



Attachment 1 and 2

Extraordinary General Meeting of Shareholders

No. 1/2559

SAMMAKORN PUBLIC COMPANY LIMITED

Thursday 20th October, 2016 at 10.30 am. at Montathip 1 Room, 1st Floor

Anantara Siam Bangkok Hotel

No. 155 Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330

Attachment 1

**Information Memorandum on acquisition of assets and connected transactions
Of Sammakorn Public Company Limited for the purchase of pure Sammakorn
Development Company Limited's ordinary shares**

Information Memorandum on acquisition of assets and connected transactions of Sammakorn Public Company Limited for the purchase of Pure Sammakorn Development Company Limited's ordinary shares

The meeting of the Board of Directors of Sammakorn Public Company Limited ("Company" or "SAMCO") No. 6/2016 dated August 9, 2016 has approved an investment in the 1,147,499 ordinary shares with the par value 100 Baht per share which is 44.13 percent of ordinary shares of Pure Sammakorn Development Company Limited ("PSDC") at price 140 Baht per share. The total investment is 160,649,860 Baht from the current major shareholder, RPCG Public Company Limited ("RPC") which currently hold 284,417,180 ordinary shares (48.25 percent) of SAMCO. SAMCO also currently holds 1,452,498 shares (55.87 percent) of PSDC.

PSDC is a subsidiary company of SAMCO which hold 55.87 percent of PSDC's ordinary shares. Therefore, the company will hold 100 percent of PSDC's ordinary shares after this acquisition. The Board of Directors assigned Executive boards or persons in charged to negotiate other detail, including the payment.

The information and approval of Acquisition of PSDC's ordinary shares need to be published under following rules:

1. Acquisition of assets

Since, the size of an acquisition of PSDC's ordinary shares is only 4.52 percent according to the net income approach which is less than 15 percent, it does not have to be disclosed accordance with the Notification of the Capital Market Supervision Board No: Tor Jor 20/2008 Re: Rules for Significant Transactions Constituting an Acquisition or Disposal of Assets and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Practice of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2004 ("the Notification of the Acquisition or Disposition of Asset").

2. Connected Transaction

An investment in PSDC's ordinary shares from RPC is a connected transaction as RPC is a major shareholder of the company. This investment is an investment that exceed 20 million Baht and its size is equal to 6.92 percent of Net Tangible Asset of the company which is more than 3 percent. Therefore, The transaction need to be published and approved from the meeting of shareholders with the vote not less than 3 in 4 of total votes of shareholders who present at the meeting or entitled to vote, accordance with the Notification of Capital Market Supervisory Board No. Tor Jor. 21/2551 Re: Rules of Entering into Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003). Moreover, the Board of Directors agree to name OptAsia Capital Company Limited as an Independent Financial Advisor(IFA) to give a recommendation to shareholders about the fair price and the importance of the transaction. The company will send both meeting invitation card and IFA report to shareholders at least 14 days before the meeting date. The Board of Directors

agree to propose to the extraordinary general meeting of shareholders No. 1/2016 dated 20 October 2016 in order to approve this transaction.

Details of the transactions are shown below:

1) Date / Month / Year

After being approved of an acquisition of assets and connected transactions from the extraordinary general meeting of shareholders of 1/2016 which will be held on October 20, 2016.

2) The parties involved and the relationship with the Company

Buyer : Sammakorn Public Company Limited ("Company" or "SAMCO")

Seller : RPCG Public Company Limited ("RPC")

3) Relationship and the scope of interest in entering the transaction

Related person	Relationship with the company
RPC*	- Major shareholders which hold 284,417,180 ordinary shares (48.25 percent) of the company
Mr. Satja Janetumnugul	- President (Chairman of the Board of Directors of RPC and Director and Executive director)

*as of 30 July 2016 from SET's website

4) The general characteristic of the transactions, total value of the consideration and details of the acquisition of assets

4.1 General characteristic of the transactions

The company is going to invest in 1,147,499 ordinary shares (or 44.13 percent) of PSDC at 140 Baht per share from RPC which is major shareholder of the company who hold 48.25 percent (Related person). The total investment is 160,649,860 Baht.

4.2 Total value of the consideration

4.2.1 Acquisition of assets

The transaction is considered asset acquisition in accordance with the Notification of the Capital Market Supervision Board No: Tor Jor 20/2551 Re: Rules for Significant Transactions Constituting an Acquisition or Disposal of Assets dated 31 August 2008 and additional corrected Notification and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Practice of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 dated 29 October 2004 ("the Notification of the Acquisition or Disposition of Asset"). However, if calculating by referring to the consolidated financial statement of the Company as of June 30, 2016, it accounts for 4.52% of the Company's total consolidated assets according to

Value of Consideration paid, which is lower than 15% which is not required to be disclosed (transaction size less than 15 percent).

Details of the calculation of the transaction size are shown below:

■ Financial Information

(Unit:Baht Million)	SAMCO As of 30 June 2016 reviewed	PSDC As of 30 June 2016 reviewed
Total Assets	3,557.29	474.66
Intangible Assets	20.15	0.14
Total Liabilities	1,124.43	269.23
Minority Shareholders	90.73	0
Net Tangible Asset (NTA)	2,321.98	205.29
Net profit for last 4 quarters ^{2/}	240.16	13.95

Note: 1/ Referring to the reviewed of the financial statements of SAMCO ended 30 June 2016 and the management account of PSDC ended 30 June 2016

2/ Based on financial statements during 30 April 2015 – 30 June 2016

■ Calculation of size of the transaction

	Formula	Value (Percentage)
1. Assets Value	NTA PSDC (205.29) x Proportion of shares purchased (44.13%) / NTA SAMCO (2,321.98)	3.90
2. Net Profit from Operations (Last 4 quarter)	Net profit of PSDC (13.95) x Proportion of shares purchased (44.13%) / Net Profit for last 4 quarters of SAMCO (240.16)	2.56
3. Value of Consideration paid	Purchase price of PSDC's shares (160.65)/ Total assets of SAMCO (3,557.29)	4.52
4. Share Value issued by the listed company to pay for the asset	No newly-issued shares	No newly-issued shares

Note: 1/ Referring to the reviewed of the financial statements of SAMCO ended 30 June 2016 and Management account of PSDC ended 30 June 2016

When consider this acquisition of asset by using these 4 approach, the maximum value is equal to 4.52 percent which is less than 15 percent. Therefore, this transaction is not required to be disclosed according to the Notification of the Acquisition or Disposition of Assets.

4.2.2 Connected transaction

■ Calculation of size of the transaction

	Formula	Value (Percentage)
Assets Value	NTA PSDC (160.65) x / NTA SAMCO (2,321.98)	6.92

As the company purchases 1,147,499 of PSDC's shares or 44.13 percent at 140 Baht per share. The total investment is 160,649,860 Baht from major shareholders of the company which is RPC (hold 48.25 percent of the company). Therefore, this transaction is a connected transaction according to the Notification of Capital Market Supervisory Board No. Tor Jor. 21/2551 Re: Rules of Entering into Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) ("the Notification of connected transaction") in which the size is 6.92 percent of NTA of the company as refer from consolidated financial statement as of 30 June 2016 (NTA is equal to 2,321.98 Million Baht) which is higher than 20 Million Baht or more than 3 percent of NTA of the company. Therefore, the company has to ask for approval from shareholders' meeting for entering into the connected transaction with the vote of not less than 3 in 4 of the total votes of shareholders who are present at the meeting and are entitled to vote by not including the shareholders' votes who have an interest in the transaction. (RPC is the major shareholder of the Company which hold 284,417,180 shares or 48.25 percent of paid-up shares.)

5) Details of the acquired assets

1,147,499 ordinary shares of PSDC with the par value of 100 Baht hold by RPC which is the major shareholders (hold 44.13 percent of PSDC's ordinary shares) and connected person. The investment from the company is 160,649,860 Baht at 140 Baht per share.

▪ Business information of PSDC

Company name	Pure Sammakorn Development Company Limited
History	Founded on May 25, 2012 with the paid-up capital of Baht 50 Million Baht. The company is a joint venture between Sammakorn Public Company Limited and RPCG Public Company Limited.
Type of business	Develop land in Bangkok and rural area to be shopping complex or known as Community Mall "Pure Place" which currently has 3 projects as follow: 1. Pure Place Rangsit Klong 2 located at 819/1-3 Rangsit-Nakornayok road Pachatiput Tanyaburee Patumthanee Total area 6 Rai 3 Ngan 74 Squared wah Rental area 3,995 sq.m. 2. Pure Place Ramkhamheang 110 Located at 86 Ramkhamheang Sapanung Bangkok Total area 16 Rai 1 Ngan 67.7 Squared wah Rental area 18,276 sq.m. 3. Pure Place Rajchapuek Located at 62/26-32 Aomkred Pakkred Nontaburi Total area 9 Rai 6.8 Squared wah Rental area 4,364 sq.m.
Head Quarter	86 Ramkhamheang Sapanung Sapanung Bangkok
Registered Capital	Baht 260,000,000
Numbers of share	2,600,000 shares
Par	100 Baht per share

▪ Board of Directors

Board of Directors as of 28 April 2016

	Name	Position
1.	Mr. Kittipol Pramoj Na Ayudhya	Director
2.	Mr. Napon Janetumnugul	Director
3.	Ms. Supanee Tanchaisrinakorn	Director

Authorized Signatory is two Directors who sign their name and seal company's trademark.

▪ Shareholders

As of 21 August.2015

No.	Name	Number of Shares	%
1.	Sammakorn Public Company Limited*	1,452,498	55.87%
2.	RPCG Public Company Limited*	1,147,499	44.13%
3.	Mr. Satja Janetumnugul	1	0.00%
4.	Mr. Bibit Bijaisoradat	1	0.00%
5.	Mr. Kittipol Pramoj Na Ayudhya	1	0.00%
Total		2,600,000	100.00%

Note: Par value is 100 per share

RPCG Public Company Limited is a listed company in Stock Exchange of Thailand operates in business about supply and distribute oil, chemical products and retail. The company is the distributor of high speed diesel, fuel oil, chemical products and bio diesel and sell gasoline and gasohol from other refinery.

Board of Directors of RPC (30 July 2016)

No.	Name	Position
1.	Mr. Satja Janetumnugul	Chairman of the Board
2.	Mr. Supapong Krishnakan	Director
3.	Mr. Suwinai Suwanhirunkul	Director/ (Acting Managing Director)
4.	Mr. Suthud Khancharoensuk	Director
5.	Mr. Prasit Dheeraratbongkot	Independent Director and Chairman of the Audit Committee
6.	Mr. Sobhon Homcheon	Independent Director and Member of the Audit Committee
7.	Mr. Chamni Janchai	Independent Director and Member of the Audit Committee

Shareholders of RPC

10 shareholders as of 30 July 2016

	Shareholder	Numbers of share	%
1.	Petro Instrument Company Limited	257,227,140	19.72
2.	Ms. Montana Janetumnugul	33,981,978	2.60
3.	Mr. Tawat Ungsuprasert	32,557,578	2.50
4.	Ms. Prinnee Janetumnugul	28,601,578	2.19

	Shareholder	Numbers of share	%
5.	Mr. Napon Janetumnugul	23,111,400	1.77
6.	Ms. Pimuma Janetumnugul	21,318,950	1.63
7.	Thai NVDR Company Limited	18,273,917	1.40
8.	Ms. Matinee Sukontaruk	17,000,000	1.30
9.	Miss Ampai Hankraivilai	17,000,000	1.30
10.	Mr. Sumit Chanmatee	16,319,158	1.25
	Others	839,272,426	64.33
Total		1,304,664,125	100.00

Source: SET.co.th

Board of Directors of SAMCO

Board of Directors as of 30 July 2016

No.	Name	Position
1.	Mr. Kavi Ansvananda	Chairman
2.	Mr. Kittipol Pramroj Na Ayudhaya	Managing director
3.	Mr. Tawat Ungsuprasert	Director
4.	Mr. Satja Janetumnugul	Director
5.	Mr. Bibit Bijaisoradat	Director
6.	Mr. Sitthichai Chantravadee	Chairman of audit committee, independent director
7.	Mr. Tawatchai Chongdarakul	Independent director, audit committee
8.	Mr. Anutip Krairaks	Independent director, audit committee
9.	Ms. Koonthala Sasasmit	Independent director, audit committee

Shareholders of SAMCO

10 Major Shareholders as of 30 July 2016

	Shareholders	Number of Shares	%
1.	RPCG Public Company Limited	284,417,180	48.25
2.	H.M. KING BHUMIBOL ADULYADEJ	49,434,733	8.39
3.	Aberdeen SMALL CAP	29,565,033	5.02
4.	BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH	21,392,166	3.63
5.	Aberdeen Growth Fund	20,566,533	3.49

	Shareholders	Number of Shares	%
6.	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	13,035,255	2.21
7.	Miss Pimuma Janetumnugul	11,669,766	1.98
8.	Lady Dhasanawalaya Sornsongkram	11,656,600	1.98
9.	Her Royal Highness Princess MahaChakriSirindhorn	9,462,233	1.61
10.	Aberdeen SMART CAPITAL RETIREMENT MUTUAL FUND	8,647,300	1.47
	Others	129,563,541	21.98
Total		589,410,340	100

Source: SET.co.th

Financial Statement

Baht Million	2013 (Audited)	2014 (Audited)	2015 (Audited)	Quarter 2/2016 as of 30 June 2016 (Review)
Cash and cash equivalents	1.63	1.83	0.96	3.26
Trade accounts receivable and notes receivable	8.14	11.68	14.22	21.42
Other current assets	3.08	2.10	6.93	8.93
Loans and long-term investment	0.51	1.40	0.12	0.12
Investment Property	481.84	464.94	443.35	428.30
Equipment	20.17	16.97	11.73	11.04
Other non-current assets	8.21	11.03	1.7	1.59
Total assets	523.59	509.95	479.02	474.66
Trade account payable	30.83	11.20	7.49	16.36
Long-term borrowings with 1 year to maturity	30.88	29.29	34.58	35.74
Short-term loans	-	20.00	16.00	13.00
Other current liabilities	10.06	15.96	32.34	24.40
Total long-term borrowings	230.17	206.94	170.50	152.14
Other non-current liabilities	39.25	36.28	23.31	27.58
Total liabilities	341.17	319.68	284.22	269.23
Paid-in capital	260.00	260.00	260.00	260.00
Retained earnings(loss)	(77.59)	(69.73)	(65.21)	(54.57)

Baht Million	2013 (Audited)	2014 (Audited)	2015 (Audited)	Quarter 2/2016 as of 30 June 2016 (Review)
Total Shareholders' equity	182.41	190.27	194.79	205.43
Total revenue	130.62	156.36	152.87	78.50
Cost of goods sold	91.86	102.41	100.72	61.10
Net profit (loss)	(1.97)	7.86	4.52	10.64
Earnings per share (Baht)	(0.76)	3.02	1.74	4.09
Book value per share (Baht)	70.16	73.18	74.92	79.01

6) **Basis to determine the value of consideration**

An acquisition of ordinary shares of PSDC from RPC which is a connected person as they are major shareholders of them company (hold 48.25 percent of the company's shares) and has the same Directors and Management team. The price of the acquired assets (140 Baht per share) is negotiated between buyer and seller.

The Company refers to share price evaluated by Discover Management Co., Ltd., the financial advisor which used adjusted book value and discounted book value and the result was the share price range from Baht 137-169 per share with detail as follows

Adjusted Book Value Method

	As of 31 Mar 2016
Shareholders' equity as of Mar 31, 2016	202,937,227.30
Deduct: book value of the invested asset as of Mar 31, 2016	(437,787,606.12)
Add: fair value appraised by AREA*	589,883,000.00
Adjusted shareholders' equity	355,032,621.18
No. of shares	2,600,000.00
Book value per share (Baht / share)	136.55

Therefore Adjusted Book Value method results in share price of PSDC at Baht 136.55 per share.

Discounted Cash flow Method

This method evaluated the expected performance of the company in order to find its Free Cash Flow (Free Cash Flow: FCF) for 25 years (2016 – 2041) using an appropriate discount rate with the main assumptions as follow.

Factors	Assumptions
Rental and service rate	Average from current revenue and increases 10% every 3 years
Occupancy Rate	Using Q1 which is approximately 94% and use average of 2013 – 3M/2016
Utilities revenue	Average of current and increases with 5 year average core inflation rate (1.63%)
Parking revenue,Kiosk	Average from current revenue and increases 10% every 3 years
Other revenue	3 year average (market rental and venue tax from leasee)
Cost of rental and service	According to contract and increases with 5 year average core inflation rate (1.63%)
Utilities cost	Average of current and increases with 5 year average core inflation rate (1.63%)
Salary and employee expense	according to contract and increase 3% annually
Selling and admin. expense	according to contract and increases with 5 year average core inflation rate
Maintenance	3.5% of revenue
Tax for venue	12.5%of revenue
Beta	Average from comparable companies0.8
Discount Rate	8.54% – 10.74%

Projected performance from 2012 – 2041 is as follows

(Baht million)	2012A	2013A	2014A	2015A	3m/2016	2016F	2017F	2018F	2019F
Balance sheet									
Total asset	553.01	523.59	509.95	479.02	485.77	465.14	460.86	465.86	479.52
Total liabilities	368.63	341.17	319.68	284.22	282.83	254.58	229.86	215.07	200.35
Shareholders' equity	184.38	182.41	190.27	194.79	202.94	210.56	230.99	250.79	279.18
Income statement									
Total revenue	108.52	130.62	156.36	152.87	39.56	165.15	174.85	176.80	189.69
Total expense	102.93	113.77	131.21	133.86	28.51	138.11	141.51	143.48	146.56
Net income (loss)	(12.15)	(1.97)	7.86	4.52	8.17	15.77	20.43	19.80	28.38

(Baht million)	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F	2028F
Balance sheet									
Total asset	493.86	507.98	531.44	540.93	565.13	599.75	634.88	678.68	738.78
Total liabilities	185.54	170.72	156.06	126.27	111.46	96.79	82.03	76.77	77.13
Shareholders' equity	308.32	337.26	375.39	414.66	453.67	502.96	552.84	601.91	661.65
Income statement									
Total revenue	191.67	192.21	206.37	208.51	209.09	224.63	226.96	227.56	244.63
Total expense	148.50	113.77	131.21	133.86	28.51	138.11	141.51	143.48	146.56
Net income (loss)	29.15	28.94	38.12	39.28	39.01	49.29	49.88	49.07	59.74

(Baht million)	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
Balance sheet									
Total asset	798.88	857.81	905.30	963.92	1,029.12	1,107.83	1,185.47	1,261.97	1,350.53
Total liabilities	77.37	77.59	75.79	74.13	73.28	73.44	73.65	73.87	74.34
Shareholders' equity	721.51	780.23	829.51	889.79	955.84	1,034.39	1,111.82	1,188.10	1,276.19
Income statement									
Total revenue	247.17	247.80	220.17	220.82	221.49	239.56	240.24	240.94	260.78
Total expense	172.34	174.41	158.56	145.48	138.92	141.37	143.45	145.58	150.66
Net income (loss)	59.87	58.71	49.29	60.28	66.05	78.55	77.43	76.28	88.09

(Baht million)	2038F	2039F	2040F	2041F					
Balance sheet									
Total asset	1,437.65	1,523.55	1,623.01	1,720.85					
Total liabilities	74.57	74.80	75.26	75.52					
Shareholders' equity	1,363.08	1,448.75	1,547.75	1,645.32					
Income statement									
Total revenue	261.50	262.23	284.02	284.77					
Total expense	152.88	155.15	160.26	162.81					
Net income (loss)	86.89	85.66	99.00	97.57					

From above information, the present value of the free cash flow is Baht 618.33 million, added with the current cash on hand amount Baht 6.27 million and deduct debt of Baht 212.60 million as of 31 March 2016, the fair value of the Company is Baht 412.00 million or Baht 158.46 per share.

Discover has analyzed further using sensitivity analysis by adjusting the discount rate (WACC) at 0.5% per year and the fair value of PSDC was Baht 148.59 – 169.04 per share.

7) Value of acquisition assets

The company will buy PSDC's shares at 140 Baht for 1,147,499 shares. The total value of acquisition assets is 160,649,860 Baht

8) Term of payment

The company will shall pay by cash totaling of 160,649,860 Baht to the Seller which is RPC after the transaction is approved by the Extraordinary General Meeting No. 1/2016 on 20 October 2016.

9) Source of fund

The company have enough source of fund in order to buy PSDC's shares by using working capital and sale of short-term investment and short-term line of credit from financial institution.

The Company will spend capital from working capital of the Company including with selling short-term investment by dated 31 March 2016. The Company has cash and short-term investment at around 330 million baht. However, the Company spent most of the funding in other projects which has prepared line of credit but postpone the use of debt in order to saving interest expenses. Therefore, at 30 June 2016, the Company has the remaining cash and short-term investment at around 70 million baht. At 2 September 2016, the Company has cash and short-term investment at around 215 million baht since the Company has used the debt which has been expected that the Company might use this capital to pay shares. After, extraordinary shareholders meeting no. 1/2016 which held at 20 October 2016. The resolution of the transaction was the Company will make share contract and pay share by cash at 160,649,860 baht for seller at one time.

10) Benefits of the transaction

The company will be able to create a synergy effect to reduce the cost and also management efficiency by eliminate connected transaction between SAMCO and PSDC. For example, it will ease negotiation and agreement when doing long-term land lending which requires approval form shareholders and reduces expensesthat will occur due to regulations of SEC and SET about connected transactions such as IFA fees and shareholders meeting.

The business of SAMCO which is real estate business that sell house and land will get benefits from acquiring PSDC , which operates community mall named Pure Place which currently has 3 projects which are Pure Place Ramkamheang 110, Pure Place Rajchapueak and Pure Place RangsitKlong 2, as it will create good business synergy with real estate business. Moreover, it will be easy to recognize management result of PSDC and to manage it because the company will be a major shareholders of PSDC (hold 55.87 percent) if the transaction has been made. Also, the benefit in the future if there is an IPO or REIT.

Moreover, the company will be able to combine management team of two companies together and shares human resource because PSDC will be subsidiary that hold by SAMCO 100 percent.

The company thinks that community mall is popular at this time and possibly in the future due to growing of real estate industry result from an expansion of transportation while there are not enough shopping place to fill the demand. Therefore, community mall that has supermarket, shop, restaurant, etc. which are meeting point of people will be attractive and continue to grow along with the growth of real estate industry so the company thinks that invest in the rest of the shares from RPC will be able to help the company in order to generate more revenue.

11) Conditions of entering the Transaction

Although entering of this the transaction is not a significant acquisition of asset of listed company under the Notification of Acquisition of assets, it is the connected transaction under the Notification of connected transactions. Therefore, the company requires an approval from shareholder meeting with the vote not less than 3 in 4 of the total votes of shareholders who present at the meeting and are entitled to vote by not including the shareholders' votes who have an interest in the transaction and send the IFA report to the shareholders. (RPC is the major shareholder of the Company which hold 284,417,180 shares or 48.25 percent of paid-up shares.)

12) Opinion of the Company's Board of Directors concerning the Transaction

The Board of Directors of the Company with no directors who have a conflict of interest and/or connected persons participated in the meeting (Mr. Satja Janetumnugul company's Directors) has considered of the entering into the transaction from connected person as benefits for the company as it will be able to create a synergy effect to reduce the cost and also management efficiency by eliminate connected transaction between SAMCO and PSDC and with the reasons mentioned before.

Board of Directors has considered that entering into this transaction will benefit for the company and shareholder even if it is a connected transaction. Therefore, the meeting of Board of Directors of the Company with no directors who have a conflict of interest and/or connected persons participated in the meeting shall approve an investment in ordinary shares of PSDC from RPC and proceed to present to shareholders in order to request for an approval.

13) Summary of opinion of the Audit Committee and/or Directors of the company, which differ from the Opinion of the Board of Directors as per Clause 12)

Every Director agrees with the Board of Directors' opinion and there is no opinion of Audit Committee which differs from the opinion of the Board of Directors except Mr. Sitthichai Chantravadee who would like to abstain and require IFA'S opinion before making decision.

According to the resolution of the Audit Committee no. 5/2559, the audit committees agreed on the opinion except Mr. Sitthichai Chantravadee who would like to abstain with the reasons of not being certain on the information that were used by the IFA in the valuation as follows.

1. IFA admits having no experience in real estate sector valuation and the reference information being used may not be comparable to SAMCO regarding the business, location and size.
2. The assumptions used were from the management without testing and historical information were not considered appropriately from continuous loss to recently profit in 2016 and the use of constant economic growth for 25 years without considering the business cycle. The acceptance of the leaseee continuing the contract without considering economic situation and competition.
3. The assumptions on expense and profit using the historical information to present for the 25 year projection which is considered to be low in possibility.

However, IFA has additionally explained the above issue the details are as follows .

1. The financial advisory company was established in 2008 and has mostly been involved in merger and acquisition (M&A) deals, providing analysis and advice to clients who wish to invest in property abroad. For example, the company provided advice to clients wanting to invest in the hospitality business in the United States of America (2-3 locations). These deals have totaled over 5,000 million Baht. The company's services include conducting due diligence, seeking both domestic and foreign debt funding, reviewing and providing an opinion on sales contracts, and monitoring on the performance. In addition, the company has participated in multinational M&A deals, sought capital for funding businesses, and served as financial advisor to a number of listed companies. Though the company has never specifically analyzed the community mall business in Thailand, the company believes its extensive experiences in business can be applied to the community mall business and allow it to provide an opinion on the reasonableness of this deal.

2. The IFA uses publicly available information of listed companies that conduct similar business to PSDC as indicated in the valuation section of the report. It is a normal practice for the IFA to use information on peer group companies from listed companies. Though the companies in the group may vary in size or be located in different areas. To a certain level, it can reflect competitiveness of an industry, the ability to do business, and the performance of business. Some competitors of PSDC are located near to one of its community malls but these are private companies that have not disclosed information to the public. As such, the IFA cannot find in-depth details on these companies for comparison.

3. The IFA has made the assumption that the rental rate will grow between 3.0-3.33 percent every year. This assumption is based on the actual rental contracts of the company with 3-year term, and if the contracts are renewed, the rent will be increased by 10 percent. The IFA has additional explanation regarding this assumption as follows.

- The increase in rental rate is referenced from actual contracts. In the past, most customers have renewed their contracts. When customers have ceased to rent space for whatever reason, PSDC has been able to find new customers to replace those who have left. As long as PSDC has been able to attract large retailers (anchor stores), it has been able to maintain or increase its occupancy rate and rental rate as smaller retailers have chosen to renew their contracts too.
- The inflation rate in Thailand was on average 2.5 percent over the past 10 years and 3.2 percent for the past 25 years. The growth rate of the business used in the projection is a mere reflection of the average inflation rate. Under the economic situation until now, oil prices have dropped in the past few years but most goods still maintain price levels, not necessarily decreased. Same as rental rate in most locations, rent has tended to increase rather than decrease.
- The Pure Place Ramkhamhaeng, contributing around 50-60 percent of total revenues, is located on a large piece of land of 16 rai with easily access from the public road and well located in front of Sammakorn's housing estate, which has over 4000 households. People living nearby are also potential customers for the mall. PSDC's community malls in other locations are well located in the community and easy access too. Therefore, the IFA views that PSDC has plenty of business opportunities and the growth rate as mentioned above is merely the minimum rate.
- According to Colliers International Thailand, the rental rate in the area where PSDC's community malls are located (suburbs) have the potential to further increase. Most of PSDC's competitors have rental rates of not less than 1,000 Baht per square meter. PSDC's rental rate is significantly below this, and if it were to renovate its community malls, it would have the opportunity to further increase its rental rate. Nonetheless, this greatly depends on PSDC's management.
- PSDC's management team has changed since the end of 2015 to the beginning of 2016. The change in management has been good for PSDC as unnecessary costs have been cut. The financial results of the first six months of 2016 have indicated increase in profit to 10.64 million Baht, in comparison to 4.5 million Baht at the end of 2015.

4. Expenses are composed of two parts: Cost of services and Selling and administrative expenses. Cost of services are forecasted to have less percentage to total revenues mainly due to the depreciation expense. Depreciation is fixed by using straight line method along the projection period and fully depreciated in the year 20. Thus the proportion of cost of services will be decreased from 70 percent in 2016 to 50 percent in 2041 (year

25). Selling expenses as percentage of revenue will also decrease because of internal, managerial changes by doing lay-off of employees and signing a management contract for SAMCO to manage all employees starting in 2016. In addition, redundant expenses were cut causing these expenses to decrease from 18-20 percent to 10 percent in 2016. This proportion of expenses was assumed through the projection period.

5. In the financial projection, most assumptions are based on historical operating results of PSDC. Mostly, a three-year average from 2013 to 2015 and the results from the first six months of 2016 were used in the projection. The IFA has not made assumptions of revenues or expenses significantly different from past operating results. Therefore, all projection is based on average past historical performance of PSDC. Nonetheless, actual performance may be materially different positively or negatively from the projection if there are significant changes to PSDC or the economic environment. The growth of business in the long run of PSDC in terms of revenue and profits are what the shareholders of the company expect from its management and to give highest returns to shareholders.

Information Memorandum 2

Information of the Company

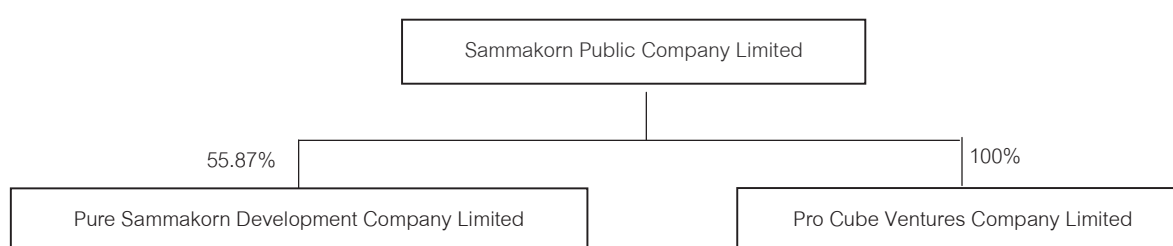
1) Historical of the Company

Sammakorn Public Company Limited (SAMCO) was established in 1970 (46 years now) and has been in the real estate business since 1974. In particular, it has been developing housing estates, selling land and houses more than 6,000 homes to buyers. In addition, since 2006, the company had a joint venture to build community malls under the name of Pure Place. The projects are located in front of Sammakorn Rangsit Klong 2, Sammakorn Bangkapi and Sammakorn Ratchapruek. Their location near the company's housing estates added value to house owners, as the community malls are a convenient place to do shopping. Thus, they help strengthen the community network, fitting in with the company's motto "We do not just build houses, but we build society". For the company, the Pure Place community malls reduce the fluctuation of revenue in the long term. At the same time, they help in the sale of the company's housing projects.

- In May 2006, the Company has jointed venture with Rayong Purifier Public Company Limited or RPC in order to establish Pure Sammakorn Development Limited ("PSDC") with registered capital at 50 million baht for developing real estate and land. The Company has shareholding 49 percent.
- In June 2007, Pure Sammakorn Development Limited Company launched Pure Place Community Mall located in front of Sammakorn-Rangsit Klong 2 Project.
- In February 2009, PSDC increased registered capital from 50 million baht to 225 million baht.

- In August 2011, PSDC increased registered capital from 225 million baht to 260 million baht. By the way, RPC had not increased capital investment therefore, the Company's shareholding raised from 49 percent to 55.87 percent.
- In December 2012, the Company raised registered capital from 450 million baht to 650 million baht.
- In January 2013, the Company registered paid-up capital from 450 million baht to 589.41 million baht.
- In February 2013, the Company opened Sammakorn Chaipayruek-wongwan project, the original name is Flora Divina by Sammakorn. In October 2013, S9 Condominium has opened.

2. Shareholding structure



Pure Sammakorn Development Company Limited (PSDC)

PSDC was established on 25 May, 2006. Its main business is real estate and land development, where the main source of income is from rent such as community malls, office buildings, apartments and hotels. SAMCO holds 49 percent stake in PSDC, while RPCG Public Company Limited (RPC) holds 51 percent of registered capital of 50 million Baht, or 500,000 shares with par value of 100 baht. On 24 February, 2009, PSDC increased its capital by 175 million baht and later, on 23 August 2011, it increased its capital a second time by 35 million baht. RPC did not invest in the second round of capital increase. So SAMCO holds 55.87 percent of total registered capital. PSDC has constructed and developed community malls under the brand "Pure Place". The first Pure Place location was Rangsit Klong 2, which began operation on 8 June, 2007. The second community mall was developed in Ramkhamhaeng 110, under a new concept of "Modern living near your home " and was called "Pure Place Lifestyle Mall". Pure Place Ratchaphruek began operation on 12 May, 2011.

