consulting service	2.50	100.00	2.50
Univentures Asset Management Co., Ltd.	Investment and management consulting service on real estate for rent	22.31	100.00	2.65
ESCO Ventures Co., Ltd.	Investment in energy management services business	27.50	79.00	0.11
Lertrattakarn Co., Ltd.	Real estate development for investment	600.00	100.00	600.00
Grand Unity Development Co., Ltd. (“GUD”)	Real estate development (condominium)	600.00	100.00	721.80
Golden Land Property Development Plc. (“GOLD”)	Real estate development and related services	16,380.19	55.73	5,298.28
<b><i>Indirect subsidiaries – shareholding through GUD</i></b>				
Grand U Living Co., Ltd.	Real estate development (condominium)	244.05	-	-
<b><i>Indirect subsidiaries – shareholding through GOLD</i></b>				
Baan Chang Estate Co., Ltd.	Real estate development	30.00	-	-
Narayana Pavillion Co., Ltd.	Office buildings	475.00	-	-
United Homes Co., Ltd.	Real estate development	550.00	-	-
Golden Land (Mayfair) Co., Ltd.	Residential buildings	11.00	-	-
North Sathorn Realty Co., Ltd.	Development of property and office building	638.60	-	-

Company name	Nature of business	Paid-up capital (Baht million)	Investment proportion (%)	Net value of investment-cost method/ equity method (Baht million)
Ritz Village Co., Ltd.	Real estate development	100.00	-	-
Golden Land Polo Co., Ltd.	Real estate development	1.00	-	-
Grand Paradise Property Co., Ltd.	Real estate development	1.00	-	-
Golden Property Services Co., Ltd.	Property management services	1.00	-	-
Golden Habitation Co., Ltd.	Real estate development	5.00	-	-
Sathornthong Co., Ltd.	Real estate development	154.00	-	-
Sathorn Asset Co., Ltd.	Residential buildings	245.00	-	-
<i>Shareholding through "GOLD" and Narayana Pavillion Co., Ltd.</i>				
Walker Homes Co., Ltd.	Real estate development	1.00	-	-
<i>Shareholding through "GOLD," Narayana Pavillion Co., Ltd. and Ritz Village Co., Ltd.</i>				
Golden Land Residence Co., Ltd.	Real estate development	50.00	-	-
<i>Shareholding through Golden Land Polo Co., Ltd.</i>				
MSGL Property Co., Ltd.	Real estate development	0.10	-	-
<i>Shareholding through Golden Land (Mayfair) Co., Ltd.</i>				
Grand Mayfair Co., Ltd.	Residential buildings	15.00	-	-
<i>Direct associated companies</i>				
Excellent Energy International Co., Ltd.	Analysis and improvement of energy efficiency and installation of energy saving devices	26.00	30.59	8.34
<i>Indirect associated companies</i>				
Sahasin Wattana Cogeneration Co., Ltd.	Discontinued operation	92.00	-	-
Sahasin Wattana Bio Energy Co., Ltd.	Discontinued operation	10.00	-	1.78
<i>Indirect associated companies – shareholding through GOLD</i>				
Baan Jiaranai Co., Ltd.	Real estate development	-	-	-
Leasehold Property Fund	Investment in leasehold rights and related equipment	2,060.00	33.00	677.26
North Sathorn Hotel Co., Ltd.	Hotel business	1,100.00	20.00	81.29

## 2. Business Overview

The Company has revised its long-term business plan to invest in a variety of potential business units involving multiple subsidiaries and associates in order to support sustainable revenue in long-term. They are categorized into property development for sale business, property for rental business, zinc oxide powder production business, energy investment business, building management business, and services and project development business. The Company bought shares of GOLD which operates property development business to increase growth and expansion of its property development business which is the core business of the Company.

The core businesses of the Company have details as follows.

### 1) Property Development Business

#### a) Property development for sale business

- **High-rise projects** : For nine months of 2014, the Group which operated by Grand Unity Development Co., Ltd, had developed and completed 4 ready-to-transfer condominium projects and had established 7 new condominium projects with total value of Baht 12,621 million as follows,

Project Name	Detail of Project
<b>Ready-to-transfer condominium projects</b>	
1 U Delight 3, Pracha Chuen Bang Sue	Located on Pracha Chuen road. Have a total of 739 units which started transferring in 2013. As of September 2014, there were transfers of 100% of total units.
2 U Condominium @ Hua Mak station	Located on Hua Mak road. Have a total of 406 units which started transferring in 2013. As of September 2014, there were transfers of 99.75% of total units.
3 U Delight Resident, Phatthanakan Thong Lor	Located on Phatthanakan road. Have a total of 672 units which started transferring in 2013. As of September 2014, there were transfers of 98.66% of total units.
4 U Condominium @ Ratchayothin	Located on Phahon Yothin Road. Have a total of 392 units which started transferring in 2013. As of September 2014, there were transfers of 72.19% of total units.
<b>New condominium projects</b>	
1 U Delight @ Hua Mak station	Located on Hua Mak road. Have a total of 860 units with a total project value of Baht 1,754 million. Open for sale since the first quarter of 2013. As of September 2014, there is waiting for transfer.
2 U Delight @ Rattanathibet	Located on Rattanathibet road. Have a total of 982 units with a total project value of Baht 2,167 million. Open for sale since the first quarter of 2013. As of September 2014, there is waiting for transfer.
3 U Condominium, Vibhavadi - Lad Prao	Located on Vibhavadi Rangsit road. Have a total of 362 units with a total project value of Baht 906 million. Open for sale since the third quarter of 2014. As of September 2014, there is waiting for transfer.
4 U Campus Condominium, Rangsit - Muang Ake	Located on Phahon Yothin road. Have a total of 448 units with a total project value of Baht 768 million. Open for sale since the fourth quarter of 2013. As of September 2014, there is waiting for transfer.
5 U Delight @ Bangson station	Located on Krung Thep - Nonthaburi road. Have a total of 527 units with a total project value of Baht 1,490 million. Open for sale since the first quarter of 2014. As of September 2014, there is waiting for transfer.
6 U Delight @ TaladPhlu station	Located on Ratchadaphisek road. Have a total of 973 units with a total project value of Baht 2,665 million. Open for sale since the first quarter of 2014. As of September 2014, there is waiting for transfer.
7 U Delight Residence Riverfront Rama 3	Located on Rama 3 road. Have a total of 1,037 units with a total project value of Baht 2,871 million. Open for sale since the first quarter of 2014. As of September 2014, there is waiting for transfer.

- **Low-rise projects** : The Group has maintained the policy of low-rise residence development in the category of detached house, townhouse and home office building for sale. The existing projects which operated by the subsidiaries of GOLD, were developed and sold continually since the previous years comprise of,

Project Name	Detail of Project
1 The Golden Legend project - Phase 1-3	This project is located on Kalaprapruet Road and occupies the land as big as 132-0-95 rai. It has 272 units. The design of the premises in this project is inspired by the charm of Mediterranean villa. The sell price is approximately Baht 9.50 - 16.20 million. Currently, residential houses sell all and already close project.
2 The Golden Nakara project - Phase 1	This project is located on Rama IX Road, which is on the east side of Bangkok. This project can be conveniently reached via the motorway. In addition, it is located near the Tub Chang station of the Airport Link facility. This project are on the 106-1-35.1 rai and has 247 units. The sell price is approximately Baht 8.64 - 14.00 million. Currently, there are 1 unit of residential houses and expected to close project in 2014.
3 The Grand Monaco project - phase 1	This project is located in the east side of Bangkok, near the outer belt and Bangno-Trad Road. This project occupies the 64-1-41.9 rai and has 181 units. The sell price is approximately Baht 5.62 - 16.69 million. Currently, residential houses sell all and already close project.



<b>Project Name</b>	<b>Detail of Project</b>
4 The Golden Village project	This project is located in Ban Chang sub-district, Ban Chang district, Rayong. This project incorporates residential houses, town houses, stand alone houses and commercial buildings. This project occupies the 84-1-53 rai and has 377 units. The sell price is approximately Baht 0.4 - 1.4 million. Currently, there are 165 units of residential houses and vacant land left. The Company stop execution and auction the project out. Expected to sold out in 2015.
5 The Golden Avenue Chaengwattana-Tiwanon project	This project is located in Sukhprachasan 3 Soi, Tiwanon Road, BangPhut sub-district, PakKret district, Nonthaburi. This project occupies the 51-2-95.3 rai and has 418 units. Detached and semi detached house are 97 units and town home 321 units. The average sell price is Baht 3.2 million. Currently, there are 242units of residential houses and vacant land left and 78% of construction process. 245 units were completed in construction process.
6 The Golden Village Bangna-Kingkaew project	This project is located on Kingkaew Road, Racha Thewa sub-district, Bangphli district, Samutprakan. This project occupies the 40-1-20.80 rai and has 186 units. The average sell price is Baht 5.8 million. Currently, there are 113 units of residential houses and vacant land left and 63% of construction process. 75 units were completed in construction process.
7 The Golden Legend Sathorn-Kalapaphruk project (Phase 4)	Detached houses is located on Kalapaphruk Road, Bangkhuntian sub-district, Jomtong district, Bangkok. This project occupies the 10-0-27.5 rai and has 17 units. The average sell price is Baht 25.2 million. Currently, there are 13 units of residential houses and vacant land left and 38% of construction process. 11 units were completed in construction process.
8 The Golden Prestige Watcharapol-Sukhapiban 5 project	Detached houses is located on Sukhapiban 5 Road, Ao ngoen sub-district, Sai mai district, Bangkok. This project occupies the 39-0-95.4 rai and has 161 units. The average sell price is Baht 8.8 million. Currently, there are 134 units of residential houses and vacant land left and 27% of construction process. 15 units were completed in construction process.
9 The Golden Town Watcharapol-Sukhapiban 5 project	Town home project is located on Sukhapiban 5 Road, Ao ngoen sub-district, Sai mai district, Bangkok. This project occupies the 32-1-76 rai and has 281 units. The sell price is approximately Baht 3.02 million. Currently, there are 281 units of residential houses and vacant land left and 34% of construction process. 37 units were completed in construction process (not open sale).
10 The Golden Town Rattanathibet-Bang Phu Station project	Town home project is located on Bang Kruai – Sai Noi Road, Bang Bua Thong district, Nonthaburi. This project occupies the 19-3-12 rai and has 210 units. The average sell price is Baht 2.9 million. Currently, there are 122 units of residential houses and vacant land left and 51% of construction process. 34 units were completed in construction process.
11 The Golden Town Kaset-Lat Pla Khao project	Town home project is located on Lat Pla Khao 72 Soi, Lat Pla Khao Road, Victory Monument sub-district, Bang Khaen district, Bangkok. This project occupies the 6-3-00 rai and has 63 units. The average sell price is Baht 3.7 million. Currently, there are 27 units of residential houses left and 71% of construction process. 45 units were completed in construction process.
12 The Golden Town Pinklao-Charansanitwong project	Town home project is located on Bang Kruai-Sai Noi Road, Bang Kruai sub-district, Bang Yai district, Nonthaburi. This project occupies the 41-3-20 rai and has 415 units. The average sell price is Baht 3.1 million. Currently, there are 226 units of residential houses left and 65% of construction process. 195 units were completed in construction process.

b) Property for rental business: The Group has property for rental projects as follows,

<b>Project Name</b>	<b>Detail of Project</b>
1 Park Ventures Ecoplex* (Operated by Lertrattakarn Co., Ltd)	The project is an A-grade office building managed by Lertrathakarn Company Limited. Its construction was finished in September 2011. It has over 26,000 sq.m.of area for rental. It is situated on a key business area, Phloen Chit intersection, and can be accessed through connected link from BTS Phloen Chit station. The Company recognized revenue from rental services to office space and stores in 2013. As at October 2014, the Company has renters who signed rental contract and paid deposits for 100% of the total area for rental.
2 Sathorn Square* (Operated by North Sathorn Realty Co., Ltd**)	This project is a 39-storied office building (Floor No. 13 is skipped from the floor running number, the floor numbers accordingly run to No. 40.) with the space of 74,000 sq.m., located in a major business area of Bangkok. It is at the intersection between Sathorn and Narathiwas Roads. This building is accessible through the passage from Chong Nonsi BTS station. Most

Project Name	Detail of Project
	importantly, each of the space to lease in this building is widely opened because there is no pillar; thus, the usage of the space is flexible.
3 Goldenland Building (Operated by Narayana Pavilion Co., Ltd**)	The Golden Land Building provides around 11,000 sq.m. space to lease. This building is 8 story-high, with one basement floor. It is located near important shopping centers and hotels such as Central World, Gaysorn Plaza and Central Chidlom department stores, and Four Seasons, Grand Hyatt Erawan and Inter Continental hotels. Furthermore, the Golden Land Building is just a few minutes walk away from Rajadamri and Chidlom BTS stations. The building itself is designed to have flexibility in space usage in order to fit different requirements of customers who lease the space.
4 The Ascott Sathorn Bangkok and Sky Villas (Operated by Sathorn Supsin Co., Ltd**)	A serviced apartment developed by Sathorn Asset Co., Ltd. which is a GOLD subsidiary, is situated on Sathon Road in the heart of Bangkok's CBD, adjacent to Chong Nonsi BTS Station. Managed by The Ascott Group, a Singapore-based leading hotel and residence management firm, the 35-storied building offers 177 serviced apartment units. Floors 21-35 locate Sky Villas, luxury residences designed by a well-known designer.
5 FYI Center (Operated by GOLD)	This project is opposite the Queen Sirikit National Convention Center. This project is built on the 8 – 3 – 75.28 rai land at the corner of the intersection between Rama IV and Ratchadaphisek Road, near Queen Sirikit Center MRT station. This project will incorporate office spaces for rent and a standard hotel when its development is complete, which is expected to be within year 2017.

Remark: \* Assets to be disposed to REIT

\*\* The subsidiaries of GOLD

## 2) Manufacture and sale of zinc oxide and chemicals business

The Group, which operated by Thai – Lysaght Co., Ltd, invests in the zinc oxide powder production business under the trademark **ZINCO** which is used as raw material in various industries including car tire manufacturing, animal feed, ceramics, cosmetics, and medicines. The industry which is the main buyer with highest purchase volume is the car tire manufacturing industry which purchases 70% of total purchases of zinc oxide powder. The product grades are categorized by the percentage of zinc oxide purities and types of target customers. The product grades are categorized by the percentage of zinc oxide purities and types of target customers.

Type	Purities	Industry	Qualification
White Seal	99.50%	<ul style="list-style-type: none"> <li>▪ Automobile tyre industry</li> <li>▪ Paint industry</li> <li>▪ Animal feed industry</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase tension force</li> <li>▪ Fungi treatment</li> </ul>
		<ul style="list-style-type: none"> <li>▪ Paint industry for ship and steel structure</li> </ul>	<ul style="list-style-type: none"> <li>▪ Anti rush</li> </ul>
Red Seal	99.00%	<ul style="list-style-type: none"> <li>▪ Automobile tyre industry</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase tension force</li> </ul>
Red Seal - R	99.00%	<ul style="list-style-type: none"> <li>▪ Automobile tyre industry and rubber shoes industry</li> <li>▪ Latex and ceramic industry</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase tension force</li> <li>▪ Prevention from latex decomposition</li> </ul>

## 3) Other businesses

The Company's other businesses consist of energy investment, building management service, and project management service that could help strengthen the Company's long-term sustainable revenue growth.

- Revenue structure of the Company and its subsidiaries for 2011 – 2013 and the first 6-month period of 2014 is as follows:

	2011		2012		2013		Jan – Jun 2014	
	Bt. mil	%	Bt. mil	%	Bt. mil	%	Bt. mil	%
<b>Real estate investment and development business</b>								
Revenues from sales of property	2,544.87	70.24	3,170.79	57.34	3,744.85	59.81	1,507.16	47.04
Revenues from office space rentals	13.33	0.37	236.84	4.28	1,184.61	18.92	602.88	18.82
Revenues from apartment rentals	12.04	0.33	12.94	0.23	16.83	0.27	6.82	0.21
Revenues from golf course business	-	-	2.44	0.04	22.17	0.35	9.92	0.31
Revenues from sales and services	-	-	8.10	0.15	0.73	0.01	-	-
Revenues from rental under finance lease agreements	-	-	1,012.09	18.30	-	-	-	-
Gains on sales of non-current assets for sale	-	-	-	-	-	-	419.36	13.09
Interest income	0.98	0.03	5.40	0.10	15.30	0.24	0.35	0.01
Other revenues	6.97	0.19	6.69	0.12	30.94	0.49	12.34	0.39
<b>Total revenues from real estate investment and development business</b>	<b>2,578.19</b>	<b>71.16</b>	<b>4,455.29</b>	<b>80.56</b>	<b>5,015.43</b>	<b>80.10</b>	<b>2,558.83</b>	<b>79.86</b>
<b>Zinc oxide powder and chemicals business</b>								
Revenues from sales - domestic	906.33	25.01	851.99	15.41	888.05	14.18	468.47	14.62
Revenues from sales - export	79.70	2.20	109.80	1.99	168.63	2.69	149.20	4.66
Total revenues from sales	986.02	27.21	961.79	17.39	1,056.68	16.88	617.67	19.28
Insurance reimbursement	-	-	43.77	0.79	-	-	-	-
Interest income	-	-	-	-	0.18	-	0.05	0.00
Other revenues	9.84	0.27	10.25	0.19	11.44	0.18	3.83	0.12
<b>Total revenues from zinc oxide powder and chemicals business</b>	<b>995.87</b>	<b>27.48</b>	<b>1,015.81</b>	<b>18.37</b>	<b>1,068.30</b>	<b>17.06</b>	<b>621.55</b>	<b>19.40</b>
<b>Other businesses</b>								
Revenues from time recording and car parking control business	43.74	1.21	51.57	0.93	55.31	0.88	21.75	0.68
Revenues from energy conservation consulting business	2.05	0.06	2.05	0.04	2.26	0.04	1.11	0.03
Interest income	2.05	0.06	1.60	0.03	4.52	0.07	0.39	0.01
Other revenues	1.43	0.04	3.90	0.07	115.39	1.84	0.46	0.01
<b>Total revenues from other businesses</b>	<b>49.27</b>	<b>1.36</b>	<b>59.12</b>	<b>1.07</b>	<b>177.48</b>	<b>2.83</b>	<b>23.71</b>	<b>0.74</b>
<b>Total revenues</b>	<b>3,623.23</b>	<b>100.00</b>	<b>5,530.23</b>	<b>100.00</b>	<b>6,261.21</b>	<b>100.00</b>	<b>3,204.09</b>	<b>100.00</b>

- Board of Directors and shareholders
  - Board of Directors, as of September 30, 2014, is as listed below:

Name	Position
1. Miss Potjane Thanavaranit	Chairman of the Board/Independent Director/Audit Committee Member
2. Mr. Thapana Sirivadhanabhakdi	Vice Chairman
3. Mr. Panot Sirivadhanabhakdi	Vice Chairman/Chief Executive Officer
4. Mr. Suwit Chindasangan	Independent Director/Chairman of Audit Committee
5. Mr. Nararat Limnarat	Independent Director/Audit Committee Member
6. Mr. Sithichai Chaikriangkrai	Director

	<b>Name</b>	<b>Position</b>
7.	Mr. Thanapol Sitithanachai	Director
8.	Mr. Worawat Srisa-an	Director / President

Authorized signatories are any two of the five directors, namely Mr. Thapana Sirivadhanabhakdi, Mr. Panot Sirivadhanabhakdi, Mr. Sithichai Chaikriangkrai, Mr. Thanapol Sirithanachai and Mr. Worawat Srisa-an to co-sign with the Company's seal affixed.

▪ *Shareholders*

As of October 30, 2014 (the latest shareholder register book closing date), the Company had a registered capital of Baht 4,044,770,615 and an issued and paid-up capital of Baht 1,911,926,537, divided into 1,911,926,537 ordinary shares with a par value of Baht 1 per share. Details of the shareholders are as follows:

	<b>List of shareholders</b>	<b>Number of shares</b>	<b>% of total shares</b>
1.	Adelfos Company Limited *	1,262,010,305	66.01
2.	AIA Company Limited-TIGER	29,800,003	1.56
3.	Thai NVDR Company Limited	27,102,439	1.42
4.	Mr. Nares Ngamapichon	27,000,000	1.41
5.	Mr. Vivoj Sawetwanit	17,364,000	0.91
6.	Mr. Wichian Sawetwanit	17,000,000	0.89
7.	Mr. Boonyakiat avesudkit	16,730,300	0.88
8.	Ms.Kanthima Pornsriniyom	10,000,000	0.52
9.	Mr.Seksan Tangkoblup	8,000,000	0.42
10.	EAST FOURTEEN LIMITED-EMERGING MARKETS SMALL CAP SERIES	7,086,000	0.37
	<b>Total of top 10 shareholders</b>	<b>1,422,093,047</b>	<b>74.38</b>
11.	Other shareholders	489,833,490	25.62
	<b>Total</b>	<b>1,911,926,537</b>	<b>100.00</b>

Note: \* Adelfos Co., Ltd. is 50% owned by Mr. Thapana Sirivadhanabhakdi and another 50% by Mr. Panot Sirivadhanabhadi.

▪ *Operating performance and financial position*

- *Table summarizing financial position and operating results of UV and its subsidiaries for 2011-2013 and the six-month period of 2014*

<b>Consolidated statements of financial position</b>	<b>As of December 31</b>						<b>As of June 30, 2014</b>	
	<b>2011<sup>1/</sup></b>		<b>2012<sup>1/</sup></b>		<b>2013</b>		<b>Reviewed</b>	
	<b>Audited</b>		<b>Audited</b>		<b>Audited</b>		<b>Reviewed</b>	
	<b>Bt. million</b>	<b>%</b>	<b>Bt. million</b>	<b>%</b>	<b>Bt. million</b>	<b>%</b>	<b>Bt. million</b>	<b>%</b>
<b>Assets</b>								
<b>Current assets</b>								
Cash and cash equivalents	237.71	3.43	1,101.57	5.46	497.53	2.39	413.25	1.81
Current investments-fixed bank deposits	-	-	113.93	0.57	39.58	0.19	40.02	0.18

Consolidated statements of financial position	As of December 31						As of June 30, 2014	
	2011 <sup>1/</sup>		2012 <sup>1/</sup>		2013			
	Audited		Audited		Audited		Reviewed	
	Bt. million	%	Bt. million	%	Bt. million	%	Bt. million	%
Trade accounts receivable	142.30	2.05	336.05	1.67	368.01	1.76	310.95	1.36
Other receivables and short-term loans to related companies	10.42	0.15	94.41	0.47	11.92	0.06	10.38	0.05
Inventories	345.12	4.98	303.16	1.50	215.98	1.04	206.73	0.91
Property under development	2,714.38	39.13	3,198.50	15.87	5,400.48	25.89	7,941.14	34.82
Advanced construction payment for property under development	103.01	1.49	188.85	0.94	324.06	1.55	330.22	1.45
Land deposits for property under development	152.12	2.19	-	-	64.50	0.31	-	-
Non-current assets for sale	-	-	-	-	62.72	0.30	68.63	0.30
Other current assets	197.46	2.85	269.58	1.34	156.97	0.75	282.11	1.24
<b>Total current assets</b>	<b>3,902.52</b>	<b>56.26</b>	<b>5,606.05</b>	<b>27.81</b>	<b>7,141.75</b>	<b>34.24</b>	<b>9,603.43</b>	<b>42.11</b>
<b>Non-current assets</b>								
Restricted bank deposits	-	-	6.50	0.03	5.57	0.03	24.17	0.11
Investments in associates	1.81	0.03	89.92	0.45	91.75	0.44	86.09	0.38
Other receivables and long-term loans to related companies	-	-	-	-	156.45	0.75	184.97	0.81
Advanced construction payment for investment properties	4.66	0.07	75.00	0.37	-	-	-	-
Properties for sale	-	-	147.44	0.73	152.68	0.73	146.59	0.64
Investment properties	2,078.46	29.97	9,681.65	48.03	8,727.36	41.84	8,149.70	35.73
Deposits for land								
Property, plant and equipment	544.99	7.86	2,201.54	10.92	2,257.63	10.82	2,317.35	10.16
Prepaid rents	298.26	4.30	2,119.31	10.51	2,092.11	10.03	1,827.36	8.01
Goodwill	1.34	0.02	1.34	0.01	1.34	0.01	1.34	0.01
Intangible assets	18.17	0.26	23.50	0.12	31.01	0.15	27.64	0.12
Deferred income tax assets	53.01	0.76	69.51	0.34	56.43	0.27	55.57	0.24
Other non-current assets	32.90	0.47	137.41	0.68	146.48	0.70	382.94	1.68
<b>Total non-current assets</b>	<b>3,033.60</b>	<b>43.74</b>	<b>14,553.12</b>	<b>72.19</b>	<b>13,718.81</b>	<b>65.76</b>	<b>13,203.72</b>	<b>57.89</b>
<b>Total assets</b>	<b>6,936.12</b>	<b>100.00</b>	<b>20,159.17</b>	<b>100.00</b>	<b>20,860.56</b>	<b>100.00</b>	<b>22,807.15</b>	<b>100.00</b>
<b>Liabilities and shareholders' equity</b>								
<b>Current liabilities</b>								
Bank overdrafts and short-term loans from financial institutions	357.00	5.15	295.82	1.47	2,157.63	10.34	2,018.00	8.85
Trade accounts payable	304.79	4.39	330.19	1.64	319.75	1.53	608.14	2.67
Current portion of long-term loans from financial institutions	721.60	10.40	2,333.34	11.57	585.90	2.81	1,534.86	6.73
Other payables and short-term loans from related persons or companies	2.82	0.04	3.56	0.02	2.31	0.01	2.89	0.01
Income tax payable	58.08	0.84	49.47	0.25	1.78	0.01	-	-
Advances received from customers	181.32	2.61	386.06	1.92	253.28	1.21	299.17	1.31
Current portion of rentals received in advance from related companies	886.72	12.78	52.63	0.26	52.63	0.25	52.63	0.23
Retentions payable-projects	24.01	0.35	86.66	0.43	54.07	0.26	80.27	0.35
Advances received from exercise of subscription rights by subsidiaries	-	-	-	-	25.31	0.12	-	-
Other current liabilities	73.55	1.06	360.04	1.79	341.49	1.64	368.43	1.62
<b>Total current liabilities</b>	<b>2,609.89</b>	<b>37.63</b>	<b>3,897.77</b>	<b>19.33</b>	<b>3,794.15</b>	<b>18.19</b>	<b>4,964.39</b>	<b>21.77</b>

Consolidated statements of financial position	As of December 31						As of June 30, 2014	
	2011 <sup>1/</sup>		2012 <sup>1/</sup>		2013			
	Audited		Audited		Audited		Reviewed	
	Bt. million	%	Bt. million	%	Bt. million	%	Bt. million	%
<b>Non-current liabilities</b>								
Long-term loans from financial institutions	1,429.50	20.61	3,454.65	17.14	4,903.24	23.50	4,800.17	21.05
Long-term loans from shareholders of subsidiaries	-	-	262.21	1.30	273.41	1.31	273.41	1.20
Rentals received in advance from related companies	453.27	6.53	1,421.59	7.05	1,369.16	6.56	1,342.76	5.89
Employee benefit obligations	15.26	0.22	42.75	0.21	33.18	0.16	32.33	0.14
Long-term provisions	-	-	273.66	1.36	318.36	1.53	322.90	1.42
Deferred income tax liabilities	2.23	0.03	314.77	1.56	297.23	1.42	265.83	1.17
Other non-current liabilities	131.41	1.89	493.40	2.45	564.58	2.71	592.86	2.60
<b>Total non-current liabilities</b>	<b>2,031.67</b>	<b>29.29</b>	<b>6,263.03</b>	<b>31.07</b>	<b>7,759.16</b>	<b>37.20</b>	<b>7,630.26</b>	<b>33.46</b>
<b>Total liabilities</b>	<b>4,641.56</b>	<b>66.92</b>	<b>10,160.80</b>	<b>50.40</b>	<b>11,553.31</b>	<b>55.38</b>	<b>12,594.65</b>	<b>55.22</b>
<b>Shareholders' equity</b>								
Registered capital	764.77		4,044.77		4,044.77		4,044.77	
Issued and fully paid share capital-ordinary shares	764.77	11.03	1,911.93	9.48	1,911.93	9.17	1,911.93	8.38
Premium on ordinary shares	474.57	6.84	5,063.20	25.12	5,063.20	24.27	5,063.20	22.20
Retained earnings								
Appropriated-Legal reserve	56.79	0.82	78.29	0.39	90.48	0.43	90.48	0.40
Unappropriated	577.84	8.33	759.85	3.77	699.84	3.35	363.24	1.59
Other components of equity	-	-	(670.63)	(3.33)	(910.93)	(4.37)	(496.51)	(2.18)
Equity attributable to owners of the Company	1,873.97	27.02	7,142.64	35.43	6,854.52	32.86	6,932.34	30.40
Non-controlling interests	420.59	6.06	2,855.73	14.17	2,452.73	11.76	3,280.16	14.38
<b>Total shareholders' equity</b>	<b>2,294.56</b>	<b>33.08</b>	<b>9,998.37</b>	<b>49.60</b>	<b>9,307.25</b>	<b>44.62</b>	<b>10,212.50</b>	<b>44.78</b>
<b>Total liabilities and shareholders' equity</b>	<b>6,936.12</b>	<b>100.00</b>	<b>20,159.17</b>	<b>100.00</b>	<b>20,860.56</b>	<b>100.00</b>	<b>22,807.15</b>	<b>100.00</b>

Note: <sup>1/</sup> Figures for 2011 and 2012 shown in the above table are based on restated figures presented by the auditor for comparison with the 2013 financial statements.

Consolidated statements of comprehensive income	For the year ended December 31						For 6-month period	
	2011		2012 <sup>1/</sup>		2013		Jan-June 2014	
	Audited		Audited		Audited		Reviewed	
	Bt. million	%	Bt. million	%	Bt. million	%	Bt. million	%
<b>Revenues</b>								
Revenues from sales and services	1,043.85	28.81	1,023.51	18.51	1,114.99	17.81	639.68	19.96
Revenues from sales of property	2,544.87	70.24	3,141.73	56.81	3,744.85	59.81	1,507.16	47.04
Revenues from rentals and services	13.33	0.37	240.41	4.35	1,201.44	19.19	602.88	18.82
Revenues from golf course business	-	-	2.44	0.04	22.17	0.35	9.92	0.31
Revenues from rental under finance lease agreements	-	-	1,012.09	18.30	-	-	-	-
Interest income	3.20	0.09	4.15	0.08	19.99	0.32	9.35	0.29
Insurance reimbursement - net	-	-	43.77	0.79	-	-	-	-
Other revenues	18.07	0.50	62.13	1.12	157.77	2.52	435.10	13.58
<b>Total revenues</b>	<b>3,623.32</b>	<b>100.00</b>	<b>5,530.23</b>	<b>100.00</b>	<b>6,261.21</b>	<b>100.00</b>	<b>3,204.09</b>	<b>100.00</b>
<b>Expenses</b>								
Costs of sales and services	978.53	27.01	953.94	17.25	1,028.43	16.43	608.57	18.99
Costs of sales of property	1,783.37	49.22	2,284.75	41.31	2,912.93	46.52	1,105.03	34.49

Consolidated statements of comprehensive income	For the year ended December 31						For 6-month period	
	2011		2012 <sup>1/</sup>		2013		Jan-June 2014	
	Audited		Audited		Audited		Reviewed	
	Bt. million	%	Bt. million	%	Bt. million	%	Bt. million	%
Costs of rentals and services	40.17	1.11	250.42	4.53	869.84	13.89	407.30	12.71
Costs of golf course business	-	-	1.24	0.02	12.50	0.20	6.62	0.21
Costs of rental under finance lease agreements	-	-	843.13	15.25	-	-	-	-
Selling expenses	175.81	4.85	233.03	4.21	359.24	5.74	190.50	5.95
Administrative expenses	291.91	8.06	313.58	5.67	695.69	11.11	388.97	12.14
Financial costs	31.83	0.88	141.16	2.55	354.30	5.66	145.88	4.55
<b>Total expenses</b>	<b>3,301.62</b>	<b>91.12</b>	<b>5,021.25</b>	<b>90.80</b>	<b>6,232.93</b>	<b>99.55</b>	<b>2,852.87</b>	<b>89.04</b>
<b>Share of profit from equity securities - investor account</b>								
Associates	(1.08)	(0.03)	1.95	0.04	33.15	0.53	11.31	0.35
<b>Profit before income tax expenses</b>	<b>320.62</b>	<b>8.85</b>	<b>510.93</b>	<b>9.24</b>	<b>61.43</b>	<b>0.98</b>	<b>362.53</b>	<b>11.31</b>
Income tax benefits (expenses)	(114.52)	(3.16)	(109.48)	(1.98)	(54.72)	(0.87)	22.99	0.72
<b>Profit for the period</b>	<b>206.10</b>	<b>5.69</b>	<b>401.45</b>	<b>7.26</b>	<b>6.71</b>	<b>0.11</b>	<b>385.52</b>	<b>12.03</b>
Other comprehensive income for the period-net of tax	-	-	-	-	-	-	-	-
Total comprehensive income for the period	<b>206.10</b>		<b>401.45</b>		<b>6.71</b>		<b>385.52</b>	
<b>Share of profit (loss)</b>								
Profit (loss) attributable to owners of the parent	63.09		249.40		175.35		173.41	
Profit (loss) attributable to non-controlling interests	143.01		152.05		(168.64)		212.11	
	<b>206.10</b>		<b>401.45</b>		<b>6.71</b>		<b>385.52</b>	
<b>Basic earnings per share (Baht/share)</b>	<b>0.082</b>		<b>0.312</b>		<b>0.092</b>		<b>0.091</b>	

Note: <sup>1/</sup> Figures for 2012 shown in the above table are based on restated figures presented by the auditor for comparison with the 2013 financial statements.

