



SET No. 10/2561

February 19, 2018

Subject           Amendment to Opinion of the Company on the Tender Offer for Securities (Form 250-2)  
                          of Adamas Incorporation Public Company Limited

To                    President  
                          The Stock Exchange of Thailand

Reference          Opinion of the Company on the Tender Offer for Securities (Form 250-2)  
                          of Adamas Incorporation Public Company Limited  
                          dated February 16, 2018

Adamas Incorporation Public Company Limited ("the Company") submitted the Opinion of the Company on the Tender Offer for Securities (Form 250-2), dated February 12, 2018, to the Office of the Securities and Exchange Commission ("the SEC"), the Stock Exchange of Thailand ("the SET") and the shareholders of the Company. The Company hereby would like to amend and include additional information in Form 250-2 to further clarify some issues. Statements added to this report are marked in red letter, whereby deleted statements are marked in strikethrough text.

Please be informed accordingly,

Adamas Incorporation Public Company Limited

-Mr. Monchai Orawongpaisan-  
(Mr. Monchai Orawongpaisan)  
Director



No. 09/2561

19 February 2018

Subject Amendments on Opinion of the Independent Financial Advisor on the Tender Offer  
Adamas Incorporation Public Company Limited

To Secretary General, The Office of The Securities and Exchange Commission (the “**SEC**”)  
President, The Stock Exchange of Thailand (the “**SET**”)  
Board of Directors and Shareholders of Adamas Incorporation Public Company Limited

Re Opinion of the Independent Financial Advisor on the Tender Offer of Adamas Incorporation Public  
Company Limited dated 16 February 2018

Silom Advisory Company Limited (the “**IFA**”), as the independent financial advisor to provide the opinions on the tender offer of Adamas Incorporation Public Company Limited, would like to submit the amendments on Opinion of the Independent Financial Advisor on the Tender Offer of Adamas Incorporation Public Company Limited as per the comments from the SEC and the SET in which the details are as appeared in disclosures.

Yours sincerely,

.....  
(Mr. Pitak Kittiakrasatien)  
Managing Director  
Silom Advisory Company Limited

.....  
(Mr. Pitak Kittiakrasatien)  
Operation Controller  
Silom Advisory Company Limited

**Amendments on Opinion of the Independent Financial Advisor on the Tender Offer  
of Adamas Incorporation Public Company Limited**

“Additional wordings are appeared in red texts and removed wordings are in strikethrough texts”

1. Amendment on Page Practice and Information Used in the Preparation of IFA Report

**Original**

The IFA, appointed by the Company to be the independent financial advisor of shareholders, considers and studies the information relating to Form 247-4 prepared by Mr. Kriangkrai Siravanichkan (the “Offeror”) and other information provided by the Company, management interview, and public information including but not limited to:

1. Form 247-4 from the Offeror dated 24 January 2018, and its amendments dated 6 February 2018 and 12 February 2018
2. Audited financial statements of the Company for the periods ended 21 December 2015 – 2016 and reviewed financial statements for the period of nine months ended 30 September 2017
3. Interviewing the Company’s management and related persons
4. Appraisal report.
5. Documents and contracts on the transaction
6. Other documents relating to the Company and its subsidiaries
7. SET’s statistic data and industry circumstance.

**Amendment**

The IFA, appointed by the Company to be the independent financial advisor of shareholders, considers and studies the information relating to Form 247-4 prepared by Mr. Kriangkrai Siravanichkan (the “Offeror”) and other information provided by the Company, management interview, and public information including but not limited to:

1. Form 247-4 from the Offeror dated 24 January 2018, and its amendments dated 6 February 2018, ~~and 12 February 2018~~, and 16 February 2018
2. Audited financial statements of the Company for the periods ended 21 December 2015 – 2016 and reviewed financial statements for the period of nine months ended 30 September 2017
3. Interviewing the Company’s management and related persons
4. Appraisal report.
5. Documents and contracts on the transaction
6. Other documents relating to the Company and its subsidiaries
7. SET’s statistic data and industry circumstance.

## 2. Amendment on Section 1 Page 1

**Original**

Subsequently, on 24 January 2018, the Company received Voluntary Tender Offer from the Offeror and subsequently received the amendments of tender offer documents on 6 February 2018 and 12 February 2018 in which key details are summarized as followings:

**Amendment**

Subsequently, on 24 January 2018, the Company received Voluntary Tender Offer from the Offeror and subsequently received the amendments of tender offer documents on 6 February 2018, ~~and~~ 12 February 2018, and 16 February 2018, in which key details are summarized as followings:

## 3. Amendment on Section 1 Page 3 - 4

**Original**1. The offering price is inappropriate

The IFA conducts a valuation of equity's fair value of the Company as of 30 September 2017 with 5 methodologies which are 1) Book Value Approach 2) Adjusted Book Value Approach 3) Market Price Approach 4) Market Comparable Approach and 5) Discounted Cash Flow Approach in which the results of equity's fair value are summarized by the following table:

| Approaches                    | Fair value of Equity |                |
|-------------------------------|----------------------|----------------|
|                               | Million Baht         | Baht per share |
| Book Value Approach           | 128.93               | 0.35           |
| Adjusted Book Value Approach  | 128.91               | 0.35           |
| Market Price Approach         | N/A                  | N/A            |
| Market Comparable Approach    |                      |                |
| - Price to Earnings Ratio     | N/A                  | N/A            |
| - Price to Book Value Ratio   | 123.77 - 145.72      | 0.33 - 0.39    |
| Discounted Cash Flow Approach | 58.41 – 63.63        | 0.16 - 0.17    |

The IFA views that the appropriate approach for the valuation of equity's fair value of the Company is Discounted Cash Flow Approach which reflects the fair value of equity based on future performance and growths. This is consistent with the Company's business plan in which it plans to operate residence project by itself. As such, the IFA views that the fair value of equity of the Company as of 30 September 2017 is between 58.41 Million Baht and 63.63 Million Baht or between 0.16 Baht per share and 0.17 Baht per share with the base case of 61.00 Million Baht or 0.16 Baht per share

Therefore, comparing the offering price of 0.07 Baht per share with the fair value of 0.16 Baht per share, the offering price is lower than the equity's fair value of the Company. As such, the offering price of 0.07 Baht per share is **inappropriate**.

## 2. Opportunity to sell shares in the SET at the higher price than offering price

The IFA opines that if the Company's shares shall resume trading in the future as per the policies and plans of the Offeror, it is likely that the trading price during such period will be higher than the offering price as stated in Form 247-4, referring to the fair value of equity which the IFA assesses. Nevertheless, the Company's shareholders may have a risk that the Company's shares will not be able to resume trading in the SET and this will cause the shareholders not be able to sell their shares at the desired price and periods as the Company is currently suspended by the SET since it needs to revise its financial status and operation phase 2 (NC Phase 2) due to the fact that the Company's equity is negative and the Company is almost cash company which are not the characteristic to be listed in the SET. Additionally, the Company has not complied with the terms and conditions of the acquisition of assets and connected transactions in the case of KITHA.

The SET has adjusted the terms and conditions on cash company which will be effective from 1 February 2018 so that the additional reason of suspension was announced on such date, in this regard, there are two periods of operation which are 1) Withdrawal period of 1 year (due on 31 January 2019) and 2) Period of qualification improvement of 1 year in order to resume trading.

The Company can apply for an extension of the qualification improvement period by 1 time and no later than one year. If the Company fails to process the revocation or qualification improvement to resume trading within the specified period, the SET may consider delisting the Company's shares.

### **Amendment**

#### ~~1. The offering price is inappropriate~~

The IFA conducts a valuation of equity's fair value of the Company as of 30 September 2017 with 5 methodologies which are 1) Book Value Approach 2) Adjusted Book Value Approach 3) Market Price Approach 4) Market Comparable Approach and 5) Discounted Cash Flow Approach in which the results of equity's fair value are summarized by the following table:

| Approaches                    | Fair value of Equity                             |  |
|-------------------------------|--|--|
|                               | Million Baht                                     | Baht per share                               |
| Book Value Approach           | 128.93   | 0.35   |
| Adjusted Book Value Approach  | 128.91   | 0.35   |
| Market Price Approach         | N/A  | N/A  |
| Market Comparable Approach    |  |  |
| - Price to Earnings Ratio     | N/A  | N/A  |
| - Price to Book Value Ratio   | 123.77 - 145.72                                  | 0.33 - 0.39                                  |
| Discounted Cash Flow Approach | <del>58.41 – 63.63</del><br><u>64.52 – 81.81</u> | <del>0.16 – 0.17</del><br><u>0.17 - 0.22</u> |

The IFA views that the appropriate approach for the valuation of equity's fair value of the Company is ~~Discounted Cash Flow Approach which reflects the fair value of equity based on future performance and growths.~~

~~This is consistent with the Company's business plan in which it plans to operate residence project by itself. As such, the IFA views that the fair value of equity of the Company as of 30 September 2017 is between 58.41 Million Baht and 63.63 Million Baht or between 0.16 Baht per share and 0.17 Baht per share with the base case of 61.00 Million Baht or 0.16 Baht per share. Adjusted Book Value Approach as the Company has paused its additional property development project and has no relevant business plan. As such, the IFA is not able to predict any operation on going concern basis, thus the consideration of current equity's fair value of the Company with Adjusted Book Value Approach is more appropriate than any approach which considers financial performance and growth trends of the Company in the future.~~

Therefore, comparing the offering price of 0.07 Baht per share with the fair value of ~~0.16~~0.35 Baht per share, the offering price is lower than the equity's fair value of the Company. As such, the offering price of 0.07 Baht per share is **inappropriate**.

~~2. Opportunity to sell shares in the SET at the higher price than offering price~~

~~The IFA opines that if the Company's shares shall resume trading in the future as per the policies and plans of the Offeror, it is likely that the trading price during such period will be higher than the offering price as stated in Form 247-4, referring to the fair value of equity which the IFA assesses. Nevertheless, the Company's shareholders may have a risk that the Company's shares will not be able to resume trading in the SET and this will cause the shareholders not be able to sell their shares at the desired price and periods as the Company is currently suspended by the SET since it needs to revise its financial status and operation phase 2 (NG Phase 2) due to the fact that the Company's equity is negative and the Company is almost cash company which are not the characteristic to be listed in the SET. Additionally, the Company has not complied with the terms and conditions of the acquisition of assets and connected transactions in the case of KITHA.~~

~~The SET has adjusted the terms and conditions on cash company which will be effective from 1 February 2018 so that the additional reason of suspension was announced on such date, in this regard, there are two periods of operation which are 1) Withdrawal period of 1 year (due on 31 January 2019) and 2) Period of qualification improvement of 1 year in order to resume trading.~~

~~The Company can apply for an extension of the qualification improvement period by 1 time and no later than one year. If the Company fails to process the revocation or qualification improvement to resume trading within the specified period, the SET may consider delisting the Company's shares.~~

~~In this regard, considering policies and plans of the Offeror, the Offeror has plan to manage the Company in order to repossess qualifications specified by the SET referring to the Regulations of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities for trading resumption again. Tentative timeline of the plan are as follows:~~

| <u>Transaction</u>  | <u>Period</u>  |
|---|--|
| <del>Increase registered capital of no less than 300 Million Baht in order to have the proportion of shareholders' equity more than 300 Million Baht.</del> | <del>2<sup>nd</sup> - 4<sup>th</sup> Quarter of 2018</del> |

| <u>Transaction</u>   | <u>Period</u>   |
|--|---|
| <u>Acquire assets in type of condominium and vacant land for low-rise residential development projects in the value of no less than 300 Million Baht</u><br><u>The size of transaction is no less than 83.70% of the total asset.</u>                                      | <u>2<sup>nd</sup> - 4<sup>th</sup> Quarter of 2018</u>  |
| <u>Establish an asset management company.</u>  | <u>Operate in 4<sup>th</sup> Quarter of 2018 and expect to be completed in 1<sup>st</sup> Quarter of 2019</u> |
| <u>Acquire non-performing assets from Capital Link Credit Foncier Limited</u>  | <u>4<sup>th</sup> Quarter of 2018</u>   |
| <u>Realize the income from new assets which will net profit of not less than 30 Million Baht per year following by the rules of delisting grounds removal.</u>   | <u>Since 1<sup>st</sup> Quarter of 2019 onward</u>  |
| <u>Submit application for delisting grounds removal by repossessing qualifications specified by the SET referring to the Regulations of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities for trading resumption.</u> | <u>2<sup>nd</sup> Quarter of 2020</u>   |

The IFA views that the policies and plans of the Offeror in order to repossess qualifications specified by the SET is rarely possible as the SET suspended the Company with the following reasons:

- The Company has to improve financial status and performance since its shareholders' equity is less than zero
- The Company is likely treated as Cash Company so that it is not able to be qualified as per the SET's qualifications
- The Company has not conducted manner of a major acquisition transaction and connected transaction as stipulated in the SET's rules and regulations in case of the purchase of Kitha Properties Company Limited ("KITHA")

Considering to the status of the Company as of 9 March 2017, the Company is in NC Phase 2 from 3 Phases and has the period of 3 years (due on 8 March 2019) to resolve financial status and performance. The Company may extend the period of its existing NC status by 1 time but no later than 1 year (8 March 2019) in which the Company must fulfill all qualification specified by the SET.

In this regard, even though the Company extends the period of existing NC status by 1 year, the total period will be due on 8 March 2019. If the Company could not fulfill all qualification specified by the SET within such date, the SET will consider delisting the Company.

Hence, considering to the plan of the Offeror in order to repossess qualifications specified by the SET in which the Offeror expects to submit the enquiry with in the second quarter of 2019, the Company may not

resolve its status within the period in accordance with the SET's rules and regulations so that the SET will consider delisting the Company subsequently.

4. Amendment on Section 3 Page 1 No. 3.1 Book Value Approach

**Original**

However, the fair value of the Company's issued ordinary shares appraised by the book value approach only indicates the book value of the Company at the certain point of time and ignores the Company's operation and growth in the future which may not reflect the Company's ability to generate return in the future. As such, IFA opines that the book value approach may be inappropriate in order to appraise the fair value of the Company's issued ordinary shares.