Pro Cube Ventures Co., Ltd.

Pro Cube Ventures Co., Ltd. was established on 21 May, 2012 to do construction management. The registered capital was 2 million baht, with 200,000 shares at par value of 10 baht and paid-up capital was 500,000 baht (25 percent). The company has a 100 percent stake in Pro Cube Ventures.

2. Characteristic of operating business

2.1 characteristic of products and services

The Company develops single house and condominium according to policy of producing complete house before selling. For condominium project, the Company focuses on suitable location in order to provide value added to customers in the future. The Company has ISO 9001:2000 from AFAQ & WIT Co., Ltd. in field of management of construction and selling. The company realized the quality of products in order to be on the international standard by focusing on process of construction followed by ISO restriction. The Company provided training course for improve efficiency of management team.

Projects have been operated in present and Projects have been prepared.

Name	Characteristic	Units	Size of land (Rai)	Size of selling (Rai)	Owner	Capital Investment	Progress of construction	
							Invested (Million Baht)	% Completed
Sammakorn Meenburi 1	Houses with land	410	145-1-09	82-2-53	SAMCO	781.74	775.15	99.16
Sammakorn Nimitmai	Houses with land	601	154-3-89	108-0-59	SAMCO	1,026.61	979.24	95.39
Sammakorn Rangsit Klong2	Houses with land	363	82-1-81	57-3-72	SAMCO	991.88	865.67	87.28
Sammakorn Rangsit Klong7	Houses with land	739	215-3-95	134-3-97	SAMCO	2323.78	1,052.42	45.29
Sammakorn Meenburi 2	Houses with land	274	61-1-44	42-0-45	SAMCO	582.84	582.84	100
Sammakorn Ramkamhang	Houses with land	140	36-1-30.8	22-0-30	SAMCO	554.9	554.9	100
Aqua Divina by Sammakorn	Houses with land	200	66-2-22.1	41-3-60.1	SAMCO	1,118.17	1,064.37	95.19
Sammakorn Chaiyapruerk-Wongwan	Houses with land	181	43-2-3.6	28-3-83.9	SAMCO	563.9	383.53	68.01
S9 Condominium	Condominium	665	6-2-86.1	19,544 ตร.ม.	SAMCO	805.07	805.07	100
Sammakorn Chaiyapruerk-Chengwattana	Houses with land	140	35-2-62.3	23-0-54	SAMCO	688.66	339.87	49.35
Sammakorn Avenue Raminthra-Wongwan	Houses with land	352	36-1-54.2	20-02-69	SAMCO	794.61	320.94	40.39

Attachment 1

Name	Opened Date	Selling price per unit (Million Baht)	Value of Project (Million Baht)	Progress of selling		Realize revenue approach	Realize revenue accumulated (Million Baht)	Selling to shareholders	Transferred	
				Sold value	% of project's value				Unit	Million Baht
Sammakorn Meenburi 1	23 Dec1992	4.2-5.2	1,350.70	1,319.80	97.71	1	1,281.33	-	395	1,281.33
Sammakorn Nimitmai	25 Dec1994	4.6-5.2	1,714.43	1,658.91	96.76	1	1,631.76	-	585	161.76
Sammakorn Rangsit Klong2	25 Nov1995	3.9-4.6	1,364.19	1,176.72	86.26	1	1,154.3	-	326	1154.3
Sammakorn Rangsit Klong7	25 Nov1996	3.7-4.5	2,904.72	939.71	32.35	1	921.19	-	273	921.19
Sammakorn Meenburi 2	9 Mar 2002	2.5-3.9	903.34	903.34	100.00	1	903.34	-	274	903.34
Sammakorn Ramkamhang	22 Mar 2008	6.4-12.0	829.46	829.46	100.00	1	829.46	-	140	829.46
Aqua Divina by Sammakorn	9 Sept 2010	7.5-20.4	1,720.26	1,492.43	86.76	1	1,440.81	-	174	1,440.81
Sammakorn Chaiyapruerk-Wongwan	17 Feb 2013	3.9-6.5	794.22	273.21	34.40	1	224.29	-	55	224.29
S9 Condominium	17 Feb 2013	1.4-2.9	1,136.52	648.08	57.02	1	353.97	-	206	353.97
Sammakorn Chaiyapruerk-Chengwattana		6.5-10.6	1,069.87	0.00	0.00	1	0.00	-	0	0.00
Sammakorn Avenue Raminthra-Wongwan		1.9-4.5	1,169.66	0.00	0.00	1	0.00	-	0	0.00

2.2Revenue structure

Revenue structure of the Company mostly consists of revenue from selling real estates in 2015 there were 91.45 percent of total revenue. Moreover, there are revenue from services, rent, and others. The percentages are following:

Comparison revenue structure for 3 years

(Unit: Million Baht)

Sources of revenue	2013		2014		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Sell houses and lands	952.04	90.10%	903.38	89.64%	898.79	65.61%
Sell condominium	-	-	-	-	353.97	25.84%

Sources of revenue	2013		2014		2015	
	Million Baht	%	Million Baht	%	Million Baht	%
Rent	46.35	4.39%	47.29	4.69%	51.42	3.75%
Services	48.45	4.59%	49.85	4.95%	52.17	3.81%
Others	9.85	0.93%	7.28	0.72%	13.49	0.99%
Total Revenues	1,056.69	100.00%	1,007.80	100.00%	1,369.85	100.00%

3) List of shareholders and Board of Director

As of 24 August, 2016 (the latest record date), the company had 589,410,340 Baht of registered and paid-up capital, with par value of 1 Baht. The list of top ten shareholders is given in the table below.

Rank	Shareholder's name	No. of shares	Percentage
1	RPCG Public Company Limited	284,417,180	48.25%
2	His Majesty King Bhumibol Adulyadej	49,434,733	8.39%
3	Aberdeen Small Cap Fund	29,565,033	5.02%
4	BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH	21,392,166	3.63%
5	Aberdeen Growth Fund	20,566,533	3.49%
6	Miss Pimuma Janetumnugul	13,035,255	2.21%
7	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	11,669,766	1.98%
8	Lady Dhasanawalaya Sornsongkram	11,656,600	1.98%
9	Her Royal Highness Princess Maha Chakri Sirindhorn	9,462,233	1.61%
10	Aberdeen Smart Capital Retirement Mutual Fund	8,647,300	1.47%
11	Other shareholders	129,563,541	21.98%
Total		589,410,340	100.00%

Reference: Thai Securities Depository Company Limited

Note: -/1 As of 3 March, 2016 (the latest record date), RPCG Public Company Limited has registered capital 1,304,664,125 Baht, composed of shares of 1,304,664,125 common stock with par value of 1 Baht. The list of shareholders is given in the table below. (Reference: www.set.or.th)

Rank	Shareholder's name	No. of shares	Percentage
1	Petro Instrument co., Ltd. ²	257,227,140	19.72%
2	Janetumnugul Family	129,748,498	9.94%
	- Miss Montana Janetumnugul	33,981,978	2.60%
	- Miss Prinyanee Janetumnugul	28,601,578	2.19%
	- Mr. Naphon Janetumnugul	23,111,400	1.77%
	- Miss Pimuma Janetumnugul	21,318,950	1.63%
	- Mr. Satja Janetumnugul	15,467,765	1.19%
	- Mrs. Piyanuch Janetumnugul	7,266,827	0.56%
3	Ungsuprasert Family	46,039,238	3.53%
	- Mr. Tawat Ungsuprasert	32,557,578	2.50%
	- Mrs. Matthana Ungsuprasert	13,481,660	1.03%
4	THAI NVDR Co., Ltd.	18,273,917	1.40%
5	Miss Methanee Sukhontharak	17,000,000	1.30%
6	Mrs. Ampai Hankraivilai	17,000,000	1.30%
7	Mr. Sumit Chammethae	16,319,158	1.25%
8	Pol.Maj.Gen. Uthis Phongphanich	15,541,725	1.19%
9	Miss Phetcharat Waleerersap	14,600,000	1.12%
10	Mr. WongtiwatKhancharoensuk	12,671,665	0.97%
11	Other shareholders	760,242,784	58.27%
Total		130,466,4125	100.00%

-/2As of 25 April, 2016 (the latest record date), Petro Instrument Company Limited .had registered capital of 24,500,000Baht, composed of common shares of 245,000 shares with par value of 100 Baht. The list of shareholders is given in the table below. (Reference: BOL information)

Rank	Shareholder's name	No. of shares	Percentage
1	Janetumnugul Family	119,500	48.78%
	- Miss Montana Janetumnugul	50,200	20.49%
	- Mr. Satja Janetumnugul	34,300	14.00%
	- Miss Pimuma Janetumnugul	20,000	8.16%
	- Mrs. Piyanuch Janetumnugul	15,000	6.12%
2	Khancharoensuk Family	38,000	15.51%
	- Mr. Suthud Khancharoensuk	19,250	7.86%
	- Mrs. Parinya Khancharoensuk	18,750	7.65%
3	Mr. Wilas Sinsawat	32,200	13.14%
4	Janjaruwat Family	30,100	12.29%
	- Mr. Choochai Janjaruwat	10,535	4.30%
	- Mrs. Wiladda Janjaruwat	7,525	3.07%
	- Mr. Thana Janjaruwat	6,020	2.46%
	- Miss Athaya Janjaruwat	6,020	2.46%
5	Miss Theerawan Thananiwet	10,500	4.29%
6	Mr. Surachai Lertthirakul	7,000	2.86%
7	Mr. Paisan Wanatbodiphaisan	3,500	1.43%
8	Miss Phetcharee Vorajarasrangsee	2,800	1.14%
9	Mr. Pongsak Woraphat	1,400	0.57%
Total		245,000	100.00%

Board of Directors and Executive committee

Board of Directors

As of 3 August, 2016, the company had 9 directors as shown in the table below:

Name and last name	Position
1. Mr. Kavi Ansvananda	Chairman of the Board of Directors
2. Mr. Kittipol Pramroj Na Ayudhya	Director
3. Mr. Tawat Ungsuprasert	Director
4. Mr. Satja Janetumnugul	Director
5. Mr. Bibit Bijaisoradat	Director

Name and last name	Position
6. Mr. Sitthichai Chantravadee	Independent director and Chairman of Audit Committee
7. Mr. Tawatchai Chongdarakul	Independent director and audit committee
8. Mr. Anuthip Krairiks	Independent director and audit committee
9. Mrs. Koonthala Sasasmit	Independent director and audit committee

Executive Directors

As of 3 August, 2016, the company had 4 members on the Executive committee as shown in the table below:

Name and last name	Position
1. Mr. Bibit Bijaisoradat	Chief Executive Director
2. Mr. Kittipol Pramroj Na Ayudhya	Executive Director
3. Mr. Tawat Ungsuprasert	Executive Director
4. Mr. Satja Janetumnugul	Executive Director

Management Team

As of 3 August, 2016, the company had 4 members as shown in the table below:

Name list	Position
1. Mr. Kittipol Pramroj Na Ayudhya	Managing Director and acting as Sale and Marketing manager
2. Mrs. Supanee Tanchaisrinakorn	Financial and Accounting Manager
3. Mr. Wasun Sutrong	Construction and services Manager
4. Mr. Napon Janetumnugul	Business Development Manager

4) Financial Statement

Statement of Financial Position

Statement of Financial Position (Consolidated)	31 December, 2013		31 December, 2014		31 December, 2015		30 June, 2016	
	MB	%	MB	%	MB	%	MB	%
Assets								
Current Assets								
Cash and cash equivalent	93.32	2.80%	20.23	0.57%	22.87	0.61%	45.73	1.29%
Short term investment	42.10	1.26%	23.00	0.65%	200.29	5.34%	28.02	0.79%
Trade receivables	24.46	0.73%	30.04	0.85%	29.36	0.78%	38.73	1.09%

Statement of Financial Position (Consolidated)	31 December, 2013		31 December, 2014		31 December, 2015		30 June, 2016	
	MB	%	MB	%	MB	%	MB	%
Project development Costs	1,590.59	47.75%	1,521.32	42.83%	1,214.72	32.40%	2,094.99	58.89%
Advance for land acquisition	0.00	0.00%	41.42	1.17%	0.00	0.00%	88.92	2.50%
Advance payment to constructors	4.27	0.13%	36.35	1.02%	5.43	0.14%	14.94	0.42%
Other current assets	4.71	0.14%	6.01	0.17%	3.56	0.09%	4.93	0.14%
Total current assets	1,759.45	52.82%	1,678.37	47.25%	1,476.24	39.38%	2,316.26	65.11%
Non-current assets								
Land held for development	713.17	21.41%	966.67	27.21%	1,409.88	37.61%	316.07	8.89%
Investment in subsidiaries	0.19	0.01%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Investment properties	714.28	21.44%	772.89	21.76%	749.71	20.00%	816.26	22.95%
Plant and equipment	101.53	3.05%	89.29	2.51%	73.99	1.97%	77.39	2.18%
Deferred tax assets	31.46	0.94%	30.97	0.87%	28.90	0.77%	20.15	0.57%
Other non-current assets	10.99	0.33%	13.91	0.39%	9.96	0.27%	11.16	0.31%
Total non-current assets	1,571.62	47.18%	1,873.74	52.75%	2,272.44	60.62%	1,241.02	34.89%
Total assets	3,331.07	100.00%	3,552.11	100.00%	3,748.69	100.00%	3,557.29	100.00%
Liabilities and shareholders' equity								
Current liabilities								
Bank overdraft and short-term loans from financial institution	20.00	0.60%	203.35	5.72%	2.47	0.07%	0.39	0.01%
Trade and other payables	126.63	3.80%	198.39	5.59%	153.10	4.08%	181.02	5.09%
Short-term loans from related parties	0.00	0.00%	8.00	0.23%	0.00	0.00%	0.00	0.00%

Statement of Financial Position (Consolidated)	31 December, 2013		31 December, 2014		31 December, 2015		30 June, 2016	
	MB	%	MB	%	MB	%	MB	%
Short-term loans from other parties	0.00	0.00%	0.00	0.00%	394.08	10.51%	395.91	11.13%
Deposits and advances received from customers	42.82	1.29%	42.66	1.20%	53.40	1.42%	50.71	1.43%
Current portion of long -term loans	103.73	3.11%	92.24	2.60%	261.62	6.98%	35.74	1.00%
Current portion of rental deposits	5.71	0.17%	11.01	0.31%	22.51	0.60%	20.09	0.56%
Income tax payable	9.34	0.28%	11.58	0.33%	18.32	0.49%	18.77	0.53%
Other non-current liabilities	9.01	0.27%	9.69	0.27%	9.86	0.26%	10.33	0.29%
Total current liabilities	317.24	9.52%	576.92	16.24%	915.36	24.42%	712.95	20.04%
Non-current liabilities								
Long-term loans, net of current portion	619.93	18.61%	526.58	14.82%	370.04	9.87%	351.68	9.89%
Provision for long-term employee benefits	61.71	1.85%	59.04	1.66%	54.08	1.44%	18.75	0.53%
Rental deposits, net of current portion	38.16	1.15%	35.54	1.00%	23.16	0.62%	30.03	0.84%
Leasehold Compensation from related parties	2.00	0.06%	1.00	0.03%	0.00	0.00%	0.00	0.00%
Other non-current liabilities	13.60	0.41%	12.60	0.35%	11.51	0.31%	11.02	0.31%
Total non-current liabilities	735.39	22.08%	634.76	17.87%	458.79	12.24%	411.48	11.57%
Total liabilities	1,052.63	31.60%	1,211.68	34.11%	1,374.15	36.66%	1,124.43	31.61%
Shareholders' equity								
Share capital issued and fully paid	589.41	17.69%	589.41	16.59%	589.41	15.72%	589.41	16.57%

Statement of Financial Position (Consolidated)	31 December, 2013		31 December, 2014		31 December, 2015		30 June, 2016	
	MB	%	MB	%	MB	%	MB	%
Share premium	636.26	19.10%	636.26	17.91%	636.26	16.97%	636.26	17.89%
Retained earnings								
Appropriated- statutory reserve	58.94	1.77%	58.94	1.66%	58.94	1.57%	58.94	1.66%
Unappropriated	909.88	27.32%	968.52	27.27%	1,001.78	26.72%	1,057.52	29.73%
Equity attributable to owner of the Company	2,194.49	65.88%	2,253.13	63.43%	2,286.39	60.99%	2,342.13	65.84%
Non-controlling interests of the subsidiaries	83.94	2.52%	87.29	2.46%	88.15	2.35%	90.73	2.55%
Total shareholders' equity	2,278.44	68.40%	2,340.43	65.89%	2,374.54	63.34%	2,432.86	68.39%
Total liabilities and shareholders' equity	3,331.07	100.00%	3,552.11	100.00%	3,748.69	100.00%	3,557.29	100.00%

Income Statement

Income statement (consolidated)	31 December 2013		31 December 2014		31 December 2015		30 June 2016	
	MB	%	MB	%	MB	%	MB	%
Sale revenues	952.04	80.59%	903.39	79.77%	1,252.77	84.12%	589.33	81.83%
Rental revenues	73.03	6.18%	77.12	6.81%	81.74	5.49%	49.07	6.81%
Services revenues	141.81	12.00%	152.01	13.42%	154.82	10.40%	81.78	11.36%
Costs of goods sold	610.76	51.70%	584.20	51.58%	855.33	57.43%	415.35	57.67%
Rental costs	21.62	1.83%	24.30	2.15%	25.79	1.73%	13.34	1.85%
Service costs	137.26	11.62%	147.56	13.03%	147.88	9.93%	82.76	11.49%
Gross profits	397.25	33.63%	376.46	33.24%	460.32	30.91%	208.72	28.98%
Other revenues	14.47	1.22%	17.53	1.55%	19.65	1.32%	90.57	12.58%
Selling expenses	77.52	6.56%	97.32	8.59%	130.42	8.76%	58.50	8.12%
Administrative expenses	153.98	13.03%	127.53	11.26%	157.32	10.56%	66.17	9.19%
Operating profits	180.23	15.26%	169.14	14.94%	192.24	12.91%	174.62	24.25%
Financial Costs	(45.37)	(3.84%)	(40.00)	(3.53%)	(35.47)	(2.38%)	(15.01)	(2.08%)
Earnings (loss) before taxes	134.86	11.42%	129.14	11.40%	156.77	10.53%	159.61	22.16%

Income statement (consolidated)	31 December 2013		31 December 2014		31 December 2015		30 June 2016	
	MB	%	MB	%	MB	%	MB	%
Revenue (expense) from income taxes	(35.83)	(3.03%)	(26.75)	(2.36%)	(34.26)	(2.30%)	(33.48)	(4.65%)
Net profit (loss) for the year	99.03	8.38%	102.39	9.04%	122.51	8.23%	126.13	17.51%
Actuarial gains	0.00	0.00%	0.00	0.00%	0.00	0.00%	2.92	0.40%
Total comprehensive income	99.03	8.38%	102.39	9.04%	122.51	8.23%	129.05	17.92%

Cash flow statement (consolidated) Units: Million Baht	31 December 2014	31 December 2015	30 June 2015	30 June 2016
Net cash from (used) in operating activities	21.00	54.22	94.91	182.44
Net cash from (used) in investing activities	(93.47)	0.78	(195.99)	157.47
Net cash from (used) in financing activities	108.26	(128.09)	103.72	(317.05)
Increase (decrease) in cash and cash equivalents	35.78	(73.09)	2.64	22.86
Cash at the beginning of the year	57.54	93.32	20.23	22.87
Cash at the end of the year	93.32	20.23	22.87	45.73

Important Financial Ratio

Financial Ratio	2013	2014	2015	Q2/2016
Current Ratio (time)	5.55	2.91	1.61	3.25
Gross Profit Margin (%)	34.04%	33.24%	30.91%	28.98%
Net Profit Margin (%)	8.49%	9.04%	8.23%	17.92%
Return on Equity (%)	4.55%	4.27%	5.12%	5.37%
Return on Asset (%)	3.11%	2.81%	3.25%	3.63%
Debt to Equity Ratio (Time)	0.46	0.52	0.58	0.46

5) Financial position and operation analysis

During the year 2015, it was found that the demand for housing was still high but the difficulty of buyers to obtain a mortgage had a major impact on the real estate, business, especially in terms of revenue recognition. Up to 30% to 35% of customers' application for mortgage was refused by financial institutions in that year. Thus, consumer's purchasing power was severely limited. On the other hand, the price of land in business areas continued to rise. Many real estate development companies had moved away from the central business district or downtown Bangkok, and started developing projects in the outskirts of Bangkok and along the BTS and MRT lines. The effect of this was an overall increase in real estate value. At the end of 2015 and until April 2016, the government had tried to stimulate the property sector by reducing the ownership transfer fee from one percent to 0.001 percent. This resulted in higher revenue and upside for the company, as well.

5.1) Revenues

The majority of revenue comes from the real estate sector. In 2015 the company had sales revenue of 1,252.77 million Baht, an increase from 2014 and 2013 by 349.38 million Baht and 300.73 million Baht or 38.67 percent or 31.59 percent respectively. Sales revenue includes land development revenue, real estate construction for sale and sale of land, and revenue recognition when ownership rights have been transferred to buyers. In the past, the main source of revenue was from horizontal residences such as single detached houses. But, the company had a policy to expand its customer base by adding variety to their product lineup to target new market segments such as the high rise condominium segment with projects such as S9 project, a condominium project that is located 100 meters away from the Bangrak Yai Station, on the new Purple line. The project started generating revenue since September 2015. Moreover, the subsidiary company named Pure Sammakorn Development Company Limited (PSDC) (the company has 55.87 percent stake in PSDC) owns and operates community malls, which generate revenue from rent and service. In 2015, the company had rent and service revenue of 236.56 million Baht, an increase from 2014 and 2013 by 7.43 million Baht and 21.72 million Baht or 3.24 percent and 10.11 percent, respectively.

For the six months ending 30 June, 2016, the company had sales revenue of 589.33 million Baht or 92.34 percent, an increase from same period last year by 282.92 million Baht. The company had rent and service revenue of 130.85 million Baht, an increase from the same period last year by 13.74 million Baht or 11.73 percent. In addition, the company had other revenues of 90.57 million Baht, resulting from the buildings transfer from a related company.

5.2) Cost of goods sold and service costs

In 2015, the company had cost of goods sold of 855.33 million Baht or 68.28 percent of real estate revenue, an increase from 2014 and 2013 by 271.13 million Baht and 244.57 million Baht or 46.41 percent or 40.04 percent, respectively. The rent and service cost was 173.67 million Baht or 73.42 percent of rent and services revenue, an increase from 2014 and 2013 by 1.82 million Baht and 14.79 million Baht or 9.31 percent, which resulted from higher rent and services revenue. Thus, the gross profit in 2015 was 460.32 million Baht or equal to gross profit margin of 30.91 percent, an increase from 2014 and 2013 by 83.86 million Baht and 63.07 million Baht or 22.28 percent and 15.88 percent, respectively.

For the six months ending 30 June, 2016, the company had cost of goods sold of 415.35 million Baht, an increase from the same period last year by 210.92 million Baht or 103.17 percent. Rent and services cost was 96.10 million Baht, an increase from the same period last year by 6.74 million Baht or 7.54 percent which resulted from higher total revenues. As a result, for the six months ending 30 June, 2016, the company had gross profit of 208.72 million Baht or gross profit margin of 28.98 percent, an increase from the same period last year by 79.01 million Baht or 60.91 percent.

5.3) Selling and administrative expenses

In 2015, the company had selling expense of 130.42 million Baht, an increase from 2014 and 2013 by 33.10 million Baht and 52.90 million Baht or 34.01 percent and 68.24 percent respectively. Selling expense increased from the ownership transfer of land, houses, S9 and other condominium projects. Administrative expenses in 2015 was 157.32 million Baht, an increase from 2014 and 2013 by 29.79 million Baht and 3.34 million Baht or 23.36 percent and 2.17 percent, respectively, which partly resulted from the repair of utilities in Nakhon-In project and Ratchaphruek projects, to transfer to the housing estates' juristic person, and loss on disposal of assets and allowance for doubtful service account.

For the six months ending 30 June, 2016, the company had selling expenses of 58.50 million Baht, an increase from the same period last year by 16.59 million Baht or 39.58 percent. At the same time, the company had administrative expenses of 66.17 million Baht, a decrease from the same period last year by 4.39 million Baht or 6.22 percent.

5.4) Net profit (loss)

Profit Margin	2013	2014	2015	Q2/2016
Gross Profit Margin (%)	34.04%	33.24%	30.91%	28.98%
Net Profit Margin (%)	8.49%	9.04%	8.23%	17.92%

In 2015, the company had net profit of 122.51 million Baht or net profit margin of 8.23 percent, an increase from 2014 and 2013 by 20.12 million Baht and 23.48 million Baht or 19.65 percent and 23.71 percent, respectively. For the first six months of 2016, the company had net profit of 126.13 million Baht, an increase from the same period last year by 120.70 million Baht or 2,222.84 percent.

5.5) Assets

The company's total asset in 2015 was 3,748.69 million Baht, an increase from the year 2014 and 2013 by 196.58 million Baht and 417.62 million Baht or 5.53 percent and 12.54 percent, respectively. The primary reason for the increase in total assets is the increase in short term investment. Assets in 2015 are divided into total current assets of 1,476.24million Baht or 39.38 percent of total assets and total non-current assets of 2,272.44 million Baht or 60.62 percent of total assets. The main current assets were project development cost of 1,214.72 million Baht. As the Company is doing business of real estate development, major costs were land cost and construction in progress. Other current assets were short term investment, advance for land acquisition, and advanced payment to contractors. Non-current assets composed of land held for development of 1,409.88 million Baht and Investment properties such as land for rent and rental buildings of 749.71 million Baht.

As of 30 June, 2016, the company had total assets 3,557.29 million Baht, composed of current assets of 2,316.26 million Baht or 65.11 percent of total assets and non-current assets of 1,241.02 million Baht or 34.89 percent of total assets. The total assets as of 30 June, 2016 had decreased from the end of 2015 by 191.40 million Baht or 5.11 percent. This was mainly caused by the increase in Investment properties by 880.27 million Baht and deposits for land by 88.92 million Baht. At the same time, the amount of Land held for development and short term investment had increased by 1,093.81 million Baht or 172.27 million Baht.

5.6) Liabilities

At year-end 2015, the company had total liabilities of 1,374.15 million Baht, an increase from the year 2014 and 2013 by 162.47 million Baht and 321.52million Baht or 13.41 percent and 30.54 percent respectively. The primary reason was the increase in short term investment from other parties and current portion of long - term loans. Liabilities in 2015 includes current liabilities of 915.36 million Baht or 24.42 percent of total liabilities and shareholders' equity, and total non-current liabilities of 458.79 million Baht or 12.24 percent of total liabilities and shareholders' equity. The items that made up the largest proportion of current liabilities were short term loans from other parties of 394.08 million Baht, current portion of long -term loans of 261.62 million Baht, and trade and other payables of 153.10 million Baht. Non-current liabilities consisted of long-term loans, net of current portion of 370.04 million Baht.

As of 30 June, 2016, the company had total liabilities of 1,124.43 million Baht, consisting of current liabilities of 712.95 million Baht 20.04 percent of total liabilities and shareholders' equity and non-current liabilities of 411.48 million Baht or 11.57 percent of total liabilities and shareholders' equity. The total liabilities as of 30 June, 2016 had decreased from the end of 2015 by 249.72 million Baht or 18.17 percent. This was mainly caused by long-term loans payment.

5.7) Shareholders' Equity

At year-end 2015, the company had shareholders' equity of 2,374.54 million Baht or 63.34 percent of total liabilities and shareholders' equity, an increase from 2014 and 2013 by 34.11 million Baht and 96.10 million Baht or 1.46 percent and 4.22 percent respectively. This was mainly caused by company earnings.

As of 30 June, 2016, the company had shareholder's equity of 2,432.86 million Baht or 68.39 percent of total liabilities and shareholders' equity, an increase from 2015 of 58.32 million Baht. This is due to a net operating gain of 126.13 million Baht and dividend payment of 70.73 million Baht.

5.8) Cash Flow

In 2015, the company's beginning cash was 20.23 million Baht, while the cash received from operating activities was 94.91 million Baht. It used 195.99 million Baht in investment and cash from financing activities was 103.72 million Baht. Thus, at the end of the year 2015, the company had cash of 22.87 million Baht.

As of 30 June, 2016, the company has beginning cash of 22.87 million Baht. Cash received from operating activities was 182.44 million Baht and from investment was 157.47 million Baht, but it used 317.05 million Baht in financing activities. As a result, on 30 June, 2016, the company had cash of 45.73 million Baht.

6. Commitments and contingent liabilities

6.1 Guarantees

As at 30 June 2016, the Company and its subsidiaries had outstanding letters of guarantee for a total of Baht 239 million (31 December 2015: Baht 193 million) (the Company only: Baht 236 million (31 December 2015: Baht 190 million)) issued by banks to guarantee electricity use and utility systems in the projects of the Company and its subsidiaries.

6.2 Obligations and commitments for real estate development

As at 30 June 2016, the Company had commitments for real estate development asbelow:

- a) The Company had outstanding commitments totaling approximately Baht 69 million in respect of survey, design and construction agreements in relation of the Company's projects (31 December 2015: Baht 109 million).
- b) The Company had outstanding commitments amounting to Baht 0.2 million in respect of its obligations to develop land and to construct houses which contracts have been executed to completion (31 December 2015: Baht 4 million).
- c) The Company had land payment commitments under the agreement to sell and purchase land of Baht 259 million (31 December 2015: Nil).

6.3 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the advertising billboard, office building space, motor vehicles and equipment. The terms of the agreements are generally between 1 and 5 years. Operating lease agreements are non-cancelable.

6.4 Service commitments

As at 30 June 2016, the Company and its subsidiaries have entered into several service agreements related to cleaning services, security services, advertising and management expenses. The terms of the agreements are generally between 1 and 3 years.

6.5 Other commitments

There were 11 houses which the Company had sold in 2006 for which the home buyers had obtained mortgage loans from a commercial bank to fund their purchases. Since the houses are located outside the area covered by a land development license, the bank requires that the Company provided it with undertakings to buy the houses back from the home buyers in the event they default on payment of their debts or their access is blocked. The buyback price is the higher of the market value of the house and the home buyer's outstanding debt to the bank. As at 30 June 2016, the home buyers' outstanding debts totaled Baht 12 million (31 December 2015: Baht 13 million).

7. Industry information

In 2015, Thailand's GDP was 2.8-3.0 percent. This was higher than the economic growth in 2014, where the GDP was a mere 0.8-0.9 percent. Nonetheless, this level of growth was still lower than that projected at the beginning of 2015. There are several reasons for this such as the economic slowdown in Thailand's trading

partners, especially China, which had a large impact on export of goods. Internal factors that contributed to the low growth are a lack of consumer confidence and the low purchasing power of consumers.

The government's revenue at the end of 2015 improved for three reasons: 1) The auction of the 4G spectrum 2) Increase in excise tax collected as consumers rushed to purchase cars before the increase in the tax in 2016 3) Increase in withholding tax from the transfer of ownership of property, which increased because of government incentives. At the same time, the government has remained committed to investing in infrastructure projects such as the extension of various sky train and subway lines to the suburbs, such as the purple line, blue line, and the green line. In addition, the government's plan to build a regional express train system has become clearer, and increased investment can be expected in the future.

All of these projects have had a positive impact on the property sector as they have added value to land. From data from the Real Estate Information Center, residential ownership transfer totaled 484,115 million Baht from 196,095 units. This is considered a good signal. An important change is the greater proportion of townhouses purchased and transferred, which increased to 35 percent of all units transferred. The table below shows the housing trend in the past five years.

กรุงเทพฯ และปริมณฑล (BKK & Vicinities)	2554	2555	2556	2557	2558
อาคารชุด/Condominiums	40%	42%	41%	39%	37%
บ้านเดี่ยว/Detached Houses	18%	17%	17%	19%	17%
ทาวน์เฮาส์/Townhouses	31%	29%	31%	31%	35%
บ้านแฝด/Duplexes	3%	3%	3%	4%	4%
อาคารพาณิชย์/Shophouses	8%	9%	8%	7%	8%

ข้อมูลจากศูนย์ข้อมูลอสังหาริมทรัพย์

Source: The Real Estate Information Center

The increase in townhouses purchased is the result of consumers' preference for greater space. Still, consumers have low purchasing power, they cannot afford single detached houses. Thus, they will likely choose to buy a townhouse. Apart from this, the price of land has been increasing. It is, therefore, not competitive for developers to build single detached houses. The drop in condominium ownership transfer is because of the general economic condition, stalling investors from purchasing condominiums (for investment).