### Cash flow

Unit: Baht million	2011	2012	2013	Jan-June 2014
Net cash provided by (used in) operating activities	(1,206.34)	166.43	(1,660.54)	(2,040.27)
Net cash provided by (used in) investing activities	(432.32)	(4,284.65)	483.69	940.22
Net cash provided by (used in) financing activities	1,695.39	4,982.08	572.81	1,015.77
Increase (Decrease) in cash and cash equivalents - net	<b>56.73</b>	<b>863.86</b>	<b>(604.04)</b>	<b>(84.28)</b>
Cash and cash equivalents at beginning of period	180.36	237.71	1,101.57	497.53
Effect of exchange rate changes on balances held in foreign currencies	0.62	-	-	-
Cash and cash equivalents at end of period	<b>237.71</b>	<b>1,101.57</b>	<b>497.53</b>	<b>413.25</b>

Note: Financial statements for 2011 were audited by Mr. Nirand Lilamethwat, CPA Registration No. 2316; financial statements for 2012 – 2013 were audited by Ms. Nittaya Chetchotiros, CPA Registration No. 4439; and interim financial reports for H1/2014 were reviewed by Ms. Vipavan Pattavanvivek, CPA Registration No. 4795, of KPMG Phoomchai Audit Ltd., all being SEC-approved auditors.

### Key financial ratios

	2011	2012	2013	Jan-June 2014
<b>Liquidity ratio</b>				
Current ratio (time)	1.50	1.44	1.88	1.93

	2011	2012	2013	Jan-June 2014
Quick ratio (time)	0.15	0.42	0.24	0.16
Cash ratio (time)	(0.57)	0.05	(0.43)	(0.93) <sup>1</sup>
Accounts receivable turnover ratio (time)	6.26	5.28	6.58	3.59 <sup>1</sup>
Average collection period (day)	57.55	68.12	54.71	100.29
Inventory turnover ratio (time)	25.31	11.38	9.68	3.79 <sup>1</sup>
Average selling period (day)	14.22	31.62	37.20	94.90
Accounts payable turnover ratio (time)	6.23	10.99	14.84	4.54 <sup>1</sup>
Average repayment period (day)	57.81	32.75	24.25	79.25
Cash cycle	13.97	67.00	67.66	115.94
<b>Profitability ratio</b>				
Gross profit margin (%)	22.21	20.82	20.71	23.72
Net profit margin (%)	5.69	7.26	0.11	19.83
Return on equity (%)	9.42	6.53	0.07	7.35 <sup>1</sup>
<b>Efficiency ratio</b>				
Return on assets (%)	3.46	2.96	0.03	3.29 <sup>1</sup>
Return on fixed assets (%)	32.52	33.22	30.05	34.68 <sup>1</sup>
Asset turnover (time)	0.61	0.41	0.31	0.17 <sup>1</sup>
<b>Financial policy ratio</b>				
Debt to equity ratio (time)	2.02	1.02	1.24	1.23

Note: <sup>1</sup>Being annualized for comparison purpose.

- *Analysis of operating results and financial position*

### **Operating results in 2011-2013**

#### **Total revenues**

UV reported total revenues of Baht 3,623.23 million, Baht 5,530.23 million, and Baht 6,261.21 million in 2011-2013 respectively. Revenues from investments and development of real estate contributed 71.16%, 80.56%, and 80.10% of total revenues in 2011-2013 respectively, followed by revenues from zinc oxide powder and chemicals business which made up 27.48%, 18.37%, and 17.06% of total revenues respectively. Other revenues were from other businesses, accounting for 1.36%, 1.07%, and 2.83% of total revenues in 2011-2013 respectively.

#### **Property Development Business**

Revenues from investments and development of real properties amounted to Baht 2,578.19 million, Baht 4,455.29 million, and Baht 5,015.43 million in 2011-2013 respectively, increasing by Baht 1,877.10 million or 72.81% in 2012 and by Baht 560.14 million or 12.57% in 2013.

Most of revenues from investment and development of real estate were generated by sales of properties, which amounted to Baht 2,544.87 million, Baht 3,170.79 million, and Baht 3,744.85 million in 2011-2013 respectively, up by Baht 625.92 million or 24.60% in 2012 and by Baht 574.06 million or 18.10% in 2013. The revenue growth in 2012 resulted from condominium ownership transfers of 1,619 units, compared to the realized income from ownership transfers of 1,236 units in 2011. Of the total units transferred in 2012, 562 units were from U Delight @ Bangsue Station, 773 units from U Delight @ On-nut Station, 272 units from U Delight @ Chatuchak Station, and 12 units from U Delight @ Huaykwang Station. In 2013, the increase in revenues from sales of properties was ascribed to realized income from eight projects, comprising four vertical projects or 83% of revenues from properties for sale and four horizontal projects or 17% of revenues from properties for sale.





Office space rental created revenues of Baht 13.33 million, Baht 236.84 million, and Baht 1,184.61 million in 2011-2013 respectively, jumping by Baht 223.51 million or 1,676.74% in 2012 and by Baht 947.77 million or 400.17% in 2013. The completion of Park Ventures Ecoplex, a Grade A office building, in September 2012 added up to UV's revenues. As of year-end 2012, the leased out office and retail space made up 79% of total rented space. In addition, there was an increase in realized income from office space rental by GOLD group of Baht 72.1 million. In 2013, growth in revenues from office leasing was attributed to agreement signing and deposit payments by tenants of Park Ventures Ecoplex, which made up 99% of total rentable area as of the end of 2013. GOLD's revenues of Baht 947.60 million from office rentals also contributed to total revenues of the Company.

#### Zinc oxide business

UV recorded total revenues from zinc oxide manufacturing of Baht 986.02 million, Baht 961.79 million, and Baht 1,056.68 million in 2011-2013 respectively, decreasing by Baht 24.23 million or 2.46% in 2012 and rising by Baht 94.89 million or 9.87% in 2013. The loss in revenues in 2012 resulted from the decline in global market prices, in line with a drop in zinc bar price in world's market by around US\$ 319 per ton from 2011. For 2013, the revenue growth was contributed primarily by an increase in sales volume of 1,200 tons with an average selling price per ton of US\$ 1,906.

#### **Gross profit**

UV posted gross profits of Baht 799.98 million, Baht 917.74 million, and Baht 1,259.75 million in 2011-2013 respectively, representing a gross profit margin of 22.21%, 20.82%, and 20.71% respectively. For 2012, growth in gross profit margin mainly came from an increase in gross profit from properties for sale, particularly condominiums, of Baht 92.30 million. Total gross profit in 2013 remained unchanged from previous year, which was added up by Baht 831.90 million or 22% from properties for sale, by Baht 331.60 million or 28% from properties for rent (office), and Baht 64.30 million or 6% from zinc oxide manufacturing.

#### **Gains on rental under finance lease agreements**

UV reported gains on rental under finance lease agreements in 2012 of Baht 168.96 million, as a result of a hand-over of 30-year leased space of hotel section to TCC Luxury Hotels and Resort Co., Ltd. Revenues from the 30-year rent amounted to Baht 1,476.30 million which was fully received. According to Accounting Standard No. 14 (revised in 2009) Re: Lease Agreements, such revenues are categorized as income from finance lease agreements that cause a transfer to the lessees of the entire or nearly all of risks and gains that UV may collect from the assets. Thus, the Company recognized revenues from rental under finance lease agreements of Baht 1,012.09 million with costs of Baht 843.13 million as at the hand-over date, resulting in gain on such transaction of Baht 168.96 million which was a one-time recognized item. The remaining rental revenues received in advance of Baht 464.20 million will be recognized as revenue during the 30-year lease period.

#### **Selling and administrative expenses**

UV's selling and administrative expenses in 2011-2013 totaled Baht 468.80 million, Baht 544.66 million, and Baht 1,021.78 million respectively, up by Baht 75.86 million or 16.18% in 2012 and by Baht 477.12 million or 87.60% in 2013. In 2012, selling expenses of Baht 57.22 million resulted primarily from an increase in recognized revenues from transferred condominium units and also from consolidation of selling and administrative expenses from GOLD group of Baht 36.0 million after the business combination. However, UV gained a share of profit in associates of Baht 1.95 million in 2012, turning around from a share of loss in 2011 of Baht 1.08 million. For 2013, selling expenses grew by Baht 126.21 million from the same period of prior year. Such increase in selling expenses resulted chiefly from selling expenses of GOLD group of Baht 51.80 million after

the business combination and also from higher selling expenses of UV group of Baht 74.50 million. The selling expenses increment of the Company was in line with growth in property sales. Administrative expenses of UV group rose by Baht 382.11 million which resulted mainly from higher expenses of GOLD group of Baht 396.10 million after the business combination. In the meantime, administrative expenses of UV group declined by Baht 14.0 million. The Company recorded a share of profit in associates of Baht 33.15 million in 2013, up by Baht 31.20 million from preceding year.

### **Finance costs**

UV group recorded finance costs in 2011-2013 of Baht 31.83 million, Baht 141.16 million, and Baht 354.30 million respectively, soaring by Baht 109.33 million or 343.48% in 2012 and by Baht 213.14 million or 150.99% in 2013. The jump in finance costs in 2012 was caused by an increase in interest expenses from Park Ventures Ecoplex of Baht 69.40 million, compared with the previous year when the Company recognized interest expenses mainly from costs of such project, which was still under construction, and interest expenses of GOLD group totaling Baht 22.4 million arising from business combination in the consolidated financial statements of the Company. For 2013, the surge in finance costs from the same period of 2012 was created by finance costs of GOLD group arising from the business combination, while finance costs of UV group dropped by Baht 13.3 million.

### **Net Profit**

Net profit in 2011-2013 was Baht 206.10 million, Baht 401.45 million, and Baht 6.71 million respectively, growing by Baht 195.35 million or 94.79% in 2012 and plunging by Baht 394.74 million or 98.33% in 2013. In 2012, the net profit growth was primarily driven by realized gains on rental under finance lease agreements of Baht 169.0 million. For 2013, the net profit declined because there were no gains on rental under finance lease agreements while selling and administrative expenses and finance costs went up after the business combination with GOLD group.

### **Operating results in the first six months of 2014**

UV posted total revenues from sales, services, and rentals in the amount of Baht 2,759.64 million in the first half of 2014, increasing by Baht 1,195.87 million or 76.48% from Baht 1,563.73 million in the same period of 2013 mainly due to the following factors:

- UV gained revenues from sales of properties in the first six months of 2014 of Baht 1,507.16 million, mounting by Baht 1,070.45 million or 245.12% from Baht 436.71 million in the same period of 2013 thanks to increases in sales of high-rise projects of Baht 555.40 million and in sales of horizontal projects of Baht 515.10 million. The projects that chiefly triggered this escalation consisted of U Delight 3 Prachachuen-Bangsue, U Delight Residence Pattanakarn-Thonglor, Condo U @ Huamak Station, Golden Legend, Golden Heritage, Golden Nakara, Grand Monaco, Golden Village, and Golden Avenue Changwattana-Tiwanon.
- From the properties for rent business, UV recorded revenues from rentals and services of Baht 602.88 million in the first half of 2014, growing by Baht 27.79 million or 4.83% from Baht 575.09 million in the same period of 2013 as a consequence of growth in renting of Park Ventures Ecoplex, Grade A office building, of Baht 152.7 million, higher than that of the same period of prior year by Baht 21.9 million due to hikes in rental rates. As of June 2014, 100% of lessees of total rentable space already signed contracts and paid deposits. Furthermore, GOLD group received revenues from office leasing in the first half of 2014 of Baht 450.3 million, up by Baht 5.6 million from the same period of 2013 owing to a higher amount of agreement signing and deposit payments by tenants. Revenues came primarily from Sathorn Square, whose occupancy rate rose from 63% to 78% in the same period of previous year.

- Revenues from sales and services business in the first half of 2014 totaled Baht 639.68 million, up by Baht 99.53 million or 18.43% from Baht 540.15 million in the corresponding period of 2014 driven by a rise in sales volume of zinc oxide by 1,021 tons or 12.76% from 8,002 tons in H1/2013 to 9,023 tons in H1/2014. Consequently, revenues from zinc oxide business grew from Baht 515.40 million to Baht 617.70 million over the said periods respectively.

UV recorded gross profits in the first half of 2014 of Baht 632.12 million, rising substantially by Baht 377.76 million or 148.51% from Baht 254.36 million in the same period of 2013. Gross profit margin amounted to 16.27% and 22.91% of revenues from sales, services and rentals in the first half of 2012 and 2013 respectively. Gross profits divided by types of business are described as below:

- Gross profit from properties for sale dramatically soared by Baht 351.26 million or 690.51% from the same period of prior year due to an increase in number of transferred units from both high-rise and horizontal projects.
- Gross profit from properties for rent increased by Baht 47.04 million or 31.67% from that of the same period of preceding year because of the Company's ability to reduce related costs and more effective property management.
- Gross profit from sales and services business dropped from the corresponding period of previous year by Baht 18.10 million or 36.78% as a result of higher raw material costs.

The Company recorded selling and administrative expenses in the first half of 2014 of Baht 579.50 million, rising by Baht 172.53 million or 42.39% from Baht 406.97 million which was consistent with higher selling rate of horizontal projects.

UV had a net profit in the first half of 2014 of Baht 385.52 million, increasing sharply by Baht 635.86 million or 254.00% from a loss of Baht 250.34 million in the same period of 2013, driven partly by income growth from horizontal properties which could close sales and realize revenues immediately, and partly by an increase in gains on sales of non-core assets and greater benefits from income tax.

### **Financial position as at the end of 2011-2013**

UV had total assets of Baht 6,936.12 million, Baht 20,159.17 million and Baht 20,860.56 million as at December 31, 2011-2013 respectively, growing by Baht 13,223.05 million or 190.64% at the end of 2012 and by Baht 701.39 million or 3.48% as of year-end 2013, driven by the following factors:

- Current assets soared by Baht 1,703.53 million or 43.65% and by Baht 1,535.70 million or 27.39% as of the end of 2012 and 2013 respectively. The growth in current assets in 2012 was caused mainly by an increase in number of projects under development of Baht 484.12 million or 17.84% from the same period of prior year. As of end-2013, the growth in current assets resulted from an increase in number of projects under development of Baht 2,201.98 million or 68.84% and land deposits for property under development of Baht 64.50 million, with a drop in cash and cash equivalents of Baht 604.04 million.
- Investment property significantly rose by Baht 7,603.19 million or 365.81% as of the end of 2012 and decreased by Baht 954.29 million or 9.86% as of the end of 2013. The dramatic growth as of end-2012 resulted from the acquisition of GOLD group, leading to an increase in investment property of Baht 6,732.90 million. For 2013, a decline in investment property was primarily affected by sales of land of UV group of Baht 587.20 million and also by a drop in GOLD's investment property of Baht 216.50 million.

- Property, plant, and equipment surged by Baht 1,656.55 million or 303.96% and by Baht 56.09 million or 2.55% as of the end of 2012 and 2013 respectively. As of year-end 2012, such increase resulted from the acquisition of GOLD group which led to a substantial increase in property, plant, and equipment of Baht 2,143.50 million. For 2013, the increase in property, plant, and equipment was contributed mainly by additional acquisition of building, furniture and fixture, and office equipment of Baht 139.60 million. Meanwhile, depreciation rose by Baht 83.50 million.
- Prepaid rents remarkably rose by Baht 1,821.05 million or 610.56% as of year-end 2012 and slightly dropped by Baht 27.20 million or 1.28% as of year-end 2013. For 2012, the acquisition of GOLD group led to higher prepaid rents totaling Baht 2,163.10 million. For 2013, the decline in prepaid rents was caused mainly by a reduction in annual depreciation of Baht 81.20 million. However, prepaid rents during the year increased by Baht 54.00 million.

As at December 31, 2011-2013, UV had total liabilities of Baht 4,641.56 million, Baht 10,160.80 million, and Baht 11,553.31 million respectively, rising by Baht 5,519.24 million or 118.91% as at the end of 2012 and by Baht 1,392.51 million or 13.70% as of end-2013. The increase in total liabilities as of year-end 2012 from the end of 2011 resulted mainly from an increase in long-term loans from financial institutions of Baht 3,686.89 million, a rise in provisions for long-term liabilities of Baht 1,137.80 million, which is the current obligation for claims for defaults from customers and a landlord, and tax liabilities to be paid and income tax liabilities from business merger of Baht 521.20 million of GOLD group. The increase in total liabilities as of the end of 2013 chiefly resulted from growth in short-term loans from financial institutions of Baht 1,861.81 million and a rise in provisions for long-term liabilities of Baht 44.70 million, netted by decreases in long-term loans from financial institutions of Baht 298.85 million, advance received from customers of Baht 132.78 million, and deferred income tax liabilities of Baht 17.54 million.

Shareholders' equity of UV stood at Baht 1,873.97 million, Baht 7,142.64 million, and Baht 6,854.52 million as of December 31, 2011-2013 respectively. Growth in shareholders' equity as at year-end 2012 due to consolidated GOLD's performance. For 2013, a decline in shareholders' equity resulted from yearly increase in operational performance of Baht 175.3 million subtracted by a drop in interests in subsidiaries-net of Baht 421.4 million and dividend payment of Baht 42.1 million during the year.

#### **Financial position as of June 30, 2014**

UV recorded total assets of Baht 22,807.15 million as at June 30, 2014, an increase of Baht 1,946.59 million or 9.33% from the end of 2013 caused primarily by growth in number of real estate projects under development both horizontal and high-rise properties of Baht 2,540.66 million. Moreover, GOLD's strategy to raise working capital by selling non-core assets led to a decline in value of investment property of the Company of Baht 577.66 million.

UV had total liabilities of Baht 12,594.65 million as of June 30, 2014, up from year-end 2013 by Baht 1,041.34 million or 9.01% attributed mainly to an increase in current portion of long-term loans of Baht 948.96 million, with a drop in non-current liabilities of Baht 128.90 million.

As of June 30, 2014, shareholders' equity rose by Baht 77.82 million or 1.14% from the end of 2013 to Baht 6,932.34 million due chiefly to a profit earned in the first six months of 2014 on account of the ongoing project expansion. UV established a financial management policy to maintain the debt to equity ratio at not higher than 1.75 times. As of June 30, 2014, the Company recorded a debt to equity ratio of 1.23 times, which was in line with the policy.

### 3. Industry situation relating to the Company's business

#### Overview of real estate business

Real estate business plays a very important role in the economic system as it is a business relating to various industries such as construction, building material manufacturing, labor, financial sector, etc. Based on the forecast of the Fiscal Policy Office, the Thai economy in 2014 is projected to grow at an annualized rate of 2.6%, lower than the previous projection of 4.0%, due to the slow growth of domestic demand in the first half of the year. The discouraging factor was the prolonged political unrest since late 2013, which has eroded the confidence of consumers, investors, and foreign tourists. Moreover, public investment has been delayed, especially infrastructure projects under the two-trillion-baht infrastructure development plan, which the Constitutional Court ruled to be unconstitutional, and the 350-billion-baht water resource management plan which is bound by the Administrative Court's order to be put for a public hearing. This, together with the prolonged political instability, is expected to affect public investment due to the delay in the fiscal year 2015 budgetary process.

Nevertheless, exports of goods and services are anticipated to expand by 4.4%, spurred by the economic recovery of Thailand's major trading partners, especially the US and the Eurozone which are beginning to slip out of the economic recession. It is expected that exports will be the main driver for Thai economy in 2014. Thailand's economic stability is still resilient. With regard to internal stability, headline inflation in 2014 is anticipated to be 2.5%, slightly higher than that of the previous year. For external stability, the estimated trade surplus is expected to be higher than that of the previous year, due to the faster growth in exports than in imports. As a result, there will be a current account surplus of around USD 4.7 billion or 1.1% of GDP.

Considering the House Price Index (including land), Townhouse Price Index, Condominium Price Index, and Land Price Index, constructed by the Bank of Thailand, using the database of commercial banks' loans, it shows that the prices are on a rising trend. The price indices of single-detached house (including land) in 2011 - 2013 and in the first seven months of 2014 are 104.5%, 105.8%, 111.5%, and 116.9%. The price indices of townhouse (including land) in 2011 - 2013 and in the first seven months of 2014 are 109.8%, 112.9%, 121.3%, and 130.9%. The price indices of condominium in 2011 - 2013 and in the first seven months of 2014 are 127.0%, 134.5%, 141.7%, and 156.5%. The price indices of land in 2011 - 2013 and in the first seven months of 2014 are 121.7%, 126.9%, 138.3%, and 148.5% respectively.

**Table showing number of residences newly registered in Bangkok and its vicinities and price indices of single-detached house (including land), townhouses (including land), condominium, and land in 2011 – 2013 and Jan – July 2014**

No. of units	2011	2012	2013	Jan – July 2014
Housing estate	26,994	23,174	37,230	17,936
Flat and condominium	34,734	78,391	69,532	31,125
Owner-built house	20,128	23,437	23,284	14,096
<b>Total</b>	<b>81,856</b>	<b>125,002</b>	<b>130,046</b>	<b>63,157</b>
Single House (including land) Price Index	104.5	105.8	111.5	116.9
Townhouse (including land) Price Index	109.8	112.9	121.3	130.9
Condominium Price Index	127.0	134.5	141.7	156.5
Land Price Index	121.7	126.9	138.3	148.5

Source: Bank of Thailand

Real estate business in 2012 continued to recover from 2011 in terms of both demand and supply. Number of residences newly registered in Bangkok and its vicinities in 2012 of 125,002 units surged by 52.71% from 81,856 units in 2011. Such dramatic increase was mainly driven by growth in condominium projects as the launch of condominium projects had been delayed from the flood situation in late 2011. Developers postponed the launch of horizontal residential projects in order to monitor the possible flood situation in 2012. Nonetheless, in late Q3/2012, the concern over flooding no longer existed. The real estate developers thus launched more horizontal residential projects and expanded to the large provinces and cities such as Chon Buri, Khon Kaen, Nakhon Ratchasima, Chiang Mai, Phuket, Hat Yai, Udon Thani, Ubon Ratchathani, etc.

In 2013, real estate market in overall slightly expanded from the previous year, mainly in condominium segment as driven by the consumers' demand. Nonetheless, in the second half of 2013, real estate supply in the market constantly increased especially from the launch of many condominium projects. As a result, fierce competition prevailed in some locations, leading to a relative slowdown in sales. Moreover, there were several factors that impacted the whole market such as political rallies, economic slowdown, and increased household debts. These factors weakened the consumers' purchasing power for residences and ability to service housing loans.

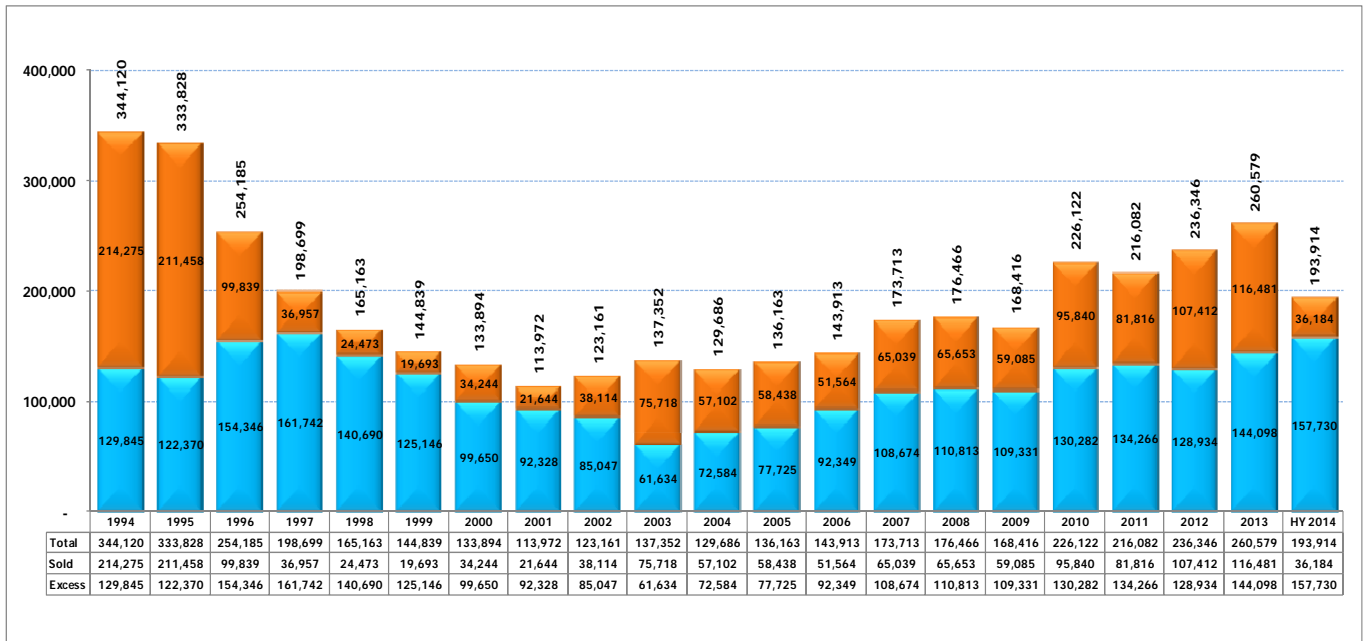
In the first half of 2014, real estate market slowed down as many condominium projects launched in 2013 had not yet started the construction. The large developers started to review their investment plans. Besides, the economic and political instabilities dampened confidence in investment of both local and overseas developers. The consumers lacked of purchasing power and some of them gave up the down payment, especially the speculators or the buyers of projects in the locations not adjacent to the electric train systems. As a result, the real estate business did not show a promising trend.

#### **Residential real estate industry situation**

Based on the report of Agency for Real Estate Affairs Co., Ltd. on the overview of residential projects in Bangkok and its vicinities in 2013, the new project launch involved a total of 417 projects which increased from 354 projects in 2012 by 63 projects or 18%. The total number of units sold were 131,645 units, up from 102,080 units in 2012 by 29,565 units or 29%. Total value of the projects was Baht 385,447 million, higher than that in 2012 of Baht 299,766 million by Baht 85,681 million or 29%. The average selling price per unit of residential market in 2013 was Baht 2.927 million, decreasing by 0.3% from Baht 2.937 million in 2012 because the industry focused on the development of projects with medium to rather low prices, especially condominium projects alongside electric train system and the extensions such as Bang Yai - Bang Sue, On Nut - Bearing - Samut Prakan, and Mo Chit - Saphan Mai. In 2013, there was an excess supply of 144,098 units, increasing by 12% from 128,934 units in 2012.

For the overview of residential projects in Bangkok and its vicinities in the first half of 2014, a total of 210 new projects were launched, which decreased from 227 projects in the same period of 2013 by 17 projects or 8%. The total number of units sold were 49,816 units, lower than that in the first half of 2013 of 64,855 units by 15,039 units or 23%. Total value of the projects was Baht 138,064 million, decreasing year-on-year from Baht 184,808 million by Baht 46,744 million or 25%. The average selling price per unit of residential market in the first six months of 2014 was Baht 2.771 million, decreasing by 5% from the same period of 2013 which was at Baht 2.928 million because the industry focused on the development of projects with medium to rather low prices, especially condominium projects alongside electric train system and the extensions such as Bang Yai - Bang Sue, On Nut - Bearing - Samut Prakan, and Petchakasem - Bang Wa. In the first half of 2014, there was an excess supply of 157,730 units, increasing by 18% from 144,098 units at the end of 2013.

Chart illustrating number of units sold and excess supply of residences in 1994-2013 and the first six months of 2014



Source: Agency for Real Estate Affairs Co., Ltd.

**Note:** Total supply (number of residences available for sale) is the excess supply of the previous year and number of supply newly launched each year. Number of units sold is the number of residences sold in each year. Excess supply is the number of residences waiting for sale in each year which includes single-detached house, duplex house, townhouse, condominium, commercial building, and developed land.

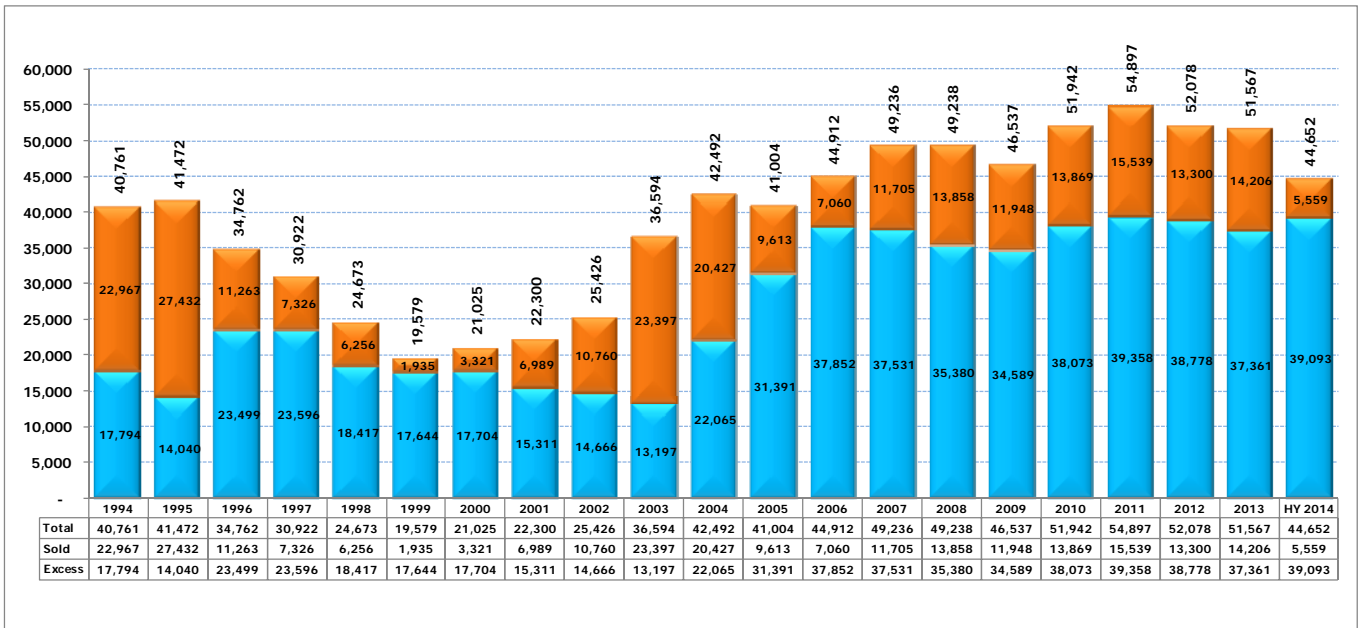
The residential real estate development can be divided into two types, i.e. horizontal project (single-detached house, duplex house, and townhouse) and vertical project (condominium).