**Amendment**

However, the fair value of the Company's issued ordinary shares appraised by the book value approach only indicates the book value of the Company at the certain point of time and doesn't adjust assets liabilities and essential items to reflect market value, thus the value result from book value approach may not be appropriate. ~~ignores the Company's operation and growth in the future which may not reflect the Company's ability to generate return in the future.~~ As such, IFA opines that the book value approach may be inappropriate in order to appraise the fair value of the Company's issued ordinary shares

5. Amendment on Section 3 Page 2 No. 3.2 Adjusted Book Value Approach

**Original**

However, the fair value of the Company's issued ordinary shares appraised by the adjusted book value approach only indicates the book value of the Company, after adjust value of essential item to reflect fair value, at the certain point of time and ignores the Company's operation and growth in the future which may not reflect the Company's ability to generate return in the future. As such, IFA opines that the adjusted book value approach may be inappropriate in order to appraise the fair value of the Company's issued ordinary shares.

**Amendment**

However, the fair value of the Company's issued ordinary shares appraised by the adjusted book value approach only indicates the book value of the Company, after adjust value of essential item to reflect fair value, at the certain point of time and ignores the Company's operation and growth in the future which may not reflect the Company's ability to generate return in the future. ~~As such, IFA opines that the adjusted book value approach may be inappropriate in order to appraise the fair value of the Company's issued ordinary shares.~~

6. Amendment on Section 3 Page 5 No. 3.4.2 Price to Book Value Ratio

**Original**

However, the comparable companies used in the P/BV approach may have different characteristics e.g. source of revenues, size of business, capital structure, and accounting policy etc. Furthermore, the P/BV



approach only account for premium on book value of comparable companies given by investors and therefore multiply the Company's book value as of 30 September 2017 by P/BV without considering the Company's operation and growth in the future which may not reflect the Company's ability to generate return in the future. As such, IFA opines that the P/BV approach may be inappropriate in order to appraise the fair value of the Company's issued ordinary shares.

#### **Amendment**

However, the comparable companies used in the P/BV approach may have different characteristics e.g. source of revenues, size of business, capital structure, and accounting policy etc. Furthermore, the P/BV approach only account for premium on book value of comparable companies given by investors and therefore multiply the Company's book value as of 30 September 2017 by P/BV ~~without considering the Company's operation and growth in the future which may not reflect the Company's ability to generate return in the future.~~ As such, IFA opines that the P/BV approach may be inappropriate in order to appraise the fair value of the Company's issued ordinary shares.

#### 7. Amendment on Section 3 Page 6 No. 3.5 Discounted Cash Flow Approach

##### **Original**

This approach determines the fair value by discounting expected free cash flow of the Company with appropriate discount rate. To do so, IFA has prepared financial projection of Sittarom Parklife Project by interviewing the Company's management regarding the investment plan, operation plan, industry circumstance, market condition, and relevant document. IFA has studied and analyzed reliability and reasonableness of assumption which received from the Company's management, however, IFA may adjust some assumption from to conform with conservative basis.

In this appraisal, IFA will project cash flow from Sittarom Parklife Project and adjust those cash flow by corporate income tax in order to get free cash flow to shareholder. Then IFA will discount those free cash flow with investor's expected return to get net present value and adjust those value with assets and liabilities as of 30 September 2017 to get fair value of the Company's issued ordinary shares.

##### **Amendment**

This approach determines the fair value by discounting expected free cash flow of the Company with appropriate discount rate. To do so, IFA has prepared financial projection of Sittarom Parklife Project by interviewing the Company's management regarding the investment plan, operation plan, industry circumstance, market condition, and relevant document. IFA has studied and analyzed reliability and reasonableness of assumption which received from the Company's management, however, IFA may adjust some assumption from to conform with conservative basis.

In this appraisal, IFA will project cash flow from Sittarom Parklife Project and adjust those cash flow by corporate income tax in order to get free cash flow from project to shareholder. Then IFA will discount those free cash flow from project with investor's expected return to get net present value of project and adjust those value

with assets and liabilities as of 30 September 2017, which is not account in projection, to get fair value of the Company's issued ordinary shares.

The IFA doesn't use total free cash flow to the Company as the Company's only develop one project, Sittarom Parklife, and doesn't have solid plan to develop another project. Therefore, it may not be appropriate to deduct cash flow from project with irrelevant cash flow e.g. management expenses and back office expenses etc., which may negatively affect cash flow from project and underestimate value of project. IFA opine that the total free cash flow to the Company is appropriate for business that is operate in perpetuity basis, in which the head office expenses is the expenses that create additional future project.

8. Amendment on Section 3 Page 7 No. 3.5 Discounted Cash Flow Approach

**Original**

Other Selling Expenses

IFA assume other selling expenses of 0.94 Million Baht per month by referring from average actual monthly expenses in the nine-month period ended 30 September 2017.

**Amendment**

Other Selling Expenses

IFA assume other selling expenses of 0.31 Million Baht per month by referring from average actual monthly expenses in the nine-month period ended 30 September 2017.

9. Amendment on Section 3 Page 7 No. 3.5 Discounted Cash Flow Approach

Discount Rate Assumption

**Original**

Rf = Risk free rate, referring from 25-year government bond yield as of appraisal date (source : www.thaibma.com). As of 23 January the risk free rate is 3.05 percent

From the calculation, the cost of equity as of 23 January 2018 is 8.77 percent.

**Amendment**

Rf = Risk free rate, referring from 253-year government bond yield as of appraisal date (source : www.thaibma.com). As of 23 January 2018 the risk free rate is 3.05 1.59 percent

From the calculation, the cost of equity as of 23 January 2018 is 8.77 8.87 percent.

## 10. Amendment on Section 3 Page 8 No. 3.5 Discounted Cash Flow Approach

**Original****Financial Projection**

| Unit: Million Baht             | Sep to Dec 2017 | FY 2018      | FY 2019      | FY2020       |
|--------------------------------|-----------------|--------------|--------------|--------------|
| <b>Cash Inflow from Sale</b>   | <b>4.95</b>     | <b>46.15</b> | <b>47.15</b> | <b>35.37</b> |
|                                |                 |              |              |              |
| <b>Cash Outflow</b>            |                 |              |              |              |
| Construction Cost              | 3.54            | 1.15         | -            | -            |
| Salesperson Salary             | 0.32            | 1.03         | 1.03         | 0.77         |
| Commission Expenses            | 0.04            | 0.28         | 0.30         | 0.25         |
| Transfer Fee                   | 0.05            | 0.47         | 0.47         | 0.35         |
| Special Business Tax           | 0.16            | 1.56         | 1.56         | 1.17         |
| Other Selling Expenses         | 1.07            | 11.24        | 11.24        | 8.43         |
| Administrative Expenses        | 2.34            | 8.31         | 8.31         | 6.23         |
| Corporate Income Tax           | -               | 1.48         | 4.85         | 3.64         |
| <b>Total Cash Outflow</b>      | <b>7.53</b>     | <b>25.51</b> | <b>27.75</b> | <b>20.84</b> |
|                                |                 |              |              |              |
| <b>Cashflow to Shareholder</b> | <b>(2.58)</b>   | <b>20.64</b> | <b>19.40</b> | <b>14.53</b> |
| <b>Net Present Value</b>       | <b>45.11</b>    |              |              |              |

**Note:** Monthly discount

**Fair Value of the Company's Issued Ordinary Shares**

| Assets  | Book Value<br>(Million Baht) | Net Present Value<br>(Million Baht) | Differ between<br>Net Present Value and<br>Book Value<br>(Million Baht) |
|---|------------------------------|-------------------------------------|---|
| 34 units of 2 Storey house in Sittarom Parklife Project | 113.03                       | 15.11                               | (67.92)   |

The adjustment is demonstrated as below:

| Details  | As of 30 September 2017 | Unit                  |
|--|-------------------------|-----------------------|
| <b>Book Value of Shareholders' Equity</b>      | <b>128,926,567.47</b>   | <b>Baht</b>           |
| <u>Deduct</u> Adjustment per Net Present Value | (67,922,708.60)         | Baht                  |
| <b>Fair Value of Shareholders' Equity</b>      | <b>61,003,858.87</b>    | <b>Baht</b>           |
| <u>Divided</u> Share Outstanding               | 370,163,587.00          | Shares                |
| <b>Fair Value of Issued Ordinary Share</b>     | <b>0.16</b>             | <b>Baht per share</b> |

From the appraisal using the discounted cash flow approach, the fair value of the Company's issued ordinary shares as of 30 September 2017 is equal to 61.00 Million Baht or equivalent to 0.16 Baht per share.

**Amendment****Financial Projection**

| Unit: Million Baht             | Sep to Dec 2017     | FY 2018             | FY 2019             | FY2020              |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Cash Inflow from Sale</b>   | <b>4.95</b>         | <b>46.15</b>        | <b>47.15</b>        | <b>35.37</b>        |
| <b>Cash Outflow</b>            |                     |                     |                     |                     |
| Construction Cost              | 3.54                | 1.15                | -                   | -                   |
| Salesperson Salary             | 0.32                | 1.03                | 1.03                | 0.77                |
| Commission Expenses            | 0.04                | 0.28                | 0.30                | 0.25                |
| Transfer Fee                   | 0.05                | 0.47                | 0.47                | 0.35                |
| Special Business Tax           | 0.16                | 1.56                | 1.56                | 1.17                |
| Other Selling Expenses         | 1.07                | <u>3.75</u>         | <u>3.75</u>         | <u>2.81</u>         |
| Administrative Expenses        | 2.34                | 8.31                | 8.31                | 6.23                |
| Corporate Income Tax           | -                   | <u>2.98</u>         | <u>6.35</u>         | <u>4.76</u>         |
| <b>Total Cash Outflow</b>      | <b>7.53</b>         | <b><u>19.52</u></b> | <b><u>21.76</u></b> | <b><u>16.34</u></b> |
| <b>Cashflow to Shareholder</b> | <b>(2.58)</b>       | <b><u>26.63</u></b> | <b><u>25.39</u></b> | <b><u>19.02</u></b> |
| <b>Net Present Value</b>       | <b><u>59.40</u></b> |                     |                     |                     |

Note: Monthly discount

**Fair Value of the Company's Issued Ordinary Shares**

| Assets   | Book Value<br>(Million Baht) | Net Present Value<br>(Million Baht) | Differ between<br>Net Present Value and<br>Book Value<br>(Million Baht) |
|--|------------------------------|-------------------------------------|---|
| 34 units of 2 Storey house in<br>Sittarom Parklife Project | 113.03                       | <u>59.40</u>                        | <u>(53.64)</u>  |

The adjustment is demonstrated as below:

| Details  | As of 30 September 2017     | Unit                  |
|--|-----------------------------|-----------------------|
| <b>Book Value of Shareholders' Equity</b>      | <b>128,926,567.47</b>       | <b>Baht</b>           |
| <u>Deduct</u> Adjustment per Net Present Value | <u>(53,635,326.48)</u>      | Baht                  |
| <b>Fair Value of Shareholders' Equity</b>      | <b><u>75,291,240.99</u></b> | <b>Baht</b>           |
| <u>Divided</u> Share Outstanding               | 370,163,587.00              | Shares                |
| <b>Fair Value of Issued Ordinary Share</b>     | <b><u>0.20</u></b>          | <b>Baht per share</b> |

From the appraisal using the discounted cash flow approach, the fair value of the Company's issued ordinary shares as of 30 September 2017 is equal to 75.29 Million Baht or equivalent to 0.20 Baht per share.

## 11. Amendment on Section 3 Page 9 No. 3.6 Sensitivity Analysis

**Original**

The correctness of fair value of the Company's issued ordinary shares appraised by discounted cash flow approach is depended on correctness and appropriateness of assumption in financial projection and business plan. Thus, if there is any event that affect market condition, it may also significantly affect financial

As the change in factors may affect the appraisal, thus IFA conducts sensitivity analysis to analyze effect from change in (1) discount rate (investor's expected return) and (2) house selling price with the details as follows:

| Discount Rate<br>Add / (Minus) from<br>Base Case | House Selling Price Add / (Minus) from Base Case |         |              |       |       |
|--|--|---------|--------------|-------|-------|
|  | (5.00%)  | (2.50%) | 0.00%        | 2.50% | 5.00% |
| (1.00%)  | 57.11  | 59.41   | 61.70        | 64.00 | 66.30 |
| (0.50%)  | 56.79  | 59.07   | 61.35        | 63.63 | 65.91 |
| 0.00%  | 56.47  | 58.74   | <b>61.00</b> | 63.27 | 65.53 |
| 0.50%  | 56.17  | 58.41   | 60.66        | 62.91 | 65.16 |
| 1.00%  | 55.86  | 58.09   | 60.32        | 62.55 | 64.79 |

From the sensitivity analysis by changing (1) discount rate (investor's expected return) and (2) house selling price, the fair value of the Company's issued ordinary shares as of 30 September 2017 is between 58.41 Million Baht and 63.63 Million Baht or equivalent to between 0.16 Baht per share and 0.17 Baht per share.