As for the Thai economy in 2016, the Fiscal Policy Office of the Ministry of Finance forecasts greater economic growth, mainly the result of the government's policies such as the sponsorship of the grassroots, reduction of the transfer ownership fee to bolster the property sector, and so on. Thus, the GDP in 2016 is

expected to be 3.70 percent, while inflation is expected to be at the same level. The company expects the real estate sector will grow at the same rate as the general economy in 2016. The company continuously develops its horizontal residence including single detached houses and town houses. The company aims to improve the construction process that has good quality and reduces the reliance on labor. The company gives priority to its human resource, and tries to develop the careers of its people. In addition, in 2016, the company will install a new IT system to increase work efficiency. As for its community mall business, the company will continue to improve it to make it the preferred shopping, dining, and one-stop service place for residents of Sammakorn's houses and the nearby community.

8) Opinion of the Board of director of related companies about sufficiency of working capital

The Board of director has opinion that the companies has enough working capital for the transaction by using working capital with selling short-term investment and line of credit from financial institution. Therefore, the Company has sufficient source of fund for buying PSDC.

9) The important conflict

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The Company's Board of Directors hereby certified that the information contained in this report is true and complete in all respects.

Your Sincerely ,



.....
(Mr. Kittipol Pramroj Na Ayudhya)

Managing Director

Attachment 2

**Opinion of the Independent Financial Advisor Regarding the Acquisition of
Assets of Sammakorn Public Company Limited and Attachment**

(Translation)

Opinion of the Independent Financial Advisor
Regarding the Acquisition of Assets
Of
Sammakorn Public Company Limited

Submitted to Audited Committee and the shareholders of



Sammakorn Public Company Limited

Prepared by



OptAsia Capital Company Limited

September 6, 2016



6 September 2016

Subject: Opinion of the independent financial advisor on the acquisition of assets

Sammakorn Public Company Limited

To: The Audit Committee and Shareholders of Sammakorn Public Company Limited

Attachments:

- 1) Overview of Sammakorn Public Company Limited and its subsidiaries
- 2) Overview of RPCG Public Company Limited and its subsidiaries
- 3) Overview of Pure Sammakorn Development Company Limited
- 4) Appraisal report of assets of Pure Sammakorn Development Company Limited

Referring to:

- 1) The resolution of the meeting of the Board of Directors No. 6/2016 held on 9 August, 2016 and the information memorandum on the acquisition of assets and connected transaction of Sammakorn Public Company Limited dated 9 August, 2016.
- 2) Company overview (Form 56-1) of Sammakorn Public Company Limited for the year ending 31 December, 2015
- 3) Audited financial statements of Sammakorn Public Company Limited and subsidiaries for the 12 months ending 31 December, 2013 to 31 December, 2015, and Q2 -2016 interim financial statements dated 30 June, 2016.
- 4) Company overview (Form 56-1) of RPCG Public Company Limited for the year ending 31 December, 2015.
- 5) Audited financial statements of RPCG Public Company Limited and subsidiaries for the 12 months ending 31 December, 2013 to 31 December, 2016 and Q2 2016 interim financial statements dated 30 June, 2016.
- 6) Company Affidavit, Article of Memorandum, information and documents provided by the company including interviews with Sammakorn Public Company Limited's management.
- 7) Audited financial statements of Pure Sammakorn Development Company Limited for the 12 months ending 31 December, 2012 to 31 December, 2015 and Q2 2016 interim financial statements dated 30 June, 2016.



OptAsia Capital Company Limited (OptAsia) has prepared this report on the basis of information and assumptions provided by the management of Sammakorn Public Company Limited and public information on the website of the Securities and Exchange Commission (www.sec.or.th) and the Stock Exchange of Thailand (www.set.or.th). In providing an opinion, the IFA conducted due diligence and used utmost care in making the judgement in this report. The opinion is made under the condition that all information is true, current, and complete. If there are any material changes to the company or the economic environment, the information prevailing at the time of the study may also change and cause the opinion of the IFA on this transaction to necessarily differ.

Background of the transaction

The Board of Directors' meeting of Sammakorn Public Company Limited (SAMCO) No. 6/2016 on 9 August, 2016 resolved to hold the Extraordinary General Meeting of Shareholders (EGM), where the agenda on acquisition of 1,147,499 shares (equivalent to 44.13 percent of total issued and paid-up shares) of common stock of Pure Sammakorn Development Company Limited (PSDC) will be proposed for approval. The shares have a par value of 100 Baht and are priced at 140 Baht per share. The value of the transaction is, therefore, 160,649,860 Baht. The shares are currently held by RPCG Public Company Limited, which is also the major shareholder of the company. RPCG has a 48.25 percent stake in the company. By purchasing 44.13 percent of PSDC's shares from RPCG, SAMCO's stake in PSDC will increase from 55.87 percent to 100 percent.

The share purchase transaction is considered the acquisition of an asset, according to the notification by the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (and later amendments) and the notification of the Capital Market Supervisory Board No. Tor. Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets ("the Acquisition and Disposal Notification"). When calculating the size of the transaction using any of the above notifications and taking into consideration the largest value calculated, the size of the transaction, using the latest consolidated financial statement dated 30 June, 2016, was found to be 4.52 percent. This is less than the minimum disclosure requirement of 15 percent stated in the Acquisition and Disposal Notification. Thus, it is not necessary to disclose this transaction.

This transaction, however, involves the purchase of common shares from RPCG, which is a major shareholder in the company. the threshold provided in the notification of the Capital Market Supervisory Board No. Tor. Chor. 21/2551 Re: Rules on Connected Transactions and the notification of the Board of Governors of SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions BE 2546 and later amendments ("the Connected Transaction Notification"). When



calculating the size of the transaction using any of the above notifications based on the latest consolidated financial statement dated 30 June, 2016, the size of transaction was 160.65 million Baht or 6.92 percent of net tangible assets. This value is greater than 20 million baht or greater than 3.00 percent of net tangible assets. (whichever is higher)

The company is required to appoint an independent financial advisor (IFA) to give an opinion on the acquisition of assets and connected transaction to the company's shareholders and to disclose information on the transaction to SET. In addition, the company is required to disclose the details of the transaction to its shareholders for approval and has to receive at least 3/4 votes of approval from shareholders attending the EGM, but excluding the votes of shareholders with conflict of interest. On 9 August, 2016, the Board of Directors of SAMCO appointed OptAsia Capital Company Limited as its IFA to give an opinion to the company's shareholders on the aforementioned transaction.

The IFA's opinion is based on information and documents from the company, which are assumed to be true, correct, and complete. The opinions expressed in this report are valid at the time this report is published. If there are any future amendments or changes to the economic environment, the opinion expressed in this report may also change and may impact the voting decision of shareholders.

The opinion of IFA includes appropriateness of this Acquisition of Assets and fair value of the Transaction. This study is conducted by all knowledge and carefulness based on standard of Independent Financial Advisory.



Abbreviations used in this report

Sammakorn Public Company Limited	SAMCO or the company
OptAsia Capital Company Limited	OptAsia, independent financial advisor, or IFA
Pure Sammakorn Development Company Limited	PSDC
RPCG Public Company Limited	RPCG
The Stock Exchange of Thailand	SET
Securities and Exchange Commission	SEC
Agency for Real Estate Appraisal	AREA
Central Pattana Public Company Limited	CPN
MBK Public Company Limited	MBK
Siam Future Development Public Company Limited	SF



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Executive Summary

The company's Board of Director's meeting No. 6/2016 held on 9 August, 2016 resolved to hold an Extraordinary General Meeting of Shareholders to consider the approval of the acquisition of 1,147,499 shares of Pure Sammakorn Development Company Limited. This acquisition is equal to 44.13 percent of all issued and paid-up shares of PSDC, which currently is being held by RPCG Public Company Limited (RPC). RPC is a major shareholder of the company, holding 48.25 percent of total shares. The par value of the shares is 100 Baht per share and the price is 140 Baht per share. The total value of this transaction is 160,649,860 Baht. This transaction will increase SAMCO's stake in PSDC from 55.87 percent to 100 percent.

This transaction is considered an acquisition of assets in accordance with the notification of the Board of Governors of SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (and subsequent amendments) and the notification of the Capital Market Supervisory Board No. Tor. Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets ("the Acquisition and Disposal Notification"). Using the financial statements available on 30 June, 2016 and the guidelines provided in the Acquisition and Disposal Notification, the size of the transaction was determined to be 4.52 percent. Thus, the transaction size is less than 15 percent and does not have to be disclosed, according to the Acquisition and Disposal Notification.

This transaction, however, involves the purchase of common shares from RPCG, which is a major shareholder in the company. the threshold provided in the notification of the Capital Market Supervisory Board No. Tor. Chor. 21/2551 Re: Rules on Connected Transactions and the notification of the Board of Governors of SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions BE 2546 and later amendments ("the Connected Transaction Notification"). When calculating the size of the transaction using any of the above notifications based on the latest consolidated financial statement dated 30 June, 2016, the size of transaction was 160.65 million Baht or 6.92 percent of net tangible assets. This value is greater than 20 million baht or greater than 3.00 percent of net tangible assets. (whichever is higher)

The nature of the transaction requires the company to appoint an independent financial advisor to give an opinion on the acquisition of asset and connected transaction to the company's shareholders. In addition, an information memorandum on the acquisition of asset and connected transaction is required to be submitted to the SET and proposed to the shareholders of the company in the EGM for approval of the transaction. The company must gain more than 3/4 votes of approval, excluding votes from shareholders with conflict of interest.



At the Board of Directors' meeting No. 6/2016 on 9 August, 2016, OptAsia Capital Company Limited was appointed as the company's independent financial advisor to give an opinion to the company's minor shareholders on the acquisition of assets and connected transaction. As the IFA to the company's shareholders, OptAsia has the following opinion on the transaction.

The advantages, disadvantages, and risk from entering into Acquisition of Assets can be summarized following:

Advantages of the transaction

- Business restructuring

SAMCO and PSDC is currently connected person because they have the same major shareholder. In case, PSDC must do any transaction with value greater than 20 million baht or greater than 3% of net tangible assets, it will be treated as a connected transaction and requires an approval from the shareholders. This would increase the steps needed to complete a transaction and increase the time of each transaction (within two months from the record date). This transaction, therefore, helps to streamline the operations of PSDC and SAMCO and speed up the process of work.

- Reduced expenses in doing connected transaction under the rules & regulation of the SEC and the SET

If there is a transaction, the Company needs an IFA and an approval from the shareholders, which will cause fees and expenses to do accordingly including relating expenses to hold shareholding meeting.

- Recognize all performance of PSDC

After the completion of the transaction, SAMCO, holding 100% of PSDC, will easily manage PSDC and can recognize all performance of PSDC. The forecast of revenue and profit of PSDC is shown below:

Unit : Million Baht	2016F	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F	2028F
Total Revenue	164.2	177.9	185.5	190.2	196.7	203.3	208.6	215.8	223.0	228.8	236.7	244.8	251.2
Net Profit	18.2	23.0	26.8	31.0	35.4	40.4	41.5	44.5	47.0	49.2	49.3	53.6	55.8

Unit : Million Baht	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F	2041F
Total Revenue	259.9	268.8	275.9	285.6	295.4	303.3	314.0	324.9	333.7	345.6	357.7	367.4	380.6
Net Profit	59.6	62.6	65.3	68.6	73.3	85.1	100.0	103.4	107.2	110.7	116.4	120.3	126.9

Disadvantages and risks of the transaction

- The Company will have less liquidity for other property investment

After the Company completes the transaction, it will have less working capital and short-term investment for other property development projects.



Having considered the advantages, disadvantages, and the risks of entering this transaction, **the IFA is of the opinion that this transaction is reasonable.**

In the case that one audit committee member had abstained from voting and had doubts on the opinion of the IFA, the IFA would like to provide additional clarification and details as follows.

1. The financial advisory company was established in 2008 and has mostly been involved in merger and acquisition (M&A) deals, providing analysis and advice to clients who wish to invest in property abroad. For example, the company provided advice to clients wanting to invest in the hospitality business in the United States of America (2-3 locations). These deals have totaled over 5,000 million Baht. The company's services include conducting due diligence, seeking both domestic and foreign debt funding, reviewing and providing an opinion on sales contracts, and monitoring on the performance. In addition, the company has participated in multinational M&A deals, sought capital for funding businesses, and served as financial advisor to a number of listed companies. Though the company has never specifically analyzed the community mall business in Thailand, the company believes its extensive experiences in business can be applied to the community mall business and allow it to provide an opinion on the reasonableness of this deal.

2. The IFA uses publicly available information of listed companies that conduct similar business to PSDC as indicated in the valuation section of the report. It is a normal practice for the IFA to use information on peer group companies from listed companies. Though the companies in the group may vary in size or be located in different areas. To a certain level, it can reflect competitiveness of an industry, the ability to do business, and the performance of business. Some competitors of PSDC are located near to one of its community malls but these are private companies that have not disclosed information to the public. As such, the IFA cannot find in-depth details on these companies for comparison.

3. The IFA has made the assumption that the rental rate will grow between 3.0-3.33 percent every year. This assumption is based on the actual rental contracts of the company with 3-year term, and if the contracts are renewed, the rent will be increased by 10 percent. The IFA has additional explanation regarding this assumption as follows.

- The increase in rental rate is referenced from actual contracts. In the past, most customers have renewed their contracts. When customers have ceased to rent space for whatever reason, PSDC has been able to find new customers to replace those who have left. As long as PSDC has been able to attract large retailers (anchor stores), it has been able to maintain or increase its occupancy rate and rental rate as smaller retailers have chosen to renew their contracts too.



- The inflation rate in Thailand was on average 2.5 percent over the past 10 years and 3.2 percent for the past 25 years. The growth rate of the business used in the projection is a mere reflection of the average inflation rate. Under the economic situation until now, oil prices have dropped in the past few years but most goods still maintain price levels, not necessarily decreased. Same as rental rate in most locations, rent has tended to increase rather than decrease.

- The Pure Place Ramkhamhaeng, contributing around 50-60 percent of total revenues, is located on a large piece of land of 16 rai with easily access from the public road and well located in front of Sammakorn's housing estate, which has over 4000 households. People living nearby are also potential customers for the mall. PSDC's community malls in other locations are well located in the community and easy access too. Therefore, the IFA views that PSDC has plenty of business opportunities and the growth rate as mentioned above is merely the minimum rate.

- According to Colliers International Thailand, the rental rate in the area where PSDC's community malls are located (suburbs) have the potential to further increase. Most of PSDC's competitors have rental rates of not less than 1,000 Baht per square meter. PSDC's rental rate is significantly below this, and if it were to renovate its community malls, it would have the opportunity to further increase its rental rate. Nonetheless, this greatly depends on PSDC's management.

- PSDC's management team has changed since the end of 2015 to the beginning of 2016. The change in management has been good for PSDC as unnecessary costs have been cut. The financial results of the first six months of 2016 have indicated increase in profit to 10.64 million Baht, in comparison to 4.5 million Baht at the end of 2015.

4. Expenses are composed of two parts: Cost of services and Selling and administrative expenses. Cost of services are forecasted to have less percentage to total revenues mainly due to the depreciation expense. Depreciation is fixed by using straight line method along the projection period and fully depreciated in the year 20. Thus the proportion of cost of services will be decreased from 70 percent in 2016 to 50 percent in 2041 (year 25). Selling expenses as percentage of revenue will also decrease because of internal, managerial changes by doing a lay-off of employees and signing a management contract for SAMCO to manage all employees starting in 2016. In addition, redundant expenses were cut causing these expenses to decrease from 18-20 percent to 10 percent in 2016. This proportion of expenses was assumed through the projection period.

5. In the financial projection, most assumptions are based on historical operating results of PSDC. Mostly, a three-year average from 2013 to 2015 and the results from the first six months of 2016 were used in the



projection. The IFA has not made assumptions of revenues or expenses significantly different from past operating results. Therefore, all projection is based on average past historical performance of PSDC. Nonetheless, actual performance may be materially different positively or negatively from the projection if there are significant changes to PSDC or the economic environment. The growth of business in the long run of PSDC in terms of revenue and profits are what the shareholders of the company expect from its management and to give highest returns to shareholders.

The IFA therefore concludes that the assumptions it has made are appropriate.

In addition, the reasonableness of the price and conditions of entering into this transaction were considered.

The IFA has evaluated the price of common shares of PSDC using six different methods below:

1. Book value approach
2. Adjusted book value approach
3. Market price approach
4. Price to book value ratio approach or P/BV ratio
5. Price to earnings ratio approach
6. Discounted cash flow approach

The IFA has provided a comparison of PSDC's share price determined using each method in the table below.

Valuation approach	Share price from valuation (Baht per share)	Bid price (Baht per share)	Higher (lower) than share bid price (Baht per share)	Percentage difference (%)
1. Book value approach	79.01	140.00	(60.99)	(43.56)
2. Adjusted book value approach	141.16	140.00	1.16	0.83
3. Market value approach	N / A	140.00	N / A	N / A
4. Price to book value ratio approach (P/BV)	205.09 – 214.50	140.00	65.09 – 74.50	46.49 – 53.21
5. Price to earnings ratio approach (P/E)	91.52 – 96.54	140.00	(48.48) - (43.46)	(34.63) - (31.04)
6. Discounted cash flow approach (DCF)	146.90 – 167.16	140.00	6.90 – 27.16	4.93 – 19.40

Note: The par value is 100 Baht per share.

Of the six approaches above, the IFA views that adjusted book value can reflect the basic valuation of PSDC at 141.16 baht per share which is close to the purchase price. And the discounted cash flow approach



(DCF) is most suitable for companies with ongoing operations, IFA is of opinion that DCF is appropriate for this valuation with the range of 146.90-167.16 Baht per share. These values are slightly higher than the price that the company paid to RPC in the purchase of PSDC's shares by 6.90 - 27.16 Baht per share or 4.93-19.40 percent higher. Hence, **the purchase price above is reasonable.**

The IFA's opinion is based on the assumption that all information and documents received, along with interviews with the management and related parties, are true, correct, and complete. In addition, assumptions used in the valuation models are deemed reasonable. The IFA has taken into consideration the current situation and information prevailing at the time of the valuation. Thus, if there are any material changes to the above factors, the opinion of the IFA on this transaction may also differ. The ultimate approval of this transaction, however, depends on the decision of the shareholders.



The details of opinion of independent financial advisor can be summarized as follows:

1. Characteristics and Details of the Acquisition of Assets

1.1 Objective and background of the transaction

The Board of Directors of Sammakorn Public Company Limited's (SAMCO) meeting No. 6/2016 on 9 August, 2016, agreed to propose the acquisition of 1,147,499 shares of Pure Sammakorn Development Company Limited (PSDC) to shareholders of the company in the Extraordinary General Meeting of Shareholders (EGM). These shares have a par value of 100 Baht per share and are 44.13 percent of issued and paid-up shares. The shares are priced 140 Baht per share and the total transaction value is, therefore, 160,649,860 Baht. The shares to be acquired are currently held by RPCG Public Company Limited (RPC), who is also the major shareholder of SAMCO (holding 48.25 percent of total shares). The purchase of PSDC's shares from RPC will increase the company's stake in PSDC from 55.87 percent to 100 percent.

This transaction is considered an acquisition of assets in accordance with the notification of the Board of Governors of SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (and subsequent amendments) and the notification of the Capital Market Supervisory Board No. Tor. Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets ("the Acquisition and Disposal Notification"). Using the financial statements available on 30 June, 2016 and the guidelines provided in the Acquisition and Disposal Notification, the size of the transaction was determined to be 4.52 percent. Thus, the transaction size is less than 15 percent and does not have to be disclosed, according to the Acquisition and Disposal Notification.

This transaction, however, involves the purchase of common shares from RPCG, which is a major shareholder in the company. the threshold provided in the notification of the Capital Market Supervisory Board No. Tor. Chor. 21/2551 Re: Rules on Connected Transactions and the notification of the Board of Governors of SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions BE 2546 and later amendments ("the Connected Transaction Notification"). When calculating the size of the transaction using any of the above notifications based on the latest consolidated financial statement dated 30 June, 2016, the size of transaction was 160.65 million Baht or 6.92 percent of net tangible assets. This value is greater than 20 million baht or greater than 3.00 percent of net tangible assets. (whichever is higher)

The nature of the transaction requires the company to appoint an independent financial advisor to give an opinion on the acquisition of asset and connected transaction to the company's shareholders. In addition, an information memorandum on the acquisition of asset and connected transaction is required to be submitted to the SET and proposed to the shareholders of the company in the EGM for approval of the transaction. The company must gain more than 3/4 votes of approval, excluding votes from shareholders with conflict of interest. At the Board of Directors' meeting No. 6/2016 on 9 August, 2016, OptAsia Capital Company Limited was



appointed as the company's independent financial advisor to give an opinion to the company's minor shareholders on the acquisition of assets and connected transaction.

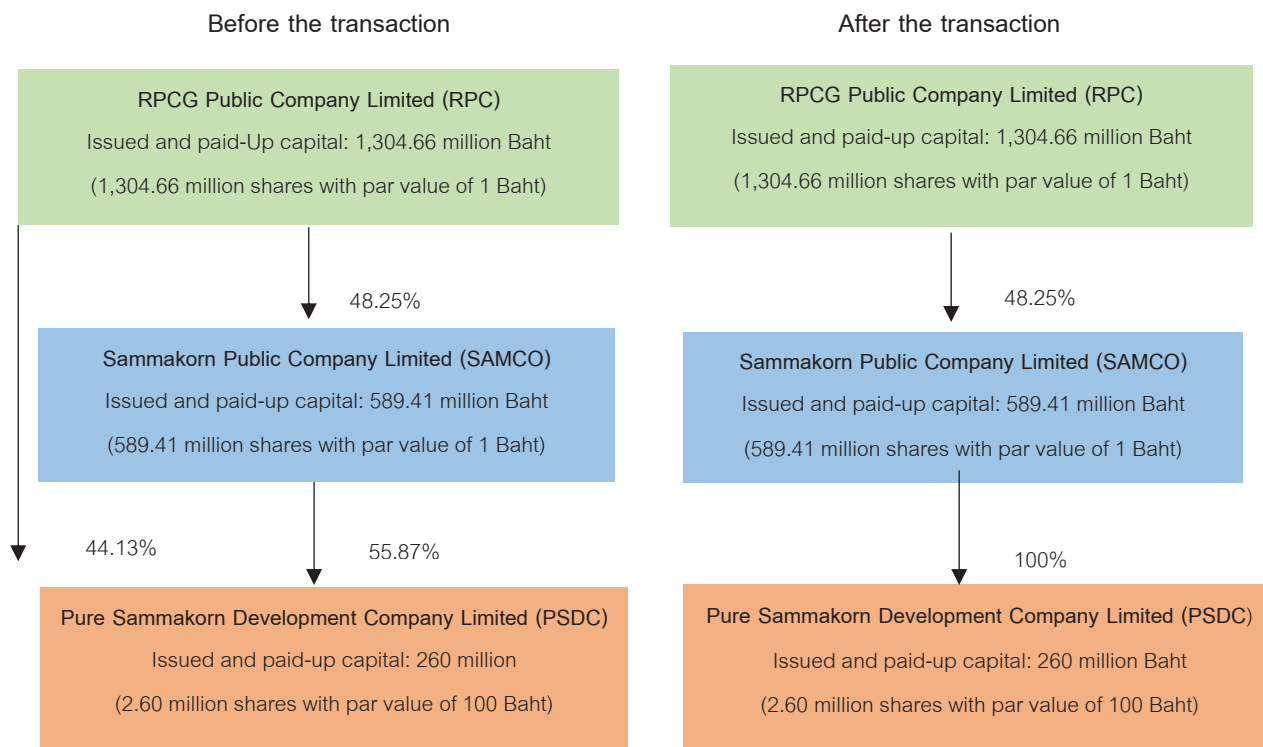
1.2 Date of the transaction

The company will purchase shares of PSDC after the EGM No. 1/2016, which will be held on 20 October, 2016, where the shareholders should approve the entering into this transaction.

1.3 Co-parties in the transaction

Purchaser:	Sammakorn Public Company Limited
Seller:	RPCG Public Company Limited
Relationship between the two parties:	RPC is the major shareholder of SAMCO, owning 48.25 percent of the company's issued and paid-up shares. In addition, the two companies have one mutual director, Mr. Satja Janetumnugul. Hence, he is considered a connected individual.
Details of the transaction:	The transaction involves the purchase of 1,147,499 common shares of PSDC, equivalent to 44.13 percent of issued and paid-up shares of PSDC.

Company structure before and after the transaction





1.4 Type and size of the transaction

1.4.1 General characteristics of the transaction

SAMCO's Board of Directors' meeting No. 6/2016 on 9 August, 2016 agreed to propose to shareholders of the company, in the EGM, the purchase of 1,147,499 common shares of PSDC. It is equal to 44.13 percent of total issued and paid-up shares. The price per share is 140 Baht (par value of the share is 100 Baht). The total value of the transaction is 160,649,860 Baht, which will be paid to RPC. RPC is the major shareholder of the company, having 48.25 percent stake in the company. SAMCO will pay for the shares (to RPC) entirely in cash.

1.4.2 Calculating the transaction size

This transaction is considered an acquisition of assets in accordance with the notification of the Board of Governors of SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (and subsequent amendments) and the notification of the Capital Market Supervisory Board No. Tor. Chor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets ("the Acquisition and Disposal Notification"). Using the financial statements available on 30 June, 2016 and the guidelines provided in the Acquisition and Disposal Notification, the size of the transaction was determined to be 4.52 percent. Thus, the transaction size is less than 15 percent and does not have to be disclosed, according to the Acquisition and Disposal Notification.

This transaction, however, involves the purchase of common shares from RPCG, which is a major shareholder in the company. the threshold provided in the notification of the Capital Market Supervisory Board No. Tor. Chor. 21/2551 Re: Rules on Connected Transactions and the notification of the Board of Governors of SET Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions BE 2546 and later amendments ("the Connected Transaction Notification"). When calculating the size of the transaction using any of the above notifications based on the latest consolidated financial statement dated 30 June, 2016, the size of transaction was 160.65 million Baht or 6.92 percent of net tangible assets. This value is greater than 20 million baht or greater than 3.00 percent of net tangible assets. (whichever is higher)

The nature of the transaction requires the company to appoint an independent financial advisor to give an opinion on the acquisition of asset and connected transaction to the company's shareholders. In addition, an information memorandum on the acquisition of asset and connected transaction is required to be submitted to the SET and proposed to the shareholders of the company in the EGM for approval of the transaction. The company must gain more than 3/4 votes of approval, excluding votes from shareholders with conflict of interest.

Details of the calculation of the transaction size are given below.

**The calculation of the size of the acquisition of asset and connected transaction**

The calculation of the size of the asset acquisition transaction is based on the company's interim financial statements dated 30 June, 2016. This financial statement is reviewed (not audited) and details are given in the table below.

(Units: Million Baht)	SAMCO	PSDC
	As of 30 June, 2016	As of 30 June, 2016
Total assets	3,557.29	474.66
Intangible assets	20.15	0.14
Total liabilities	1,124.43	269.23
Non-controlling interests of subsidiaries	90.73	0.00
Net tangible assets (NTA)	2,321.98	205.29
Net profit (last 4 quarters)	240.16	13.95

Note: PSDC's financial statement as of 30 June, 2016 is the management account.

- **The calculation of the asset acquisition transaction size**

According to the rules of asset acquisition transaction, size of transaction can be calculated as follow

Calculation method	Formula	Transaction size
1. Net Tangible Asset	$\frac{\text{Percent Shareholding} \times \text{NTA of the transacting company} \times 100}{\text{NTA of SAMCO}}$ $\frac{44.13\% \times 205.29}{2,321.98}$	3.90
2. Net profit	$\frac{\text{Percent shareholding} \times \text{Net profit of transacting company} \times 100}{\text{Net profit of SAMCO}}$ $\frac{44.13\% \times 13.95}{240.16}$	2.56
3. Total value of consideration	$\frac{\text{Value of consideration paid} \times 100}{\text{Total assets of SAMCO}}$ $\frac{160.65}{3,557.29}$	4.52
4. Value of securities issued	$\frac{\text{Number of shares issued by SAMCO to pay for PSDC's shares}}{\text{Total issued and paid – up shares of SAMCO}}$	NA. SAMCO is not issuing new shares as compensation in the asset acquisition.



Using the criteria in the Acquisition and Disposal Notification, the largest value of the transaction is 4.52 percent. This is still less than 15 percent. Therefore, this transaction does not have to be disclosed.

- **Calculation of the connected transaction size**

According to the rules of connected transaction, size of transaction can be divided as follows:

Size of the transaction	Whichever is higher	
Small	$X \leq 1$ million Baht	$X \leq 0.03\%$ NTA
Medium	$1 \text{ million Baht} \leq X < 20 \text{ million Baht}$	$0.03\% \text{ NTA} < X < 3\% \text{ NTA}$
Large	$X \geq 20$ million Baht	$X > 3\% \text{ NTA}$

When using the criteria given in the Connected Transaction Notification, the size of the transaction was determined at 160.65 million Baht or 6.92 percent of net tangible assets. This value exceeds the minimum of 3.00 percent or 20 million Baht (whichever is higher).

Therefore, the company is required to appoint an IFA to give an opinion on the asset acquisition and connected transaction to the SET and shareholders of the company in the EGM. In the EGM, 3/4 of votes of approval are required from attending shareholders, not counting the votes of shareholders with conflicts of interest.

1.5 Value of compensation

The value of compensation that SAMCO must pay RPC in the purchase of 1,147,499 shares of PSDC (equivalent to 44.13 percent), priced at 140 Baht per share, is 160,649,860 Baht. The par value of the shares is 100 Baht per share. The share price of 140 Baht was obtained through negotiation with the shareholders of RPC, whose reference is the share price valuation done by a financial advisor (FA). The FA had used the adjusted book value approach and discounted cash flow model to calculate the appropriate share price, which is the range of 137 to 169 Baht per share. The company will pay for 44.13 percent of PSDC's shares using cash. The company will not issue new equity to prevent control dilution.

1.6 Value of the acquired asset

The common shares of PSDC of 1,147,499 shares is equal to 44.13 percent of issued and paid-up shares. The price at which RPC is selling to the company is 140 Baht per share. Thus, the value of the transaction is 160,649,860 Baht. Brief information about PSDC is given below (details may be found in Enclosure 3).



1.6.1 Summary of PSDC's business

Name of the company:	Pure Sammakorn Development Company Limited
Registration date:	Registered on 25 May, 2006 with initial capital of 50 million Baht, as joint venture between SAMCO and RPC.
Type of business:.	<p>Real estate development around Bangkok and suburbs of Bangkok into community malls. The company's community malls are branded Pure Place with long-term lease from SAMCO and there are currently 3 locations:</p> <ol style="list-style-type: none"> 1. Pure Place Ramkhamhaeng 30 year lease term and have 25 years remaining Located at 86 Ramkhamhaeng Road, Saphan Soong, Bangkok Total area is 16 rai 1 ngan 67.7 square wah. Rental space is 9,076 square meters. Nearby is 9,200 meters of space that PSDC has rented from SAMCO. 2. Pure Place Ratchapruek 30 year lease term and have 25 years remaining Located at 62/26-32, Aom kred, Pak kred, Nonthaburi province. Total area is 9 rai 6.8 square wah. Rental space is 4,364 square meters. 3. Pure Place Rangsit 25 year lease term and have 16 years remaining (can be renewed for another 10 years) Located at 819/1-3 Rangsit-Nakorn Nayok Road, Prachathipat, Thanyaburi, Pathum Thani province Total area is 6 rai 3 ngan 74 square wah. Rental space is 3,995 square meters.
Location of the headquarter:	86 Ramkhamhaeng Road, Saphan Soong, Bangkok
Issued and paid-up capital:	260,000,000 Baht as 2,600,000 shares with par value of 100 Baht per share.



