

-TRANSLATED VERSION-

Opinion of Independent Financial Advisor

Regarding

The Acquisition of Asset

for

The Shareholders of
Finansa Public Company Limited



Prepared by



IV Global Securities Public Company Limited

15 October 2020

The English Translation of the Opinion Report of the Independent Financial Advisor on The Acquisition of Asset of Finansa Public Company Limited has been prepared solely for the convenience of foreign shareholders of Finansa Public Company Limited and should not be relied upon as the definitive and official document.

The Thai language version of the Opinion of the Company is the definitive and official document and shall prevail in all Finansa Public Company Limited aspects in the event of any inconsistency with this translation.

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ABBREVIATION

Abbreviation	Meaning
SEC	The Securities and Exchange Commission
SET	The Stock Exchange of Thailand
Notification on Acquisition or Disposal of Assets	Notification of the Capital Market Supervisory Board No. Thor.Jor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Stock Exchange of Thailand Re: Disclosure and Guideline for Listed Company on Acquisition or Disposal of Assets B.E. 2547 and its amendments
Independent Financial Advisor or "I V Global" or "IFA"	I V Global Securities Public Company Limited
"the Company" or "FNS"	Finansa Public Company Limited
"the Business" or "MK"	M. K. Real Estate Development Public Company Limited
"Trust" or "PROSPECT"	Prospect Logistics and Industrial Leasehold Real Estate Investment Trust
Information Memorandum of the Company	Information Memorandum of Finansa Public Company Limited Re: Acquisition of shares of M.K. Real Estate Development Public Company Limited dated 28 September 2020
BFTZ	Frasers Property BFTZ Company Limited
H&W	Health and Wellness Village Company Limited
MC	Mancon Company Limited
Minor	Minor International Public Company Limited
MKF	Munkong Life Company Limited
MKH	MKH Assets Company Limited
MKL	Monkong Living Company Limited
PD	Prospect Development Company Limited
Pros RM	Prospect Reit Management Company Limited
Rx	RX Wellness Company Limited
SMK	Samukkee Cement Company Limited
SNS	Subnorasing Company Limited
VitalLife	Vitalife Alliance Company Limited

Abbreviation	Meaning
Yours	Yours Property Management Company Limited
DCF	Discounted Cash Flows
Enterprise Value (EV)	Enterprise Value
Equity Value	Value of a company available to owners or shareholders
EV/EBITDA	Enterprise Value to EBITDA Ratio
Free Cash Flow to Firm (FCFF)	Free Cash Flow to Firm
Free Cash Flow to Firm (FCFE)	Free Cash Flow to Equity
P/BV	Price to Book Value Ratio
P/E	Price to Earnings Ratio
Sensitivity Analysis	Technique used to determine how different values of an independent variable impact a particular dependent variable under the given assumption
Terminal Value	Value of expected cash flow beyond the explicit forecast horizon
WACC	Weighted Average Cost of Capital
Ke	Cost of equity
GDP	Gross Domestic Product of Thailand

Ref: IB 98/2563

October 15, 2020

Re Opinion of Independent Financial Advisor on the Acquisition of Asset of Finansa Public Company Limited

To The Audit Committee and Shareholders of
Finansa Public Company Limited

Attachment: 1) Company Information and Operating Results of Finansa Public Company Limited
2) Company Information and Operating Results of M. K. Real Estate Development Public Company Limited
3) Financial Projection of Frasers Property BFTZ Company Limited

References: 1) The resolution of the Board of Directors' Meeting of Finansa Public Company Limited No. 7/2020, held on 25 September 2020
2) Information Memorandum of Finansa Public Company Limited Re: Acquisition of shares of M.K. Real Estate Development Public Company Limited dated 28 September 2020
3) Annual Report and Annual Registration Statements (Form 56-1) of Finansa Public Company Limited as of December 31, 2019
4) Annual Report and Annual Registration Statements (Form 56-1) of M. K. Real Estate Development Public Company Limited as of December 31, 2019
5) Consolidated financial statements of the Company which are audited or reviewed by the auditor approved by the SEC for the year ended December 31, 2016 – 2019, and 6-month period ended June 30, 2020
6) Consolidated financial statement of M.K. Real Estate Development Public Company Limited which are audited or reviewed by the auditor approved by the SEC for the year ended December 31, 2016 – 2019, and 6-month period ended June 30, 2020
7) Assets appraisal report by appraiser approved by the SEC
8) Other documents, information and contracts related to the transaction
9) Company affidavit, Memorandum of Association, relevant information, documents and management's interview from management, and related officers of the Company
10) Company affidavit, Memorandum of Association, relevant information, documents and management's interview from management, and related officers of M.K. Real Estate Development Public Company Limited

Disclaimers:

The result of the study by I V Global Securities Public Company Limited (“**Independent Financial Advisor**” or “**IFA**”) in this report (or the “**IFA Report**”) is based on the information and assumptions provided by the executive of Finansa Public Company Limited, and the information disclosed to the public through the website of the Securities and Exchange Commission of Thailand (the “**SEC**”) (www.sec.or.th), the Stock Exchange of Thailand (the “**SET**”) (www.set.or.th), and Business Online Public Company Limited (www.bol.co.th)

The opinion of the IFA in this report is based on the assumptions that all the information and documents received are accurate and complete and reflects the operating environment and most up-to-date information at the time of issuance of this report. However, there may be any incident having material impact on the Company’s business operations and plans, as well as decision of the shareholders. The Independent Financial Advisor expresses its opinion under the current circumstance. If there is a significant change in the circumstance or any information, the result of the study may be affected. The IFA shall not be responsible for the profits or the losses and any impacts resulting from this transaction.

In rendering its opinion in this report, the IFA has considered the reasonableness of conditions of the transaction as well as other related factors thoroughly and rationally in accordance with the professional judgments.

The Attachment of this IFA report is the part of IFA’s opinion, audit committee and shareholders of the Company should consider the attachment together with the report.

Executive Summary

The Board of Directors' meeting of Finansa Public Company Limited ("The Company" or "FNS") No. 7/2020 dated September 25, 2020 has approved to proposed to the Extraordinary General Meeting of Shareholders to consider and approve the investments in M.K. Real Estate Development Public Company Limited ("The Business" or "MK") by purchasing not exceeding 892,578,048 MK's shares from the rest shareholders other than itself at the price of not exceeding THB 3.10 per share, totaling not exceeding THB 2,766,991,949. Subject to the Condition Precedent in receiving the approval from the Company's shareholders meeting to acquire MK's shares, the share acquisition shall be made through the Tender Offer in compliance with the Notification of the Capital Market Supervisory Board No. ThorJor. 12/2554: Re: Rules, Conditions, and Procedures for the Acquisition of Securities for Business Takeover (as amended). The transaction shall be made after the Condition Precedent in receiving approval from the Company's shareholders meeting to acquire MK's shares.

The share acquisition is considered as the purchase or acceptance of transfer of the business of other companies by the Company in accordance with the Section 107 (2) (Khor) of the Public Limited Companies Act B.E. 2535 (1992) and is considered as the acquisition of assets in accordance with the Notification of the Capital Market Supervisory Board No. TorChor 20/2551 Re: Rules on Entering into Material Transaction Deemed as Acquisition or Disposal of Assets 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 Acquisition and Disposition of Assets, 2004 ("Notification on Acquisition or Disposal of Assets"). According to the Acquisition or Disposal of Assets Regulations, the highest value of the transaction size based on the financial statements as of June 30, 2020 is 208.83 percent derived from the net tangible asset value criteria. After taking into consideration of the acquisition or disposal of asset transactions during past 6 months, the highest value of aggregated transaction size is equal to 208.83 percent derived from the net tangible asset value criteria. Therefore, this transaction is considered the acquisition of assets, Class 1 Transaction, a transaction between a listed company or a subsidiary and another listed company or subsidiary of another listed company with the transaction size of 50 percent or more. As a result, the Company has the obligations to

- (1) Disclose an information memorandum on the assets acquisition transaction to the Stock Exchange of Thailand ("SET")
- (2) Hold the shareholders' meeting to approve the acquisition transaction with at least three-fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding interested shareholders' equity
- (3) Appoint an independent financial advisor (IFA) to render an opinion on the assets acquisition transaction to the Company's shareholders, as well as submit the opinion to Securities and Exchange Commission, Stock Exchange of Thailand, and the Company's shareholders

Nonetheless, in deciding whether to approve or disapprove the said Transaction, the shareholders can make consideration thereon based on the above reasons and opinion rendered by the Independent Financial Advisor. The final decision depends on the shareholders' individual judgment.

I V Global Securities Public Company Limited ("**Independent Financial Advisor**" or "**IFA**"), the Independent Financial Advisor appointed by the Company, has studied the relevant information as well as interviewed with Company's management and related company, price and conditions necessary for acquisition transaction of Finansa Public Company Limited. In addition, IFA has considered rationale of the Transaction and fairness of Transaction price of acquisition transaction, as well as benefits, consequences, risk factors, and strengths and weaknesses of the Transaction. IFA's opinion on the Transaction can be summarized as follows:

Opinion of the Independent Financial Advisor on Reasonableness of the Asset Acquisition Transaction

The objective of the transaction is to make additional investment in MK's shares is to extend the Company's investment in property development business through MK. MK is a property developer in various area including residential development, factory and warehouse rental, and health and wellness center business. The Company viewed that the healthcare services is a business with good potential from various supporting factors such as consumer behavior that tends to pay more attention on health protection. Moreover, this acquisition of assets will enhance the Company's capabilities to manage MK's business efficiently.

The Independent Financial Advisor has an opinion that the asset acquisition transaction at this time will increase the investment proportion in a Company having potentials to generate growth performance in the future from real estate developments for sale, investment property business, investment in the Prospect Logistics and Industrial Leasehold Real Estate Investment Trust and Wellness and Medical Retreat business which will be business that generates recurring revenue for MK. In addition, this asset acquisition transaction has the offering price of not exceeding Baht 3.10 per share compared with the fair value of MK's shares as appraised by the Independent Financial Advisor, which provided the fair values in a range of Baht 7.24 - 9.28 per share. The Independent Financial Advisor found that the offering price is below the fair value range. Consequently, the Independent Financial Advisor has an opinion that the offering price of not exceeding Baht 3.10 per share is appropriate and there is the opportunity to generate good returns to the shareholders in the future. Moreover, this asset acquisition transaction is a risk diversification of sources of revenue and business operations of the Group of the Company. Subsequent to this asset acquisition transaction, the Company may have a shareholding in MK more than or equal to 50 percent of the paid-up registered capital and MK will become a subsidiary of the Company, which will enable the Company to prepare the consolidated financial statements. The consolidated financial statements will include the business performance of MK, resulting in the Company's ability to diversify risks in terms of sources of revenue and thus the Company's performance will be more stable. Furthermore, this asset acquisition transaction will increase the opportunity to be a business partner. The specialization of both the Company and MK will be able to support business operations and promote mutual strengths in the future. In addition, the asset acquisition transaction at this time will increase the opportunity to generate the Company's recurring revenue since the management has a plan to boost the proportion of revenue from the businesses that can generate recurring revenue to be equal to the proportion of revenue from the real estate development for sale. The businesses that can generate recurring revenue are businesses that MK focuses on generating rental revenue, long-term and recurring revenue, comprising of warehouse and factory buildings for rent, office building for rent, golf course business and apartment project for rent which can generate recurring revenue. Moreover, MK has also invested in PROSPECT and the wellness and medical retreat business which will generate recurring revenue and good return on investment to MK in the future. This plan is in line with the Company's 5-year

long-term strategic plan, which will improve the overall revenue of the Company to be consistent with the development of businesses that generate recurring revenue.

On the other hand, the Company has a plan to use funding from operating cash flow and/or credit facility from financial institutions. In the event that the Company uses the entire funding for this tender offer from credit facility from financial institutions, the Company will have increasing financial burden. Moreover, the Company may face administrative risks since MK's main business is real estate development for sale where the Company may not have sufficient expertise in managing the aforementioned business. However, prior to acquiring MK's ordinary share this time, the Company has sent the executives who represent the Company as MK's directors since 2015 until now. According to interviews with the management, during the previous 5 years, MK's business operations have been able to grow in line with the operating framework set by MK's board of directors. In addition, there is also an investment in businesses that can generate recurring revenue which will create good performance in the future.

In term of risk of entering into the transaction, the Independent Financial Advisor has opined that the Company may face with risks consist of risk from operating performance that does not meet expectation. Subsequent to the acquisition of MK's ordinary shares at this time, the Company's shareholding in MK of not exceeding 50 percent will allow the Company to recognize share of gain (loss) from investments from MK as an associated company. If the operating performance of MK decreases or gets loss, the investment value in MK will decrease in accordance with the operating performance that does not meet expectation. In addition, if after entering into the acquisition of MK's ordinary shares at this time the Company has more or equal 50 percent shareholding in MK, the Company will be able to prepare the Company's consolidated financial statements which will allow the Company to recognize operating performance of MK as a subsidiary. Therefore, if the operating performance of MK decreases or gets loss, the Company must bear decreasing or loss operating performance as well. Moreover, the Company may face with risk of receiving a rate of return on investment lower than the financial cost of entering into the transaction. However, the Independent Financial Advisor has estimated MK's income statement and found that MK is able to generate consistent profit operating results which will enable MK to be able to pay dividends to shareholders and this will help reduce the risk of receiving the rate of return on investment lower than the financial cost of entering into this transaction. In addition, entering into the asset acquisition transaction this time, there are conditions precedent, such as a receipt of approval from the Company's shareholder meeting to acquire MK's ordinary shares, which must be approved with a vote of three-fourths of the shareholders who attend the meeting and have the right to vote, excluding shareholders who have interests. Therefore, entering into this transaction has a risk from not receiving an approval from the Company's shareholder meeting which will result in a loss of the Company's opportunity to increase investment in MK. Furthermore, the Company may face with risk from feedback of the tender offer. In the event that the Company has a shareholding in MK after the acquisition of more than or equal to 25 percent but less than 50 percent, MK

will be an associated company of the Company as before and the Company is unable to prepare the consolidated financial statements which includes the business performance of MK. In this regard, the Company will recognize MK's operating performance only by its share of profit (loss) from the associated company. In the event that the Company has a shareholding in MK after the acquisition of more than or equal to 50 percent but less than 85 percent, MK will become a subsidiary of the Company, whereby the Company will be able to prepare the consolidated financial statements, which includes the business performance of MK. If MK has operating performance that is not as expected, the Company will recognize the performance that is not as expected as well. In addition, if the Company has a shareholding in MK after the acquisition of more than or equal to 85 percent, MK will become a subsidiary of the Company, where MK may face the risk of disqualification to maintain the status as a listed company regarding the shareholding distribution according to the regulations of the Stock Exchange of Thailand.

For consideration of appropriateness of the offering price of not exceeding Baht 3.10 per share, the Independent Financial Advisor has an opinion that the fair values of MK's shares by the Adjusted Book Value Approach and the Discounted Cash Flow Approach are appropriate. The value of MK's shares appraised by the Discounted Cash Flow Approach is equal to Baht 8.07 per share which higher than the offer price Baht 4.97 per share or 160.32 percent. In addition, the Independent Financial Advisor has conducted a sensitivity analysis of MK's shares toward terminal growth rate, discount rate with the weighted average cost of capital (WACC) and changes in gross margin, which provided the fair values in a range of Baht 8,121.49 – 10,129.74 million or Baht 7.24 - 9.28 per share. Therefore, the acquisition of MK's ordinary shares at the offering price of not exceeding Baht 3.10 per share compared with the fair value of MK's shares as appraised by the Independent Financial Advisor, we found that the offering price is below the fair value range. Consequently, the Independent Financial Advisor has an opinion that the offering price is appropriate.

Regarding precedent conditions and conditions of entering into the transaction, IFA has opined that precedent transaction is appropriate in accordance with the rules of Notification of the Acquisition or Disposition of assets and do not damage Company's interest and shareholders' interest.

According to consideration of the information and reasons mentioned in this report, the Independent Financial Advisor has an opinion that the shareholders should approve the entering into this asset acquisition transaction.

Nonetheless, in deciding whether to approve or disapprove the said transaction, the shareholders can make consideration thereon based on the above reasons and opinion rendered by the Independent Financial Advisor. The final decision depends on the shareholders' individual judgment.

Details of the opinion of the Independent Financial Advisor can be summarized as follows;

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Part 1: Details of the Transaction**1.1 Characteristics and Details of the Asset Acquisition****1.1.1 Objective and background of the Transaction**

The Board of Directors' meeting of Finansa Public Company Limited ("The Company" or "FNS") No. 7/2020 dated September 25, 2020 has approved to proposed to the Extraordinary General Meeting of Shareholders to consider and approve the investments in M.K. Real Estate Development Public Company Limited ("The Business" or "MK") by purchasing not exceeding 892,578,048 MK's shares from the rest shareholders other than itself at the price of not exceeding THB 3.10 per share, totaling not exceeding THB 2,766,991,949. Subject to the Condition Precedent in receiving the approval from the Company's shareholders meeting to acquire MK's shares, the share acquisition shall be made through the Tender Offer in compliance with the Notification of the Capital Market Supervisory Board No. Thor.Jor. 12/2554 Re: Rules, Conditions, and Procedures for the Acquisition of Securities for Business Takeover (as amended). The transaction shall be made after the Condition Precedent in receiving approval from the Company's shareholders meeting to acquire MK's shares.

The share acquisition is considered as the purchase or acceptance of transfer of the business of other companies by the Company in accordance with the Section 107 (2) (Khor) of the Public Limited Companies Act B.E. 2535 (1992) and is considered as the acquisition of assets in accordance with the Notification of the Capital Market Supervisory Board No. TorChor 20/2551 Re: Rules on Entering into Material Transaction Deemed as Acquisition or Disposal of Assets 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 Acquisition and Disposition of Assets, 2004 ("Notification of the Acquisition or Disposition"). According to the Acquisition or Disposal of Assets Regulations, the highest value of the transaction size based on the financial statements as of June 30, 2020 is 208.83 percent derived from the net tangible asset value criteria. After taking into consideration of the acquisition or disposal of asset transactions during past 6 months, the highest value of aggregated transaction size is equal to 208.83 percent derived from the net tangible asset value criteria. Therefore, this transaction is considered the acquisition of assets, Class 1 Transaction, a transaction between a listed company or a subsidiary and another listed company or subsidiary of another listed company with the transaction size of 50 percent or more. As a result, the Company has the obligations to

- (1) Disclose an information memorandum on the assets acquisition transaction to the Stock Exchange of Thailand ("SET")

- (2) Hold the shareholders' meeting to approve the acquisition transaction with at least three-fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding interested shareholders' equity
- (3) Appoint an independent financial advisor (IFA) to render an opinion on the assets acquisition transaction to the Company's shareholders, as well as submit the opinion to Securities and Exchange Commission, Stock Exchange of Thailand, and the Company's shareholders

1.1.2 Date of the Transaction

The Tender Offer shall be made after the Condition Precedent in receiving approval from the Company's shareholders meeting to acquire MK's shares has been satisfied. The Company expected that the Condition Precedent will be satisfied and the Company will be eligible to enter into the transaction within the fourth quarter of 2020.