**Amendment**

The correctness of fair value of the Company's issued ordinary shares appraised by discounted cash flow approach is depended on correctness and appropriateness of assumption in financial projection and business plan. Thus, if there is any event that affect market condition, it may also significantly affect financial

As the change in factors may affect the appraisal, thus IFA conducts sensitivity analysis to analyze effect from change in (1) discount rate (investor's expected return) (2) house selling rate per month and (3) house selling price with the details as follows:

| Discount Rate<br>Add / (Minus) from<br>Base Case | House Selling Price Add / (Minus) from Base Case |              |                     |              |              |
|--|--|--------------|---------------------|--------------|--------------|
|  | (5.00%)  | (2.50%)      | 0.00%               | 2.50%        | 5.00%        |
| (1.00%)  | <u>71.62</u>                                     | <u>73.91</u> | <u>76.20</u>        | <u>78.49</u> | <u>80.79</u> |
| (0.50%)  | <u>71.19</u>                                     | <u>73.47</u> | <u>75.74</u>        | <u>78.02</u> | <u>80.29</u> |
| 0.00%  | <u>70.77</u>                                     | <u>73.03</u> | <b><u>75.29</u></b> | <u>77.55</u> | <u>79.81</u> |
| 0.50%  | <u>70.36</u>                                     | <u>72.60</u> | <u>74.58</u>        | <u>77.09</u> | <u>79.33</u> |
| 1.00%  | <u>70.04</u>                                     | <u>72.27</u> | <u>74.49</u>        | <u>76.72</u> | <u>78.95</u> |

From the sensitivity analysis by changing (1) discount rate (investor's expected return) and (2) house selling price, the fair value of the Company's issued ordinary shares as of 30 September 2017 is between 72.60 Million Baht and 78.02 Million Baht or equivalent to between 0.20 Baht per share and 0.21 Baht per share.

| <b>Discount Rate<br/>Add / (Minus) from<br/>Base Case</b> | <b>House Selling Rate per Month Add / (Minus) from Base Case</b> |               |                     |              |              |
|---|--|---------------|---------------------|--------------|--------------|
|   | <u>(0.50)</u>  | <u>(0.25)</u> | <u>0.00</u>         | <u>0.25</u>  | <u>0.50</u>  |
| <u>(1.00%)</u>  | <u>47.23</u>   | <u>66.95</u>  | <u>76.20</u>        | <u>82.23</u> | <u>87.10</u> |
| <u>(0.50%)</u>  | <u>46.79</u>   | <u>65.47</u>  | <u>75.74</u>        | <u>81.81</u> | <u>86.71</u> |
| <u>0.00%</u>  | <u>46.36</u>   | <u>65.99</u>  | <b><u>75.29</u></b> | <u>81.39</u> | <u>86.32</u> |
| <u>0.50%</u>  | <u>45.94</u>   | <u>64.52</u>  | <u>74.58</u>        | <u>80.98</u> | <u>85.93</u> |
| <u>1.00%</u>  | <u>45.53</u>   | <u>64.06</u>  | <u>74.41</u>        | <u>80.58</u> | <u>85.55</u> |

From the sensitivity analysis by changing (1) discount rate (investor's expected return) and (2) house selling rate per month, the fair value of the Company's issued ordinary shares as of 30 September 2017 is between 64.52 Million Baht and 81.81 Million Baht or equivalent to between 0.17 Baht per share and 0.22 Baht per share.

12. Amendment on Section 3 Page 10 No. 3.7 Summary of Appraisal and Appropriateness of Tender Offer Price

**Original**

From the appraisal using various method, the fair value of the Company's issued ordinary shares as of 30 September 2017 can be summarized as follows:

| <b>Appraisal Method</b>       | <b>Fair Value of the Company</b> |                       |
|-------------------------------|----------------------------------|-----------------------|
|                               | <b>Million Baht</b>              | <b>Baht per share</b> |
| Book Value Approach           | 128.93                           | 0.35                  |
| Adjusted Book Value Approach  | 128.91                           | 0.35                  |
| Market Price Approach         | N/A                              | N/A                   |
| Market Comparable Approach    |                                  |                       |
| - Price to earnings ratio     | N/A                              | N/A                   |
| - Price to book value ratio   | 123.77 - 145.72                  | 0.33 - 0.39           |
| Discounted Cash Flow Approach | 58.41 – 63.63                    | 0.16 - 0.17           |

IFA opine that the appraisal value from Discounted Cash Flow Approach is appropriateness as its consider operation and growth prospect, thus IFA opine that the fair value of the Company's issued ordinary shares as of 30 September 2017 is between 58.41 Million Baht and 63.63 Million Baht or equivalent to between 0.16 Baht per share and 0.17 Baht per share with the base case of 61.00 Million Baht or equivalent to 0.16 Baht per share

If compare the fair value of the Company's issued ordinary share at 0.16 Baht per share to Tender Offer Price at 0.07 Baht per share, it shown that the Tender Offer price is lower than fair value thus **the Tender Offer Price at 0.07 Baht per share is inappropriateness.**

IFA doesn't consider book value approach as fair value due to book value approach only indicates the book value of the Company at the certain point of time and ignores the Company's operation and growth in the future which may not reflect the Company's ability to generate return in the future.

IFA doesn't consider adjusted book value approach due to adjusted book value approach only indicates the book value of the Company, after adjust value of essential item to reflect fair value, at the certain point of time and ignores the Company's operation and growth in the future which may not reflect the Company's ability to generate return in the future.

IFA doesn't consider market price approach due to the Company's issued ordinary shares is suspended by SET, Halt since afternoon of 25 September 2014 and Suspend since 26 September 2014, thus IFA doesn't have relevant information to appraised fair value of the Company's issued ordinary shares by market price approach.

IFA doesn't consider market comparable approach due to P/BV approach only account for premium on book value of comparable companies given by investors and therefore multiply the Company's book value as of 30 September 2017 by P/BV without considering the Company's operation and growth in the future which may not reflect the Company's ability to generate return in the future. For P/E comparable, IFA can't appraise the fair value of the Company's issued ordinary shares by price to earnings ratio due to the Company has net loss for the last twelve months ended 30 September 2017.

#### **Amendment**

From the appraisal using various method, the fair value of the Company's issued ordinary shares as of 30 September 2017 can be summarized as follows:

| Appraisal Method              | Fair Value of the Company |                    |
|-------------------------------|---------------------------|--------------------|
|                               | Million Baht              | Baht per share     |
| Book Value Approach           | 128.93                    | 0.35               |
| Adjusted Book Value Approach  | 128.91                    | 0.35               |
| Market Price Approach         | N/A                       | N/A                |
| Market Comparable Approach    |                           |                    |
| - Price to earnings ratio     | N/A                       | N/A                |
| - Price to book value ratio   | 123.77 - 145.72           | 0.33 - 0.39        |
| Discounted Cash Flow Approach | <u>64.52 - 81.81</u>      | <u>0.17 - 0.22</u> |

~~IFA opine that the appraisal value from Discounted Cash Flow Approach is appropriateness as its consider operation and growth prospect, thus IFA opine that the fair value of the Company's issued ordinary shares as of 30 September 2017 is between 58.41 Million Baht and 63.63 Million Baht or equivalent to between~~

~~0.16 Baht per share and 0.17 Baht per share with the base case of 61.00 Million Baht or equivalent to 0.16 Baht per share~~

~~IFA opine that the appraisal value from adjusted book value approach is appropriateness as the Company has ceased to develop future project and doesn't have solid plan to develop future project, thus IFA couldn't project prospect performance on going concern basis. Therefore, the fair value at present by adjusting assets and liabilities to reflect market value is appropriate more than fair value resulted from considering future performance and growth.~~

If compare the fair value of the Company's issued ordinary share at 0.35 Baht per share to Tender Offer Price at 0.07 Baht per share, it shown that the Tender Offer price is lower than fair value thus **the Tender Offer Price at 0.07 Baht per share is inappropriateness.**

~~IFA doesn't consider book value approach as fair value due to book value approach only indicates the book value of the Company at the certain point of time and doesn't adjust assets liabilities and essential items to reflect market value, thus the value result from book value approach may not reflect truly value. and ignores the Company's operation and growth in the future which may not reflect the Company's ability to generate return in the future.~~

~~IFA doesn't consider adjusted book value approach due to adjusted book value approach only indicates the book value of the Company, after adjust value of essential item to reflect fair value, at the certain point of time and ignores the Company's operation and growth in the future which may not reflect the Company's ability to generate return in the future.~~

IFA doesn't consider market price approach due to the Company's issued ordinary shares is suspended by SET, Halt since afternoon of 25 September 2014 and Suspend since 26 September 2014, thus IFA doesn't have relevant information to appraised fair value of the Company's issued ordinary shares by market price approach.

IFA doesn't consider market comparable approach due to P/BV approach only account for premium on book value of comparable companies given by investors and therefore multiply the Company's book value as of 30 September 2017 by P/BV. ~~without considering the Company's operation and growth in the future which may not reflect the Company's ability to generate return in the future.~~ For P/E comparable, IFA can't appraise the fair value of the Company's issued ordinary shares by price to earnings ratio due to the Company has net loss for the last twelve months ended 30 September 2017.

~~IFA doesn't consider discounted cash flow approach as the Company has ceased to develop future project and doesn't have solid plan to develop future project, thus IFA couldn't project prospect performance on going concern basis.~~



13. Amendment on Section 4 Page 2 No. 4.2 Benefits or impacts from plans and policies of the tender offeror and those possibilities

**Original**

**4.2 Benefits or impacts from plans and policies of the tender offeror and those possibilities**

The IFA considers the plans and policies stated in Form 247-4, dated on 14 January 2018, and the tender offer document (as amended), dated on 6 February 2018 and 12 February 2018, including the interviews with the Company's management, and opines the benefits or impacts of the tender offeror's plans and policies as follows:

**Amendment**

**4.2 Benefits or impacts from plans and policies of the tender offeror and those possibilities**

The IFA considers the plans and policies stated in Form 247-4, dated on 14 January 2018, and the tender offer document (as amended), dated on 6 February 2018, ~~and~~ 12 February 2018, and 16 February 2018, including the interviews with the Company's management, and opines the benefits or impacts of the tender offeror's plans and policies as follows:

14. Amendment on Section 4 Page 1-2 No. 4.1 Reasons for acceptance and/or reject on the tender offer

**Original**

**4.1 Reasons for acceptance and/or reject on the tender offer**

The IFA considers Form 247-4, dated 24 January 2018, and its amendments dated 6 February 2018 and 12 February 2018, and other information and views that **the shareholders should reject the tender offer** with the reasons as followings:

1. The offering price is inappropriate

The IFA conducts a valuation of equity's fair value of the Company as of 30 September 2017 with 5 methodologies which are 1) Book Value Approach 2) Adjusted Book Value Approach 3) Market Price Approach 4) Market Comparable Approach and 5) Discounted Cash Flow Approach in which the results of equity's fair value are summarized by the following table:

| Approaches                    | Fair value of Equity |                |
|-------------------------------|----------------------|----------------|
|                               | Million Baht         | Baht per share |
| Book Value Approach           | 128.93               | 0.35           |
| Adjusted Book Value Approach  | 128.91               | 0.35           |
| Market Price Approach         | N/A                  | N/A            |
| Market Comparable Approach    |                      |                |
| - Price to Earnings Ratio     | N/A                  | N/A            |
| - Price to Book Value Ratio   | 123.77 - 145.72      | 0.33 - 0.39    |
| Discounted Cash Flow Approach | 58.41 – 63.63        | 0.16 - 0.17    |

The IFA views that the appropriate approach for the valuation of equity's fair value of the Company is Discounted Cash Flow Approach which reflects the fair value of equity based on future performance and growths. This is consistent with the Company's business plan in which it plans to operate residence project by itself. As such, the IFA views that the fair value of equity of the Company as of 30 September 2017 is between 58.41 Million Baht and 63.63 Million Baht or between 0.16 Baht per share and 0.17 Baht per share with the base case of 61.00 Million Baht or 0.16 Baht per share

Therefore, comparing the offering price of 0.07 Baht per share with the fair value of 0.16 Baht per share, the offering price is lower than the equity's fair value of the Company. As such, the offering price of 0.07 Baht per share is **inappropriate**.

2. Opportunity to sell shares in the SET at the higher price than offering price

The IFA opines that if the Company's shares shall resume trading in the future as per the policies and plans of the Offeror, it is likely that the trading price during such period will be higher than the offering price as stated in Form 247-4, referring to the fair value of equity which the IFA assesses. Nevertheless, the Company's shareholders may have a risk that the Company's shares will not be able to resume trading in the SET and this will cause the shareholders not be able to sell their shares at the desired price and periods as the Company is currently suspended by the SET since it needs to revise its financial status and operation phase 2 (NC Phase 2) due to the fact that the Company's equity is negative and the Company is almost cash company which are not the characteristic to be listed in the SET. Additionally, the Company has not complied with the terms and conditions of the acquisition of assets and connected transactions in the case of KITHA.

The SET has adjusted the terms and conditions on cash company which will be effective from 1 February 2018 so that the additional reason of suspension was announced on such date, in this regard, there are two periods of operation which are 1) Withdrawal period of 1 year (due on 31 January 2019) and 2) Period of qualification improvement of 1 year in order to resume trading.

The Company can apply for an extension of the qualification improvement period by 1 time and no later than one year. If the Company fails to process the revocation or qualification improvement to resume trading within the specified period, the SET may consider delisting the Company's shares.

However, the acceptance of the tender offer may be an option for minority shareholders to reduce the risks that may occur after the completion of the tender offer, such as the risk of compiling votes to check and balance on the management in the case that the Offeror can own the Company's more than half or more than three-fourths of the Company's shares, the risk to maintain the status of listed company due to lack of minority shareholders, and liquidity risk of the Company's shares as the Company's shares is currently suspended.

## Amendment

### 4.1 Reasons for acceptance and/or reject on the tender offer

The IFA considers Form 247-4, dated 24 January 2018, and its amendments dated 6 February 2018 and 12 February 2018, and other information and views that **the shareholders should reject the tender offer** with the reasons as followings:

#### ~~1. The offering price is inappropriate~~

The IFA conducts a valuation of equity's fair value of the Company as of 30 September 2017 with 5 methodologies which are 1) Book Value Approach 2) Adjusted Book Value Approach 3) Market Price Approach 4) Market Comparable Approach and 5) Discounted Cash Flow Approach in which the results of equity's fair value are summarized by the following table:

| Approaches                    | Fair value of Equity                             |  |
|-------------------------------|--|--|
|                               | Million Baht                                     | Baht per share                               |
| Book Value Approach           | 128.93   | 0.35   |
| Adjusted Book Value Approach  | 128.91   | 0.35   |
| Market Price Approach         | N/A  | N/A  |
| Market Comparable Approach    |  |  |
| - Price to Earnings Ratio     | N/A  | N/A  |
| - Price to Book Value Ratio   | 123.77 - 145.72                                  | 0.33 - 0.39                                  |
| Discounted Cash Flow Approach | <del>58.41 - 63.63</del><br><u>64.52 - 81.81</u> | <del>0.16 - 0.17</del><br><u>0.17 - 0.22</u> |

The IFA views that the appropriate approach for the valuation of equity's fair value of the Company is ~~Discounted Cash Flow Approach which reflects the fair value of equity based on future performance and growths. This is consistent with the Company's business plan in which it plans to operate residence project by itself. As such, the IFA views that the fair value of equity of the Company as of 30 September 2017 is between 58.41 Million Baht and 63.63 Million Baht or between 0.16 Baht per share and 0.17 Baht per share with the base case of 61.00 Million Baht or 0.16 Baht per share~~ Adjusted Book Value Approach as the Company has paused its additional property development project and has no relevant business plan. As such, the IFA is not able to predict any operation on going concern basis, thus the consideration of current equity's fair value of the Company with Adjusted Book Value Approach is more appropriate than any approach which considers financial performance and growth trends of the Company in the future.