#### *Horizontal project (single-detached house and townhouse)*

The horizontal residential property development in 2013 was comprised of single-detached house and townhouse. Total number of single-detached houses sold was 14,206 units, accounting for 28% of total units sold. Total number of townhouses sold was 22,025 units, accounting for 33% of total units sold. Total number of single-detached houses launched for sales in 2013 was 51,567 units, decreasing by 10% from 52,078 units in 2012. Total number of townhouses launched for sales in 2013 was 66,664 units, increasing by 7% from 62,210 units in 2012. The accumulative excess supply of single-detached houses in 2013 was 37,361 units, dropping from 38,778 units in 2012 by 4%, while the accumulative excess supply of townhouses was 44,639 units, increasing from 38,617 units in 2012 by 16%.

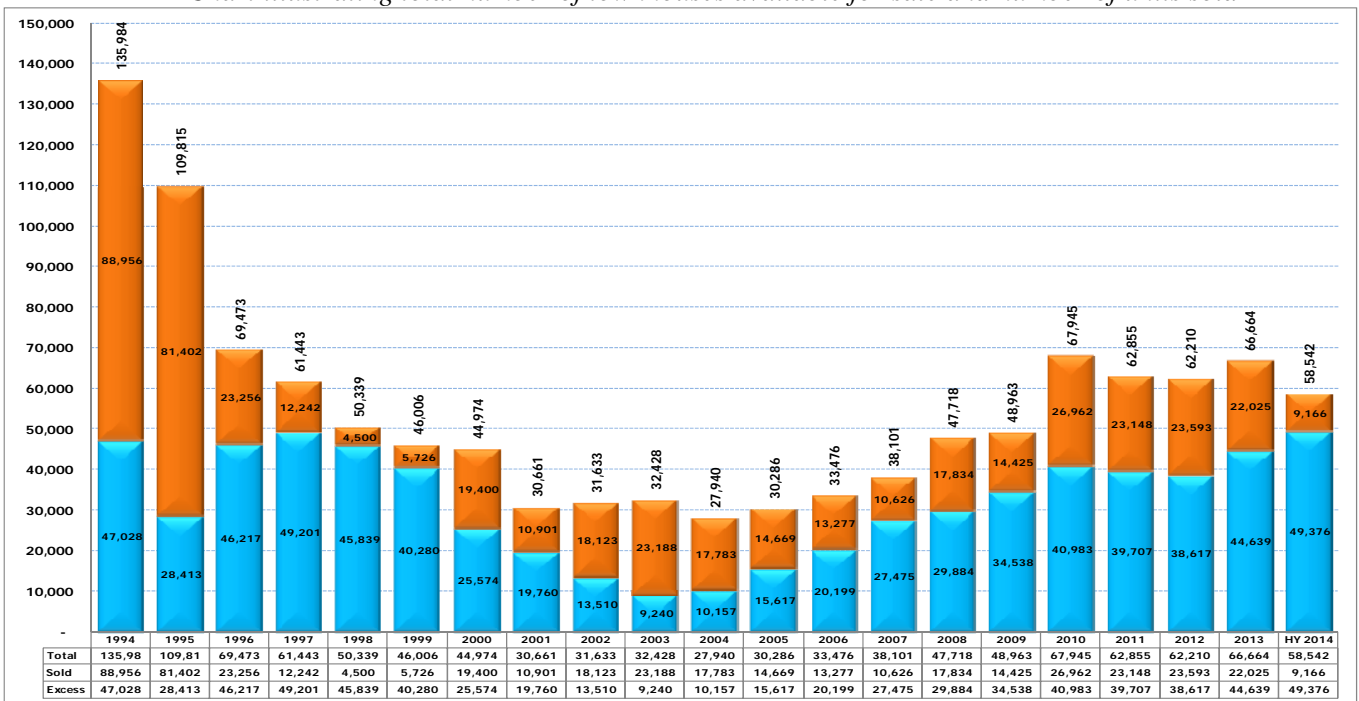
In the first six months of 2014, total number of single-detached houses sold was 5,559 units, accounting for 12% of total units sold. Number of townhouses sold was 9,166 units, accounting for 16% of total units sold. Total number of single-detached houses launched for sales in the first half of 2014 was 44,652 units and total number of townhouses was 58,542 units. The accumulative excess supply of single-detached houses in the first half of 2014 was 39,093 units, higher than the end of 2013 of 37,361 units by 5%, while the accumulative excess supply of townhouses was 49,376 units, increasing from 44,639 units at the end of 2013 by 11%.

Chart illustrating total number of single-detached houses available for sale and number of units sold



Source: Agency for Real Estate Affairs Co., Ltd.

Chart illustrating total number of townhouses available for sale and number of units sold



Source: Agency for Real Estate Affairs Co., Ltd.

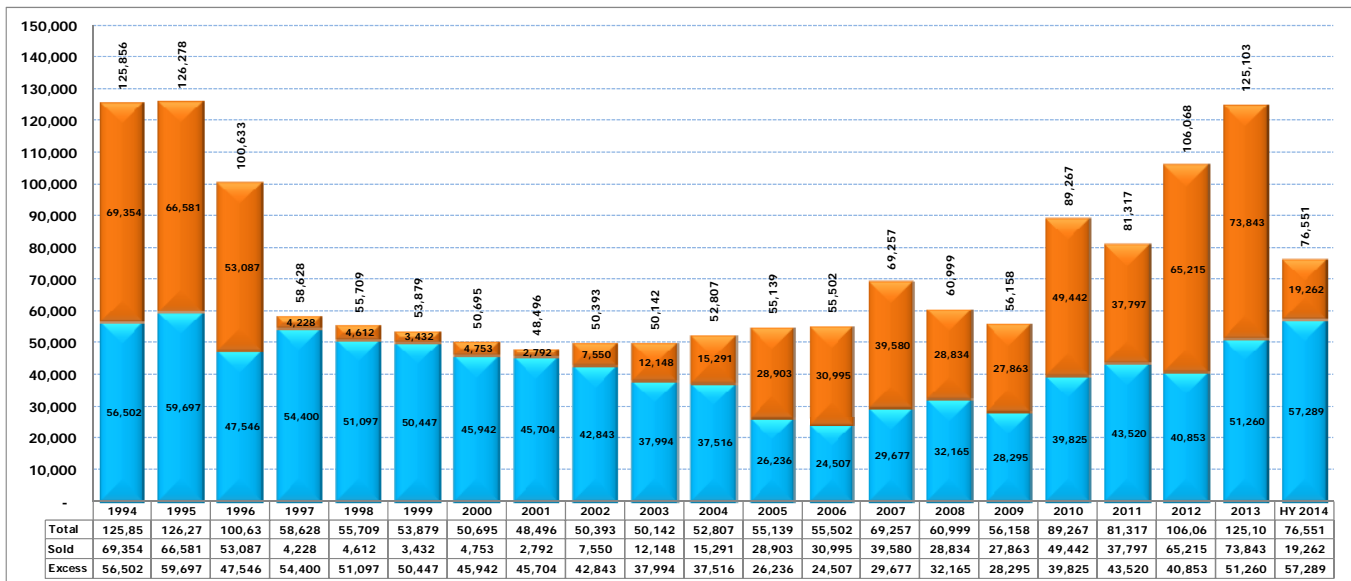
Vertical project (condominium)

Demand for vertical residences, i.e. condominium units, in 2013 and in the first half of 2014 was still high which could be seen from the total number of units available for sale. In 2013, there were a total of 125,103 units available for sale, increasing by 18% from 2012 of 106,068 units. In 2013, total sales were 73,843 units, accounting for 61% of total units sold, up by 13% from 65,215 units in 2012. The accumulative excess supply in 2013 was 51,260 units, increasing from 40,853 units in 2012 by 25%. In the first half of 2014, the total number of units available for sale was 76,551 units



and total sales were 19,262 units, accounting for 25% of total units sold, with accumulative excess supply of 57,289 units.

Chart illustrating total number of condominium units available for sale and number of units sold



Source: Agency for Real Estate Affairs Co., Ltd.

According to the survey of Agency for Real Estate Affairs Co., Ltd., demand for residences in 2014 may slow down from 2013 as numerous projects were launched during 2012 - 2013 and mostly were new projects offered for sales but not yet constructed. The construction just completed in 2014. In addition, there are increasing number of buyers who gave up the down payment of condominium units, especially the speculators or those buying condominium units in the location not adjacent to the electric train system. As a result, most of the large developers started to prudently review their investment plans and targets.

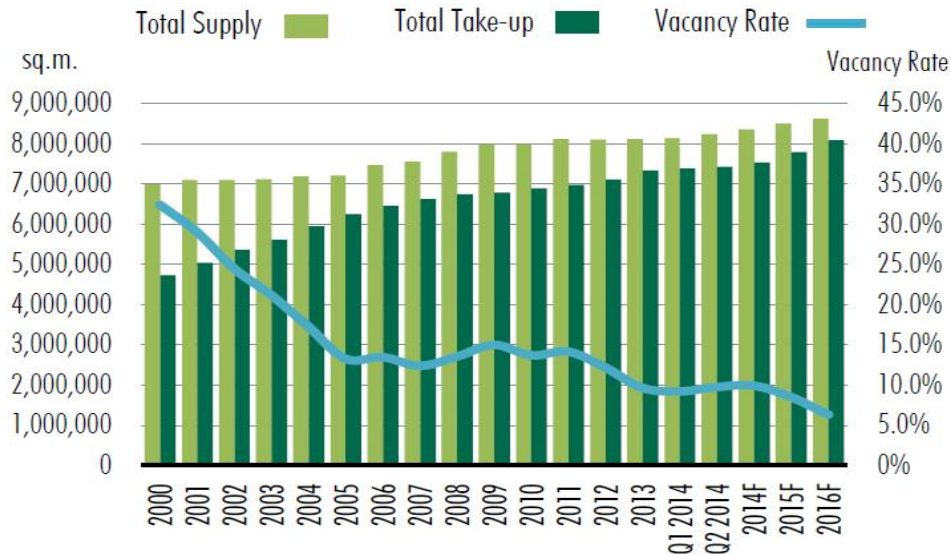
Prices of new residences tend to edge up due to hikes in land prices, material cost, and labor cost in tandem with the minimum daily wage increase to Baht 300. The developers also face labor shortage due to high labor cost, difficulty in foreign labor relocation, delay in construction especially for the high-rise buildings, and uncertainty of electric train systems, which cause a slowdown in project development in some areas.

The regional residential market starts to slow down in some provinces as some types of residences are reaching a saturation point due to the limited demand. Moreover, the suspension of high-speed train project and the delay in AEC implementation cause the residential demand to largely slow down from 2013. Demand for property purchase depends mainly on economic factors and political stability, which will help build up confidence among both local and overseas developers.

### Office real estate industry situation

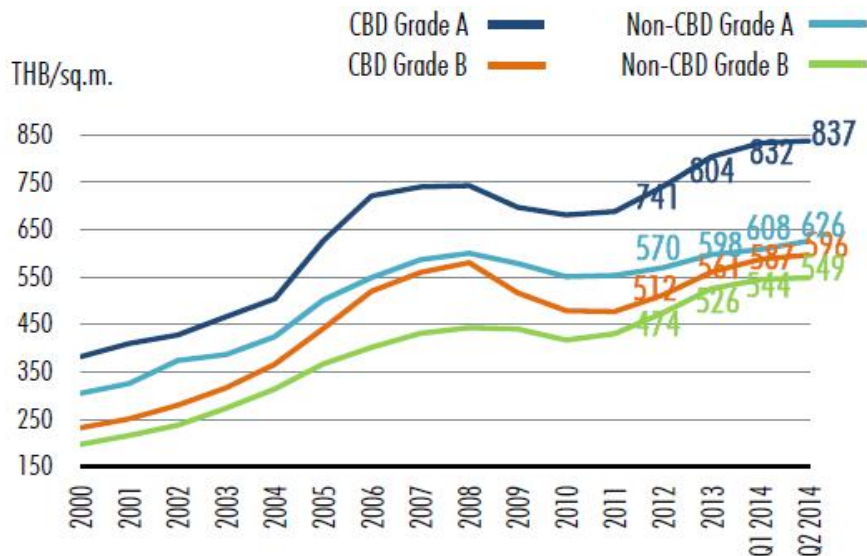
The overall office space rentals in Q2/2014 slightly increased. With total rentable area of 8.23 million square meters, 7.43 million square meters were leased out, representing an occupancy rate of 90.3% of total rentable area, up from 2013 by 1.6% due to growth in number of completed office buildings available to be rented out. For forthcoming situation of office space rentals, approximately 400,000 square meters are anticipated to be delivered in 2014-2016, only 36.9% of which are located in Central Business District (CBD). Office buildings that are expected to be launched in 2014 are, for instance, Bhiraj Tower, AIA Sathorn Tower, FYI Center, and One Fenix Place.

**Chart illustrating total supply, total take-up and vacancy rate of office space in Bangkok and its vicinities in 2000-2013 and projection for 2014-2016**



Source: CB Richard Ellis (Thailand)

**Occupancy rate of office space in Bangkok in 2000-Q2/2014**



Source: CB Richard Ellis (Thailand)

Rental rates for CBD Grade A and Grade B office space in Q2/2014 were Baht 837 per square meter and Baht 596 per square meter respectively, compared with rental rates for Non-CBD Grade A office space of Baht 626 per square meter and Non-CBD Grade B of Baht 549 per square meter. Rentals grew from 2013 by 4.9% and 7.8% for CBD Grade A and Grade B office space respectively and by 5.6% and 5.0% for Non-CBD Grade A and Grade B office space respectively.

## Attachment 2

### Profile of

### Krungthep Land Public Company Limited

#### 1. Background

Krungthep Land Plc. (“KLAND”) was incorporated on October 30, 1984 with an initial registered capital of Baht 5.00 million to engage in property development business. Recognizing business growth opportunities, KLAND has continually increased its registered capital. In 2003, it developed a number of new projects, seeking to offer quality housing properties to satisfy middle class to premium market segments, which are KLAND’s target groups. Aside from horizontal property, KLAND in 2004 entered a joint venture with Frasers (Thailand) Pte. Ltd. (“FTPL”), a subsidiary of Fraser and Neave Ltd. (“F&N”) which is a Singapore-based leading property developer, to establish Riverside Homes Development Co., Ltd. (“RHD”), to develop a condominium project on the bank of the Chao Phraya River, in the name “The Pano”.

As of August 31, 2014, KLAND had a registered capital of Baht 2,400.00 million with a paid-up capital of Baht 1,780.00 million, divided into 1,780.00 million ordinary shares at a par value of Baht 1.00 per share. It has subsidiaries and jointly controlled entity in which it holds shares as follows:

Company name	Type of business	Paid-up capital (Baht million)	Shareholding (%)	Net investment value (Baht million)
<b><i>Subsidiaries</i></b>				
<i>Subsidiaries operating property development business</i>				
Prime Plus Asset Co., Ltd.	Real estate development, currently developing The Grand Wongwaen Pracha Uthit Project	20.00	100.00	20.00
First Square Co., Ltd.	Real estate development, currently developing The Grand Pinklao Project	20.00	100.00	20.00
<i>Subsidiaries operating property-related business</i>				
Sidewalk Land Co., Ltd.	Holding property to support marketing ability and increase security system ability in each part of KLAND’s real estate project	41.30	100.00	-*
Regal Region Co., Ltd.	Support KLAND Group’s core business, currently holding the land of club house of KLAND’s real estate project	20.50	100.00	20.50
<b><i>Jointly controlled entity</i></b>				
RHD**	Real estate development	1,000.10	51.00	649.90

Note: \* KLAND has fully set aside allowance for impairment of investment in Sidewalk Land Co., Ltd.

\*\* RHD holds 100% of shares in Waterside Land Co., Ltd., which has a registered capital of Baht 0.30 million and was established to hold properties to support condominium business operation of RHD.

On August 21, 2014, SMJC Real Estate Co., Ltd. (“SMJC”) acquired shares in KLAND from existing shareholders of KLAND,<sup>1</sup> representing 39.33% of total paid-up shares of KLAND, and

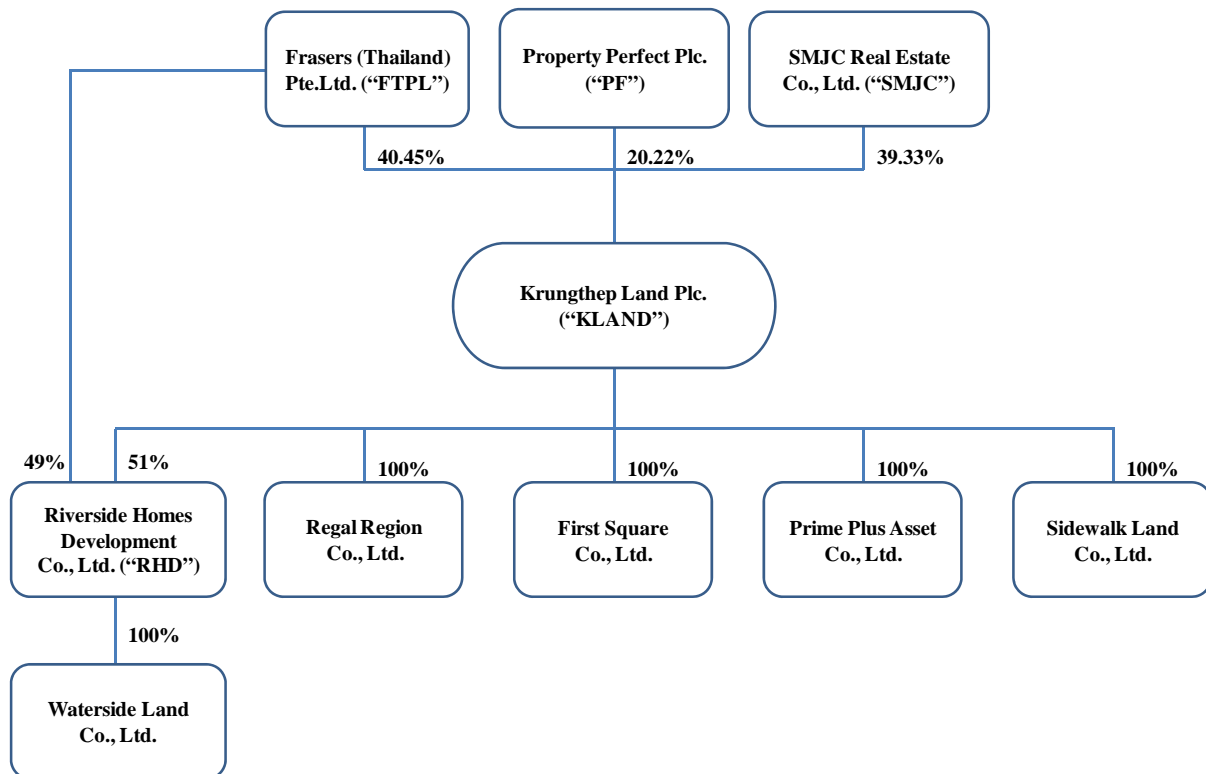
<sup>1</sup> The existing shareholders of KLAND who sold their entire 699,998,060 shares in KLAND, representing 39.33% of total paid-up shares of KLAND, to SMJC are Mr. Thongchai Kunakornporamat Group in the amount of 294,998,060 shares (16.57%), Mr. Bhichit Rattakul Group of 250,000,000 shares (14.05%), Mr. Wichai Thongtang of 150,000,000 shares (8.43%), and Miss Natthaporn Panich of 5,000,000 shares (0.28%).

executed an agreement on entitlement to sale and purchase of KLAND shares with Property Perfect Co., Ltd. (“PF”), which is another shareholder of KLAND (holding 20.22% of shares in KLAND), whereby SMJC shall be entitled to purchase KLAND shares held by PF.

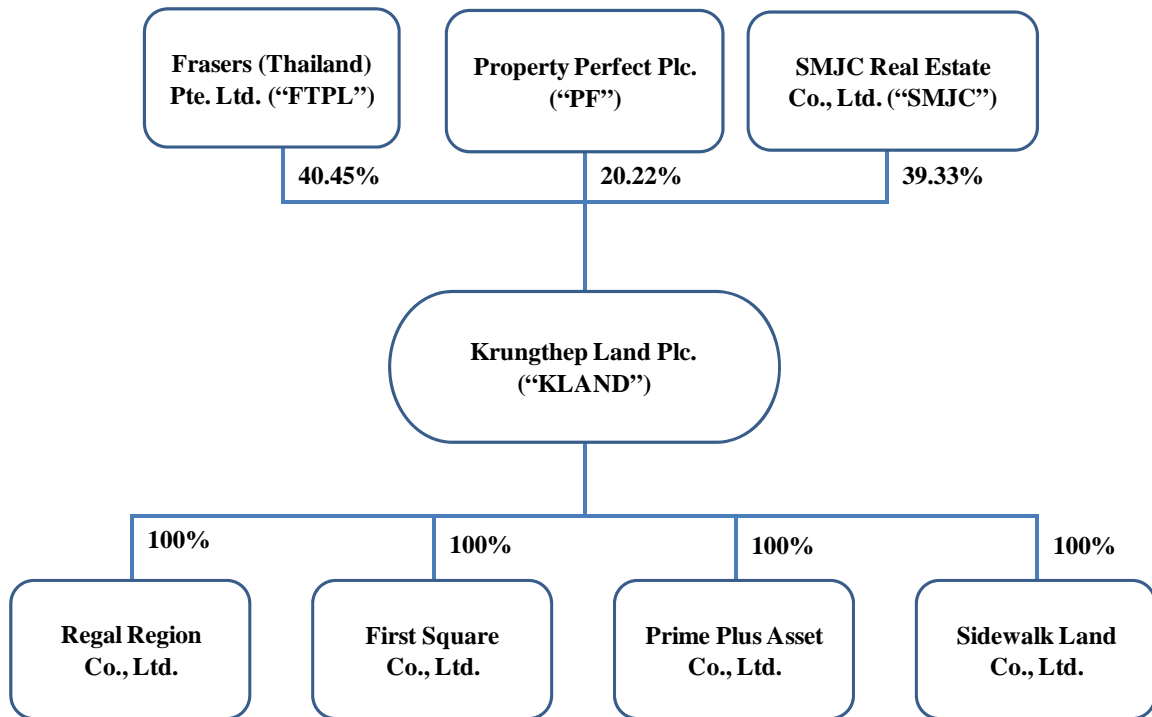
On September 9, 2014, SMJC issued a letter proposing to sell to GOLD its shares in KLAND (39.33%) together with the entitlement to sale and purchase of KLAND shares agreed upon with PF, and plans to complete the sale and purchase of KLAND shares by December 31, 2014.

The said sale and purchase of KLAND shares transaction does not include RHD (as of September 30, 2014, RHD held the status of a jointly controlled entity of KLAND and FTPL, which respectively own 5,100,505 shares and 4,900,490 shares representing 51% and 49% of RHD’s paid-up capital). In this connection, SMJC will purchase all shares in RHD from KLAND and FTPL before selling KLAND shares to GOLD since SMJC has an intention to focus its investments solely on condominium projects. On September 22, 2014, SMJC therefore submitted a proposal to KLAND and FTPL, offering to purchase all RHD shares from them at a price of Baht 170.57 per share. The sale and purchase of RHD shares transaction is expected to be accomplished by November-December 2014 to comply with the conditions pertaining to the disposal of KLAND shares to GOLD as mentioned above.

**Shareholding Structure of KLAND before Sale of Investment in RHD Shares**

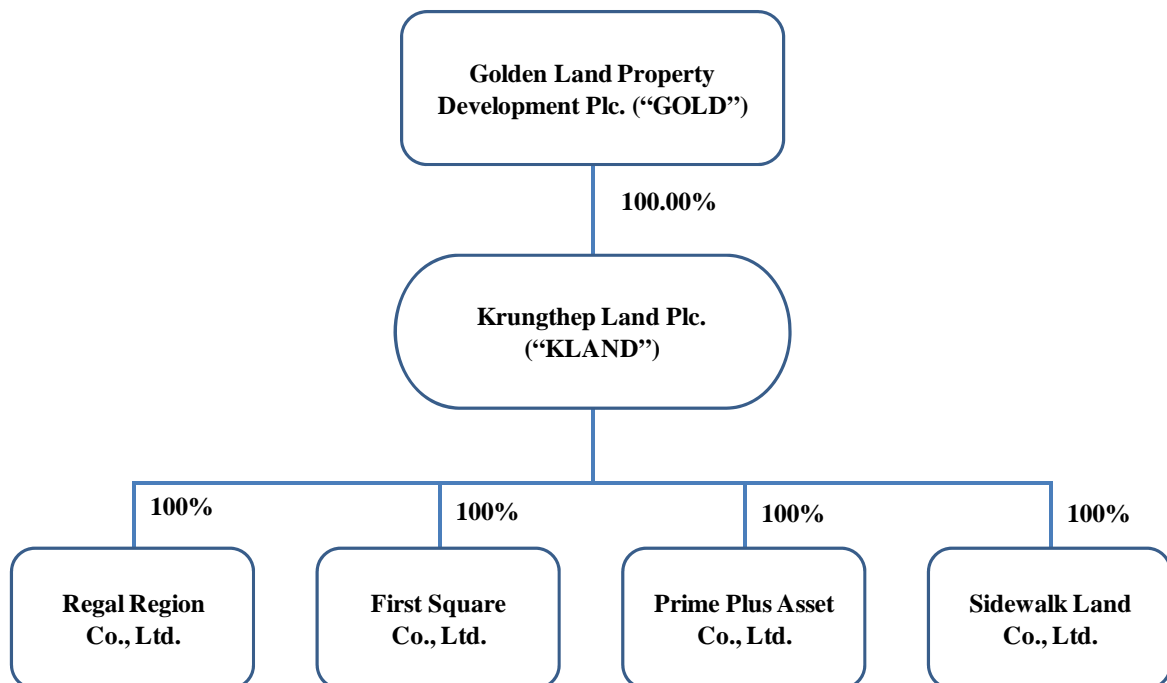


**Shareholding Structure of KLAND after Sale of Investment in RHD Shares**



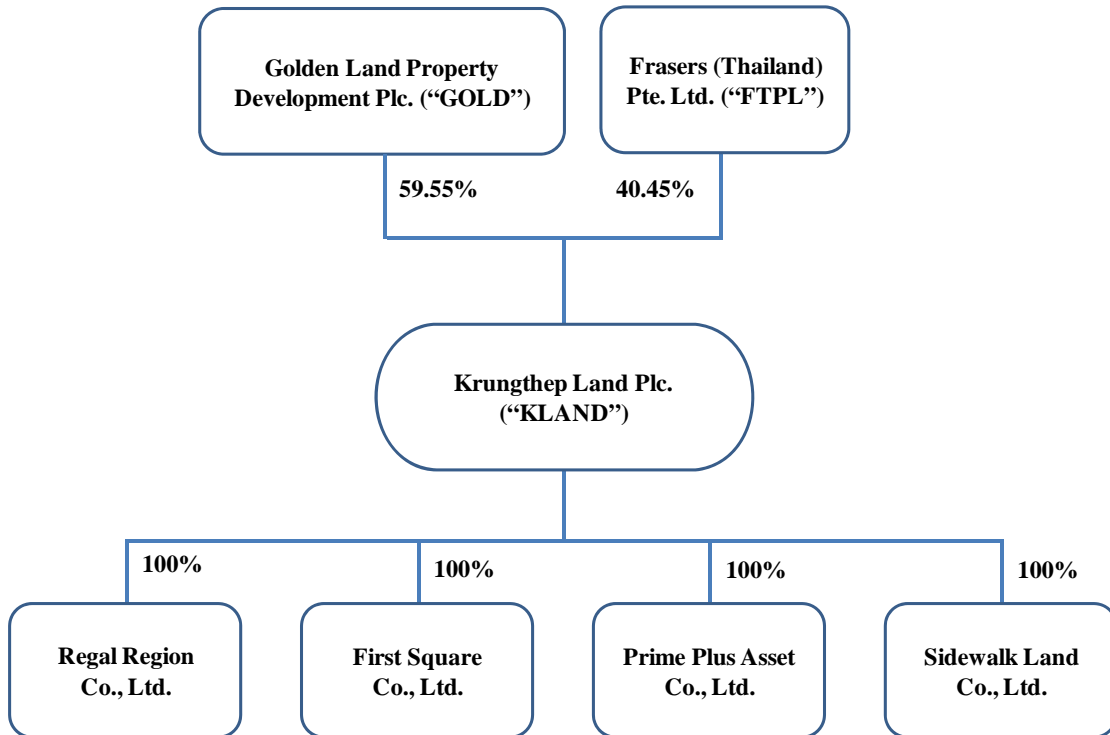
**Shareholding Structure of KLAND after Acquisition of KLAND shares by GOLD**

(1) In case GOLD successfully acquires all of KLAND shares from existing shareholders of KLAND

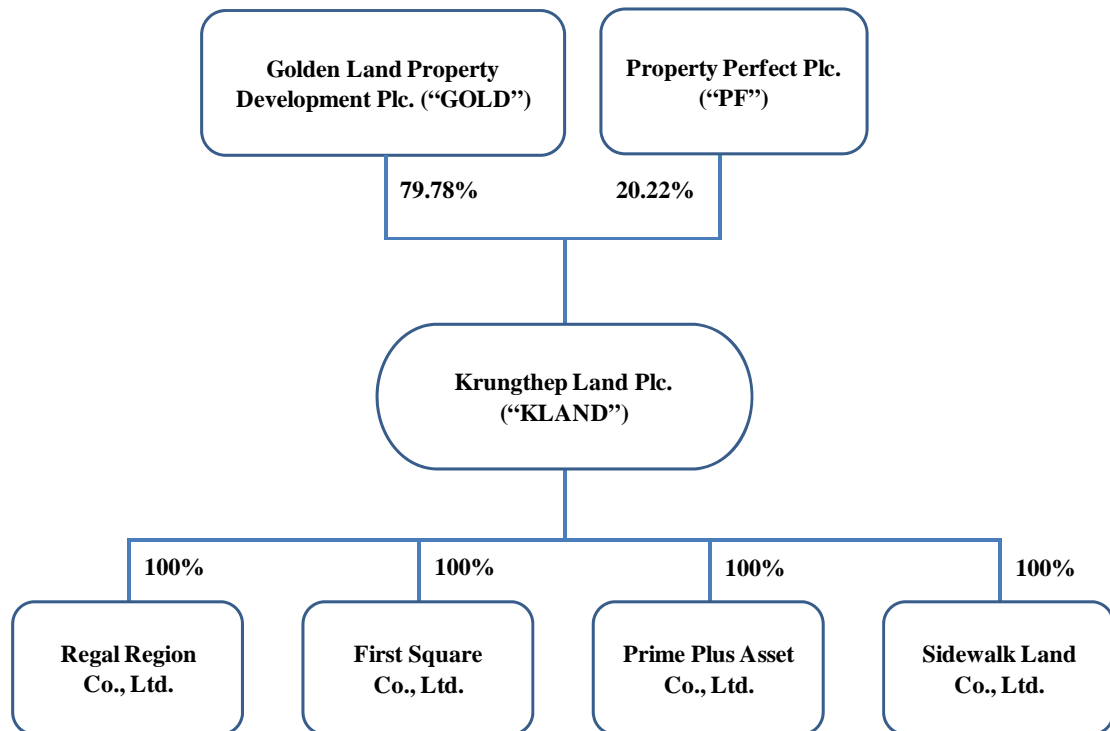


(2) In case GOLD can acquire only some of KLAND shares or the minimum amount that leads GOLD to hold not less than 51% of shares in KLAND

(2.1) GOLD can acquire KLAND shares from SMJC and PF only.



(2.2) GOLD can acquire KLAND shares from SMJC and FTPL only.





## 2. Business overview

KLAND and its subsidiaries have engaged in real estate development business in the type of residential property, comprising 1) horizontal residences such as single detached houses and townhomes and 2) vertical residences which are condominiums. They emphasize project development in Bangkok and its vicinities in promising areas that are adjacent to communities and have convenient transportation. KLAND delivers a broad variety of quality products to satisfy the middle-class to premium markets, which are its main target groups.