1.1.3 Parties Involve and Relationship with the Company

The Purchaser	:	Finansa Public Company Limited
The Seller	:	Other shareholders of MK excluding the Company who accept the Tender Offer
Relationship	:	By reviewing major shareholders' names as of the latest Record Date on March 31, 2020, on the SET's website, there are 3 shareholders from total 22 shareholders that the Company does not have any further information to identify relationships with the Company. The rest shareholders, from preliminary review, are not the Connected Person of the Company.

1.1.4 Detailed of the Acquired Asset

The Company will purchase not exceeding 892,578,048 ordinary shares of MK owned by the rest shareholders other than itself at the price of not exceeding THB 3.10 per share, totaling not exceeding THB 2,766,991,949 subject to the Condition Precedent in receiving the approval from the Company's shareholders meeting to acquire MK's shares.

At present, MK has 3 types of securities comprising 1) Ordinary shares 2) The ordinary share purchase warrants of the Company issued to the Directors Executives and Employees of the Company and its subsidiaries No.1: MK-WA ("Warrant"). The exercise price of Warrant is THB 4.00 per share which is higher than the purchase price offered by the Company of not exceeding THB 3.10 per share. During the fourth quarter of 2020, the number of shares which can be exercised by Warrants is 6,500,000 shares. 3) Debentures. At present, the

Company holds 205,127,018 shares in MK, representing 18.80% of paid up shares of MK which is 1,091,205,066 shares.¹

In this regards, the securities that the Company will purchase in this transaction is ordinary shares of MK of not exceeding 892,578,048 shares, comprising 886,078,048 shares, which is the difference between the current number of total paid-up shares of MK and the number of shares held by the Company before this acquisition of shares of MK and 6,500,000 shares, which is the number of paid-up shares of MK that may be increased resulting from the exercise of the Warrant. In case that all other shareholders accept to sell all shares through the Tender Offer, the Company will have a shareholding of 100% of MK's paid up capital and 100% of MK's voting rights. In this case, MK will become a subsidiary of the Company, and the Company will be required to act in compliance of relevant laws or regulations, including the free float amendment. The detail of MK is as follow:

1) General Information

Company Name	: M.K. Real Estate Development Public Company Limited (“The Business” or “MK”)
Head Office's Location	: 6th - 8th Floor, 345 Surawong Building, No. 345, Surawong Road, Kwaeng Suriyawong, Khet BangRak, Bangkok 10500
Business Type	: A real estate developer in various areas such as developing empty land for sale, building house for sale including the land, providing construction services, building condominium for sale, providing rental and car park services, and golf course services
Registered Capital	: THB 1,117,211,195 divided to 1,117,211,195 shares with par value of THB 1.00
Paid up Capital	: THB 1,091,205,066 divided to 1,091,205,066 shares with par value of THB 1.00

Source: The Stock Exchange of Thailand

¹ MK has issued the ordinary share purchase warrants of the Company issued to the Directors Executives and Employees of the Company and its subsidiaries No.1: MK-WA (“Warrant”). As of 16 September 2020, there are 26,000,000 units remaining unexercised warrants, which 6,500,000 units will be exercised of the next exercise period on December 15, 2020, so the number of shares which can be exercised by Warrants is 6,500,000 shares and can be sold in this Tender Offer.

2) Shareholding Structure

List of top 10 shareholders of MK as of March 31, 2020 which is the latest record date are as follows:

Rank	Major Shareholders	No. of Shares	% Shares
1	Finansa Public Company Limited	205,127,018	18.80
2	Mr. Prateep Tangmatitham	133,359,982	12.22
3	CPD Asset Company Limited	60,492,171	5.54
4	CPD Holding Company Limited	60,000,000	5.50
5	EMINENT EXPERT LIMITED	54,362,000	4.98
6	WISDOM LEADER VENTURES LIMITED	52,171,368	4.78
7	Supalai Property Management Company Limited	43,876,920	4.02
8	Dr. Aurchat Kanjanapitak	30,764,140	2.82
9	BCS Property Company Limited	26,829,270	2.46
10	Miss Piyasri Tantiwatana	24,548,970	2.25
11	Other shareholders	399,673,227	36.63
	Total	1,091,205,066	100.00

Source: The Stock Exchange of Thailand

3) Board of Directors

Lists of Board of Directors of MK as of September 25, 2020 comprise of 9 directors as follows:

Rank	Name	Position
1	Mr. Suthep Wongvorazathe	Chairman of the Board
2	Mr. Vorasit Pokachaiyapat	Chief Executive Officer / Managing Director / Director
3	Miss Dusadee Tancharoen	Managing Director / Director
4	Mrs. Sutida Suriyodorn	Director
5	Miss Rachanee Mahatdetkul	Director
6	Mr. Att Tongyai Asavanund	Independent Director / Chairman of Audit Committee
7	Mr. Chaiyapont Timsootheepant	Independent Director / Audit Committee
8	Mrs. Malai Rachataswan	Independent Director / Audit Committee
9	Mr. Theraphan Jittalam	Independent Director / Audit Committee

Source: The Stock Exchange of Thailand

Connected person of FNS which are directors of MK is as follows:

Rank	Name	Proportion of Shareholding in MK
1	Mr. Vorasit Pokachaiyapat	None
2	Miss Rachanee Mahatdetkul	None

Source: Information Memorandum of the Company dated September 28, 2020

4) Legal Dispute

-None-

5) The Information of Financial Position

The information of financial position of MK is in *attachment 2* of the IFA report.

1.1.5 Type of Size of Transaction

Calculation of the size of the asset acquisition transaction

Transaction size calculated in accordance with the Acquisition or Disposition Notification of assets is based on the Company's consolidated financial statements as of June 30, 2020, which is the latest financial statement reviewed by auditor approved by the SEC. The details of financial information use to calculate the transaction size are as follows:

Unit: THB Million	Consolidated Financial Statement of FNS As of June 30, 2020	Consolidated Financial Statement of MK As of June 30, 2020
Total assets	4,343.29	17,604.31
Intangible assets	160.43	20.21
Deferred tax assets	3.13	28.20
Total liabilities	1,592.96	10,903.41
Non-controlling interests	(302.11)	-
Net tangible assets (NTA) ^{1/}	2,586.77	6,652.49
Net profit ^{2/}	(4.57)	(176.38)
Net Profits from normal business operation	(7.75)	(187.40)

Source: The Company financial statements as of June 30, 2020, which is reviewed by auditor approved by the SEC.

Remark: 1/ Net Tangible Assets (NTA) is equal to total assets less intangible assets, deferred tax assets, total liabilities and non-controlling interests.

2/ Net Profits during the last 12 months (only a portion attributable to the Company's shareholders)

The Transaction is considered as the Acquisition Transaction according to Notification on Acquisition or Disposal of Assets. The maximum size of the Transaction is 208.83 percent calculated based on the net tangible asset value basis, by comparing the Company's consolidated financial statements as of June 30, 2020 to MK's consolidated financial statements as of June 30, 2020 which is reviewed by auditor by the SEC. The Transaction is, therefore, considered the Acquisition Transaction Type 1 according to the Notification of the Capital Market Supervisory Board No. Thor Jor 20/2551 Re: Rules on Entering into Material Transaction Deemed as Acquisition or Disposal of Assets. The details of calculation of the Transaction are as follow:

Basis for Calculation	=	Calculation	=	Transaction Size
1. Net Tangible Assets (NTA)	=	(NTA of MK x acquisition ratio) x 100	=	208.83%
		NTA of the Company		

Basis for Calculation		Calculation		Transaction Size
2. Net Profits	=	(Net Profits of MK x acquisition ratio) x 100	=	N/A ^{1/}
		Net profits of the Company		
3. Total Consideration Value	=	Total Consideration Value paid x 100	=	63.71%
		Total assets of the Company ^{2/}		
4. Value of Issued Securities	=	Equity shares issued for the payment of assets x 100	=	N/A ^{3/}
		Total paid-up shares of the Company		

Remark: 1/ This method can not be calculated because the Company and MK have incurred operating losses for the past 12 months.

2/ Total assets of the Company based on the audited consolidated financial statements as of 30 June 2020 equal to THB 4,343.29 million

3/ There is no shares issued for payment of assets

In entering into this transaction, the Company is required to disclose an information memorandum on the assets acquisition transaction to the Stock Exchange of Thailand ("SET"), appoint an independent financial advisor to render an opinion on the assets acquisition transaction to the Company's shareholders, deliver the invitation letter to the shareholders' meeting to shareholders with the minimum information required set out in the Notification on Acquisition or Disposition of Assets for at least 14 days before the meeting, and obtain the shareholders' approval for entering into the transaction with at least three-fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding interested shareholders' equity.

1.1.6 Total Value of Consideration

The acquisition of 886,078,048 shares in MK at the price per share of not exceeding THB 3.10 has a total value of consideration of THB 2,766,991,949.

1.1.7 Basis for Determining the Value of Consideration

The acquisition of ordinary share of MK at the price per share of not exceeding THB 3.10 is resulted in the value of consideration of not exceeding THB 2,766,991,949. The purchased price is 7.04% higher than the market price which is the weighted average price of ordinary shares of the MK for the period of 15 working days prior to September 25, 2020 ("VWAP") which is THB 2.90. The different between the purchased price and the marker price is determined to motivate the shareholder of MK to accept the Tender Offer.

1.1.8 Sources of Fund

Cash flows from operations and/or credit line from financial institution.

1.1.9 Conditions Precedent

The acquisition of MK shares is the acquisition transaction pursuant to the Notification on Acquisition or Disposal of Assets of the listed companies. The Company is, therefore, required to appoint Independent Financial Advisor and disclose the Information Memorandum in respect of the Transaction to the Stock Exchange of Thailand, as well as seek prior approval from the Shareholders Meeting with affirmative votes of not less than three-fourths of the total number of votes of the shareholders who attend the meeting and are entitled to vote, excluding the shareholders with vested interests. The Company will circulate the Shareholders Meeting invitation, the Information Memorandum, and the Independent Financial Advisor Opinion to the shareholders at least 14 days in advance of the Shareholders Meeting. In this regard, the Board of Directors Meeting has resolved to propose to the Extraordinary Meeting of Shareholders no. 1/2020, which will convene on November 10, 2020, for further consideration and approval.

1.2 Information of Finansa Public Company Limited (“FNS” or “The Company”)

Please refer to *Attachment 1* of this report

1.3 Information of M. K. Real Estate Development Public Company Limited (“MK” or “The Business”)

Please refer to *Attachment 2* of this report

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Part 2: Opinion of the Independent Financial Advisor on the Reasonableness of Asset Acquisition Transaction

The Independent Financial Advisor has an opinion that the entering into the asset acquisition transaction is reasonable by considering various important factors including advantages, disadvantages, and risks of entering into the transaction as follows;

2.1 Objective of Entering into Transaction

The Board of Directors' meeting of Finansa Public Company Limited (the "Company" or "FNS") No. 7/2020 dated September 25, 2020 has approved to proposed to the Extraordinary General Meeting of Shareholders to consider and approve the investments in M.K. Real Estate Development Plc. (the "Business" or "MK") through a Voluntary Tender Offer at the price of not exceeding THB 3.10 per share, totaling not exceeding THB 2,766,991,949.

In this regard, the Company's Board of Directors has an opinion that the above transaction is beneficial to the Company's shareholders in the long term since the Company will be able to expand its investment in real estate business to cover more segments from the original investment in real estate business that provides warehouse services which can generate recurring revenue for the Company. Therefore, the voluntary tender offer in MK will enhance the Company to enter into the comprehensive real estate business, including real estate development for sale, real estate development for rent and related services, golf course, real estate management, as well as wellness and medical retreat businesses. Consequently, entering into the transaction of the Company will benefit the Company and shareholders in the long term.

2.2 Advantages and Disadvantages of Entering into Transaction

2.2.1 Advantages of Entering into Transaction

(1) To increase the shareholding in a company that has abilities to grow in the future

The Company started to invest in MK at the end of 2015 with a shareholding of 7.15 percent of the paid-up registered capital. Later in the year 2016, the Company increased its investment in MK, resulting in an increase in shareholding to 9.78 percent and increased to 18.80 percent in 2018. Then, the Company maintained the shareholding at 18.80 percent to date based on the information in the Company's annual report. In this regard, from the year 2016 to 2020, the Company received dividends from MK according to the following information;

Unit (THB Million)	2016	2017	2018	2019	2020
Dividend	17.74	24.24	21.34	2.07 ^{1/}	22.56 ^{2/}

Source: Annual Report of the Company

Remark: 1/ MK paid dividend for the performance of the year 2018 with a stock dividend at the rate of 10 existing shares per 1 new share and cash of THB 0.011112 per share.

2/ As of September 29, 2020, The Board of Directors Meeting of the Company has passed a resolution to approve the payment of interim dividend for the Company's operation 2019 at a rate of THB 0.11 per share. The name list of shareholders who are entitled to the right to receive the interim dividend would be specified on October 15, 2020 (Record date). The interim dividend payment is scheduled within October 26, 2020.

During the past investment period, MK has consistently paid dividends to its shareholders since MK's business is able to grow in line with its plan. Moreover, the management of the Company have seen the potential growth of MK's business in the future from both real estate development for sale, which is the core business, and investment property business that can generate recurring revenue for MK. In addition, MK has also invested in the Prospect Logistics and Industrial Leasehold Real Estate Investment Trust ("PROSPECT") and Wellness and Medical Retreat business in which the first phase is expected to be launched in the fourth quarter of 2020, which will be another business that generates recurring revenue for MK. In this regard, entering into the investment in MK can provide continuous return growth in accordance with the Company's 5-year strategic plan, which is the plan to develop the Company's overall revenue to be consistent by growing businesses that generate recurring revenue. According to the above, MK's business operations are likely to generate good returns in the future. Therefore, the Independent Financial Advisor has an opinion that the asset acquisition transaction at this time will increase the investment proportion in a company having potentials to generate growth performance in the future which will help the Company to receive returns in the form of dividends that will increase in the future.

(2) It is an acquisition of assets that are worthwhile for the investment

This asset acquisition transaction has the offering price of not exceeding Baht 3.10 per share. The Independent Financial Advisor has assessed the value of MK's shares based on various valuation approaches as illustrated in Section 3 of this report in order to find the appropriate price range of securities. In this regard, the Independent Financial Advisor has an opinion that the fair values of MK's shares by the Adjusted Book Value Approach and the Discounted Cash Flow Approach are appropriate since they can reflect the performance and the intrinsic value of MK in the future. The value of MK's shares appraised by the Adjusted Book Value Approach is equal to Baht 8.75 per share and the value of MK's shares appraised by the Discounted Cash Flow Approach is equal to Baht 8.07 per share. In addition, the Independent Financial Advisor has conducted a sensitivity analysis of MK's shares toward terminal growth rate, discount rate with the weighted average cost of capital (WACC) and changes in gross margin, which provided the fair values in a range of Baht 7.24 - 9.28 per share. Therefore, the acquisition of MK's ordinary shares at the offering price of not exceeding Baht 3.10 per share compared with the fair value of MK's shares as appraised by the Independent Financial Advisor, we found that the

offering price is below the fair value range. Consequently, the Independent Financial Advisor has an opinion that the offering price of not exceeding Baht 3.10 per share is appropriate and there is the opportunity to generate good returns to the shareholders in the future.

Summary of the valuation of MK compared with the tender offer price

Appropriate valuation method ^{1/}	Value per share	Higher (Lower) than Offer price (%)
Adjusted Book Value Approach	8.75	98.06
Discounted Cash Flow Approach	7.24 – 9.28	133.55 – 199.35

Remark: 1/Projected by IFA. Shareholders can learn more information in Section 3.1.

(3) It is a risk diversification of sources of revenue and business operations of the Group of the Company

The Company's main revenue comes from securities business which is revenue from investment banking and wealth management services. According to the Company's revenue structure from the year 2017 to the second quarter of 2020, the Company has revenue from securities business in the proportion of 20.84 percent to 67.85 percent. Revenue structure table is as follows;

Revenue Structure (Unit: THB Million)	2017		2018		2019		Jan – Jun 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenues from investment, advisory and management business	28.81	5.97	38.25	7.33	38.97	12.76	10.76	3.06
Revenues from securities business	245.33	50.84	299.61	57.42	63.66	20.84	238.69	67.85
Revenues from warehouse and factory leasing business	180.80	37.47	179.85	34.47	176.41	57.76	90.52	25.73
Gain from dissolution of a subsidiary	-	-	-	-	-	-	3.18	0.90
Other income ^{1/}	27.60	5.72	4.08	0.78	26.40	8.64	8.65	2.46
Total revenue	482.53	100.00	521.80	100.00	305.44	100.00	351.80	100.00

Source: The consolidated financial statement of the Company which is audited or reviewed by the auditor approved by SEC.

Remark: 1/ Other revenues from unrealised gains on the exchange rate on THB assets and liabilities of a foreign subsidiary.

According to the revenue structure table, it can be seen that revenue from the securities business in the previous 3 years has been highly volatile caused by the volatility of the securities business, relying on revenue from financial advisory services that was affected by the delay in listing companies in the stock market due to trading fluctuation during COVID-19 period. Moreover, the works of financial advisory

services for the merger and acquisition are still in process of parties' consideration, resulting in a significant decline and inconsistency in the Company's total revenue.

Subsequent to this asset acquisition transaction, the Company may have a shareholding in MK more than or equal to 50 percent of the paid-up registered capital and MK will become a subsidiary of the Company, which will enable the Company to prepare the consolidated financial statements. The consolidated financial statements will include the business performance of MK, resulting in the Company's ability to diversify risks in terms of sources of revenue and thus the Company's performance will be more stable. In addition, the increasing investment in MK will expand the Company's real estate business to cover more segments, from the Company's original business operations in real estate business, including warehouse and factory leasing to the real estate development for sale and businesses that generate recurring revenue such as real estate development for rent and related services, golf course, real estate management, as well as wellness and medical retreat businesses.

However, the Company's shareholding in MK after this transaction is still uncertain, depending on the acceptance of the tender offer. If the Company acquires MK's ordinary shares until the Company's shareholding in MK is more than or equal to 25 percent of the paid-up registered capital, MK will be an associated company of the Company as before. However, if the Company acquires MK's ordinary shares until the shareholding in MK is more than or equal to 50 percent of the paid-up registered capital, MK will become a subsidiary of the Company.