1.7 Source of funds

The company will acquire PSDC's share using cash from its working capital and sale of short-term investments. As of 31 March, 2016, the company had cash and short-term budget of 330 million Baht. However, the company had used most of this capital to fund other projects, which had credit lines. The company chose to reduce its cost of capital (save on interest payment) by not taking out those loans. As a result, as of 30 June, 2016, the company had 70 million Baht in cash and short-term budget remaining. The Company has just taken out loans from those unused credit lines, resulting in the total cash in the account of 215 million Baht as of 2 September 2016 prepared for the transaction. After the approval of shareholders at the EGM No. 1/2016 on 20 October, 2016, the company will purchase the shares from RPC and pay 160,649,860 Baht entirely in cash.

1.8 Conditions of the transaction

The acquisition of PSDC's shares is an asset acquisition transaction and a connected transaction. The size of the transaction necessitates the receipt of approval from shareholders more than 3/4 of votes of approval are required from attending shareholders, not counting the votes of shareholders with conflicts of interest. In addition, the company is required to appoint an IFA to give an opinion on this transaction to the company's minor shareholders.

As of 24 August, 2016, which was the record date, there was one shareholder on the Thailand Securities Depository Company Limited's (TSD) list who must abstain from voting in the EGM No. 1/2016 on 20 October, 2016, as follows.

Name list	No. of shares	Percentage (%)	Relationship
RPCG Public Company Limited	284,417,180	48.25	<ul style="list-style-type: none"> ● RPC is the major shareholder of SAMCO and the seller of PSDC's shares to SAMCO. ● Has a director on SAMCO's board
No. of shares without voting rights	284,417,180	48.25	
Total No. of shares of the company	589,410,340	100.00	
Total No. of shares with voting rights	340,993,160	51.75	



1.9 Opinion of the Board of Directors

At the Board of Director's meeting, in which Mr. Satja Janetumnugul (a director with conflict of interest in the transaction) was not attending, the Board had considered the acquisition of PSDC's shares from RPC. This transaction is an asset acquisition from a connected party. The Board is of the opinion that this transaction will be beneficial to the company as it is a business restructuring, eliminates any related transactions between PSDC and SAMCO, which could save costs and save time on lengthy approval processes of doing transactions in the future. In addition, the purchase price is lower than the fair price calculated by the IFA.

Thus, the Board has agreed to propose this transaction to shareholders of the company in the EGM for approval.

1.10 Opinion of the Audit Committee and/or opinion of a director that is different from that of the Board

All members of the Board of Directors agree to the above. No member of the Audit Committee has a different opinion from the Board except Mr. Sitthichai Chantravadee who abstained and wants to consider the opinion of the IFA.

On 30 August 2016, the meeting of the Audit Committee was held to consider the IFA opinion and all members agree to the IFA opinion except Mr. Sitthichai Chantravadee who would like to abstain with the reasons of not being certain on the information that were used by the IFA in the valuation as follows.

1. IFA admits having no experience in real estate sector valuation and the reference information being used may not be comparable to SAMCO regarding the business, location and size.
2. The assumptions used were from the management without testing and historical information were not considered appropriately from continuous loss to recently profit in 2016 and the use of constant economic growth for 25 years without considering the business cycle. The acceptance of the leasee continuing the contract without considering economic situation and competition.
3. The assumptions on expense and profit using the historical information to present for the 25 year projection which is considered to be low in possibility.

However, the IFA has an additionally explained the above issue in the Executive Summary part of this report.



2. Reasonableness of the transaction

In determining the reasonableness of the acquisition of assets, the IFA has taken the following factors into account.

2.1 Objective of the transaction

RPC is the major shareholder of SAMCO, having 48.25 percent stake in the company. At the same time, RPC has 44.13 percent stake in PSDC and SAMCO has 55.87 percent stake in PSDC. Thus, the current shareholding structure is unclear making PSDC a connected person with SAMCO and RPC. In the past, these type of transactions were treated as connected transaction which included the leasing of land, lending to PSDC, and managing of PSDC.

In previous transactions with PSDC, the company has ensured that all connected transactions are fair and transparent by following the rules of the SEC and SET on connected transactions. The company has disclosed information on connected transaction, which depends on the size of the transaction. In general, there are three levels as shown in the table below.

Size of the transaction	Whichever is higher	
Small	$X \leq 1$ million Baht	$X \leq 0.03\%$ NTA
Medium	$1 \text{ million Baht} \leq X < 20 \text{ million Baht}$	$0.03\% \text{ NTA} < X < 3\% \text{ NTA}$
Large	$X \geq 20$ million Baht	$X > 3\% \text{ NTA}$

Note: X is the size of the transaction.

Net tangible asset (NTA) = Total assets-Intangible assets-Total liabilities-Non-controlling interests

When calculating the size of the transaction using the above criteria, the size of the transaction was determined to be large. As such, the company must receive 3/4 of votes of approval from shareholders attending the shareholder's meeting, excluding shareholders with a conflict of interest. In addition, the company is required to appoint an IFA to give an opinion on the transaction. Both requirements mentioned above are time consuming and costly.

SAMCO's purchase of 1,147,499 shares of PSDC at 140 Baht per share (par value is 100 Baht per share) will help to clarify the shareholding structure, reduce the process steps and time in completing a connected transaction according to SEC's notification, and reduce costs. Due to these foreseen benefits, the Board of Directors of the company agreed to propose this transaction to shareholders of the company in the EGM. The transaction value is 160,649,860 Baht, which the company will pay to RPC entirely in cash. After the conclusion of the share acquisition, the company will have 100 percent stake in PSDC.



2.2 Advantages and disadvantages of the transaction

(1) Advantages and benefits of the transaction

1) Business restructuring

SAMCO and PSDC is currently connected person because they have the same major shareholder. In case, PSDC must do any transaction with value greater than 20 million baht or greater than 3% of net tangible assets, it will be treated as a connected transaction and requires an approval from the shareholders. This would increase the steps needed to complete a transaction and increase the time of each transaction (within two months from the record date). This transaction, therefore, helps to streamline the operations of PSDC and SAMCO and speed up the process of work.

2) Reduced expenses in doing connected transaction under the rules & regulation of the SEC and the SET

If there is a transaction, the Company needs an IFA and an approval from the shareholders, which will cause fees and expenses to do accordingly including relating expenses to hold shareholding meeting.

3) Recognize all performance of PSDC

After the completion of the transaction, SAMCO, holding 100% of PSDC, will easily manage PSDC and can recognize all performance of PSDC. The forecast of revenue and profit of PSDC is shown below:

Unit : Million Baht	2016F	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F	2028F
Total Revenue	164.2	177.9	185.5	190.2	196.7	203.3	208.6	215.8	223.0	228.8	236.7	244.8	251.2
Net Profit	18.2	23.0	26.8	31.0	35.4	40.4	41.5	44.5	47.0	49.2	49.3	53.6	55.8
Unit : Million Baht	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F	2041F
Total Revenue	259.9	268.8	275.9	285.6	295.4	303.3	314.0	324.9	333.7	345.6	357.7	367.4	380.6
Net Profit	59.6	62.6	65.3	68.6	73.3	85.1	100.0	103.4	107.2	110.7	116.4	120.3	126.9

(2) Disadvantages and risk of this transaction

1) The Company will have less liquidity for other property investment

After the Company completes the transaction, it will have less working capital and short-term investment for other property development projects.

2.3 Advantages and Disadvantages of not entering this transaction

(1) Advantages of not entering this transaction

1) The company will have more cash remaining to invest in other real estate projects

If the company were to not enter this asset acquisition transaction, the company will have more working capital and short-term investments available to conduct its main business of building houses and/or for use in other projects.



(2) Disadvantages of not entering this transaction

1) Future conflicts of interest

By not entering this transaction, PSDC will remain a connected person with the company due to having mutual shareholder and director. Therefore, there may be certain future transactions that have conflict of interest.

2) Inflexibility and additional cost in conducting business

If the company were to not enter this transaction and if PSDC and SAMCO had a connected transaction in the future with value over 20 million Baht or 3 percent of NTA, it would need approval from shareholders (a lengthy process). Thus, the company will have to incur costs of organizing a shareholder's meeting and hiring a financial advisory company to give an opinion on the transaction. This could reduce its competitiveness.

3) Loss from being unable to realize full benefits from PSDC

As community malls are gaining popularity and are expected to grow further as housing estates increase, PSDC's operating results should be good and improving in the future. If SAMCO does not purchase PSDC's shares, it will not be able to benefit from this future trend.

Based on the reasons given above, the IFA is of the opinion that this asset acquisition transaction is reasonable.

**3. Appropriateness of the value of the acquired asset**

The IFA has considered the appropriateness of the value of PSDC shares from the information and assumptions provided by the company, from interviews with the management, contracts, financial statements of the company that have been reviewed and audited and other documents relating to transactions. In addition, the IFA has been to a site visit and gained insight into the company and its business. Furthermore, the IFA used information that was publicly available from the company, Bloomberg, the SEC's website (www.sec.or.th), the SETs website (www.set.or.th), and the Bank of Thailand's website (www.bot.or.th).

Nonetheless, the opinion of the IFA is based on the assumption that all information and documents provided are correct and complete. In addition, the opinion is based on current information and situation. If there are any material changes to the aforementioned, the company's business may be affected and the valuation done by the IFA may no longer be applicable.

The IFA has done the valuation using the following six methods:

1. Book value approach
2. Adjusted book value approach
3. Market price approach
4. Price to book value ratio approach or P/BV ratio
5. Price to earnings ratio approach
6. Discounted cash flow approach

After studying the information and documents, the IFA can summarize their opinion on the appropriateness of the price of common shares of PSDC as follows.

1. Book value approach

The book value approach of valuation considers the book value of net assets subtracted with total liabilities or the shareholder's equity of the business. Then, the value obtained is divided by the number of shares. This will yield the share price according to PSDC's book value. The financial statement data used is dated 30 June, 2016, and is a management account. Details of the valuation are given in the table below.

Items	Million Baht
Issued and paid-up capital as of 30 June, 2016	
- Common shares	260.00
Net profit (loss)	
- Unallocated	(54.57)
Total shareholder's equity	205.43
No. of common shares as of 30 June, 2016*	2,600,000
Book value (Baht per share)	79.01



*Par value of the shares is 100 Baht per share

This valuation approach only reflects the company's financial status as of 30 June, 2016. It is not indicative of the current market value of the assets or the future ability of the company to generate profits. As such, this valuation approach may not reflect the appropriate value of the business.

2. Adjusted book value approach

Valuation of shares using this approach involves the subtraction of total assets with total liabilities of the company or equal to the shareholder's equity of the company. Using the latest management account dated 30 June, 2016, adjustments were made for items that occurred after the close of the account, including any increase or decrease from appraisal of assets from the book value. The appraisal of assets was done by an independent appraiser, Agency for Real Estate Appraisal Company Limited (AREA), and their report is dated 9 June, 2016 for public purpose. The adjustments were made to the book value and this result was then divided by the total number of shares.

From past financial statements, the company has recorded the value of real estate for investment using the income approach and depreciating the asset. This time the company has hired an independent appraiser to value PSDC's assets. The appraiser used two methods: the cost approach (value of rental rights) and the income approach (see Enclosure 4). The appraiser chose the income approach because it reflects the company's continuation operation and the company's assets can generate revenue. The results of the valuation are given in the table below.

Real estate for investment* (Units: Million Baht)	Book value as of 30 June, 2016	Value given by AREA**	Increase /decrease
Pure Place Sammakorn (Ramkhamhaeng)	258.90	349.70	90.80
Pure Place Ratchapruek	122.61	147.10	24.49
Pure Place Rangsit	46.80	89.90	43.10
Additional area close to Pure Place Ramkhamhaeng ***	-	3.18	3.18
Total	428.30	589.88	161.58

* Real estate for investment includes buildings, constructed structures, building renovations, and renovations to rented office building.

** AREA's appraisal uses the income approach which reflects PSDC's income generating ability throughout the leasing period based on actual remaining years of each leased area.

*** On 29 January, 2016, PSDC signed a contract with SAMCO to rent space. As such, the company has never appraised its value or recorded its value in its financial statement. At present, PSDC has recorded rental fee as expenses. IFA views that PSDC will continue to lease the area in the long run and record it as Investment Properties like other existing projects.



Items	Million baht
Shareholder's equity as of 30 June, 2016	205.43
Add: Adjustments from value of asset	161.58
Total shareholder's equity after adjustment	367.01
No. of common shares as of 30 June, 2016	2,600,000
Book value (Baht per share)	141.16

When comparing the value obtained from the appraisal and book value, the value from the appraisal was 161.58 million Baht. The value obtained from the adjusted book value approach is 141.16 Baht per share which is close to the purchase price. **This approach can reflect basic valuation of the current business and can be viewed as another approach of valuation that is appropriate.**

3. Price to book value ratio approach (P/BV)

This approach to valuation uses the book value of PSDC, from the latest financial statements dated 30 June, 2016. The book value of PSDC was 79.01 Baht per share. The book value is multiplied by the moving average value at 7 days, 30 days, 60 days, 90 days, 120 days, 180 days, and 360 days, starting on 29 July, 2016. The average P/BV is compared with three reference companies including Central Pattana Public Company Limited (CPN), Siam Future Development Public Company Limited (SF), and MBK Public Company Limited (MBK). All of these companies are involved in the community mall or department store business. Their main sources of revenue are rental revenue, service revenue, revenue from utilities, and revenue from retail customers, as is the case for PSDC. The table below summarizes their characteristics compared with PSDC.

	Type of Business	Market value (MB)	Total assets	Revenue	Net profit
CPN	Develop and rent out space in large shopping centers such as department stores	268,158	101,599	14,865	4,683
SF	Develop and service shopping centers, retail sales business in Thailand	11,459	14,635	1,028	530
MBK	Shopping centers, hotels and tourism, real estate business, food business, and financial business	26,974	41,346	5,996	1,123
PSDC	Develop and manage shopping centers, retail sales	N.A.	475	84	11

Remark: Financial statement for the first six months of 2016

With this approach, P/BV will be in the range of 2.60-2.71 times, resulting in share price between 205.09 – 214.50 Baht per share. The details of the P/BV valuation are given in the table below.



Units: Times	Moving Average (days)						
	7	30	60	90	120	180	360
CPN	5.39	5.43	5.34	5.24	5.08	4.87	4.85
SF	1.34	1.32	1.31	1.31	1.33	1.44	1.44
MBK	1.41	1.36	1.37	1.41	1.43	1.48	1.49
Average	2.71	2.70	2.68	2.65	2.61	2.60	2.60
Share price	214.50	213.48	211.52	209.67	206.54	205.09	205.10

The valuation of shares using this method is indicative of the financial performance of the company at a point in time. The comparison with peer group companies is inappropriate because the companies are significantly larger than PSDC. Thus, **this valuation approach is not appropriate** because it does not reflect the market value and future ability to gain profits.

4. Price to Earnings Ratio Approach (P/E)

This valuation approach uses PSDC's earnings from the last four quarters. As of 30 June, 2016, accumulated net profit was 13.95 million Baht or earnings per share of 5.3654 Baht per share. The earnings per share multiplied by the moving average, taken on days 7,30,60,90,120, 180, and 360, of price to earnings of three peer group companies is shown in the table below.

Units: Times	Moving average (days)						
	7	30	60	90	120	180	360
CPN	32.09	32.29	31.66	30.91	29.77	27.43	27.22
SF	7.24	7.08	7.12	7.24	8.00	11.86	12.27
MBK	13.19	12.76	12.88	13.19	13.41	14.31	14.49
Average	17.50	17.38	17.22	17.11	17.06	17.87	17.99
Share price	93.91	93.24	92.38	91.81	91.52	95.86	96.54

With this approach, the price to earnings ratio of PSDC is in the range of 17.06 to 17.99 times and the share price is between 91.52 - 96.54 Baht per share.

5. Market value approach

PSDC is not a listed company. Therefore, IFA cannot value PSDC by this approach.



6. Discounted cash flow approach (DCF)

The discounted cash flow approach (DCF) to valuation takes into account the results of operations of PSDC's three branches which are Pure Place Ramkhamhaeng (includes the nearby space), Pure Place Rachapruek, and Pure Place Rangsit. The DCF finds the present value (PV) of free cash flow (FCF), using the appropriate discount rate as of 30 June, 2016. IFA has determined the weighted average cost of capital (WACC) to use as the discount rate. IFA has a guideline to do the projection as follows:

a) The audited financial statements from the years 2012 to 2015 and the latest Q2 2016 (management account version) were used to reflect actual financial performance of PSDC.

b) The financial projection was done for 25 years based on remaining life of lease agreement

Pure Place Ramkhamhaeng: Term of lease 30 years and have remaining life of approximately 25 years

Pure Place Rachapruek: Term of lease 30 years and have remaining life of approximately 25 years

Pure Place Rangsit: Term of lease 25 years and have remaining life of approximately 16 years. Terms can be renewed for another 10 years.

Additional lease area close to Pure Place Ramkhamhaeng: PSDC has just signed 1-year agreement with the Company. From our interview with the management, the Company has a policy to renew to long term agreement as other existing projects.

c) No material change in the economic environment is assumed and the project is done under normal current situation.

The IFA has the done the financial projection using information and assumptions provided by the company, interviews with the management and related staff. The objective of the projection is to find the fair value of PSDC's shares. If there are any material changes to the company or the economic situation, the company's business may be affected and this, would affect the results of the financial projection including the share price determined. PSDC's main sources of income are rent from leasing space in its community malls, service income, and income from utilities expenses charged to tenants.

In doing the projection, the IFA has used similar assumptions for all three branches of PSDC's community malls, which are Pure Place Ramkhamhaeng, Pure Place Rangsit, and Pure Place Ratchapruek. The main assumptions used in the financial projection are discussed below.



6.1 Revenue

Revenue structure for the projection is shown below:

Name	Percent (%)
Pure Place Ramkhamhaeng and additional lease area	61%
Pure Place Ratchapruek	23%
Pure Place Rangsit	16%
Total	100%

Details of revenue from all three locations are as follows:

- Rent and service revenue is assumed to grow at the rate of 3.33 percent every year, while the occupancy rate is fixed equal to the three-year average and the first six months of 2016 as follows:

Pure Place Ramkhamhaeng	94%
Pure Place Ratchapruek	89%
Pure Place Rangsit	92% (This area is projected from the rate during the first 6 months in 2016 because it showed declining rate and tend to stabilize at this level) Though intense competition, IFA also views that rental rate can have growth because PSDC' rental rate is still lower than its competitors
- Revenue from providing space for an outdoor market or events is expected to grow at the rate of 3.33 percent every year. The occupancy rate is equal to the three-year average and the first six months of 2016 and assumed to be the same throughout the 25 years.
- Revenue from utilities which includes electricity, water, and cooking gas are referenced from the first six months of 2016, and a three-year average margin is added.
- Revenue from parking space is assumed to grow at the three-year average plus the first six months of 2016, and the same growth rate is used throughout the projection period.
- Revenue from renting kiosks is expected to grow at 3.33 percent every year.
- Revenue from property tax is set to be 12.50 percent of rental revenue for every year in the projection.
- Other revenue is equal to the 3-year average and is expected to be constant.

Revenue from additional lease area close to Pure Place Sammakorn are as follows:

- Rent and service revenue
 - a) Revenue from rent and service from a hospital is as specified in the contract. This revenue is expected to grow by 10 percent every three years.



b) Rent and service revenue from retail, recorded in 2016, is expected to grow at the rate of 10 percent every three years. The occupancy rate is forecasted at 58% in 2016, 79% in 2017 and 96% from 2019 onwards

c) Revenue from rent and service to a supermarket, which is expected to occur in 2017, is expected to increase at the rate of 10 percent every three years.

In addition to the above, other revenue includes revenues from utilities, property tax, and insurance payment.

6.2 Rent and service expenses

Rent and service expenses from all three branches share the following details.

6.2.1 Rent and service revenue consist of

- Service expense is composed of management fee, which PSDC pays to SAMCO accounting for 45 percent of total service expense. Other service expense is a proportion of total revenue and assumed to grow at the three-year average plus the first six months of 2016. This growth rate is used throughout the 25 years projected.
- Rental expense which PSDC pays SAMCO is referenced from the contracts for each branch.
 - a) Pure Place Ramkhamhaeng, the rent as determined in the agreement at fixed rate
 - b) Pure Place Ratchapruek, the rent as determined in the agreement with 10% growth every 10 years.
 - c) Pure Place Rangsit, the rent as determined in the agreement with 10% growth every 5 years
- Property tax expense is set at 12.50 percent of rental revenue and is the same throughout the period projected.
- Utilities expense, travel expenses, and insurance premium is expected to grow by 2.50 percent (10-year average inflation rate) every year, throughout the period projected.
- Office expenses, maintenance expenses, and other expenses are assumed to be a percentage of revenue and a 3-year average plus the first six months of 2016 is used in the projection.

6.2.2 Cost of utilities such as electricity, water, and cooking gas is determined from the number of units used in the first six months of 2016 and projected to grow at the three-year average plus the first six months of 2016.

Rent and service expense of additional lease area close to Pure Place Sammakorn are as follows:



- The rent is determined in the agreement with growth at 10 %every 2 years throughout the projected period.
- Office, cleaning, security, and gardening expenses are expected to grow at 3% per year throughout the projected period. Utilities expense is set to be 79 percent of utilities revenue, throughout the projection.

6.3 Selling expenses

Details of selling expenses for all three branches are as follows:

6.3.1 Expenses related to sales include events and marketing, and traveling expenses. A 3-year average plus the first six months of 2016 of proportion to revenue was used.

6.3.2 General expenses related to the sales department is expected to grow at 2.50 percent per year (10-year average inflation rate), for all 25 years projected.

Regarding the additional lease area close to Pure Place Sammakorn, the selling expense is assumed to be 6% of total revenue each year in the projection.

6.4 Administrative expenses consist of

Details of administrative expenses for all three branches are as follows:

6.4.1 Administration expense

- Salary and employee benefits are calculated as a proportion of administrative expenses and according to the contract with SAMCO, is equal to 55 percent of total fees (referred to from the first six months of 2016).
- Other administrative expenses are considered as a proportion of total revenue based on the first six months of 2016.

Regarding the additional lease area close to Pure Place Sammakorn, administrative expenses are projected to grow by 3% every year.

6.5 Depreciation expense

Investment properties were depreciated using the straight line method for 25 years. Equipment, decorative items, and office equipment were depreciated using the straight line method for five years.

6.6 Corporate Income tax

The IFA has set the tax rate to be 20 percent of earnings before tax and assumed stable throughout the period projected. From the Q2 2016 financial statements, though the company has a profit of 11 million Baht, its accumulated losses that are a part of shareholder's equity allows the company to gain tax savings in the year 2016 (projected). The tax expense is considered from the year 2017 onwards.



6.7 Capital expenditure

From the 25-year projection, Year 2016 to 2041, PSDC expects to have one major renovation in 2025 with an approximate budget of 69.13 million Baht. In between, the company will have minor renovations on a yearly basis. Details are given below.

Year 2016	13.50 million Baht
Years 2017 and 2037	11 million Baht
Years 2021 and 2026	5 million Baht

6.8 Loans from financial institutions and short-term loan from related party

As of 30 June, 2016, PSDC had the following debt:

- Short-term loan from a related party amounting to 13 million Baht as a one-year promissory note. The interest rate on the note is 8.370 percent, referencing Siam Commercial Bank Public Company Limited's (SCB) MOR+1%. There is no rollover throughout the 25 years.
- Long-term loan totaling 187.88 million Baht from Bank of Ayudhya Public Company Limited (BAY), composed of two portions:
 - a) Pure Place Ramkhamhaeng: monthly payments (principal and interest) of 2.85 million Baht with the interest rate at MLR-0.5%.
 - b) Pure Place Ratchapruek: monthly payments (principal and interest) of 0.825 million Baht with the interest rate at MLR-0.5%.

6.9 Trade receivable turnover and trade payable turnover

The IFA has set the days receivable and days payable as follows:

Account Receivable	30 days and
Account payable	45 days.

6.10 Registered and paid-up capital

As of 30 June, 2016, PSDC had registered and paid-up capital of 260 million Baht, equivalent to 2.6 million shares with par value of 100 Baht per share.

Projected profit and loss of PSDC from 2016 to 2041

Unit : Million Baht	2016F	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F	2028F
Total Revenue	164.2	177.9	185.5	190.2	196.7	203.3	208.6	215.8	223.0	228.8	236.7	244.8	251.2
Total Expense	133.4	138.7	143.7	145.6	149.5	152.3	156.7	160.1	164.2	167.3	175.1	177.8	181.5
EBIT	30.9	39.2	41.7	44.7	47.3	51.1	51.9	55.7	58.8	61.5	61.6	67.0	69.7
Interest	(12.7)	(10.4)	(8.3)	(6.0)	(3.0)	(0.6)	-	-	-	-	-	-	-
EBT	18.2	28.8	33.5	38.7	44.3	50.5	51.9	55.7	58.8	61.5	61.6	67.0	69.7
Tax	-	(5.8)	(6.7)	(7.7)	(8.9)	(10.1)	(10.4)	(11.1)	(11.8)	(12.3)	(12.3)	(13.4)	(13.9)
Net Profit	18.2	23.0	26.8	31.0	35.4	40.4	41.5	44.5	47.0	49.2	49.3	53.6	55.8
Unit : Million Baht	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F	2041F
Total Revenue	259.9	268.8	275.9	285.6	295.4	303.3	314.0	324.9	333.7	345.6	357.7	367.4	380.6
Total Expense	185.5	190.6	194.3	199.8	203.9	196.9	189.1	195.6	199.7	207.2	212.2	217.0	221.9
EBIT	74.5	78.2	81.6	85.8	91.6	106.4	124.9	129.3	134.0	138.4	145.5	150.4	158.7
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
EBT	74.5	78.2	81.6	85.8	91.6	106.4	124.9	129.3	134.0	138.4	145.5	150.4	158.7
Tax	(14.9)	(15.6)	(16.3)	(17.2)	(18.3)	(21.3)	(25.0)	(25.9)	(26.8)	(27.7)	(29.1)	(30.1)	(31.7)
Net Profit	59.6	62.6	65.3	68.6	73.3	85.1	100.0	103.4	107.2	110.7	116.4	120.3	126.9

6.11 Calculation of value of free cash flow

- The Discount Rate

The discount rate used to calculate the present value of free cash flow was determined from the weighted average cost of capital (WACC), according to the capital structure of the company. The IFA calculated the WACC from the cost of debt (K_d) and the cost of equity (K_e). The formula for WACC is given below:

$$WACC = K_e \times \frac{E}{D + E} + K_d \times (1 - T) \times \frac{D}{D + E}$$

Where K_e = the cost of equity determined from the capital asset pricing model (CAPM) equation

K_d = cost of debt or the interest rate charged to the company on its loans

T = corporate tax rate

E = total shareholder's equity

D = total debt with interest

The cost of equity or return from equity required by investors (R_e) is determined from the CAPM equation below:

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



Where

R_f = Risk free rate taken from the return on 25 years' government bonds equal 2.61 percent per annum (as of 29 July, 2016). The maturity of these bonds matches the time horizon of the projection.

B = defined as a measure of systematic risk of a security compared to the market. Mathematically, it is the covariance of the security to the market (benchmark) divided by the variance of the market. Due to the fact that PSDC is not traded on the SET, the average beta of peer group companies were used instead. Two years' worth of daily trading data (returns), from 29 July, 2014 to 29 July, 2016, was used to calculate the levered beta. The IFA then converted the levered beta into unlevered beta. Using PSDC's debt to equity ratio (D/E), the unlevered beta was converted into levered beta for PSDC, which is 0.78.

R_m = Market return was determined from the average return on the SET from 1991 to 2016 (25 years), which is equal to 13.31 percent per year. This period is believed to best represent the market return because it has the least volatility. The period of 1975 to 1990 was not considered as this was when the SET had just been established, few companies were listed, and trading was thin. Thus, the data from this period would not be a good representation of the actual market return.

From the calculation, the K_e is 10.9 percent per year. The K_d was calculated from the average interest on loans during the period projected, which is 6.10 percent per annum. When combined in the WACC equation, the WACC is between 8.13% to 10.93% per annum.

Unit : Million Baht	2016F	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F	2028F
<u>Free Cash Flow Calculation</u>													
EBIT	15.43	39.25	41.74	44.68	47.25	51.07	51.93	55.65	58.81	61.54	61.64	67.02	69.74
Tax	-	(5.76)	(6.70)	(7.75)	(8.86)	(10.10)	(10.39)	(11.13)	(11.76)	(12.31)	(12.33)	(13.40)	(13.95)
Depreciation	13.12	27.58	28.68	27.94	27.94	27.94	28.44	28.44	28.44	28.44	31.21	30.36	29.26
Capital Expenditure	(13.50)	(11.00)	-	-	-	(5.00)	-	-	-	(69.13)	(5.00)	-	-
Working Capital	4.94	1.39	(0.06)	(0.22)	(0.12)	(0.26)	0.05	0.35	(0.74)	(0.16)	0.87	(1.05)	(0.14)
FCF	19.99	51.46	63.67	64.66	66.22	63.66	70.04	73.32	74.75	8.39	76.39	82.92	84.91
PV of FCF	19.22	45.48	51.19	46.73	42.08	35.98	35.69	33.68	30.95	3.13	25.70	25.15	23.22



Unit : Million Baht	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F	2039F	2040F	2041F
Free Cash Flow Calculation													
EBIT	74.47	78.24	81.64	85.81	91.58	106.38	124.94	129.30	134.01	138.38	145.46	150.43	158.67
Tax	(14.89)	(15.65)	(16.33)	(17.16)	(18.32)	(21.28)	(24.99)	(25.86)	(26.80)	(27.68)	(29.09)	(30.09)	(31.73)
Depreciation	29.26	29.26	29.26	28.76	28.76	16.01	3.27	3.27	2.77	2.77	2.77	2.77	2.77
Capital Expenditure	-	-	-	-	-	-	-	-	(11.00)	-	-	-	-
Working Capital	0.41	(0.89)	(0.20)	0.58	(1.18)	(1.59)	(1.07)	(1.07)	(0.31)	0.82	(1.45)	(0.25)	0.51
FCF	89.24	90.96	94.37	97.99	100.84	99.53	102.15	105.63	98.66	114.28	117.69	122.86	130.21
PV of FCF	22.00	20.21	18.90	17.69	16.41	14.60	13.51	12.60	10.61	11.07	10.28	9.67	9.24

The present value (PV) of free cash flow (FCF)

Total PV of FCF	604.98	million Baht
Cash as of 1 July, 2016	3.26	million Baht
Total debt with interest as of 1 July, 2016	(200.89)	million Baht
Value of PSDC	407.36	million Baht
Total number of shares	2.60	million shares
Price per share	<u>156.68</u>	Baht

The fair value of PSDC's shares is 156.68 Baht per share or firm value of 407.36 million Baht, if projected for 25 years. The IFA has done sensitivity analysis by adjusting the WACC by ± 0.50 percent per year. The results of the sensitivity analysis are summarized below.

Sensitivity Analysis	WACC (percent per year)		
	+ 0.5%	0%	-0.5%
PSDC's share price (Baht)	146.90	156.68	167.16
Firm value (million Baht)	381.95	407.36	434.60

Table comparing the share price of PSDC calculated using all six methods.

Share valuation methods	Share price from valuation (Baht per share)	Purchase price (Baht per share)	Increase (decrease) from purchase price (Baht per share)	Percentage difference (%)
1. Book value approach	79.01	140.00	(60.99)	(43.56)
2. Adjusted book value approach	141.16	140.00	1.16	0.83
3. Market value approach	N / A	140.00	N / A	N / A



Share valuation methods	Share price from valuation (Baht per share)	Purchase price (Baht per share)	Increase (decrease) from purchase price (Baht per share)	Percentage difference (%)
4. Price to book value ratio approach	205.09 – 214.50	140.00	65.09 – 74.50	46.49 – 53.21
5. Price to earnings ratio approach	91.52 – 96.54	140.00	(48.48) - (43.46)	(34.63) - (31.04)
6. Discounted cash flow approach	146.90 – 167.16	140.00	6.90 – 27.16	4.93 – 19.40

Note: The par value of the shares is 100 Baht per share.

From the six methods used, the share price of PSDC is in the range of 79.01 to 214.50 Baht per share.

The book value approach will reflect the book value of the shares at a particular point in time. The management account dated 30 June, 2016 was used in the calculation. And the adjusted book value approach makes adjustments to the book value to make it more current. Both approaches do not take into account the value created by future profitability or the ability to compete of PSDC. As such, both methods are unable to represent the fundamental value of PSDC and its status as a going concern. However, the adjusted book value can reflect the basic valuation of PSDC at 141.16 baht per share which is close to the purchase price.