The single houses and townhouses are completely built before offering for sales. A prospective buyer must make a 10%-30% down payment, depending on the property price, and after that must fully settle the remainder before KLAND can proceed to transfer ownership of the property unit to the buyer. On the contrary, property of the condominium type is sold before being finished or is sold during construction process because of the fact that a high-rise housing project essentially involves a long construction period. Fully furnished sample units are available for customers to visit before making their buying decision. As such, KLAND can have cash flow available partly from the reservation deposit payments and down payments in order to cover its construction costs. On the agreement signing date, customers are to make a down payment of about 10%-30%, depending on the property price, and after project completion must fully pay for the remaining amount before KLAND can proceed to transfer ownership to the buyers.

As of August 31, 2014, KLAND and its subsidiaries had a total of 5 single detached house and townhome projects under selling process, details of which are as follows:

Table illustrating a sales update on existing projects, as of August 31, 2014 :

No.	Project name	Type of project	Project area (rai-ngan-wah)	Sales update								% of sales completed (%)
				Total number of units offered		Number of units sold		Backlog		Number of remaining unsold units		
				Unit (unit)	Value (Baht million)	Unit (unit)	Value (Baht million)	Unit (unit)	Value (Baht million)	Unit (unit)	Value (Baht million)	
1.	The Grand Rama II (Phase 3) - Lake Grandiose	Single detached house	41-0-61.6	58	1,047.62	40	752.81	2	51.99	20	346.90	87.79
	The Grand Rama II (Phase 4.2) - The Island (Courtyard)	Single detached house	50-0-58.0	89	1,382.45	22	387.24	3	52.45	70	1,047.66	66.99
	The Grand Rama II (Phase 6) - The Grace (Zeen Scenery)	Single detached house	37-3-17.6	100	959.09	55	591.71	1	9.50	46	376.88	86.71
	The Grand Rama II (Phase 9) - Zenith	Single detached house	9-0-6.7	22	229.80	1	8.00	-	-	21	221.80	82.33
	The Grand Rama II (Phase 11) - Infinia	Single detached house	59-3-32.1	223	1,156.51	151	815.76	10	52.85	82	393.60	86.46
2.	The Grand Wongwaen Pracha Uthit (Phase 1)	Single detached house	79-3-48.6	282	1,584.09	247	1,320.69	5	44.42	40	307.58	91.33
	The Grand Wongwaen Pracha Uthit (Phase 2) <sup>1/</sup>	Single detached house	23-0-11.5	69	566.37	6	47.84	2	17.65	65	536.18	22.72
3.	The Grand Udomsuk	Single detached house	67-0-6	153	2,114.33	28	364.00	6	72.35	131	1,822.68	46.74
4.	The Grand Pinklao (Phase 1)	Single detached house	89-3-6.3	147	3,440.18	7	188.76	1	24.00	141	3,275.42	24.59
	The Grand Pinklao (Phase 2) <sup>2/</sup>	Single detached house	97-3-50.6	213	2,943.01	11	154.62	7	96.53	209	2,884.92	53.89
5.	Tyme Rama V - Nakhon In	Townhome	17-0-45	158	538.00	38	120.94	21	67.74	141	484.80	63.98
	<b>Total</b>			<b>1,514</b>	<b>15,961.45</b>	<b>606</b>	<b>4,752.37</b>	<b>58</b>	<b>489.48</b>	<b>966</b>	<b>11,698.42</b>	

 Note: <sup>1/</sup> Operated by Prime Plus Asset Co., Ltd.

<sup>2/</sup> Operated by First Square Co., Ltd.

Source: KLAND



- Revenues structure of KLAND and its subsidiaries for 2011-2013, H1/2014 and first eight months of 2014 is shown in the table below:

	2011		2012		2013		Jan-June 2014		Jan-Aug 2014	
	Bt. mil	%	Bt. mil	%	Bt. mil	%	Bt. mil	%	Bt. mil	%
Revenues from sales of property - horizontal										
Single detached house	1,663.54	95.25	1,714.27	97.01	2,155.19	96.70	1,024.36	97.05	1,203.29	92.66
Townhome	-	-	-	-	19.40	0.87	38.02	3.49	60.70	4.67
Revenues from house construction services <sup>1</sup>	1.13	0.06	-	-	-	-	-	-	-	-
Other revenues <sup>2</sup>	81.84	4.69	52.82	2.99	54.25	2.43	26.73	2.45	34.69	2.67
<b>Total revenues</b>	<b>1,746.51</b>	<b>100.00</b>	<b>1,767.09</b>	<b>100.00</b>	<b>2,228.84</b>	<b>100.00</b>	<b>1,089.11</b>	<b>100.00</b>	<b>1,298.68</b>	<b>100.00</b>

- Note: <sup>1</sup> Currently, KLAND has not generated any revenues from construction services since it does not operate any vacant land allocation project.
- <sup>2</sup> Other revenues include revenues from public utilities, revenues from management, rental income, revenues from club management, revenues from confiscation of reservation deposits, etc.

- Board of Directors and shareholders

- The Board of Directors, as of August 21, 2014, is as listed below:

Name	Position
1. Flg. Off. Kamolnai Chaixanien	Director
2. Mr. Montri Srisakulmekhi	Director
3. Mr. Kwanchai Chookiatkajorndej	Director
4. Mr. Natthaphat Mongkonthananon	Director
5. Mr. Lim E Seng	Director
6. Mr. Chan Kin Fie	Director
7. Mr. Chia Kong Chung	Director

Authorized signatories: Any two of the directors to co-sign, with corporate seal affixed.

- *Registered capital and shareholders*

As of August 21, 2014 (latest shareholder register book closing date), KLAND had a registered capital of Baht 2,400,000,000, with an issued and paid-up capital of Baht 1,780,000,000 divided into 1,780,000,000 ordinary shares at a par value of Baht 1 per share. Details of shareholders are as follows:

	List of shareholders	Number of shares	% of total shares
1.	Frasers (Thailand) Pte. Ltd.	720,000,000	40.45
2.	SMJC Real Estate Co., Ltd. and SMJC Group	700,000,160	39.33
3.	Property Perfect Plc.	359,999,640	20.22
4.	Other minority shareholders	200	0.00
	<b>Total</b>	<b>1,780,000,000</b>	<b>100.00</b>

▪ *Debentures*

As of August 31, 2014, KLAND had secured debentures that have not been redeemed, as follows:

	The Second Secured Bond of KLAND No. 1/2553, redeemable in 2014	The Third Secured Bond of KLAND No. 1/2553, redeemable in 2015
Bond value	Baht 250.00 million	Baht 250.00 million
Date of issuance	October 7, 2010	
Maturity period	4 years from issuance date	5 years from issuance date
Date of redemption	October 7, 2014*	October 7, 2015
Interest rate	Fixed rate of 3.35% p.a.	Fixed rate of 3.50% p.a.
Security	Letter of guarantee issued by Krung Thai Bank Plc.	
	Total guarantee amount not exceeding Baht 296.00 million	Total guarantee amount not exceeding Baht 306.00 million

Note: \*On October 7, 2014, the bond redemption date, the Second Secured Bond of KLAND was already redeemed.

In addition, KLAND has guaranteed as occurred on a normal business. KLAND has guaranteed of outstanding loan balances to its subsidiary and loans with not paid of Baht 1,342 million. There were outstanding bank guarantees issued by the banks on behalf of KLAND and its subsidiaries to guarantee the repayment of debentures and relating to the provision of public utilities or public services or land improvement and electricity use of Baht 1,093 million

### 3. Operating performance and financial position

- *Table summarizing financial position and operating results of KLAND and its subsidiaries for 2011-2013, the six-month period ended June 30, 2014 and the eight-month period ended August 31, 2014<sup>2</sup>*

Statements of financial position	As of December 31,						As of June 30, 2014		As of August 31, 2014	
	2011 <sup>1/</sup>		2012 <sup>1/</sup>		2013					
	Audited		Audited		Audited		Reviewed		Reviewed	
	Baht million	%	Baht million	%	Baht million	%	Baht million	%	Baht million	%
<b>Assets</b>										
<b>Current assets</b>										
Cash and cash equivalents	59.77	1.16	63.88	1.18	67.68	1.11	86.63	1.43	144.66	2.41
Other receivables	3.00	0.06	4.13	0.08	4.48	0.07	4.23	0.07	4.41	0.07
Cost of property development	4,254.19	82.68	4,554.89	84.49	5,208.58	85.28	5,092.72	84.31	5,088.07	84.93
Other current assets	13.66	0.27	11.48	0.21	11.53	0.19	14.04	0.23	12.19	0.20
<b>Total current assets</b>	<b>4,330.62</b>	<b>84.16</b>	<b>4,634.38</b>	<b>85.97</b>	<b>5,292.27</b>	<b>86.65</b>	<b>5,197.62</b>	<b>86.05</b>	<b>5,249.33</b>	<b>87.62</b>

<sup>2</sup> The interim financial information has been prepared for specific purposes in line with International Accounting Standard No. 34 (Revised 2012) Re: Interim Financial Reporting, except for the statements of cash flow and disclosure of comparative information which have been prepared for the purpose of exhibiting financial status as of August 31, 2014 and the operating performance for the eight-month period ended as of such date which has been prepared as supporting information for the sale and purchase of KLAND shares only. Financial statement is including investments in jointly controlled of KLAND in property development of high-rise residence and their financial performance. However, KLAND will be restructure of the Group's property development only low-rise residence under the terms of enter into this transaction.

Statements of financial position	As of December 31,						As of June 30, 2014		As of August 31, 2014	
	2011 <sup>1/</sup>		2012 <sup>1/</sup>		2013					
	Audited		Audited		Audited		Reviewed		Reviewed	
	Baht million	%	Baht million	%	Baht million	%	Baht million	%	Baht million	%
<b>Non-current assets</b>										
Pledged deposits with financial institutions	0.88	0.02	0.88	0.02	2.27	0.04	10.32	0.17	10.32	0.17
Investment in jointly controlled entity	581.43	11.30	594.17	11.02	657.66	10.77	654.99	10.84	649.90	10.85
Investments in available-for-sale securities	38.10	0.74	70.64	1.31	60.47	0.99	90.25	1.49	-	-
Long-term loans to and accrued interest receivable from jointly controlled entity	90.90	1.77	-	-	-	-	-	-	-	-
Investment property	26.53	0.52	19.78	0.37	19.78	0.32	19.78	0.33	19.78	0.33
Property, plant and equipment	37.30	0.72	35.09	0.65	37.46	0.61	34.69	0.57	33.36	0.56
Leasehold right	14.68	0.29	13.54	0.25	12.40	0.20	11.83	0.20	11.64	0.19
Deferred tax assets	19.18	0.37	15.45	0.29	18.13	0.30	12.30	0.20	9.05	0.15
Other non-current assets	5.99	0.12	6.96	0.13	7.34	0.12	8.39	0.14	7.49	0.13
<b>Total non-current assets</b>	<b>814.99</b>	<b>15.84</b>	<b>756.51</b>	<b>14.03</b>	<b>815.51</b>	<b>13.35</b>	<b>842.55</b>	<b>13.95</b>	<b>741.54</b>	<b>12.38</b>
<b>Total assets</b>	<b>5,145.61</b>	<b>100.00</b>	<b>5,390.89</b>	<b>100.00</b>	<b>6,107.78</b>	<b>100.00</b>	<b>6,040.17</b>	<b>100.00</b>	<b>5,990.87</b>	<b>100.00</b>
<b>Liabilities and shareholders' equity</b>										
<b>Current liabilities</b>										
Bank overdrafts and short-term loans from financial institutions	-	-	108.00	2.00	33.89	0.55	46.35	0.77	8.63	0.14
Payables to contractors/construction and other accounts payable	149.06	2.90	226.47	4.20	326.28	5.34	292.42	4.84	263.22	4.39
Current portion of long-term loans from financial institutions	3.09	0.06	29.25	0.54	175.75	2.88	145.09	2.40	274.16	4.58
Current portion of long-term loans from creditors	-	-	-	-	100.00	1.64	-	-	-	-
Current portion of long-term debentures	-	-	498.25	9.24	249.34	4.08	249.77	4.14	249.92	4.17
Deposits and advances received from customers	5.93	0.12	4.11	0.08	6.31	0.10	10.34	0.17	11.96	0.20
Income tax payable	28.91	0.56	19.55	0.36	30.54	0.50	21.07	0.35	2.33	0.04
Other current liabilities	62.60	1.22	38.15	0.71	67.57	1.11	68.04	1.13	65.33	1.09
<b>Total current liabilities</b>	<b>249.59</b>	<b>4.85</b>	<b>923.78</b>	<b>17.14</b>	<b>989.68</b>	<b>16.20</b>	<b>833.08</b>	<b>13.79</b>	<b>875.55</b>	<b>14.61</b>
<b>Non-current liabilities</b>										
Long-term loans from financial institutions-net of current portion	1,122.27	21.81	1,129.13	20.95	1,993.91	32.65	1,945.30	32.21	1,869.21	31.20
Long-term loans from other creditors-net of current portion	350.00	6.80	250.00	4.64	-	-	-	-	-	-
Long-term debentures-net of current portion	990.91	19.26	496.58	9.21	248.79	4.07	249.13	4.12	249.24	4.16
Provisions for long-term employee benefits	19.90	0.39	23.20	0.43	26.02	0.43	28.10	0.47	24.63	0.41
<b>Total non-current liabilities</b>	<b>2,483.08</b>	<b>48.26</b>	<b>1,898.91</b>	<b>35.22</b>	<b>2,268.72</b>	<b>37.14</b>	<b>2,222.53</b>	<b>36.80</b>	<b>2,143.08</b>	<b>35.77</b>
<b>Total liabilities</b>	<b>2,732.67</b>	<b>53.11</b>	<b>2,822.69</b>	<b>52.36</b>	<b>3,258.40</b>	<b>53.35</b>	<b>3,055.61</b>	<b>50.59</b>	<b>3,018.63</b>	<b>50.39</b>
<b>Shareholders' equity</b>										
Registered capital	2,230.00		2,230.00		2,400.00		2,400.00		2,400.00	
Issued and fully paid share capital	1,780.00	34.59	1,780.00	33.02	1,780.00	29.14	1,780.00	29.47	1,780.00	29.71

Statements of financial position	As of December 31,						As of June 30, 2014		As of August 31, 2014	
	2011 <sup>1/</sup>		2012 <sup>1/</sup>		2013					
	Audited		Audited		Audited		Reviewed		Reviewed	
	Baht million	%	Baht million	%	Baht million	%	Baht million	%	Baht million	%
Premium on ordinary shares	252.40	4.91	252.40	4.68	252.40	4.13	252.40	4.18	252.40	4.21
Retained earnings										
Appropriated - Legal reserve	25.46	0.49	32.23	0.60	44.44	0.73	44.44	0.74	44.44	0.74
Unappropriated	398.20	7.74	528.02	9.79	805.13	13.18	916.48	15.17	895.40	14.95
Other components of equity	(43.12)	(0.84)	(24.45)	(0.45)	(32.59)	(0.53)	(8.76)	(0.15)	-	-
<b>Total shareholders' equity</b>	<b>2,412.94</b>	<b>46.89</b>	<b>2,568.20</b>	<b>47.64</b>	<b>2,849.38</b>	<b>46.65</b>	<b>2,984.56</b>	<b>49.41</b>	<b>2,972.24</b>	<b>49.61</b>
<b>Total liabilities and shareholders' equity</b>	<b>5,145.61</b>	<b>100.00</b>	<b>5,390.89</b>	<b>100.00</b>	<b>6,107.78</b>	<b>100.00</b>	<b>6,040.17</b>	<b>100.00</b>	<b>5,990.87</b>	<b>100.00</b>

Note: <sup>1/</sup> Figures for 2011 and 2012 shown in the above table are based on restated figures presented by the auditor for comparison with the 2013 financial statements.

Statements of comprehensive income	For the year ended December 31,						For 6-month period		For 8-month period	
	2011 <sup>1/</sup>		2012 <sup>2/</sup>		2013		Jan-June 2014		Jan-Aug 2014	
	Audited		Audited		Audited		Reviewed		Reviewed	
	Baht million	%	Baht million	%	Baht million	%	Baht million	%	Baht million	%
<b>Revenues</b>										
Revenues from sales of property	1,663.54	95.25	1,714.27	97.01	2,174.59	97.57	1,062.38	97.55	1,263.99	97.33
Revenues from house construction services	1.13	0.06	-	-	-	-	-	-	-	-
Other revenues	81.84	4.69	52.82	2.99	54.25	2.43	26.73	2.45	34.69	2.67
<b>Total revenues</b>	<b>1,746.51</b>	<b>100.00</b>	<b>1,767.09</b>	<b>100.00</b>	<b>2,228.84</b>	<b>100.00</b>	<b>1,089.11</b>	<b>100.00</b>	<b>1,298.68</b>	<b>100.00</b>
<b>Expenses</b>										
Costs of sales of property	1,165.97	66.76	1,154.22	65.32	1,395.84	62.63	698.09	64.10	834.25	64.24
Selling expenses	81.53	4.67	100.86	5.71	138.10	6.20	54.30	4.99	68.35	5.26
Administrative expenses	238.03	13.63	275.40	15.58	319.00	14.31	147.75	13.57	215.76	16.61
Transfer fee and specific business tax	62.35	3.57	64.93	3.67	82.14	3.69	39.74	3.65	47.33	3.64
<b>Total expenses</b>	<b>1,547.88</b>	<b>88.63</b>	<b>1,595.41</b>	<b>90.28</b>	<b>1,935.08</b>	<b>86.82</b>	<b>939.88</b>	<b>86.30</b>	<b>1,165.69</b>	<b>89.76</b>
<b>Income before share of profit from investment in jointly controlled entity, finance costs and income tax expenses</b>	<b>198.63</b>	<b>11.37</b>	<b>171.68</b>	<b>9.72</b>	<b>293.76</b>	<b>13.18</b>	<b>149.23</b>	<b>13.70</b>	<b>132.99</b>	<b>10.24</b>
Share of profit from investment in jointly controlled entity	5.91	0.34	12.74	0.72	63.49	2.85	(2.67)	(0.25)	(7.75)	(0.60)
<b>Profit before finance costs and income tax expenses</b>	<b>204.54</b>	<b>11.71</b>	<b>184.42</b>	<b>10.44</b>	<b>357.25</b>	<b>16.03</b>	<b>146.56</b>	<b>13.46</b>	<b>125.24</b>	<b>9.64</b>
Finance costs	(28.47)	(1.63)	(5.27)	(0.30)	(4.68)	(0.21)	(3.48)	(0.32)	(4.53)	(0.35)
<b>Profit before income tax expenses</b>	<b>176.07</b>	<b>10.08</b>	<b>179.15</b>	<b>10.14</b>	<b>352.57</b>	<b>15.82</b>	<b>143.08</b>	<b>13.14</b>	<b>120.71</b>	<b>9.29</b>
Income tax expenses	(52.25)	(2.99)	(42.56)	(2.41)	(63.25)	(2.84)	(31.73)	(2.91)	(30.44)	(2.34)
<b>Profit for the period</b>	<b>123.82</b>	<b>7.09</b>	<b>136.59</b>	<b>7.73</b>	<b>289.32</b>	<b>12.98</b>	<b>111.35</b>	<b>10.22</b>	<b>90.27</b>	<b>6.95</b>
<b>Other comprehensive income</b>										
Gain (Loss) on remeasurement of available-for-sale investments	(0.19)		23.33		(10.17)		29.78		40.73	
Effect of income tax	-		(4.66)		2.03		(5.96)		(8.14)	
<b>Other comprehensive income for the period</b>	<b>(0.19)</b>		<b>18.67</b>		<b>(8.14)</b>		<b>23.82</b>		<b>32.59</b>	

Statements of comprehensive income	For the year ended December 31,						For 6-month period		For 8-month period	
	2011 <sup>1/</sup>		2012 <sup>2/</sup>		2013		Jan-June 2014		Jan-Aug 2014	
	Audited		Audited		Audited		Reviewed		Reviewed	
	Baht million	%	Baht million	%	Baht million	%	Baht million	%	Baht million	%
Total comprehensive income for the period	123.63		155.26		281.18		135.17		122.86	
<b>Earnings per share</b>										
Basic earnings per share (Baht/share)	0.70		0.08		0.16		0.06		0.05	

**Note:** Holding a stake of 5,100,505 shares in RHD, or 51% of total number of shares of RHD, KLAND was deemed to have power to exercise more than half of total voting rights in RHD. Besides, RHD has operated business under the financial and operational policy directed by KLAND. In view of these factors, KLAND classified RHD as its subsidiary and, thus, had all along consolidated financial statements of RHD into the financial statements of KLAND.

The management later reviewed the control power in RHD and found that, according to the conditions agreed with other shareholders in the joint venture agreement, a shareholder resolution on general agenda must be passed by a vote of not less than 60% of total number of shares. Therefore, KLAND viewed that RHD should be deemed as a jointly controlled entity, instead of a subsidiary, and has reclassified its investment in RHD from 'investment in subsidiary' to 'investment in jointly controlled entity,' which is accounted for by equity method in the consolidated financial statements of KLAND. The financial statements have accordingly been restated retroactively, assuming that RHD is a jointly controlled entity and that its financial statements had never been consolidated, so as to reflect these incidents for the consolidated financial statements of 2012 and onwards.

<sup>1/</sup> Figures for 2011 shown in the above table are based on restated figures presented by the auditor for comparison with the 2012 financial statements in line with the change of RHD's status from a subsidiary to a jointly controlled entity.

<sup>2/</sup> Figures for 2012 shown in the above table are based on restated figures presented by the auditor for comparison with the 2013 financial statements.

### Cash flow

Unit: Baht million	2011	2012	2013	Jan-June 2014
Net cash provided by (used in) operating activities	(1,372.15)	(114.05)	(273.69)	195.06
Net cash provided by (used in) investing activities	7.46	77.14	(9.67)	(9.31)
Net cash provided by (used in) financing activities	645.13	41.02	287.16	(166.80)
Increase (Decrease) in net cash and cash equivalents	<b>(719.56)</b>	<b>4.11</b>	<b>3.80</b>	<b>18.95</b>
Cash and cash equivalents at beginning of period	<b>779.33</b>	<b>59.77</b>	<b>63.88</b>	<b>67.68</b>
Cash and cash equivalents at end of period	<b>59.77</b>	<b>63.88</b>	<b>67.68</b>	<b>86.63</b>

**Note:** Financial statements for 2011-2012 were audited by Miss Siraporn Ua-anankul, CPA Registration No. 3844, and financial statements for 2013 were audited and interim financial reports for H1/2014 were reviewed by Mr. Supachai Panyawatthano, CPA Registration No. 3930, of EY Office Ltd. (formerly Ernst & Young Office Ltd.), both being SEC-approved auditors.

### Key financial ratios

	2011	2012	2013	Jan-June 2014
<b>Liquidity ratio</b>				
Current ratio (time)	17.35	5.02	5.35	6.24
Quick ratio (time)	0.25	0.07	0.07	0.11
Cash ratio (time)	(6.24)	(0.19)	(0.29)	0.43 <sup>1/</sup>
Accounts receivable turnover ratio (time)	N/A	N/A	N/A	N/A
Average collection period (day)	N/A	N/A	N/A	N/A
Inventory turnover ratio (time)	0.33	0.26	0.29	0.27 <sup>1/</sup>
Average selling period (day)	1,094.05	1,373.77	1,259.04	1,328.08
Accounts payable turnover ratio (time)	30.40	17.13	12.38	10.52 <sup>1/</sup>



	2011	2012	2013	Jan-June 2014
Average repayment period (day)	11.84	21.02	29.09	34.23
Cash cycle	1,082.21	1,352.75	1,229.95	1,293.85
<b>Profitability ratio</b>				
Gross profit margin (%)	29.91	32.67	35.81	34.29
Net profit margin (%)	7.09	7.73	12.98	10.22
Return on equity (%)	5.25	5.48	10.68	7.63 <sup>1/</sup>
<b>Efficiency ratio</b>				
Return on assets (%)	2.59	2.59	5.03	3.67 <sup>1/</sup>
Return on fixed assets (%)	389.65	401.93	823.05	644.05 <sup>1/</sup>
Asset turnover (time)	0.37	0.34	0.39	0.36 <sup>1/</sup>
<b>Financial policy ratio</b>				
Debt to equity ratio (time)	1.13	1.10	1.14	1.02

Note: <sup>1/</sup> Being annualized for comparison purpose.

- *Analysis of operating results and financial position*

### **Operating results in 2011-2013**

#### **Total revenues**

KLAND recorded total revenues of Baht 1,746.51 million, Baht 1,767.09 million and Baht 2,228.84 million in 2011-2013 respectively. Of the total revenues, revenues from sales of property made up about 95% - 98% and other revenues around 2% - 5%. Revenues from sales of horizontal property grew steadily, driven by an increase in sales of large single house units and a hike in the average selling price from the preceding year.

Revenues from sales of property in 2011-2013 totaled Baht 1,663.54 million, Baht 1,714.27 million and Baht 2,174.59 million respectively, up by Baht 50.73 million or 3.05% in 2012 and by Baht 460.32 million or 26.85% in 2013. The increase in revenues in 2012 resulted mainly from KLAND beginning to earn revenues from a newly launched project, The Grand Rama II (Phase 6) - The Grace (Zeen Scenery), and a sharp increase in sales of single house units in The Grand Wongwaen Pracha Uthit (Phase 1). Such revenue growth was also spurred by an increase in sales of large single house units in The Grand Rama II (Phase 3) - Lake Grandiose and The Grand Rama II (Phase 4.1) - Island Paradise, and a hike in the average selling price from the preceding year. The price adjustment of KLAND Group's property was made in line with market condition and actual costs. For 2013, the revenue growth was contributed primarily by an increase in sales of single houses after the launch of The Grand Rama II (Phase 11) - Infinia, The Grand Rama II (Phase 4.2) - The Island (Courtyard), and The Grand Udomsuk.

#### **Costs of sales**

KLAND recorded costs of sales of property in 2011-2013 of Baht 1,165.97 million, Baht 1,154.22 million and Baht 1,395.84 million respectively, representing 70.09%, 67.33% and 64.19% of revenues from sales of property in 2011-2013 respectively. Costs of sales of property increased in tandem with sales growth and mainly came from costs of sales of land and houses. KLAND allocated total expected costs of development to the sold land and houses based on the area sold, with actual costs also taken into account.

### **Selling and administrative expenses**

Selling expenses were Baht 81.53 million, Baht 100.86 million and Baht 138.10 million in 2011-2013 respectively, rising by Baht 19.33 million or 23.71% in 2012 and by Baht 37.24 million or 36.92% in 2013. Selling expenses of KLAND Group consisted of advertising and PR expenses, sales promotion expenses, sales commissions, etc. The yearly increase in selling expenses resulted chiefly from higher expenses on PR activities for the newly launched projects of KLAND Group.

Administrative expenses in 2011-2013 totaled Baht 238.03 million, Baht 275.40 million and Baht 319.00 million respectively, rising by Baht 37.37 million or 15.70% in 2012 and by Baht 43.60 million or 15.83% in 2013. Administrative expenses were composed of personnel expenses, project management expenses, office rentals, public utility fees, depreciation of fixed assets used in selling and administrative activities, etc. The yearly rise in administrative expenses of KLAND Group resulted partly from an increase in number of employees to cater to new projects launched in each year and partly from the government's policy on minimum daily wage increase to Baht 300, which relatively pushed up expenses on project management in terms of both personnel expenses and office expenses.

### **Net profit**

KLAND posted a net profit in 2011-2013 in the amount of Baht 123.82 million, Baht 136.59 million and Baht 289.32 million respectively, growing by Baht 12.77 million or 10.31% in 2012 and by Baht 152.73 million or 111.82% in 2013. In 2012, the net profit growth was primarily driven by higher revenues from sales of property. For 2013, contributors to such dramatic growth in net profit were an increase in sales of large single house units which had a high gross profit margin and upward adjustment of selling prices in line with market condition and actual costs incurred.

### **Operating results in the first six months of 2014**

KLAND recorded total revenues of Baht 1,089.11 million in the first half of 2014, declining by Baht 78.70 million or 6.74% from Baht 1,167.81 million in the same period of 2013 mainly due to a drop in revenues from sales of property as triggered by political and economic uncertainties which had eroded consumers' purchasing power. Likewise, costs of sales of property fell by Baht 44.61 million or 6.01% to Baht 698.09 million in this period from Baht 742.70 million in the same period of 2013. KLAND posted a gross profit margin of 34.29%, down slightly from 34.91% recorded in the corresponding period of 2013. Selling expenses were Baht 54.30 million, a decrease of Baht 11.98 million or 18.07% from Baht 66.28 million in the same period last year. Administrative expenses totaled Baht 147.75 million, falling by Baht 10.35 million or 6.55% from Baht 158.10 million in the same period of 2013. Therefore, KLAND earned a net profit of Baht 111.35 million in this period, which plunged by Baht 80.48 million or 41.95% from Baht 191.83 million in the corresponding period of 2013.

### **Operating results in the first eight months of 2014**

In the first eight months of 2014, KLAND recorded total revenues of Baht 1,298.68 million and costs of sales of property of Baht 834.25 million, with a gross profit margin of 34.00% which dropped slightly from 35.81% in the same period of 2013. Selling expenses were Baht 68.35 million and administrative expenses totaled Baht 215.76 million. Hence, KLAND earned a net profit of Baht 90.27 million in such period, representing 6.95% of total revenues.

### **Financial position as at the end of 2011-2013**

KLAND had total assets of Baht 5,145.61 million, Baht 5,390.89 million and Baht 6,107.78 million as at December 31, 2011-2013 respectively, growing by Baht 245.28 million or 4.77% at the end of 2012 and by Baht 716.89 million or 13.30% as of year-end 2013. Total assets were comprised



of current assets which, as of December 31, 2011-2013, accounted for Baht 4,330.62 million, Baht 4,634.38 million and Baht 5,292.27 million or 84.16%, 85.97% and 86.65% of total assets respectively. The increase in current assets over the past three years was caused mainly by expansion of property projects by KLAND Group which led to an increase in costs of property development. KLAND Group has a policy to acquire land for project expansion and for supporting continuous sales growth. Non-current assets totaled Baht 814.99 million, Baht 756.51 million and Baht 815.51 million as at December 31, 2011-2013 respectively, representing 15.84%, 14.03% and 13.35% of total assets and mainly comprising investment in jointly controlled entity, property, plant and equipment, and investments in available-for-sale securities.

KLAND had total liabilities of Baht 2,732.67 million, Baht 2,822.69 million and Baht 3,258.40 million as at December 31, 2011-2013, respectively, rising by Baht 90.02 million or 3.29% as at the end of 2012 and by Baht 435.71 million or 15.44% as of end-2013. The increase in total liabilities as of year-end 2012 and 2013 from the end of 2011 resulted mainly from increases in bank overdrafts and short-term and long-term loans from financial institutions due to project expansion and loan draw-down from financial institutions in line with project development progress.

KLAND had shareholders' equity of Baht 2,412.94 million, Baht 2,568.20 million and Baht 2,849.38 million as of December 31, 2011-2013 respectively. Growth in shareholders' equity as at year-end 2012 and 2013 was attributed primarily to yearly increase in profit. However, in 2011-2013, KLAND did not make any dividend payment during the year.

#### **Financial position as of June 30, 2014**

KLAND had total assets of Baht 6,040.17 million as at June 30, 2014, decreasing by Baht 67.61 million or 1.11% from year-end 2013 due mainly to a drop in costs of property development from Baht 5,208.58 million at the end of 2013 to Baht 5,092.72 million as of June 30, 2014 or by Baht 115.86 million. This was because KLAND could sell a greater number of single house units in both newly-launched projects and existing projects, thus leading to a transfer of costs of property development for those sold units to costs of sales. Moreover, investments in available-for-sale securities increased by Baht 29.78 million.

KLAND had total liabilities of Baht 3,055.61 million as at June 30, 2014, down from year-end 2013 by Baht 202.79 million or 6.22% due largely to a decrease in long-term loans of Baht 179.27 million as a result of gradual loan repayment.