(4) Increase the opportunity to be a business partner

MK is currently an associated company of the Company and there are related transactions such as revenue from investment, advisory and management, as well as securities businesses. After this asset acquisition transaction, the Company has acquired more than or equal to 50.00 percent of MK's ordinary shares, MK will become a subsidiary of the Company, therefore, the Company will have a business partner who can promote or assist each other in terms of business. In this regard, the Company has expertise in investment, advisory and management, as well as securities businesses, while MK has expertise in real estate development. As a result, the specialization of both the Company and MK will be able to support business operations and promote mutual strengths in the future.

(5) Increase the opportunity to generate the Company's recurring revenue

MK's core business is property development for sale by focusing on residential property development projects for sale. The revenue proportion of real estate development for sale as of June 30, 2020 was equal to 78.21 percent of the total revenue and the proportion of revenue from other businesses according to MK's revenue structure is as follows;

Revenue Structure (Unit: THB Million)	2017		2018		2019		Jan – Jun 2020	
	Amount	%	Amount	%	จำนวน	Amount	%	Amount
Revenue from sale of real estate	2,765.32	84.71	4,152.93	88.11	3,936.77	85.53	1,208.52	78.21
Revenue from rental and rendering of services	195.89	6.00	252.14	5.35	341.19	7.41	218.37	14.13
Revenue from golf services	81.27	2.49	109.25	2.32	119.77	2.60	42.24	2.73
Revenue from management of real estate	22.01	0.67	32.50	0.69	40.39	0.88	17.85	1.15
Revenue from health and wellness ^{1/}	-	-	-	-	-	-	0.14	0.01
Other revenue ^{2/}	199.87	6.12	166.33	3.53	164.57	3.58	58.12	3.76
Total revenues	3,264.37	100.00	4,713.14	100.00	4,602.69	100.00	1,545.23	100.00

Source: The consolidated financial statement of MK which is audited or reviewed by the auditor approved by SEC.

Remark: 1/ MK began to recognize revenue from health and wellness in the first quarter of 2020.

2/ Other Revenues is consisted of interest income, profit from sale of investment, revenue from investment, gain on bargain purchased, etc.

According to interviews with the management of MK, the management has a plan to boost the proportion of revenue from the businesses that can generate recurring revenue to be equal to the proportion of revenue from the real estate development for sale. The businesses that can generate recurring revenue are businesses that MK focuses on generating rental revenue, long-term and recurring revenue, comprising of warehouse and factory buildings for rent, office building for rent, golf course business and apartment project for rent which can generate recurring revenue. In addition, MK has also invested in REIT and the wellness and medical retreat business which will generate recurring revenue and good return on investment to MK in the future. Therefore, the acquisition of MK's ordinary shares is not only an investment diversification into the property development business for sale, it is also an investment diversification into real estate development for rent and services business which is a business that can generate regular and consistent revenue in line with the Company's 5-year long-term strategic plan, which will improve the overall revenue of the Company to be consistent with the development of businesses that generate recurring revenue.

2.2.2 Disadvantages of Entering into Transaction

(1) The Company will have increasing financial burden from entering into the transaction

According to the Company's financial statements as of June 30, 2020, the Company has interest-bearing liabilities of Baht 1,322.88 million, shareholders' equity of Baht 2,750.33 million, resulting in the Company's debt to equity ratio equal to 0.48 times. Entering into the transaction, the Company has to spend money to purchase all securities of MK in an amount of not exceeding Baht 2,766.99 million in

which the Company has a plan to use funding from 2 parts; operating cash flow and/or credit facility from financial institutions. In the event that the Company uses the entire funding for this tender offer from credit facility from financial institutions, the Company will have increasing financial burden where the Company's interest-bearing liabilities will increase to Baht 4,089.87 million, resulting in an increase in the Company's debt to equity ratio to 1.49 times.

However, at present, the Company's debt to equity ratio remains below the industry average which is at 0.54 times. In addition, the Company's debt to equity ratio at 1.49 times is calculated from the total liabilities increased from the acquisition of 886,078,048 shares at a price of not exceeding Baht 3.10 per share, totaling not exceeding Baht 2,766.99 million. Therefore, if the Company has acquired less than 886,078,048 shares, this will cause the Company to have an increase in financial burden less than Baht 2,766.99 million, resulting in an increase in the Company's debt to equity ratio to be not more than 1.49 times. Moreover, if the Company uses parts of funding for this tender offer from the operating cash flow, this will help reduce the Company's financial burden that will occur from the transaction as well. Moreover, the increased debt to equity ratio of the Company will not affect the conditions of maintaining the debt to equity ratio of the Company significantly.

(2) It is an investment that is not the Company's core business at present

At present, the core business of the Company is securities business which is investment banking and wealth management business. The revenue proportion of securities business as of June 30, 2020 is equal to 67.85 percent of the Company's total revenue. Entering into the acquisition transaction of MK's ordinary shares will increase investment proportion in non-core businesses of the Company, whereby the Company may face administrative risks since MK's main business is real estate development for sale where the Company may not have sufficient expertise in managing the aforementioned business. However, prior to acquiring MK's ordinary shares this time, the Company has sent 2 executives who represent the Company as MK's directors from total 9 directors. Both executives started their management in MK since 2015 until now. According to interviews with the management, during the previous 5 years, MK's business operations have been able to grow in line with the operating framework set by MK's board of directors. In addition, there is also an investment in businesses that can generate recurring revenue which will create good performance in the future. Moreover, the Company and MK still operate warehouse and factory rental business as well as there is an investment in REIT which will help reduce the impact of investments in non-core businesses of the Company.

2.3 Advantages and Disadvantages of Not Entering into Transaction

2.3.1 Advantages of Not Entering into Transaction

(1) The Company will not have any loan and interest burden from entering into the transaction

Currently, the Company has interest-bearing liabilities of Baht 1,322.88 million and shareholders' equity of Baht 2,750.33 million, thus the Company's debt to equity ratio is equal to 0.48 times. In this regard, the debt to equity ratio of the Company is still below the industry average which is equal to 0.54 times

If the Company does not enter into the asset acquisition transaction, the Company will have remaining cash flow from operation, which the Company can use such cash flow as working capital within the Company and/or can use as a source of funds to support the business operations of the group of the Company as well as can use such remaining cash flow to repay loans and other financial obligations of the Company. However, according to the interview with the Company's management, various businesses in the group of the Company do not require additional capital and can rely on the internal working capital of each company. Therefore, using the remaining cash flow of the Company in entering into the transaction is a reasonable choice because it is an investment in the business that is expected to generate good returns for the Company in the future.

(2) The Company has an amount of cash that can be invested in other businesses with higher returns and/or having lower risk

If the Company does not enter into the acquisition transaction of MK's ordinary shares this time, the Company can use its cash flow to increase the investment proportion in other businesses that can generate good returns, such as an investment in other projects that are in line with the Company's policy, an increase in the investment proportion in the Prospect Logistics and Industrial Leasehold Real Estate Investment Trust. At present, the Company holds 22.99 percent of the total investment units based on the list of shareholders of the Prospect Logistics and Industrial Leasehold Real Estate Investment Trust as of August 14, 2020, and the Company expects to receive a dividend at a rate of 11.00 percent per year. In addition, the Company can use the remaining cash flow to invest in new businesses or businesses with growth potential, having expected return higher than the Company's weighted average cost of capital (WACC), or repay loans to financial institutions in order to reduce the Company's financial costs or may use the remaining cash flow to pay dividends to the Company's shareholders.

However, According to the financial projection of the Independent Financial Advisor, MK will be able to generate good performance in the future and will have net operating profit in which MK has a dividend payout policy of more than 30.00 percent of net profit each year. Therefore, the dividend that the

Company will receive from MK in the future will be able to help increase the good return from this asset acquisition.

2.3.2 Disadvantages of Not Entering into Transaction

(1) Losing an investment opportunity in a business that can grow in the future

In the past, MK has consistently paid dividends to its shareholders with a dividend payout policy to shareholders of more than or equal to 30 percent of the net profit each year. From the year 2016 to 2018, MK has dividend payout ratios in a range of 36.48 percent to 69.71 percent of net profit each year. In addition, in 2020, MK has sold its assets to the Prospect Logistics and Industrial Leasehold Real Estate Investment Trust and gained profit from the sales of approximately Baht 331.13 million. MK still invests in the aforesaid REIT by holding 8.16 percent of the total investment units, and during the year 2018 and 2019, MK also invested in the Wellness and Medical Retreat business, a new business of MK, consisting of real estate development for rent, sanatorium services and healthcare and health promotion services in which the first phase is expected to be launched by the fourth quarter of 2020. Investments in the REIT and Wellness and Medical Retreat business will help generate recurring revenue for MK in another way. Therefore, if the Company is unable to enter into this asset acquisition transaction, the Company may lose the opportunity to increase the investment in MK that will generate good return on investment and has ability to grow in the future.

(2) Losing an opportunity in terms of trading price

According to the historical 360-day trading price data of MK shares during April 3, 2019 – September 25, 2020 (September 25, 2020 is the date that the Board of Directors has approved the asset acquisition transaction), MK has trading price movement in terms of the lowest price at Baht 2.08 per share and the highest price at Baht 3.42 per share. When comparing the offering price with MK's historical trading price data, the offering price of not exceeding Baht 3.10 per share is in MK's market price range. In addition, when comparing the offering price with the fair value of MK's shares appraised by the Independent Financial Advisor, which is in the range of Baht 7.24 - Baht 9.28 per share, the offering price is lower than the fair value range of MK shares. Therefore, if the Company is able to enter into the acquisition transaction of MK's shares at the offering price of not exceeding Baht 3.10 per share, the Company will have the acquisition cost lower than the fair value. It also resulted in the Company's opportunity to earn more capital gain in the event that the Company will sell MK's shares in the future and receive more dividends from the increased shareholding.

2.4	Risks from entering into the Transaction
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(1) Risk from operating performance that does not meet expectation

Subsequent to the acquisition of MK's ordinary shares at this time, the Company's shareholding in MK of not exceeding 50 percent will allow the Company to recognize profit (loss) from MK as an associated company. If the operating performance of MK decreases or gets loss, the investment value in MK will decrease in accordance with the operating performance that does not meet expectation. In addition, if after entering into the acquisition of MK's ordinary shares at this time the Company has more or equal 50 percent shareholding in MK, the Company will be able to prepare the Company's consolidated financial statements which will allow the Company to recognize operating performance of MK as a subsidiary. Therefore, if the operating performance of MK decreases or gets loss, the Company must bear decreasing or loss operating performance as well. In this regard, from the year 2017 to 2019, the Company has recognized share of profit from MK as an associated company of the Company when compared with other associated companies as follows;

(Unit: THB Million)	2017	2018	2019	Quarter 2 Year 2563
Share of loss from associates				
Finansa Syrus Securities Plc.	52.1	(6.8)	(40.5)	6.3
M.K. Real Estate Development Plc.	22.8	34.5	33.4	(17.9)
Total share of loss from associates	74.9	27.7	(7.1)	(11.6)

Source: Annual report and the consolidated financial statement of the Company which is audited or reviewed by the auditor approved by SEC.

According to the information in the table, MK's past performance is consistent based on the share of profit (loss) from associated companies, the Company recognized profit sharing from MK on a regular basis since the year 2015 that the Company started investing in MK until the year 2019. Recognizing MK's profit sharing helped the Company's net profit more stable, except for the first six months of 2020 that MK has failed to meet expectation because the business was adversely affected by the situation of COVID-19, resulting in a significant drop in sales of real estate development. Therefore, the Company must recognize a share of loss from MK in the amount of Baht 17.9 million. However, according to the financial projection of the Independent Financial Advisor, MK has been able to generate good performance and grow steadily. Therefore, the Independent Financial Advisor has an opinion that in the future, if MK adjusts its plan to reduce the impact of the COVID-19 epidemic which started in mid-March 2020 by adjusting sales strategy and marketing communication in order to present products via online, including providing concise advice on the preparation of financial information, this will help improve MK's

operating performance and reduce the Company's risk from MK's operating performance not being as expected.

(2) Risk of receiving a rate of return on investment lower than the financial cost of entering into the transaction

According to the past dividend payment history, the Company received dividends from MK ranging from Baht 2.07 million to Baht 24.24 million in which the returns received by the Company. After entering into this transaction, the Company may receive dividends from MK lower than the financial cost of entering into this transaction. In this regard, the Company plans to utilize funding source from operating cash flow and/or credit facility from financial institutions. In the event that the Company uses credit facilities from financial institutions, the Company will have increased financial burden. Therefore, the Company will have a risk that the rate of return on investment received from MK may be lower than the financial costs of entering into this transaction.

However, the Independent Financial Advisor has estimated MK's income statement and found that MK is able to generate consistent profit operating results which will enable MK to be able to pay dividends to shareholders and this will help reduce the risk of receiving the rate of return on investment lower than the financial cost of entering into this transaction.

(3) Risk from not receiving an approval from the shareholders' meeting

Since entering into the asset acquisition transaction this time, there are conditions precedent, such as a receipt of approval from the Company's shareholder meeting to acquire MK's ordinary shares, which must be approved with a vote of three-fourths of the shareholders who attend the meeting and have the right to vote, excluding shareholders who have interests. Therefore, entering into this transaction has a risk from not receiving an approval from the Company's shareholder meeting which will result in a loss of the Company's opportunity to increase investment in MK, a business that will generate good returns in the future, and a loss of opportunity in terms of the trading price that is appropriate, as well as there are incurred expenses for entering into the transaction, consisting of financial advisor fee, Independent Financial Advisor fee, and other expenses in connection with this transaction, etc.

(4) Risk from feedback of the tender offer

After the acquisition of MK's ordinary shares, the Company has a risk from the feedback of the tender offer. In the event that the Company has a shareholding in MK after the acquisition of more than or equal to 25 percent but less than 50 percent, MK will be an associated company of the Company as before and the Company is unable to prepare the consolidated financial statements which includes the business performance of MK. In this regard, the Company will recognize MK's operating performance only by its share of profit (loss) from the associated company.

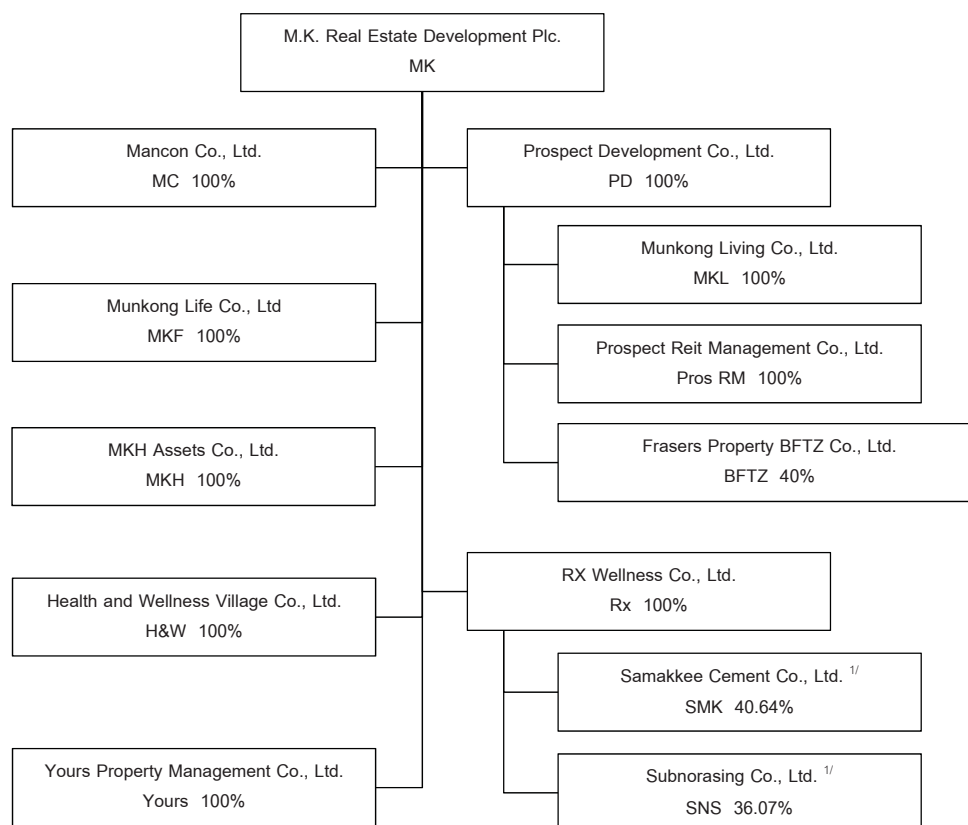
In the event that the Company has a shareholding in MK after the acquisition of more than or equal to 50 percent but less than 85 percent, MK will become a subsidiary of the Company, whereby the Company will be able to prepare the consolidated financial statements, which includes the business performance of MK. If MK has operating performance that is not as expected, the Company will recognize the performance that is not as expected as well.

In addition, if the Company has a shareholding in MK after the acquisition of more than or equal to 85 percent, MK will become a subsidiary of the Company, where MK may face the risk of disqualification to maintain the status as a listed company regarding the shareholding distribution according to the regulations of the Stock Exchange of Thailand, i.e., MK may have minority shareholders (Free Float) of less than 150 or a proportion of minority shareholders of less than 15.00 percent. However, the Company does not have a policy to delist MK from the Stock Exchange of Thailand, therefore, in the event that MK has minority shareholders (Free Float) less than 150 or a proportion of minority shareholding of less than 15.00 percent, the Company will consider increasing the quantity and/or proportion of minority shareholders in order for MK to have the qualifications to maintain the status of a listed company in the SET.

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Part 3: The Appropriateness of Price of Acquired Asset and the Appropriateness of Terms of Transaction

This transaction is considered as the acquisition of assets through the Voluntary Tender Offer of M.K. Real Estate Development Public Company Limited (“the Business” or “MK”). MK has investments in subsidiaries and associates as follows:



Source: Information from MK

Remark: ^{1/} These investments have been fully impaired.