The price to book value ratio approach and the price to earnings ratio approach is normally used in comparison with listed companies in the same industry. As can be seen in the valuation above, the peer group companies selected vary in size, cost structure, capital structure, and so on. Thus, these two approaches to valuation may not be suitable in PSDC's case.

The market value approach relies on the market price of a stock and its liquidity to do the valuation. As PSDC is not listed, this method is not applicable.

The discounted cash flow approach (DCF) considers both past performance and future performance (projected). It takes into consideration the cash generating ability of the business and, therefore future profitability.

DCF valuation was done using information and assumptions provided by the company, under the current economic environment. If there any changes to the business plan or policies of the company or the economic situation, the results of the valuation may be impacted and may no longer be applicable.

Of the six methods summarized above, the IFA will use the DCF in determining the share price as the company is a going concern and this method best reflects the company's fundamental value. Thus, the share price (from DCF) is in the range of 146.90 to 167.16 Baht per share.



4. Conclusion of the opinion of the IFA

The IFA has considered all the information and is of the opinion that the company's acquisition of 1,147,499 shares of PSDC (44.13 percent of issued and paid-up shares) at the price of 140 Baht, total transaction value equal to 160,649,860 Baht, is reasonable. After the transaction, PSDC will be a subsidiary company of SAMCO with SAMCO having 100 percent stake in PSDC. This transaction will help prevent future conflicts of interest. Apart from this, PSDC's business will be more flexible as any transaction between PSDC and SAMCO will no longer require shareholder approval. This will help save time and costs for the company, and increase its competitiveness. Finally, this transaction will allow SAMCO to easily manage PSDC. A consequence of this will be that the company can easily pass on important policies, and this will help the company realize maximum benefits from PSDC.

The company will purchase the shares from RPC and pay 160,649,880 Baht entirely in cash, after gaining approval from the shareholders at the EGM No. 1/2016 on 20 October, 2016. If the shareholders do not approve the transaction, then the company will not face any damaging consequences.

When considering the appropriateness of the share price, the following six methods were used which are book value approach, adjusted book value approach, market price approach, price to book value ratio approach (P/BV), price to earnings ratio approach and discounted cash flow approach. The IFA opines that the most appropriate valuation method for PSDC is the discounted cash flow approach (DCF). The DCF takes into consideration the historical, financial performance as well as the future cash generating ability of an entity. The value of the company is suitable in the range of 146.90 to 167.16 Baht per share. When compared to the actual purchase price of 140 Baht, the price per share obtained is still higher by 6.90-27.16 Baht per share or 4.93 to 19.40 percent. In addition, the purchase price is close to the basic price calculated from the adjusted book value. Thus, the purchase price is reasonable.

The IFA opines that the shareholders of the company should approve this transaction. However, the decision to approve or disapprove the acquisition rests with the discretion of shareholders. The IFA's duty is to give an opinion on the transaction, which is based on information and documents received from the company. Shareholders should study the information in the attached Enclosures to be able to make an informed decision.



OptAsia Capital Company Limited as the independent financial advisor would like to certify that it has done its duty in studying and analyzing all information with care. It has complied with all ethical and professional codes, and has given shareholders first priority.

Yours Sincerely

OptAsia Capital Company Limited

Mr. Jarin Saksirisilp

Ms. Jariya Poonyavanich

(Mr. Jarin Saksirisilp)

(Ms. Jariya Poonyavanich)

Director

Director

Annop Saengvanich

(Annop Saengvanich)

Controlling persons

Contact: OptAsia Capital Company Limited

Tel. 02 654 2929



Enclosure 1

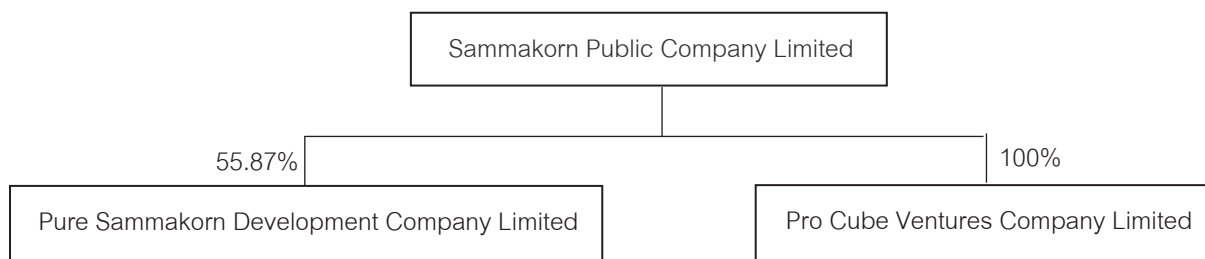
Company information of Sammakorn Public Company Limited

(Reference: Annual Registration Statement 2015 and financial statement and BOL information)

1. Nature of business

Sammakorn Public Company Limited (SAMCO) was established in 1970 (45 years now) and has been in the real estate business since 1974. In particular, it has been developing housing estates, selling land and houses more than 6,000 homes to buyers. In addition, since 2006, the company had a joint venture to build community malls under the name of Pure Place. The projects are located in front of Sammakorn Rangsit Klong 2, Sammakorn Bangkapi and Sammakorn Ratchapruek. Their location near the company's housing estates added value to house owners, as the community malls are a convenient place to do shopping. Thus, they help strengthen the community network, fitting in with the company's motto "We do not just build houses, but we build society". For the company, the Pure Place community malls reduce the fluctuation of revenue in the long term. At the same time, they help in the sale of the company's housing projects.

2. Shareholding structure

**Pure Sammakorn Development Company Limited (PSDC)**

PSDC was established on 25 May, 2006. Its main business is real estate and land development, where the main source of income is from rent such as community malls, office buildings, apartments and hotels. SAMCO holds 49 percent stake in PSDC, while RPCG Public Company Limited (RPC) holds 51 percent of registered capital of 50 million Baht, or 500,000 shares with par value of 100 baht. On 24 February, 2009, PSDC increased its capital by 175 million baht and later, on 23 August 2011, it increased its capital a second time by 35 million baht. RPC did not invest in the second round of capital increase. So SAMCO holds 55.87 percent of total registered capital. PSDC has constructed and developed community malls under the brand "Pure Place". The first Pure Place location was Rangsit Klong 2, which began operation on 8 June, 2007. The second community



mall was developed in Ramkhamhaeng 110, under a new concept of “Modern living near your home ” and was called “Pure Place Lifestyle Mall”. Pure Place Ratchaphruek began operation on 12 May, 2001.

Pro Cube Ventures Co., Ltd.

Pro Cube Ventures Co., Ltd. was established on 21 May, 2012 to do construction management. The registered capital was 2 million baht, with 200,000 shares at par value of 10 baht and paid-up capital was 500,000 baht (25 percent). The company has a 100 percent stake in Pro Cube Ventures.

3. List of shareholders

As of 24 August, 2016 (the latest record date), the company had 589,410,340 Baht of registered and paid-up capital, with par value of 1 Baht. The list of top ten shareholders is given in the table below.

Rank	Shareholder's name	No. of shares	Percentage
1	RPCG Public Company Limited	284,417,180	48.25%
2	His Majesty King Bhumibol Adulyadej	49,434,733	8.39%
3	Aberdeen Small Cap Fund	29,565,033	5.02%
4	BNP PARIBAS SECURITIES SERVICES, LONDON BRANCH	21,392,166	3.63%
5	Aberdeen Growth Fund	20,566,533	3.49%
6	Miss Pimuma Janetumnugul	13,035,255	2.21%
7	BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	11,669,766	1.98%
8	Thanphuying Thassanawalai Sornsongkhram	11,656,600	1.98%
9	Her Royal Highness Princess Maha Chakri Sirindhorn	9,462,233	1.61%
10	Aberdeen Smart Capital Retirement Mutual Fund	8,647,300	1.47%
11	Other shareholders	129,563,541	21.98%
Total		589,410,340	100.00%

Reference: Thai Securities Depository Company Limited (www.set.or.th)

Note: -/1 As of 3 March, 2016 (the latest record date), RPCG Public Company Limited has registered capital 1,304,664,125 Baht, composed of shares of 1,304,664,125 common stock with par value of 1 Baht. The list of shareholders is given in the table below. (Reference: www.set.or.th)

Rank	Shareholder's name	No. of shares	Percentage
1	Petro Instrument co., Ltd. ^{/2}	257,227,140	19.72%
2	Janetumnugul Family	129,748,498	9.94%
	- Miss Montana Janetumnugul	33,981,978	2.60%



Rank	Shareholder's name	No. of shares	Percentage
	- Miss Prinyanee Janetumnugul	28,601,578	2.19%
	- Mr. Naphon Janetumnugul	23,111,400	1.77%
	- Miss Pimuma Janetumnugul	21,318,950	1.63%
	- Mr. Sajja Janetumnugul	15,467,765	1.19%
	- Mrs. Piyanuch Janetumnugul	7,266,827	0.56%
3	Ungsuprasert Family	46,039,238	3.53%
	- Mr. Tawat Ungsuprasert	32,557,578	2.50%
	- Mrs. Matthana Ungsuprasert	13,481,660	1.03%
4	THAI NVDR Co., Ltd.	18,273,917	1.40%
5	Miss Methanee Sukhontharak	17,000,000	1.30%
6	Mrs. Ampai Hankraivilai	17,000,000	1.30%
7	Mr. Sumit Charnmethee	16,319,158	1.25%
8	Pol.Maj.Gen. Uthis Phongphanich	15,541,725	1.19%
9	Miss Phetcharat Waleerersap	14,600,000	1.12%
10	Mr. Wongtiwat Khancharoensuk	12,671,665	0.97%
11	Other shareholders	760,242,784	58.27%
Total		130,466,4125	100.00%

-/2 As of 25 April, 2016 (the latest record date), Petro Instrument Company Limited . had registered capital of 24,500,000 Baht, composed of common shares of 245,000 shares with par value of 100 Baht. The list of shareholders is given in the table below. (Reference: BOL information)

Rank	Shareholder's name	No. of shares	Percentage
1	Janetumnugul Family	119,500	48.78%
	- Miss Montana Janetumnugul	50,200	20.49%
	- Mr. Satja Janetumnugul	34,300	14.00%
	- Miss Pimuma Janetumnugul	20,000	8.16%
	- Mrs. Piyanuch Janetumnugul	15,000	6.12%
2	Khancharoensuk Family	38,000	15.51%
	- Mr. Suthud Khancharoensuk	19,250	7.86%
	- Mrs. Parinya Khancharoensuk	18,750	7.65%
3	Mr. Wilas Sinsawat	32,200	13.14%
4	Janjaruwat Family	30,100	12.29%



Rank	Shareholder's name	No. of shares	Percentage
	- Mr. Choochai Janjaruwat	10,535	4.30%
	- Mrs. Wiladda Janjaruwat	7,525	3.07%
	- Mr. Thana Janjaruwat	6,020	2.46%
	- Miss Athaya Janjaruwat	6,020	2.46%
5	Miss Theerawan Thananiwet	10,500	4.29%
6	Mr. Surachai Lertthirakul	7,000	2.86%
7	Mr. Paisan Wanatbodiphaian	3,500	1.43%
8	Miss Phetcharee Vorajarasrangsee	2,800	1.14%
9	Mr. Pongsak Woraphat	1,400	0.57%
Total		245,000	100.00%

4. Board of Directors and Executive committee

Board of Directors

As of 3 August, 2016, the company had 9 directors as shown in the table below:

Name and last name	Position
1. Mr. Kavi Ansvananda	Chairman of the Board of Directors
2. Mr. Kittipol Pramroj Na Ayudhya	Director
3. Mr. Tawat Ungsuprasert	Director
4. Mr. Satja Janetumnugul	Director
5. Mr. Bibit Bijaisoradat	Director
6. Mr. Sithichai Chantravadee	Independent director and Chairman of Audit Committee
7. Mr. Tawatchai Chongdarakul	Independent director and audit committee
8. Mr. Anuthip Krairiks	Independent director and audit committee
9. Mrs. Koonthala Sasasmit	Independent director and audit committee

Executive Directors

As of 3 August, 2016, the company had 4 members on the Executive committee as shown in the table below:

Name and last name	Position
1. Mr. Bibit Bijaisoradat	Chief Executive Director
2. Mr. Kittipol Pramroj Na Ayudhya	Executive Director



Name and last name	Position
3. Mr. Tawat Ungsuprasert	Executive Director
4. Mr. Satja Janetumnugul	Executive Director

Management Team

As of 3 August, 2016, the company had 4 members as shown in the table below:

Name list	Position
1. Mr. Kittipol Pramroj Na Ayudhya	Managing Director and acting as Sale and Marketing manager
2. Mrs. Supanee Tanchaisrinakorn	Financial and Accounting Manager
3. Mr. Wasun Sutrong	Construction and services Manager
4. Mr. Napon Janetumnugul	Business Development Manager

5. Financial Statement

Statement of Financial Position

Statement of Financial Position (Consolidated)	31 December, 2013		31 December, 2014		31 December, 2015		30 June, 2016	
	MB	%	MB	%	MB	%	MB	%
Assets								
Current Assets								
Cash and cash equivalent	93.32	2.80%	20.23	0.57%	22.87	0.61%	45.73	1.29%
Short term investment	42.10	1.26%	23.00	0.65%	200.29	5.34%	28.02	0.79%
Trade receivables	24.46	0.73%	30.04	0.85%	29.36	0.78%	38.73	1.09%
Project development Costs	1,590.59	47.75%	1,521.32	42.83%	1,214.72	32.40%	2,094.99	58.89%
Advance for land acquisition	0.00	0.00%	41.42	1.17%	0.00	0.00%	88.92	2.50%
Advance payment to constructors	4.27	0.13%	36.35	1.02%	5.43	0.14%	14.94	0.42%
Other current assets	4.71	0.14%	6.01	0.17%	3.56	0.09%	4.93	0.14%
Total current assets	1,759.45	52.82%	1,678.37	47.25%	1,476.24	39.38%	2,316.26	65.11%
Non-current assets								
Land held for development	713.17	21.41%	966.67	27.21%	1,409.88	37.61%	316.07	8.89%
Investment in subsidiaries	0.19	0.01%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Investment properties	714.28	21.44%	772.89	21.76%	749.71	20.00%	816.26	22.95%
Plant and equipment	101.53	3.05%	89.29	2.51%	73.99	1.97%	77.39	2.18%
Deferred tax assets	31.46	0.94%	30.97	0.87%	28.90	0.77%	20.15	0.57%
Other non-current assets	10.99	0.33%	13.91	0.39%	9.96	0.27%	11.16	0.31%



Statement of Financial Position (Consolidated)	31 December, 2013		31 December, 2014		31 December, 2015		30 June, 2016	
	MB	%	MB	%	MB	%	MB	%
Total non-current assets	1,571.62	47.18%	1,873.74	52.75%	2,272.44	60.62%	1,241.02	34.89%
Total assets	3,331.07	100.00%	3,552.11	100.00%	3,748.69	100.00%	3,557.29	100.00%
Liabilities and shareholders' equity								
Current liabilities								
Bank overdraft and short-term loans from financial institution	20.00	0.60%	203.35	5.72%	2.47	0.07%	0.39	0.01%
Trade and other payables	126.63	3.80%	198.39	5.59%	153.10	4.08%	181.02	5.09%
Short-term loans from related parties	0.00	0.00%	8.00	0.23%	0.00	0.00%	0.00	0.00%
Short-term loans from other parties	0.00	0.00%	0.00	0.00%	394.08	10.51%	395.91	11.13%
Deposits and advances received from customers	42.82	1.29%	42.66	1.20%	53.40	1.42%	50.71	1.43%
Current portion of long-term loans	103.73	3.11%	92.24	2.60%	261.62	6.98%	35.74	1.00%
Current portion of rental deposits	5.71	0.17%	11.01	0.31%	22.51	0.60%	20.09	0.56%
Income tax payable	9.34	0.28%	11.58	0.33%	18.32	0.49%	18.77	0.53%
Other non-current liabilities	9.01	0.27%	9.69	0.27%	9.86	0.26%	10.33	0.29%
Total current liabilities	317.24	9.52%	576.92	16.24%	915.36	24.42%	712.95	20.04%
Non-current liabilities								
Long-term loans, net of current portion	619.93	18.61%	526.58	14.82%	370.04	9.87%	351.68	9.89%
Provision for long-term employee benefits	61.71	1.85%	59.04	1.66%	54.08	1.44%	18.75	0.53%
Rental deposits, net of current portion	38.16	1.15%	35.54	1.00%	23.16	0.62%	30.03	0.84%
Leasehold Compensation from related parties	2.00	0.06%	1.00	0.03%	0.00	0.00%	0.00	0.00%
Other non-current liabilities	13.60	0.41%	12.60	0.35%	11.51	0.31%	11.02	0.31%
Total non-current liabilities	735.39	22.08%	634.76	17.87%	458.79	12.24%	411.48	11.57%
Total liabilities	1,052.63	31.60%	1,211.68	34.11%	1,374.15	36.66%	1,124.43	31.61%
Shareholders' equity								
Share capital issued and fully paid	589.41	17.69%	589.41	16.59%	589.41	15.72%	589.41	16.57%
Share premium	636.26	19.10%	636.26	17.91%	636.26	16.97%	636.26	17.89%
Retained earnings								
Appropriated-statutory reserve	58.94	1.77%	58.94	1.66%	58.94	1.57%	58.94	1.66%
Unappropriated	909.88	27.32%	968.52	27.27%	1,001.78	26.72%	1,057.52	29.73%



Statement of Financial Position (Consolidated)	31 December, 2013		31 December, 2014		31 December, 2015		30 June, 2016	
	MB	%	MB	%	MB	%	MB	%
Equity attributable to owner of the Company	2,194.49	65.88%	2,253.13	63.43%	2,286.39	60.99%	2,342.13	65.84%
Non-controlling interests of the subsidiaries	83.94	2.52%	87.29	2.46%	88.15	2.35%	90.73	2.55%
Total shareholders' equity	2,278.44	68.40%	2,340.43	65.89%	2,374.54	63.34%	2,432.86	68.39%
Total liabilities and shareholders' equity	3,331.07	100.00%	3,552.11	100.00%	3,748.69	100.00%	3,557.29	100.00%

Assets

The company's total asset in 2015 was 3,784.69 million Baht, an increase from the year 2014 and 2013 by 196.58 million Baht and 417.62 million Baht or 5.53 percent and 12.54 percent, respectively. The primary reason for the increase in total assets is the increase in short term investment. Assets in 2015 are divided into total current assets of 1,476.24 million Baht or 39.38 percent of total assets and total non-current assets of 2,272.44 million Baht or 60.62 percent of total assets. The main current assets were project development cost of 1,214.72 million Baht. As the Company is doing business of real estate development, major costs were land cost and construction in progress. Other current assets were short term investment, advance for land acquisition, and advanced payment to contractors. Non-current assets composed of land held for development of 1,409.88 million Baht and Investment properties such as land for rent and rental buildings of 749.71 million Baht.

As of 30 June, 2016, the company had total assets 3,557.29 million Baht, composed of current assets of 2,316.26 million Baht or 65.11 percent of total assets and non-current assets of 1,241.02 million Baht or 34.89 percent of total assets. The total assets as of 30 June, 2016 had decreased from the end of 2015 by 191.40 million Baht or 5.11 percent. This was mainly caused by the increase in Investment properties by 880.27 million Baht and deposits for land by 88.92 million Baht. At the same time, the amount of Land held for development and short term investment had increased by 1,093.81 million Baht or 172.27 million Baht.

Liabilities

At year-end 2015, the company had total liabilities of 1,374.15 million Baht, an increase from the year 2014 and 2013 by 162.47 million Baht and 321.52 million Baht or 13.41 percent and 30.54 percent respectively. The primary reason was the increase in short term investment from other parties and current portion of long -term loans. Liabilities in 2015 includes current liabilities of 915.36 million Baht or 24.42 percent of total liabilities and shareholders' equity, and total non-current liabilities of 458.79 million Baht or 12.24 percent of total liabilities and shareholders' equity. The items that made up the largest proportion of current liabilities were short term loans



from other parties of 394.08 million Baht, current portion of long -term loans of 261.62 million Baht, and trade and other payables of 153.10 million Baht. Non-current liabilities consisted of long-term loans, net of current portion of 370.04 million Baht.

As of 30 June, 2016, the company had total liabilities of 1,124.43 million Baht, consisting of current liabilities of 712.95 million Baht 20.04 percent of total liabilities and shareholders' equity and non-current liabilities of 411.48 million Baht or 11.57 percent of total liabilities and shareholders' equity. The total liabilities as of 30 June, 2016 had decreased from the end of 2015 by 249.72 million Baht or 18.17 percent. This was mainly caused by long-term loans payment.

Shareholders' Equity

At year-end 2015, the company had shareholders' equity of 2,374.54 million Baht or 63.34 percent of total liabilities and shareholders' equity, an increase from 2014 and 2013 by 34.11 million Baht and 96.10 million Baht or 1.46 percent and 4.22 percent respectively. This was mainly caused by company earnings.

As of 30 June, 2016, the company had shareholder's equity of 2,432.86 million Baht or 68.39 percent of total liabilities and shareholders' equity, an increase from 2015 of 58.32 million Baht. This is due to a net operating gain of 126.13 million Baht and dividend payment of 70.73 million Baht.

Income Statement

Income statement (consolidated)	31 December 2013		31 December 2014		31 December 2015		30 June 2016	
	MB	%	MB	%	MB	%	MB	%
Sale revenues	952.04	80.59%	903.39	79.77%	1,252.77	84.12%	589.33	81.83%
Rental revenues	73.03	6.18%	77.12	6.81%	81.74	5.49%	49.07	6.81%
Services revenues	141.81	12.00%	152.01	13.42%	154.82	10.40%	81.78	11.36%
Costs of goods sold	610.76	51.70%	584.20	51.58%	855.33	57.43%	415.35	57.67%
Rental costs	21.62	1.83%	24.30	2.15%	25.79	1.73%	13.34	1.85%
Service costs	137.26	11.62%	147.56	13.03%	147.88	9.93%	82.76	11.49%
Gross profits	397.25	33.63%	376.46	33.24%	460.32	30.91%	208.72	28.98%
Other revenues	14.47	1.22%	17.53	1.55%	19.65	1.32%	90.57	12.58%
Selling expenses	77.52	6.56%	97.32	8.59%	130.42	8.76%	58.50	8.12%
Administrative expenses	153.98	13.03%	127.53	11.26%	157.32	10.56%	66.17	9.19%
Operating profits	180.23	15.26%	169.14	14.94%	192.24	12.91%	174.62	24.25%
Financial Costs	(45.37)	(3.84%)	(40.00)	(3.53%)	(35.47)	(2.38%)	(15.01)	(2.08%)
Earnings (loss) before taxes	134.86	11.42%	129.14	11.40%	156.77	10.53%	159.61	22.16%
Revenue (expense) from income taxes	(35.83)	(3.03%)	(26.75)	(2.36%)	(34.26)	(2.30%)	(33.48)	(4.65%)



Income statement (consolidated)	31 December 2013		31 December 2014		31 December 2015		30 June 2016	
	MB	%	MB	%	MB	%	MB	%
Net profit (loss) for the year	99.03	8.38%	102.39	9.04%	122.51	8.23%	126.13	17.51%
Actuarial gains	0.00	0.00%	0.00	0.00%	0.00	0.00%	2.92	0.40%
Total comprehensive income	99.03	8.38%	102.39	9.04%	122.51	8.23%	129.05	17.92%

During the year 2015, it was found that the demand for housing was still high but the difficulty of buyers to obtain a mortgage had a major impact on the real estate, business, especially in terms of revenue recognition. Up to 30% to 35% of customers' application for mortgage was refused by financial institutions in that year. Thus, consumer's purchasing power was severely limited. On the other hand, the price of land in business areas continued to rise. Many real estate development companies had moved away from the central business district or downtown Bangkok, and started developing projects in the outskirts of Bangkok and along the BTS and MRT lines. The effect of this was an overall increase in real estate value. At the end of 2015 and until April 2016, the government had tried to stimulate the property sector by reducing the ownership transfer fee from one percent to 0.001 percent. This resulted in higher revenue and upside for the company, as well.

Revenues

The majority of revenue comes from the real estate sector. In 2015 the company had sales revenue of 1,252.77 million Baht, an increase from 2014 and 2013 by 349.38 million Baht and 300.73 million Baht or 38.67 percent or 31.59 percent respectively. Sales revenue includes land development revenue, real estate construction for sale and sale of land, and revenue recognition when ownership rights have been transferred to buyers. In the past, the main source of revenue was from horizontal residences such as single detached houses. But, the company had a policy to expand its customer base by adding variety to their product lineup to target new market segments such as the high rise condominium segment with projects such as S9 project, a condominium project that is located 100 meters away from the Bangrak Yai Station, on the new Purple line. The project started generating revenue since September 2015. Moreover, the subsidiary company named Pure Sammakorn Development Company Limited (PSDC) (the company has 55.87 percent stake in PSDC) owns and operates community malls, which generate revenue from rent and service. In 2015, the company had rent and service revenue of 236.56 million Baht, an increase from 2014 and 2013 by 7.43 million Baht and 21.72 million Baht or 3.24 percent and 10.11 percent, respectively.

For the six months ending 30 June, 2016, the company had sales revenue of 589.33 million Baht or 92.34 percent, an increase from same period last year by 282.92 million Baht. The company had rent and service revenue of 130.85 million Baht, an increase from the same period last year by 13.74 million Baht or 11.73 percent. In addition, the company had other revenues of 90.57 million Baht, resulting from the buildings transfer from a related company.

**Cost of goods sold and service costs**

In 2015, the company had cost of goods sold of 855.33 million Baht or 68.28 percent of real estate revenue, an increase from 2014 and 2013 by 271.13 million Baht and 244.57 million Baht or 46.41 percent or 40.04 percent, respectively. The rent and service cost was 173.67 million Baht or 73.42 percent of rent and services revenue, an increase from 2014 and 2013 by 1.82 million Baht and 14.79 million Baht or 9.31 percent, which resulted from higher rent and services revenue. Thus, the gross profit in 2015 was 460.32 million Baht or equal to gross profit margin of 30.91 percent, an increase from 2014 and 2013 by 83.86 million Baht and 63.07 million Baht or 22.28 percent and 15.88 percent, respectively.

For the six months ending 30 June, 2016, the company had cost of goods sold of 415.35 million Baht, an increase from the same period last year by 210.92 million Baht or 103.17 percent. Rent and services cost was 96.10 million Baht, an increase from the same period last year by 6.74 million Baht or 7.54 percent which resulted from higher total revenues. As a result, for the six months ending 30 June, 2016, the company had gross profit of 208.72 million Baht or gross profit margin of 28.98 percent, an increase from the same period last year by 79.01 million Baht or 60.91 percent.

Selling and administrative expenses

In 2015, the company had selling expense of 130.42 million Baht, an increase from 2014 and 2013 by 33.10 million Baht and 52.90 million Baht or 34.01 percent and 68.24 percent respectively. Selling expense increased from the ownership transfer of land, houses, S9 and other condominium projects. Administrative expenses in 2015 was 157.32 million Baht, an increase from 2014 and 2013 by 29.79 million Baht and 3.34 million Baht or 23.36 percent and 2.17 percent, respectively, which partly resulted from the repair of utilities in Nakhon-In project and Ratchaphruek projects, to transfer to the housing estates' juristic person, and loss on disposal of assets and allowance for doubtful service account.

For the six months ending 30 June, 2016, the company had selling expenses of 58.50 million Baht, an increase from the same period last year by 16.59 million Baht or 39.58 percent. At the same time, the company had administrative expenses of 66.17 million Baht, a decrease from the same period last year by 4.39 million Baht or 6.22 percent.

Net profit (loss)

In 2015, the company had net profit of 122.51 million Baht or net profit margin of 8.23 percent, an increase from 2014 and 2013 by 20.12 million Baht and 23.48 million Baht or 19.65 percent and 23.71 percent, respectively.



For the first six months of 2016, the company had net profit of 126.13 million Baht, an increase from the same period last year by 120.70 million Baht or 2,222.84 percent.

Cash flow statement (consolidated) Units: Million Baht	31 December 2013	31 December 2014	30 June 2015	30 June 2016
Net cash from (used) in operating activities	21.00	54.22	94.91	182.44
Net cash from (used) in investing activities	(93.47)	0.78	(195.99)	157.47
Net cash from (used) in financing activities	108.26	(128.09)	103.72	(317.05)
Increase (decrease) in cash and cash equivalents	35.78	(73.09)	2.64	22.86
Cash at the beginning of the year	57.54	93.32	20.23	22.87
Cash at the end of the year	93.32	20.23	22.87	45.73

In 2015, the company's beginning cash was 20.23 million Baht, while the cash received from operating activities was 94.91 million Baht. It used 195.99 million Baht in investment and cash from financing activities was 103.72 million Baht. Thus, at the end of the year 2015, the company had cash of 22.87 million Baht.

As of 30 June, 2016, the company has beginning cash of 22.87 million Baht. Cash received from operating activities was 182.44 million Baht and from investment was 157.47 million Baht, but it used 317.05 million Baht in financing activities. As a result, on 30 June, 2016, the company had cash of 45.73 million Baht.

6. Industry information

In 2015, Thailand's GDP was 2.8-3.0 percent. This was higher than the economic growth in 2014, where the GDP was a mere 0.8-0.9 percent. Nonetheless, this level of growth was still lower than that projected at the beginning of 2015. There are several reasons for this such as the economic slowdown in Thailand's trading partners, especially China, which had a large impact on export of goods. Internal factors that contributed to the low growth are a lack of consumer confidence and the low purchasing power of consumers.

The government's revenue at the end of 2015 improved for three reasons: 1) The auction of the 4G spectrum 2) Increase in excise tax collected as consumers rushed to purchase cars before the increase in the tax in 2016 3) Increase in withholding tax from the transfer of ownership of property, which increased because of government incentives. At the same time, the government has remained committed to investing in infrastructure projects such as the extension of various sky train and subway lines to the suburbs, such as the purple line, blue line, and the green line. In addition, the government's plan to build a regional express train system has become clearer, and increased investment can be expected in the future.

All of these projects have had a positive impact on the property sector as they have added value to land. From data from the Real Estate Information Center, residential ownership transfer totaled 484,115 million Baht from



196,095 units. This is considered a good signal. An important change is the greater proportion of townhouses purchased and transferred, which increased to 35 percent of all units transferred. The table below shows the housing trend in the past five years.

กรุงเทพฯ และปริมณฑล (BKK & Vicinities)	2011	2012	2013	2014	2015
อาคารชุด/Condominiums	40%	42%	41%	39%	37%
บ้านเดี่ยว/Detached Houses	18%	17%	17%	19%	17%
ทาวน์เฮาส์/Townhouses	31%	29%	31%	31%	35%
บ้านแฝด/Duplexes	3%	3%	3%	4%	4%
อาคารพาณิชย์/Shophouses	8%	9%	8%	7%	8%

Source: The Real Estate Information Center

The increase in townhouses purchased is the result of consumers' preference for greater space. Still, consumers have low purchasing power, they cannot afford single detached houses. Thus, they will likely choose to buy a townhouse. Apart from this, the price of land has been increasing. It is, therefore, not competitive for developers to build single detached houses. The drop in condominium ownership transfer is because of the general economic condition, stalling investors from purchasing condominiums (for investment).

As for the Thai economy in 2016, the Fiscal Policy Office of the Ministry of Finance forecasts greater economic growth, mainly the result of the government's policies such as the sponsorship of the grassroots, reduction of the transfer ownership fee to bolster the property sector, and so on. Thus, the GDP in 2016 is expected to be 3.70 percent, while inflation is expected to be at the same level. The company expects the real estate sector will grow at the same rate as the general economy in 2016. The company continuously develops its horizontal residence including single detached houses and town houses. The company aims to improve the construction process that has good quality and reduces the reliance on labor. The company gives priority to its human resource, and tries to develop the careers of its people. In addition, in 2016, the company will install a new IT system to increase work efficiency. As for its community mall business, the company will continue to improve it to make it the preferred shopping, dining, and one-stop service place for residents of Sammakorn's houses and the nearby community.