KLAND had total shareholders' equity of Baht 2,984.56 million as of June 30, 2014, growing from the end of 2013 by Baht 135.18 million or 4.74% due to a profit earned in the first six months of 2014 on account of the ongoing sales growth.

#### **Financial position as of August 31, 2014**

KLAND had total assets of Baht 5,990.87 million as at August 31, 2014, a decline of Baht 116.91 million or 1.91% from the end of 2013 caused primarily by a drop in costs of property development from Baht 5,208.58 million at the end of 2013 to Baht 5,088.07 million as of August 31, 2014 or by Baht 120.51 million. This was because KLAND could sell a greater number of single house units in both newly-launched projects and existing projects, thus leading to a transfer of costs of property development for those sold units to costs of sales. Moreover, investments in available-for-sale securities decreased by Baht 60.47 million from the end of 2013 because of the sale of investment in Property Perfect Plc. by KLAND in August 2014. Meanwhile, cash and cash equivalents increased by Baht 76.98 million.

KLAND had total liabilities of Baht 3,018.63 million as of August 31, 2014, down from year-end 2013 by Baht 239.77 million or 7.36% due mainly to a decrease in long-term loans from creditors of Baht 100 million, a decrease in long-term loans of Baht 26.29 million following gradual loan





repayment, and a decrease in payables to contractors/construction and other accounts payable of Baht 63.06 million.

KLAND had shareholders' equity as at August 31, 2014, rose by Baht 122.86 million or 4.31% from the end of 2013 to Baht 2,972.24 million due chiefly to a profit earned in the first eight months of 2014 on account of the ongoing sales growth.

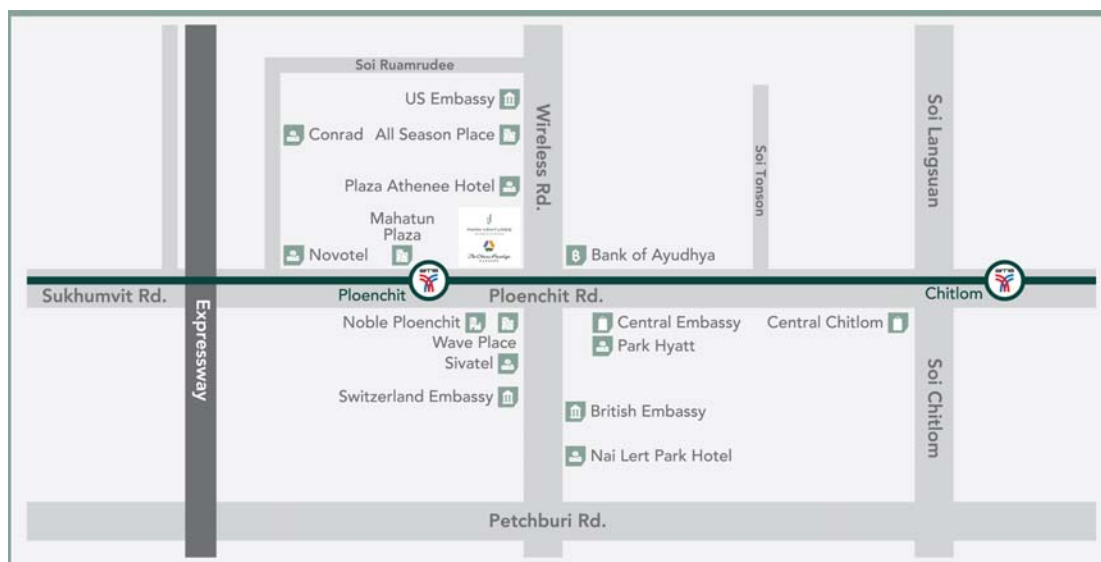
### Attachment 3

#### Summary of Property Appraisal Report on Park Ventures Ecoplex Project

In entering into this transaction, LRK engaged The Valuation & Consultants Co., Ltd. (“The Valuation”), which is an SEC-approved independent valuer, to appraise the property, with the property appraisal report thereon prepared for public purposes. Details of the property valuation can be summed up as follows:

Type of property	:	Leasehold right over land and construction of “Park Ventures Ecoplex Building”
Location	:	57 Wireless Road, Lumpini, Pathumwan, Bangkok
Title document	:	Land title deed no. 102997 with an area of 5 rai 36.20 square wah
Building and construction	:	A 33-storied office, hotel and commercial building with one basement level for car parking.  The appraised property consists of office and commercial space for rent with a combined area of 27,184 square meters, located on Floor 1 and Floors 8-22.
Owner of the building	:	Lertrattakarn Co., Ltd. (as per Construction Certificate Or.6 No. 45/2555)
Owner of the land	:	M.L. Suthada Kasemsant
Encumbrance	:	The property has been under a long-term 30-year lease agreement, with remaining term of 26 years and 11 months.  The agreement covers a period from September 6, 2011 to September 5, 2041.  The leased land area is 5 rai 36.20 square wah.  Lessor: M.L. Suthada Kasemsant  Lessee: Lertrattakarn Co., Ltd.
Appraisal date	:	October 1, 2014

#### Map of property location



Source: Lertrattakarn Co., Ltd.

The Valuation used the income approach to appraise the property since the property is an office building for rent, or deemed as an income generating property. The property, managed by Jones



Lang LaSalle Management Co., Ltd., is an office building, built about three years ago, 33 stories high with one basement floor and a roof-deck. Lertrattakarn Co., Ltd. has leased Floors 23-34 (total leased area of 28,200 square meters) to TCC Luxury Hotels and Resort Co., Ltd. under a long-term lease agreement (30 years) in order to operate a hotel business, with payment already made in full in the form of construction cost payment. Details of the leased area are as follows:

Floor no.	Particulars	Leased area (sq.m.)
B1 - 7	Car park (529 cars)	2,740
	Storage area	278
1	Leased commercial area	1,016
8 - 22	Leased office area	25,019
8	Victor Club	871
23 - 34	Long-term leased area	28,200
Common facility area		26,120
<b>Total building area</b>		<b>84,244</b>

**Note:** Floors 23-34 are under a long-term lease for hotel business operation, with payment already made in full in the form of construction cost payment. Hence, no further revenues will be earned from such area, other than service fees under agreement. The Valuation did not include the leased area on Floors 23-34 in this appraisal.

The building has 33 levels according to the license, but since Floor No. 13 is skipped from the floor running number, the floor numbers accordingly run to No. 34.

## 1) Summary of property appraisal by the income approach based on discounted cash flow by The Valuation

### a) Assumption on rental income and other income

The Valuation estimated rental fees by basing on market data of six nearby office buildings for rent, with rental rates for office space in a range of Baht 700 - 900/square meter/month depending on location, facilities and physical condition of the building. Such market rental rates were then adjusted upward/downward according to relevant factors and land use potential, coupled with the real estate market situation in each time period. Viewing that Park Ventures Ecoplex is a new building and located in a prime area, The Valuation therefore estimated the rental rate for its office space at Baht 1,000/square meter/month.

Rental fee for the commercial area was estimated to be Baht 2,000/square meter/month, by comparison with rental rates of nearby commercial areas of Baht 1,500 - 2,000/square meter/month. Rental rate for the storage area was appraised, based on comparison with storage areas nearby, at Baht 380/square meter/month. Increase rate of rental fees was determined, according to location, facilities, physical condition of the building, and long-term inflation rate, to be 4% per year throughout the project life.

Other income is generated from major items such as revenues from Victor Club of Baht 380,000/month, set to increase 4% per year, and revenues from rendering of services to the tenant of the long-term leased areas for Okura Hotel operation. Such services include repair & maintenance and management of electricity system, water supply system, utilities system and other facilities in the common areas inside the building and the external areas, generating revenues under service agreement of Baht 425,695/month (based on the service agreement and to be revised up 3% per year).

### b) Assumption on occupancy rate and growth

The Valuation surveyed data on the present leased areas and found that leased areas of 100% consisted of lessees whose agreements remain valid and lessees whose agreements have expired and



are in a renewal process. The leased areas with valid agreements, as of the appraisal date, were in a proportion of 90.3%. From a study on rental rates under the current market condition in Phloenchit-Chidlom zone, it was found that the occupancy rate was around 87%. Therefore, the occupancy rate was estimated as follows:

	Year 1	Year 2
Storage area	100%	98% constant throughout project life
Commercial area	98% constant throughout project life	
Office area	95% constant throughout project life	

c) Assumption on expenses

The Valuation estimated expenses based on historical data on actual expenses incurred and comparison with the same type of expenses for other general office buildings in the market, using the following assumptions:

**Management costs**

- Project management Baht 660,000/month with increase rate of 3% per year
- Building and cost management Baht 1,300,000/month with increase rate of 3% per year

**Building maintenance costs**

- Cleaning Baht 21/sq.m./month with increase rate of 3% per year
- Security Baht 26/sq.m./month with increase rate of 3% per year

**Public utility costs**

- Electricity Baht 82/sq.m./month with increase rate of 3% per year
- Water supply Baht 7/sq.m./month with increase rate of 3% per year
- Telephone Baht 1.8/sq.m./month with increase rate of 3% per year

**Repair and maintenance costs**

- Internal building system Baht 3.6/sq.m./month with increase rate of 3% per year

**Contingency for building improvement assumed to be 3% of total revenues**

**Other expenses and tax**

- Other expenses Baht 6.5/sq.m./month with increase rate of 3% per year
- Insurance Baht 270,000/month with increase rate of 3% per year
- Land rentals, according to the lease agreement, of Baht 24,600,000/year
- Building tax at 12.5% on 50% of rental income

d) Assumption on discount rate

The Valuation determined a discount rate for this project by basing on the study results released by Thai Valuers Association (TVA), which specified the discount rate for leasehold right over premium office buildings at 12% - 14%. Since the appraised property is situated close to Phloenchit BTS Station, on Wireless Road, which is deemed a prime location, The Valuation therefore considered that a discount rate of 12% was appropriate for this project.

e) Assumption on project life

The Valuation adopted a project life of 26 years and 11 months, after which the property would be disposed of.



Based on the above assumptions, The Valuation, using the income approach and the discounted cash flow table, **appraised the property at Baht 2,698,500,000**. Details of the appraisal are tabulated below:

Year	2014	2015	2016	2017	2018	2019	2020
Number of years	0.250	1.250	2.250	3.250	4.250	5.250	6.250
Revenue stream net of expenses	52,796,818	210,621,677	249,843,943	267,476,577	281,520,604	295,121,077	308,772,464
Cash flow discount rate	0.9721	0.8679	0.7749	0.6919	0.6178	0.5516	0.4925
Present value of net revenue for each period	51,321,962	182,801,829	193,610,218	185,066,232	173,913,618	162,781,710	152,063,829

Year	2021	2022	2023	2024	2025	2026	2027
Number of years	7.250	8.250	9.250	10.250	11.250	12.250	13.250
Revenue stream net of expenses	320,286,831	335,099,626	350,529,252	366,601,113	383,341,651	397,801,785	415,963,362
Cash flow discount rate	0.4397	0.3926	0.3505	0.3130	0.2794	0.2495	0.2228
Present value of net revenue for each period	140,834,293	131,560,421	122,873,310	114,738,468	107,123,130	99,253,527	92,665,117

Year	2028	2029	2030	2031	2032	2033	2034
Number of years	14.250	15.250	16.250	17.250	18.250	19.250	20.250
Revenue stream net of expenses	434,879,596	454,581,519	475,101,430	493,198,686	515,456,795	538,637,913	562,779,941
Cash flow discount rate	0.1989	0.1776	0.1586	0.1416	0.1264	0.1129	0.1008
Present value of net revenue for each period	86,499,223	80,730,368	75,334,423	69,825,012	65,157,341	60,792,497	56,711,829

Year	2035	2036	2037	2038	2039	2040	2041
Number of years	21.250	22.250	23.250	24.250	25.250	26.250	26.929
Revenue stream net of expenses	587,922,325	610,504,434	637,772,368	666,168,909	695,740,339	725,554,854	542,212,200
Cash flow discount rate	0.0900	0.0803	0.0717	0.0640	0.0572	0.0511	0.0468
Present value of net revenue for each period	52,897,722	49,044,218	45,745,320	42,662,599	39,782,504	37,042,233	25,630,372
Appraised property value Baht	2,698,463,326						
Rounded up Baht	2,698,500,000						

## 2) Opinion of the Financial Advisor on the appraisal of Park Ventures Ecoplex Project

The Financial Advisor is of the opinion that the appraisal of property in Park Ventures Ecoplex Project by The Valuation using the income approach based on discounted cash flow is appropriate since this method is suitable for valuing the income generating property, under the assumption that future income of such asset will vary with market condition. This fits with the appraised property which is an office building for rent and is under a long-term lease agreement. **Therefore, the Financial Advisor deems that the appraised value by The Valuation serves as an appropriate reference price for determining the selling price of property in Park Ventures Ecoplex Project, with the appraised price equal to Baht 2,698,500,000.**

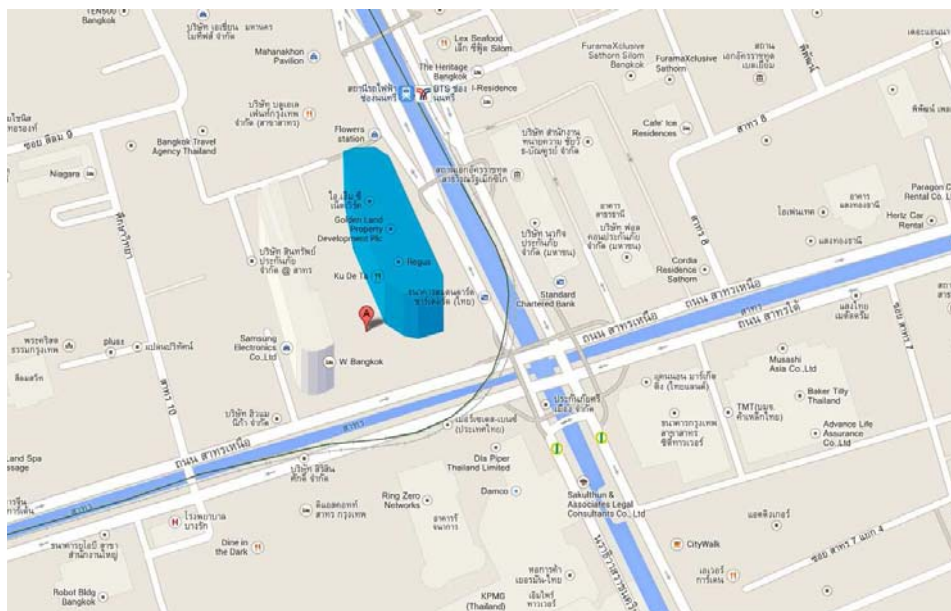
### Attachment 4

#### **Summary of Property Appraisal Report on Sathorn Square Office Tower Project**

In entering into this transaction, NSR engaged The Valuation & Consultants Co., Ltd. (“The Valuation”), which is an SEC-approved independent valuer, to appraise the property, with the property appraisal report thereon prepared for public purposes. Details of the property valuation can be summed up as follows:

Type of property	:	Leasehold right over land and construction of “Sathorn Square Office Tower”
Location	:	98 Narathiwat Ratchanakharin Road, Silom, Bang Rak, Bangkok
Title document	:	Land title deed no. 520 with an area of 9 rai 3 ngan 10 square wah
Building and construction	:	A 39-storied office building with five basement floors for car parking
Owner of the building	:	Crown Property Bureau (as per Construction Certificate Or.6 No. 181/2554)
Owner of the land	:	Crown Property Bureau (as per land title deed)
Encumbrance	:	<p>The property has been under a long-term 30-year lease agreement, with remaining term of 26 years and 3 months.</p> <p>The agreement covers a period from October 7, 2010 to October 6, 2041.</p> <p>The leased land area is 5 rai 63 square wah.</p> <p>Lessor: Crown Property Bureau</p> <p>Lessee: North Sathorn Realty Co., Ltd.</p>
Appraisal date	:	October 1, 2014

#### **Map of property location**



Source: North Sathorn Realty Co., Ltd.

The Valuation used the income approach to appraise the property since the property is an office building for rent, or deemed as an income generating property. The property, managed by Jones Lang LaSalle Management Co., Ltd., is an office building, built about three years ago, 39 stories high with basement floors and a roof-deck. It was developed by North Sathorn Realty Co., Ltd. on land under title deed no. 520 with a total area of 9 rai 3 ngan 10 square wah (total leased area of 5 rai 63



square wah) belonging to the Crown Property Bureau. The land together with construction have been leased by North Sathorn Realty Co., Ltd. under a 30-year lease agreement. Details of the leased area are as follows:

Floor no.	Particulars	Leased area (sq.m.)
B1 - B5	Car park and common facility area (930 cars)	52,030
B1, B4	Storage area	459
1 - 2	Leased commercial area	2,134
3 - 40	Leased office area	70,798
8	Victor Club	922
<b>Total building area</b>		<b>126,343</b>

Note: The building has 39 levels according to the license, but since Floor No. 13 is skipped from the floor running number, the floor numbers accordingly run to No. 40.

### 1) Summary of property appraisal by the income approach based on discounted cash flow by The Valuation

#### a) Assumption on rental fees

The Valuation estimated rental fees by basing on market data of seven nearby office buildings for rent, with rental rates for office space in a range of Baht 500 - 875/square meter/month depending on location, facilities and physical condition of the building. Such market rental rates were then adjusted upward/downward according to relevant factors and land use potential, coupled with the real estate market situation in each time period. Viewing that Sathorn Square Office Tower is a new building and located in a prime area, The Valuation therefore estimated the rental rate for its office space at Baht 780/square meter/month.

Rental fee for the commercial area was estimated to be Baht 1,500/square meter/month, by comparison with rental rates of nearby commercial areas of Baht 500 - 1,500/square meter/month. Rental rate for the storage area was appraised, based on comparison with storage areas nearby, at Baht 250/square meter/month. Increase rate of rental fees was determined, according to location, facilities, physical condition of the building, and long-term inflation rate, to be 3.5% per year throughout the project life. Revenues from Victor Club were estimated at Baht 52,000/month, to be increased 3% annually.

#### b) Assumption on occupancy rate and growth

The Valuation surveyed data on the present leased areas and found that the approximate leased areas of 78.7% consisted of lessees whose agreements remain valid and lessees whose agreements have expired and are in a renewal process. The leased areas with valid agreements, as of the appraisal date, were in a proportion of 75.1%. From a study on rental rates under the current market condition in Sathon-Silom zone, it was found that the occupancy rate was around 83%. Therefore, the occupancy rate was estimated as follows:

	Year 1	Year 2
Storage area	100%	95% constant throughout project life
Commercial area	98% constant throughout project life	
Office area	80%	80% constant throughout project life



## c) Assumption on expenses

The Valuation estimated expenses based on historical data on actual expenses incurred and comparison with the same type of expenses for other general office buildings in the market, using the following assumptions:

**Management costs**

- Project management Baht 1,100,000/month with increase rate of 3% per year
- Building and cost management Baht 1,600,000/month with increase rate of 3% per year

**Building maintenance costs**

- Cleaning Baht 8/sq.m./month with increase rate of 3% per year
- Security Baht 11/sq.m./month with increase rate of 3% per year

**Public utility costs**

- Electricity Baht 55/sq.m./month with increase rate of 3% per year
- Water supply Baht 2/sq.m./month with increase rate of 3% per year
- Telephone Baht 0.4/sq.m./month with increase rate of 3% per year

**Repair and maintenance costs**

- Internal building system Baht 3/sq.m./month with increase rate of 3% per year

**Contingency for building improvement assumed to be 3% of total revenues****Other expenses and tax**

- Other expenses Baht 1.7/sq.m./month with increase rate of 3% per year
- Insurance Baht 580,000/month with increase rate of 3% per year
- Land rentals, according to the lease agreement, of Baht 36,000,000/year
- Building tax at 12.5% on 50% of rental income

## d) Assumption on discount rate

The Valuation determined a discount rate for this project by basing on the study results released by Thai Valuers Association (TVA), which specified the discount rate for leasehold right over premium office buildings at 12% - 14%. Since the appraised property is situated close to Chong Nonsi BTS Station, on Narathiwat Ratchanakharin Road, which is deemed a prime location, The Valuation therefore considered that a discount rate of 12% was appropriate for this project.

## e) Assumption on project life

The Valuation adopted a project life of 26 years and 3 months, after which the property would be disposed of. Based on the above assumptions, The Valuation, using the income approach and the discounted cash flow table, **appraised the property at Baht 5,313,200,000**. Details of the appraisal are tabulated below:

Year	2014	2015	2016	2017	2018	2019	2020
<b>Number of years</b>	<b>0.250</b>	<b>1.250</b>	<b>2.250</b>	<b>3.250</b>	<b>4.250</b>	<b>5.250</b>	<b>6.250</b>
Revenue stream net of expenses	60,360,364	456,631,104	493,417,213	527,006,256	560,254,886	580,790,111	602,060,615
Cash flow discount rate	0.9721	0.8679	0.7749	0.6919	0.6178	0.5516	0.4925
Present value of net revenue for each period	58,674,223	396,317,238	382,361,137	364,634,029	346,105,943	320,349,001	296,501,965



Year	2021	2022	2023	2024	2025	2026	2027
<b>Number of years</b>	<b>7.250</b>	<b>8.250</b>	<b>9.250</b>	<b>10.250</b>	<b>11.250</b>	<b>12.250</b>	<b>13.250</b>
Revenue stream net of expenses	624,092,629	662,585,384	687,656,637	713,624,007	740,519,417	768,375,922	797,227,756
Cash flow discount rate	0.4397	0.3926	0.3505	0.3130	0.2794	0.2495	0.2228
Present value of net revenue for each period	274,421,601	260,131,631	241,048,775	223,349,364	206,934,878	191,713,621	177,800,265

Year	2028	2029	2030	2031	2032	2033	2034
<b>Number of years</b>	<b>14.250</b>	<b>15.250</b>	<b>16.250</b>	<b>17.250</b>	<b>18.250</b>	<b>19.250</b>	<b>20.250</b>
Revenue stream net of expenses	827,110,354	858,060,452	890,116,030	923,316,457	957,702,490	993,316,333	1,030,201,688
Cash flow discount rate	0.1989	0.1776	0.1586	0.1416	0.1264	0.1129	0.1008
Present value of net revenue for each period	164,515,431	152,385,288	141,141,183	130,719,292	121,080,288	112,109,042	103,814,328

Year	2035	2036	2037	2038	2039	2040
<b>Number of years</b>	<b>21.250</b>	<b>22.250</b>	<b>23.250</b>	<b>24.250</b>	<b>25.250</b>	<b>26.014</b>
Revenue stream net of expenses	1,068,403,809	1,107,969,556	1,148,947,453	1,191,387,745	1,235,342,461	1,006,590,323
Cash flow discount rate	0.0900	0.0803	0.0717	0.0640	0.0572	0.0524
Present value of net revenue for each period	96,128,562	89,007,545	82,410,233	76,298,514	70,037,008	52,780,832
Appraised property value Baht	5,133,152,177					
Rounded up Baht	5,133,200,000					

## 2) Opinion of the Financial Advisor on the appraisal of Sathorn Square Office Tower Project

The Financial Advisor is of the opinion that the appraisal of property in Sathorn Square Office Tower Project by The Valuation using the income approach based on discounted cash flow is appropriate since this method is suitable for valuing the income generating property, under the assumption that future income of such asset will vary with market condition. This fits with the appraised property which is an office building for rent and is under a long-term lease agreement. **Therefore, the Financial Advisor deems that the appraised value by The Valuation serves as an appropriate reference price for determining the selling price of property in Sathorn Square Office Tower Project, with the appraised price equal to Baht 5,133,200,000.**

## Attachment 5

### Summary on Asset Appraisal Report of KLAND

GOLD has employed Knight Frank Chartered (Thailand) Company Limited (“Knight Frank”), an Independent Appraiser accredited by the Office of the Securities and Exchange Commission to conduct an appraisal report for this transaction. Asset appraisal report of such independent appraiser can be used for public purposes. Details of asset appraisal are as follows:

#### 1) Vacant Land and Land with Building under Development of The Grand Rama 2 Project

##### A) Summary of Asset Appraisal of Phase 3 Project - Lake Grandios’e by means of Residual Approach

Knight Frank appraised land and building of Phase 3 Project – Lake Gransios’e by means of Residual Approach by comparing the selling price of Phase 3 which is land with 2-Storey Detached House, Dulcet (b2) – Standard Plot with seven sets of marketing data of nearby development project, then selecting three sets of data which were most closely to the appraised assets whose selling prices were in the range of 6,620,000 - 25,500,000 Baht per house. Factors used for such consideration included location, surroundings, project condition and project development format, type of house and decoration, facilities within the project which may impact selling price of the house. After that price of marketing data shall be adjusted with Sales Adjustment Grid, a comparison between the appraised asset and marketing data by using the relevant factors, and it can be concluded as per table below:

Details	Comparison Data			Appraised Assets
	1 <sup>st</sup> Data	2 <sup>nd</sup> Data	3 <sup>rd</sup> Data	
Project Name	Narasiri, Rama 2	Nusasiri Rama 2	Siam Natural Home – Rama II	The Grand Rama II – Phase 3 (Lake Grandios’e)
Type of House	2-Storey Detached House, Lalique	2-Storey Detached House, 20A	2-Storey Detached House, A	2-Storey Detached House, Mmb2_M011
Land Area (Square Wah)	115.00	124.00	89.20	100.00
Utility Space (Square Meter)	321.00	340.00	201.00	210.00
No. of Bedroom/Restroom	4 / 4	3 / 4	4 / 3	3 / 3
Project Sales Price (Baht/House)	25,500,000	17,000,000	6,620,000	
Expected Negotiable Price (Baht/House)	22,500,000	15,300,000	6,470,000	
Price Difference between Land Area (Baht)	(810,000)	(1,296,000)	583,200	
Price Difference between Utility Space (Baht)	(2,730,917)	(3,198,371)	221,426	
<b>Total Prelim Adjusted Prices (Baht/House)</b>	<b>18,959,083</b>	<b>10,805,629</b>	<b>7,274,626</b>	

#### Analysis of Relevant Factors

Considered Factors	Comparison Data of Parcel No.					
	%	1	%	2	%	3
Location	(10)%	(1,895,908)	%		10%	727,463
Surroundings	(5)%	(947,954)	%		5%	363,731
Project Condition and Project Development Format	(10)%	(1,895,908)	%		10%	727,463
Type of House and Decoration	(14)%	(2,654,272)	(5)%	(540,281)	10%	727,463
Public Utilities System	(5)%	(947,954)	%		%	
Facilities within the Project	%		3%	324,169	5%	363,731
Reputation of the Project and the Operator	%		%		3%	218,239
<b>Total</b>	<b>(44)%</b>	<b>(8,341,996)</b>	<b>(2)%</b>	<b>(216,113)</b>	<b>43%</b>	<b>3,128,089</b>
<b>Prices after Adjustment</b>		<b>10,617,086</b>		<b>10,589,516</b>		<b>10,402,715</b>

### Final Adjustment Price

Comparison Data	Price after Adjustment	Absolute Adjust	Proportion (1)	Inverse	Proportion (2)	Value of Assets
1	10,617,086	8,341,996	0.6763	1.4786	0.0751	797,266
2	10,589,516	864,450	0.0701	14.2686	0.7246	7,673,689
3	10,402,715	3,128,089	0.2536	3.9432	0.2003	2,083,223
<b>Total</b>	<b>31,609,317</b>	<b>12,334,536</b>	<b>1.0000</b>	<b>19.6904</b>	<b>1.0000</b>	<b>10,554,178</b>
<b>Or approximately (Baht/House)</b>						<b>10,600,000</b>

Based on the above analysis, price of a 2-Storey Detached House, Dulcet (b2) – Standard Plot was at approximately 10,600,000 Baht, so Knight Frank applied such price as basis for determination selling price of the remaining houses, then adjusted with relevant factors, such as size of land, utility space, construction cost and location. Hence, project revenue estimates can be concluded as follows:

#### The Grand Rama II – Phase 3 (Lake Grandios'e)

No.	Type of Asset	Type of House	Land Area (Sq. w.)	Bld. Area (Sq. m.)	No. of Unit	Unit Price (Baht/Unit)	Total Price (Baht)
1	2-Storey Detached House	Glamour	107.00	204.00	2	10,900,000	21,800,000
2	2-Storey Detached House	Dulcet(b2)	100.00	210.00	4	10,600,000	42,400,000
3	2-Storey Detached House	Panacea	115.00	246.00	2	12,000,000	24,000,000
4	2-Storey Detached House	Oliviera(m)	116.00	281.00	1	13,000,000	13,000,000
5	2-Storey Detached House	Oliviera(m2)	115.00	287.00	3	13,100,000	39,300,000
6	2-Storey Detached House	Panore(m6)	173.00	386.00	4	18,200,000	72,800,000
7	2-Storey Detached House	Natale(m6)	147.00	458.00	4	19,000,000	76,000,000
8	Land Increased-Decreases from Standard		265.70			54,000	14,347,800
9	Parcel Location Fee						
	- Adjacent to Lagoon				8	300,000	2,400,000
	- Corner Lot				2	100,000	200,000
	- Corner Lot + adjacent to Lagoon				3	400,000	1,200,000
	- Land adjacent to Public Park				1	200,000	200,000
<b>Total Project Revenue Estimates</b>					<b>20</b>	<b>Parcels</b>	<b>307,647,800</b>

In addition, Knight Frank also valued construction cost of the building and public utilities by referring to construction costs applied in general market and standard price of the Valuers Association of Thailand (VAT). Moreover, operation costs, i.e. professional fee and construction supervision fee, project management fee, selling and advertisement expenses, other expenses including gross profit and operator's risks were also taken into account. The appraiser applied standard value pursuant to general project development. Tax applied was as per specified by the government authorities and transfer fee was equally shared by the purchaser and the operator.

#### Summary of Land with Structure Appraisal of Phase 3 Project – Lake Grandios'e

##### 1) Details of Land Area

Total Areas	27	Parcels	10,067.60	Sq. w.
Sales Areas	20	Parcels	2,850.70	Sq. w.
- 2-Storey Detached House, Mm4_MO11	2	Houses @	107.00	Sq. w.
- 2-Storey Detached House, Mmb2_MO11	4	Houses @	100.00	Sq. w.
- 2-Storey Detached House, C3c_MO11	2	Houses @	115.00	Sq. w.
- 2-Storey Detached House, C5m_MO11	1	House @	116.00	Sq. w.
- 2-Storey Detached House, C5m2_MO11	3	Houses @	115.00	Sq. w.
- 2-Storey Detached House, AA1x_m6_MO11	4	Houses @	173.00	Sq. w.
- 2-Storey Detached House, AA3_m6_MO11	4	Houses @	147.00	Sq. w.
- Land Increased-Decreased from Standard			265.70	Sq. w.

Public Utilities Areas	7	Parcels	7,216.90	Sq. w.
- Road within Project and Small Park	1	Parcel	3,122.20	Sq. w.
- Public Park	1	Parcel	698.10	Sq. w.
- Small Park and Lagoon	4	Parcels	3,369.70	Sq. w.
- Land where Developer's Juristic Person is Situated	1	Parcel	26.90	Sq. w.
<b>2) Project Revenue Estimates</b>			<b>307,647,800</b>	<b>Baht</b>
<b>3) Project Development Cost Estimates</b>				
Construction Cost Estimates of Remaining Buildings	11	Houses	19,319,100	Baht
Construction Cost Estimates of Remaining Public Utilities			847,300	Baht
<b>Total Project Development Cost</b>			<b>20,166,400</b>	<b>Baht</b>
<b>4) Project Cost and Expenditure Estimates</b>				
Professional Fee and Construction Supervision Fee	5.00%	of total development cost	1,008,320	Baht
Project Management Fee	1.50%	of total revenue	4,614,717	Baht
Selling and Advertisement Expenses	3.00%	of total revenue	9,229,434	Baht
Other Expenses	5.00%	of total development cost and expenditure	1,750,944	Baht
<b>Total Project Cost and Expenditure</b>			<b>16,603,415</b>	<b>Baht</b>
<b>5) Government Taxes and Fees</b>				
Transfer Fees (equally shared by Purchaser and Seller)	1.00%	of total revenue	3,076,478	Baht
Specific Business Tax	3.30%	of total revenue	10,152,377	Baht
<b>Total Government Taxes and Fees</b>			<b>13,228,855</b>	<b>Baht</b>
<b>6) Risk and Gross Profit (before Interest and Income Tax)</b>	23.00%	of total revenue	<b>57,527,637</b>	<b>Baht</b>
<b>7) Total Development Cost and Project Expense</b>			<b>107,526,307</b>	<b>Baht</b>
<b>8) Value of Assets in Existing Stage</b>			<b>200,121,493</b>	<b>Baht</b>
<b>Or Approximately</b>			<b>200,100,000</b>	<b>Baht</b>

**Total value of remaining assets** (land with structure of Phase 3 Project – Lake Grandios' e) based on Residual Approach appraised by Knight Frank was **approximately 200.10 million Baht**.