Currently, MK is engaged in property development for sales, rental and rendering of services, golf services, management of real estate, and health and wellness. Revenue structure of MK is as follows:

Revenue structure (Million THB)	Operate by	% Share holding	2017		2018		2019		Jan – Jun 2020	
			Amount	%	Amount	%	Amount	%	Amount	%
Revenue from sale of real estate	MK, MC, MKL	100%	2,765.32	84.71	4,152.93	88.11	3,936.77	85.53	1,208.52	78.21
Revenue from rental and rendering of services	MKL, PD	100%	195.89	6.00	252.14	5.35	341.19	7.41	218.37	14.13
Revenue from management of real estate	Yours	100%	22.01	0.67	32.50	0.69	40.39	0.88	17.85	1.15
Revenue from golf services	MK	100%	81.27	2.49	109.25	2.32	119.77	2.60	42.24	2.73
Revenue from health and wellness ^{1/}	MKF, H&W, Rx	100%	-	-	-	-	-	-	0.14	0.01
Other income	-	-	199.87	6.12	166.33	3.53	164.58	3.58	58.12	3.76

Revenue structure (Million THB)	Operate by	% Share holding	2017		2018		2019		Jan – Jun 2020	
			Amount	%	Amount	%	Amount	%	Amount	%
Total revenue			3,264.37	100.00	4,713.14	100.00	4,602.69	100.00	1,545.23	100.00

Source: Financial statement of MK

Remark: 1/ Health and wellness business is under development project. MK expects to have major revenue from health and wellness in Q4'2020

3.1 The Appropriateness of Price of Acquired Asset

In consideration of the appropriateness of acquired asset price, Finansa Public Company Limited (“the Company”) who aims to tender the entire shares through the Voluntary Tender Offer of M.K. Real Estate Development Public Company Limited (“the Business” or “MK”) not exceeding 892,578,048 shares¹ at the price of not exceeding 3.10 Baht per share, totaling not exceeding 2,766,991,949 Baht.

The IFA has determined MK’s share price by using the following approaches:

1. Book Value Approach
2. Adjusted Book Value Approach
3. Volume Weighted Average Price Approach or VWAP
4. Market Comparable Approach
 - a. Price to Book Value Ratio Approach or P/BV Ratio
 - b. Price to Earnings Ratio Approach or P/E Ratio
 - c. Enterprise Value to EBITDA Approach or EV/EBITDA Ratio
5. Discounted Cash Flow Approach or DCF

The IFA’s opinions are based on the assumptions that the information and documents provided to the IFA are accurate and correct without any significant changes, as well as considering the current situation and available information. If there are any significant changes to those factors, it may impact the Company and the Company’s transaction as well as the opinion rendered by the IFA.

I V Global Securities Public Company Limited, appointed by the Board of Directors of the Company to be an independent financial advisor (“Independent Financial Advisor”, or “IFA”), to provide opinion to the Company on the Tender Offer by considering the information received by the Company, publicly available information such as resolution of the Board of Directors, other related information of the Company, audit report and financial statement of the Company and other related companies, including information from the interview of the executive of the Company and other related companies for preparation of this Opinion Report of the Independent Financial Advisor.

¹ MK has issued the ordinary share purchase warrants issued to the Directors Executives and Employees of MK and its subsidiaries No.1: MK-WA (“Warrant”). On 16 September 2020, the number of Warrants which is not exercised is 26,000,000 warrants which the next exercise date is on 15 December 2020 in amount of 6,500,000 warrants, therefore the paid-up shares of 6,500,000 shares, which may be increased resulting from the exercise of the Warrant, may be sold in this Tender Offer.

The number of shares in this Tender Offer not exceeding 592,578,048 shares has already included the paid-up shares of 6,500,000 shares, which may be increased resulting from the exercise of the Warrant.

1. Book Value Approach

This valuation approach will show the overall MK's value at any point of time. As for this valuation of MK by book value approach, MK's value is based on the financial statements as of 30 June 2020 which is the most up-to-date financial statement as reviewed by the auditor approved by the SEC.

Under this approach, MK's value is calculated from the shareholders' equity divided by the total issued and paid-up shares. MK's total issued, and paid-up shares are 1,091,205,066. The calculation is shown as follows:

Shareholders' Equity as of 30 June 2020	Unit	Amount
Registered Capital	Baht million	1,117.21
Par value	Baht per share	1.00
Registered Paid-Up Capital	Baht million	1,091.21
Share premium	Baht million	1,484.16
Warrants	Baht million	2.32
Allocated Retained Earnings – Reserved	Baht million	111.72
Unallocated Retained Earnings (Loss)	Baht million	4,011.49
Shareholders' Equity	Baht million	6,700.90
Number of Issued and Paid-Up Ordinary Shares	Million shares	1,091.21
Book Value	Baht per share	6.14

Source: Financial statements of MK as at 30 June 2020 as reviewed by the auditor approved by the SEC.

According to the book value approach, MK's share price is equivalent to Baht 6.14 per share, which is higher than the Offer Price in minimum of Baht 3.04 or 98.06 percent.

The IFA's opinion is that the book value approach reflects the financial position of MK as of 30 June 2020 only. Nevertheless, it reflects neither the current market value of the assets, MK's profit generating ability in the future, nor the competitiveness of the Business. The IFA, therefore, opines that this valuation approach is not suitable for the valuation of MK.

2. Adjusted Book Value Approach

According to the valuation of fair value of MK by using the Adjusted Book Value Approach, total assets of MK will be deducted by total liabilities, including commitments and contingent liabilities, which appeared in the financial statements as of 30 June 2020. Subsequently, the results will be adjusted by various items that occurred subsequent to the closing date of financial statements, or items that help the book value to reflect more actual value, such as premium or discount of the valuation of assets that are not recorded in the financial statements and

dividends paid, to better reflect the market value of the assets close to the present value or the actual value of the Business. Then, the calculated results will be divided by the total number of issued and paid-up shares of the Business. Details of adjusted items can be summarized as follows:

According to the consolidated financial statements of MK ended 30 June 2020, MK had total assets of THB 17,604.31 million. The total book value of current assets, including cash and cash equivalents, other current financial assets, trade accounts receivable, short-term loans to other party, real estate projects under development, deposits for purchase of land, and other current assets, was THB 6,145.91 million or around 34.91 percent of total assets. Some items of current assets, such as cash and cash equivalents, other current financial assets, trade accounts receivable, short-term loans to other party, and deposits for purchase of land, are financial assets. Therefore, the value of the aforementioned assets is already approximate to the fair value, not required to be adjusted, except for real estate projects under development with the book value of THB 5,326.61 million, or approximately 30.26 percent of total assets in which MK recognized at cost. Consequently, real estate projects under development should be adjusted to the fair value because they are the main assets used for operating the property development business. While the total book value of non-current assets, including deposits pledged as collateral, investments in associates, investments in joint venture, other long-term investments, land held for development, investment properties, property, plant and equipment, intangible assets, deferred tax assets, and other non-current assets, was THB 11,458.40 million or 65.09 percent of total assets.

Non-current assets are divided into 4 categories, including (1) Deposits pledged as collateral, investments in associates, investments in joint venture, other non-current financial assets which are financial assets. Therefore, the value of the aforementioned assets is already approximate to the fair value, not required to be adjusted. (2) Deferred tax assets are an accounting item. Thus, the value of deferred tax assets is already approximate to the fair value, not required to be adjusted. (3) Intangible assets include software license and computer program which were 0.11 percent of total assets. Intangible assets are unique assets and being adjusted by depreciation and amortization. Hence, the value of these assets is already approximate to the fair value, not required to be adjusted. And (4) Land held for development, investment properties, property, plant and equipment with the book value of THB 10,907.12 million or 61.96 percent of total assets are the main assets used for operating the property development business. Then, the value of such assets should be adjusted to the fair value.

According to the consolidated financial statements of MK ended 30 June 2020, MK had total liabilities of THB 10,903.41 million. The total book value of current liabilities, including short-term borrowings from financial institutions, trade and other current payables, current portion of long-term borrowings, short-term debenture, current portion of long-term debentures, short-term loans from other parties, current portion of finance lease liabilities, income tax payable, customers' deposits, and other current liabilities, was THB 5,067.40 million or 28.78 percent of total assets. For non-current liabilities, the total book value of non-current liabilities, including payables for purchase of land, long-term borrowings, long-term debentures, finance lease liabilities, deferred tax liabilities,

non-current provisions for employee benefits, and other non-current liabilities, was THB 5,836.01 million or 33.15 percent of total assets. Since both current liabilities and non-current liabilities are liabilities that already have the book value approximate to the fair value.

In valuating share price of MK by this approach, the Independent Financial Advisor used the book value shown in the latest financial statements as of 30 June 2020 of MK for adjustment by considering important issues as follows;

1) Gain / Loss from Assets Appraisal

MK and its subsidiaries are engaged in property development for sale and for rent. Most assets used for operating the business include real estate projects under development, land held for development, investment properties, property, plant and equipment. Details are as follows;

(1) Real estate projects under development

Real estate projects under development are projects for the development of properties with the intention of sale in the ordinary course of business. They are measured at the lower of cost and net realizable value. Net realizable value represents the estimated selling price less costs to be incurred in selling the properties.

The cost of real estate projects under development comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding real estate development projects are capitalized, on a specific identification basis, as part of the cost of the property until the completion of development.

(2) Land held for development

Land held for development is measured at cost or net realizable, whichever is lower. Net realizable value represents the estimated selling price less costs to be incurred in selling the properties.

(3) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost less accumulated depreciation and impairment losses. From 1 January 2020, MK and subsidiaries classified leasehold rights to be right-of-use assets which are included in investment properties for rental properties.

(4) Property, plant and equipment

Property, plant and equipment are assets that MK used to operate the business. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. From 1 January

2020, MK and subsidiaries classified leasehold rights for rental assets for business operation to be right-of-use assets which are included in property, plant and equipment.

MK and subsidiaries valued assets by hiring 5 independent appraisers, including Bangkok Property Appraisal Co., Ltd. ("BKK"), T.A. Management Corporation (1999) Co., Ltd. ("TA"), Prime Asset Appraisal Co., Ltd. (formerly named Phet Siam Appraisal Co., Ltd. ("PSA")), Thai Surveyor & Advisory Co., Ltd. ("TS"), and Fast and Fair Valuation Co., Ltd. ("FFV"), or collectively referred to as "Independent Appraisers" which are the appraisers approved by the SEC Office. The Independent Appraisers evaluated assets of MK and its subsidiaries by dividing assets into 4 groups, including real estate projects under development, land held for development, investment properties, property, plant and equipment. The Independent Appraisers evaluated assets by using the following 2 approaches:

- (1) Market Comparison Approach will be used to evaluate the value of assets, including land and buildings. Market Comparison Approach is the best and clearest appraisal approach because this approach is an analysis of trading value in the market by using the sufficient number of market prices to compare to the appraised assets whether they are similar to or different from the appraised assets. The analysis must consider various factors that affect the value in comparison of the appraised assets and the market prices such as locations, city plan, land size, etc.
- (2) Cost Approach is an evaluation of assets, including buildings and structures. The value of buildings and structures will be evaluated by using the costs of replacing at the current prices in order to calculate the price or the replacement cost, less depreciation based on conditions and useful life of buildings and structures. The calculated value will be the value based on the current condition of the buildings and structures, then combining with the value of land which will be the total value of the entire assets.

Independent Appraisers evaluated the fair value of assets, including real estate projects under development, land held for development, investment properties, property, plant and equipment. Details are as follows:

No.	Project Name	Type of Property	Owner	Valuation Approach	Area	Unit	Appraisal Price (THB Million) ^{1/}	Book Value as of 31 March 2020 (THB Million)	Gain (Loss) between Appraisal price and Book Value (THB Million)	Appraisal Date
A. Project Under Development										
1	Chuan Chuen Prime Village Bangna	Detached House	MK	Cost Approach and Market Comparison Approach	14,427.60	sq.w.	395.76	334.32	61.44	19 Dec 2019 ^{A/}
2	Chuan Chuen Town Village Bangna	Townhome	MK	Cost Approach and Market Comparison Approach	8,605.80	sq.w.	230.15	218.99	11.16	13 Feb 2020 ^{A/}
3	Arena Park Chuan Chuen City	Land	MK	Market Comparison Approach	246.20	sq.w.	8.62	5.17	3.45	25 Nov 2019 ^{A/}
4	Chuan Chuen Watcharapon	Detached House and Land	MK	Cost Approach and Market Comparison Approach	225.70	sq.w.	12.15	5.34	6.81	25 Nov 2019 ^{A/}
5	Residence Park 2	Land	MK	Market Comparison Approach	86.50	sq.w.	3.03	0.96	2.07	25 Nov 2019 ^{A/}
6	Residence Park 3	Land	MK	Market Comparison Approach	69.10	sq.w.	2.42	0.59	1.83	25 Nov 2019 ^{A/}
7	Green Park Chuan Chuen City	Land	MK	Market Comparison Approach	148.20	sq.w.	5.19	1.13	4.05	25 Nov 2019 ^{A/}
8	Chuan Chuen Belle Park 1 Chuan Chuen City	Land	MK	Market Comparison Approach	114.90	sq.w.	4.02	1.40	2.62	25 Nov 2019 ^{A/}
9	Chuan Chuen Belle Park 4 Chuan Chuen City	Land	MK	Market Comparison Approach	562.70	sq.w.	19.69	9.34	10.36	25 Nov 2019 ^{A/}
10	DD 1-8 Ram Inthra Zone	Land	MK	Market Comparison Approach	132.60	sq.w.	4.64	2.07	2.57	25 Nov 2019 ^{A/}
11	Chuan Chuen Udomsuk	Townhome	MK	Market Comparison Approach	453.60	sq.w.	25.86	13.64	12.21	11 Sep 2019 ^{A/}
12	Chuan Chuen Prime Ville Krungthep-Pathumtani	Detached House	MK	Cost Approach and Market Comparison Approach	2,518.60	sq.w.	102.99	100.67	2.32	16 Nov 2018 ^{A/}
13	Chuan Chuen Watcharapon-Ram Inthra	Detached House	MK	Market Comparison Approach and Cost Approach	3,380.00	sq.w.	264.24	223.53	40.71	21 Nov 2018 ^{A/}
14	Chuan Chuen Town Bangyai	Townhome	MK	Market Comparison Approach and Cost Approach	6,670.30	sq.w.	243.94	220.59	23.35	20 Dec 2019 ^{A/}
15	Chuan Chuen Town Chaiyapruet-Chaengwattana	Townhome	MK	Market Comparison Approach and Cost Approach	8,399.90	sq.w.	533.49	469.61	63.88	25 Nov 2019 ^{A/}
16	Khong Tan	Condominium	MKL	Market Comparison Approach	1,641.00	sq.w.	752.21	600.62	151.59	19 Jul 2018 ^{B/}

No.	Project Name	Type of Property	Owner	Valuation Approach	Area	Unit	Appraisal Price (THB Million) ^{1/}	Book Value as of 31 March 2020 (THB Million)	Gain (Loss) between Appraisal price and Book Value (THB Million)	Appraisal Date
B. Land Held for Development and Other										
17	Bangkok and Vicinity	Land	MK/MKL/JMC	Market Comparison Approach	331,911.40	sq.w.	4,380.93	3,385.44	995.49	Remark 2 ^{C/}
18	Other Province	Land	MK	Market Comparison Approach	696,507.00	sq.w.	949.53	458.84	490.69	Remark 3 ^{D/}
C. Investment Property										
19	Khlong Tan	Apartment for Rent	MKL	Market Comparison Approach	2,644.34	sq.w.	1,183.70	878.79	304.91	19 Jul 2018 ^{B/}
D. Golf Course, Club House and Others										
20	Golf Course, Club House and Others	Land, Golf Course and Building	MK	Cost Approach	55,753.50	sq.w.	1,900.90	748.79	1,152.11	24 Jul 2018 ^{B/}
							Total	7,679.83	3,343.62	
								Less Income tax ^{4/}	(668.72)	
								Net adjustment value	2,674.90	

Remark: 1/ Appraisal price by Independent Appraisal who has been approved by the SEC Office.

2/ Asset group No. 17, MK and subsidiaries appraised these assets by Independent Appraisers during January 2018 to August 2020

3/ Asset group No. 18, MK and subsidiaries appraised these assets by Independent Appraisers during July 2018 to August 2020

4/ The IFA estimated Deferred Tax Liabilities 20% from difference between appraisal price and book value as of 30 June 2020

A/ Appraised by Bangkok Property Appraisal Co., Ltd.

B/ Appraised by T.A. Management Corporation (1999) Co., Ltd.

C/ Asset group is appraised by Bangkok Property Appraisal Co., Ltd. and Prime Asset Appraisal Co., Ltd.

D/ Asset group is appraised by Bangkok Property Appraisal Co., Ltd., T.A. Management Corporation (1999) Co., Ltd., Prime Asset Appraisal Co., Ltd., Thai Surveyor & Advisory Co., Ltd., and Fast and Fair Valuation Co., Ltd.

The Independent Financial Advisor's opinion on asset appraisal of MK and Subsidiaries by Independent Appraisers

In this asset appraisal, the book value amount of appraised assets is 7,679.83m million Baht or 43.62% of total assets of MK and subsidiaries on consolidated financial statements as at 30 June 2020 which is main portion of MK and subsidiaries' assets.

In this appraisal approach, the Independent Appraisers reviewed and considered various factors related to the appraisal such as characteristics of legal rights, characteristics of assets, appropriateness to use or to develop, general market conditions, as well as conditions and restrictions in order to select the appraisal approach that is appropriate to the nature of assets.

- (1) The appraisal of assets, in part of real estate projects under development and land held for development, such as vacant land, residential apartment, commercial apartment, for the completed projects in which the Independent Appraisers used Market Comparison Approach for this appraisal. The Independent Financial Advisor has an opinion that the appraisal approach is appropriate since Market Comparison Approach will be used to evaluate the value of assets approximate to the fair value by means of comparison to the market price of assets that have characteristics similar to the assets of the Business. The Independent Appraisers considered details of appraised assets and other factors that affect the value of the appraised assets such as land size and/or project size, locations of assets, transportation, environment, land use, format of land plots, physical characteristics of land, legal regulations, development potential, as well as the adequacy of market price information in the adjacent areas available to be compared. The process of assets appraisal by Market Comparison Approach mentioned above is in line with the assets appraisal criteria of the Independent Appraisers.
- (2) The appraisal of assets, in part of land and buildings, in which the Independent Appraisers had used Cost Approach for projects under construction or partially completed. Some real estate projects under development of the Company are projects that are partially completed and some parts are under construction or not yet start construction. The Independent Appraisers had used Cost Approach for the appraisal of the aforementioned assets. The Independent Financial Advisor has an opinion that the appraisal approach is appropriate since the Independent Appraisers evaluated the assets based on the criteria that if the appraised buildings are rebuilt. In this case the Independent Appraisers will consider the current market value of materials used in the construction, labor costs, operating expenses, and profits deducted by depreciation because of wear and tear and obsolete nature of the use of the buildings to reflect physical depreciation of assets, and plus the market value of land. The process of assets appraisal by Cost Approach mentioned above is in line with the assets appraisal criteria of the Independent Appraisers.

However, in selecting appraisal report of assets of MK and subsidiaries, the Independent Financial Advisor uses some appraisal reports during 2018 which was appraised more than 1 year until MK's valuation date (25 September 2020). The Independent Financial Advisor opines that assets which were appraised more than 1 year are vacant land and those had market value more than the book value at appraisal date. Therefore, those appraisal prices are minimum market value only. If there is any new appraisal of those assets, the market value would be more than former appraisal price. Therefore, to reflect the current market value of MK and subsidiaries' assets, the Independent Financial Advisor opines that this appraisal price is suitable and reflects the market value.