Enclosure 2

Company information of RPCG Public Company Limited

(Reference: Annual Registration Statement 2015 and financial statement)

1. Nature of business

RPCG Public Company Limited, formerly known as Rayong Purifier Public Company Limited, was established in 1995 by a group of Thai businessmen with experience in the petroleum and petrochemicals industry, in a joint venture with Petro-Instrument Company Limited. RPC's main business is the conversion of residual condensate (CR) into petroleum and petrochemical products of good quality such as diesel, fuel oil, and chemicals to be sold in bulk and retail size. The CR is a byproduct of the petrochemical production process of PTT Global Chemical Public Company Limited (PTTGC). In addition, RPC has received a license to sell petroleum according to Section 7 of the Act on the sale of fuel BE 2543.

RPC's oil refinery business had ceased operations since 2012 because PTT Public Company Limited had cancelled a contract between RPC and PTT on the sale of CR. CR is the main raw material used in RPC's production process. The cancellation of the contract is considered a default between PTT and RPC, and RPC has filed a law suit against PTT. The case is still under arbitration. The shutdown of the oil refinery business caused RPC to have no income, while having extensive costs. Therefore, RPC restructured itself into a holding company. The main source of revenue is the energy business.

2. Shareholding structure

The company had restructured itself into a holding company with a core business (core company) and subsidiaries, as follows.

Core company

1) Pure Thai Energy Company Limited (PTEC)

PTEC is a subsidiary company in which RPC holds 99.99 percent. It has a registered capital of 140 million Baht, as 1,400,000 shares with par value of 100 Baht per share. The shares are paid-up entirely. PTEC is involved in the retail business, selling diesel, gasohol 95, gasohol 91, gasohol octane 95 (E85), and gasohol E20. Its sales channel is the Pure gas stations. As of 31 December, 2015, RPC had 51 Pure gas stations all over the country. RPC has two types in business management which are company operate and franchise operate. It also develops the concept of plaza in gas station with the first branch at Amata Nakorn Chonburi Province. RPC has a plan to sell more Gasohol E20 in its gas stations.

**Subsidiary companies****1) SCT Sahapat Company Limited (SAP)**

SAP is a subsidiary company of RPC. RPC holds 99.99 percent of total shares. Its registered capital is 20 million Baht, as 200,000 common shares with par value of 100 Baht per share. SAP's main business is the sale of equipment used in petroleum stations and maintenance services. In July of 2015, the Board of Directors approved the sale of all of SAP's shares to PTEC, making SAP a subsidiary of PTEC.

2) Super Pure Gas Company Limited (SPG)

SPG is a subsidiary company in which PTEC holds 55 percent of total shares. It has registered capital of 34 million Baht. Its main business is the sale of liquefied petroleum gas (LPG) and compressed natural gas (CNG) through self-operated gas stations. As of 31 December, 2015, SPG had four gas stations.

3) Pure Biodiesel Company Limited (PBC)

PBC is a subsidiary company in which RPC holds 100 percent of total shares. It has registered capital of 280 million Baht, as common shares of 2,800,000 shares with par value of 100 Baht per share. It has two main products: Biodiesel and glycerin. PBC produced biodiesel (B100) from domestic raw palm oil with production capacity at 300,000 liters per day or 100,000 tons per year. This is, then, mixed with diesel oil to make B3 diesel and B5 diesel. Biodiesel is an alternative fuel that is being promoted by the government. In addition, PBC produced glycerin, which is used by the cosmetics and pharmaceutical industry. The company is able to produce 10,000 tons per year. Its business has received the Board of Investment's (BOI) special tax privileges for eight-year exemption. However, the company has ceased production since February 2012.

4) RPC Management Company Limited (RPCM)

RPCM is a subsidiary company in which RPC holds 99.99 percent. It has registered capital of 500,000 Baht, as common shares of 5000 shares with par value of 100 Baht (fully paid-up). It is involved in the bulk sales of petroleum, servicing large and small customers throughout the country. Petroleum products sold include diesel, benzene 91, gasohol 91, and gasohol 95. It ceased operations in 2012 and it has been involved in business of process management.

5) RPC Global Company Limited (RPC Global)

RPC Global is a subsidiary company that is based in Hong Kong. RPC holds 100 percent of total shares of registered capital of 10,000 Hong Kong dollars (HKD). It is involved in the trading business. In May of 2015, the Board of Directors of the company approved the shutdown of this business.

**Associated companies****1) Sammakorn Public Company Limited (SAMCO)**

SAMCO is an associated company in which RPC holds 48.25 percent of total shares. SAMCO has registered capital of 589.41 million Baht, as common shares of 589.41 million shares with par value of one Baht per share. It is involved in the property development. Since 1974, it has been building single detached houses (housing estates) and condominiums in Bangkok and the outskirts of Bangkok. SAMCO's policy is to continue in this line of business. As of 31 December, 2015, SAMCO had nine active projects including Sammakorn Minburi 1, Sammakorn Minburi 2, Sammakorn Nimit Mai, Sammakorn Rangsit Klong 2, Sammakorn Rangsit Klong 7, Sammakorn Ramkhamhaeng, Aqua Divina, Chaiyapruet Ring Road project, and S9 Condominium.

2) Pure Sammakorn Development Company Limited (PSDC)

PSDC is a joint investment between SAMCO and RPC. RPC holds 44.13 percent of total shares, while SAMCO holds 55.87 percent of total shares. It has registered capital of 260 million, as 2,600,000 shares with par value 100 Baht per share (fully paid-up). PSDC is involved in property development, in particular projects where the source of revenue is rent such as shopping centers, office buildings, and so on. As of 31 December, 2015, PSDC had three community mall projects.

3) Thai Public Port Company Limited (TPP)

TPP is a joint investment in which RPC holds 30 percent of total shares. It has registered capital of 840 million Baht, as 105 million shares with par value of 8 Baht per share. TPP is located on the island of Sri Chang. Its main business is the leasing of warehouses for the storage of petroleum and shipping ports that transport raw petroleum and refined oil (used commercially).

4) KP Energy Group Company Limited (KPEG)

KPEG is a joint investment in which RPC holds 18.22 percent of total shares. It has registered capital of 36.78 million Baht. Its main business is small power plants (VSPP). As of 31 December, 2015, it has sold electricity to the Provincial Electricity Authority (PEA)

3. List of shareholders

RPC has issued and paid-up capital of 1,304,664,125 Baht, as 1,304,664,125 common shares with par value of one Baht per share. The names of top ten shareholders of RPC, as of 3 March, 2016, is given in the table below (taken from the website of the Stock Exchange of Thailand, www.set.or.th).

Rank	Name list	No. of shares	Percentage
1	Petro-Instrument Company Limited	257,227,140	19.72%



Rank	Name list	No. of shares	Percentage
2	Janetumnugul Family	129,748,498	9.94%
	- Ms. Montana Janetumnugul	33,981,978	2.60%
	- Ms. Prinnee Janetumnugul	28,601,578	2.19%
	- Mr. Napon Janetumnugul	23,111,400	1.77%
	- Ms. Pimuma Janetumnugul	21,318,950	1.63%
	- Mr. Satja Janetumnugul	15,467,765	1.19%
	- Mrs. Piyanuch Janetumnugul	7,266,827	0.56%
3	Augsuprasert Family	46,039,238	3.53%
	- Mr. Tawat Augsuprasert	32,557,578	2.50%
	- Mrs. Muttana Augsuprasert	13,481,660	1.03%
4	NVDR Company Limited	18,273,917	1.40%
5	Ms. Mettanee Sukonthalux	17,000,000	1.30%
6	Mrs. Aumpai Hannkraiveelai	17,000,000	1.30%
7	Mr. Sumit Charnmaetee	16,319,158	1.25%
8	Colonel Uthit Pongpanid	15,541,725	1.19%
9	Ms. Petcharath Valeeruaksup	14,600,000	1.12%
10	Mr. Wongthiwat Kanchaloensuk	12,671,665	0.97%
11	Others	760,242,784	58.27%
Total		130,466,4125	100.00%

4. Board of Directors of the company

As of 25 August, 2016, the names of the company's Directors are as follows (taken from the website of the Stock Exchange of Thailand, www.set.or.th)

Name list	Position
Mr. Satja Janetumnugul	Chairman of the Board
Mr. Supapong Krishnakan	Director
Mr. Suwinai Suwanhirunkul	Director
Mr. Suthud Khancharoensuk	Director
Mr. Prasit Dheeraratbongkot	Chairman of the Audit Committee
Mr. Sophan Homchuen	Director, Audit Committee
Mr. Chamnii Janchai	Director, Audit Committee



5. Financial statements of the company

5.1 Statement of Financial Position

Statement of Financial Position (Units: million Baht)	31 December, 2013		31 December, 2014		31 December, 2015		30 June, 2016	
	MB	Percentage	MB	Percentage	MB	Percentage	MB	Percentage
Assets								
Current Assets								
Cash and cash equivalents	434.09	14.76%	131.72	4.38%	44.47	1.33%	19.42	0.57%
Short-term investments	188.33	6.40%	194.74	6.47%	133.18	4.00%	296.94	8.68%
Trade and other receivables	87.21	2.97%	54.07	1.80%	40.70	1.22%	44.55	1.30%
Inventory	58.00	1.97%	59.11	1.97%	47.94	1.44%	47.79	1.40%
Short-term loans to related businesses	4.50	0.15%	8.00	0.27%	0.00	0.00%	0.00	0.00%
Short-term loans to unrelated businesses	3.40	0.12%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Short-term loans to unrelated businesses due within one year	0.52	0.02%	0.55	0.02%	0.93	0.03%	0.67	0.02%
Other current assets	18.46	0.63%	59.28	1.97%	62.40	1.87%	37.86	1.11%
Non-current assets for sale	0.00	0.00%	0.00	0.00%	66.99	2.01%	66.99	1.96%
Total current assets	794.51	27.02%	507.47	16.87%	396.61	11.90%	514.21	15.02%
Non-current assets								
Bank deposit as guarantees	266.11	9.05%	257.86	8.57%	232.66	6.98%	188.67	5.51%
Long-term loans to related businesses	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Long-term loans to unrelated businesses	1.13	0.04%	5.14	0.17%	0.00	0.00%	0.00	0.00%
Investment in related companies	522.46	17.76%	1,413.80	47.00%	2,020.86	60.65%	2,060.06	60.19%
Investment in subsidiary companies	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Other long-term investments	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%



Statement of Financial Position (Units: million Baht)	31 December, 2013		31 December, 2014		31 December, 2015		30 June, 2016	
	MB	Percentage	MB	Percentage	MB	Percentage	MB	Percentage
Property, plant, and equipment	1,093.15	37.17%	770.40	25.61%	634.55	19.04%	616.26	18.00%
Intangible assets	7.67	0.26%	5.45	0.18%	3.24	0.10%	2.79	0.08%
Deferred tax assets	7.27	0.25%	4.60	0.15%	4.49	0.13%	5.16	0.15%
Guarantees for share purchase	200.00	6.80%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Other non-current assets	48.67	1.65%	43.39	1.44%	39.80	1.19%	35.69	1.04%
Total non-current assets	2,146.45	72.98%	2,500.65	83.13%	2,935.60	88.10%	2,908.62	84.98%
Total assets	2,940.96	100.00%	3,008.12	100.00%	3,332.21	100.00%	3,422.83	100.00%
Liabilities and shareholder's equity								
Current liabilities								
Trade and other payables	1,717.89	58.41%	1,674.20	55.66%	1,658.21	49.76%	1,656.77	48.40%
Short-term loans from unrelated parties	1.69	0.06%	1.69	0.06%	201.19	6.04%	249.25	7.28%
Portion of finance leases due within one year	2.47	0.08%	1.27	0.04%	0.74	0.02%	0.68	0.02%
Income taxes payable	0.02	0.00%	0.15	0.00%	1.22	0.04%	2.97	0.09%
Other current liabilities	17.13	0.58%	13.99	0.47%	13.46	0.40%	14.18	0.41%
Liabilities related to assets for sale	0.00	0.00%	0.00	0.00%	40.00	1.20%	0.00	0.00%
Total current liabilities	1,739.20	59.14%	1,691.30	56.22%	1,914.82	57.46%	1,923.85	56.21%
Non-current liabilities								
Finance leases	1.08	0.04%	2.23	0.07%	1.50	0.04%	1.16	0.03%
Deferred tax liabilities	61.05	2.08%	29.09	0.97%	29.09	0.87%	29.09	0.85%
Employee benefit obligations	8.97	0.30%	11.61	0.39%	9.50	0.29%	9.87	0.29%
Allowance for removal of assets	0.31	0.01%	0.34	0.01%	0.34	0.01%	0.34	0.01%
Total non-current liabilities	71.42	2.43%	43.28	1.44%	40.43	1.21%	40.46	1.18%
Total liabilities	1,810.62	61.57%	1,734.58	57.66%	1,955.25	58.68%	1,964.31	57.39%
Shareholder's equity								
Issued and paid-up capital	802.87	27.30%	1,304.66	43.37%	1,304.66	39.15%	1,304.66	38.12%
Premium on common shares	335.97	11.42%	335.97	11.17%	335.97	10.08%	335.97	9.82%



Statement of Financial Position (Units: million Baht)	31 December, 2013		31 December, 2014		31 December, 2015		30 June, 2016	
	MB	Percentage	MB	Percentage	MB	Percentage	MB	Percentage
Retained earnings								
Legal reserve (company)	80.30	2.73%	80.30	2.67%	80.30	2.41%	80.31	2.35%
Legal reserve (subsidiaries)	4.10	0.14%	1.50	0.05%	0.00	0.00%	0.00	0.00%
Net loss	(352.53)	-11.99%	(581.07)	-19.32%	(475.34)	-14.26%	(393.31)	-11.49%
Other shareholder's equity	244.21	8.30%	116.37	3.87%	116.37	3.49%	116.37	3.40%
Equity of shareholders of the company	1,114.93	37.91%	1,257.73	41.81%	1,361.97	40.87%	1,443.99	42.19%
Non-controlling interests	15.42	0.52%	15.81	0.53%	15.00	0.45%	14.53	0.42%
Total shareholder's equity	1,130.35	38.43%	1,273.54	42.34%	1,376.97	41.32%	1,458.52	42.61%
Total liabilities and shareholder's equity	2,940.96	100.00%	3,008.12	100.00%	3,332.21	100.00%	3,422.83	100.00%

5.2 Income statement

Income Statement (Units: million Baht)	31 December, 2013		31 December, 2014		31 December, 2015		Jan-June 2016	
	MB	Percentage	MB	Percentage	MB	Percentage	MB	Percentage
Sales revenue	3,308.21	95.71%	3,236.91	96.67%	2,360.75	96.02%	589.47	91.50%
Service revenue	99.31	2.87%	73.27	2.19%	59.41	2.42%	9.63	1.49%
Cost of goods sold	3,106.47	89.88%	3,010.58	89.91%	2,169.61	88.25%	538.61	83.61%
Service expense	76.89	2.22%	48.67	1.45%	38.39	1.56%	5.19	0.81%
Gross profit	224.15	6.49%	250.93	7.49%	212.17	8.63%	55.30	8.58%
Other income	48.83	1.41%	38.15	1.14%	30.89	1.26%	45.13	7.01%
Selling expense	74.40	2.15%	92.29	2.76%	68.17	2.77%	16.72	2.60%
Administrative expense	324.76	9.40%	293.24	8.76%	261.28	10.63%	53.67	8.33%
Loss on impairment of investment in related and subsidiary companies, and other investment	(3.17)	(0.09%)	5.48	0.16%	139.00	5.65%	0.00	0.00%
Depreciation of buildings and equipment	34.00	0.98%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Allowance for doubtful accounts	6.20	0.18%	4.08	0.12%	6.30	0.26%	0.00	0.00%



Opinion of Independent Financial Advisor on the Acquisition of Assets

Sammakorn Public Company Limited

Income Statement (Units: million Baht)	31 December, 2013		31 December, 2014		31 December, 2015		Jan-June 2016	
	MB	Percentage	MB	Percentage	MB	Percentage	MB	Percentage
Loss before profit from investment in related companies, interest, and taxes	(163.20)	(4.72%)	(106.01)	(3.17%)	(231.69)	(9.42%)	30.04	4.66%
Profit from investment in related companies	25.20	0.73%	7.13	0.21%	354.18	14.41%	11.68	1.81%
Loss before interest and taxes	(137.99)	(3.99%)	(98.88)	(2.95%)	122.49	4.98%	41.71	6.47%
Interest expense	(1.97)	(0.06%)	(2.00)	(0.06%)	(7.77)	(0.32%)	(3.35)	(0.52%)
Loss before taxes	(139.96)	(4.05%)	(100.88)	(3.01%)	114.71	4.67%	38.37	5.96%
Tax expense	1.67	0.05%	2.35	0.07%	(3.30)	(0.13%)	(1.12)	(0.17%)
Loss from continued operations	(138.29)	(4.00%)	(98.53)	(2.94%)	111.42	4.53%	37.24	5.78%
Loss from cancelled operations	0.00	0.00%	(152.58)	(4.56%)	(12.00)	(0.49%)	(0.22)	(0.03%)
Net loss for the year	(138.29)	(4.00%)	(251.11)	(7.50%)	99.41	4.04%	37.02	5.75%



Enclosure 3

Company information of Pure Sammakorn Development Company Limited

(Reference: Company's Information and BOL Website)

1. Nature of Business

Company's Name: Pure Sammakorn Development Company Limited

Established Date: May, 25th 2006 with 50,000,000 baht as registered capital. PSDC is a joint-venture company between Sammakorn Public Company Limited and RPCG Public Company Limited.

Type of Business: Property Development in Bangkok and Metropolitan Region. Renting and operating of community mall known as "Pure Place". PSDC has done the lease agreement with Sammakorn Public Company Limited. At present, PSDC has community mall projects as follows:

1. Pure Place Rangsit Klong2: 819/1-3 Rangsit – Nakornnaiyok Road, Prachathipat, Tanyaburi, Pathumthani with an area of 6 Rai 3 Ngan 74 square wah. There is 3,995 square meters of rental space.
2. Pure Place Ramkhamhaeng: 86 Ramkhamhaeng, Sapansung, Bangkok with an area of 16 Rai 1 Ngan 67.7 square wah. There is 9,076 square meter of rental space. Moreover, PSDC has leased 9,200 square meters for another nearby project called "Premier Sammakorn"
3. Pure Place Ratchapruek: 62/26-32 Aomkret, Pakkret, Nontaburi with an area of 9 Rai 6.8 square wah There is 4,364 square meter of rental space.

Head office's address: 86 Ramkhamhaeng Road, Sapansung, Bangkok

Paid-up Capital: 260,000,000 Baht, as 2,600,000 shares at a par value of 100 Baht per share.

2. Board of Directors

As of 28 April, 2016, PSDC has three directors as shown in the table below.

No.	Name and Last Name	Position
1	Mr. Kittipol Pramoj Na Ayudhya	Director
2	Mr. Napon Janetumnugul	Director
3	Mrs. Supanee Tanchaisrinakorn	Director

Note: Two directors sign with the company logo affixed

3. List of Shareholders

As of 21 August, 2015, PSDC's major shareholders are as shown in the table below.



No.	Name and Last Name	No. of shares	Percentage
1	Sammakorn Public Company Limited	1,452,498	55.86%
2	RPCG Public Company Limited	1,147,499	44.13%
3	Mr. Satja Janetumnugul	1	0.00%
4	Mr. Bibit Bijaisoradat	1	0.00%
5	Mr. Kittipol Pramroj Na Ayudhya	1	0.00%
Total		2,600,000	100.00%

4. Financial Statements

Statement of Financial Position

Statement of Financial Position	31 December, 2013		31 December, 2014		31 December, 2015		30 June, 2016	
	MB	%	MB	%	MB	%	MB	%
Asset								
Current Asset								
Cash and Cash Equivalent	1.63	0.31%	1.83	0.36%	0.96	0.20%	3.26	0.69%
Trade and others receivable	8.14	1.55%	11.68	2.29%	13.91	2.90%	21.42	4.51%
Revenue Department Receivable	1.83	0.35%	0.61	0.12%	0.00	0.00%	0.00	0.00%
Others Current Asset	1.25	0.24%	1.49	0.29%	1.49	0.31%	1.46	0.31%
Total Current Asset	12.85	2.45%	15.61	3.06%	16.36	3.41%	26.14	5.51%
Non-Current Asset								
Investment in subsidiaries	0.51	0.10%	1.40	0.28%	0.12	0.03%	0.12	0.03%
Investing Property	481.84	92.03%	464.94	91.17%	443.35	92.55%	428.30	90.23%
Equipment	20.17	3.85%	16.97	3.33%	11.73	2.45%	11.04	2.33%
Refundable Withholding Tax	6.35	1.21%	9.15	1.79%	5.75	1.20%	7.47	1.57%
Others Non-Current Asset	1.86	0.35%	1.88	0.37%	1.70	0.36%	1.59	0.33%
Total Non-Current Asset	510.73	97.55%	494.34	96.94%	462.66	96.59%	448.52	94.49%
Total Asset	523.59	100.00%	509.95	100.00%	479.02	100.00%	474.66	100.00%
Liabilities and shareholder's equity								
Current Liabilities								
Bank overdraft and short term loans from financial institutions	0.00	0.00%	0.00	0.00%	2.47	0.52%	0.00	0.00%



Statement of Financial Position	31 December, 2013		31 December, 2014		31 December, 2015		30 June, 2016	
	MB	%	MB	%	MB	%	MB	%
Trade and others payable	30.83	5.89%	11.20	2.20%	8.53	1.78%	16.36	3.45%
Current portion of long-term loans	30.88	5.90%	29.29	5.74%	34.58	7.22%	35.74	7.53%
Short-term loans from associated	0.00	0.00%	20.00	3.92%	16.00	3.34%	13.00	2.74%
Current portion of advanced rental revenue	2.28	0.43%	2.89	0.57%	3.23	0.68%	3.34	0.70%
Current portion of rent insurance	6.12	1.17%	11.01	2.16%	22.51	4.70%	18.14	3.82%
Other current liabilities	1.66	0.32%	2.06	0.40%	2.61	0.55%	2.93	0.62%
Total Current Liabilities	71.76	13.71%	76.46	14.99%	89.95	18.78%	89.51	18.86%
Non-Current Liabilities								
Long-term loans	230.17	43.96%	206.94	40.58%	170.50	35.59%	152.14	32.05%
Advance rental revenue- Net from current portion	6.14	1.17%	5.15	1.01%	4.08	0.85%	3.56	0.75%
Employee benefit obligations	0.96	0.18%	1.31	0.26%	2.62	0.55%	0.00	0.00%
Rent insurance- Net from current portion	32.14	6.14%	29.83	5.85%	17.08	3.57%	24.01	5.06%
Total Non-Current Liabilities	269.41	51.46%	243.22	47.70%	194.28	40.56%	179.72	37.86%
Total Liabilities	341.17	65.16%	319.68	62.69%	284.22	59.33%	269.23	56.72%
Shareholder's Equity								
Registered share Capital	260.00	49.66%	260.00	50.98%	260.00	54.28%	260.00	54.78%
Retained earnings(deficit)	(77.59)	(14.82%)	(69.73)	(13.67%)	(65.21)	(13.61%)	(54.57)	(11.50%)
Total shareholder's equity	182.41	34.84%	190.27	37.31%	194.79	40.67%	205.43	43.28%
Total liabilities and shareholder's equity	523.59	100.00%	509.95	100.00%	479.02	100.00%	474.66	100.00%

Remark: Financial statement as of June,30th 2016 is the Management Account

Asset

PSDC's total assets in 2015 was 479.02 million Baht, composed of current assets of 16.36 million baht and non-current assets of 462.66 million Baht or equal to 3.42 percent and 96.58 percent of total assets, respectively. Most of these assets was investment property at 90% of total assets, which was consistent with PSDC's community mall business. PSDC's total assets in 2015 decreased by 30.93 million Baht and 44.57 million Baht from 2014 and 2013, respectively. This is mainly caused by the decrease of investing property, which is depreciation's deduction.



As of 30 June, 2016, PSDC had total assets of 474.66 million baht, composed of current assets of 26.14 million Baht and non-current assets of 448.52 million Baht or equal to 5.51 percent and 94.49 percent of total assets respectively. The total assets as of 30 June, 2016 had decreased from the end of 2015 by 4.36 million Baht, due to the depreciation of assets by 15.05 million baht. At the same time, the amount of trade and other receivables had increased by 7.51 million Baht.

Liabilities

At year-end 2015, PSDC had total liabilities of 284.22 million Baht, consisting of current liabilities of 89.95 million Baht and non-current liabilities of 194.28 million Baht, equivalent to 18.78 percent and 40.56 percent, respectively. The largest portion of total liabilities was loans from financial institutions for operational use, totaling 205.08 million Baht. The amount of total liabilities in 2015 had decreased by 35.46 million Baht and 56.95 million Baht when compare with 2014 and 2013, respectively. The decrease in total liability was caused by the payment of long-term loans to financial institutions, amounting to 31.15 million Baht and 55.97 million Baht in 2014 and 2013, respectively.

As of 30 June, 2016, PSDC's total liabilities was 269.23 million Baht, consisting of current liabilities of 89.51 million Baht and non-current liabilities of 179.72 million Baht, which was a decrease from year-end 2015 of 14.99 million Baht, mainly from the repayment of long-term loans of 17.20 million Baht. While, trade and other payables increased by 7.83 million Baht.

Shareholder's Equity

At year-end 2015, PSDC had shareholder's equity of 194.79 million Baht which was paid-up capital of 260 million Baht and retained deficit of 65.21 million Baht. In the first six months of 2016, PSDC had net profit of 10.64 million Baht which helped reduce the accumulated losses to 54.57 million Baht and shareholder's equity to 205.43 million Baht.

4.2 Income Statement

Income Statement	31 December, 2013		31 December, 2014		31 December, 2015		Jan-June 2016	
	MB	%	MB.	%	MB.	%	MB.	%
Rent and Service Revenue	126.08	96.52%	144.84	92.63%	146.42	95.78%	83.04	98.43%
Rent and Service Cost	91.86	70.33%	102.41	65.50%	100.72	65.89%	61.10	72.43%
Gross Profit	34.21	26.19%	42.42	27.13%	45.70	29.89%	21.94	26.00%
Other Revenue	4.54	3.48%	11.52	7.37%	6.45	4.22%	1.32	1.56%
Selling Expense	4.84	3.71%	9.40	6.01%	10.51	6.88%	1.51	1.79%
Administrative Expense	17.06	13.06%	19.40	12.41%	22.62	14.80%	5.60	6.64%



Income Statement	31 December, 2013		31 December, 2014		31 December, 2015		Jan-June 2016	
	MB	%	MB.	%	MB.	%	MB.	%
Earnings Before Interest and Tax	16.85	12.90%	25.14	16.08%	19.01	12.44%	16.15	19.14%
Finance Cost	(18.82)	(14.41%)	(17.28)	(11.05%)	(14.49)	(9.48%)	(5.51)	(6.53%)
Net Profit (loss)	(1.97)	(1.51%)	7.86	5.03%	4.52	2.96%	10.64	12.61%

Remark: Financial statement as of 30 June, 2016 is the Management Account

In 2015, PSDC had rent and service revenue of 146.42 million Baht, an increase from 2014 and 2013 by 1.58 million baht and 20.34 million baht, or 1.09 percent and 16.13 percent, respectively. At the same time, rent and service cost was 100.72 million Baht, a decrease from 2014 by 1.69 million Baht but an increase from 2013 by 8.86 million Baht. In percentage, a 1.65 percent decrease from 2014 but a 9.65 percent increase from 2013. Thus, the gross profit was 45.70 million baht which was an increase from the years 2014 and 2013 by 3.28 million baht and 11.49 million baht or equal to 7.73% and 33.59%, respectively.

In addition, in 2015, PSDC had selling and administration expense of 33.13 million Baht, an increase from 2014 and 2013 by 4.33 million Baht and 11.23 million Baht, respectively. As such, the net profit was 4.52 million Baht or 2.96 percent, which was a decrease from 2014 of 3.34 million Baht but an increase from 2013 of 6.49 million Baht.

For the first six months of 2016, PSDC had rent and service revenue of 83.04 million Baht and 61.10 million Baht of rent and service cost. Therefore, the gross profit was 21.94 million Baht. According to PSDC's reorganization, which led to increased productivity and reduction of cost. PSDC had selling and administration expense of 7.11 million Baht and net profit of 10.64 million Baht or equal to net profit margin of 12.61 percent.

Improving performance of PSDC especially in 2016 resulted from the ability to manage expenses by reducing double expenses in each mall, for example repair & maintenance expenses, engineering expenses. PSDC also changed management team since end of 2015 to early 2016 and lay off some staff. It has moved staff to SAMCO and did a contract management instead, which help reduce staff expenses.

5. Industry

Thailand's GDP growth in 2016 is expected to be in the range of 2.5 percent to 3.5 percent (average 3.0 percent) from an earlier 2.8 percent in 2015. The government will continue to inject money into the economy by increasing government budget disbursement and bolstering the private sector's confidence. However, there are some negative factors that may stall economic growth such as falling agricultural prices, political conflicts, and ongoing droughts. External factors are a sluggish Chinese economy, political conflict in Thailand, and International political conflicts.



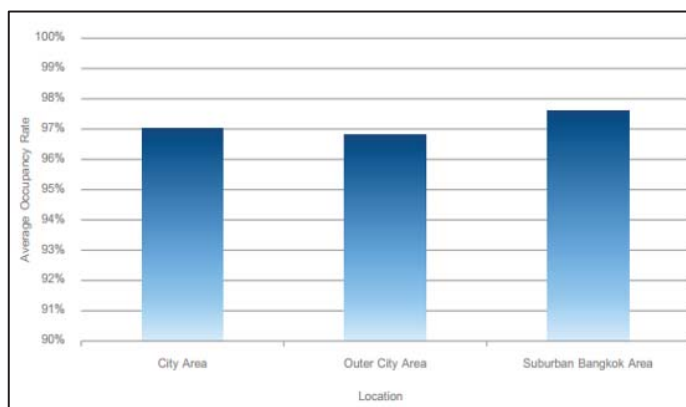
(Reference: Kasikorn Research Center)

In the retail development sector, department stores and community malls are expected to grow, totaling 491,925 sq.m. More than 220,000 sq. m. of new retail space is expected to open in 2016, comprised of many community malls, two of them are operated under Central Group. Most retail projects are almost fully occupied before their official opening dates. Community malls in the suburbs of Bangkok may not have that high occupancy rate because some small players lack experiences in retail business. They can make it successful in short term but finally lessee will shut down. Key success factor is to have popular lessee such as big supermarket, restaurants, banks that can make the project survive in the long run.

The retail business in Bangkok still has room to grow in the future. In addition, all retail developers and operators and all Thai and international brands are still looking to open their shops both in the city area provinces at the border and in popular tourist destinations. Moreover, several international operators are interested in the Thai market, but are concerned about competition from large players in the market.

Occupancy Rate

Most department stores and community Malls are almost fully occupied, accounting for 69% of total leasable areas. In community malls, above 96 percent of total leasable areas are occupied, as of the second quarter of 2016. The chart below shows the occupancy rate of malls in different locations in Bangkok.



Trend and Expectation

The Thai Retailer's Society has forecasted that the retail market has the potential to grow by 2.85 percent in 2016, a small increase from 2015 at 2.8%. However, growth is highly dependent on the economic condition and the public sector's investment. The spending of middle and low income earners is expected to decrease due to high household debt and lack of confidence in the current economic environment.

Small retailers in Thailand are likely to expand to other regions of the country. The emphasis will be on large retail areas that look attractive and have shops & services for the market. In the next two years, the local retain



industry will have to face competition from multinational companies. Market base will expand to countries in the South East Asia. In addition, e-commerce is gaining popularity and will be another source of competition for retailers. Thus, retailers have to find ways to attract customers to go out and have direct experiences in buying goods.

(Reference: Colliers International Thailand)



Attachment 4

Summary of Asset Valuation by Independent Assessment Company

Agency for Real Estate Affairs Co., Ltd.