## **B) Summary of Asset Appraisal of Phase 4.2 Project – Court Yard by Residual Approach**

Knight Frank appraised land with structure of Phase 4.2 Project – Court Yard by Residual Approach where selling price of the house was analyzed by using similar method as per mentioned in Item A) Asset Appraisal of Phase 3 Project – Lake Grandios' e by Residual Approach. Selling price of 2-Storey Detached House, Dulcet (b2) – Standard Parcel obtained was at 10,600,000 Baht. Such selling price was then used as basis to determine selling price of the remaining houses and relevant factors, i.e. size of land, utility space, construction cost and location may also be added. Summary of project revenue estimates can be concluded as follows:

### **The Grand Rama II – Phase 4.2 (Court Yard)**

No.	Type of Asset	Type of House	Land Area (Sq. w.)	Bld. Area (Sq. m.)	No. of Unit	Unit Price (Baht/Unit)	Total Price (Baht)
1	2-Storey Detached House	Dulcet	68.00	178.00	3	8,000,000	24,000,000
2	2-Storey Detached House	Dulcet (b)	74.00	206.00	12	8,900,000	106,800,000
3	2-Storey Detached House	Amore	94.00	225.00	14	10,800,000	151,200,000
4	2-Storey Detached House	Oliviera	108.00	281.00	1	12,500,000	12,500,000
5	2-Storey Detached House	Oliviera (m)	100.00	281.00	18	12,100,000	217,800,000

No.	Type of Asset	Type of House	Land Area (Sq. w.)	Bld. Area (Sq. m.)	No. of Unit	Unit Price (Baht/Unit)	Total Price (Baht)
6	2-Storey Detached House	Seraglio	135.00	376.00	9	16,200,000	145,800,000
7	2-Storey Detached House	Panore	145.00	369.00	1	16,400,000	16,400,000
8	2-Storey Detached House	Natale'	145.00	436.00	6	18,000,000	108,000,000
9	2-Storey Detached House	Majestica	176.00	465.00	1	20,400,000	20,400,000
10	2-Storey Detached House	Splendour	198.00	509.00	4	22,800,000	91,200,000
11	2-Storey Detached House	Exquisite	238.00	617.00	1	26,900,000	26,900,000
12	Land Increased-Decreased from Standard		1,066.40			60,000	63,984,000
13	Location Cost Parcel Location Fee						
	- Corner Lot				37	100,000	3,700,000
	- Parcel adjacent to Public Park				16	200,000	3,200,000
<b>Total Project Revenue Estimates</b>					<b>70</b>	<b>Parcels</b>	<b>991,884,000</b>

In addition, Knight Frank valued construction cost of the building and public utilities by referring to construction costs applied in general market and standard price of the Valuers Association of Thailand (VAT). Moreover, operating expenses, i.e. professional fee and construction supervision fee, project management fee, selling expenses, advertisement cost, other expenses including gross profit and operator's risks were also taken into account. The appraiser applied standard value pursuant to general project development. Tax applied was as per specified by the government authorities and transfer fee was equally shared by the purchaser and the operator.

#### Summary of Land with Structure Appraisal of Phase 4.2 Project – Court Yard

##### 1) Details of Land Areas

Total Areas	76	Parcels		17,264.70	Sq. w.
Selling Areas	70	Parcels		8,818.40	Sq. w.
- 2-Storey Detached House, Dulcet	3	Houses @	68.00 Sq. w.	204.00	Sq. w.
- 2-Storey Detached House, Dulcet (b)	12	Houses @	74.00 Sq. w.	888.00	Sq. w.
- 2-Storey Detached House, Amore	14	Houses @	94.00 Sq. w.	1,316.00	Sq. w.
- 2-Storey Detached House, Oliviera	1	House @	108.00 Sq. w.	108.00	Sq. w.
- 2-Storey Detached House, Oliviera (m)	18	Houses @	100.00 Sq. w.	1,800.00	Sq. w.
- 2-Storey Detached House, Seraglio	9	Houses @	135.00 Sq. w.	1,215.00	Sq. w.
- 2-Storey Detached House, Panore	1	House @	145.00 Sq. w.	145.00	Sq. w.
- 2-Storey Detached House, Natale'	6	Houses @	145.00 Sq. w.	870.00	Sq. w.
- 2-Storey Detached House, Majestica	1	House @	176.00 Sq. w.	176.00	Sq. w.
- 2-Storey Detached House, Splendour	4	Houses @	198.00 Sq. w.	792.00	Sq. w.
- 2-Storey Detached House, Exquisite	1	House @	238.00 Sq. w.	238.00	Sq. w.
- Land Increased-Decreased from Standard				1,066.40	Sq. w.
Public Utilities Areas	6	Parcels		8,446.30	Sq. w.
- Roads within Project and Small Parks	2	Parcels		6,617.30	Sq. w.
- Public Park	3	Parcels		1,804.80	Sq. w.
- Land where Developer's Juristic Person is Situated	1	Parcel		24.20	Sq. w.

##### 2) Project Revenue Estimates

**991,884,000 Baht**

##### 3) Project Development Cost Estimates

Estimated Cost of Completing the Development–After Completion	10	Houses		6,252,500	Baht
Estimated Cost of Completing New Building – Not Yet Constructed	27	Houses			
- 2-Storey Detached House, Dulcet	3	Houses @	2,720,000 Baht	8,160,000	Baht
- 2-Storey Detached House, Dulcet (b)	6	Houses @	3,090,000 Baht	18,540,000	Baht
- 2-Storey Detached House, Amore	7	Houses @	3,610,000 Baht	25,270,000	Baht
- 2-Storey Detached House, Oliviera (m)	5	Houses @	4,250,000 Baht	21,250,000	Baht

- 2-Storey Detached House, Seraglio	5	House @	5,680,000 Baht	28,400,000 Baht
- 2-Storey Detached House, Exquisite	1	House @	8,830,000 Baht	8,830,000 Baht
Estimated Public Utilities Cost of Remaining Project				4,795,300 Baht
<b>Total Project Development Cost</b>				<b>121,497,800 Baht</b>

**4) Project Cost Estimates**

Professional and Construction Supervision Fee	3.00%	of total development cost	3,644,934 Baht
Project Development Fee	1.50%	of total revenue	14,168,730 Baht
Selling and Advertisement Expenses	3.00%	of total revenue	29,756,520 Baht
Other Expenses	5.00%	of total development cost and expenses	8,488,876 Baht
<b>Total Project Cost and Expenditure</b>			<b>56,768,590 Baht</b>

**5) Government Taxes and Fees**

Transfer fee (equally Shared between Purchaser and Seller)	1.00%	of total revenue	9,918,840 Baht
Specific Business Tax	3.30%	of total revenue	32,732,172 Baht
<b>Total Government Taxes and Fees</b>			<b>42,651,012 Baht</b>

**6) Risk and Gross Project (Before Interest and Income Tax)** 23.00% of total revenue **185,474,244 Baht**

**7) Total Development Cost and Project Expenses** **406,391,646 Baht**

**8) Value of Assets in Existing Stage** **585,492,354 Baht**  
 Or Approximately **585,500,000 Baht**

**Total value of remaining assets** (land with structure of Phase 4.2 Project – Court Yard) appraised by Knight Frank was **at approximately 585.50 million Baht.**

**C) Summary of Asset Appraisal of Phase 6 Project by Residual Method**

Knight Frank appraised land with structure of Phase 6 Project – Zeen Scenery by Residual Approach where selling price of the house was analyzed by using similar method as per mentioned in Item A) Asset Appraisal of Phase 3 Project – Lake Grandios’ e by Residual Approach. Selling price of 2-Storey Detached House, Dulcet (b2) – Standard Parcel obtained at 10,600,000 Baht. Such selling price was then used as basis to determine selling price of the remaining houses and relevant factors, i.e. size of land, utility space, construction cost and location may also be added. Summary of project revenue estimates can be concluded as follows:

**The Grand Rama II – Phase 6 Project (Zeen Scenery)**

No.	Type of Asset	Type of House	Land Area (Sq. w.)	Bld. Area (Sq. m.)	No. of Unit	Unit Price (Baht/Unit)	Total Price (Baht)
1	2-Storey Detached House	Grand Memory(m)	72.00	178.00	41	6,900,000	282,900,000
2	2-Storey Detached House	Amore	88.00	225.00	3	8,800,000	26,400,000
3	2-Storey Detached House	Oliviera	118.00	281.00	1	11,000,000	11,000,000
4	2-Storey Detached House	Zeen Diamond(x)	131.00	327.00	1	12,500,000	12,500,000
5	2-Storey Detached House	Zeen Heritage(m)	198.00	424.00	0	17,400,000	-
6	Land Increased-Decreased from Standard		252.00			45,000	11,340,000
7	Parcel Location Fee						
	- Corner Lot				11	100,000	1,100,000
	- Corner Lot, Main Road				1	200,000	200,000
	- Parcel adjacent to Public Park				4	200,000	800,000
<b>Total Project Revenue Estimates</b>					<b>46</b>	<b>Parcels</b>	<b>346,240,000</b>

In addition, Knight Frank valued construction cost of the building and public utilities by referring to construction costs applied in general market and standard price of the Valuers Association of Thailand (VAT). Moreover, operating expenses, i.e. professional fee and construction supervision fee, project management fee, selling and advertisement expenses, other expenses including gross profit and operator's risks were also taken into account. The appraiser applied standard value pursuant to general project development. Tax applied was as per specified by the government authorities and transfer fee was equally shared by the purchaser and the operator.

### Summary of Land and Building Appraisal of Phase 6 Project – Zeen Scenery

#### 1) Details of Land Areas

Total Area	51	Parcels		9,276.60	Sq. w.
Selling Areas	46	Parcels		3,717.00	Sq. w.
- 2-Storey Detached House, Mm MODERN	41	Houses @	72.00 Sq. w.	2,952.00	Sq. w.
- 2-Storey Detached House, C3b MADERN	3	Houses @	88.00 Sq. w.	264.00	Sq. w.
- 2-Storey Detached House, C5 MADERN	1	House @	118.00 Sq. w.	118.00	Sq. w.
- 2-Storey Detached House, AA1X	1	House @	131.00 Sq. w.	131.00	Sq. w.
- Land Increased-Decreased from Standard				252.00	Sq. w.
Public Utilities Areas	5	Parcels		5,559.60	Sq. w.
- Road within Project and Small Park	1	Parcel		4,533.40	Sq. w.
- Public Park	2	Parcels		987.20	Sq. w.
- Small Park	1	Parcels		17.00	Sq. w.
- Land where Developer's Juristic Person is Situated	1	Parcels		22.00	Sq. w.

#### 2) Project Revenue Estimates **346,240,000 Baht**

#### 3) Project Development Cost Estimates

Estimated Cost of Completing the Development–After Completion	20	Houses		23,979,200	Baht
Estimated Cost of Completing Public Utilities Development				157,700	Baht
<b>Total Project Development Cost</b>				<b>24,136,900</b>	<b>Baht</b>

#### 4) Project Cost and Expenditure Estimates

Professional and Construction Supervision Fee	5.00%	of total development cost		1,206,845	Baht
Project Development Fee	2.00%	of total revenue		6,924,800	Baht
Selling and Advertisement Expenses	3.00%	of total revenue		10,387,200	Baht
Other Expenses	5.00%	of total development cost and expenses		2,132,787	Baht
<b>Total Project Cost and Expenditures</b>				<b>20,651,632</b>	<b>Baht</b>

#### 5) Government Taxes and Fees

Transfer fee (equally Shared between Purchaser and Seller)	1.00%	of total revenue		3,462,400	Baht
Specific Business Tax	3.30%	of total revenue		11,425,920	Baht
<b>Total Government Taxes and Fees</b>				<b>14,888,320</b>	<b>Baht</b>

#### 6) Risk and Gross Project (Before Interest and Income Tax) **62,436,721 Baht**

#### 7) Total Development Cost and Project Expenses **122,113,574 Baht**

#### 8) Value of Assets in Existing Stage **224,126,426 Baht** or Approximately **224,100,000 Baht**

**Total value of remaining assets** (land with structure of Phase 6 Project – Zeen Scenery) appraised by Knight Frank was **approximately 224.10 million Baht.**

### D) Summary of Asset Appraisal of Phase 7 Project – The Creek by Market Approach

Knight Frank appraised the land by Market Approach by comparing with ten sets of marketing data of nearby vacant lands then selecting three sets of data which were most closely to the appraised asset whose selling prices offered was in the range of 3,500,000-8,800,000 Baht per rai. Factors used for such consideration included size, dimension, entrance-exit, surrounding conditions which may impact the selling/purchasing price during the past period including economic factors which may impact real property market. After that price of marketing data shall be adjusted with Sales Adjustment Grid, a comparison between the appraised asset and the market data by using the relevant factors, i.e. location, area, dimension, width of parcel, land level and potential on asset utilization and comparison of competitive selling/purchasing prices of the current real property market which can be summarized as per table below:

Details	Comparison Data			Appraised Assets
	1 <sup>st</sup> Data	2 <sup>nd</sup> Data	3 <sup>rd</sup> Data	
Location	Adjacent to Rama 2 Road	Adjacent to Soi Wat Thep Thongchai, Rama 2 Road	Adjacent to public benefit way, Norasingh Ruamjai Road	Adjacent to easement road within The Grand Rama 2 Project, Rama 2 Road
Land Area (Rai)	91 - 2 - 06 Rai	33 - 2 - 49 Rai	18 - 0 - 00 Rai	88 - 2 - 10.20 Rai
Land Area (Rai)	91.5150	33.623	18.000	88.5255
Dimension	Polygon	Polygon	Polygon	Polygon
Width (Meter)	88.00	100.00	100.00	276.00
Land Level (average whole parcel) (m.)	(1.50)	(1.50)	(1.50)	(1.50)
Appropriated Land Utilization	Housing Development Project	Housing Development Project	Housing Development Project	Housing Development Project
Offered Price (Baht/Rai)	8,800,000	6,000,000	3,500,000	
Expected Selling Price (Baht/Rai)	8,000,000	4,000,000	2,500,000	
Purchasing/Selling Price (Baht/Rai)	-	-	-	
Date Offered or Selling-Purchasing	Sept 2014	Sept 2014	Sept 2014	
Adjust Purchasing-Selling Period (Baht/Rai)	-	-	-	
Adjust Difference of Land Filling Cost (Baht/Rai)	-	-	-	
<b>Total Preliminary Adjusted Capital Value of Land (Baht/Rai)</b>	<b>8,000,000</b>	<b>4,000,000</b>	<b>2,500,000</b>	

### Analysis of Related Factors

Considered Factors	Comparison Data					
	1 <sup>st</sup> Data		2 <sup>nd</sup> Data		3 <sup>rd</sup> Data	
	%	Amount (Baht/Sq. w.)	%	Amount (Baht/Sq.w.)	%	Amount (Baht/Sq.w.)
Location	(30)%	(2,400,000)	(5)%	(200,000)	25%	625,000
Surrounding Conditions	(5)%	(400,000)	(3)%	(120,000)	5%	125,000
Size of Land	0%	-	(5)%	(200,000)	(10)%	(250,000)
Dimension and Continuity	0%	-	0%	-	0%	-
Width	5%	400,000	0%	-	(3)%	(75,000)
Public Utilities System	0%	-	3%	120,000	3%	75,000



Considered Factors	Comparison Data					
	1 <sup>st</sup> Data		2 <sup>nd</sup> Data		3 <sup>rd</sup> Data	
	%	Amount (Baht/Sq. w.)	%	Amount (Baht/Sq.w.)	%	Amount (Baht/Sq.w.)
Frontage	(10)%	(800,000)	3%	120,000	3%	75,000
Development Potential and Maximum Utilization	(15)%	(1,200,000)	(5)%	(200,000)	15%	375,000
Regulations (City Plan) / Related Laws	0%	-	0%	-	0%	-
<b>Total</b>	<b>(55)%</b>	<b>(4,400,000)</b>	<b>(12)%</b>	<b>(480,000)</b>	<b>38%</b>	<b>950,000</b>
<b>Price after Adjustment (Baht/Rai)</b>	<b>3,600,000</b>		<b>3,520,000</b>		<b>3,450,000</b>	

### Final Price Adjustment

Comparison Data	Price after Adjustment	Absolute Adjust	Proportion (1)	Inverse	Proportion (2)	Value of Asset
1	3,600,000	5,200,000	0.6701	1.4923	0.1034	372,414
2	3,520,000	960,000	0.1237	8.0833	0.560.	1,972,414
3	3,450,000	1,600,000	0.2062	4.8500	0.3362	1,159,914
<b>Total</b>	<b>10,570,000</b>	<b>7,760,000</b>	<b>1.0000</b>	<b>14.4256</b>	<b>1.0000</b>	<b>3,504,741</b>
<b>Or approximately (Baht/Rai)</b>						<b>3,500,000</b>

Total area of the appraised land is 105-3-03.20 Rai (42,303.20 Square Wah or 105.7580 Rai) less land area outside cadastral map of approximately 16-1-57 Rai (6,557.00 Square Wah) and land areas which are development community of approximately 0-3-36 Rai (336.00 Square Wah). Therefore, total remaining appraised land is 88-2-10.20 Rai (35,410.20 Square Wah or 88.5255 Rai) and its **fair market value is approximately 309.80 million Baht.**

### E) Summary of Asset Appraisal of Phase 9 Project – Zenith by Residual Approach

Knight Frank appraised land and structure of Phase 9 Project – Zenith by Residual Approach where selling price of the house was analyzed by using similar method as per mentioned in Item A) Asset Appraisal of Phase 3 Project – Lake Grandios’ e by Residual Approach. Selling price of 2-Storey Detached House, Dulcet (b2) – Standard Parcel obtained at 10,600,000 Baht. Such selling price was then used as basis to determine selling price of the remaining houses and relevant factors, i.e. size of land, utility space, construction cost and location may also be added. Summary of project revenue estimates can be concluded as follows:

#### The Grand Rama II – Phase 9 (Zenith)

No.	Type of Asset	Type of House	Land Area (Sq. w.)	Bld. Area (Sq. m.)	No. of Unit	Unit Price (Baht/Unit)	Total Price (Baht)
1	2-Storey Detached House	Neo Modern(m)	100.00	167.00	1	8,100,000	8,100,000
2	2-Storey Detached House	Neo Delight(m)	109.00	169.00	1	8,500,000	8,500,000
3	2-Storey Detached House	Panacea	92.00	253.00	9	9,900,000	89,100,000
4	2-Storey Detached House	Oliviera(m)	107.00	281.00	10	10,900,000	109,000,000
5	Land Increased-Decreased from Standard		333.80			45,000	15,021,000
6	Parcel Location Fee						
	- Corner Lot				2	100,000	200,000
	- Parcel adjacent to Public Park				2	200,000	400,000
<b>Total Project Revenue Estimates</b>					<b>21</b>	<b>Parcels</b>	<b>230,321,000</b>

In addition, Knight Frank valued construction cost of the building and public utilities by referring to construction costs applied in general market and standard price of the Valuers Association of Thailand (VAT). Moreover, operating expenses, i.e. professional fee and

construction supervision fee, project management fee, selling and advertisement expenses, other expenses including gross profit and operator's risks were also taken into account. The appraiser applied standard value pursuant to general project development. Tax applied was as per specified by the government authorities and transfer fee was equally shared by the purchaser and the operator.

### Summary of Land and Building Appraisal of Phase 9 Project - Zenith

#### 1) Details of Land Area

Total Area	27	Parcels		3,500.90	Sq. w.
Sales Areas	21	Parcels		2,397.80	Sq. w.
- 2-Storey Detached House, Mm_CLS1	1	House @	145.00 Sq. w.	145.00	Sq. w.
- 2-Storey Detached House, Lm_CLS1	1	House @	109.00 Sq. w.	109.00	Sq. w.
- 2-Storey Detached House, C_3_cMO11	9	Houses @	90.00 Sq. w.	810.00	Sq. w.
- 2-Storey Detached House, C_5_m)MO11	10	Houses @	100.00 Sq. w.	1,000.00	Sq. w.
- Land Increased-Decreased from Standard				333.80	Sq. w.
Public Utilities Areas	6	Parcels		1,103.10	Sq. w.
- Road with the Project	1	Parcel		833.30	Sq. w.
- Public Park	1	Parcel		130.10	Sq. w.
- Small Park	3	Parcels		104.70	Sq. w.
- Land where Developer's Juristic Person is Situated	1	Parcel		34.70	Sq. w.

**2) Project Revenue Estimates** **230,321,000 Baht**

#### 3) Project Development Cost Estimates

Estimated Cost of Completing the Development–After Completion	10	Houses		4,136,800	Baht
Estimated Cost of Completing Public Utilities Development				200,000	Baht
<b>Total Project Development Cost</b>				<b>4,336,800</b>	<b>Baht</b>

#### 4) Project Cost and Expenditures Estimates

Professional and Construction Supervision Fee	15.00%	of total development cost		650,520	Baht
Project Development Fee	2.00%	of total revenue		4,606,420	Baht
Selling and Advertisement Expenses	3.00%	of total revenue		6,909,630	Baht
Other Expenses	5.00%	of development cost and expenses		825,169	Baht
<b>Total Project Cost and Expenditures</b>				<b>12,991,739</b>	<b>Baht</b>

#### 5) Government Taxes and Fees

Transfer fee (equally Shared between Purchaser and Seller)	1.00%	of total revenue		2,303,210	Baht
Specific Business Tax	3.30%	of total revenue		7,600,593	Baht
<b>Total Government Taxes and Fees</b>				<b>9,903,803</b>	<b>Baht</b>

**6) Risk and Gross Project (Before Interest and Income Tax)** **22.00%** of total revenue **43,068,154 Baht**

**7) Total Project Development Costs and Expenditures** **70,300,496 Baht**

**8) Value of Assets in Existing Stage** **160,020,504 Baht**  
 Or Approximately **160,000,000 Baht**

**Total value of remaining assets** (land and structure of Phase 9 Project – Zenith) appraised by Knight Frank was **at approximately 160.00 million Baht**

#### F) Summary of Asset Appraisal of Phase 11 Project – Infinia by Market Approach

Knight Frank appraised land and building of Phase 11 Project – Infinia by Residual Approach where selling price of the house was analyzed by using similar method as per mentioned in Item A) Asset Appraisal of Phase 3 Project – Lake Grandios' e by Residual Approach. Selling price of 2-Storey Detached House, Dulcet (b2) – Standard Parcel obtained at 10,600,000 Baht. Such selling price was then used as basis to determine selling price of the remaining houses, however, relevant

factors, i.e. size of land, utility space, construction cost and location may be added. Summary of project revenue estimates can be concluded as follows:

**The Grand Rama II - Phase 11 (Infinia)**

No.	Type of Asset	Type of House	Land Area (Sq. w.)	Bld. Area (Sq. m.)	No. of Unit	Unit Price (Baht/Unit)	Total Price (Baht)
1	2-Storey Detached House	Grand Smart	52.50	143.00	7	4,600,000	32,200,000
2	2-Storey Detached House	Grand Supreme	52.50	152.00	12	4,800,000	57,600,000
3	2-Storey Detached House	Grand Smart (mb)	54.00	150.00	8	4,800,000	38,400,000
4	2-Storey Detached House	Grand Supreme (mb)	52.50	159.00	12	5,000,000	60,000,000
5	2-Storey Detached House	Grand Memory	60.00	172.00	13	5,500,000	71,500,000
6	2-Storey Detached House	Grand Delight	60.00	175.00	14	5,600,000	78,400,000
7	2-Storey Detached House	Grand Memory (m)	63.75	180.00	11	5,700,000	62,700,000
8	2-Storey Detached House	Grand Delight (m)	60.00	182.00	5	5,600,000	28,000,000
9	Vacant Land for Future Project		2,379.10		2	13,000	30,928,300
10	Land Increased-Decreased from Standard		14.05			32,000	449,600
11	Parcel Location Fee						
	- Corner Lot				22	100,000	2,200,000
	- Corner Lot, Main Road					200,000	-
	- Parcel adjacent to Public Park				7	200,000	1,400,000
<b>Total Project Revenue Estimates</b>					<b>84</b>	<b>Parcels</b>	<b>463,777,900</b>

In addition, Knight Frank valued construction cost of the building and public utilities by referring to construction costs applied in general market and standard price of the Valuers Association of Thailand (VAT). Moreover, operating expenses, i.e. professional fee and construction supervision fee, project management fee, selling and advertisement expenses, other expenses including gross profit and operator's risks were also taken into account. The appraiser applied standard value pursuant to general project development. Tax applied was as per specified by the government authorities and transferring fee was equally shared by the purchaser and the operator.

Summary of Appraised Land and Building of Phase 11 Project – Infinia is as follows:

**1) Details of Land Area**

Total Areas	100	Parcels	15,259.90	Sq. w.
Selling Areas	84	Parcels	7,073.90	Sq. w.
- 2-Storey Detached House, Grand Smart	7	Houses @	52.00	Sq. w.
- 2-Storey Detached House, Grand Supreme	12	Houses @	52.50	Sq. w.
- 2-Storey Detached House, Grand Smart (mb)	8	Houses @	54.00	Sq. w.
- 2-Storey Detached House, Grand Supreme (mb)	12	Houses @	52.50	Sq. w.
- 2-Storey Detached House, Memory	13	Houses @	60.00	Sq. w.
- 2-Storey Detached House, Delight	14	Houses @	60.00	Sq. w.
- 2-Storey Detached House, Memory (m)	11	Houses @	63.75	Sq. w.
- 2-Storey Detached House, Delight (m)	5	Houses @	60.00	Sq. w.
- Vacant Land for Future Project	2	Parcels	2,379.10	Sq. w.
- Land Increased-Decreased from Standard			14.05	Sq. w.
Public Utilities Areas	16	Parcels	8,186.00	Sq. w.
- Road within Project	1	Parcel	6,661.50	Sq. w.
- Public Park	1	Parcel	837.30	Sq. w.
- Small Park	13	Parcels	661.40	Sq. w.
- Land where Developer's Juristic Person is Situated	1	Parcel	25.80	Sq. w.

**2) Project Revenue Estimates**

**463,777,900 Baht**

**3) Project Development Cost Estimates**

Estimated Cost of Completing the Development–After Completion	48 Houses	11,392,800 Baht
Estimated Cost of Completing the Public Utilities Development		176,800 Baht
<b>Total Project Development Cost</b>		<b>11,569,600 Baht</b>

**4) Project Cost and Expenditures Estimates**

Professional and Construction Supervision Fee	15.00% of total development cost	1,735,440 Baht
Project Development Fee	2.00% of total revenue	9,275,558 Baht
Selling and Advertisement Expenses	3.00% of total revenue	13,913,337 Baht
Other Expenses	5.00% of total development cost and expenses	1,824,697 Baht
<b>Total Project Cost and Expenditures</b>		<b>26,749,032 Baht</b>

**5) Government Taxes and Fees**

Transfer fee (equally Shared between Purchaser and Seller)	1.00% of total revenue	4,637,779 Baht
Specific Business Tax	3.30% of total revenue	15,304,671 Baht
<b>Total Government Taxes and Fees</b>		<b>19,942,450 Baht</b>

**6) Risk and Gross Project (Before Interest and Income Tax)** 22.00% of total revenue **83,632,080 Baht**

**7) Total Development Cost and Project Expenses** **141,893,162 Baht**

**8) Value of Assets in Existing Stage** **321,884,738 Baht**  
**Or Approximately** **321,900,000 Baht**

**Total value of remaining assets** (land and buildings of Phase 11 Project – Infinia) appraised by Knight Frank was **at approximately 321.90 million Baht**

**G) Summary of Asset Appraisal of Phase 12 Project – Bliss by means of Cost Approach**

Knight Frank appraised the land with structure by referring to land appraisal specified in Item D) which was at 3,500,000.00 Baht per rai as per the following details:

**Land**

Land Area pursuant to Land Title 70-0-9 Rai (28,009.00 Square Wah)

Or approximately 70.02250 Rai @ 3,500,000 Baht **245,078,750 Baht**

**Buildings**

Estimated Cost of Completing the 2-Storey Detached House 43 Houses 3,007,800 Baht

Estimated Capital Value after Completion 3% Equal to 3,007,800 Baht

Estimated Cost of Completing the Public Utilities Development (excluding Land Filling Cost)

Estimated Cost of Construction Completion Equal to 15,467,625 Baht

**Total Value of Buildings and Structure** **18,475,425 Baht**

**Total Value of Land and All Buildings** 263,554,175 Baht

**Or Approximately** **263,600,000 Baht**

**Total value of remaining assets** (land and buildings of Phase 12 Project – Bliss) appraised by Knight Frank was **at approximately 263.60 million Baht.**

**H) Summary of Asset Appraisal of Phase 13 Project – Quarts by Market Approach**

Knight Frank appraised the land with structure by referring to land appraisal as per mentioned in Item D) which is at 3,500,000 Baht per rai with detail as follows:

**Land**

Land Area pursuant to Land Title 83-0-52 Rai (33,252.00 Sq. Wah)

Or approximately 83.1300 Rai @ 3,500,000 Baht 290,955,000 Baht

**Or approximately** **291,000,000 Baht**

**Total value of remaining assets** (land and buildings of Phase 13 Project – Quarts) appraised by Knight Frank was **at approximately 291.00 million Baht**.