2) Gain from Selling of Assets of a Subsidiary

In August 2020, Prospect Development Co., Ltd. ("PD"), a subsidiary which MK owned 99.99% of shares, was sold assets to Prospect Logistics and Industrial Leasehold Real Estate Investment Trust ("Trust") by selling some leasehold rights of land and building in Bangkok Free Trade Zone ("BFTZ Project") to trust. BFTZ Project is located at 1040/1 Moo 15 Bangsaothong, Saothong, Samutprakarn. Selling assets have total land area of 131,839 square meters at the price of THB 1,937.40 million. The sales of leasehold rights generated gain from selling of assets of THB 294.90 million to PD. Details of the calculation are as follows;

List	Amount (THB million)
Selling Price	1,937.40
Less Book Value of the Asset ^{1/}	(1,606.27)
Gain from Selling Assets Before Tax	331.13
Less Income Tax ^{2/}	(36.23)
Gain from Selling Assets	294.90

Remark: 1/ Book value as of 18 August 2020 which is selling date to trust.

2/ IFA estimated income tax to 20% of gain from selling assets and PD has loss carry forward of THB 149.98 million in 2020.

Source: MK's disposal of asset transaction to trust is the resolution from board of director no. 2/2020 on 12 February 2020 and the factsheet of Prospect Logistics and Industrial Leasehold Real Estate Investment Trust dated 20 August 2020.

3) Dividend Payment

The Board of Director Meeting No. 9/2020 has a resolution to pay dividends to shareholders of the Company for the 2020 operating performance at the rate of THB 0.11 per share for MK's shares of 1,091,205,066 shares. The total amount of dividend payment was THB 120.03 million and the dividends had been paid on 26 October 2020. Since the dividend payment affected cash position of MK, in valuation of share prices by Adjusted Book Value Approach, the Independent Financial Advisor has deducted the dividend payment of THB 120.03 million from the book value of MK as of 30 June 2020.

In valuation of share price by Adjusted Book Value Approach, the Independent Financial Advisor plus/(deduct) the abovementioned adjusted items to the book value derived from the consolidated financial statements of MK as of 30 June 2020. Adjusting the book value of MK can be calculated as follows;

Summary of Adjusted Book Value

The Independent Financial Advisor has an opinion that the increase in assets value, gains on the disposition of assets, and dividend payment, resulted in significant changes in the fair value of MK. Therefore, the Independent Financial Advisor adjusted the aforementioned items to the shareholders' equity of MK as of 30 June 2020 which was reviewed by an auditor who has been approved by the SEC Office. Details are as follows:

Shareholders' Equity As of 30 June 2020	Unit	Book Value Before Adjusted	Book Value After Adjusted
Authorized Share Capital	THB million	1,091.21	1,091.21
Par Value	THB per share	1.00	1.00
Paid-up Share Capital	THB million	1,091.21	1,091.21
Premium on Ordinary Share	THB million	1,484.16	1,484.16
Warrants	THB million	2.32	2.32
Appropriated Legal Reserve	THB million	111.72	111.72
Unappropriated Retained Earnings	THB million	4,011.49	4,011.49
Shareholders' Equity before Adjustment	THB million	6,700.90	6,700.90
Adjustment Items			
<u>Item 1: Gain / Loss from Assets Appraisal</u>			
Add: Add Gain from Assets Appraisal by Appraisal Price from Independent Appraisal ^{1/}	THB million		3,343.62
Less: Deferred Tax Liabilities ^{2/}	THB million		(668.72)
<u>Item 2:</u>			
Add: Gain from Selling of Assets of a Subsidiary	THB million		294.90
<u>Item 3:</u>			
Less: Dividend Payment	THB million		(120.03)
Shareholders' Equity after Adjustment	THB million	6,700.90	9,550.66
Number of Paid-up Shares	Million share	1,091.21	1,091.21
Book Value	THB per share	6.14	8.75

Source: Financial statements of MK as of 30 June 2020 which was reviewed by an auditor who has been approved by the SEC Office.

Remark: 1/ Appraisal price from Independent Appraisal who has been approved by the SEC Office.

2/ Deferred Tax Liabilities are 20% of difference between appraisal price and book value.

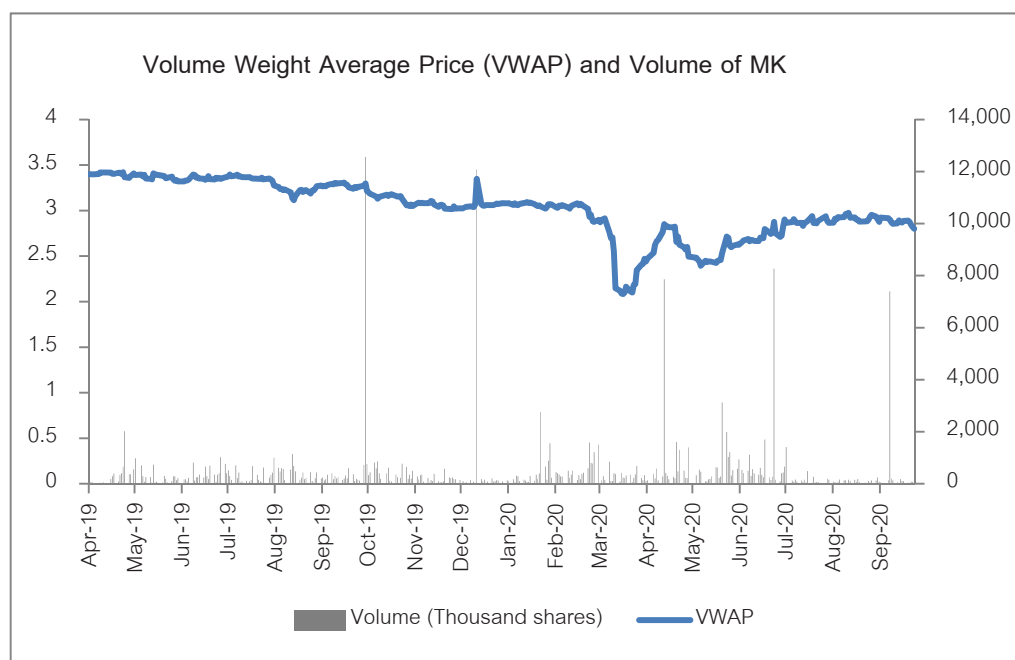
According to the valuation of share price by Adjusted Book Value Approach, shareholders' equity of MK after the adjustment is equal to THB 8.75 per share, which is higher than the Tender Offer price not below than THB 5.65 per share or not below than 182.26 percent.

The Independent Financial Advisor has an opinion that the valuation of fair price by Adjusted Book Value Approach is an approach that reflects the net asset value of MK and its subsidiaries, which are engaged in property development for sale and property development for rent and related services, better than the book value. Because the main assets of MK and its subsidiaries are real estate projects under development, land held for development, investment properties, property, plant and equipment, as well as leasehold rights in which most of them are recorded at the acquisition cost or at cost less accumulated depreciation. After, the Independent Financial Advisor adjusted the value of main assets of MK by the market price to reflect the fair value and adjusted transactions occurred after date on financial statement that may have significant changes to financial position of MK including gain from selling of assets of a subsidiary and dividend payment. Therefore, the net asset value of MK will reflect more actual value and the Independent Financial Advisor has an opinion that this valuation approach is the most appropriate approach for valuation of MK's value.

3. Volume Weighted Average Price Approach or VWAP

This valuation by volume weighted average price approach uses MK's ordinary shares in the SET by taking into account the value and trading volume of ordinary shares in the SET.

Trading volume and VWAP of MK's shares from 3 April 2019 to 25 September 2020 diagrams:



Source: SETSMART

During 3 April 2019 to 25 September 2020, the lowest price is at Baht 2.08 per share and the highest price is at 3.42 per share. The daily trading volumes of MK for this period is at the Turnover Ratio of approximately 0.05 percent of the MK's total paid-up shares.

This valuation approach uses the Volume Weighted Average Price from the MK's securities trading through the SET on different period of time in the past. The IFA has considered the volume weighted average price of MK (Trading value / Trading volume) based on the retroactive 7 business days, 15 business days, 30 business days, 60 business days, 90 business days, 120 business days, 180 business days, and 360 business days between the period of 3 April 2019 to 25 September 2020. The valuation approach can be shown as follow:

Historical data retroactive	Trading Value (Million Baht per day)	Trading Volume (Million Share per day)	Volume Weighted Average Price (Baht per share)	Turnover Ratio ^{1/}
7 business days average price	0.21	0.07	2.85	0.01
15 business days average price	1.68	0.58	2.87	0.08
30 business days average price	0.99	0.34	2.89	0.04
60 business days average price	0.78	0.27	2.88	0.03
90 business days average price	1.36	0.49	2.80	0.05
120 business days average price	1.47	0.53	2.75	0.06
180 business days average price	1.38	0.50	2.78	0.05
360 business days average price	1.41	0.47	3.02	0.05

Source: SETSMART

Remark: Turnover Ratio is an Average Trading Volume calculated from trading volume and listed volume of shares with the SET on the specific date.

According to Volume Weighted Average Price Approach approach, the value of MK as of 25 September 2020 ranges from Baht 2.75 – 3.02 per share, which are Baht 0.08 – 0.35 per share or 2.71 – 11.39 percent lower than the offer price.

The IFA is of the opinion that Volume Weighted Average Price Approach can reflect the market price based on the demand or supply and speculations from the shareholders of MK, which can reflect the share price at that moment. Moreover, it also reflects the shareholder's perception towards MK's ability to grow in the future. However, this approach may not reflect profitability of MK in future. Therefore, the IFA opines that this approach is not appropriate.

4. Market Comparable Approach

Market comparable approach is based on the assumption that MK's market trading price correctly reflects the MK's value. Therefore, MK could be valued using relevant trading price multiples of listed companies in the same industry or similar businesses of real estate development for sale, and have the turnover more than 3 years.

Following an analysis, the IFA has selected 34 comparable companies based on the similarities of the industry and its businesses comprising of the companies having their proportion of the main revenue from real estate development for sale, and listing on the SET/MAI.

This approach of share price valuation could be appraised by using market ratio consisting of 3 following ratios:

- a. Price to Book Value Ratio Approach or P/BV Ratio
- b. Price to Earnings Ratio Approach or P/E Ratio
- c. Enterprise Value to EBITDA Approach: EV/EBITDA Ratio

The comparable companies are shown as follows

1.	Areeya Property Public Company Limited	A
2.	Ananda Development Public Company Limited	ANAN
3.	AP Thailand Public Company Limited	AP
4.	Baan Rock Garden Public Company Limited	BROCK
5.	Chewathai Public Company Limited	CHEWA
6.	Country Group Development Public Company Limited	CGD
7.	Eastern Star Real Estate Public Company Limited	ESTAR
8.	Everland Public Company Limited	EVER
9.	Frasers Property (Thailand) Public Company Limited	FPT
10.	JSP Property Public Company Limited	JSP
11.	Lalin Property Public Company Limited	LALIN
12.	Land & Houses Public Company Limited	LH
13.	L.P.N. Development Public Company Limited	LPN
14.	Major Development Public Company Limited	MJD
15.	N.C. Housing Public Company Limited	NCH
16.	Noble Development Public Company Limited	NOBLE
17.	Nusasiri Public Company Limited	NUSA
18.	Nirvana Daii Public Company Limited	NVD
19.	Origin Property Public Company Limited	ORI
20.	Property Perfect Public Company Limited	PF
21.	Proud Real Estate Public Company Limited	PROUD
22.	Prinsiri Public Company Limited	PRIN
23.	Prukha Holding Public Company Limited	PSH

24.	Quality Houses Public Company Limited	QH
25.	Richy Place 2002 Public Company Limited	RICHY
26.	Raimon Land Public Company Limited	RML
27.	Singha Estate Public Company Limited	S
28.	Sammakorn Public Company Limited	SAMCO
29.	SC Asset Corporation Public Company Limited	SC
30.	Sena Development Public Company Limited	SENA
31.	Sansiri Public Company Limited	SIRI
32.	Supalai Public Company Limited	SPALI
33.	Thanasiri Group Public Company Limited	THANA
34.	Univentures Public Company Limited	UV
35.	M.K. Real Estate Development Public Company Limited	MK

The business types of comparable companies are shown as follows:

No.	Symbol	Type of Business	Revenue from real estate development for sale business ^{1/}
1.	A	Engages in the development of property business. It offers three types of products: 1) single-detached houses; sells land and then constructs house on the said land or sells land with completely built house, 2) townhouse and 3) condominium projects. The company has initiated to develop the community mall named Pickadaily Bangkok.	95.02
2.	ANAN	The development of condominium projects located near railway mass transit stations in Bangkok and its peripheral areas. The Company also develops landed housing. In addition, the Company also operates other businesses through its subsidiaries, including an agent in selling its condominium units, management services for condominiums and landed housing projects	52.70
3.	AP	Real estate development	94.60
4.	BROCK	Involves in the business of real estate development in type of allotted houses so as for disposal at Bangkok, Phuket and Samutprakarn.	95.33
5.	CHEWA	Engage in two core businesses, which are residential development projects and ready-built factories for rent located in Amata City Industrial Estates.	96.49
6.	CGD	Real estate development	85.49
7.	ESTAR	Real estate development for sale or rent and golf course business in Bangkok and Rayong Province.	90.92
8.	EVER	Real estate and hospital business	99.24
9.	FPT	Operates and develops an integrated property platform across multi-asset	72.01

No.	Symbol	Type of Business	Revenue from real estate development for sale business ^{1/}
		classes of industrial, residential, commercial, hospitality sector. In addition, FPT invests and is the property manager in FTREIT, GVREIT and GOLDPF.	
10.	JSP	Property development business, focus on commercial low-rise property.	92.80
11.	LALIN	Real estate development	100.00
12.	LH	Engages in the development of commercial buildings and residential housing. LH develops detached houses, townhouses and condominiums in Bangkok and the surrounding areas. It also has projects in Chiang Mai, Nakhon Ratchasima, Khon Kaen and Phuket.	75.50
13.	LPN	L.P.N. Development Public Co., Ltd. is the developer of urban residential condominiums with affordable price. The main target group is the middle to lower-middle income earners.	89.39
14.	MJD	Principally engaged in the development of properties for sales and hotel business, focusing in high end condominium that emphasizes on luxurious and exclusive lifestyles.	89.06
15.	NCH	Operates its principal business as a real estate developer for trade in various areas such as house for sell including the land development, providing construction services, condominium for sell, providing rental space in club house, etc.	96.80
16.	NOBLE	The principal business is development of real estate for sale, providing construction rental and service.	99.09
17.	NUSA	Real estate development	75.00
18.	NVD	Core businesses of Nirvana Daii's Group could be classified into 3 categories as follows: (1) Real estate development business (2) Construction service and (3) Sales of construction materials business such as instant fence and distributor of aluminum door and window from Japanese manufacturer factory.	90.00
19.	ORI	Property development business including condominium along sky train stations in Bangkok Metropolitan Region and related services which are rental & re-sale and condominium project management services only for the projects of ORI.	86.95
20.	PF	Mainly involved with the property development for sale. The projects involve the development of single detached houses, townhouses, and low-rise condominiums. The projects of the company and subsidiaries are located in Bangkok and peripheral areas as well as potential provinces.	65.52
21.	PROUD	Construction Business, Property Development Business	50.84
22.	PRIN	Engaged in real estate development business in the categories of housing estates and condominiums.	92.27
23.	PSH	PSH is a holding company that invests in PRUKSA REAL ESTATE public company limited, which operates Property Development business, as a core	99.30

No.	Symbol	Type of Business	Revenue from real estate development for sale business ^{1/}
		company.	
24.	QH	Engages in the residential and commercial property development businesses. Its businesses include land and house projects, residential projects, service apartment for rent, hotel, office building for rent, residential and commercial buildings management services, investment business and others.	72.00
25.	RICHY	Real estate development	97.42
26.	RML	Principally engaged in the property development. The focus will be mid-to-high-end condominium, niche town house and villa projects in Bangkok and the resorts.	84.31
27.	S	Property development and investment	58.60
28.	SAMCO	Principally engaged in the real estate development business focusing on developing residential projects in housing as well as after-sale maintenance services.	79.00
29.	SC	Operates fully integrated property development activities which are 1. for sales: single detached houses, townhouses and condominiums, 2. for rental purposes, 3. consultancy and management services: services include consultancy management and administration, engineering techniques and support systems.	94.30
30.	SENA	Development of residential real estates i.e., single-detached houses, townhouses and commercial buildings, condominiums and apartments for rent, community mall, golf course and Solar business	73.30
31.	SIRI	The Core businesses are 1. Property development and 2. Property services: Providing property and asset management, property brokerage services, property sales management, property development consultancy, and property management.	72.70
32.	SPALI	Real estate development projects include 1) detached houses, duplex houses, townhouses, and condominiums projects in a variety of areas throughout Bangkok and provincial 2) office buildings for rent in the commercial districts and 3) hotel business in the provincial	96.94
33.	THANA	Develops residential property projects for sales in Nonthaburi and upcounty area, whereas the subsidiary company focuses on development projects in the region with economic growth. The company will be focusing and develop the project in small and medium size.	99.66
34.	UV	Investing in other companies. UV Group operates main business about real estate development and investment business, real estate for rent and building management, hotel business and manufacturing and distributing the zinc oxide powder and chemicals.	75.71
35.	MK	Operates its core business as a real estate developer in various areas such as	85.53

No.	Symbol	Type of Business	Revenue from real estate development for sale business ^{1/}
		developing empty land for sale, building house for sale including the land, providing construction services, building condominium for sale, providing rental and car park services, and golf course services, etc.	