Therefore, comparing the offering price of 0.07 Baht per share with the fair value of ~~0.16~~ 0.35 Baht per share, the offering price is lower than the equity's fair value of the Company. As such, the offering price of 0.07 Baht per share is **inappropriate**.

#### ~~2. Opportunity to sell shares in the SET at the higher price than offering price~~

~~The IFA opines that if the Company's shares shall resume trading in the future as per the policies and plans of the Offeror, it is likely that the trading price during such period will be higher than the offering price as stated in Form 247-4, referring to the fair value of equity which the IFA assesses. Nevertheless, The Company's shareholders may have a risk that the Company's shares will not be able to resume trading in the SET and this will cause the shareholders not be able to sell their shares at the desired price and periods as the Company is currently suspended by the SET since it needs to revise its financial status and operation phase 2 (NC Phase 2) due to the fact that the Company's equity is negative and the Company is almost cash company which are not the characteristic to be listed in the SET. Additionally, the Company has not complied with the terms and conditions of the acquisition of assets and connected transactions in the case of KITHA.~~

~~The SET has adjusted the terms and conditions on cash company which will be effective from 1 February 2018 so that the additional reason of suspension was announced on such date, in this regard, there are two periods of operation which are 1) Withdrawal period of 1 year (due on 31 January 2019) and 2) Period of qualification improvement of 1 year in order to resume trading.~~

~~The Company can apply for an extension of the qualification improvement period by 1 time and no later than one year. If the Company fails to process the revocation or qualification improvement to resume trading within the specified period, the SET may consider delisting the Company's shares.~~

In this regard, considering policies and plans of the Offeror, the Offeror has plan to manage the Company in order to repossess qualifications specified by the SET referring to the Regulations of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities for trading resumption again. Tentative timeline of the plan are as follows:

| <u>Transaction</u>  | <u>Period</u>   |
|---|---|
| <u>Increase registered capital of no less than 300 Million Baht in order to have the proportion of shareholders' equity more than 300 Million Baht.</u>   | <u>2<sup>nd</sup> - 4<sup>th</sup> Quarter of 2018</u>  |
| <u>Acquire assets in type of condominium and vacant land for low-rise residential development projects in the value of no less than 300 Million Baht</u><br><u>The size of transaction is no less than 83.70% of the total asset.</u>   | <u>2<sup>nd</sup> - 4<sup>th</sup> Quarter of 2018</u>  |
| <u>Establish an asset management company.</u>   | <u>Operate in 4<sup>th</sup> Quarter of 2018 and expect to be completed in 1<sup>st</sup> Quarter of 2019</u> |
| <u>Acquire non-performing assets from Capital Link Credit Foncier Limited</u>   | <u>4<sup>th</sup> Quarter of 2018</u>   |
| <u>Realize the income from new assets which are apartment, low-rise residential projects on the vacant land to generate Recognized revenue from new assets which expect to generate net profit of not less than 30 Million Baht per year following by the rules of delisting grounds removal.</u> | <u>Since 1<sup>st</sup> Quarter of 2019 onward</u>  |
| <u>Submit application for delisting grounds removal by repossessing qualifications specified by the SET referring to the Regulations of the</u>   | <u>2<sup>nd</sup> Quarter of 2020</u>   |

| <u>Transaction</u>  | <u>Period</u> |
|---|---------------|
| <u>Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities for trading resumption.</u> |               |

The IFA views that the policies and plans of the Offeror in order to repossess qualifications specified by the SET is rarely possible as the SET suspended the Company with the following reasons:

- The Company has to improve financial status and performance since its shareholders' equity is less than zero
- The Company is likely treated as Cash Company so that it is not able to be qualified as per the SET's qualifications
- The Company has not conducted manner of a major acquisition transaction and connected transaction as stipulated in the SET's rules and regulations in case of the purchase of Kitha Properties Company Limited ("KITHA")

Considering to the status of the Company as of 9 March 2017, the Company is in NC Phase 2 from 3 Phases and has the period of 3 years (due on 8 March 2019) to resolve financial status and performance. The Company may extend the period of its existing NC status by 1 time but no later than 1 year (8 March 2019) in which the Company must fulfill all qualification specified by the SET.

In this regard, even though the Company extends the period of existing NC status by 1 year, the total period will be due on 8 March 2019. If the Company could not fulfill all qualification specified by the SET within such date, the SET will consider delisting the Company.

Hence, considering to the plan of the Offeror in order to repossess qualifications specified by the SET in which the Offeror expects to submit the enquiry with in the second quarter of 2019, the Company may not resolve its status within the period in accordance with the SET's rules and regulations so that the SET will consider delisting the Company subsequently.

However, the acceptance of the tender offer may be an option for minority shareholders to reduce the risks that may occur after the completion of the tender offer, such as the risk of compiling votes to check and balance on the management in the case that the Offeror can own the Company's more than half or more than three-fourths of the Company's shares, the risk to maintain the status of listed company due to lack of minority shareholders, and liquidity risk of the Company's shares as the Company's shares is currently suspended.

#### 15. Amendment on Section 4 Page 4 No. 4.2.3 Disposal of non-operating lands

##### **Original**

##### 4.2.3 Disposal of non-operating lands

As specified in Form 247-4, the Offeror may sell the non-operating lands of its subsidiary companies to external parties or the Offeror or the Companies which the Offeror has the controls, by the bidding methodology. If there are numbers of bidders, the land will be sold to the party who bid with the highest

price but not less than minimum price. In case that bidders offer purchasing prices lower than such minimum price, the Offeror my bid at the minimum price, to repay the Company's debts with Fortune Thailand Investment Fund of 172.00 Million Baht.

In case that the Offeror purchases such land, it will be considered as connected transaction in which the transaction size is 136.41 Million Baht (Book Value Approach) and is larger than 3.00 percent of net tangible assets. Thus, it would be approved by shareholders' meeting of the Company.

**Opinion of the IFA :** As the disposal of non-operating land to external parties or the Offeror or the Companies which the Offeror has the controls, to repay the Company's debts, is beneficial to the Company if the lands are sold at fair value basis, i.e., fair prices estimated by the appraisers whose lists are approved by the SEC. In this regard, if the Company decides to sell the non-operating lands of its subsidiary company, the Company will be responsible for conducting the transaction in accordance with the Notification on Asset Acquisition or Disposal.

In addition, if the disposal of such land is to be made to the Offeror, including the person under Section 258, or the Companies under which the Offeror and the person under Section 258 are the controlling person, the Company shall have the duty to conduct the transaction to comply with the Notification on Connected Transaction which must be approved by the management, Board of directors and/ or shareholders' meeting of the Company as the case may be. If the transaction requires the approval by the Board of directors or shareholders of the Company, the Offeror will not be entitled to vote at the Board of directors and the shareholders' meeting. The person under Section 258 of the Offeror shall not be entitled to vote in the shareholders' meeting due to a conflict of interest in entering into such transaction.

#### **Amendment**

##### **4.2.3 Disposal of non-operating lands**

As specified in Form 247-4, the Offeror may sell the non-operating lands of its subsidiary companies to external parties or the Offeror or the Companies which the Offeror has the controls, by the bidding methodology. If there are numbers of bidders, the land will be sold to the party who bid with the highest price but not less than minimum price based on the price appraised by asset appraiser and may have discount not exceeding 15 per cent of the appraised price which the discounted price will be lower than book value of the Company. In case that bidders offer purchasing prices lower than such minimum price, the Offeror my bid at the minimum price, to repay the Company's debts with Fortune Thailand Investment Fund of 172.00 Million Baht.

In case that the Offeror purchases such land, it will be considered as connected transaction in which the transaction size is 136.41 Million Baht (Book Value Approach) and is larger than 3.00 percent of net tangible assets. Thus, it would be approved by shareholders' meeting of the Company.

**Opinion of the IFA :** As the disposal of non-operating land to external parties or the Offeror or the Companies which the Offeror has the controls, to repay the Company's debts, is essential and beneficial to the Company if the lands are sold which it should sell the land at the minimum price at fair value ~~basis, i.e.,~~

~~fair prices~~ estimated by the appraisers ~~whose lists are approved by the SEC~~. If the Company sells non-operating lands at less than 15 percent discount on appraised value which such price may be lower than book value of the Company, the IFA views that the transaction will be inappropriate, but it has to consider the reasons behind on that the Company has to sell the lands at less than 15 percent discount basis. In this regard, if the Company decides to sell the non-operating lands of its subsidiary company, the Company will be responsible for conducting the transaction in accordance with the Notification on Asset Acquisition or Disposal.

In addition, if the disposal of such land is to be made to the Offeror, including the person under Section 258, or the Companies under which the Offeror and the person under Section 258 are the controlling person, the Company shall have the duty to conduct the shareholders' meeting to approve on the transaction to comply with the Notification on Connected Transaction as the transaction size will be 136.41 Million Baht which exceeds 3 percent of total tangible assets of the Company ~~which must be approved by the management, Board of directors and/or shareholders' meeting of the Company as the case may be.~~ ~~If the transaction requires the approval by the Board of directors or shareholders of the Company, the~~ The Offeror will not be entitled to vote at the Board of directors and the shareholders' meeting. The person under Section 258 of the Offeror shall not be entitled to vote in the shareholders' meeting due to a conflict of interest in entering into such transaction.

16. Amendment on Section 4 Page 4-5 No. 4.2.4 Asset acquisition of the Company

**Original**

4.2.4 Assets acquisition of the Company

As specified in Form 247-4, within 12 months after the completion of this tender offer, the Offeror may consider the Company to acquire the assets by issuing new ordinary shares of the Company for share swap with any assets to be acquired in which it may be shares or assets of the Offeror, or the Company where the Offeror is authorized to control, or any shares and assets of another person or company, by taking into account the maximum benefit of the Company and shareholders.

In case that the assets are acquired from connected persons, the Company will comply the Notification on Connected Transaction and the Notification on Asset Acquisition or Disposal and S Section 107 (2) (b) of the Public Limited Company Act B.E. 2535, which states that the acquisition of the companies or public companies must be approved by shareholders' meeting with three-fourths of the shareholders who attend the meeting and own the rights to vote.

**Opinion of the IFA :** The issuance of new ordinary shares of the Company for share swap with the assets to be acquired by the Company in which may be shares or assets of any person. The Offeror should carefully consider and study the details of the shares or assets to be acquired at that time, including the impact on earnings and control dilutions of existing shareholders to ensure that the transaction can enhance the competitiveness and improve the performance of the Company as the issuance of shares for

share swap will directly affect to existing shareholders of the Company in which the existing shareholders should monitor and study the details on the transaction closely.

In this regard, if the Company issues new ordinary shares for share swap with the assets to be acquired by the Company in which may be shares or assets of any person, the Company will be responsible for conducting the transaction in accordance with the Notification on Asset Acquisition or Disposal.

In addition, if the Company issues new ordinary shares for share swap with the assets to be acquired in which it may be shares or assets of the Offeror and person under Section 258, or the Company the Offeror and person under Section 258 are the controlling persons, the Company shall have the duty to conduct the transaction to comply with the Notification on Connected Transaction which must be approved by the management, board of directors and/or shareholders' meeting of the Company as the case may be. If the transaction requires the approval by the board of directors or shareholders of the Company, the Offeror will not be entitled to vote at the Board of directors and the shareholders' meeting. The person under Section 258 of the Offeror shall not be entitled to vote in the shareholders' meeting due to a conflict of interest in entering into such transaction.

#### **Amendment**

##### **4.2.4 Asset acquisition of the Company**

As specified in Form 247-4, within 12 months after the completion of this tender offer, the Offeror may consider the Company to acquire the assets by issuing new ordinary shares of the Company for share swap with any assets to be acquired in which it may be shares or assets of the Offeror, or the Company where the Offeror is authorized to control, or any shares and assets of another person or company, by taking into account the maximum benefit of the Company and shareholders.

In case that the assets are acquired from connected persons, the Company will comply the Notification on Connected Transaction and the Notification on Asset Acquisition or Disposal and S Section 107 (2) (b) of the Public Limited Company Act B.E. 2535, which states that the acquisition of the companies or public companies must be approved by shareholders' meeting with three-fourths of the shareholders who attend the meeting and own the rights to vote.

After the Company for asset acquisition through share swap method, the Offeror may reduce his stakes to 20 -51 percent, depending on the size of new assets. Currently, the information of new assets is irrelevant so that the decrease of shareholding proportion shall not be definitely announced. Parties who engage in acquisition of newly issued shares will be the Offeror's concert party.

Nevertheless, the shareholding proportion of the Offeror and his concert party will be at control level, not less than 75 percent of the Company's voting rights. In this regard, shareholding proportion of the Offeror and his concert party after share swap may force another tender offer process, in which the Offeror and his concert party will have to comply relevant rules thereafter.

**Opinion of the IFA :** Considering to policies and plans in the Tender Offer book, in primary term, the Company may acquire 3 assets as followings:



|          | <b>Transaction</b>  | <b>Period</b>   |
|----------|---|---|
| <u>1</u> | <u>Acquire assets in type of condominium and vacant land for low-rise residential development projects in the value of no less than 300 Million Baht to make the Company's equity shareholders more than 300 Million Baht (The size of transaction is no less than 83.70% of the total asset)</u> | <u>2<sup>nd</sup> - 4<sup>th</sup> Quarter of 2018</u>            |
| <u>2</u> | <u>Acquire property available for sale of Capital Link Credit Foncier Limited ( " CLC" ) and Capital Link Asset Management Limited ( " CLM" ) with total transaction size no more than 200.00 Million Baht per year</u>   | <u>4<sup>th</sup> Quarter of 2018</u>                             |
| <u>3</u> | <u>Acquire land for development of Capital Link Property Limited ( " CLP" ), Capital Link North Sathorn Limited ( " CLN" ) and Capital Link South Sathorn Limited ( " CLS" ) with the payment by cash or share swap</u>   | <u>Within 12 months after the end of this tender offer period</u> |

Source : Tender Offer book of the Company by the Offeror

Considering to consolidated financial statement for 9-month period ended 30 September 2017, the Company only has cash and cash equivalent of 6.13 Million Baht. As such, within 12 months after the end of this tender offer period, the Company will definitely increase its capital to acquire the assets within the period specified in Tender Offer book, which will affect the Company's existing shareholders in cash payment term. For share swap term, it will affect the existing shareholders on earnings and control dilutions.