Summary of Appraisal of Asset, Vacant Land and Land with Structure under Development Process of The Grand Rama 2 Project:

<b>The Grand Rama 2 Project</b>	<b>Total Areas pursuant to Land Title</b>	<b>Fair Value Valuation Method</b>	<b>Value of Appraised Assets (Million Baht)</b>
Phase 3 (Lake Gradios'e)	25-0-67.60 Rai	Residual Method	200.10
Phase 4.2 (Court Yard)	43-0-64.70 Rai	Residual Method	585.50
Phase 6 (Zeen Scenery)	23-0-76.60 Rai	Residual Method	224.10
Phase 7 (The Creek)	88-2-10.20 Rai	Comparative Method	309.80
Phase 9 (Zenith)	8-3-00.90 Rai	Residual Method	160.00
Phase 11 (Infinia)	38-0-59.90 Rai	Residual Method	321.90
Phase 12 (Bliss)	70-0-09.00 Rai	Cost Method	263.60
Phase 13 (Quarts)	83-0-52.00 Rai	Comparative Method	291.00
<b>Total</b>			<b>2,356.00</b>

## 2) Land with Structure under Development Process of The Grand Wong Waen – Pracha Uthit Project

### A) Summary of Asset Appraisal of Phase 1 Project by Residual Approach

Knight Frank appraised the land and structure of Phase 1 Project by Residual Approach by comparing selling price of the land with 2-Storey Detached House, M – Standard Parcel with six sets of marketing data of nearby development projects then selecting three sets of data which were most closely to the appraised asset whose project selling price was in the range of 5,950,000-7,750,000 Baht per house. Factors used for such consideration included location, surroundings, project conditions and project development format, type of house and decoration, facilities within the project which may impact selling price of the house. After that price of marketing data shall be adjusted with Sales Adjustment Grid, a comparison between the appraised asset and the market data by using the relevant factors, which can be summarized as per table below:

<b>Details</b>	<b>Comparison Data with Parcel No.</b>			<b>Value of Appraised Asset – Phase 1</b>
	<b>1</b>	<b>3</b>	<b>4</b>	
Name of Project	Baan Burasiri Tha Kham-Rama 2	Baan Serene Rama 2	Baan Muntana Pracha-Uthit 72	“The Grand Wong Waen-Pracha Uthit Project”
Type of House	2-Storey Detached House, Bureetara Type	2-Storey Detached House –Type Daisy	2-Storey Detached House –Type Spazio	2-Storey Detached House, Grand Memory
Land Area (Square Wah)	50.20	81.50	101.40	52.50
Utility Space (Square Meter)	173.00	194.00	165.00	168.00
No. of Bedroom/Restroom	3 / 3	4/3	3 / 3	3 / 3
Selling Price (Baht/House)	5,950,000	7,290,000	7,750,000	
Expected Negotiable Price (Baht/House)	5,850,000	6,840,000	7,650,000	
Different Price between Land Area (Baht)	92,000	(1,160,000)	(1,956,000)	
Different Price between Utility Space (Baht)	(101,238)	(526,440)	60,743	
<b>Total Preliminary Adjusted Price (Baht/House)</b>	<b>5,840,762</b>	<b>5,153,560</b>	<b>5,754,743</b>	

### Analysis of Relevant Factors

Considered Factors	Comparison Data of Parcel No.					
	%	1	%	3	%	4
Location	(5)%	(292,038)	%		(3)%	(172,642)
Surroundings	%		%		(3)%	(172,642)
Project Condition and Project Development Format	%		%		%	
Type of House and Decoration	3%	175,223	3%	154,607	3%	172,642
Public Utility System	%		%		%	
Facilities within Project	%		%		%	
Reputation of Project and Operator	(3)%	(175,223)	5%	257,678	(3)%	(172,642)
<b>Total</b>	<b>(5)%</b>	<b>(292,038)</b>	<b>8%</b>	<b>412,285</b>	<b>(6)%</b>	<b>(345,285)</b>
<b>Price after Adjustment</b>	<b>5,548,724</b>		<b>5,565,845</b>		<b>5,409,458</b>	

### Final Price Adjustment

Comparison Date	Price after Adjustment	Absolute Adjust	Proportion (1)	Inverse	Proportion (2)	Value of Assets
1	5,548,724	642,484	0.3681	2.7165	0.2866	1,590,476
3	5,565,845	412,285	0.2362	4.2333	0.4467	2,486,166
4	5,409,458	690,569	0.3957	2.5274	0.2667	1,442,590
<b>Total</b>	<b>16,524,027</b>	<b>1,745,338</b>	<b>1.0000</b>	<b>9.4773</b>	<b>1.0000</b>	<b>5,519,232</b>
<b>Or approximately (Baht/House)</b>						<b>5,500,000</b>

Based on the above analysis, selling price of 2-Storey Detached House, M – Standard Parcel obtained at approximately 5,500,000 Baht. Knight Frank then used such selling price as basis to determine selling price of the remaining houses and relevant factors, i.e. size of land, utility space, construction cost and location may also be added. Summary of project revenue estimates can be concluded as follows:

#### The Grand Wong Waen – Pracha Uthit Phase 1 Project

No.	Design	Land Area (Sq. w.)	Bld. Area (Sq. m.)	No. of Unit	Unit price (Baht/Unit)	Total Price (Baht)
1	2-Storey Detached House, Grand Memory	52.50	168.00	2	5,500,000	11,000,000
2	2-Storey Detached House, Grand Delight	54.00	173.00	2	5,610,000	11,220,000
3	2-Storey Detached House, Grand Delight(m)	60.00	173.00	10	5,690,000	56,900,000
4	2-Storey Detached House, Grand Memory(m)	60.00	166.00	1	5,640,000	5,640,000
5	2-Storey Detached House, Grand Charmer2	109.00	223.00	7	8,700,000	60,900,000
6	2-Storey Detached House, Grand Colonnade	127.00	265.00	5	10,030,000	50,150,000
7	2-Storey Detached House, Grand Memory(mb)	100.00	203.00	13	7,990,000	103,870,000
8	Land Increased-Decreased from Standard	649.70	-		40,000	25,988,000
9	Parcel Location Fee					
	- Corner Lot			8	100,000	800,000
	- Parcel adjacent to Public Park			3	150,000	450,000
<b>Total Project Revenue Estimates</b>				<b>40</b>	<b>Parcels</b>	<b>326,918,000</b>

In addition, Knight Frank valued construction cost of the building and public utilities by referring to construction costs applied in general market and standard price of the Valuers Association of Thailand (VAT). Moreover, operating expenses, i.e. professional fee and construction supervision fee, project management fee, selling and advertisement expenses, other expenses including gross profit and operator's risks were also taken into account. The appraiser applied standard value pursuant



to general project development. Tax applied was as per specified by the government authorities and transfer fee was equally shared by the purchaser and the operator.

### Summary of Land and Building Appraisal of The Grand Wong Waen – Pracha Uthit Phase 1 Project

#### 1) Details of Land Area

Total Areas	48	Parcels		16,576.50	Sq. w.
Selling Areas	40	Parcels		4,220.70	Sq. w.
- 2-Storey Detached House, M modern	2	Houses @	52.50 Sq. w.	105.00	Sq. w.
- 2-Storey Detached House, L modern	2	Houses @	54.00 Sq. w.	108.00	Sq. w.
- 2-Storey Detached House, Lm modern	10	Houses @	60.00 Sq. w.	600.00	Sq. w.
- 2-Storey Detached House, Mm modern	1	House @	60.00 Sq. w.	60.00	Sq. w.
- 2-Storey Detached House, C3b modern	7	Houses @	109.00 Sq. w.	763.00	Sq. w.
- 2-Storey Detached House, C5 modern	5	Houses @	127.00 Sq. w.	635.00	Sq. w.
- 2-Storey Detached House, Mmb modern	13	Houses @	100.00 Sq. w.	1,300.00	Sq. w.
- Land Increased-Decreased from Standard				649.70	Sq. w.
Public Utilities Areas	8	Parcels		12,355.80	Sq. w.
- Road within Project and Small Park	3	Parcels		9,915.10	Sq. w.
- Public Park	3	Parcels		1,435.00	Sq. w.
- Clubhouse	1	Parcel		984.50	Sq. w.
- Land where Developer's Juristic Person is Situated	1	Parcel		21.20	Sq. w.

#### 2) Project Revenue Estimates **326,918,000 Baht**

#### 3) Project Development Cost Estimates

Estimated Cost of Completing the Development	7	Houses		303,000	Baht
Estimated Cost of Completing Public Utilities Development				-	Baht
<b>Total Project Development Cost</b>				<b>303,000</b>	<b>Baht</b>

#### 4) Project Cost and Expenditures Estimates

Professional and Construction Supervision Fee	1	Lump Sum		960,000	Baht
Project Development Fee	1.50%	of total revenue		4,903,770	Baht
Selling and Advertisement Expenses	3.00%	of total revenue		9,807,540	Baht
Other Expenses	5.00%	of development cost and expenses		798,716	Baht
<b>Total Project Cost and Expenditures Cost</b>				<b>16,470,026</b>	<b>Baht</b>

#### 5) Government Taxes and Fees

Transfer fee (equally Shared between Purchaser and Seller)	1.00%	of total revenue		3,269,180	Baht
Specific Business Tax	3.30%	of total revenue		10,788,294	Baht
<b>Total Government Taxes and Fees</b>				<b>14,057,474</b>	<b>Baht</b>

#### 6) Risk and Gross Project (Before Interest and Income Tax) 22.00% of total revenue **58,952,426 Baht**

#### 7) Total Development Cost and Project Expenses **89,782,926 Baht**

#### 8) Value of Assets in Existing Stage **237,135,074 Baht** Or Approximately **237,100,000 Baht**

**Total value of remaining assets** (land and structure of The Grand Wong Waen – Pracha Uthit Phase 1 Project) appraised by Knight Frank was **at approximately 237.10 million Baht.**

### B) Summary of Asset Appraisal of Phase 2 Project by Residual Approach

Knight Frank appraised the land and structure of Phase 2 by Residual Approach where selling price of the house was analyzed the same way as mentioned in Item A) Asset Appraisal of Phase 1 Project by Residual Approach. Selling price of the 2-Storey Detached House, M, Standard Parcel, was at approximately 5,500,000 Baht and such selling price was used as basis to determine selling price of

the remaining houses by adjusting relevant factors, such as size of land area, utility space, construction cost and location. Estimated income of the project could be summarized as follows:

### The Grand Wong Waen-Pracha Uthit Phase 2

No.	Type of House	Land Area (Sq. w.)	Bld. Area (Sq. m.)	No. of Unit	Unit price (Baht/Unit)	Total Price (Baht)
1	2-Storey Detached House, Neo Delight (m)	93.00	172.00	1	7,150,000	7,150,000
2	2-Storey Detached House, Park Charmer (b)	114.00	223.00	1	8,890,000	8,890,000
3	2-Storey Detached House, Neo Supreme (m)	75.00	145.00	1	5,970,000	5,970,000
4	2-Storey Detached House, Neo Modern (m)	94.00	174.00	1	7,230,000	7,230,000
5	2-Storey Detached House, Grand Meridian	75.00	195.00	32	6,740,000	215,680,000
6	2-Storey Detached House, Grand Lively	76.00	181.00	6	6,620,000	39,720,000
7	2-Storey Detached House, Grand Violet	72.00	201.00	23	6,890,000	158,470,000
8	Land Increased-Decreased from Standard	608.90	-		40,000	24,356,000
9	Parcel Location Fee					
	- Corner Lot adjacent to Small Park			17	150,000	2,550,000
	- Corner Lot in front of the Park			7	150,000	1,050,000
	- Parcel in front of the Park			3	100,000	300,000
	- Corner Lot			12	100,000	1,200,000
	- Parcel adjacent to the Park			1	150,000	150,000
<b>Total Project Revenue Estimates</b>				<b>65</b>	<b>Parcels</b>	<b>472,716,000</b>

In addition, Knight Frank valued construction cost of the building and public utilities by referring to construction costs applied in general market and standard price of the Valuers Association of Thailand (VAT). Moreover, operating expenses, i.e. professional fee and construction supervision fee, project management fee, selling and advertisement expenses, other expenses including gross profit and operator's risks were also taken into account. The appraiser applied standard value pursuant to general project development. Tax applied was as per specified by the government authorities and transfer fee was equally shared by the purchaser and the operator.

Summary of Land and Building Appraisal of The Grand Wong Warn-Pracha Uthit Phase 2 Project is as follows:

#### 1) Details of Land Areas

Total Areas	69	Parcels		8,877.40	Sq. w.
Selling Areas	65	Parcels		5,496.90	Sq. w.
- 2-Storey Detached House, Neo Delight (m)	1	House @	93.00 Sq. w.	93.00	Sq. w.
- 2-Storey Detached House, Park Charmer (b)	1	House @	114.00 Sq. w.	114.00	Sq. w.
- 2-Storey Detached House, Neo Supreme (m)	1	House @	75.00 Sq. w.	75.00	Sq. w.
- 2-Storey Detached House, Neo Modern (m)	1	House @	94.00 Sq. w.	94.00	Sq. w.
- 2-Storey Detached House, Grand Meridian	32	House @	75.00 Sq. w.	2,400.00	Sq. w.
- 2-Storey Detached House, Lively	6	House @	76.00 Sq. w.	456.00	Sq. w.
- 2-Storey Detached House, Violet	23	Houses @	72.00 Sq. w.	1,656.00	Sq. w.
- Land Increased-Decreased from Standard				608.90	Sq. w.
Public Utilities Areas	4	Parcels		3,380.50	Sq. w.
- Road within the Project and Small Park	1	Parcel		2,859.80	Sq. w.
- Public Park	1	Parcel		447.60	Sq. w.
- Clubhouse	1	Parcel		24.30	Sq. w.
- Land where Developer's Juristic Person is Situated	1	Parcel		48.80	Sq. w.

**2) Project Revenue Estimates** **472,716,000 Baht**

#### 3) Project Development Cost Estimates

Estimated Cost of Completing the Development	51	Houses	53,734,400	Baht
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Estimated Cost of Completing Public Utilities Development			6,163,878 Baht
<b>Total Development Cost</b>			<b>59,898,278 Baht</b>
<b>4) Project Cost and Expenditures Estimates</b>			
Professional and Construction Supervision Fee	3.00%	Of total development cost	1,796,948 Baht
Project Development Fee	1.50%	of total revenue	7,090,740 Baht
Selling and Advertisement Expenses	3.00%	of total revenue	14,181,480 Baht
Other Expenses	5.00%	of total development cost and expenses	4,148,372 Baht
<b>Total Project Cost and Expenditures</b>			<b>27,217,541 Baht</b>
<b>5) Government Taxes and Fees</b>			
Transfer fee (equally Shared between Purchaser and Seller)	1.00%	of total revenue	4,727,160 Baht
Specific Business Tax	3.30%	of total revenue	15,599,628 Baht
<b>Total Government Taxes and Fees</b>			<b>20,326,788 Baht</b>
<b>6) Risk and Gross Project (Before Interest and Income Tax)</b>	23.00%	of total revenue	<b>88,394,049 Baht</b>
<b>7) Total Development Cost and Project Expenses</b>			<b>195,836,655 Baht</b>
<b>8) Value of Assets in Existing Stage</b>			<b>276,879,345 Baht</b>
<b>Or Approximately</b>			<b>276,900,000 Baht</b>

**Total value of remaining assets** (land and structure of The Grand Wongwaen – Pracha Uthit Phase 2 Project) appraised by Knight Frank was **at approximately 276.90 million Baht.**

Summary of Asset Appraisal of Land with Building under Development Process of The Grand Wong Waen – Pracha Uthit Project is as follows:

The Grand Wong Waen – Pracha Uthit Project	Total Area pursuant to Land Title	Fair Value Valuation Method	Value of Appraised Assets (Million Baht)
Phase 1	41-1-76.50 Rai	Residual Method	237.10
Phase 2	22-0-77.40 Rai	Residual Method	276.90
Total			<b>514.00</b>

### 3) Land with Structure under Process of Being Developed to be The Grand Udomsuk Project

Knight Frank appraised the land and structure of The Grand Udomsuk Project by Residual Approach by comparing selling price of the land with 2-Storey Detached House, Dulcet (b2) – Standard Parcel with six sets of marketing data of nearby development projects then selecting three sets of data which were most closely to the appraised asset whose project selling price was in the range of 6,890,000-8,490,000 Baht per house. Factors used for such consideration included location, surroundings, project conditions and project development format, type of house and decoration, facilities within the project which may impact selling price of the house. After that price of marketing data shall be adjusted with Sales Adjustment Grid, a comparison between the appraised asset and the market data by using the relevant factors, which can be summarized as per table below:

Details	Comparison Data with Parcel No.			Asset Appraised Phase 1
	2	3	4	
Name of Project	Casa Grand On Nut-Wongwaen	Lift Bangkok Boulevard (Wongwaen-On Nut 2)	Mantana On Nut-Wongwaen 3	The Grand Udomsuk
Location	Adjacent to frontage road of Kanchanapisek Road (Highway 9)	Adjacent to frontage road of Kanchanapisek Road (Highway 9)	Adjacent to frontage road of Kanchanapisek Road (Highway 9)	Adjacent to frontage road of Kanchanapisek Road (Highway 9)

Details	Comparison Data with Parcel No.			Asset Appraised Phase 1
	2	3	4	
Type of House	2-Storey Detached House, Casa Del Caldo	2-Storey Detached House, New Verley	2-Storey Detached House, Spazio	2-Storey Detached House, Dulcet(b2)
Land Area (Square Wah)	57.40	62.30	50.00	76.50
Utility Space (Square Meter)	199.00	205.00	165.00	210.00
No. of Bedroom/Restroom	3 / 4	4/3	43/ 3	4/3
Project Selling Price (Baht/House)	8,490,000	8,290,000	6,890,000	
Expected Negotiable Price (Baht/House)	8,290,000	8,190,000	6,690,000	
Price Difference between Land Area (Baht)	1,241,500	923,000	1,722,500	
Price different between Utility Space (Baht)	233,768	106,258	956,325	
<b>Total Preliminary Adjusted Price (Baht/House)</b>	<b>9,765,268</b>	<b>9,219,258</b>	<b>9,368,825</b>	

### Analysis of the Relevant Factors

Considered Factor	Comparison Data with Parcel No.					
	%	2	%	3	%	4
Location	%		%		3%	281,065
Surrounding	%		%		%	
Project Condition and Project Development Format	(3)%	(292,958)	%		%	
Type of House and Decoration	4%	390,611	4%	368,770	%	
Public Utility System	%		%		%	
Facilities within the Project	%		%		%	
Reputation of the Project and the Operator	(3)%	(292,958)	(3)%	(276,578)	(3)%	(281,065)
<b>Total</b>	<b>(2)%</b>	<b>(195,305)</b>	<b>1%</b>	<b>92,193</b>	<b>%</b>	
<b>Price after Adjustment</b>		<b>9,569,963</b>		<b>9,311,451</b>		<b>9,368,825</b>

### Final Price Adjustment

Comparison Date	Price after Adjustment	Absolute Adjust	Proportion (1)	Inverse	Proportion (2)	Value of Asset
2	9,569,963	976,527	0.4471	2.2365	0.2353	2,251,560
3	9,311,451	645,348	0.2955	3.3842	0.3560	3,314,979
4	9,368,825	562,130	0.2574	3.8852	0.4087	3,829,183
<b>รวม</b>	<b>28,250,239</b>	<b>2,184,004</b>	<b>1.0000</b>	<b>9.5060</b>	<b>1.0000</b>	<b>9,395,722</b>
<b>Or approximately (Baht/House)</b>						<b>9,400,000</b>

Based on the above analysis, selling price of 2-Storey Detached House, Dulcet (b2) – Standard Parcel obtained was approximately 9,400,000 Baht. Knight Frank then used such selling price as basis to determine selling price of the remaining houses and relevant factors, i.e. size of land, utility space, construction cost and location may also be added. Summary of project revenue estimates can be concluded as follows:



No.	Type of House	Land Area (Sq. w.)	Bld. Area (Sq. m.)	No. of Unit	Unit price (Baht/Unit)	Total Price (Baht)
1	2-Storey Detached House, Glamour	72.00	204.00	10	9,100,000	91,000,000
2	2-Storey Detached House, Dulcet(b)	72.00	199.00	5	8,800,000	44,000,000
3	2-Storey Detached House, Dulcet(b2)	76.50	210.00	16	9,400,000	150,400,000
4	2-Storey Detached House, Amore	81.00	238.00	28	9,800,000	274,400,000
5	2-Storey Detached House, Amore (b2)	90.00	242.00	20	10,500,000	210,000,000
6	2-Storey Detached House, Panacea	90.00	252.00	20	10,700,000	214,000,000
7	2-Storey Detached House, Oliviera	81.00	281.00	9	9,800,000	88,200,000
8	2-Storey Detached House, Oliviera(m)	100.00	281.00	12	11,100,000	133,200,000
9	2-Storey Detached House, Oliviera(m4)	90.00	288.00	4	10,600,000	42,400,000
10	2-Storey Detached House, Oliviera(m3)	100.00	272.00	3	11,100,000	33,300,000
11	2-Storey Detached House, Meridian	100.00	270.00	4	10,900,000	43,600,000
12	Land Increased-Decreased from Standard Parcel	764.90			65,000	49,718,500
10	Parcel Location Fee					
<b>- Phase 1</b>						
	- Corner Lot			5	100,000	500,000
	- Parcel adjacent/in front of Lagoon / Clubhouse / Park			2	200,000	400,000
	- Parcel adjacent / in front of Small Park			2	100,000	200,000
	- Parcel adjacent main road in front of lagoon /clubhouse			4	150,000	600,000
	- Corner Lot adjacent to Main Road			1	150,000	150,000
	- Corner Lot in front of Lagoon / Park			3	200,000	600,000
<b>- Phase 2</b>						
	- Corner Lot			17	100,000	1,700,000
	- Adjacent to / in front of Lagoon/Clubhouse/Park			4	200,000	800,000
	- Adjacent to Main Road			9	100,000	900,000
	- Adjacent to / in front of Small Park			6	100,000	600,000
	- Corner Lot adjacent to Main Road			5	150,000	750,000
	- Corner Lot in front of Lagoon/Park			2	200,000	400,000
	- Corner Lot adjacent to Main Road/Small Park			1	200,000	200,000
	- Adjacent to Main Road/ Small Park			3	150,000	450,000
	- Corner Lot adjacent to Main Road, Clubhouse/ Park			1	200,000	200,000
<b>Total Project Revenue Estimates</b>				<b>131</b>	<b>Parcels</b>	<b>1,382,868,500</b>

In addition, Knight Frank valued construction cost of the building and public utilities by referring to construction costs applied in general market and standard price of the Valuers Association of Thailand (VAT). Moreover, operating expenses, i.e. professional fee and construction supervision fee, project management fee, selling and advertisement expenses, other expenses including gross profit and operator's risks were also taken into account. The appraiser applied standard value pursuant to general project development. Tax applied was as per specified by the government authorities and transferring fee was equally shared by the purchaser and the operator.

Summary of Land and Building Appraisal of the Grand Udomsuk Project is as follows:

**1) Details of Land Area**

Total Areas	158	Parcels		25,552.20	Sq. w.
Selling Areas	131	Parcels		11,925.90	Sq. w.
- 2-Storey Detached House, Glamour	10	Houses @	72.00 Sq. w.	720.00	Sq. w.
- 2-Storey Detached House, Dulce (b)	5	Houses @	72.00 Sq. w.	360.00	Sq. w.
- 2-Storey Detached House, Dulcet (b2)	16	Houses @	76.50 Sq. w.	1,224.00	Sq. w.
- 2-Storey Detached House, Amore	28	Houses @	81.00 Sq. w.	2,268.00	Sq. w.

- 2-Storey Detached House, Amore (b2)	20	Houses @	90.00 Sq. w.	1,800.00	Sq. w.
- 2-Storey Detached House, Panacea	20	Houses @	90.00 Sq. w.	1,800.00	Sq. w.
- 2-Storey Detached House, Oliviera	9	Houses @	81.00 Sq. w.	729.00	Sq. w.
- 2-Storey Detached House, Oliviera (m)	11	Houses @	100.00 Sq. w.	1,200.00	Sq. w.
- 2-Storey Detached House, Oliviera (m4)	4	Houses @	90.00 Sq. w.	360.00	Sq. w.
- 2-Storey Detached House, Oliviera (m3)	3	Houses @	100.00 Sq. w.	300.00	Sq. w.
- 2-Storey Detached House, Meridian	4	Houses @	100.00 Sq. w.	400.00	Sq. w.
- Land Increased-Decreased from Standard				764.90	Sq. w.
Public Utilities Areas	27	Parcels		13,626.30	Sq. w.
- Road within Project and Small Park	2	Parcels		8,918.80	Sq. w.
- Clubhouse and Swimming Pool	1	Parcels		442.40	Sq. w.
- Lagoon (below transmission line)	2	Parcels		2,423.10	Sq. w.
- Public Park	2	Parcels		841.50	Sq. w.
- Land where Developer's Juristic Person is Situated	1	Parcels		21.70	Sq. w.
- Location of Common Water Treatment System	1	Parcels		24.10	Sq. w.
- Easement Road (Access to Project)	18	Parcels		954.70	Sq. w.
<b>2) Project Revenue Estimates</b>				<b>1,382,868,500</b>	<b>Baht</b>
<b>3) Project Development Cost Estimates</b>					
Estimated Cost of Completing the Development	63	Houses		33,559,100	Baht
Estimated Cost of New Building – Not Yet Constructed	68	Houses			
- 2-Storey Detached House, Glamour	5	Houses @	3,060,000 Baht	15,300,000	Baht
- 2-Storey Detached House, Dulce (b)	5	Houses @	2,890,000 Baht	14,450,000	Baht
- 2-Storey Detached House, Dulcet (b2)	6	Houses @	3,110,000 Baht	18,660,000	Baht
- 2-Storey Detached House, Amore	12	Houses@	3,190,000 Baht	38,280,000	Baht
- 2-Storey Detached House, Amore (b2)	18	Houses @	3,230,000 Baht	58,140,000	Baht
- 2-Storey Detached House, Panacea	16	Houses @	3,350,000 Baht	53,600,000	Baht
- 2-Storey Detached House, Oliviera (m)	6	Houses @	3,200,000 Baht	19,200,000	Baht
Estimated Cost of Additional Furniture, Kitchen Set within Remaining Buildings				32,757,000	Baht
Estimated Cost of Completing Public Utilities Development (Phase 1)				119,680	Baht
Estimated Cost of Completing the Public Utilities Development (Phase 2)				35,293,647	Baht
<b>Total Project Development Cost</b>				<b>319,359,427</b>	<b>Baht</b>
<b>4) Project Cost and Expenditures Estimates</b>					
Professional and Construction Supervision Fee	3.00%	Lump sum		9,580,783	Baht
Project Development Fee	1.50%	of total revenue		20,743,028	Baht
Construction Permit Cost and Others	1	Lump sum		680,000	Baht
Selling and Advertisement Expenses	3.00%	of total revenue		41,486,055	Baht
Other Expenses	5.00%	of development cost and total expenses		19,082,330	Baht
<b>Total Project Cost and Expenditures</b>				<b>92,082,330</b>	<b>Baht</b>
<b>5) Government Taxes and Fees</b>					
Transfer fee (equally Shared between Purchaser and Seller)	1.00%	of total revenue		13,828,685	Baht
Specific Business Tax	3.30%	of total revenue		45,634,661	Baht
<b>Total Government Taxes and Fees</b>				<b>59,463,346</b>	<b>Baht</b>
<b>6) Risk and Gross Project (Before Interest and Income Tax)</b>	23.00%	of total revenue		<b>258,585,167</b>	<b>Baht</b>
<b>7) Total Project Development Cost and Expenditures</b>				<b>729,490,269</b>	<b>Baht</b>
<b>8) Value of Assets in Existing Stage</b>				<b>653,378,231</b>	<b>Baht</b>
<b>Or Approximately</b>				<b>653,400,000</b>	<b>Baht</b>

**Total value of remaining assets** (land and buildings of The Grand Udomsuk Project) appraised by Knight Frank was **at approximately 653.40 million Baht.**

#### 4) Land with Structure under Process to be Developed for The Grand Pinklao Project

##### A) Summary of Asset Appraisal of Phase 1 Project by Residual Approach

Knight Frank appraised the land and buildings of Phase 1 Project by Residual Approach by comparing selling price of the land with 2-Storey Detached House, Panacea – Standard Parcel with six sets of marketing data of nearby development projects then selecting three sets of data which were most closely to the appraised asset whose project selling price was in the range of 13,500,000-24,590,000 Baht per house. Factors used for such consideration included location, surroundings, project conditions and project development format, type of house and decoration, facilities within the project which may impact selling price of the house. After that price of marketing data shall be adjusted with Sales Adjustment Grid, a comparison between the appraised asset and the market data by using the relevant factors, which can be summarized as per table below:

Details	Comparison Data with Parcel No.			Value of Appraised Assets – Phase 1
	3	4	6	
Name of Project	Nuntawan Pinklao-Rachapruerk	Grand Bangkok Boulevard Pinklao	Nuntawan Uttayan -Aksa	“The Grand Pinklao”-Phase 1
Type of House	2-Storey Detached House, ELEGANT	2-Storey Detached House, GRAND ARE	2-Storey Detached House, AMETHYST	2-Storey Detached House, Panacea-Standard Parcel
Land Area (Square Wah)	106.30	121.40	100.30	100.00
Utility Space (Square Meter)	264.00	486.00	240.00	252.00
No. of Bedroom/Restroom	4 / 3	4 / 5	4 / 3	4 / 5
Project Selling Price (Baht/House)	17,500,000	24,590,000	13,500,000	
Expected Negotiable Price (Baht/House)	17,200,000	24,090,000	13,000,000	
Price different between land area (Baht)	(567,000)	(1,926,000)	(27,000)	
Price different between utility space (Baht)	(276,686)	(5,395,371)	276,686	
<b>Total Prelim. Prices Adjustment (Baht/Building)</b>	<b>16,356,314</b>	<b>16,768,629</b>	<b>13,249,686</b>	

##### Analysis of Relevant Factors

Considered Factors	Comparison Data with Parcel No.					
	%	3	%	4	%	6
Factor related to Location						
- Location and Surroundings	(15)%	(2,453,447)	(10)%	(1,676,863)	10%	1,324,969
Factors related to Assets						
- Format of Project	3%	490,689	%		%	
- Type of House	3%	490,689	(3)%	(503,059)	3%	397,491
- Public Utilities System	%		%		%	
- Facilities within Project	%		%		%	
- Reputation of Project	%		%		%	
<b>Total</b>	<b>(9)%</b>	<b>(1,472,068)</b>	<b>(13)%</b>	<b>(2,179,922)</b>	<b>13%</b>	<b>1,722,459</b>
<b>Price after Adjustment</b>		<b>14,884,246</b>		<b>14,588,707</b>		<b>14,972,145</b>

### Final Price Adjustment

Comparison Data	Price after Adjustment	Absolute Adjust	Proportion (1)	Inverse	Proportion (2)	Value of Asset
3	14,884,246	3,434,826	0.4681	2.1361	0.2188	3,257,085
4	14,588,707	2,179,922	0.2971	3.3658	0.3448	5,030,173
6	14,972,145	1,722,459	0.2348	4.2597	0.4364	6,533,443
<b>รวม</b>	<b>44,445,098</b>	<b>7,337,207</b>	<b>1.0000</b>	<b>9.7617</b>	<b>1.0000</b>	<b>14,820,701</b>
<b>Or approximately (Baht/House)</b>						<b>14,800,000</b>

Based on the above analysis, selling price of 2-Storey Detached House, Panacea – Standard Parcel obtained was at approximately 14,800,000 Baht. Knight Frank then used such selling price as basis to determine selling price of the remaining houses and relevant factors, i.e. size of land, utility space, construction cost and location may be added. Summary of project revenue estimates can be concluded as follows:

#### The Grand Pinklao Phase 1 Project - Alpina

No.	Type of House	Land Area (Sq. w.)	Bld. Area (Sq. m.)	No. of Unit	Unit Price (Baht/Unit)	Total Price (Baht)
1	2-Storey Detached House Amore (b2)	100.00	246.00	11	14,700,000	161,700,000
2	2-Storey Detached House Panacea	100.00	252.00	5	14,800,000	74,000,000
3	2-Storey Detached House Oliviera (m)	110.00	281.00	13	15,900,000	206,700,000
4	2-Storey Detached House Panore(m5)	132.00	364.00	16	18,100,000	289,600,000
5	2-Storey Detached House Sereglio	132.00	382.00	25	21,700,000	542,500,000
6	2-Storey Detached House Panore	135.00	372.00	3	22,800,000	68,400,000
7	2-Storey Detached House Natale(m5)	135.00	429.00	23	21,800,000	501,400,000
8	2-Storey Detached House Natale	143.00	433.00	21	24,600,000	516,600,000
9	2-Storey Detached House Majestica	165.00	453.00	11	26,500,000	291,500,000
10	2-Storey Detached House Splendour	162.00	502.00	8	26,600,000	212,800,000
11	2-Storey Detached House Bella	170.00	520.00	3	28,900,000	86,700,000
12	2-Storey Detached House Pool Villa	300.00	602.00	2	41,200,000	82,400,000
13	Vacant land for residential purpose (Outside project, no development)	106.00	-	1	50,000	5,300,000
14	Vacant land for residential purpose (Outside project, no development)	85.00	-	1	32,000	2,720,000
15	Land Increased-Decreased from Standard	1,886.20	-	-	90,000	169,758,000
16	Parcel Location Fee	-	-	-	-	-
	- Adjacent to main road	-	-	2	200,000	400,000
	- Corner Lot	-	-	20	250,000	5,000,000
	- Corner Lot, Main Road	-	-	58	450,000	26,100,000
	- Adjacent to Public Park	-	-	16	300,000	4,800,000
	- Adjacent to main road + Public Park	-	-	1	500,000	500,000
<b>Total Project Revenue Estimates</b>				<b>143</b>	<b>Parcels</b>	<b>3,248,878,000</b>

In addition, Knight Frank valued construction cost of the building and public utilities by referring to construction costs applied in general market and standard price of the Valuers Association of Thailand (VAT). Moreover, operating expenses, i.e. professional fee and construction supervision fee, project management fee, selling and advertisement expenses, other expenses including gross profit and operator's risks were also taken into account. The appraiser applied standard value pursuant to general project development. Tax applied was as per specified by the government authorities and transferring fee was equally shared by the purchaser and the operator.