Source: Annual report and Form 56-1 of each company

Remark: 1/ Revenue Proportion from real estate development for sale of year 2019

Financial information of each company is as follows:

Rank	Symbol	Assets ^{1/} (Million Baht)	Equity ^{1/} (Million Baht)	Revenue ^{2/} (Million Baht)	Net Profit ^{2/} (Million Baht)
1.	A	15,304.10	3,398.95	2,028.89	16.34
2.	ANAN	46,334.18	15,765.44	3,566.14	-424.51
3.	AP	62,539.73	26,888.66	13,994.19	1,833.91
4.	BROCK	1,263.53	1,228.80	86.96	8.29
5.	CHEWA	6,870.17	1,703.26	664.38	-37.19
6.	CGD	30,110.50	4,287.69	1,114.68	-347.69
7.	ESTAR	8,205.66	4,642.10	835.47	32.17
8.	EVER	10,385.05	2,612.17	1,162.53	138.92
9.	FPT	96,749.64	27,808.21	14,550.70	1,505.62
10.	JSP	8,245.45	4,786.91	510.04	-228.46
11.	LALIN	12,427.39	7,013.50	2,717.91	642.99
12.	LH	119,360.86	48,246.24	15,406.07	2,738.92
13.	LPN	24,841.22	11,475.91	3,414.91	370.41
14.	MJD	18,536.60	5,574.73	3,850.87	118.47
15.	NCH	3,932.31	2,635.94	858.61	68.46
16.	NOBLE	21,603.54	5,194.39	4,109.42	714.30
17.	NUSA	10,829.83	5,348.79	302.87	-475.82
18.	NVD	12,968.04	4,468.75	721.04	-40.85
19.	ORI	33,914.98	10,966.25	5,901.21	1,302.30
20.	PF	55,899.02	12,963.91	6,589.52	-163.47
21.	PROUD	1,849.38	697.63	12.94	-40.37
22.	PRIN	9,782.21	4,440.36	1,028.08	106.03
23.	PSH	85,082.37	42,265.38	13,398.50	1,338.71
24.	QH	49,735.78	25,964.90	5,082.80	968.59
25.	RICHY	7,052.78	2,411.69	397.34	50.90
26.	RML	12,339.15	5,466.87	1,050.30	-265.11
27.	S	68,805.90	17,237.84	3,862.37	-322.06
28.	SAMCO	5,690.36	2,266.58	672.56	-41.81

Rank	Symbol	Assets ^{1/} (Million Baht)	Equity ^{1/} (Million Baht)	Revenue ^{2/} (Million Baht)	Net Profit ^{2/} (Million Baht)
29.	SC	46,234.42	17,529.88	7,887.70	756.78
30.	SENA	16,475.90	6,285.80	2,046.89	459.26
31.	SIRI	111,524.26	34,672.14	18,306.80	320.05
32.	SPALI	66,543.89	34,139.44	6,970.31	1,170.05
33.	THANA	733.25	372.01	170.37	-14.05
34.	UV	17,896.23	9,256.90	3,251.53 ^{3/}	93.92 ^{3/}
35.	MK	17,604.31	6,700.90	1,545.23	-94.97

Source: Data from SET

Remark: 1/ Asset and Shareholder's equity as of June 30, 2020

2/ Revenue and Net Profit for six-month period of 2020

3/ Revenue and Net Profit of UV for nine-month period as of 30 June 2020

The IFA uses market comparable approach to determine MK's share price by appraising the fair value for valuation using the 3 market ratios which consist of Price to Book Value Ratio Approach or P/BV Ratio, and Price to Earnings Ratio Approach or P/E Ratio. In order to reduce the impact of the outliers, the IFA will exclude the companies with exceptionally high (low) market ratio.

4.1 Price to Book Value Ratio Approach or P/BV Ratio

The valuation from this approach focuses on book value of MK by using market price to compare with book values of the similar business to find the market price of MK. The calculation is conducted by multiplying the book value of MK with median of P/BV of the listed company in the same sector and operates similar business with total of 34 companies and uses the average of 7 days, 15 days, 30 days, 60 days, 90 days, 120 days, 180 days, and 360 days which is the time interval from 3 April 2019 to 25 September 2020 (the date of Board of Director's approved the transaction). The detail of valuation based on Price to Book Value Ratio Approach is shown as follows:

Rank	Symbol	Historical P/BV Ratio							
		7 Business Day	15 Business Day	30 Business Day	60 Business Day	90 Business Day	120 Business Day	180 Business Day	360 Business Day
1.	A	1.44	1.44	1.44	1.44	1.42	1.41	1.50	1.68
2.	ANAN	0.47	0.47	0.49	0.51	0.51	0.49	0.53	0.78
3.	AP	0.67	0.70	0.72	0.72	0.69	0.65	0.69	0.80
4.	BROCK	1.26	1.26	1.26	1.26	1.27	1.19	1.22	1.41
5.	CHEWA	0.37	0.36	0.34	0.33	0.32	0.30	0.29	0.41
6.	CGD	1.24	1.24	1.20	1.18	1.21	1.24	1.31	1.51
7.	ESTAR	0.39	0.39	0.39	0.39	0.39	0.36	0.36	0.42

Rank	Symbol	Historical P/BV Ratio							
		7 Business Day	15 Business Day	30 Business Day	60 Business Day	90 Business Day	120 Business Day	180 Business Day	360 Business Day
8.	EVER	0.33	0.33	0.33	0.33	0.34	0.32	0.32	0.45
9.	FPT	0.77	0.76	0.77	0.79	0.82	0.82	0.86	1.06
10.	JSP	0.20	0.20	0.20	0.20	0.21	0.20	0.20	0.24
11.	LALIN	0.71	0.71	0.71	0.65	0.64	0.61	0.64	0.70
12.	LH	1.73	1.77	1.83	1.85	1.81	1.76	1.85	2.16
13.	LPN	0.58	0.59	0.62	0.63	0.61	0.56	0.54	0.63
14.	MJD	0.23	0.23	0.23	0.23	0.25	0.26	0.31	0.42
15.	NCH	0.42	0.42	0.39	0.35	0.33	0.31	0.31	0.39
16.	NOBLE	1.35	1.26	1.19	1.07	1.02	1.03	1.10	1.33
17.	NUSA	0.42	0.43	0.44	0.46	0.46	0.46	0.50	0.46
18.	NVD	0.34	0.35	0.36	0.39	0.37	0.36	0.41	0.58
19.	ORI	1.48	1.47	1.54	1.49	1.40	1.31	1.37	1.77
20.	PF	0.26	0.26	0.27	0.28	0.28	0.27	0.33	0.42
21.	PROUD	0.83	0.84	0.85	0.86	0.87	0.86	0.93	1.29
22.	PRIN	0.44	0.44	0.44	0.43	0.42	0.41	0.40	0.42
23.	PSH	0.57	0.58	0.59	0.59	0.59	0.57	0.61	0.79
24.	QH	0.91	0.91	0.92	0.91	0.90	0.88	0.90	1.03
25.	RICHY	0.34	0.34	0.34	0.34	0.34	0.33	0.33	0.44
26.	RML	0.47	0.48	0.48	0.51	0.48	0.45	0.49	0.65
27.	S	0.52	0.54	0.56	0.59	0.61	0.60	0.67	0.97
28.	SAMCO	0.33	0.34	0.33	0.34	0.34	0.35	0.37	0.40
29.	SC	0.53	0.53	0.54	0.54	0.52	0.51	0.53	0.60
30.	SENA	0.61	0.62	0.64	0.63	0.61	0.57	0.58	0.71
31.	SIRI	0.26	0.27	0.28	0.29	0.31	0.31	0.35	0.47
32.	SPALI	0.91	0.93	0.95	0.96	0.92	0.91	0.92	1.07
33.	THANA	0.58	0.57	0.58	0.59	0.60	0.60	0.64	0.83
34.	UV	0.52	0.54	0.57	0.60	0.62	0.62	0.66	0.89
35.	MK	0.46	0.47	0.47	0.47	0.45	0.45	0.45	0.48
	Median	0.52	0.54	0.56	0.59	0.59	0.56	0.54	0.70

Source: Bloomberg

The result of P/BV ratio from comparable companies is in the range of 0.52 – 0.70 times during the period of 3 April 2019 to 25 September 2020 or 7 - 360 trading days. When compared to MK's P/BV Ratio which is 0.45 – 0.48 times during the same interval, MK's P/BV ratio is lower than the comparable companies' ratios.

The adjusted book value of MK as of 30 June 2020 is THB 9,653.57 million or THB 8.85 per share.

The value based on P/BV ratio approach is in the range of THB 4.63 - 6.23 per share which is higher than the offer price for THB 1.53 – 3.13 per share, accounted for 49.26 – 100.95 percent of the offer price.

Since price to book valuation approach is determined by book value or adjusted book value, which does not consider operating result in future, the IFA opines that this approach is not appropriate.

4.2 Price to Earnings Ratio Approach or P/E Ratio

The valuation under this approach focuses on profitabilities of MK. The calculation is based on MK's trial 12 - month earnings from its latest audited financial statement multiplied by median of comparable companies' P/E ratio, which is the average of 7 days, 15 days, 30 days, 60 days, 90 days, 120 days, 180 days, and 360 days, from 3 April 2019 to 25 September 2020 (the date of Board of Director's approved the transaction). The detail of valuation based on Price to Earning Ratio Approach is shown as follows:

Rank	Symbol	Historical P/E Ratio							
		7 Business Day	15 Business Day	30 Business Day	60 Business Day	90 Business Day	120 Business Day	180 Business Day	360 Business Day
1.	A	192.18	192.18	192.18	192.18	192.18	192.18	192.18	192.18
2.	ANAN	22.70	22.70	22.70	22.71	22.89	22.31	21.83	14.87
3.	AP	5.40	5.61	5.77	5.84	6.07	5.94	6.16	6.30
4.	BROCK	93.25	93.11	94.39	93.07	92.13	86.14	90.21	89.58
5.	CHEWA	8.28	8.28	8.28	8.28	8.28	8.28	8.28	8.01
6.	CGD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7.	ESTAR	30.33	30.59	29.90	66.32	409.90	501.89	344.69	181.68
8.	EVER	42.84	42.99	43.12	41.77	28.36	21.66	15.27	11.61
9.	FPT	9.55	9.46	9.59	9.78	10.19	10.19	12.71	15.57
10.	JSP	27.72	27.72	27.72	27.72	27.72	27.72	27.72	27.36
11.	LALIN	4.40	4.36	4.39	4.05	4.26	4.23	4.51	5.21
12.	LH	9.24	9.44	9.74	9.89	9.70	9.47	9.86	12.17
13.	LPN	5.92	6.06	6.37	6.42	6.42	5.99	5.73	6.28
14.	MJD	4.18	4.19	4.18	4.32	4.31	4.35	5.34	4.36
15.	NCH	16.33	16.36	15.29	14.22	18.47	20.62	26.92	27.04
16.	NOBLE	3.03	2.84	2.67	2.43	2.44	2.53	2.43	2.92
17.	NUSA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
18.	NVD	52.45	52.45	52.45	52.45	52.45	52.46	62.03	38.49
19.	ORI	5.65	5.60	5.90	5.67	5.22	4.83	4.79	5.82
20.	PF	10.72	10.72	10.72	10.73	10.67	10.30	9.20	7.83
21.	PROUD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
22.	PRIN	10.71	10.65	10.58	10.65	12.40	12.82	13.28	11.79
23.	PSH	5.96	6.02	6.09	6.13	5.98	5.70	5.65	6.09

Rank	Symbol	Historical P/E Ratio							
		7 Business Day	15 Business Day	30 Business Day	60 Business Day	90 Business Day	120 Business Day	180 Business Day	360 Business Day
24.	QH	9.85	9.94	10.04	9.88	9.61	9.31	9.12	9.01
25.	RICHY	9.98	10.00	9.99	10.01	9.45	8.99	8.17	6.72
26.	RML	46.43	46.43	46.43	46.43	46.43	46.44	57.21	41.25
27.	S	22.34	22.91	24.02	24.73	19.83	17.12	15.62	18.00
28.	SAMCO	22.69	22.69	22.69	22.69	22.90	23.08	19.33	13.86
29.	SC	4.23	4.29	4.33	4.33	4.35	4.31	4.41	5.36
30.	SENA	3.61	3.64	3.76	3.69	3.71	3.56	3.71	4.66
31.	SIRI	4.62	4.75	4.94	5.09	5.28	5.14	5.22	6.67
32.	SPALI	7.89	8.05	8.28	8.28	7.88	7.65	7.29	7.06
33.	THANA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34.	UV	4.69	4.89	5.15	5.36	5.28	5.10	5.30	8.31
35.	MK	14.31	14.31	14.31	14.31	14.31	14.31	15.21	12.15
	Median	9.91	9.97	10.02	9.95	9.95	9.83	9.53	10.31

Source: Bloomberg

Remarks: N/A means there is no information, or the value can't be calculated

The result of P/E ratio from comparable companies is in the range of 9.53 - 10.31 times during the period of 3 April 2019 to 25 September 2020 or 7 - 360 trading days. When compared to MK or company's P/E Ratio which is 12.15 – 15.21 times during the same interval, MK's P/E ratio is lower than the comparable companies' ratios. However, MK has operating losses for trial 12-month, referring to the financial statement of MK which is audited or reviewed by auditor approved by SEC. Therefore, the Independent Financial Advisor is unable to evaluate MK by the Price to Earnings Ratio Approach or P / E Ratio.

4.3 Enterprise Value to Earnings before Interest, Tax, Depreciation and Amortization Ratio Approach or EV/EBITDA Ratio

The valuation under this approach focuses on the operating cash flow generating ability, deducted by the effect of company's different capital structures. The calculation is shown in 2 steps as follows:

(1) Multiply company's trial 12-month Earnings before Interest, Tax, Depreciation and Amortization by the average comparable companies' EV/EBITDA ratio, which is the average of 7 days, 15 days, 30 days, 60 days, 90 days, 120 days, 180 days, and 360 days, from 3 April 2019 to 25 September 2020 (the date of Board of Director's approved the transaction), resulting in Enterprise value or EV

(2) Deduct Enterprise value by interest-bearing debt which then added by the cash and equivalence, resulting in market value

The trial 12-month Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) is equivalent to THB 459.68 million, which is accumulated for 12 months before 30 June 2020 (from 1 July 2019 to 30 June 2020). The interest-bearing debt is THB 9,639.33 million with cash and cash equivalence is THB 234.74 million as of 30 June 2020 from financial statement which is reviewed by the auditor approved by SEC. The detail of valuation based on EV to EBITDA Ratio Approach is shown as follows:

Rank	Symbol	Historical EV/EBITDA Ratio							
		7 Business Day	15 Business Day	30 Business Day	60 Business Day	90 Business Day	120 Business Day	180 Business Day	360 Business Day
1.	A	260.02	260.07	260.19	278.26	452.00	530.54	500.58	288.85
2.	ANAN	104.41	104.41	104.41	104.42	104.55	108.12	193.44	141.59
3.	AP	14.85	15.08	15.25	15.35	15.84	15.83	15.83	14.37
4.	BROCK	51.58	51.58	51.58	51.58	51.86	48.67	52.99	62.66
5.	CHEWA	99.97	99.97	99.97	99.97	99.97	99.97	99.97	73.52
6.	CGD	1,318.69	1,316.53	1,306.33	1,300.81	1,300.81	1,300.81	1,300.81	1,300.81
7.	ESTAR	64.17	64.17	64.17	64.16	63.84	61.65	51.86	35.89
8.	EVER	18.22	18.23	18.24	18.50	20.90	21.55	16.63	12.26
9.	FPT	10.38	10.35	10.39	10.37	10.14	9.96	9.96	9.76
10.	JSP	388.34	388.34	388.34	388.41	391.38	381.39	261.52	139.52
11.	LALIN	5.80	5.77	5.79	5.54	5.79	5.81	6.08	6.69
12.	LH	15.95	16.15	16.47	16.62	16.41	16.13	16.01	18.78
13.	LPN	10.38	10.49	10.71	10.72	10.42	9.94	9.37	9.13
14.	MJD	11.07	11.07	11.06	11.14	11.48	11.72	13.60	12.02
15.	NCH	11.94	11.95	11.45	11.30	16.46	18.52	18.73	18.75
16.	NOBLE	5.14	5.00	4.88	4.70	4.74	4.81	4.45	4.45
17.	NUSA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
18.	NVD	86.12	86.67	87.11	86.99	76.38	70.53	57.95	37.79
19.	ORI	7.69	7.65	7.86	7.69	7.20	6.84	6.61	6.52
20.	PF	28.02	28.07	28.13	27.95	24.72	22.95	19.80	16.02
21.	PROUD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
22.	PRIN	15.60	15.57	15.54	15.61	16.95	17.35	16.39	16.21
23.	PSH	8.85	8.89	8.94	8.95	8.74	8.49	8.22	8.09
24.	QH	26.99	27.12	27.28	27.13	27.70	27.61	26.44	23.08
25.	RICHY	30.81	30.83	30.82	30.75	29.71	28.96	25.83	18.80
26.	RML	42.63	42.63	42.63	42.63	42.18	41.00	33.15	24.17
27.	S	19.19	19.29	19.47	19.56	18.50	17.85	17.37	17.61
28.	SAMCO	9.07	9.07	9.07	9.07	9.10	9.09	8.24	7.08
29.	SC	10.40	10.44	10.48	10.50	10.73	10.81	10.84	12.10
30.	SENA	7.77	7.79	7.88	7.81	7.66	7.46	7.19	7.19
31.	SIRI	24.86	24.96	25.11	25.45	27.79	28.62	27.18	24.55

Rank	Symbol	Historical EV/EBITDA Ratio							
		7 Business Day	15 Business Day	30 Business Day	60 Business Day	90 Business Day	120 Business Day	180 Business Day	360 Business Day
32.	SPALI	9.91	10.03	10.20	10.17	9.55	9.22	8.51	7.84
33.	THANA	262.68	262.68	262.68	262.68	262.68	262.68	262.68	262.23
34.	UV	4.88	4.98	5.12	5.20	4.82	4.55	4.01	7.38
35.	MK	27.12	27.17	27.23	26.95	24.38	22.98	19.97	15.60
	(Median)	18.71	18.76	18.86	19.03	19.70	20.04	18.05	16.91

Source: Bloomberg

Remarks: N/A means there is no information, or the value can't be calculated

The result of EV/EBITDA ratio from comparable companies is in the range of 16.91 – 20.04 times during the period of 3 April 2019 to 25 September 2020 or 7 - 360 trading days. When compared to MK or company's EV/EBITDA Ratio which is 15.60 – 27.23 times during the same interval, MK's EV/EBITDA ratio is higher than the comparable companies' ratios.

IFA multiplied MK's trial 12-month Earnings before Interest, Tax, Depreciation and Amortization of THB 459.68 million (or 0.42 baht per share) by the average comparable companies' EV/EBITDA ratio which is 16.91 – 20.04 times, resulting in Enterprise value or EV as of 25 September 2020 is equivalent to THB 7.12 – 8.44 per share. However, when deducted interest-bearing debt of THB 9,639.33 million (or 8.83 baht per share) and added by cash or cash equivalent of THB 234.74 million (or 0.22 baht per share), resulted in the share price of MK is negative. Therefore, the Independent Financial Advisor is unable to evaluate MK by Enterprise Value to Earnings before Interest, Tax, Depreciation and Amortization Ratio Approach or EV/EBITDA Ratio.

5. Discounted Cash Flow Approach

Discounted cash flow approach is a valuation approach that takes into account the future operating results of the Target Company. By this approach, present value of cash flow projection will be calculated with an appropriate discount rate based on projection of future operating results from the management and calculate weighted average cost of capital (WACC) as a discount rate, as well as calculate cash flow from future financial projections.