For asset acquisition transaction as per the plan of the Offeror for trading resumption which major transactions relate to connected transactions of the companies that the Offeror and persons under Section 258 have their controls, the IFA may not clearly provide the opinions whether the transactions will be beneficial to the Company or not, as the Offeror does not specify relevant details of acquired assets in Tender Offer book.

However, the issuance of new ordinary shares of the Company for share swap with the assets to be acquired by the Company in which may be shares or assets of any person. The Offeror should carefully consider and study the details of the shares or assets to be acquired at that time, including the impact on earnings and control dilutions of existing shareholders to ensure that the transaction can enhance the competitiveness and improve the performance of the Company as the issuance of shares for share swap

will directly affect to existing shareholders of the Company in which the existing shareholders should monitor and study the details on the transaction closely.

In this regard, if the Company acquire condominium and vacant land for low-rise residential development projects in the value of no less than 300 Million Baht to make the Company's equity shareholders more than 300 Million Baht (The size of transaction is no less than 83.70 percent of the total asset) issues new ordinary shares for share swap with the assets to be acquired by the Company in which it may be shares or assets of any person, the Company will be responsible for conducting the transaction in accordance with the Notification on Asset Acquisition or Disposal. Considering to such transaction size, the Company will have to conduct shareholders' meeting to approve on the transaction.

After the Company for asset acquisition through share swap method, the Offeror may reduce his stakes to 20 -51 percent, depending on the size of new assets. The IFA views that the reduction of shareholding proportion will not affect business operation as the acquirer will be the Offeror's concert party where the shareholding proportion of the Offeror and his concert party will be at control level, not less than 75 percent of the Company's voting rights.

In addition, if the Company issues new ordinary shares for share swap with the assets to be acquired in which it may be shares or assets of the Offeror and person under Section 258, or the Company the Offeror and person under Section 258 are the controlling persons, the Company shall have the duty to conduct the shareholders' meeting to approve on the transaction to comply with the Notification on Connected Transaction, which must be approved by the management, board of directors and/or shareholders' meeting of the Company as the case may be. If the transaction requires the approval by the board of directors or shareholders of the Company, the The Offeror will not be entitled to vote at the Board of directors and the shareholders' meeting. The person under Section 258 of the Offeror shall not be entitled to vote in the shareholders' meeting due to a conflict of interest in entering into such transaction.

17. Amendment on Section 4 Page 5-6 No. 4.2.6 Organization restructuring plan and human resources

**Original**

4.2.6 Organization restructuring plan and human resources

As specified in Form 247-4, within 12 months after the completion of this tender offer, the Offeror plans to change the organizational structure immediately after becoming a major shareholder of the Company in order to operate the business with the flexibility, and to improve competitiveness, and support the business expansion plans. In addition, the tender offeror will change the management of the Company to be consistent with the business plan. Nonetheless, there are no plans to reduce or increase the number of directors.

**Opinion of the IFA :** Based on the tender offeror's restructuring plan as stated in Form 247-4, the Offeror will change the management and directors of the Company after becoming the Company's major shareholder. In the event that the Offeror obtains shares from this tender offer in which the shareholding proportion will exceed 50.00 percent of the total paid-up shares of the Company, the Offeror will replace

current directors by 7 positions, and in case where the Offeror obtain the shares from this tender offer in which the shareholding proportion will be less than 50.00 percent of total paid-up shares of the Company, the Offeror will change the number of directors in proportion to their relative shareholdings.

In 9 February 2018, there are some existing shareholders accepted the tender offer so that the Offeror owned stakes more than 50.00 percent of total issued and paid-up shares of the Company. The Offeror engaged in the control in the Company and replaced the Company's directors by 2 positions which the replacing directors are Mr. Kriangkrai Siravanichkan (the Offeror) and Mr. Thitiwat Kuvichitsuwan. After the end of this tender offer, the Offeror will replace all remaining directors in which it is currently on nomination process. In this regard, Chief Executive Officer and some of key management positions may be changed according to the Offeror's plan.

List of the Company's directors as of 9 February 2018 is as follows:

|   | <b>Name-Surname</b>          | <b>Position</b>                          |
|---|------------------------------|--|
| 1 | Mr. Kriangkrai Siravanichkan | Chairman of the Board                    |
| 2 | Miss Pattanan Apirayothin    | Director and CEO (Acting)                |
| 3 | Mr. Monchai Orawongpaisan    | Director                                 |
| 4 | Mr. Thitiwat Kuvichitsuwan   | Director                                 |
| 5 | Col. Tiwaporn Chanapanao     | Chairman of the Audit Committee          |
| 6 | Mr. Sarawut Bhumithaworn     | Audit committee and Independent director |
| 7 | Mr. Thawach Chittranon       | Audit committee and Independent director |

Source : The Company

The authorized directors of the Company are Mr. Kriangkrai Siravanichkan and Mr. Monchai Orawongpaisan, mutually signing with the Company's seal affixed.

In this regard, the Offeror has the objective to change the above organizational structure to drive the business of the company with the flexibility and to improve competitiveness and support the Company's business expansion plan, considering to the utmost benefits to the Company and shareholders. However, the Company must maintain the number of directors and management's qualifications in accordance with the rules from the SET and the SEC. If there are any changes in management and directors, the Offeror must comply with all applicable laws and regulations.

#### **Amendment**

##### **4.2.6 Organization restructuring plan and human resources**

As specified in Form 247-4, within 12 months after the completion of this tender offer, the Offeror plans to change the organizational structure immediately after becoming a major shareholder of the Company in order to operate the business with the flexibility, and to improve competitiveness, and support the business expansion plans. In addition, the tender offeror will change the management of the Company to be consistent with the business plan. Nonetheless, there are no plans to reduce or increase the number of directors.

**Opinion of the IFA :** Based on the tender offeror's restructuring plan as stated in Form 247-4, the Offeror will change the management and directors of the Company after becoming the Company's major shareholder. In the event that the Offeror obtains shares from this tender offer in which the shareholding proportion will exceed 50.00 percent of the total paid-up shares of the Company, the Offeror will propose himself to be the Company's director and replace current directors by 57 positions and 1 available position with 6 new directors in which those are on the nomination process by the Offeror, and in case where the Offeror obtain the shares from this tender offer in which the shareholding proportion will be less than 50.00 percent of total paid-up shares of the Company, the Offeror will change the number of directors in proportion to their relative shareholdings.

In 9 February 2018, there are some existing shareholders accepted the tender offer so that the Offeror owned stakes more than 50.00 percent of total issued and paid-up shares of the Company. The Offeror engaged in the control in the Company as all the shareholders who accepted the tender offer notified the intention to waive the intention to sell the securities, and replaced the Company's directors by 2 positions which the replacing directors are Mr. Kriangkrai Siravanichkan (the Offeror) and Mr. Thitiwat Kuvichitsuwan. After the end of this tender offer, the Offeror will replace all remaining directors in which it is currently on nomination process. In this regard, Chief Executive Officer and some of key management positions may be changed according to the Offeror's plan.

List of the Company's directors as of 9 February 2018 is as follows:

|   | <b>Name-Surname</b>          | <b>Position</b>                          |
|---|------------------------------|--|
| 1 | Mr. Kriangkrai Siravanichkan | Chairman of the Board                    |
| 2 | Miss Pattanan Apirayothin    | Director and CEO (Acting)                |
| 3 | Mr. Monchai Orawongpaisan    | Director                                 |
| 4 | Mr. Thitiwat Kuvichitsuwan   | Director                                 |
| 5 | Col. Tiwaporn Chanapanao     | Chairman of the Audit Committee          |
| 6 | Mr. Sarawut Bhumithaworn     | Audit committee and Independent director |
| 7 | Mr. Thawach Chittranon       | Audit committee and Independent director |

Source : The Company

The authorized directors of the Company, as per the due diligence on the Company's certificate dated on 9 February 2018, are Mr. Kriangkrai Siravanichkan and Mr. Monchai Orawongpaisan. In this regard, as stated in the Tender Offer book (Form 247-4), there will be additional authorized director of the Company, Mr. Thitiwat Kuvichitsuwan, which 2 of 3 authorized directors mutually signing with the Company's seal affixed. The Offeror will change the directors as stated in Tender Offer book in the next shareholders' meeting of the Company.

In this regard, the Offeror has the objective to change the above organizational structure to drive the business of the company with the flexibility and to improve competitiveness and support the Company's business expansion plan, considering to the utmost benefits to the Company and shareholders. However,

the Company must maintain the number of directors and management's qualifications in accordance with the rules from the SET and the SEC. If there are any changes in management and directors, the Offeror must comply with all applicable laws and regulations.

18. Amendment on Section 4 Page 7 No. 4.2.7 Capital structure restructuring plan

**Original**

4.2.7 Capital structure restructuring plan

As specified in Form 247-4, within 12 months after the completion of this tender offer, the Offeror will restructure the Company's capital structure as appropriated to the business operation and future financial position. The Offeror may conduct the Company to increase its leverage to invest in any projects or engage in share swap process to acquire operating assets and restructure the Company's capital structure.

In addition, the Offeror may process to sell the non-operating lands of the Company to repay the loans from major shareholders in which the details of the plan are pending for consideration.

**Opinion of the IFA :** It is highly possible that the Offeror will raise additional funds in the future, by borrowing or increase the Company's registered capital, or the sale of non-operating lands of the Company. (For additional details, please refer to Section 4, Page 4, Clause 4.2.3 Disposal of non-operating lands), to strengthen the liquidity of the Company. This will result in the change of the Company's financial structure considering to the consolidated financial statements of the Company for the nine-month period ended 30 September 2017 in which it only holds cash and cash equivalents of 6.13 Million Baht.

**Amendment**

4.2.7 Capital structure restructuring plan

As specified in Form 247-4, within 12 months after the completion of this tender offer, the Offeror will restructure the Company's capital structure as appropriated to the business operation and future financial position. The Offeror may conduct the Company to increase its leverage to invest in any projects or engage in share swap process to acquire operating assets and restructure the Company's capital structure.

In addition, the Offeror may process to sell the non-operating lands of the Company to repay the loans from major shareholders in which the details of the plan are pending for consideration.

**Opinion of the IFA :** ~~It is highly possible that the Offeror will raise additional funds in the future, by borrowing or increase the Company's registered capital, or the sale of non-operating lands of the Company. (For additional details, please refer to Section 4, Page 4, Clause 4.2.3 Disposal of non-operating lands), to strengthen the liquidity of the Company. This will result in the change of the Company's financial structure considering to the consolidated financial statements of the Company for the nine-month period ended 30 September 2017 in which it only holds cash and cash equivalents of 6.13 Million Baht.~~ Considering to asset acquisition plan of the Company, the Company's plan to be qualified as per the SET's rules, and financial statement of the Company for 9-month period ended 30 September 2017, Company only has cash and cash equivalent of 6.13 Million Baht. As such, within 12 months after the end of this tender offer period, the

Company will definitely increase its capital to acquire the assets as specified in Section 4.2.4 Assets acquisition of the Company (Please see additional information on Section 4 Page 4-5). For disposal of non-operating lands, the IFA views that the Offeror will be likely to dispose such land for purpose of debt repayment to Fortune Thailand Investment Fund of 172 Million Baht as specified in Section 4.2.3 (Please see additional information on Section 4 Page 4) as the Company has to complete the repayment within 2018.

19. Amendment on Section 4 Page 7-8 No. 4.2.8 Plans to be qualified with the listing rules from the SET

**Original**

4.2.8 Plans to be qualified with the listing rules from the SET

As specified in Form 247-4, within 12 months after the completion of this tender offer, in case the Offeror obtains the Company's shares and becomes to the controlling person, the Offeror will promptly purchase any potential assets to generate revenue and profits to ensure the qualification of the Company regarding to listing rules from the SET. The objective is to provide the Company's securities to be resumed trading in the SET again. The estimated timeline is as follows:

| Details   | Timeline   |
|---|--|
| Capital increase and asset acquisition in which the shareholders' equity will exceed 300.00 Million Baht  | 2 <sup>nd</sup> – 4 <sup>th</sup> quarters of 2018 |
| Revenue recognition from new assets of condominium, land blank for residential project development (horizontal) in which it is expected to generate net profits not less than 30.00 Million Baht per year | From 1 <sup>st</sup> quarter of 2019               |
| Filing Application to the SET to display that the Company is qualified as per listing regulation  | 2 <sup>nd</sup> quarter of 2020                    |

The key qualifications of listing regulation are as follows:

1. Total shareholders' equity is not less than 300.00 Million Baht
  - The Offeror will conduct capital increase to meet this criterion
2. Total paid-up capital is not less than 300 Million Baht
  - Currently total paid-up capital is 370.00 Million Baht, which is qualified
3. Total stakes of minority shareholders are not less than 35.00 percent of total paid-up shares
  - Currently total stakes of minority shareholders are 53.09 percent. However, after capital increase and asset acquisition, minority shareholders' stakes may decrease and less than the criteria. The Offeror will conduct free float rate in accordance with such criteria

4. Accumulated net profits of 2 or 3 years are not less than 50.00 Million Baht and net profit in the latest year is not less than 30 Million Baht. The Company's accumulated net profit is more than zero before the application is filed
- The Offeror will purchase new assets to make the Company generates net profits as per the criteria

**Opinion of the IFA :** The acquisition of assets, even it is beneficial to the Company, should be carefully considered and studied by the Offeror based on the interests of the existing shareholders to ensure that the transaction is profitable to ensure the qualification of the Company regarding to listing rules from the SET and to provide the Company's securities to be resumed trading in the SET again.

In this regard, if the Company issues new ordinary shares to acquire assets and/or to make total shareholders' equity of the Company exceeding 300.00 Million Baht, the existing shareholders should carefully monitor and study the details of transaction closely as it will directly affect to earnings and control dilutions. In case that asset acquisitions occur, the Company will be responsible for conducting the transaction in accordance with the Notification on Asset Acquisition or Disposal.