Date of Valuation: May, 30th 2016

A. The valuation of leasehold estate at Pure Place Sammakorn (Ramkhamhaeng)

Detail of Appraised Asset

Asset Type	Leasehold Land with area of 8 Rai 3 Ngan 84.4 Sq. w. (14,337.6 Sq. m.) and Community mall building called “Pure Place Sammakorn”
Asset Location	86 and 86/1-3 Ramkhamhaeng Road, Kwang Sapansung, Khet Sapansung, Bangkok Thailand
Document of Rights	Lease Agreement between lessor (SAMCO) and lessee (PSDC). The length of agreement is 30 years between November, 1 st 2010 and October, 31 st 2040. As of May, 30 th 2016, PSDC has 24 years and 5 months left on the lease.
Building	4 Community Mall Buildings and 1 Car Park Building

Summary of valuation by Cost Approach and Income Approach

Detail	Value (Baht)	Market Value	Remark
1. Pure Place Sammakorn (Ramkhamhaeng)			
1.1 By Cost Approach			
- Leasehold Land	58,344,631		Table 1
- Leasehold Building	<u>285,553,896</u>		Table 1
Total Value	<u>343,898,527</u>		
1.2 By Income Approach	349,700,000	<u>349,700,000</u>	Table 2
2. Forced Sell Value (Consider at 70% of Value)		244,790,000	
3. Insured Value		<u>352,500,000</u>	Table 1

The Independent Appraiser considered Income Approach to be the most appropriate for valuing the asset, as the method is best suited for Income Producing Property. The Income Approach reflected a value of THB 349.70 million. Cost Approach is used as a supporting method to cross-check the valuation results.

Location





Table 1 Valuation of leasehold land and building by Cost Approach

The Independent Appraiser had done market research nearby areas for valuating comparative assets which are similar to the appraised asset.

Detail	10th Comparative Data		11th Comparative Data		12nd Comparative Data		
Land Area	2,678.00		600.00		800.00		
Location:Road	Sukhaphiban3 (Ramkhamhaeng)						
City Planing Regulation	Yellow - low density residential area		Orange		Yellow - low density residential area		
Width (m.)	41		25		40		
Depth(m.)	261		96		80		
Area Shape	Trapezium		Trapezium		Trapezium		
Level of the land	Not yet reclaimed		Alreaady Reclimated		Alreaady Reclimated		
Front Area (m.)	41		25		40		
Lease Agreement (years)	5		5		6		
Rental Fee	Detail		Detail		Detail		
Discount Rate (%)	10.0%		Consider to Risk Free Rate (Gov't bonds, Long term 20 yrs., and annual return of land rent in CBD)				
Year	1	4,800,000	4,576,620	1,440,000	1,372,986	1,800,000	1,716,233
Year	2	4,800,000	4,160,564	1,440,000	1,248,169	1,800,000	1,560,212
Year	3	4,800,000	3,782,331	1,440,000	1,134,699	1,800,000	1,418,374
Year	4	4,800,000	3,438,483	1,440,000	1,031,545	1,800,000	1,289,431
Year	5	4,800,000	3,125,893	1,440,000	937,768	1,800,000	1,172,210
Year	6	-	-	-	-	1,800,000	1,065,645
Total rental fee (Present Value)		19,083,891		5,725,167		8,222,105	
Price per Sq.W.		7,126		9,542		10,278	
Status of Rental fee		Rented 2557		Rented 2558		Rented 2551	
Adjustment		0%	7,126	0%	9,542	0%	10,278
Length of Rental		5		5		6	
Adjusted Length of Rent as		24.4		24.4		24.4	
Constant Factor (Year)		5	3.7908	5	3.7908	6	4.3553
Constant Factor (Year)		24.42	9.0243	24.42	9.0243	24.42	9.0243
Diff of Constant Factor		2.3806		2.3806		2.0720	
Market Rental Fee per sq.w.		24.42	16,964	24.42	22,715	24.42	21,296

Nearby area's rental fee information was used to compare with the asset to do the valuation by using adjustment factor with variation of weighting. Total sum of weighting will be 100%. Then, market rental fee will equal to 22,000 Baht/sq. w.

Compare to Appraised Asset					
Adjustment Factors		(Weight by%)	10th Comparative Data	11th Comparative Data	12nd Comparative Data
1	Location	20	3	3	3
2	BTS Station	15	3	3	3
3	City Planining Regulation	10	3	4	3
4	Legal restriction	10	4	4	3
5	Utility	10	4	4	3
6	Development Potential	10	3	2	4
7	Transportation Convenience	10	3	3	4
8	Size/Shape/Width/Depth	15	3	4	4
Total		100			
Total Weighted Quality Score			320	335	335
Adjusted Ratio			1.0313	0.9851	0.9851
Status			Rented 2557	Rented 2558	Rented 2551
Price per sq.w.			16,964	22,715	21,296
% Adjustment			2%	3%	8%
Adjusted Price			17,304	23,397	22,999
Indicated Value			17,844	23,048	22,656
Weighting Process					
1	Total Absolute Adjustment		10	5	5
2	Proportion		50.00%	25.00%	25.00%
3	Inverse		2.0000	4.0000	4.0000
4	Proportion		20.00%	40.00%	40.00%
Weighted Value			3,569	9,219	9,062
Market Rental Fee as 24.42 years					22,000
				Compare with Valuated Market Price from table1-1	
				% of Valuated Market Price	
				29%	



Market Rental fee of the appraised asset

Area	3,584,.4	sq. w.
Remaining lease agreement	24.42	years
Market rental fee	22,000	Baht / sq. w.
Total market rental fee	<u>78,856,800</u>	Baht

Then the appraiser calculated present value of rental fee which is constant along contract by using 10% as discount rate (refer to return from 20-year government bond plus return from rent in business area). The present value of rental fee is equal to 20,512,169 baht

So, the value of leasehold land

Market rental fee	78,856,800	Baht
Less: Rental fee from contract	20,512,169	Baht
Remaining leasehold value	<u>58,344,631</u>	Baht (24.42 year remaining of the lease)

The valuation of leasehold building by replacement cost method

No.	Building	Area (Sq. m.)	Replacement Cost		Age (year)	Depreciation (% per year)	Building Value at current state
			(baht / sq. m.)	Total (baht)			
1	Community mall Building A	2,120.00	18,000.00	38,160,000.00	6	2.00%	33,580,800.00
2	Community mall Building B	3,049.00	18,000.00	54,882,000.00	6	2.00%	48,296,160.00
3	Community mall Building C + Rooftop	4,164.00	18,000.00	74,952,000.00	6	2.00%	65,957,760.00
4	Community mall Building D + Rooftop	4,287.00	18,000.00	77,166,000.00	6	2.00%	67,906,080.00
5	Corridor Connection between Building A-B	1,043.66	6,000.00	6,261,960.00	6	2.00%	5,510,524.80
6	Corridor Connection between Building C and	568.30	6,000.00	3,409,800.00	6	2.00%	3,000,624.00
7	5 Floors, Car Park Building	8,279.00	11,800.00	97,692,200.00	6	3.00%	80,107,604.00
8	Toilet 260 Sq. m.			-	-	0.00%	-
9	Laundry Area and Car Park	5,930.00	1,500.00	8,895,000.00	6	3.00%	7,293,900.00
	Total Value	29,440.96	12,276.06	361,418,960.00			311,653,452.80
		23,510.96					
Insured Value (No.1-7)				352,500,000.00	บาท		

*Remark: According to, The valuers association of Thailand, has defined 50 years as lifetime of building with 2% per year as depreciation.

The value of buildings with remaining 44 years will be equal to 311,653,452.80 Baht or 311,700,000.00 Baht approximately. If it was considered 24.42 years remaining on the lease, the value will be equal to 285,600,000.00 baht.



In summary,

Leasehold land value + leasehold building by Cost Approach will be equal to

$58,344,631.23 + 285,553,896.14 = 343,898,527.37$ Baht

Or = 344,000,000.00 Baht



Opinion of Independent Financial Advisor on the Acquisition of Assets
Sammakorn Public Company Limited

Table 2 Valuation of leasehold land and building by Income Approach

The appraised asset is community mall called “Pure Place Sammakorn (Ramkhamhaeng)” which has rental area around 11,489 sq. m. To make a valuation, the Independent Appraiser has defined 11-year business cycle into 4 periods which are 2-year for recovery, 3-year for peak, 3-year for recession and 3-year for depression. Rental Fee and Vacancy Rate will be changed in line with business cycle along the period and historical data is used as base assumptions for the forecast.

Detail	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Project has been opened since 2553																
Business Cycle		2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573
Remaining Month		12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Rental Area		2,610	1,001	641	-	-	-	-	-	-	-	-	-	-	-	-
Contract Rent (sq. m.)		8,679	10,489	10,848	11,489	11,489	11,489	11,489	11,489	11,489	11,489	11,489	11,489	11,489	11,489	11,489
Market Rent (sq. m.)		11,489	11,489	11,489	11,489	11,489	11,489	11,489	11,489	11,489	11,489	11,489	11,489	11,489	11,489	11,489
Total Rental Area (sq.m)		0.0%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Potential Gross income : growth rate		25,475,597	9,432,349	5,057,027	897,218	-	-	-	-	-	-	-	-	-	-	-
Revenue from Contract Rent		49,626,211	69,625,730	61,527,354	91,804,083	94,686,788	94,686,788	94,686,788	94,686,788	94,686,788	94,686,788	94,686,788	94,686,788	94,686,788	104,133,467	104,133,467
Revenue from Market Rent		22,058,226	22,500,410	23,062,920	23,754,808	24,467,452	25,079,139	25,580,721	25,964,432	26,224,076	26,486,317	26,751,180	27,152,448	27,695,497	28,387,884	29,238,521
Revenue from Utilities		8,283,419	8,702,889	9,524,282	10,197,207	10,413,347	10,413,347	10,413,347	10,413,347	10,413,347	10,413,347	10,413,347	10,413,347	10,413,347	11,454,681	11,454,681
Other Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Potential Gross Income		105,646,452	110,321,477	119,171,582	126,653,896	129,547,587	130,159,274	130,660,857	131,044,567	131,304,212	131,566,452	131,831,316	132,232,585	132,775,632	143,976,033	144,627,670
Vacancy Rate & Loss	17%	20.00%	15.00%	10.00%	5.00%	5.00%	10.00%	15.00%	20.00%	25.00%	30.00%	30.00%	25.00%	20.00%	15.00%	10.00%
Revenue from Contract Rent		20,380,477	8,088,497	4,551,324	852,357	-	-	-	-	-	-	-	-	-	-	-
Revenue from Market Rent		39,862,589	59,181,970	73,374,618	87,214,430	88,953,449	85,200,110	80,466,770	75,733,431	71,000,091	66,266,732	66,266,732	71,000,091	75,733,431	88,513,447	93,720,121
Revenue from Utilities		17,647,380	19,125,349	20,756,628	22,667,068	23,244,080	22,571,225	21,743,613	20,771,546	19,688,057	18,504,422	18,725,626	20,354,336	22,156,398	24,129,702	26,315,589
Other Income		6,626,735	7,397,540	8,571,854	9,887,347	9,882,679	9,372,012	8,851,345	8,330,677	7,810,010	7,289,343	7,289,343	7,810,010	8,330,677	9,736,479	10,309,213
Effective Gross Income		84,517,162	93,773,256	107,254,424	120,321,201	123,070,208	117,143,346	111,061,728	104,835,654	98,476,159	92,086,517	92,281,921	98,174,437	106,220,506	122,379,628	130,244,903
Minus Operating Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Growth Rate		1.5%	2.0%	2.5%	3.0%	3.0%	2.5%	2.0%	1.5%	1.0%	1.0%	1.0%	1.5%	2.0%	2.5%	3.0%
FX Expense		2,592,000	2,643,840	2,709,536	2,791,234	2,874,971	2,946,845	3,005,782	3,050,869	3,081,378	3,112,191	3,143,313	3,190,463	3,254,272	3,335,629	3,435,698
Variable Expense		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities Cost		14,117,904	15,300,279	16,695,303	18,653,654	18,595,354	18,056,980	17,394,880	16,617,237	15,724,446	14,833,338	14,880,661	16,291,489	17,725,118	19,303,761	21,052,455
Maintenance cost		1,680,343	1,875,465	2,145,088	2,406,424	2,461,404	2,242,867	2,221,285	2,096,713	1,989,563	1,841,948	1,846,508	1,963,489	2,124,410	2,447,583	2,806,889
Allowance for Big Renovation		4,225,858	4,688,653	5,362,721	6,016,002	6,153,310	5,557,167	5,553,006	5,241,763	4,922,908	4,604,826	4,614,096	4,958,722	5,311,025	6,118,981	6,517,245
Selling and Admin Expense		27,880,663	30,945,174	35,383,960	39,705,996	40,613,169	38,857,304	36,650,370	34,595,766	32,497,792	30,391,851	30,453,034	32,727,564	35,062,767	40,385,277	43,013,818
Total Expenses		50,516,769	55,453,421	62,217,008	68,973,369	70,686,318	67,861,164	64,625,364	61,802,367	58,207,007	54,703,336	55,036,743	59,151,707	63,467,593	71,591,242	76,526,114
Total Net Operating Income		34,000,393	38,319,835	45,037,416	51,347,833	52,371,890	49,282,183	46,236,364	43,233,287	40,271,072	37,313,381	37,245,778	40,022,731	42,752,913	50,788,386	53,716,788
Total Net Operating Income (Present Value)		32,127,351	33,329,322	33,925,668	34,534,966	31,449,746	26,423,528	22,134,337	18,479,186	15,368,801	12,714,327	11,331,328	10,871,750	10,389,085	10,988,187	10,386,386



Table 2 Valuation of leasehold land and building by Income Approach (Continued)

Detail	16	17	18	19	20	21	22	23	24	25
Project has been opened since 2553	Year	2574	2575	2576	2577	2578	2579	2580	2581	2582
Business Cycle										
Remaining Month										
Rental Area										
Contract Rent (sq. m.)										
Market Rent (sq. m.)										
Total Rental Area (sq.m.)										
Potential Gross Income : growth rate										
Revenue from Contract Rent										
Revenue from Market Rent										
Revenue from Utilities										
Other Income										
Total Potential Gross Income										
Vacancy Rate & Loss										
Revenue from Contract Rent										
Revenue from Market Rent										
Revenue from Utilities										
Other Income										
Effective Gross Income										
Minus Operating Expenses										
Growth Rate										
Fix Expense										
Variable Expense										
Utilities Cost										
Maintenance cost										
Allowance for Big Renovation										
Selling and Admin Expense										
Total Expenses										
Total Net Operating Income										
Total Net Operating Income (Present Value)										

Note: According to Thai Valuers Association, range of discount rate for this asset is in the range of 11-12% and the independent appraiser considered at 12%

In summary, land and building leasehold value is equal to

Revenue from operating (Before Rental Fee)	370,246,125	Baht
Remaining Rental fee (from contract)	20,512,169	Baht
Remaining leasehold value	349,733,956	Baht or 30,440 baht/ sq. m.
The value of leasehold by Income Approach	349,700,000	Baht



Summary and IFA Opinion

The appraiser has applied two approaches, cost approach and Income approach. Income approach is the suitable method because PSDC has used this method to disclose its item “Investment Properties” in the Note of financial statement and it is in accordance with the best use of assets that can generate revenues. The appraiser has also set assumptions based on past performance and signed rental agreements which reflected actual performance. Therefore, IFA views that the valuation by appraiser is appropriate.

**B. The valuation of leasehold estate at Pure Place Sammakorn (Additional Area)**

(Refer to the valuation report called "Premier Sammakorn")

Detail of Appraised Asset

Asset Type	Leasehold Land with area of 6 Rai 3 Ngan 83.3 sq. w. (11,133.2 sq. m.)
Asset Location	Ramkhamhaeng Road, Kwang Sapansung, Khet Sapansung, Bangkok Thailand
Document of Rights	Lease Agreement between lessor (SAMCO) and lessee (PSDC). The length of agreement is 1 year between January, 1 st and December, 31 st 2016. As of May, 30 th 2016 PSDC has 7 months left on the lease.
Building	2 Community Mall Buildings, hospital building, Commercial Bank Building. Total area is equal to 11,037.50 sq. m. However, Commercial Bank Building is not included in lease Agreement)

Summary of Valuation by Income Approach

Detail	Value (Baht)
1.Premier Sammakorn By Income Approach	<u>3,183,000.00</u>

The Independent Appraiser considered Income Approach to be the most appropriate for valuing the asset, as the method is best suited for Income Producing Property. The Income Approach reflected a value of THB 3.183 million.

Location

Asset is located next to Pure Place Sammakorn (Ramkhamhaeng)

Table 1 Valuation of Appraised Asset by Income Approach

The Independent Appraiser had analyzed 1st floor's rental fee in comparative projects and compare with appraised project.

No.	Project	Location	Project Perspective	Utility in the Project	Type	Area	Rental Fee (baht/sq. m.)	Rental Fee raised Asset
1	Palm Street Place 1st fl. 32.00-40.00 sq. m.	Similar 0%	Worse -10%	Worse -5%	Worse -5%	Better -5%	700.00	540.15
2	The Crystal 1st fl. 30.00-60.00 sq. m.	Similar 0%	Worse -10%	Worse -10%	Worse -10%	Similar -5%	1,100.00	761.81
3	Pure Place Sammakorn 1st fl 50 sq. m.	Similar 0%	Worse -10%	Worse -10%	Worse -10%	Similar -5%	1,100.00	761.81
Market Rental Fee for 1st fl.							Approximate	700.00

From the above table, market price of 1st floor rental fee is equal to 700 Baht /sq. m. and set adjustment of 100 Baht per sq. m. for the above floor.



Market Rental Fee	
Community Mall Building A	Total
	(baht/year)
1st floor	3,430,560
2nd floor	2,940,480
3rd floor	2,450,400
Community Mall Building B	
Total Rental Area	7,053,312
Hospital Building	
1st floor	7,376,732
2nd floor	5,318,492
3rd floor	3,260,252
Total Rental Fee	31,830,228
Other Income	
Common fee chart	28,647,206
Electricity	2,546,418
Water	95,491
Total Other Income	31,289,115
Total Revenue	63,119,343

Table 2 Comparative Information

	1st Comparative Data	2nd Comparative Data	3rd Comparative Data	4th Comparative Data
Type	Rental Area			
Project Name	Palm Street Place	The Crystal	Crystal Design Center	Pure Place Sammakorn
Location	Parallel with Ramindra-ardnang express way			Ramkhmaeng (Sukhaphiban3)
	Kwaeng Ladprao, Khet Ladprao, Bangkok			Khet Bunggum, Bangkok
Detail	2 floor building			
	Total Rental Area 10,000 sq. m.		20,000 sq. m.	15,000 sq. m.
Pros/Cons	Medium	Premium	Big Project	Good
Size per Unit	32-50 sq. m.	29-270 sq. m.	30-60 sq. m.	50 sq. m. or above
Rental Fee	Offer Rental fee 2016			
(baht/ sq. m.)	1st fl: 700	2200	1st fl: 1,100	1st floor(Restaurant Zone): 1,100-1,400
	2nd fl: 620		2nd fl: 900	1st floor(Fashion Zone): <1,200
Common Fee	Included	200.00	N/A	2nd floor :2,300
Contract	1 year	1-3 year		At least 1 year
Tel.	0-2957-5823	0-2101-5888 ext 11 ext 1	0-2101-5888 ext 12 ext 1	0-2372-3323
Compare with	Similar	Better than Appraised Asset		Similar
Appraised Asset	Worse than Appraised Asset	Better than Appraised Asset		Similar



Cash Flow Projection

Detail		1
Year		2016
No of Month		7
Rental Area (sq. m.)		7,683
Potential Gross Income : Growth Rate		0.0%
Market Rent		18,567,633
Other Income		18,251,984
Total Potential Gross Income		36,819,617
Vacancy Rate & Loss	22%	22.0%
Market Rent		14,482,754
Other Income		14,236,547
Effective Gross Income		28,719,301
Minus Operating Expenses		
Fixed Cost : Growth Rate		0.00%
Rental Cost		9,552,947
Service Cost		8,549,444
Electricity		796,552
Water		80,517
Variable Cost		
Admin Expense		1,662,985
Total Expenses		20,642,445
Proportion to Revenue		71.88%
Total Net Operating Income		8,076,856
		0.9397
Total Net Operating Income (Present Value)		7,589,841
Discount Rate		11.0%
Note: Discounted Rate 11-12% is referred to Thai Appraisal Foundation		

Then, the Independent Appraiser calculated present value of rental fee which is constant along contract by using 11% as discount rate The present value of rental fee is equal to 4,407,204.39 baht.

To conclude, land and building leasehold value

Revenue from operating (Before Rental fee)	7,589,840.87 Baht
Less: Remaining Rental Fee (From contract)	4,407,204.39 Baht
Remaining leasehold value	3,182,636.49 Baht
The value of leasehold by Income Approach	3,183,000.00 Baht

In the IFA point of view, it is highly probable for PSDC to renew lease agreement with SAMCO with similar terms as other projects, although the independent appraiser had done the valuation based on the remaining term of the lease.

**Summary and IFA Opinion**

The appraiser has done one approach, Income approach which is the suitable method in line with the best use of assets that can generate revenues. Though the appraiser has done only 7-month period of projection based on remaining life of rental agreements, the company still has a policy to make long term agreement with PSDC same as other existing projects. Therefore, IFA views that the valuation by appraiser is appropriate.

C. The valuation of leasehold estate at Pure Place Rangsit**Detail of Appraised Asset**

Asset Type	Lease Land with area of 6 Rai 3 Ngan 74 sq. w. (11,096 sq. m.) and Community Mall building called "Pure Place Rangsit"
Asset Location	819/1-3 Rangsit - Nakornnaiyok Road, Prachathipat, Thanyaburi, Pathum Thani
Document of Rights	Lease Agreement between lessor (SAMCO) and lessee (PSDC). The length of agreement is 25 years between May, 1 st 2007 and April, 30 th 2032. As of May, 30 th 2016, PSDC has 16 years left on the lease. Moreover, lease agreement for parking area which has 2 years and 11 months left on the 3-year lease.
Building	3 Community Mall Buildings and others which have 10,779 sq. m. total area. (excluded oil station)

Summary of valuation by Cost Approach and Income Approach

Detail	Value (Baht)	Market Value	Remark
1. Pure Place Rangsit			
By Cost Approach			
- Leasehold Land	11,375,800		Table 1
- Leasehold Building	63,400,000		Table 1
Total Value	<u>74,800,000</u>		
By Income Approach	89,878,430	<u>89,900,000</u>	Table 2
2. Force Sell Value (Consider at 70% of Value)		62,930,000	
3. Insured Value		<u>91,200,000</u>	Table 1

The Independent Appraiser considered Income Approach to be the most appropriate for valuing the asset, as the method is best suited for Income Producing Property. The Income Approach reflected a value of THB 89.90 million. Cost Approach is used as a supporting method to cross-check the valuation results.



Location

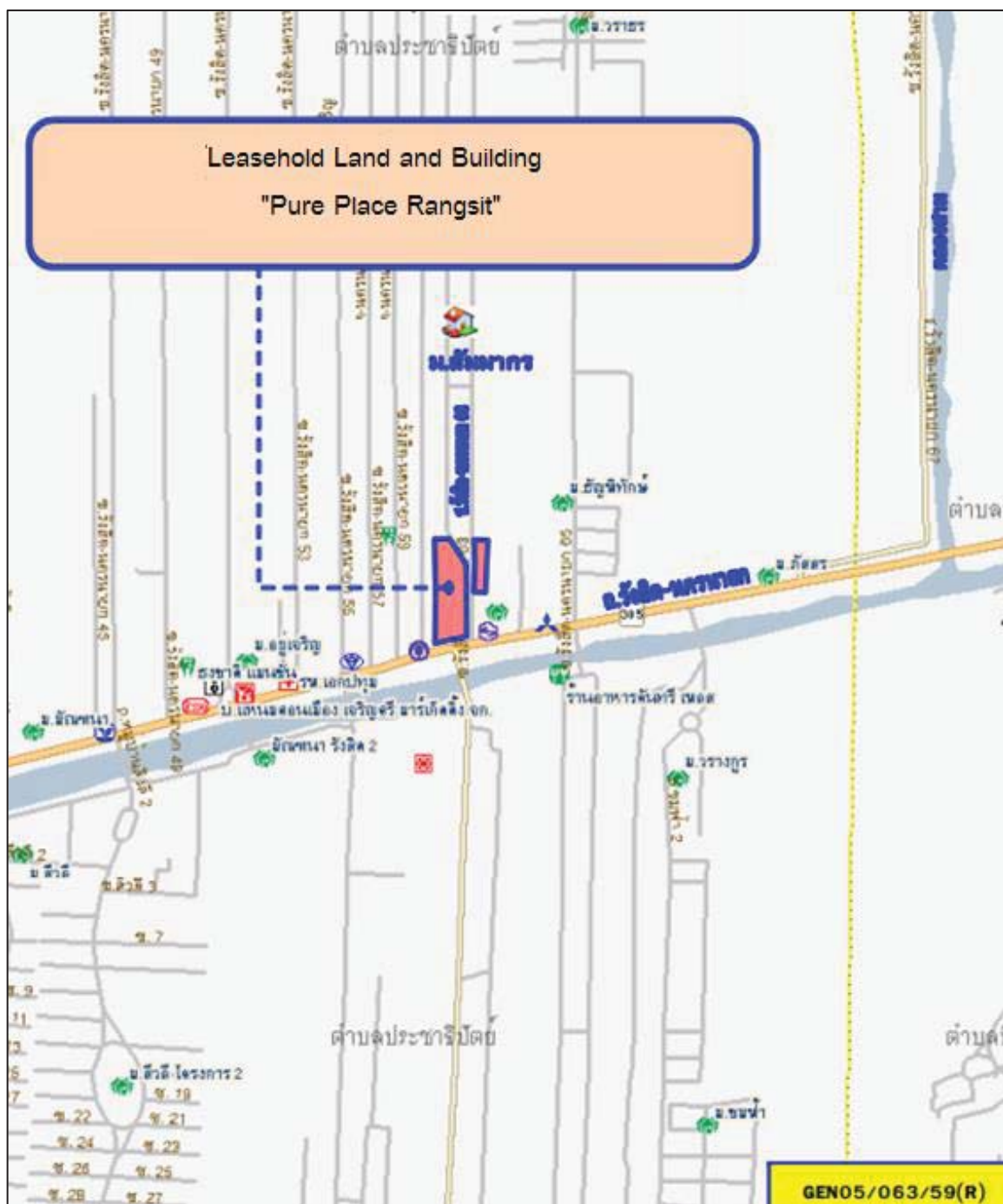




Table 1 Valuation of leasehold land and building by Cost Approach

The Independent Appraiser had done market research nearby areas for valuating comparative assets which are similar to appraised asset.

Detail	4th Comparative Data		5th Comparative Data		8th Comparative Data		
Land Area (sq. w.)	2,000.00		3,200.0		1,200.0		
Location	Soi Rangsit - Nakornaiyok 19,		Rangsit - Nakornnaiyok Road		Rungsit - Nakornnaiyok Road		
City Planning Regulation	Low density residential area		Low density residential area		Low density residential area		
Width (m.)	50		90		12		
Depth (m.)	-		-		-		
Area Shape	similar to rectangle		similar to rectangle		polygon		
Level of the Land	Already reclaimed		Already reclaimed		Already reclaimed		
Front Area (m.)	50		90		12		
Lease Agreement (years)	10		3		10		
Rental Fee	175,000 baht / month		360,000 baht / month		100,000 baht / month		
Adjustment	0%		0%		10%	every 5 years	
Discount Rate (%)	10.0%						
year	0	Yearly rental fee	Present Value	Yearly rental fee	Present Value	Yearly rental fee	Present Value
1		2,100,000	2,002,271	4,320,000	4,118,958	1,200,000	1,144,155
2		2,100,000	1,820,247	4,320,000	3,744,508	1,200,000	1,040,141
3		2,100,000	1,654,770	4,320,000	3,404,098	1,200,000	945,583
4		2,100,000	1,504,336	-	-	1,200,000	859,621
5		2,100,000	1,367,578	-	-	1,200,000	781,473
6		2,100,000	1,243,253	-	-	1,320,000	781,473
7		2,100,000	1,130,230	-	-	1,320,000	710,430
8		2,100,000	1,027,482	-	-	1,320,000	645,846
9		2,100,000	934,074	-	-	1,320,000	587,132
10		2,100,000	849,159	-	-	1,320,000	533,757
Total Rental Fee (Present Value)			13,533,400			11,267,564	8,029,611
Price / sq. w.		6,767		3,521		6,691	
Status of Rental Fee	Rented Rate since 2011			Offering Rate		Offering Rate	
Adjustment	0%	6,767	0%	3,521	0%	6,691	
Length of Rental		10		3		10	
Adjusted Length of Rental	16.0		16.0		16.0		
Constant Factor (Year)	10	6.1446	3	2.4869	10	6.1446	
Constant Factor (Year)	16.00	7.8237	16.00	7.8237	16.00	7.8237	
Diff of Constant Factor	1.2733		3.1460		1.2733		
Market Rental Fee per sq. w.	16.00	8,616	16.00	11,078	16.00	8,520	

Nearby area's rental fee information was used to compare with the asset to do the valuation by using adjustment factor with variation of weighting. Total sum of weighting will be 100%. Then, market rental fee will equal to 12,300 Baht/sq. w.



Adjustment Factors		(Weight by%)	4th Comparative Data	5th Comparative Data	8th Comparative Data	Appraised Asset
1	Location	20	3	3	3	4
2	City Planing Regulation	5	3	3	3	3
3	Legal Restriction	5	3	3	3	3
4	Utility	5	3	3	3	3
5	Environment	5	3	3	3	3
6	Condition of entrance and exit way	5	3	3	3	3
7	Transportation Convenience	5	3	3	3	3
8	Size/Shape/Width/Depth	10	3	2	1	3
9	Usage and compatibility	20	1	1	1	4
10	Liquidity	15	2	2	3	3
11	Development trend	5	3	3	3	3
Total		100	Score 5 = very good / 4 = good / 3 = fair / 2 = poor / 1 = very poor			
Total Weighted Quality Score			250	235	230	340
Adjust Ratio			1.3600	1.4468	1.4783	1.0000
Price Type			Rented since 2011	Offering	Offereing	Appraised Asset
Offering Pricw (baht / sq. w.)			8,616	11,078	8,520	
Price Negotiation			2011-Present	Decrese	Decrease	
			Not Different	Negotiable	Negotiable	
% Adjustment			0%	-15%	-5%	
Adjusted Price			8,616	9,416	8,094	
Indicated Value			11,718	13,623	11,965	
Weighting Process						
Total Absolute Adjustment			3,102	4,207	3,871	11,180
Proportion 1			27.74%	37.63%	34.62%	100%
Inverse			360.44%	2.6574	2.8881	9.1499
Proportion 2			39.39%	29.04%	31.56%	100%
Weighted Value			4,616	3,956	3,777	12,349
16 years Market Rental Fee from Valuation (baht / sq. w.)						12,300
Compare with Valuated Market Price from table 1-1						49,000
% of valuated Market price						25%

Market Rental fee of appraised asset

Area	2,473	sq. w.
Remaining lease agreement	16.00	years
Market rental fee	12,300	baht / sq. w.
Total market rental fee	<u>30,417,900</u>	baht

Then, the Independent Appraiser calculated present value of rental fee which is increased 10% every 5 years by using 10% as discount rate (refer to return from 20-year government bond plus return from rent in business area).

The present value of rental fee is equal to 19,042,100 baht



So, the value of leasehold land

Market rental fee	30,417,900	Baht
Less: Rental fee from contract	19,042,100	Baht
Remaining leasehold value	<u>11,375,800</u>	Baht (16 year remaining of the lease)

The valuation of leasehold building by replacement method

No.	Building	Area (Sq. m.)	Replacement Cost		Age (year)	Depreciation (% per year)	Building Value at current state
			(baht / sq. m.)	Total (baht)			
1	Community mall Building A	1,407.00	17,000.00	23,919,000.00	9	2%	19,613,580.00
2	Community mall Building B	2,948.00	18,500.00	54,538,000.00	9	2%	44,721,160.00
3	Community mall Building C	706.00	17,000.00	12,002,000.00	9	2%	9,841,640.00
4	Oil Station (not evaluate)	-	-	-	-	-	-
5	Advertising Board	68.00	10,500.00	714,000.00	9	2%	585,480.00
6	Parking Area (inside community mall)	4,450.00	1,000.00	4,450,000.00	9	2%	3,649,000.00
7	Road Area	1,200.00	1,000.00	1,200,000.00	9	2%	984,000.00
8	Parking Area (outside community mall)	-	-	-	-	0%	-
Total Value (Present Value)		10,779.00		96,823,000.00			79,394,860.00
Insured Value (No.1-5)		5,129.00		91,173,000.00			
Approximately				91,200,000.00	baht		

The value of buildings with remaining 41 years will be equal to 79,394,860.00 Baht or 79,400,000.00 Baht approximately. If it was considered 16 years remaining on the lease, the value will be equal to 63,400,000.00 baht

In summary,

Leasehold land value + leasehold building by Cost Approach will be equal to

$$11,375,800 + 63,400,000 = 74,775,800$$

$$\text{Or} = \underline{74,800,000 \text{ Baht}}$$

Table 2 Valuation of leasehold land and building by Income Approach

The appraised asset is community mall called “Pure Place Rangsit” which has rental area around 4,244.79 sq. m.