Key Assumption and Sum-Of-The-Parts Valuation

Based on the business structure of MK, which consists of various businesses, IFA has divided the financial projection into 8 parts as follows:

1. Real Estate Business
2. Condominium for Rent Business
3. Golf Course

4. Property Management Business
5. Health and Wellness Business
6. Office for Rent and Head Office
7. Factory Building and Warehouses for Rent Business
8. Property for Sale, Land Held for Development, and Other Projects

The Independent Financial Advisor has prepared financial projections of MK from received information, as well as interviews with the management of MK based on a conservative basis in order to obtain key assumptions. Details of assumptions and sum-of-the-parts valuation are as follows;

1. Property Development for Sale

The Independent Financial Advisor has chosen discounted cash flow approach to evaluate MK's value, only projects that are completed and in process of ownership transfer to customers, projects launched for sale or pre-sale, projects under development that are certain to be sold in order to be ready to launch for sale in the near future. Details are as follows;

1.1 Revenue from Property Development for Sale

Revenue from property development for sale will be recognized when the ownership is transferred to the customer. As of 30 June 2020, MK has projects launched for sale in a total amount of 10 projects, including

- Chuan Chuen Town Kaew In-Bangyai
- Chuan Chuen Town Rangsit-Klong 1
- Chuan Chuen Town Ratchapruk-345
- Chuan Chuen Prime Ville Krungthep-Pathumtani
- Chuen City Watcharapol-Ramindra
- Chuan Chuen Town Bangyai
- Chuan Chuen Town Chaiyapruet-Chaengwattana
- Chuan Chuen Prime Village Bangna (Phase 1)
- Chuan Chuen Town Village Bangna (Phase 2)
- Park Court Sukhumvit 77 Zone A

New projects launched for sale 2 projects, including Chuan Chuen Park Pinklao-Kanchana and Chuan Chuen Town Rangsit-Klong 3, and project under development 1 project which is Chuan Chuen Town Pinklao-Sirindhorn. Details are as follows;

Project Type	Number of Project	Project Value ^{1/} (THB Million)	Transferred Value ^{2/} (THB Million)	Waiting to be Transferred Value ^{3/} (THB Million)
Projects launched for sale	10	9,192.48	2,816.63	6,375.85
New projects launched for sale	2	1,657.86	-	1,657.86

Project Type	Number of Project	Project Value ^{1/} (THB Million)	Transferred Value ^{2/} (THB Million)	Waiting to be Transferred Value ^{3/} (THB Million)
Project under development	1	799.32	-	799.32

Source: Information of MK

Remark: ^{1/} Project value is the total value of the transferred projects and waiting to be transferred projects.

^{2/} Transferred value is the actual revenue of the projects ended 30 June 2020

^{3/} Waiting to be transferred value is calculated from the expected sales in the future based on business plans of MK and projections prepared by the Independent Financial Advisor that will take place after 30 June 2020 until the end of the projects.

The valuation of share price of MK, the Independent Financial Advisor evaluated only complete projects or projects under development those are certain to be sold in the near future including 10 projects launched for sale, 2 new projects launched for sale and 1 project under development. The Independent Financial Advisor has not included projects under land acquisition and projects that may arise in the future in accordance with the business plans of MK.

The Independent Financial Advisor projected the net revenue from property development for sale based on sale target of MK which depended on the number of selling projects and selling period. Details of net revenue are as follows;

Net revenue	2017A	2018A	2019A	2020F ^{1/}	2021F	2022F	2023F	2024F
Property development for sale (THB Million)	2,765.32	4,152.93	3,936.77	2,685.88	2,583.90	2,444.95	1,793.36	533.44

Source: Information of MK

Remark: ^{1/} Revenue from property development for sale occurred during first 6 months period of 2020 is THB 1,208.52 million.

Gross revenue per unit and units transferred are based on sale target of MK. Gross revenue per unit is estimated between THB 3.39 – 3.96 million which are close to gross revenue per unit of MK in the past that is THB 3.91 million for 6-month period of 2020. Currently, most MK's projects are detached house, duplex house and townhome which MK do not plan to significantly change business position in the future and plan to mainly sell detached house, duplex house and townhome same as in the past, therefore gross revenue per unit in forecast period that close to the past information is appropriate. Gross revenue per unit and units transferred can be summarized as follows;

	Jan – Jun 2020A	July – Dec 2020F	2021F	2022F	2023F	2024F
Gross revenue per unit ^{1/} (THB Million)	3.91 ^{2/}	3.96	3.71	3.71	3.73	3.39
Units transferred during period	316	381	713	673	493	162
Remaining units at the end of period		2,041	1,328	655	162	-

Source: Information of MK

Remark: ^{1/} Gross revenue per unit is calculated from selling price before deducting transfer fee, service fee, and other deductions such as promotion, expense before transfer

^{2/} Calculated from all projects during that period

1.2 Cost of Property Development for Sale

Cost of property development for sale include land costs, construction costs, and other costs related to projects development which will happen in the same period of recognition of revenue from sale. The Independent Financial Advisor projected the ratio of costs to revenue during the year 2020 – 2024 at 68.09 – 74.02 percent of revenue from property development for sale. These assumptions are based on the actual historical costs of each current project for sale from started date until present which is in the period during the year 2017 – 2020 and costs expected by MK to occur until the end of the projects which are close to the ratio of costs to revenue of MK in the past. Details are as follows;

Cost	2017A	2018A	2019A	2020F ^{1/}	2021F	2022F	2023F	2024F
Property development for sale (THB Million)	1,860.79	2,865.12	2,754.09	1,988.08	1,872.47	1,723.04	1,232.40	363.21
Cost per revenue (%)	67.29%	68.99%	69.96%	74.02%	72.47%	70.47%	68.72%	68.09%

Source: Information of MK and projections prepared by the Independent Financial Advisor.

Remark: ^{1/} Cost of property development for sale occurred during first 6 months period of 2020 is THB 896.43 million or cost per revenue of 74.18%.

1.3 Selling and Administrative Expenses

To calculate selling and administrative expenses of the business of property development for sale, the Independent Financial Advisor used the following assumptions;

Selling expenses	Selling expenses include sales promotion expenses, advertising costs, commissions, sales staff expenses, and other expenses related to the sale of projects. The Independent Financial Advisor assumed the ratio of selling expenses to revenue at 7.53 percent of revenue from the business of property development for sale based on actual costs of all current project for sale from started date until present which is in the period during the year 2017 – 2020 and business plans of MK in the future.
Administrative expenses	Administrative expenses include project management fee, repair costs, utilities, and other expenses related to project management. The Independent Financial Advisor assumed the ratio of administrative expenses to revenue at 6.46 percent of revenue from the business of property development for sale based on actual costs of all current project for sale from started date until present which is in the period during the year 2017 – 2020 and business plans of MK in the future.

Source: Information of MK and projections prepared by the Independent Financial Advisor.

Selling and Administrative Expenses	2020F	2021F	2022F	2023F	2024F
Selling expenses (THB Million)	111.19	194.48	184.02	134.98	40.15
Selling expenses per revenue (%)	7.53%	7.53%	7.53%	7.53%	7.53%
Administrative expenses (THB Million)	95.44	166.92	157.94	115.85	34.46
Administrative expenses per revenue (%)	6.46%	6.46%	6.46%	6.46%	6.46%

Source: Information of MK and projections prepared by the Independent Financial Advisor.

1.4 Other Revenue Related to Property Development for Sale

Other revenue includes income from common area charge and miscellaneous revenue. The Independent Financial Advisor assumed the ratio of other revenue to revenue during the year 2020 - 2024 at 1.18 – 1.29 percent of revenue from the business of property development for sale based on each current project for sale's actual costs from started date until present which is in the period during the year 2017 – 2020 and business plans of MK in the future. Details are as follows;

Other revenue	2020F	2021F	2022F	2023F	2024F
Related other revenue (THB Million)	19.00	32.65	28.82	21.80	6.35
Other revenue to revenue (%)	1.29%	1.26%	1.18%	1.22%	1.19%

Source: Information of MK and projections prepared by the Independent Financial Advisor.

2. Apartments for Rent

MK operates the Park Court Grand Apartment Sukhumvit 77 ("Parkcourt") which targets on high-end market and foreigners residing or working in Thailand. The key assumptions are as follows;

2.1 Assumptions of Revenue from Apartments for Rent and Related Revenue

The main revenue from apartments for rent is revenue from rent and service. According to the actual information from January 2020 to July 2020, Park Court has 29-31 rental units per month from the total of 42 units, equivalent to occupancy rate of 69.05 - 73.81%. The Independent Financial Advisor projected that the number of rental units per month will remain at the occupancy rate of 73.81%, based on the actual information during May-July 2020 with the assumption of continuous renewal of the contracts from the latest number of tenants. In conclusion, IFA has projected the rental units (or rental rooms) to remain at 31 units per month or equivalent to 73.81% occupancy rate from August 2020 onwards. The rental units will remain at 31 units per month throughout the projection period.

In respect of the rental rate, IFA has referred to the average actual rental rate on July 2020, which is projected to grow at 3% per year throughout the projection period

Revenue	Unit	2018A	2019A	2020F	2021F	2022F	2023F	2024F
Rental and Service Revenue	THB Million	24.54	42.89	46.52	49.31	50.79	52.32	53.89
No. of Rental Unit/ Month at the end of period	Unit	20	29	31	31	31	31	31
Occupancy Rate	%	37.74%	69.05%	73.81%	73.81%	73.81%	73.81%	73.81%
Average Rental Rate per unit (per Month)	THB Million	0.11	0.12	0.13	0.13	0.14	0.14	0.14
Growth of Rental Rate	%	NA	14.3%	-	3.00%	3.00%	3.00%	3.00%

Source: Information from MK and projection by IFA

2.2 Cost of Rent and Service

The main cost of rent and service is depreciation expense, which consists of depreciation of building, building decoration, furniture and fixture etc. The projection of depreciation expense is based on actual depreciation expense with specified useful life. The detail is presented as follow:

Cost	Unit	2018A	2019A	2020F	2021F	2022F	2023F	2024F
Depreciation Expense	THB Million	17.01	29.97	34.86	37.54	37.46	35.12	32.84

Source: Information from MK and projection by IFA

In addition, rental and service cost consists of repair and maintainance cost, and public utility cost. IFA has projected the cost based on historical cost, which is projected to grow at 1.5% per year according to 10-year average of Thai inflation rate throughtout the projection period as follows:

Cost	Unit	2018A	2019A	2020F	2021F	2022F	2023F	2024F
Rental and Service Cost	THB Million	1.19	2.66	3.15	3.25	3.34	3.44	3.55
Growth Rate	%	N/A	123.1%	18.6%	3.00%	3.00%	3.00%	3.00%

Source: Information from MK and projection by IFA

2.3 Selling and Administrative Expense

The Selling and administrative expense includes Promotional expense, Sales management fee, Management and office administrative expense, utility cost, and depreciation expense for office part. The common area maintainance fee contributes the major part of this section.

IFA projected selling expense to be 4.74% of rental and service revenue, based on 6-month period of 'selling expense-to-rental and service revenue ratio' (from Jan-June 2020), and projected administrative expense, contributed mainly by common area maintenance fee and administrative expense, to increase 1.50% per year according to 10-year average of annual inflation rate of Thailand. IFA projected utility expense to be 1.5% of rental and service revenue, based on actual ratio of 6-month data of year 2020 (Jan-June 2020).

SG&A Expense	Unit	2020F	2021F	2022F	2023F	2024F
Selling Expense	THB Million	2.21	2.34	2.41	2.48	2.55
% of Sales Revenue	%	4.74	4.74	4.74	4.74	4.74
Management and Office Admin. Expense	THB Million	10.02	10.17	10.32	10.48	10.63
Growth Rate	%	N/A	1.50%	1.50%	1.50%	1.50%
Utility Expense	THB Million	0.70	0.75	0.77	0.79	0.82
% of Sales Revenue	%	1.50%	1.50%	1.50%	1.50%	1.50%

Source: Information from MK and projection by IFA

Remark: Since the accounting system of the Company has changed since 2020, the data of separated SG&A expense of "Apartment for Rent" business unit is available only Jan-June 2020. The data from 2018-2019 is unavailable.

Moreover, IFA has projected the depreciation of office equipment based on historical expense and remaining useful life, which is presented as follow:

	Unit	2020F	2021F	2022F	2023F	2024F
Depreciation Expense	THB Million	0.23	0.18	0.04	0.02	0.00

Source: Information from MK and projection by IFA

3. Golf Course

MK operates a golf course that was renovated in 2018 under the new brand, "Flora Ville Golf & Country Club". The golf course consists of 18 holes and clubhouse covering a total of approximately 400 rais in area. It is located on Bangkok-Pathum Thani Road, Mueang District, Pathum Thani District.

3.1 Revenue from Sales

MK constructed and renovated a new clubhouse and was launched in the second quarter of 2018 in order to increase the business competitiveness in both golf course and restaurant services. In addition to increase revenue proportion from golf course business, it will also help enhance the image and potential of the Target MK's projects, as well as improve more aggressive marketing strategy. As a result, the better number of users and spending rate per user are shown as the following table;

	2017A	2018A	2019A	1H2020A
Number of Golf Course User (People)	50,786	55,908	53,974	19,629
	2017A	2018A	2019A	1H2020A
Average Revenue of Green Fee (THB)	855.02	982.54	1,067.14	1,044.53

Source: Information of the Company

Due to COVID-19, the golf course had been in total shut down in April as per government regulations; the business has also been effects by COVID-19 pandemic especially in the second quarter of this year. However due to golf course safety measures and confident in golfers (as no COVID-19 infected domestically in Q3), the number of golfers in third quarter has been recovered since and now operating close to normal. The Independent

Financial Advisor projected number of golf course player to recover and grow at the rate of 20.00 percent in 2021 as COVID-19 is expected to recover next year and further traction from recent investment in new facilities and equipments. IFA projected growth in number of user to continue at the rate of 5.00 percent in 2022 and normalize to 1.50 percent in 2023-2024.

The Independent Financial Advisor assumed the average spending rate based on the actual spending in the first half of the year the remaining 2020 and expects average spending to recover to 2019's spending of 1,067.14 Baht per person with growth rate of 1.50 percent as per average 10 years Inflation of Thailand.

Assumption	2018A	2019A	2020F	2021F	2022F	2023F	2024F
Number of Golf Course User	55,908	53,974	46,656	55,987	58,787	59,668	60,563
Growth (%)	10.09%	(3.46%)	(13.56%)	20.00%	5.00%	1.50%	1.50%
Green Fee per User	982.54	1,067.14	1,041.25	1,067.14	1,083.15	1,099.40	1,115.89
Growth (%)	14.91%	8.61%	(2.43%)	2.49%	1.50%	1.50%	1.50%
Revenue from Golf Course (THB Million)	54.93	57.60	48.58	59.75	63.67	65.60	67.58

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

Revenue from golf car services increased consistent with the increasing used rate of golf cars when comparing to historical data as follows:

	2017A	2018A	2019A	1H2020A
Golf Car User (%)	58.81%	66.15%	79.38%	85.56%
	2017A	2018A	2019A	1H2020A
Golf car user (%)	649.76	657.06	653.60	649.47

Source: Information of the Target Company

The Independent Financial Advisor projected revenue from golf car services at 48.55 percent based on the revenue proportion in 2019. According to historical data above, there was an increase in the used rate per user and average revenue rate of golf cars as shown in the table above.

Assumption (THB Million)	2018A	2019A	2020F	2021F	2022F	2023F	2024F
Revenue from Golf Car		29.01	30.92	31.85	32.81	33.80	24.58
% of Golf Course User	44.24%	48.55%	50.55%	48.55%	48.55%	48.55%	48.55%

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

In addition to revenue from golf course, there are also other revenues, including revenue from food and beverage, revenue from Proshop, revenue from Sport Club management, and other revenues. The Independent Financial Advisor has assumptions as follows;

Revenue from Food and Beverage	IFA determined the proportion of revenue from food and beverage to revenue from golf course at 46.55 percent according to the average rate in the previous 2 years after reopen of new club house in second half of 2018.
Revenue from Proshop	IFA determined the proportion of revenue from Proshop to revenue from golf course at 5.32 percent which is the average rate of the previous 2 years.
Revenue from Cub House and Sport Club Management	Due to Club House and Sport Club management was re-established after renovation in the second quarter of 2018, IFA estimats contribution of this revenue proportion to be the same as actual contribution in 2019 at 4.45 percent of revenue from golf course.
Other Revenues	Other revenues accounted for 1.24 percent of revenue from golf course, according to the average rate in the previous 2 years.

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

Summary of Revenue from Golf Course

Revenue (THB Million)	2018A	2019A	2020F	2021F	2022F	2023F	2024F
Revenue from Golf Course	54.93	57.60	48.58	59.75	63.67	65.60	67.58
% Growth	26.50%	4.85%	(18.56%)	18.69%	6.17%	2.93%	2.93%
Revenue from Golf Car	24.30	27.97	24.58	29.01	30.92	31.85	32.81
% of Golf Course Revenue	44.24%	48.55%	50.60%	48.55%	48.55%	48.55%	48.55%
Revenue from Food and Beverage	25.05	27.36	21.73	27.81	29.64	30.54	31.46
% of Golf Course Revenue	45.60%	47.50%	44.73%	46.55%	46.55%	46.55%	46.55%
Revenue from Proshop	2.78	3.21	2.92	3.18	3.39	3.49	3.60
% of Golf Course Revenue	5.07%	5.58%	6.02%	5.32%	5.32%	5.32%	5.32%
Revenue from Cub House and Sport Club Management	1.84	2.56	2.02	2.66	2.84	2.92	3.01
% of Golf Course Revenue	3.34%	4.45%	4.15%	4.45%	4.45%	4.45%	4.45%
Other Revenues	0.35	1.07	0.82	0.74	0.79	0.81	0.84
% of Golf Course Revenue	0.63%	1.85%	1.68%	1.24%	1.24%	1.24%	1.24%
Total Revenue (THB Million)	109.25	119.77	100.65	123.15	131.25	135.21	139.30

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

3.2 Costs of Sales

To calculate costs of sales of golf course, the Independent Financial Advisor compared the previous costs of various revenues as follows;

Costs of Golf Course	Costs of golf course include maintenance costs, cost relates to gold course operations, and wages of golf course workers. The Independent Financial Advisor assumed that the cost of sales rate is equal to average rate in the previous 2 years at 31.93 percent, which is in line with the cost of golf course in the first half of the year 2020.
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Costs of Golf Car Services	Costs of golf car services include maintenance costs as the key costs. In addition, increasing number of golf car users and increasing revenue per user, the Independent Financial Advisor assumed that the cost of sales rate is equal to average rate in the previous 2 years at 7.43 percent.
Costs of Food and Beverage	Costs of food and beverage include costs of food and beverage and wages of restaurant managements and staffs. The Independent Financial Advisor assumed the ratio of costs of food and beverage to revenue from food and beverage at 60.59 percent, equal to average rate in the previous 2 years.
Costs of Proshop	Costs of Proshop include Proshop staffs and equipment costs. The Independent Financial Advisor assumed that the ratio of costs to revenue of Proshop is equal to t to average rate in the previous 2 years at 59.90 percent, which is in line with the costs of Proshop in the first half of the year.
Costs of Sport Club Management	Costs of Club House and Sport Club management include labor costs and utilities. The Independent Financial Advisor assumed cost ratio at 2.97 percent similar to actual cost ratio in first half of 2020 as the operations is more inline with with future operation and cost of Sport Club looking forward.