In addition, if the Company issues new ordinary shares for share swap with the assets to be acquired in which it may be shares or assets of the Offeror and person under Section 258, or the Company the Offeror and person under Section 258 are the controlling persons, the Company shall have the duty to conduct the transaction to comply with the Notification on Connected Transaction which must be approved by the management, board of directors and/or shareholders' meeting of the Company as the case may be. If the transaction requires the approval by the board of directors or shareholders of the Company, the Offeror will not be entitled to vote at the Board of directors and the shareholders' meeting. The person under Section 258 of the Offeror shall not be entitled to vote in the shareholders' meeting due to a conflict of interest in entering into such transaction.

#### **Amendment**

##### 4.2.8 Plans to be qualified with the listing rules from the SET

As specified in Form 247-4, within 12 months after the completion of this tender offer, in case the Offeror obtains the Company's shares and becomes to the controlling person, the Offeror will promptly purchase any potential assets to generate revenue and profits to ensure the qualification of the Company regarding to listing rules from the SET. The objective is to provide the Company's securities to be resumed trading in the SET again. The estimated timeline is as follows:

| Details   | Timeline   |
|---|--|
| Capital increase for <u>no less than 300.00 Million Baht</u> <del>and asset acquisition in</del> which the shareholders' equity will exceed 300.00 Million Baht | 2 <sup>nd</sup> – 4 <sup>th</sup> quarters of 2018 |

| Details  | Timeline  |
|--|---|
| <u>Acquire assets in type of condominium and vacant land for low-rise residential development projects in the value of no less than 300 Million Baht</u><br><u>The size of transaction is no less than 83.70% of the total asset.</u>  | <u>2<sup>nd</sup> - 4<sup>th</sup> Quarter of 2018</u>  |
| <u>Establish an asset management company.</u>  | <u>Operate in 4<sup>th</sup> Quarter of 2018 and expect to be completed in 1<sup>st</sup> Quarter of 2019</u> |
| <u>Acquire non-performing assets from Capital Link Credit Foncier Limited</u>  | <u>4<sup>th</sup> Quarter of 2018</u>   |
| Revenue recognition from new assets <del>of condominium, land blank for residential project development (horizontal)</del> in which it is expected to generate net profits not less than 30.00 Million Baht per year <u>which will be in accordance with the SET's rules</u> | From 1 <sup>st</sup> quarter of 2019  |
| Filing Application to the SET to display that the Company is qualified as per listing regulation   | 2 <sup>nd</sup> quarter of 2020   |

The key qualifications of listing regulation are as follows:

1. Total shareholders' equity is not less than 300.00 Million Baht
  - The Offeror will conduct capital increase to meet this criterion
2. Total paid-up capital is not less than 300 Million Baht
  - Currently total paid-up capital is 370.00 Million Baht, which is qualified
3. Total stakes of minority shareholders are not less than 35.00 percent of total paid-up shares
  - Currently total stakes of minority shareholders are 53.09 percent. However, after capital increase and asset acquisition, minority shareholders' stakes may decrease and less than the criteria. The Offeror will conduct free float rate in accordance with such criteria
4. Accumulated net profits of 2 or 3 years are not less than 50.00 Million Baht and net profit in the latest year is not less than 30 Million Baht. The Company's accumulated net profit is more than zero before the application is filed
  - The Offeror will purchase new assets to make the Company generates net profits as per the criteria

**Opinion of the IFA** : ~~The acquisition of assets, even it is beneficial to the Company, should be carefully considered and studied by the Offeror based on the interests of the existing shareholders to ensure that the~~



~~transaction is profitable to ensure the qualification of the Company regarding to listing rules from the SET and to provide the Company's securities to be resumed trading in the SET again.~~

~~In this regard, if the Company issues new ordinary shares to acquire assets and/or to make total shareholders' equity of the Company exceeding 300.00 Million Baht, the existing shareholders should carefully monitor and study the details of transaction closely as it will directly affect to earnings and control dilutions. In case that asset acquisitions occur, the Company will be responsible for conducting the transaction in accordance with the Notification on Asset Acquisition or Disposal.~~

~~In addition, if the Company issues new ordinary shares for share swap with the assets to be acquired in which it may be shares or assets of the Offeror and person under Section 258, or the Company the Offeror and person under Section 258 are the controlling persons, the Company shall have the duty to conduct the transaction to comply with the Notification on Connected Transaction which must be approved by the management, board of directors and/or shareholders' meeting of the Company as the case may be. If the transaction requires the approval by the board of directors or shareholders of the Company, the Offeror will not be entitled to vote at the Board of directors and the shareholders' meeting. The person under Section 258 of the Offeror shall not be entitled to vote in the shareholders' meeting due to a conflict of interest in entering into such transaction.~~

Opinion of the IFA : The IFA views that the policies and plans of the Offeror in order to repossess qualifications specified by the SET is rarely possible as the SET suspended the Company with the following reasons:

- The Company has to improve financial status and performance since its shareholders' equity is less than zero
- The Company is likely treated as Cash Company so that it is not able to be qualified as per the SET's qualifications
- The Company has not conducted manner of a major acquisition transaction and connected transaction as stipulated in the SET's rules and regulations in case of the purchase of KITHA

Considering to the status of the Company as of 9 March 2017, the Company is in NC Phase 2 from 3 Phases and has the period of 3 years (due on 8 March 2019) to resolve financial status and performance. The Company may extend the period of its existing NC status by 1 time but no later than 1 year (8 March 2019) in which the Company must fulfill all qualification specified by the SET.

In this regard, even though the Company extends the period of existing NC status by 1 year, the total period will be due on 8 March 2019. If the Company could not fulfill all qualification specified by the SET within such date, the SET will consider delisting the Company.

Hence, considering to the plan of the Offeror in order to repossess qualifications specified by the SET in which the Offeror expects to submit the enquiry with in the second quarter of 2019, the Company may not resolve its status within the period in accordance with the SET's rules and regulations so that the SET will consider delisting the Company subsequently.

## 20. Amendment on Section 4 Page 8-9 No. 4.2.9 Plans to operate Sittarom Parklife project

**Original**4.2.9 Plans to operate Sittarom Parklife project

As specified in Form 247-4 related to the projected managed by Sittarom Development Company Limited, the subsidiary company of the Company, residence of 42 units are currently construct in almost completion. The remaining works include interior process. 14 units were already transferred to the customers and other 28 units remain. The Offeror will conduct marketing and promotion process and plan to sell the remaining units within 2018.

**Opinion of the IFA :** The operation plan on Sittarom Parklife project of the Offeror is in line with the existing directors' plan. However, the Offeror should consider on additional property development project in the future of Sittarom Development Company Limited as, presently, Sittarom Development Company Limited has no backlogs except only this project. Hence, if Sittarom Development Company Limited completely sells the project in 2018, the Company may not have backlogs to recognize revenues in subsequent year which net loss might incur in such period.

**Amendment**4.2.9 Plans to operate Sittarom Parklife project

As specified in Form 247-4 related to the projected managed by Sittarom Development Company Limited, the subsidiary company of the Company, residence of 42 units are currently construct in almost completion. The remaining works include interior process. 14 units were already transferred to the customers and other 28 units remain. The Offeror will conduct marketing and promotion process and plan to sell the remaining units within 2018.

**Opinion of the IFA :** The operation plan on Sittarom Parklife project of the Offeror is in line with the existing directors' plan and will is beneficial to the Company as it has plan on debt repayment to Fortune Thailand Investment Fund of 172.00 Million Baht within 2018.

However, the Offeror should consider on the acquisition of new assets or business which are familiar with the existing business and additional property development project in the future of the Company's group Sittarom Development Company Limited as, presently, Sittarom Development Company Limited has no backlogs except only this project. Hence, if Sittarom Development Company Limited completely sells the project in 2018, the Company may not have backlogs to recognize revenues in subsequent year which net loss might incur in such period.

As such, the Offeror has the plan to acquire condominium and vacant land for low-rise residential development projects in the value of no less than 300 Million Baht to make the Company's equity shareholders more than 300 Million Baht (The size of transaction is no less than 83.70 percent of the total asset) within second to fourth quarters of 2018 to recognize revenues from such assets which will generate net profit for no less than 30 Million Baht per year from the first quarter of 2019 onwards.

In this regard, if the Company acquire condominium and vacant land for low-rise residential development projects in the value of no less than 300 Million Baht to make the Company's equity shareholders more than 300 Million Baht (The size of transaction is no less than 83.70 percent of the total in which it may be shares or assets of any person, the Company will be responsible for conducting the transaction in accordance with the Notification on Asset Acquisition or Disposal. Considering to such transaction size, the Company will have to conduct shareholders' meeting to approve on the transaction.

In addition, if the Company issues new ordinary shares for share swap with the assets to be acquired in which it may be shares or assets of the Offeror and person under Section 258, or the Company the Offeror and person under Section 258 are the controlling persons, the Company shall have the duty to conduct the shareholders' meeting to approve on the transaction to comply with the Notification on Connected Transaction. The Offeror will not be entitled to vote at the Board of directors and the shareholders' meeting. The person under Section 258 of the Offeror shall not be entitled to vote in the shareholders' meeting due to a conflict of interest in entering into such transaction.

21. Amendment on Section 4 Page 9 No. 4.2.10 Debt repayment plan

**Original**

4.2.10 Debt repayment plan

The Offeror will conduct the Company to repay its debts of 172.00 Million Baht to Fortune Thailand Investment Fund with the methodologies of 1. Borrowings from financial institutions 2. Borrowings from the Offeror 3. Sale of non-operating lands 4. The Company's internal cash flows.

**Opinion of the IFA :** Debt repayment of 172.00 Million Baht to Fortune Thailand Investment Fund as per the Offeror's plan should be considered by comparing cost of new debts from financial institutions or the Offeror with cost of existing debts from Fortune Thailand Investment Fund. In case the worthiness does not exist, it should consider using internal cash flows of the Company or cash received from sale of non-operating lands instead. Additionally, it may consider to capital increase for debt repayment. However, capital increase event may affect earnings and control dilutions of existing shareholders and it should be considered and studied on these issues closely, considering to the interests of existing shareholders.

**Amendment**

4.2.10 Debt repayment plan

The Offeror will conduct the Company to repay its debts of 172.00 Million Baht to Fortune Thailand Investment Fund within 2018, with the methodologies of 1. Borrowings from financial institutions 2. Borrowings from the Offeror 3. Sale of non-operating lands 4. The Company's internal cash flows from Sittarom Parklife project which is expected to be completely sold in 2018.

**Opinion of the IFA :** As the Company has to complete Debt repayment of 172.00 Million Baht to Fortune Thailand Investment Fund within 2018, as per the Offeror's plan should be considered by comparing

~~cost of new debts from financial institutions or the Offeror with cost of existing debts from Fortune Thailand Investment Fund. In case the worthiness does not exist, as such, the situation that the Offeror it should~~ consider using internal cash flows of the Company from Sittarom Parklife project which is expected to be completely sold in 2018, or cash received from sale of non-operating lands ~~instead for debt repayment is appropriate and should be considered as first priority rather than borrowings from financial institutions or the Offeror, as it has financing cost reflecting the expense in the income statement of the Company.~~

Additionally, it may consider to capital increase for debt repayment. However, capital increase event may affect earnings and control dilutions of existing shareholders and it should be considered and studied on these issues closely, considering to the interests of existing shareholders.

22. Amendment on Section 4 Page 9-11 No. 4.2.11 Connected transactions

**Original**

4.2.11 Connected transactions

As specified in Form 247-4, the Offeror and the Company currently have 1 connected transaction which is loans from the Offeror of 5.70 Million Baht with the interest rate of 3.00 per year and the period of loans is 6 months. The transaction size is 85,500 Baht or 0.18 percent of net tangible assets, and within 12 months after the completion of this tender offer the Offeror, it is expected that connected transactions shall occur through the Offeror and the companies that the Offeror person under Section 258 of the Offeror are major shareholders, namely, Capital Link Credit Foncier Limited and Capital Link Asset Management Limited, and other companies of the Offeror as Capital Link Credit Foncier Limited and Capital Link Asset Management Limited presently hold properties for sale.

Capital Link Asset Management Limited and the new asset management company which will be set up later have the different transactions; Capital Link Asset Management Limited purchases non-performing loans from financial institutions where the new asset management company purchases non-performing assets, type of real estates, owned by financial institutions from debt restructuring of their customers.

In this regard, as the Company is listed in the SET, in order to enter into connected transactions, the Offeror will conduct the transactions in accordance with laws, rules, and/or notifications of the SET, the SEC, and/or other relevant rules from related departments on connected transactions.

The Company may receive financial supports from the Offeror in the future due to its current minimal cash on hands and account payables and loans from major shareholders due in 2018. The Company may borrow from the Offeror as appropriate to repay the debts and to use as working capital, totaling 200.00 Million Baht, in which the interest rate will be set not more than minimum loan rate of Bangkok Bank Public Company Limited. The connected transaction size reflects in terms of interest amount of less than 12.50 Million Baht, requiring the board of directors' approval.

The Offeror will conduct the Company to rent the office of Capital Link South Sathorn Limited which the Offeror owns majority stakes, in order to be the head office location for the Company and its subsidiaries

to reduce the Company's expense. The rental rates are referred to market rate. However, the rental areas have not been exactly negotiated so that it is not able to calculate the transaction size.