To make a valuation, the Independent Appraiser has defined 11-year business cycle into 4 periods which are 2-year for recovery, 3-year for peak, 3-year for recession and 3-year for depression. Rental Fee and Vacancy Rate will be changed in line with business cycle along the period and historical data is used as base assumptions for the forecast.



Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Project has been opened since 2008	year	2559-2560	2560-2561	2561-2562	2562-2563	2563-2564	2564-2565	2565-2566	2566-2567	2567-2568	2568-2569	2569-2570	2570-2571	2571-2572	2572-2573	2573-2574	2574-2575
Business cycle		Recovery	Recovery	Peak	Peak	Peak	Recession	Recession	Recession	Trough	Trough	Trough	Recovery	Recovery	Recovery	Peak	Peak
Remaining of the lease	192	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Rental Area (sq. m.)		4,244.79	4,244.79	4,244.79	4,244.79	4,244.79	4,244.79	4,244.79	4,244.79	4,244.79	4,244.79	4,244.79	4,244.79	4,244.79	4,244.79	4,244.79	4,244.79
Potential Gross Income : growth rate	2.5%	0.0%	0.0%	15.0%	0.0%	0.0%	5.0%	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%	0.0%	15.0%	0.0%
Contract Rent		5,210,888	1,124,822	108,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	66,000
Market Rent		16,608,812	21,251,315	26,733,176	26,904,728	26,904,728	28,249,965	28,249,965	28,249,965	28,249,965	28,249,965	28,249,965	29,662,463	29,662,463	29,662,463	34,111,833	34,554,094
Revenue from utilities		5,093,748	5,256,748	5,435,477	5,631,155	5,845,138	6,055,563	6,261,453	6,461,819	6,655,674	6,842,032	7,033,609	7,230,550	7,447,467	7,685,786	7,947,103	8,233,198
other income		436,394	447,523	536,824	539,535	539,535	566,439	566,439	566,439	566,439	566,439	566,439	594,689	594,689	594,689	683,677	692,402
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Potential Gross Income		27,349,842	28,080,408	32,813,477	33,147,418	33,361,401	34,943,968	35,149,857	35,350,223	35,544,078	35,730,437	35,922,014	37,559,703	37,776,619	38,014,938	42,814,612	43,545,694
Vacancy Rate & Loss - average from total rental ar 8.1%		7.6%	7.6%	6.0%	5.0%	3.0%	5.0%	8.0%	10.0%	10.0%	12.0%	15.0%	12.0%	10.0%	8.0%	6.0%	5.0%
Vacancy Rate & Loss - Contract Rent		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Vacancy Rate & Loss - Market Rent	8.3%	10%	8%	6.00%	5.00%	3.00%	5.00%	8.00%	10.00%	10.00%	12.00%	15.00%	12.00%	10.00%	8.00%	6.00%	5.00%
Revenue form Contract Rent		5,210,888	1,124,822	108,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	66,000
Revenue from Market Rent		14,947,931	19,551,210	25,129,186	25,559,492	26,097,587	26,837,467	25,989,968	25,424,968	25,424,968	24,859,969	24,012,470	26,102,967	26,696,217	27,289,466	32,065,123	32,826,389
Revenue from utilities		4,706,020	4,857,348	5,110,661	5,350,348	5,670,252	5,753,555	5,761,810	5,817,290	5,991,798	6,023,076	5,981,250	6,364,985	6,704,524	7,072,412	7,471,281	7,822,323
other income		403,176	413,521	504,744	512,630	523,392	538,189	521,239	509,939	509,939	498,639	481,689	523,499	535,364	547,229	642,742	657,848
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Income		25,268,015	25,946,900	30,852,591	31,494,470	32,363,231	33,201,211	32,345,017	31,824,188	31,998,706	31,453,684	30,547,410	33,063,452	34,008,105	34,981,107	40,251,146	41,372,560
Minus Operating Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Growth Rate	3.2%	3.0%	3.2%	3.4%	3.6%	3.8%	3.6%	3.4%	3.2%	3.0%	2.8%	2.8%	2.8%	3.0%	3.2%	3.4%	3.6%
Fixed Expense		1,800,000	1,857,600	1,920,758	1,989,906	2,065,522	2,139,881	2,212,637	2,283,441	2,351,944	2,417,799	2,485,497	2,555,091	2,631,744	2,715,960	2,808,302	2,909,401
Variable Expense		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities Cost		2,823,612	2,914,409	3,066,397	3,210,209	3,402,151	3,452,133	3,457,086	3,490,368	3,595,079	3,613,846	3,588,750	3,818,991	4,022,714	4,243,447	4,482,768	4,693,394
Maintenance cost		505,360	518,938	617,052	629,889	647,265	664,024	646,900	636,484	639,974	629,074	610,948	661,269	680,162	699,622	805,023	827,451
CAPEX		758,040	778,407	925,578	944,834	970,897	996,036	970,351	954,726	959,961	943,611	916,422	991,904	1,020,243	1,049,433	1,207,534	1,241,177
Selling and Admin Expense		8,085,765	8,303,008	9,872,829	10,078,230	10,356,234	10,624,387	10,350,405	10,183,740	10,239,586	10,065,179	9,775,171	10,580,305	10,882,594	11,193,954	12,880,367	13,239,219
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses		13,972,777	14,372,362	16,402,613	16,853,069	17,442,069	17,876,462	17,637,379	17,548,799	17,786,545	17,669,508	17,376,789	18,607,560	19,237,457	19,902,417	22,183,995	22,910,642
Total Net Operating Income		11,295,237	11,574,538	14,449,977	14,641,401	14,921,162	15,324,749	14,707,638	14,275,429	14,212,161	13,784,177	13,170,621	14,455,892	14,770,648	15,078,691	18,067,151	18,461,918
Total Net Operating Income (Present Value)		10,720,965	9,897,356	11,131,654	10,161,369	9,329,304	8,632,110	7,463,518	6,526,297	5,853,489	5,114,610	4,402,658	4,353,421	4,007,396	3,685,559	3,978,362	3,662,441

Note: According to Thai Valuers Association, range of discount rate for this asset is in the range of 11-12% and the independent appraiser considered at 11%

To conclude, land and building leasehold value is equal to

Revenue from operating (Before Rental Fee)	108,920,530 Baht
Less: Remaining Rental fee (from contract)	19,042,100 Baht
Remaining leasehold value	89,878,430 Baht or 21,174 Baht/ sq. m.
The value of leasehold by Income Approach	<u>89,900,000 Baht</u>

Summary and IFA Opinion

The appraiser has applied two approaches, cost approach and Income approach. Income approach is the suitable method because PSDC has used this method to disclose its item "Investment Properties" in the Note of financial statements and it is in accordance with the best use of assets that can generate revenues. The appraiser has also set assumptions based on past performance and signed rental agreements which reflected actual performance. Though the appraiser has done projection for 16 years based on remaining life of rental agreement, PSDC can renew the period for another 10 years. Therefore, IFA views that the valuation by appraiser is appropriate.

**D. The valuation of leasehold estate at Pure Place Rajchapruet****Detail of Appraised Asset**

Asset Type	Leasehold Land with area of 9 Rai 6.8 Sq. w. (14,427.2 Sq. m.) and Community mall building called “Pure Place Rajchapruet”
Asset Location	Rajchapruet Road, Aomkret, Pakkret, Nontaburi
Document of Rights	Lease Agreement between lessor (SAMCO) and lessee (PSDC). The length of agreement is 30 years between April 1 st 2011 and March, 31 st 2041. As of May, 30 th 2016, PSDC has 24 years and 10 months left on the lease.
Building	7 Community Mall Buildings, Total Rental area is 6,640.82 sq. m.

Summary of Valuation by Cost Approach and Income Approach

Detail	Value (Baht)	Market Value	Remark
1.Pure Place Rajchapruet			
By Cost Approach			
- Leasehold Land	52,904,130		Table 1
- Leasehold Building	69,492,729		
Total Value	<u>122,396,860</u>		
By Income Approach	147,100.000	<u>147,100,000</u>	Table 2
2.Force Sell Value (Consider at 70% of Value)		102,970,000	
3.Insured Value		<u>84,171,180</u>	Table 1

The Independent Appraiser considered Income Approach to be the most appropriate for valuing the asset, as the method is best suited for Income Producing Property. The Income Approach reflected a value of THB 147.10 million. Cost Approach is used as a supporting method to cross-check the valuation results.



Location

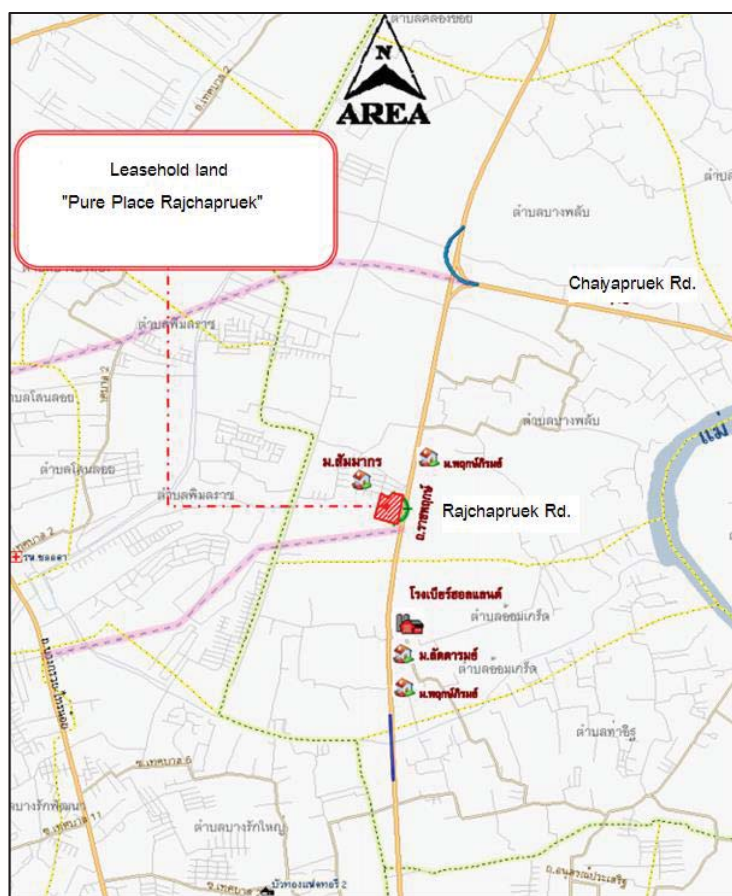


Table 1 Valuation of leasehold land and building by Cost Approach

The Independent Appraiser had done market research nearby areas for valuating comparative asset which is similar to the appraised asset. The following table show buying - selling price for comparative asset which are adjusted by weighting quality score to get the value of the appraised asset.

Detail	1st Comparative Data	10th Comparative Data	13rd Comparative Data	14th Comparative Data	Appraised Asset
Asset Type	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Leasehold Land
Land Area	15-0-00 Rai	6-2-0 Rai	3-0-80 Rai	23-0-00 Rai	9-0-6.8 Rai
Shape/Width/Depth	Polygon/65x250 m.	Rectangle /70x- m	Rectangle/40x- m.	T Shape/40x- m.	Polygon/140x116 m.
Current status	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Pure Place Rajchapruet
Document of Rights	Land Deed	Land Deed	Land Deed	Land Deed	Land Deed
Location	Rajchapruet	Rajchapruet	Rajchapruet	Rajchapruet	Rajchapruet
Front road condition	Width 30/95 m. , Asphalt Road	Width 30/95 m. , Asphalt Road	Width 30/95 m. , Asphalt Road	Width 30/95 m. , Asphalt Road	Width 30/95 m. , Asphalt Road
City planning regulation	Green - Agriculture area	Yellow - low density residential area	Green - Agriculture area	Yellow - low density residential area	Yellow - low density residential area
City Planning	Don't allow to construct big building	Don't allow to construct Plant	Don't allow to construct big building	Don't allow to construct Plant	Don't allow to construct Plant
Other law enforcement	commercial building or condominium	-	commercial building or condominium	-	-
Utilities	Electricity, Water, Telephone	Electricity, Water, Telephone	Electricity, Water, Telephone	Electricity, Water, Telephone	Electricity, Water, Telephone
Land potential and Development	Medium	Medium	Medium	Medium	Medium
Offering Price	Current Offering Price	Buy-Sold 2014	Current Offering Price	Current Offering Price	**
baht / sq. w.	65,000.00	75,000.00	80,000.00	65,000.00	**



Table 1 (Continued)

Adjustment Factors		(Weight by%)	1st Comparative Data	10th Comparative Data	13rd Comparative Data	14th Comparative Data	Appraised Asset
1	Location	15	3	4	3	3	3
2	City Planning Regulation	15	2	3	2	3	3
3	Constructing Restriction/Law enforcer	15	2	2	2	3	3
4	Utility	5	4	4	4	4	4
5	Transportation	10	4	4	4	4	4
6	Utilization and Development	15	3	3	3	2	4
7	Environment	5	3	3	3	3	3
8	Size/Shape/Width/Depth	10	2	4	5	2	4
9	Land potential and trend	10	3	4	3	2	3
		100					
Total Weighted Quality Score			235	295	265	240	300
Adjusted Ratio			1.2766	1.0169	1.1321	1.2500	1.0000
Price Type			Current Offering Price	Buy-Sold 2014	Current Offering Price	Current Offering Price	???
Offering Price (baht/rai)			65,000	75,000	80,000	65,000	???
Negotiable			Negotiable	Negotiable	Negotiable	Negotiable	???
% Adjustment			-10%	-15%	-15%	-5%	???
Adjusted Price			58,500	63,750	68,000	61,750	???
Indicated Value			74,681	64,831	76,981	77,188	???
Weighting Process							
Total Absolute Adjustment			16,181	1,081	8,981	15,438	41,680
Proportion			38.82%	2.59%	21.55%	37.04%	100.00%
Inverse			2.5759	38.5744	4.6408	2.6999	48.4911
Proportion			5.31%	79.55%	9.57%	5.57%	100.00%
Weighted Value			3,967	51,572	7,367	4,298	67,205
Open Market Value (baht/ sq. w.)							67,000

According to the appraised asset (leasehold land), the independent appraiser considered comparative data of leased land. The market rent is 18,300 Baht/sq.wah

Market Rental Fee Analysis						
Detail	1st Comparative Data		3rd Comparative Data		6th Comparative Data	
Land Area	15-0-00 Rai		1-0-00 Rai		3-0-8 Rai	
Location	Rajchapruet		Chaiyapruet		Rajchapruet	
City Planning Regulatory	Green-Agricultural area		Green-Agricultural area		Yellow - low density residential area	
Width	65		30		20	
Depth	250		-		-	
Shape	Rectangle		Rectangle		Rectangle	
Level of Land	Already reclaimed		Already reclaimed		Already reclaimed	
Front Road Condition	95		95		95	
Lease Agreement	30		3		30	
Rental Fee	500,000 per month		50,000 per month		360,000 per month	
1. Lease fee	30,000,000		-		2,000,000	
2. Monthly Rental fee	500,000 per month		50,000 per month		360,000 per month	
Adjustment	5% every 5 year		0% every 3 year		10% every 3 year	
Discount Rate (%)	8.0%		8.0%		10.0%	
	Rental fee/month	Present Value	Rental fee/month	Present Value	Rental fee/month	Present Value
year 1	500,000	5,773,503	50,000	577,350	360,000	4,156,922
year 2	500,000	5,345,836	50,000	534,584	360,000	3,849,002
year 3	500,000	4,949,848	50,000	494,985	360,000	3,563,891
year 4	500,000	4,583,193	-	-	378,000	3,464,894
year 5	500,000	4,243,697	-	-	378,000	3,208,235
year 6	525,000	4,125,816	-	-	378,000	2,970,588
year 7	525,000	3,820,200	-	-	396,900	2,888,071
year 8	525,000	3,537,223	-	-	396,900	2,674,140
year 9	525,000	3,275,206	-	-	396,900	2,476,056
year 10	525,000	3,032,598	-	-	416,745	2,407,276
year 11	551,250	2,948,359	-	-	416,745	2,228,960
year 12	551,250	2,729,962	-	-	416,745	2,063,852
year 13	551,250	2,527,743	-	-	437,582	2,006,522
year 14	551,250	2,340,503	-	-	437,582	1,857,891
year 15	551,250	2,167,132	-	-	437,582	1,720,269
year 16	578,813	2,106,934	-	-	459,461	1,672,484
year 17	578,813	1,950,865	-	-	459,461	1,548,597
year 18	578,813	1,806,356	-	-	459,461	1,433,886
year 19	578,813	1,672,552	-	-	482,434	1,394,056
year 20	578,813	1,548,659	-	-	482,434	1,290,792
year 21	607,753	1,505,641	-	-	482,434	1,195,178
year 22	607,753	1,394,112	-	-	506,556	1,161,979
year 23	607,753	1,290,845	-	-	506,556	1,075,906
year 24	607,753	1,195,226	-	-	506,556	996,209
year 25	607,753	1,106,691	-	-	531,884	968,537
year 26	638,141	1,075,950	-	-	531,884	896,793
year 27	638,141	996,250	-	-	531,884	830,364
year 28	638,141	922,453	-	-	558,478	807,299
year 29	638,141	854,124	-	-	558,478	747,499
year 30	638,141	790,855	-	-	558,478	692,128
PV of Total Rental fee		75,618,333		1,606,919		58,248,274
Total Rental fee(Lease fee+ Monthly rental fee)		105,618,333		1,606,919		60,248,274



% Lease fee(of Total Rental fee)		28%		0%		3%	
Average per sq. w.		17,603		4,017		49,874	
Compare to Offering Price (sell price)		35%		8%		100%	
Negotiated price		0%	17,603	0%	4,017	0%	49,874
Length of Term			30		3		30
Adjusted Length of Term			24.83		24.83		24.83
Constant Factor (year)			30		3		30
Constant Factor (year)		24.83	11.2578	24.83	2.5771	30	11.2578
Diff Constant Factor			10.6512		10.6512		24.83
Diff Constant Factor			0.946		4.133		10.6512
Rental Fee/ sq. w.		24.83	16.655	24.83	16.604	24.83	0.946
Rental Fee/ sq. w.		24.83	16,655	24.83	16,604	24.83	47,187
Compare to the Appraised Asset							
Timing		Offering Price (negotiable)	-10%	Rental fee (2010)	5%	Offering Price (negotiable)	-20%
Location		Similar	0%	Worse than Appraised Asset	10%	Better than Appraised Asset	-50%
City Planning		Worse than Appraised Asset	10%	Worse than Appraised Asset	10%	Similar	0%
Size		Bigger than Appraised Asset	5%	Smaller than Appraised Asset	-15%	Smaller than Appraised Asset	-10%
Width/Depth/Shape		Similar	0%	Similar	0%	Similar	0%
Development		Worse than Appraised Asset	5%	Worse than Appraised Asset	5%	Worse than Appraised Asset	5%
Front Road Condition		Similar	0%	Similar	0%	Similar	0%
Market Rental Fee (baht / sq. w.)			18,178		18,827		17,837
Total Market Rental Fee as 24 year and 10 months)							18,300
Total Rental Fee		Year	Rental Fee (baht/ sq.w.)	Compare to selling price	% per year	Rental Fee per year	Amount
		24.83	18,300.00	67,000.00	2.6%	1,718.11	66,004,440.00
		% of Selling Price	27.3%				

Market Rental fee of the appraised asset

Area	3,606.80	sq. w.
Remaining lease agreement	24.83	years
Market Rental fee	18,300	baht /sq. w.
Total market rental fee	66,004,440	Baht

Then, the Independent Appraiser calculated present value of rental fee which increased 10% every 10 years by using 10% as discount rate (refer to return from 20-year government bond). The present value of rental fee is equal to 13,100,310.00 baht

So, the value of leasehold land

Market rental fee	66,004,440	Baht
Less: Rental fee from contract	13,100,310	Baht
Remaining leasehold value	52,904,130	Baht

The valuation of leasehold building by replacement method

No.	Building	Area (sq. m.)	Replacement Cost		Age (year)	Depreciation per year (%)	Building Value at Current State
			Amount per sq. m.	Total Amount			
1	Building A	1,788.00	12,000.00	21,456,000.00	5	2%	19,310,400.00
2	Building B	1,990.54	12,000.00	23,886,480.00	5	2%	21,497,832.00
3	Building C1	412.00	12,000.00	4,944,000.00	5	2%	4,449,600.00
4	Building C2	744.00	12,000.00	8,928,000.00	5	2%	8,035,200.00
5	Building C3	553.00	12,000.00	6,636,000.00	5	2%	5,972,400.00
6	Building D	773.28	12,000.00	9,279,300.00	5	2%	8,351,370.00
7	Building E	380.00	12,000.00	4,560,000.00	5	2%	4,104,000.00
8	Utility						
	Road in the project and parking area	4,513.00	800.00	3,610,400.00	5	2%	3,249,360.00
	Water System	653.00	800.00	522,400.00	5	2%	470,160.00
	Electricity System	1,306.00	1,500.00	1,959,000.00	5	2%	1,763,100.00
	Sanitary system	1.00	2,000,000.00	2,000,000.00	5	2%	1,800,000.00
	Total Value (No.1-7)	6,640.82		87,781,580.00			79,003,422.00
	Certificate Area	6,409.00	Insured Value	84,171,180.00		per sq. m.	11,896.65



The building value with remaining 45 years will be equal to 79,003,422 baht or 79,000,000 baht approximately. If it was considered 24.83 years remaining on the lease, the value will be equal to 69,500,000 baht.

In summary,

Leasehold land value + leasehold building by Cost Approach will be equal to

$$52,904,130.38 + 69,492,729.45 = 122,396,859.83 \text{ baht}$$

$$\text{Or} = \underline{122,000,000 \text{ baht}}$$



Table 2 Valuation of leasehold land and building by Income Approach

The appraised asset is community mall called “Pure Place Rajchapruak” which has rental area around 4,817.94 sq. m. To make a valuation, the Independent Appraiser has defined 11-year business cycle into 4 periods which are 2-year for recovery, 3-year for peak, 3-year for recession and 3-year for depression. Rental Fee and Vacancy Rate will be changed in line with business cycle along the period and historical data is used as base assumptions for the forecast.

Detail	1	2	3	4	5	6	7	8	9	10	11	12
Business Cycle	2559-2560	2560-2561	2561-2562	2562-2563	2563-2564	2564-2565	2565-2566	2566-2567	2567-2568	2568-2569	2569-2570	2570-2571
Remaining Month	12	12	12	12	12	12	12	12	12	12	12	12
Rental Area	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818
Potential Gross Income : growth rate	12,925,415	10,284,572	196,213	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%
Revenue from Contract Rent	16,509,677	20,512,412	28,253,615	28,574,819	28,574,819	31,432,301	31,432,301	31,432,301	31,432,301	31,432,301	31,432,301	33,003,916
Revenue from Market Rent	8,845,738	8,889,099	8,932,461	8,932,461	8,975,822	8,889,099	8,889,099	8,845,738	8,845,738	8,802,376	8,802,376	8,845,738
Revenue from Utilities	825,484	1,025,621	1,412,691	1,428,741	1,428,741	1,571,615	1,571,615	1,571,615	1,571,615	1,571,615	1,571,615	1,650,196
Other Income												
Total Potential Gross Income	39,106,313	40,711,704	38,795,179	38,936,021	38,979,382	41,893,015	41,893,015	41,849,654	41,849,654	41,806,292	41,806,292	43,499,849
Vacancy Rate & Loss	15.00%	15.00%	10.00%	8.00%	8.00%	10.00%	10.00%	15.00%	20.00%	20.00%	25.00%	20.00%
Revenue from Contract Rent	10,986,603	8,741,886	176,591	-	-	-	-	-	-	-	-	-
Revenue from Market Rent	14,033,225	17,435,550	25,428,434	26,288,833	26,288,833	28,289,071	28,289,071	26,717,456	25,145,841	23,574,226	23,574,226	26,403,133
Revenue from Utilities	7,518,877	7,555,734	8,039,215	8,217,864	8,257,756	8,000,189	8,000,189	7,518,877	7,076,590	7,041,901	6,601,782	7,076,590
Other Income	701,661	871,777	1,271,422	1,314,442	1,314,442	1,414,454	1,414,454	1,335,873	1,257,292	1,257,292	1,178,711	1,320,157
Effective Gross Income	33,240,366	34,604,948	34,915,661	35,821,139	35,861,031	37,703,714	37,703,714	35,572,206	33,479,723	33,445,034	31,354,719	34,799,879
Minus Operating Expenses												
Growth Rate	2.0%	2.5%	3.0%	3.0%	3.5%	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	2.0%
Fixed Expense	1,978,800	1,988,500	2,048,155	2,109,600	2,183,436	2,238,022	2,293,972	2,339,852	2,386,649	2,422,448	2,458,785	2,507,961
Rental Cost	900,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Variable Cost												
Utilities Cost	4,887,270	4,911,227	5,225,490	5,341,612	5,367,542	5,200,123	5,200,123	4,887,270	4,599,784	4,577,236	4,291,158	4,599,784
Maintenance Cost	664,807	692,099	698,313	716,423	717,221	754,074	754,074	711,444	669,594	668,901	627,094	695,998
CAPEX	1,329,615	1,384,198	1,396,626	1,432,846	1,434,441	1,508,149	1,508,149	1,422,888	1,339,189	1,337,801	1,254,189	1,391,995
Selling and Admin Expense	8,310,091	8,651,237	8,728,915	8,955,285	8,965,258	9,425,928	9,425,928	8,893,051	8,369,931	8,361,258	7,838,680	8,699,970
Total Expenses	18,070,584	18,827,261	19,297,500	19,755,764	19,867,897	20,326,296	20,382,246	19,454,505	18,565,146	18,567,644	17,669,906	19,095,707
Total Net Operating Income	15,169,782	15,777,687	15,618,162	16,065,375	15,993,134	17,377,418	17,321,467	16,117,700	14,914,577	14,877,389	13,694,813	15,704,172
Total Net Operating Income (พิจารณาเป็น Present Value)	14,396,520	13,491,457	12,031,575	11,149,629	9,999,544	9,788,336	8,789,928	7,368,528	6,142,789	5,520,246	4,574,542	4,729,343



Opinion of Independent Financial Advisor on the Acquisition of Assets

Sammakorn Public Company Limited

Detail	13	14	15	16	17	18	19	20	21	22	23	24	25
Business Cycle	25/1-25/2	25/2-25/3	25/3-25/4	25/4-25/5	25/5-25/6	25/6-25/7	25/7-25/8	25/8-25/9	25/9-25/0	25/0-25/1	25/1-25/2	25/2-25/3	25/3-25/4
Remaining Month	Recovery 12	Recovery 12	Peak 12	Peak 12	Peak 12	Recession 12	Recession 12	Recession 12	Trough 12	Trough 12	Trough 12	Recovery 12	Recovery 10
Rental Area	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818	4,818
Potential Gross Income : growth rate	0.0%	0.0%	10.0%	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenue from Contract Rent	33,003,916	33,003,916	36,304,307	36,304,307	36,304,307	36,934,738	39,934,738	39,934,738	39,934,738	39,934,738	39,934,738	41,931,475	34,942,896
Revenue from Market Rent	8,845,738	8,889,099	8,932,461	8,932,461	8,975,822	8,889,099	8,889,099	8,845,738	8,845,738	8,802,376	8,802,376	8,845,738	7,371,448
Revenue from Utilities	1,650,196	1,650,196	1,815,215	1,815,215	1,815,215	1,996,737	1,996,737	1,996,737	1,996,737	1,996,737	1,996,737	2,096,574	1,747,145
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Potential Gross Income	43,499,849	43,543,211	47,051,983	47,051,983	47,095,345	50,820,574	50,820,574	50,777,213	50,777,213	50,733,851	50,733,851	52,873,787	44,061,489
Vacancy Rate & Loss	15.00%	15.00%	10.00%	8.00%	8.00%	10.00%	10.00%	15.00%	20.00%	20.00%	25.00%	20.00%	15.00%
Revenue from Contract Rent	28,053,328	28,053,328	32,673,877	33,399,963	33,399,963	35,941,264	35,941,264	33,944,527	31,947,790	31,947,790	29,951,054	33,545,180	29,701,461
Revenue from Market Rent	7,518,877	7,555,734	8,039,215	8,217,864	8,257,756	8,000,189	8,000,189	7,518,877	7,076,590	7,041,901	6,601,782	7,076,590	6,265,731
Revenue from Utilities	1,402,666	1,402,666	1,633,694	1,669,998	1,669,998	1,797,063	1,797,063	1,697,226	1,597,390	1,597,390	1,497,553	1,677,239	1,485,073
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Income	36,974,872	37,014,729	42,346,785	43,287,825	43,327,717	45,738,517	45,738,517	43,160,631	40,621,770	40,587,081	38,050,388	42,299,029	37,452,265
Minus Operating Expenses													
Growth Rate	2.0%	2.5%	3.0%	3.0%	3.5%	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	2.0%	2.0%
Fixed Expense	2,558,120	2,622,073	2,700,735	2,781,757	2,879,119	2,951,097	3,024,874	3,085,372	3,147,079	3,194,285	3,242,199	3,307,043	3,373,184
Rental Cost	1,200,000	1,200,000	1,200,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000
Variable Cost													
Utilities Cost	4,887,270	4,911,227	5,225,490	5,341,612	5,367,542	5,200,123	5,200,123	4,887,270	4,599,784	4,577,236	4,291,158	4,599,784	4,072,725
Maintenance Cost	739,497	740,235	846,936	865,756	866,554	914,770	914,770	863,213	812,435	811,742	761,008	845,981	749,045
CAPEX	1,478,995	1,480,469	1,693,871	1,731,513	1,733,109	1,829,541	1,829,541	1,726,425	1,624,871	1,623,483	1,522,016	1,691,961	1,498,091
Selling and Admin Expense	9,243,718	9,252,932	10,586,696	10,821,956	10,831,929	11,434,629	11,434,629	10,790,158	10,155,443	10,146,770	9,512,597	10,574,757	9,363,066
Total Expenses	20,107,600	20,206,936	22,253,728	22,862,594	22,998,253	23,650,160	23,723,937	22,672,437	21,659,611	21,673,516	20,648,978	22,339,526	20,376,112
Total Net Operating Income	16,867,272	16,804,793	20,093,057	20,425,230	20,329,465	22,088,357	22,014,579	20,488,194	18,962,159	18,913,565	17,401,410	19,959,503	17,076,154
Total Net Operating Income (฿atrat.1.11u Present Value)	4,576,227	4,107,456	4,424,486	4,051,919	3,633,283	3,556,406	3,193,267	2,677,353	2,232,373	2,005,993	1,662,713	1,718,145	1,324,272

In summary, land and building leasehold value is equal to

Revenue from operating (After Deducting all expense and Rental Fee from contract) 147,148,309 baht

The value of leasehold by Income Approach 147,100,000 baht

**Conclusion and IFA's opinion**

The appraiser has applied two approaches, cost approach and Income approach. Income approach is the suitable method because PSDC has used this method to disclose its item "Investment Properties" in the Note of financial statements and it is in accordance with the best use of assets that can generate revenues. The appraiser has also set assumptions based on past performance and signed rental agreements which reflected actual performance. Therefore, IFA views that the valuation by appraiser is appropriate.

The Independent Appraiser had done the valuation based on the remaining rental years as set in the land lease agreements which are different from IFA's. IFA has done 25-year projection for every project in IFA report. Pure Place Ramkhamhaeng and Pure Place Rajchapruet have around 25 years left and 16 years left for Pure Place Rangsit (can be renewed for another 10 years). Though, the independent appraiser viewed only 7 months left for additional area close to Pure Place Ramkhamhaeng (Premier Sammakorn), the lessor is highly likely to extend the lease agreement with PSDC with similar term as other existing projects because the lessor is its major shareholder and has controlling power in PSDC. From the above stated, IFA has considered projection at 25 years is appropriate for these projects.

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