Summary of Land and Structure Appraisal of The Grand Pinkloa Phase 1 Project is as follows:

**1) Details of Land Area**

Total Areas	163	Parcels		37,471.60	Sq. w.
Selling Areas	143	Parcels		21,253.20	Sq. w.
- 2-Storey Detached House, Amore (b2)	11	Houses @	100.00 Sq. w.	1,100.00	Sq. w.
- 2-Storey Detached House, Panacea	5	Houses @	100.00 Sq. w.	500.00	Sq. w.
- 2-Storey Detached House, Oliviera (m)	13	Houses @	110.00 Sq. w.	1,430.00	Sq. w.
- 2-Storey Detached House, Panore (m5)	16	Houses @	132.00 Sq. w.	2,112.00	Sq. w.
- 2-Storey Detached House, Sereglio	24	Houses @	132.00 Sq. w.	3,168.00	Sq. w.
- 2-Storey Detached House, Panore	3	Houses @	135.00 Sq. w.	405.00	Sq. w.
- 2-Storey Detached House, Natale (m5)	23	Houses @	135.00 Sq. w.	3,105.00	Sq. w.
- 2-Storey Detached House, Natale	21	Houses @	143.00 Sq. w.	3,003.00	Sq. w.
- 2-Storey Detached House, Majestica	11	Houses @	165.00 Sq. w.	1,815.00	Sq. w.
- 2-Storey Detached House, Splendour	8	Houses @	162.00 Sq. w.	1,296.00	Sq. w.
- 2-Storey Detached House, Bella	3	Houses @	170.00 Sq. w.	510.00	Sq. w.
- 2-Storey Detached House, Pool Villa	2	Houses @	300.00 Sq. w.	600.00	Sq. w.
- Vacant Land for Residential Purpose (Outside Project, No Development)	2	Parcels		191.00	Sq. w.
- Land Increased-Decreased from Standard				1,886.20	Sq. w.
Public Utilities Areas	20	Parcels		16,218.40	Sq. w.
- Road within Project and Small Park	1	Parcel		11,900.50	Sq. w.
- Public Park	2	Parcels		1,895.90	Sq. w.
- Small Park	4	Parcels		336.90	Sq. w.
- Land where Developer's Juristic Person is Situated	1	Parcel		45.40	Sq. w.
- Clubhouse and Swimming Pool	6	Parcels		1,317.60	Sq. w.
- Access Road to Project (Easement)	6	Parcels		722.10	Sq. w.

**2) Project Revenue Estimates 3,248,878,000 Baht**
**3) Project Development Cost Estimates**

Construction Cost of Remaining Buildings (Main Construction Work)	141	Houses		796,117,000	Baht
Construction Cost of Remaining Building (Furniture and Air-conditioners)	4	Houses		-	Baht
Additional Construction Cost Not Yet Constructed (Furniture and Air-conditioners)	137	Houses			
- 2-Storey Detached House, Amore (b2)	11	Houses @	368,000 Baht	4,048,000	Baht
- 2-Storey Detached House, Panacea	5	Houses @	344,000 Baht	1,720,000	Baht
- 2-Storey Detached House, Oliviera (m)	13	Houses @	392,000 Baht	5,096,000	Baht
- 2-Storey Detached House, Panore (m5)	16	Houses @	586,000 Baht	9,376,000	Baht
- 2-Storey Detached House, Sereglio	23	Houses @	952,000 Baht	21,896,000	Baht
- 2-Storey Detached House, Panore	3	Houses @	586,000 Baht	1,758,000	Baht
- 2-Storey Detached House, Natale (m5)	23	Houses @	724,000 Baht	16,652,000	Baht
- 2-Storey Detached House, Natale	21	Houses @	724,000 Baht	15,204,000	Baht
- 2-Storey Detached House, Majestica	11	Houses @	654,000 Baht	7,194,000	Baht
- 2-Storey Detached House, Splendour	7	Houses @	756,000 Baht	5,292,000	Baht
- 2-Storey Detached House, Bella	2	Houses @	1,069,000 Baht	2,138,000	Baht
- 2-Storey Detached House, Pool Villa	2	Houses @	670,000 Baht	1,340,000	Baht
Construction Costs of Project Public Utilities System				148,656,670	Baht
<b>Total Project Development Cost</b>				<b>1,036,487,670</b>	<b>Baht</b>

**4) Project Cost and Expenditures Estimates**

Professional and Construction Supervision Fee	3.00%	of total development cost		31,094,630	Baht
Project Development Fee	2.00%	of total revenue		64,977,560	Baht
Building Construction Permits and Other Permits	1	Lump sum		1,020,000	Baht
Selling and Advertisement Expenses	3.00%	of total revenue		97,466,340	Baht
Other Expenses	5.00%	of total development and expenses cost		61,552,310	Baht
<b>Total Project Cost and Expenditures</b>				<b>256,110,840</b>	<b>Baht</b>

**5) Government Taxes and Fees**

Transfer fee (Equally Shared between Purchaser and Seller)	1.00%	of total revenue	32,488,780	Baht
Specific Business Tax	3.30%	of total revenue	107,212,974	Baht
<b>Total Government Taxes and Fees</b>			<b>139,701,754</b>	<b>Baht</b>

**6) Risk and Gross Project (Before Interest and Income Tax)** 28.00% of total revenue **710,692,063 Baht**

**7) Total Development Cost and Project Expenses** **2,142,992,326 Baht**

**8) Value of Assets in Existing Stage** **1,105,885,674 Baht**  
 Or Approximately **1,105,900,000 Baht**

**Total value of remaining assets** (land and structure of The Grand Pinklao Phase 1 Project) appraised by Knight Frank was **at approximately 1,105.90 million Baht.**

**B) Summary of Asset Appraisal of Phase 2 Project by Residual Approach**

Knight Frank appraised land and building of Phase 2 Project by Residual Approach where selling price of the house is analyzed the same as Item A) Asset Appraisal of Phase 1 by Residual Approach and selling price of 2-Storey Detached House, Panacea – Standard Parcel obtained at approximately 14,800,000 Baht. Knight Frank then used such selling price as basis to determine selling price of the remaining houses and relevant factors, i.e. size of land, utility space, construction cost and location may be added. Summary of project revenue estimates can be concluded as follows:

**The Grand Pinklao Phase 2 Project - De Pine**

No.	Design	Land Area (Sq. w.)	Bld. Area (Sq. m.)	No. of Unit	Unit price (Baht/Unit)	Total Price (Baht)
1	2-Storey Detached House Amore (b2)	100.00	246.00	54	12,200,000	658,800,000
2	2-Storey Detached House Panacea	100.00	252.00	43	12,300,000	528,900,000
3	2-Storey Detached House Amore (b3)	110.00	260.00	27	13,100,000	353,700,000
4	2-Storey Detached House Oliviera (m)	110.00	281.00	72	13,100,000	943,200,000
5	2-Storey Detached House Panore(m5)	132.00	364.00	2	14,800,000	29,600,000
6	2-Storey Detached House Sereglio	132.00	382.00	8	18,400,000	147,200,000
7	2-Storey Detached House Panore	135.00	372.00	3	19,400,000	58,200,000
8	Land Increased-Decreased from Standard	1,983.90			65,000	128,953,500
9	Parcel Location Fee					
	- Corner Lot			15	250,000	3,750,000
	- Corner Lot, main road			40	450,000	18,000,000
	- Adjacent to public park			52	300,000	15,600,000
<b>Total Project Revenue Estimates</b>				<b>209</b>	<b>Parcels</b>	<b>2,885,903,500</b>

In addition, Knight Frank valued construction cost of the building and public utilities by referring to construction costs applied in general market and standard price of the Valuers Association of Thailand (VAT). Moreover, operating expenses, i.e. professional fee and construction supervision fee, project management fee, selling and advertisement expenses, other expenses including gross profit and operator's risks were also taken into account. The appraiser applied standard value pursuant to general project development. Tax applied was as per specified by the government authorities and transferring fee was equally shared by the purchaser and the operator.

Summary of Land and Structure Appraisal of The Grand Pinklao Phase 2 Project is as follows:



**1) Detail of Land Areas**

Total Areas	214	Parcels		38,750.50	Sq. w.
Selling Areas	209	Parcels		24,298.90	Sq. w.
- 2-Storey Detached House, Amore (b2)	54	Houses @	100.00 Sq. w.	5,400.00	Sq. w.
- 2-Storey Detached House, Panacea	43	Houses @	100.00 Sq. w.	4,300.00	Sq. w.
- 2-Storey Detached House, Amore (b3)	27	Houses @	110.00 Sq. w.	2,970.00	Sq. w.
- 2-Storey Detached House, Oliviera (m)	72	Houses @	110.00 Sq. w.	7,920.00	Sq. w.
- 2-Storey Detached House, Panore (m5)	2	Houses @	132.00 Sq. w.	264.00	Sq. w.
- 2-Storey Detached House, Sereglio	8	Houses @	132.00 Sq. w.	1,056.00	Sq. w.
- 2-Storey Detached House, Panore	3	Houses @	135.00 Sq. w.	405.00	Sq. w.
- Land Increased-Decreased from Standard				1,983.90	Sq. w.
Public Utilities Area	5	Parcels		14,451.60	Sq. w.
- Road within Project and Small Park	1	Parcel		13,070.50	Sq. w.
- Public Parks	2	Parcel		1,275.60	Sq. w.
- Small Park	1	Parcel		78.00	Sq. w.
- Land where Developer's Juristic Person is Situated	1	Parcel		27.50	Sq. w.

**2) Project Revenue Estimates 2,885,903,500 Baht**
**3) Project Development Cost Estimates**

Construction Cost of Remaining Buildings (Main Construction Work)	209	Houses		649,331,800	Baht
Construction Cost of Remaining Building (Furniture and Air-conditioners)	13	Houses		506,000	Baht
Additional Construction Cost Not Yet Constructed (Furniture and Air-conditioners)	196	Houses			
- 2-Storey Detached House, Amore (b2)	48	Houses @	368,000 Baht	17,664,000	Baht
- 2-Storey Detached House, Panacea	39	Houses @	344,000 Baht	13,416,000	Baht
- 2-Storey Detached House, Amore (b3)	27	Houses @	368,000 Baht	9,936,000	Baht
- 2-Storey Detached House, Oliviera (m)	69	Houses @	392,000 Baht	27,048,000	Baht
- 2-Storey Detached House, Panore (m5)	2	Houses @	586,000 Baht	1,172,000	Baht
- 2-Storey Detached House, Sereglio	8	Houses @	952,000 Baht	7,616,000	Baht
- 2-Storey Detached House, Panore	3	Houses @	586,000 Baht	1,758,000	Baht
Construction Cost of Project Public Utilities System				114,227,930	Baht
<b>Total Project Development Cost</b>				<b>842,675,730</b>	<b>Baht</b>

**4) Project Cost and Expenditures Estimates**

Professional and Construction Supervision Fee	3.00%	of total development cost		25,280,272	Baht
Project Development Fee	2.00%	of total revenue		57,718,070	Baht
Construction Permit Fee and Other Permits	1	Lump sum		1,370,000	Baht
Selling and Advertisement Expenses	3.00%	of total revenue		86,577,105	Baht
Other Expenses	5.00%	of total development costs and expenses		50,618,059	Baht
<b>Total Project Cost and Expenditures</b>				<b>221,626,506</b>	<b>Baht</b>

**5) Government Taxes and Fees**

Transfer fee (Equally Shared between Purchaser and Seller)	1.00%	of total revenue		28,859,035	Baht
Specific Business Tax	3.30%	of total revenue		95,234,816	Baht
<b>Total Government Taxes and Fees</b>				<b>124,093,851</b>	<b>Baht</b>

**6) Risk and Gross Project (Before Interest and Income Tax) 28.00% of total revenue **631,291,391 Baht****
**7) Total Development Cost and Project Expenses **1,819,687,477 Baht****
**8) Value of Assets in Existing Stage **1,066,216,023 Baht**  
Or Approximately **1,066,200,000 Baht****

**Total value of remaining assets** (land and structure of The Grand Pinklao Phase 2 Project) appraised by Knight Frank was **at approximately 1,066.20 million Baht.**

Summary of Asset Appraisal of Land with Building under Development Process of The Grand Pinklao Project is as follows:

The Grand Pinklao Project	Total Area pursuant to Land Title	Fair Value Valuation Method	Value of Assets Appraised (Million Baht)
Phase 1 - Aplina	93-2-71.60 Rai	Residual Method	1,105.90
Phase 2 - De Pine	96-3-50.50 Rai	Residual Method	1,066.20
Total			<b>2,172.10</b>

### 5) Land with Structure under Development Process of Times Rama 5 Project

Knight Frank appraised the land and structure of Times Rama 5 Project by Residual Approach by comparing selling price of the land with 2-Storey Townhome, width of 5.50 meters – Standard Parcel with six sets of marketing data of nearby development projects then selecting three sets of data which were most closely to the appraised asset whose project selling price was in the range of 1,890,000-2,450,000 Baht per house. Factors used for such consideration included location, surroundings, project conditions and project development format, type of house and decoration, facilities within the project which may impact selling price of the house. After that price of marketing data shall be adjusted with Sales Adjustment Grid, a comparison between the appraised asset and the market data by using the relevant factors, which can be summarized as per table below:

Detail	Comparison Data with Parcel No.			Asset Appraised
	2	4	5	
Name of Project	PLENO Rama 5- Pinklao	Prueksa Ville 63/1 (Rama 5 -Wongsawang)	Gusto Tha Num Non-Rama 5	The Time – Rama 5 Project
Location	Adjacent to Bangkruiy- Sai Noi Road	Adjacent Soi Bangpai 16	Adjacent to Tha Num Non	Adjacent to Bangkruiy – Sai Noi Road
Type of House	2-Storey Townhome, with 5.50 meter, Type B	2-Storey Townhome, with 5.70 meter, Type FLORIDA	2-Storey Townhome, with 5.60 meter, Type A	2-Storey Townhome, with 5.50 meter
Land Area (Square Wah)	20.20	17.50	18.20	19.80
Utility Space (Square Meter)	104.00	95.00	109.00	102.00
No. of Bedroom/Restroom	3 / 2	3 / 2	3 / 2	4 / 2
Project Selling Price /Resale Price (Baht/House)	2,390,000	1,890,000	2,450,000	
Expected Negotiable Price (Baht/House)	2,390,000	1,870,000	2,400,000	
Price different between land area (Baht)	(28,000)	161,000	112,000	
Price different between utility space (Baht)	(26,749)	93,621	(93,621)	
<b>Total Prelim. Price Adjustment (Baht/House)</b>	<b>2,335,251</b>	<b>2,124,621</b>	<b>2,418,379</b>	

### Analysis of Relevant Factors

Considered Factors	Comparison Data with Parcel No.					
	%	2	%	4	%	5
Location	8%	186,820	12%	254,955	12%	290,205
Surroundings	%		8%	169,970	%	
Project Condition and Project Development Format	%		%		%	
Type of House and Decoration	10%	233,525	12%	254,955	10%	241,838

Considered Factors	Comparison Data with Parcel No.					
	%	2	%	4	%	5
Public Utilities System	%		%		%	
Facilities within the Project	(2)%	(46,705)	%		%	
Reputation of the Project and the Operator	(3)%	(70,058)	(3)%	(63,739)	(3)%	(72,551)
<b>Total</b>	<b>13%</b>	<b>303,583</b>	<b>29%</b>	<b>616,140</b>	<b>19%</b>	<b>459,492</b>
<b>Price after Adjustment</b>		<b>2,638,834</b>		<b>2,740,761</b>		<b>2,877,871</b>

### Final Price Adjustment

Comparison Data	Price after Adjustment	Absolute Adjust	Proportion (1)	Inverse	Proportion (2)	Value of Assets
2	2,638,834	537,108	0.2849	3.5101	0.3830	1,010,789
4	2,740,761	743,617	0.3944	2.5353	0.2767	758,284
5	2,877,871	604,595	0.3207	3.1183	0.3403	979,303
<b>Total</b>	<b>8,257,466</b>	<b>1,885,320</b>	<b>1.0000</b>	<b>9.1638</b>	<b>1.0000</b>	<b>2,748,375</b>
<b>Or Approximately (Baht/House)</b>						<b>2,750,000</b>

Based on the above analysis, selling price of 2-Storey Townhome with width of 5.50 m. – Standard Parcel obtained was at approximately 2,750,000 Baht. Knight Frank then used such selling price as basis to determine selling price of the remaining townhomes and relevant factors, i.e. size of land, utility space, construction cost and location may also be added. Summary of project revenue estimates can be concluded as follows:

No.	Description	Land Area (Sq. w.)	Bld. Area (Sq. m.)	No. of Unit	Unit price (Baht/Unit)	Total Price (Baht)
1	2-Storey Townhome, width 5.50 meter, Standard Parcel	19.80	102.00	87	2,750,000	239,250,000
2	2-Storey Townhome, width 5.50 m., Corner/Edge Lot	27.00	105.00	54	3,550,000	191,700,000
3	Land Increased-Decreased from Standard	228.90			70,000	16,023,000
4	Parcel Location Fee					
	- Adjacent to Main Road			29	100,000	2,900,000
	- Edge Parcel			1	100,000	100,000
	- Corner Lot			36	100,000	3,600,000
	- Corner Lot adjacent to Main Road			15	150,000	2,250,000
	- Adjacent to Public Park			1	100,000	100,000
	- Adjacent to Main Road + Public Park			1	100,000	100,000
<b>Total Project Revenue Estimates</b>				<b>141</b>	<b>Parcels</b>	<b>456,023,000</b>

In addition, Knight Frank valued construction cost of the building and public utilities by referring to construction costs applied in general market and standard price of the Valuers Association of Thailand (VAT). Moreover, operating expenses, i.e. professional fee and construction supervision fee, project management fee, selling and advertisement expenses, other expenses including gross profit and operator's risks were also taken into account. The appraiser applied standard value pursuant to general project development. Tax applied was as per specified by the government authorities and transferring fee was equally shared by the purchaser and the operator.

Summary of Land and Structure Appraisal of Times Rama 5 Project by Residual Approach is as follows:

**1) Details of Land Areas**

Total Areas	145	Parcels		6,529.50	Sq. w.
Selling Areas	141	Parcels		3,409.50	Sq. w.
- 2-Storey Townhome, width 5.50 meter, Standard Parcel	87	Houses @	19.80 Sq. w.	1,722.60	Sq. w.
- 2-Storey Townhome, width 5.50 meter, Corner, Edge Lot	54	Houses @	27.00 Sq. w.	1,458.00	Sq. w.
- Land Increased-Decreased from Standard				228.90	Sq. w.
Public Utilities Areas	4	Parcels		3,120.00	Sq. w.
- Road within Project and Small Park	1	Parcel		2,826.20	Sq. w.
- Access to Project (Easement)	1	Parcel		30.00	Sq. w.
- Public Park	1	Parcel		241.50	Sq. w.
- Land where Developer's Juristic Person is Situated	1	Parcel		22.30	Sq. w.

**2) Project Revenue Estimates 456,023,000 Baht****3) Project Development Cost Estimates**

Construction Cost of Remaining Buildings				41,974,200	Baht
Construction Cost of Remaining Public Utilities				4,069,300	Baht
<b>Total Project Development Cost</b>				<b>46,043,500</b>	<b>Baht</b>

**4) Project Cost and Expenditures Estimates**

Professional and Construction Supervision Fee	3.00%	of total development cost		1,381,305	Baht
Project Development Fee	1.50%	of total revenue		6,840,345	Baht
Selling and Advertisement Expenses	3.00%	of total revenue		13,680,690	Baht
Other Expenses	5.00%	of total development cost and expenses		3,397,292	Baht
<b>Total Project Cost and Expenditures</b>				<b>25,299,632</b>	<b>Baht</b>

**5) Government Taxes and Fees**

Transfer fee (Equally Shared between Purchaser and Seller)	1.00%	of total revenue		4,560,230	Baht
Specific Business Tax	3.30%	of total revenue		15,048,759	Baht
<b>Total Government Taxes and Fees</b>				<b>19,608,989</b>	<b>Baht</b>

**6) Risk and Gross Project (Before Interest and Income Tax) 22.00% of total revenue 82,233,656 Baht****7) Total Development Cost and Project Expenses 173,185,777 Baht****8) Value of Assets in Existing Stage 282,837,223 Baht**  
**Or Approximately 282,800,000 Baht**

**Total value of remaining assets** (land and building of Times Rama 5 Project) appraised by Knight Frank was **approximately 282.80 million Baht.**

**6) Vacant Land without any Access Entrance-Exit, adjacent to Soi Baan Rachaphreuk Project, Wong Waen – Petchkasem Road, Soi 14**

Knight Frank appraised the land by Marketing Approach by comparing with seven sets of marketing data of nearby vacant lands then selecting three sets of data which were most closely to the appraised asset whose selling prices offered was in the range of 3,900,000-7,000,000 Baht per rai. Factors used for such consideration included size, dimension, entrance-exit, surrounding conditions which may impact the selling/purchasing price during the past period including economic factors which may impact real property market. After that price of marketing data shall be adjusted with Sales Adjustment Grid, a comparison between the appraised asset and the market data by using the relevant factors, i.e. location, area, dimension, width of parcel, land level and potential on asset utilization and comparison of competitive selling/purchasing prices of the current real property market which can be summarized as per table below:

Description	Comparison Data			Appraised Assets
	1 <sup>st</sup> Data	2 <sup>nd</sup> Data	3 <sup>rd</sup> Data	
Land Area (Rai)	5-3-97.00 Rai	8-0-00 Rai	3-0-00 Rai	9-3-56.00 Rai
Land Area (Rai)	5.9925	8.0000	3.0000	9.8900
Dimension	Rectangle	Close to Rectangle	Close to Rectangle	Rectangle
Width (Meter)	6.00	61.00	18.00	68.00
Land Level (Average whole parcel (Meter))	(1.50)	(1.50)	(1.50)	(1.50)
Appropriated Land Utilization	For Residential Purpose	For Residential Purpose	For Residential Purpose	For Residential Purpose
Offered Price (Baht/Rai)	3,900,000	7,000,000	5,500,000	
Prelim. Negotiated Price (Baht/Rai)	3,800,000	6,500,000	5,300,000	
Expected Selling Price (Baht/Rai)	3,600,000	6,000,000	4,000,000	
Selling-Purchasing Price (Baht/Rai)	-	-	-	
Offered Date or Purchasing-Selling Date	Oct 2014	Oct 2014	Oct 2014	
Adjust Purchasing-Selling Period (Baht/Rai)	-	-	-	
Adjust Difference of Land Filling Cost (Baht/Rai)	-	-	-	
<b>Total Preliminary Adjusted Price (Baht/Rai)</b>	<b>3,600,000</b>	<b>6,000,000</b>	<b>4,000,000</b>	

### Analysis of Relevant Factors

Considered Factor	Comparison Data					
	1 <sup>st</sup> Data		2 <sup>nd</sup> Data		3 <sup>rd</sup> Data	
	%	Amount (Bht./Sq. w.)	%	Amount (Bht./Sq.w.)	%	Amount (Bht./Sq. w.)
Location	(25)%	(900,000)	(45)%	(2,700,000)	(40)%	(1,600,000)
Size of Land	(3)%	(108,000)	-	-	(4)%	(160,000)
Dimension	-	-	(2)%	(120,000)	-	-
Width	-	-	3%	180,000	7%	280,000
Public Utility System	-	-	-	-	-	-
Road in front of Parcel (Exit-Entrance)	(20)%	(720,000)	(25)%	(1,500,000)	(20)%	(800,000)
Potential for Maximum Utilization	-	-	-	-	-	-
Regulation (Town Planning)/Related Laws	-	-	-	-	-	-
<b>Total</b>	<b>(48)%</b>	<b>(1,728,000)</b>	<b>(69)%</b>	<b>(4,140,000)</b>	<b>(57)%</b>	<b>(2,280,000)</b>
<b>Price after Adjustment (Baht/Rai)</b>		<b>1,872,000</b>		<b>1,860,000</b>		<b>1,720,000</b>

### Final Price Adjustment

Comparison Data	Price after Adjustment	Absolute Adjust	Proportion (1)	Inverse	Proportion (2)	Value of Assets
1	1,872,000	1,728,000	0.1906	5.2477	0.5019	939,546
2	1,860,000	4,500,000	0.4963	2.0151	0.1927	358,473
3	1,720,000	2,840,000	0.3132	3.1930	0.3054	525,250
<b>Total</b>	<b>5,452,000</b>	<b>9,068,000</b>	<b>1.0000</b>	<b>10.4558</b>	<b>1.0000</b>	<b>1,823,270</b>
<b>Or approximately (Baht/Rai)</b>						<b>1,800,000</b>

Total area of the appraised land is 9-3-56.00 Rai (3,956.00 Square Wah or 9.89 Rai) and **fair market value of such land is approximately 17.80 million Baht.**

**7) Leasehold (Total area of 11-3-32.80 Rai) which is now occupied as restaurant and goods selling yard, adjacent to Pracha-Uthit around Pracha-Uthit Intersection (Meng Jai Intersection)**

Knight Frank appraised capital value of leasehold interest for unexpired period of 12 years 90 days by Profit Rent Method of Valuation obtained from total sum of net present value of differences of rental fees between market rental rate and contractual rental rate. Market rental fee was obtained from comparing the similar marketing data surveyed by comparing size, dimension, location, entrance-exit access and surrounding condition which may impact to capital value and offered rental fee during the past period. This valuation method also took economic factors which may impact real estate market into consideration. Contractual rental rate was obtained from rental fee specified in the contract in each year throughout the remaining term of the rental agreement.

Knight Frank surveyed marketing data of 7 leaseholds which are similar to the appraised asset, then compared Upfront Premium and ratio of annual rental fee, after that compared such ratio obtained with the appraised assets with details as follows:

Data	Location	Land Area (Sq. w.)	Total Lease Period (Year)	Upfront Premium (as of rental date) (Baht)	First year Lease Fee (Baht)	Estimated Capital Value of Land (Bht/Sq.w.)	Estimated Capital Value of Land (Baht)	Upfront Premium / Fair Market Value (%)	Annual Rental Fee /Fair Market Value (%)
1	Adjacent to Pracha-Uthit Road	1,119.00	15	10,800,000	720,000	42,000	46,998,000	23%	1.53%
2	Adjacent to Pracha-Uthit Road	995.00	27	30,000,000	400,000	44,000	43,780,000	69%	0.91%
3	Adjacent to Pracha-Uthit Road	645.00	10	-	120,300	60,000	38,700,000	-	0.31%
4	Adjacent to Ratchadapisek Road	3,991.25	20.75	-	8,606,596	250,000	997,812,500	-	0.86%
5	Adjacent to Ratchadapisek Road	5,509.20	30	739,854,000	58,633,052	500,000	2,754,600,000	27%	2.13%
6	Adjacent to Rama 9 Road	2,009.70	30	196,900,791	2,758,393	350,000	703,395,000	28%	0.39%
7	Adjacent to Rama 9 Road, Soi 6	10,767.90	30	80,000,000	11,750,000	90,000	969,111,000	8%	1.21%

Knight Frank concluded that leasehold of approximately 10-30 years with upfront premium ratio per fair market value with freehold was approximately 8.00%-69.00% (average rental fee was approximately 23%-28%). Annual ratio of market rental fee per fair market value of the land with freehold nature was approximately 0.31%-2.13%.

After that Knight Frank considered about location and potential on land utilization including other relevant factors in order to determine upfront premium and annual rental fee of assets with remaining rental period of 12 years 90 days. Finally upfront premium was determined at 10% of capital value of land with freehold nature and annual market rental fee was determined at 1.50% of capital value of land with freehold nature. Details on calculation are as follows:

**1) Details on Valuation Assumptions**

Land areas in title deed: 11-3-32.80 rai or	4,732.80	Square Wah
Total lease term	27.00	Years beginning from Jan 1, 2000 – Dec 31, 2026
Unexpired period	12.25	Years of approximately 12 years 90 days
Upfront premium of leasehold	20,000,000	Baht
Total rental fee pursuant to unexpired period Year 1-Year12.25	62,413,699	Baht

**2) Valuation by Profit Rent Method**
**- Upfront Premium**

Estimated fair market value of land in existing stage	150,000	Baht per Square Wah
Discount rate	14.50%	For leasehold of 12.25 years
Total capital value of land with freehold nature	709,920,000	Baht
Leasehold interest of unexpired period, calculated at	10.00%	of present fair market value
Upfront premium (12 years 90 days)	70,992,000	Baht

**- Annual Rent**

Estimated revenue of market rental fee per year, calculated at	1.50%	Of ownership fee
Increase every 5 year, each with	10.00%	

**Summary of Leasehold Interest Appraisal pursuant to Unexpired Period**

No. of year	Year	Period (Day)	Market Rental Fee (Baht)	Contractual Rental Fee (Baht)	Building Tax* (Baht)	Difference of Rental Fee (Baht)	PV Factor	Total Net Present Value (Baht)
1	2014	90	2,625,732	813,699	-	1,812,033	0.9672	1,752,533
2	2015	365	10,648,800	3,300,000	-	7,348,800	0.8447	6,207,418
3	2016	365	10,648,800	3,300,000	-	7,348,800	0.7377	5,421,325
4	2017	365	10,648,800	5,500,000	-	5,148,800	0.6443	3,317,337
5	2018	365	10,648,800	5,500,000	-	5,148,800	0.5627	2,897,237
6	2019	365	10,648,800	5,500,000	-	5,148,800	0.4914	2,530,338
7	2020	365	11,713,680	5,500,000	-	6,213,680	0.4292	2,666,957
8	2021	365	11,713,680	5,500,000	-	6,213,680	0.3749	2,329,220
9	2022	365	11,713,680	5,500,000	-	6,213,680	0.3274	2,034,253
10	2023	365	11,713,680	5,500,000	-	6,213,680	0.2859	1,776,640
11	2024	365	11,713,680	5,500,000	-	6,213,680	0.2497	1,551,651
12	2025	365	12,885,048	5,500,000	-	7,385,048	0.2181	1,610,620
13	2026	365	12,885,048	5,500,000	-	7,385,048	0.1905	1,406,655
<b>Total</b>			<b>140,208,228</b>	<b>62,413,699</b>		<b>77,794,529</b>	<b>6.3236</b>	<b>35,502,184</b>

Note : \* Knight Franks has not yet appraised building tax because it could not be conclude on party to pay such tax in the rental contract.

<b>3) Total capital value of leasehold interest for unexpired period of 12 years 90 days</b>	<b>106,494,184</b>
<b>Or approximately</b>	<b>106,500,000</b>

Knight Frank calculated leasehold interest of unexpired period of 12.25 years and **total leasehold interest was appraised at approximately 106,500,000 Baht.**

**Opinion of the Financial Advisor on Asset Appraisal of KLAND**

Opinions of the Financial Advisor on asset appraisal methods selected by Knight Frank, an independent appraiser, are as follows

- Capital value of land appraised by Market Approach with Sale Adjustment Grid Method is appropriated because the selected market data can reflect capital value of the asset appraised, for instance, they have similar land areas, similar opportunity for project development and similar potential on utilization. In addition, scores have been appropriated decreased/ increased based on factors of the appraised assets, i.e. location, surrounding and frontage. After that, final price has been adjusted in order to make it most reflect the price of the appraised asset, which is one of the market approach processes pursuant to the code of professional practices of the independent appraiser.
- Capital value of land with structure appraised by Residual Approach is appropriated because it took potential of land or project into account by assuming that it has been developed for the best interest pursuant to the marketing condition at that time, then deducting with cost or profit of the project, which is the guideline often used by the independent appraiser for

appraisal of the assets of which their construction have not yet been completed. However, this valuation approach is subject to assumptions specified by the independent appraiser, such as assumption on revenue, cost, expenses, profit and discount and etc.

- Leasehold appraised by Profit Rent Method of Valuation is appropriated because leasehold can generate income both at the present time and in the future and it can reflect present value of operating profit from lease, which is one of the processes of market approach pursuant to the code of professional practices of the independent appraiser.