Additionally, even Capital Link Property Limited, Capital Link North Sathorn Limited and Capital Link South Sathorn Limited, which are persons under Section 258 of the Offeror, have the business objectives on property development similar to the Company's business objective, those 3 companies do not have any backlogs but land for development. Nevertheless, in case that those 3 companies operate property development projects, the Offeror may sell the shares in those companies or lands to the Company by cash settlement or share swap. If the development of land causes any conflict of interest, the Offeror will process in accordance with laws, rules, and/or notifications of the SET, the SEC, and/or other relevant rules from related departments, considering the importance and appropriateness of the transactions, i.e. conditions will be set based on general commercial conditions and/or fair price which are able to refer or compare with external parties.

| Land  | Details  |
|---|--|
| Lands of Capital Link North Sathorn Limited | Located on North Sathorn road, which could be developed for head quarter office construction of Capital Link group in the future. The land will not be developed for sale.   |
| Lands of Capital Link Property Limited      | Located on South Sathorn road, which is currently the area of kindergarten school. The lease contract will expire on February 2043 so that there will be no project development during the contract is effective. The Offeror may develop the area in to hotel or commercial property for rent. The land will not be developed for sale. |
| Lands of Capital Link South Sathorn Limited | Located on South Sathorn road nearby lands of Capital Link Property Limited, which is currently used for head quarter office of the Company and car parking rental area. The Offeror will process on this area similar to lands of Capital Link Property Limited.  |

The Offeror does not have a plan to conduct those 3 companies to purchase additional lands. If the Offeror intends to purchase additional lands, it will be proposed to the board of directors of the Company to consider firstly. If the board of directors of the Company considers not to purchase, the Offeror may purchase the lands by himself. Any property development projects apart from stated above must be done for the Company only.

**Opinion of the IFA :** It may significantly affect the existing shareholders of the Company from the policy connected transactions in case that the Company issues the shares for share swap purpose to obtain any assets in the future. The Offeror should consider and study details of shares or assets acquisition in such

period and consider the worthiness of earnings and control dilutions comparing to any acquisition of shares of assets.

However, since the Company is listed on the SET, there are policies and regulations and the approval procedures for connected transactions in accordance with the rules and/or regulations of the SET, the SEC, and/or relevant regulatory departments, considering the benefits to the Company and all the shareholders to prevent conflicts of interest on connected transactions of the Company with subsidiaries / affiliated companies / related companies / related parties.

Considering policies and operating plans stated in Form 247-4 that the Offeror intends to expand the business from property development business to property acquisition from financial institutions to develop for sale or rent, in which it will set up new asset management company as per the Asset Management Royal Decree B.E. 2541 and this new company will have the same business objective of Capital Link Asset Management Limited, which the Offeror and persons under Section 258 of the Offeror are major shareholders, even the Offeror states that Capital Link Asset Management Limited and the new asset management company which will be set up later have the different transactions; Capital Link Asset Management Limited purchases non-performing loans from financial institutions where the new asset management company purchases non-performing assets, type of real estates, owned by financial institutions from debt restructuring of their customers, it may raise conflict of interest to the Company under management by the Offeror. Hence, the Offeror must comply with in accordance with laws, rules, and/or notifications of the SET, the SEC, and/or other relevant rules from related departments, considering the benefits of the Company and all shareholders to prevent any conflict of interest from connected transactions of the Company with the subsidiaries / associated companies / related companies / connected persons, before the Company expands its business from property development business to property acquisition from financial institutions to develop for sale or rent, in which it will set up new asset management company as per the Asset Management Royal Decree B.E. 2541.

In addition, as the Company is listed on the SET, the Offeror will have to conduct the Company process the connected transactions, even it is beneficial to the Company, in accordance with general commercial terms and/or financial status of the Company, considering the importance and appropriateness of the transactions. In addition, the Company will have to process the connected transactions in accordance with the Notification on Connected Transaction in which the transactions must be approved by management, board of directors, and/or shareholders' meeting of the Company as the case may be. In this regard, If the transaction requires the approval by the board of directors or shareholders of the Company, the Offeror will not be entitled to vote at the Board of directors and the shareholders' meeting. The person under Section 258 of the Offeror shall not be entitled to vote in the shareholders' meeting due to a conflict of interest in entering into such transaction.

#### **Amendment**

##### **4.2.11 Connected transactions**

As specified in Form 247-4, the Offeror and the Company currently have 1 connected transaction which is loans from the Offeror of 5.70 Million Baht with the interest rate of 3.00 per year and the period of loans is 6 months. The transaction size is 85,500 Baht or 0.18 percent of net tangible assets, and within 12 months after the completion of this tender offer the Offeror, it is expected that connected transactions shall occur through the Offeror and the companies that the Offeror person under Section 258 of the Offeror are major shareholders, namely, Capital Link Credit Foncier Limited and Capital Link Asset Management Limited, in which the Offeror estimates the transaction of no more than 200.00 Million Baht or 419.95 percent of total tangible assets of the Company, and other companies of the Offeror as At present, Capital Link Credit Foncier Limited and Capital Link Asset Management Limited presently hold properties for sale and may enter into connected transactions with the Offeror.

Capital Link Asset Management Limited and the new asset management company which will be set up later have the different transactions; Capital Link Asset Management Limited purchases non-performing loans from financial institutions where the new asset management company purchases non-performing assets, type of real estates, owned by financial institutions from debt restructuring of their customers.

In this regard, as the Company is listed in the SET, in order to enter into connected transactions, the Offeror will conduct the transactions in accordance with laws, rules, and/or notifications of the SET, the SEC, and/or other relevant rules from related departments on connected transactions.

The Company may receive financial supports from the Offeror in the future due to its current minimal cash on hands and account payables and loans from major shareholders due in 2018. The Company may borrow from the Offeror as appropriate to repay the debts and to use as working capital, totaling 200.00 Million Baht, in which the interest rate will be set not more than minimum loan rate of Bangkok Bank Public Company Limited. The connected transaction size reflects in terms of interest amount of less than 12.50 Million Baht, requiring the board of directors' approval.

The Offeror will conduct the Company to rent the office of Capital Link South Sathorn Limited which the Offeror owns majority stakes, in order to be the head office location for the Company and its subsidiaries to reduce the Company's expense. The rental rates are referred to market rate. However, the rental areas have not been exactly negotiated so that it is not able to calculate the transaction size.

Additionally, even Capital Link Property Limited, Capital Link North Sathorn Limited and Capital Link South Sathorn Limited, which are persons under Section 258 of the Offeror, have the business objectives on property development similar to the Company's business objective, those 3 companies do not have any backlogs but land for development. Nevertheless, in case that those 3 companies operate property development projects, the Offeror may sell the shares in those companies or lands to the Company by cash settlement or share swap. If the development of land causes any conflict of interest, the Offeror will process in accordance with laws, rules, and/or notifications of the SET, the SEC, and/or other relevant rules from related departments, considering the importance and appropriateness of the transactions, i.e. conditions will

be set based on general commercial conditions and/or fair price which are able to refer or compare with external parties.

| Land  | Details  |
|---|--|
| Lands of Capital Link North Sathorn Limited | Located on North Sathorn road, which could be developed for head quarter office construction of Capital Link group in the future. The land will not be developed for sale.   |
| Lands of Capital Link Property Limited      | Located on South Sathorn road, which is currently the area of kindergarten school. The lease contract will expire on February 2043 so that there will be no project development during the contract is effective. The Offeror may develop the area in to hotel or commercial property for rent. The land will not be developed for sale. |
| Lands of Capital Link South Sathorn Limited | Located on South Sathorn road nearby lands of Capital Link Property Limited, which is currently used for head quarter office of the Company and car parking rental area. The Offeror will process on this area similar to lands of Capital Link Property Limited.  |

In this regard, within 12 months after the end of this tender offer period, the Offeror will not conduct any development on the land areas of three mentioned companies. In addition, The the Offeror does not have a plan to conduct those 3 companies to purchase additional lands. Any land purchase of the Offeror will be for personnel investment, capital gain, and rental income, and will be not for any development. If the Offeror intends to purchase additional lands, it will be proposed to the board of directors of the Company to consider firstly. If the board of directors of the Company considers not to purchase, the Offeror may purchase the lands by himself. Any property development projects apart from stated above must be done for the Company only. This prevention on conflict of the interest may change upon the SET's rules and will have to be considered by the SET.

Any connected transactions between the Offeror and the Company in the future must be in Arm's Length Basis,

~~**Opinion of the IFA :** It may significantly affect the existing shareholders of the Company from the policy connected transactions in case that the Company issues the shares for share swap purpose to obtain any assets in the future. The Offeror should consider and study details of shares or assets acquisition in such period and consider the worthiness of earnings and control dilutions comparing to any acquisition of shares of assets.~~

~~However, since the Company is listed on the SET, there are policies and regulations and the approval procedures for connected transactions in accordance with the rules and/or regulations of the SET,~~



~~the SEC, and/or relevant regulatory departments, considering the benefits to the Company and all the shareholders to prevent conflicts of interest on connected transactions of the Company with subsidiaries / affiliated companies / related companies / related parties.~~

~~Considering policies and operating plans stated in Form 247-4 that the Offeror intends to expand the business from property development business to property acquisition from financial institutions to develop for sale or rent, in which it will set up new asset management company as per the Asset Management Royal Decree B.E. 2541 and this new company will have the same business objective of Capital Link Asset Management Limited, which the Offeror and persons under Section 258 of the Offeror are major shareholders, even the Offeror states that Capital Link Asset Management Limited and the new asset management company which will be set up later have the different transactions; Capital Link Asset Management Limited purchases non-performing loans from financial institutions where the new asset management company purchases non-performing assets, type of real estates, owned by financial institutions from debt restructuring of their customers, it may raise conflict of interest to the Company under management by the Offeror. Hence, the Offeror must comply with in accordance with laws, rules, and/or notifications of the SET, the SEC, and/or other relevant rules from related departments, considering the benefits of the Company and all shareholders to prevent any conflict of interest from connected transactions of the Company with the subsidiaries / associated companies / related companies / connected persons; before the Company expands its business from property development business to property acquisition from financial institutions to develop for sale or rent, in which it will set up new asset management company as per the Asset Management Royal Decree B.E. 2541.~~

~~In addition, as the Company is listed on the SET, the Offeror will have to conduct the Company process the connected transactions, even it is beneficial to the Company, in accordance with general commercial terms and/or financial status of the Company, considering the importance and appropriateness of the transactions. In addition, the Company will have to process the connected transactions in accordance with the Notification on Connected Transaction in which the transactions must be approved by management, board of directors, and/or shareholders' meeting of the Company as the case may be. In this regard, if the transaction requires the approval by the board of directors or shareholders of the Company, the Offeror will not be entitled to vote at the Board of directors and the shareholders' meeting. The person under Section 258 of the Offeror shall not be entitled to vote in the shareholders' meeting due to a conflict of interest in entering into such transaction.~~

~~**Opinion of the IFA :** Considering to policies and plans in the Tender Offer book (Form 247-4), the IFA can conclude the connected transactions of the Offeror and the Company which may occur after the end of this tender offer period as followings:~~

|          | <u>Transaction</u>  | <u>Period</u>                         |
|----------|---|---------------------------------------|
| <u>1</u> | <u>Acquire property available for sale of Capital Link Credit Foncier Limited ("CLC") and Capital Link Asset Management Limited ("CLM") with total transaction size no more than 200.00 Million Baht per year</u> | <u>4<sup>th</sup> Quarter of 2018</u> |

|          | <b><u>Transaction</u></b>   | <b><u>Period</u></b>  |
|----------|---|---|
| <u>2</u> | <u>Acquire land for development of Capital Link Property Limited (“CLP”), Capital Link North Sathorn Limited (“CLN”) and Capital Link South Sathorn Limited (“CLS”) with the payment by cash or share swap</u>  | <u>Within 12 months after the end of this tender offer period</u> |
| <u>3</u> | <u>Borrow from the Offeror for no more than 200.00 Million Baht, in which the interest rate will be set not more than minimum loan rate of Bangkok Bank Public Company Limited. The connected transaction size reflects in terms of interest amount of less than 12.50 Million Baht, requiring the board of directors’ approval</u> | <u>Within 12 months after the end of this tender offer period</u> |
| <u>4</u> | <u>Lease the office of CLS which the Offeror is major shareholder for the headquarter office of the Company and its subsidiary, in order to decrease the Company’s expense. The rental rate will refer to market rate.</u>  | <u>Within 12 months after the end of this tender offer period</u> |

The plan to entering the connected transactions of the Offeror is beneficial to the Company to be qualified as per the SET’s rules for the trading resumption.

However, the above connected transactions raise conflict of interest to the Offeror as the Offeror intends to expand the business from property development business to property acquisition from financial institutions to develop for sale or rent, in which it will set up new asset management company as per the Asset Management Royal Decree B.E. 2541 and this new company will have the same business objective of Capital Link Asset Management Limited, which the Offeror and persons under Section 258 of the Offeror are major shareholders even the Offeror states that Capital Link Asset Management Limited and the new asset management company which will be set up later have the different transactions; Capital Link Asset Management Limited purchases non-performing loans from financial institutions where the new asset management company purchases non-performing assets, type of real estates, owned by financial institutions from debt restructuring of their customers, it may raise conflict of interest to the Company under management by the Offeror. The Offeror already never states the plan on conflict of interest management in Tender Offer book (Form 247-4).

In addition, the Offeror has the conflict of interest between the Company, CLP, CLN and CLS, which are the companies that the Offeror and persons under Section 258 are major shareholders and engage in real estate business as similar to the Company’s business objective. Considering to the plan to prevent conflict of interest between the Company, CLP, CLN and CLS, the IFA views that it will not resolve conflict of interest problems between the Company, CLP, CLN and CLS, as the Offeror does not clearly state the prevention plan on conflict of interest.

The conflict of interest may affect its qualification as per the SET’s rules and other relevant laws, notification and/or rules from the SEC, in which the Company may not resolve such matter in time and the SET may consider delisting the Company.

Hence, the Offeror must comply with in accordance with laws, rules, and/or notifications of the SET, the SEC, and/or other relevant rules from related departments, considering the benefits of the Company and all shareholders to prevent any conflict of interest from connected transactions of the Company with the subsidiaries / associated companies / related companies / connected persons, before the Company expands its business from property development business to property acquisition from financial institutions to develop for sale or rent, in which it will set up new asset management company as per the Asset Management Royal Decree B.E. 2541.

For the Borrowings from the Offeror for no more than 200.00 Million Baht, in which the interest rate will be set not more than minimum loan rate of Bangkok Bank Public Company Limited. The connected transaction size reflects in terms of interest amount of less than 12.50 Million Baht, requiring the board of directors' approval, the IFA views that the transaction is essential to the Company in case that the Company has insufficient cash for debt repayment to Fortune Thailand Investment Fund of 172.00 Million Baht which the Company has to complete the repayment within 2018, as the borrowing from the Offeror are the most rapid method comparing to other alternatives. However, the Offeror should specify the repayment period in Tender Offer book (Form 247-4), clearly.

For the transaction to lease the office of CLS which the Offeror is major shareholder for the headquarter office of the Company and its subsidiary, in order to decrease the Company's expense. The rental rate will refer to market rate, the IFA views that the Offeror does not clearly state details on rental rate in Tender Offer book (Form 247-4), as such the IFA is not able to provide the opinion on such transaction as if the Company and its subsidiary intend to decrease its office rental expense, the Company may search for more information on office building rental from other parties, in which the Company may gain better terms and conditions better than the intention with CLS.

Since the Company is listed on the SET, there are policies and regulations and the approval procedures for connected transactions in accordance with the rules and/or regulations of the SET, the SEC, and/or relevant regulatory departments, considering the benefits to the Company and all the shareholders to prevent conflicts of interest on connected transactions of the Company with subsidiaries / affiliated companies / related companies / related parties.

In addition, as the Company is listed on the SET, the Offeror will have to conduct the Company process the connected transactions, even it is beneficial to the Company, in accordance with general commercial terms and/or financial status of the Company, considering the importance and appropriateness of the transactions. Moreover, the Company will have to process the connected transactions in accordance with the Notification on Connected Transaction in which the transactions must be approved by management, board of directors, and/or shareholders' meeting of the Company as the case may be. In this regard, If the transaction requires the approval by the board of directors or shareholders of the Company, the Offeror will not be entitled to vote at the board of directors and the shareholders' meeting. The person under Section 258 of the Offeror shall not be entitled to vote in the shareholders' meeting due to a conflict of interest in entering into such transaction.

**Conclusion of the IFA's opinion on the operational plan after business takeover (from Form 247-4)**

Considering the business plan and policies that the Offeror states in Tender Offer book (Form 247-4), and interview with the Company's management, the IFA opines that the Offeror has his objective to conduct the Company to be qualified as per the SET's rule to trading resumption. This objective is beneficial to the Company and the Company's existing shareholders, so that the Offeror created the plans in which the details are as follows:

1. The Offeror has a plan to dispose non-operating lands with the transaction size of 136.41 Million Baht and will conduct the marketing and promotion events to SITTAROM to totally sell the Sittarom Parklife project within 2018 and has a plan to borrow loans from financial institutions or the Offeror of not more than 200.00 Million Baht, in which the interest rate will be set to not more than minimum loan rate of Bangkok Bank Public Company Limited. The connected transaction size reflects in terms of interest amount of less than 12.50 Million Baht, to make the proceeds in debt repayment to Fortune Thailand Investment Fund of 172.00 Million Baht within 2018
2. At present, the Company does not have the property project except only Sittarom Parklife project, so that the Company is likely to be treated as cash company, which is not qualified to be the listed company as per the SET's rules in case that SITTAROM totally sell the project within 2018. This may affect the Company not to recognize revenues in subsequent years and the Company's financial statement may incur net loss. As such, in order to conduct the Company to be qualified as per the SET's rules, the Offeror has the plans as followings:
  - 2.1 Increase registered capital of no less than 300 Million Baht in order to have the proportion of shareholders' equity more than 300 Million Baht within the second to fourth quarters of 2019
  - 2.2 Conduct the Company to acquire assets in type of condominium and vacant land for low-rise residential development projects in the value of no less than 300 Million Baht within the second to fourth quarters of 2018
  - 2.3 Conduct the Company to acquire the property available for sale from CLC and CLM which the transaction size will not exceed 200.00 Million Baht per year within the fourth quarter of 2018
  - 2.4 Establish an asset management company which is expected to operate in the first quarter of 2019

The above actions are for the Company to recognize revenues from new assets which it will generate net profits of not less than 30 Million Baht, which will comply with the SET's rules, from the first quarter of 2019 onwards

3. The Offeror has a plan to conduct the Company to lease the office from CLS, which the Offeror is a major shareholder, to be the headquarter office of the Company and its subsidiary within 12 months after the end of this tender offer period, in order to decrease the Company's expense. The rental rate will refer to market rate.

4. As the Offeror and persons under Section 258 are major shareholders in CLP, CLN, and CLS which engage in real estate business as similar to the Company's business objective. As such, if those three companies start developing property project, the Offeror may sell the shares in those companies or sell the lands to the Company by cash payment or share swap within 12 months after the end of this tender offer period to prevent conflict of interest of the Offeror.

In this regard, the Offeror does not have a plan to conduct those 3 companies to purchase additional lands. Any land purchase of the Offeror will be for personnel investment, capital gain, and rental income, and will be not for any development. This prevention on conflict of the interest may change upon the SET's rules and will have to be considered by the SET.

5. The Offeror has a plan to conduct the Company to submit application for delisting grounds removal by repossessing qualifications specified by the SET referring to the Regulations of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities for trading resumption, in the second quarter of 2019.

#### Timetable of the Offeror

|          | <u>Transaction</u>  | <u>Period</u>   |
|----------|---|---|
| <u>1</u> | <u>Increase registered capital of no less than 300 Million Baht in order to have the proportion of shareholders' equity more than 300 Million Baht.</u>   | <u>2<sup>nd</sup> - 4<sup>th</sup> Quarter of 2018</u>            |
| <u>2</u> | <u>Acquire assets in type of condominium and vacant land for low-rise residential development projects in the value of no less than 300 Million Baht<br/>The size of transaction is no less than 83.70% of the total asset.</u>   | <u>2<sup>nd</sup> - 4<sup>th</sup> Quarter of 2018</u>            |
| <u>3</u> | <u>Acquire property available for sale of Capital Link Credit Foncier Limited ("CLC") and Capital Link Asset Management Limited ("CLM") with total transaction size no more than 200.00 Million Baht per year</u>   | <u>4<sup>th</sup> Quarter of 2018</u>                             |
| <u>4</u> | <u>Acquire land for development of Capital Link Property Limited ("CLP"), Capital Link North Sathorn Limited ("CLN") and Capital Link South Sathorn Limited ("CLS") with the payment by cash or share swap</u>  | <u>Within 12 months after the end of this tender offer period</u> |
| <u>5</u> | <u>Borrow from the Offeror for no more than 200.00 Million Baht, in which the interest rate will be set not more than minimum loan rate of Bangkok Bank Public Company Limited. The connected transaction size reflects in terms of interest amount of less than 12.50 Million Baht, requiring the board of directors' approval</u> | <u>Within 12 months after the end of this tender offer period</u> |
| <u>6</u> | <u>Lease the office of CLS which the Offeror is major shareholder for the headquarter office of the Company and its subsidiary, in order to decrease the Company's expense. The rental rate will refer to market rate.</u>  | <u>Within 12 months after the end of this tender offer period</u> |
| <u>7</u> | <u>Establish an asset management company.</u>   | <u>Operate in 4<sup>th</sup> Quarter of 2018 and expect to</u>    |

|          | <u>Transaction</u>   | <u>Period</u>   |
|----------|--|---|
|          |  | <u>be completed in 1<sup>st</sup> Quarter of 2019</u> |
| <u>8</u> | <u>Realize the income from new assets which will net profit of not less than 30 Million Baht per year following by the rules of delisting grounds removal.</u>   | <u>Since 1<sup>st</sup> Quarter of 2019 onward</u>    |
| <u>9</u> | <u>Submit application for delisting grounds removal by repossessing qualifications specified by the SET referring to the Regulations of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities for trading resumption.</u> | <u>2<sup>nd</sup> Quarter of 2020</u>                 |

Considering to the above plan from the Offeror, the IFA can conclude the opinions as followings:

**1. The possibility of the plan for the Company's trading resumption**

As per the policies and plans of the Offeror in order to repossess qualifications specified by the SET, it is rarely possible for the Company for trading resumption as the SET suspended the Company with the following reasons:

- The Company has to improve financial status and performance since its shareholders' equity is less than zero
- The Company is likely treated as Cash Company so that it is not able to be qualified as per the SET's qualifications
- The Company has not conducted manner of a major acquisition transaction and connected transaction as stipulated in the SET's rules and regulations in case of the purchase of KITHA

Considering to the status of the Company as of 9 March 2017, the Company is in NC Phase 2 from 3 Phases and has the period of 3 years (due on 8 March 2019) to resolve financial status and performance. The Company may extend the period of its existing NC status by 1 time but no later than 1 year (8 March 2019) in which the Company must fulfill all qualification specified by the SET.

In this regard, even though the Company extends the period of existing NC status by 1 year, the total period will be due on 8 March 2019. If the Company could not fulfill all qualification specified by the SET within such date, the SET will consider delisting the Company.

Hence, considering to the plan of the Offeror in order to repossess qualifications specified by the SET in which the Offeror expects to submit the enquiry with in the second quarter of 2019, the Company may not resolve its status within the period in accordance with the SET's rules and regulations so that the SET will consider delisting the Company subsequently.

## **2. Conflict of interest of the Offeror that will arise**

As the Offeror and persons under Section 258 are major shareholders in CLM, CLP, CLN, and CLS, considering to the business expansion plan from property development business to property acquisition from financial institutions to develop for sale or rent, in which it will set up new asset management company as per the Asset Management Royal Decree B.E. 2541 and this new company will have the same business objective of CLM, even the Offeror explains that:

“CLM and the new asset management company which will be set up later have the different transactions; CLM purchases non-performing loans from financial institutions where the new asset management company purchases non-performing assets, type of real estates, owned by financial institutions from debt restructuring of their customers”

In addition, the Offeror has the conflict of interest between the Company, CLP, CLN and CLS, which are the companies that the Offeror and persons under Section 258 are major shareholders and engage in real estate business as similar to the Company’s business objective. Considering to the plan to prevent conflict of interest between the Company, CLP, CLN and CLS, the IFA views that it will not resolve conflict of interest problems between the Company, CLP, CLN and CLS, as the Offeror does not clearly state the prevention plan on conflict of interest.

These couple conflicts of interest may arise to the Company under management by the Offeror. The Offeror already never states the plan on conflict of interest management in Tender Offer book (Form 247-4) and the conflict of interest may affect its qualification as per the SET’s rules and other relevant laws, notification and/or rules from the SEC, in which the Company may not resolve such matter in time and the SET may consider delisting the Company.

Hence, the Offeror must comply with in accordance with laws, rules, and/or notifications of the SET, the SEC, and/or other relevant rules from related departments, considering the benefits of the Company and all shareholders to prevent any conflict of interest from connected transactions of the Company with the subsidiaries / associated companies / related companies / connected persons, before the Company expands its business from property development business to property acquisition from financial institutions to develop for sale or rent, in which it will set up new asset management company as per the Asset Management Royal Decree B.E. 2541.

## **3. Earnings and control dilutions**

Considering to policies and plans in the Tender Offer book, in primary term, the Company may acquire 3 assets as followings:

|          | <b><u>Transaction</u></b>   | <b><u>Period</u></b>                                   |
|----------|---|--|
| <u>1</u> | <u>Acquire assets in type of condominium and vacant land for low-rise residential development projects in the value of no</u> | <u>2<sup>nd</sup> - 4<sup>th</sup> Quarter of 2018</u> |

|          | <u>Transaction</u>  | <u>Period</u>   |
|----------|---|---|
|          | <u>less than 300 Million Baht to make the Company's equity shareholders more than 300 Million Baht (The size of transaction is no less than 83.70% of the total asset)</u>  |   |
| <u>2</u> | <u>Acquire property available for sale of Capital Link Credit Foncier Limited ("CLC") and Capital Link Asset Management Limited ("CLM") with total transaction size no more than 200.00 Million Baht per year</u> | <u>4<sup>th</sup> Quarter of 2018</u>                             |
| <u>3</u> | <u>Acquire land for development of Capital Link Property Limited ("CLP"), Capital Link North Sathorn Limited ("CLN") and Capital Link South Sathorn Limited ("CLS") with the payment by cash or share swap</u>    | <u>Within 12 months after the end of this tender offer period</u> |

Source: Tender Offer book of the Company by the Offeror

Considering to consolidated financial statement for 9-month period ended 30 September 2017, the Company only has cash and cash equivalent of 6.13 Million Baht. As such, within 12 months after the end of this tender offer period, the Company will definitely increase its capital to acquire the assets within the period specified in Tender Offer book, which will affect the Company's existing shareholders in cash payment term. For share swap term, it will affect the existing shareholders on earnings and control dilutions significantly without the effect to the Offeror, as the major transactions relate to connected transactions of the companies that the Offeror and persons under Section 258 have their controls, the IFA may not clearly provide the opinions whether the transactions will be beneficial to the Company or not, as the Offeror does not specify relevant details of acquired assets in Tender Offer book.

However, the issuance of new ordinary shares of the Company for share swap with the assets to be acquired by the Company in which may be shares or assets of any person. The Offeror should carefully consider and study the details of the shares or assets to be acquired at that time, including the impact on earnings and control dilutions of existing shareholders to ensure that the transaction can enhance the competitiveness and improve the performance of the Company as the issuance of shares for share swap will directly affect to existing shareholders of the Company in which the existing shareholders should monitor and study the details on the transaction closely.

In addition, if the Company issues new ordinary shares for share swap with the assets to be acquired in which it may be shares or assets of the Offeror and person under Section 258, or the Company the Offeror and person under Section 258 are the controlling persons, the Company shall have the duty to conduct the shareholders' meeting to approve on the transaction to comply with the Notification on Connected Transaction. The Offeror will not be entitled to vote at the board of directors and the shareholders' meeting. The person under Section 258 of the Offeror shall not be entitled to vote in the shareholders' meeting due to a conflict of interest in entering into such transaction.



**4. Financial performance and status of the Company**

As per the policies and plans of the Offeror which intends to conduct the Company to trading resumption as the SET currently suspends the Company with the reasons specified in Section 1, The possibility of the plan for the Company's trading resumption, the Offeror will have to acquire the potential assets, as soon as possible, in order to generate revenues and profits to the Company, in order to be qualified to the SET's rules.

Hence, it will benefit to the Company's existing shareholders from the Offeror's plans as the Offeror has a plan to enhance shareholders' equity of the Company to be more than 300 Million Baht and has the net profits for 2 in 3 latest years not less than 50 Million Baht with the latest year of no less than 30 Million Baht, and has accumulated profits before the application for delisting grounds removal is submitted and the Company will be qualified as per the SET's rules.