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

Summary of Costs of Sales of Golf Course

Costs of Sales (THB Million)	2018A	2019A	2020F	2021F	2022F	2023F	2024F
Costs of Golf Course	18.77	17.09	14.44	17.94	19.12	19.69	20.29
% of Golf Course Revenue	34.18%	29.67%	29.72%	31.93%	31.93%	31.93%	31.93%
Costs of Golf Car Services	1.80	2.09	1.46	2.34	2.81	2.85	2.89
% of Golf Car Revenue	7.40%	7.46%	5.93%	7.43%	7.43%	7.43%	7.43%
Costs of Food and Beverage	15.27	16.48	12.53	15.50	16.52	17.02	17.54
% of Costs of Food and Beverage Revenue	60.95%	60.22%	57.64%	60.59%	60.59%	60.59%	60.59%
Costs of Proshop	1.73	1.85	1.76	1.91	2.03	2.09	2.16
% of ProShop Revenue	62.25%	57.55%	60.20%	59.90%	59.90%	59.90%	59.90%
Costs of Sport Club	2.04	3.14	1.44	1.78	1.89	1.95	2.01
% of Golf Course Revenue	3.72%	5.45%	2.97%	2.97%	2.97%	2.97%	2.97%
Total Costs of Sales (THB Million)	39.62	40.65	31.63	39.46	42.37	43.61	44.88

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

3.3 Selling and Administrative Expenses

To calculate the selling and administrative expenses of golf course, the Independent Financial Advisor compared previous costs of various revenues as follows;

Selling Expenses	According to historical data, the Company spent selling expenses in th range of 0.70 – 2.36 percent of revenue, the independent financial advisor assumed 1.00 percent of revenue to maintain marketing activities and attract future growth in golfers and spending as per management interview.
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Administrative Expenses	Administrative expenses include administrative costs, staff expenses, utilities bills, and office expenses. The Independent Financial Advisor assumed the average proportion of expenses to revenue in the previous 2 years at 25.98 percent.
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Source: Information of the Company and projections prepared by the Independent Financial Advisor.

Summary of Selling and Administrative Expenses of Golf Course

Selling and Administrative Expenses (THB Million)	2018A	2019A	2020F	2021F	2022F	2023F	2024F
Selling Expenses	2.58	0.84	0.81	1.23	1.31	1.35	1.39
% of Revenue	2.36%	0.70%	0.80%	1.00%	1.00%	1.00%	1.00%
Administrative Expenses	27.45	32.13	28.54	31.99	34.09	35.12	36.19
% of Revenue	25.13%	26.83%	28.36%	25.98%	25.98%	25.98%	25.98%
Total Selling and Administrative Expenses (THB Million)	30.03	32.97	29.35	33.22	35.41	36.48	37.58

Source: Information of the Company and projections prepared by the Independent Financial Advisor

3.4 Capital Expenditure and Depreciation Expense

Since the Company constructed and renovated the new Club House, capital expenditure and depreciation increased significantly. The Independent Financial Advisor projected capital expenditure and depreciation as follows;

(THB Million)	2020F	2021F	2022F	2023F	2024F
Capital Expenditure	0.96	-	4.72	4.72	4.72
Amortization	31.58	28.69	28.45	26.83	24.91

Source: Information of the Company and projections prepared by the Independent Financial Advisor

4. Property Management Business

Property management of the Company is under Yours Property Management Co., Ltd. ("Yours") which has the following assumptions;

4.1 Revenue from Service (revenue from property management service)

Revenue from Building and Property Management	<ul style="list-style-type: none"> Revenue from property management mainly came from revenue from juristic buildings management and service fees from property management which are the projects within MK group. Yours started generating revenue from services since the second quarter of 2016 onwards. Service fees from property management can be divided into 2 parts: (1) Revenue from Property management and (2) Revenue from Property management for related party, operated by Yours. The revenue will increase in correspondent with the increase of the number of projects and the management fee. IFA has projected,
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	<p>under conservative basis, the number of the project to remain constant after June 2020 except for the Revenue from Property management for related party.</p> <ul style="list-style-type: none"> • IFA has projected the revenue to increase 3% per year according to the average of GDP rate, and projected the number of project to remain constant which consists of (1) Revenue from property management (for non-related), which is the revenue from property management service for non-related project. According to management interview, MK has no policy for additional project from outside from now on; thus, IFA has projected the number of non-related project to be constant throughout the projection period (2) Revenue from property management (for related), Yours' revenue will increase from the number of project in the small amount from additional 2 projects that MK will launch, which is projected to recognized the management fee during quarter 4 of 2020 or 0.83 million baht per month. Since MK has no plan to launch new project, IFA has projected the number of project to remain constant from 2020 throughout the projection period.
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Summary of Revenue from Service

Revenue (THB Million)	2018A	2019A	2020F	2021F	2022F	2023F	2024F
Property Management Fee	11.90	21.71	17.64	18.17	18.71	19.27	19.85
% of Total Service Revenue	56.86%	62.18%	49.29%	48.37%	48.37%	48.37%	48.37%
Property Management Fee – related	9.03	13.20	18.14	19.39	19.97	20.57	21.19
% of Total Service Revenue	43.14%	37.82%	50.71%	51.63%	51.63%	51.63%	51.63%
Total Service Revenue	20.93	34.91	35.78	37.55	38.68	39.84	41.04
Growth of Service Revenue	-	66.78%	2.50%	4.96%	3.00%	3.00%	3.00%

Source: Information from MK and projection by IFA

4.2 Costs of Services (Costs of Property Management)

Project-related Expense	<p>Project-related expense mostly consists of employee-related expense, which contributes almost the whole amount of expense.</p> <p>IFA forecasted the projected-related expense based on the historical 3-year margin of sales revenue, which is 54.50%, throughout the projection period</p>
Other Cost	<p>IFA projected other cost based on the margin of sales revenue, which is 0.40%, throughout the projection period according to the historical margin of the Company</p>

Source: Information from MK and projection by IFA

Summary of Cost of Services

Service Cost (THB million)	2018A	2019A	2020F	2021F	2022F	2023F	2024F
Project-related Expense	11.25	19.86	18.40	20.48	21.09	21.73	22.38
% of Total Service Revenue	53.7%	56.9%	51.4%	54.5%	54.5%	54.5%	54.5%
Other Cost	0.24	0.17	0.13	0.32	0.33	0.34	0.35
% of Total Service Revenue	1.2%	0.5%	0.4%	0.9%	0.9%	0.9%	0.9%
Total Service Cost (THB million)	11.49	20.03	18.53	20.80	21.43	22.07	22.73
% of Total Service Revenue	54.90%	57.38%	51.79%	55.40%	55.40%	55.40%	55.40%

Source: Information from MK and projection by IFA

4.3 Selling and Administrative Expense

Expense Related to Employee (for office)	Employee expense is the main expense of selling and administrative expense. IFA has projected employee expense to increase 3.00% per year in accordance to the company policy and 10-year average of Thailand GDP rate
Operating Expense	Since the operating expense is the expense related to service fee, IFA has projected the operating expense based on the historical ratio of operating expense to total service revenue, which is 6.62% throughout the projection period
Other Administrative Expense	IFA has projected other administrative expense to increase 1.50% per year, according to 10-year average of Thailand inflation rate
Depreciation Expense	Consists of depreciation expense of office tool and equipment, furniture and fixture, Computer, and software. The projection is based on 5-year of useful life

5. Health and Wellness Business

Health and wellness business is the new business unit of MK group. According to the study of Medical Wellness Institute, Thailand is ranked 13rd of in the world for health tourism, and with the government policy aimed to develop Thailand as an international medical hub , MK foresees the opportunity of medical and wellness tourism expansion in Thailand. For this project, MK has joined with VitalLife of Bumrungrad hospital to provide medical treatment and management in medical area, and joined with Minor International PCL to provide the management of hotel room, accommodations, Food and Beverage, and related services

MK will recognize revenue generated by Health and Wellness Business in MK's subsidiaries which are Munkong Life Co., Ltd, Health and Wellness Villege Co., Ltd., and RX Wellness Co., Ltd. In this regard, Munkong Life Co., Ltd, owning land and building used for business operation in this project, will mainly generate revenue from Room revenue and rental income from VitalLife. Health and Wellness Villege Co., Ltd. will mainly generate revenue from wellness and activity part, and F&B for health part. RX Wellness Co., Ltd., owning RAKXA brand of the project, will mainly generate income from retail shop and special activity.

MK targeted the customers both international group and domestic group in proportion of 80 and 20, accordingly. The health program will be sold in 17 packages with different in service and the number of night

ranged from 3 nights to 10 nights, in different in price for each package. The 17 program packages will serve for various purpose and service of the customers, the number of night, and the roomtype, which include following services:

- (1) Health analysis, by medical technology, of the genetics, hormones and lifestyle of that person.
- (2) Providing services of integrative therapy, including Traditional Chinese Medicine, Traditional Thai Medicine, Hydrotherapy, Steam Therapy etc.
- (3) Providing a medical fitness center with guidance of physical therapists and sport scientists to address individual problems
- (4) Providing healthy food by chefs and nutritionists from VitalLife to prepare food in accordance with the therapy of the client. The sources of food's ingredients are informed to the consumers under the awareness of "farm-to-table" slogan, promoting organic and healthy lifestyle. The customer base mainly comprises the target group that MK intends to promote, Minor Group's customers, VitalLife's customers, as well as their alliances and partners.

For revenue, expense, and margin of cost as a % of revenue, MK has worked with VitalLife and Minor to formulate the revenue and expense assumption. VitalLife, as an expertise in medical area with extensive experience, joined with MK to formulate the service models for each package in order to meet the customer's expectation and demand of the market. Moreover, MK has hired Minor to manage the area of room service business since Minor has customer base both in domestic and international market, with expertise in hotel, F&B, and various health activities sector for many years. Thus, IFA opined that the assumptions of revenue and expense projection are reasonable and feasible.

Grom abovementioned business model of health and wellness business, IFA provides the assumptions for the projection of business unit of health and wellness as follows:

5.1 Revenue

The majority of the revenue is sale revenue from package of program, which consists of Medical Treatment section, Wellness and Activity section, Food and Beverage section, Other Service section, and Room Service section. From IFA's projection, the company will start to generate income from December 2020 onwards. For occupancy rate assumption, since Covid-19 pandemic has been the main obstacle of sale and service for international target customers, IFA assumed the occupancy rate to start with 24.6% in December 2020 and 37.3% in 2021, which gradually increase to 56.1%, 70.3%, and 73.0% in 2022, 2023, and 2024, respectively due to that fact that the market has potential to grow in Thailand, as well as it's expected that the international customers' confidence will gradually recovered from the success of Thailand's scheme to cope with Covid-19 pandemics.

5.1.1 Revenue from Package of Program

According to the aforementioned occupancy forecast, the number of health package programs sold by MK will be 1,420 – 2,774 in 2021-2024, with the growth of package price of 3% per year for year 2022-2024,

according to 10-year average GDP. However, for the medical treatment section from VitalLife, MK will receive as profit sharing of total revenue from medical treatment, which is 3.9% of total revenue from medical treatment. The calculation of profit sharing is based on 15% of VitalLife's Net Profit Margin, which is estimated from historical performance of VitalLife. With inclusive of other sections of revenue from package, which are wellness and activity, food and beverage, other services, MK will generate the revenue as follows

Total Revenue from Package of Program		2020F ^{2/}	2021F	2022F	2023F	2024F
Occupancy Rate		24.6%	37.3%	56.1%	70.2%	73.0%
Number of Package	Set	78	1,420	2,132	2,669	2,774
Price per Package ^{1/}	THB Thousand	397.64	397.64	409.79	422.11	434.60
Growth of Price per Package		N/A	0%	3.1%	3.0%	3.0%
Total Revenue from Package	THB Million	31.02	564.65	873.68	1,126.61	1,205.59
Revenue Allocation						
Medical Treatment (VitalLife) ^{1/}	THB Million	20.89	380.37	588.55	758.95	812.01
Medical Treatment –MK Portion	THB Million	0.81	14.83	22.95	29.60	31.67
% of Medical Treatment (VitalLife)	%	3.9%	3.9%	3.9%	3.9%	3.9%
Wellness and Activity	THB Million	6.29	114.57	177.22	228.51	244.63
Food and Beverage	THB Million	2.70	49.13	76.07	98.12	105.06
Other Service	THB Million	1.13	20.59	31.84	41.04	43.88
Total Revenue from Package –MK Portion	THB Million	10.94	199.12	308.08	397.26	425.24

Source: Information from MK and projection by IFA

Remarks: ^{1/}The revenue is based on 1-month period since the business will start in December 2020

^{2/} The sale revenue of package presented is prior to allocation or sharing between VitalLife and MK. VitalLife's portion is 67.37% of total sale revenue from package

5.1.2 Room Revenue

For room income, IFA has projected occupancy rate of 37.3%-73.0% following the aforementioned table during 2021- 2024 (the 2020 occupancy rate of of 24.6% represents only 1 month which is revenue from December 2020), equivalent to 8,177 – 15,985 room nights. The price of room is projected to grow at 3% per year in 2022-2024

Room Revenue		2020F	2021F	2022F	2023F	2024F
Occupancy Rate		24.6%	37.3%	56.1%	70.2%	73.0%
Number of Room	Room	60	60	60	60	60
Total Room Night	Room	1,800	21,900	21,900	21,900	21,900
Number of Room Night	Room	449	8,177	12,281	15,377	15,985
Room Rate	THB	15,500	15,500	16,000	16,500	17,000
% Growth of Room Rate			0%	3.13%	3.03%	3.03%
Room Revenue	THB Million	6.96	126.74	196.50	253.72	271.75

Source: Information from MK and projection by IFA

5.1.3 Other Revenue

Other revenue contributes 10% of total revenue, approximately, including revenue from rental and service income, service charge, and revenue from other activities with following assumptions

Revenue from Rental and Service Income	Based on revenue received from Vitallife for rental fee income and area service fee income. MK will receive THB 50,000 per month for 2 years, of which the rate will increase to THB 100,000 from 3 rd year onwards. For area service fee, MK will receive THB 1.31 million in the first year and THB 1.68 million in the second year, of which will increase 5% per year, and after 3 rd year the fee will increase 5% in every 3 years. The assumption of revenue from rental and service income is in accordance with the rental and service contracts.
Service Charge	Based on 10% of room revenue, wellness and activity revenue, and F&B revenue
Revenue from other Activities	Mainly consists of income from retail shop, equivalent to 3.0-3.5% of program package revenue, based on management assumption

Other Revenue		2020F	2021F	2022F	2023F	2024F
Revenue from rental and service income	THB Million	0.13	2.02	2.33	2.97	2.97
Service Charge	THB Million	1.60	29.08	45.03	58.10	62.21
% of revenue from room, F&B, Wellness	THB Million	10%	10%	10%	10%	10%
Revenue from other activities	THB Million	1.04	8.88	15.21	18.99	19.77
Other Revenue	THB Million	2.77	39.98	62.57	80.06	84.95

Source: Information from MK and projection by IFA

Summary of Revenue of Health and Wellness Business

Total Revenue		2020F	2021F	2022F	2023F	2024F
Sale Revenue from Package –MK Portion	THB Million	10.94	199.12	308.08	397.26	425.24
Room Revenue	THB Million	6.96	126.74	196.50	253.72	271.75
Other Revenue	THB Million	2.77	39.98	62.57	80.06	84.95
Total Revenue	THB Million	20.66	365.84	567.15	731.04	781.94

Source: Information from MK and projection by IFA

5.2 Expense

Cost of sales and services is categorized by the nature of income characteristics that MK will generate. Most cost is related to employee or payroll cost with the following assumptions:

Cost -Wellness and Activity	Based on cost of service of 15% of total revenue from wellness and activity, and direct operating expense of 20% of total revenue from wellness and activity, which consists of 8% of commission fee and 12% of other expense of revenue from wellness and activity. The margin is projected by MINOR,
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	which is the consultant of the project
Cost -Food and Beverage	Based on cost of sale of 35% of F&B revenue, which mostly consists of main ingredients in cooking, with the direct operating expense of 18% of F&B Revenue, which consists of 8% of commission fee and 10% of other expense. The margin is projected by MK and MINOR, which is the consultant of the project, and has expertise in hospitality industry including restaurant management for many years.
Cost -Other service	Based on 83% of other service revenue, mostly includes transportation service, laundry service, and other services. The margin is projected by MK and MINOR, which is the consultant of the project, and has expertise in hospitality industry including hotel management.
Cost –Room (with depreciation expense excluded)	Based on 20% of other room revenue, which consists of 8% of commission fee and 12% of other expense. The cost mostly includes room amenities and gift sets. The margin is projected by MK and MINOR, which is the consultant of the project, and has expertise in hospitality industry including hotel management
Cost – Other activity	Mainly consists of cost of products sold in retail shop which is projected as 76% of total revenue from retail shop. The margin is projected by MK and MINOR, which is the consultant of the project, and has expertise in hospitality industry including hotel management. Additionally, other components include cost of health seminar/ workshop, additional services, canteen service for VitalLife employees etc.
Cost - Payroll	Based on the expenses related to staff for business units of room, health and wellness, and F&B only. The headcount is projected to increase to support the rapid increase of occupancy rate during 2022, 2023, and 2024, of which the headcount increases 48 persons during 2022-2024 with the increase of salary in the amount of 3% per year according to average growth of GDP in Thailand. In addition, the bonus and benefit is approximately 27-28% of total salary with 70% allocation of total service charge income.

Cost of Sale and Service		2020F	2021F	2022F	2023F	2024F
Cost – Wellness and Activity	THB Million	2.20	40.10	62.03	79.98	85.62
% of Wellness and Activity Revenue	%	35.0%	35.0%	35.0%	35.0%	35.0%
Cost – Food and Beverage	THB Million	1.44	26.28	40.68	52.45	56.16
% of F&B Revenue	%	53.1%	53.1%	53.1%	53.1%	53.1%
Cost – Other Service	THB Million	0.94	17.17	26.55	34.22	36.60
% of Other Service Revenue	%	83.4%	83.4%	83.4%	83.4%	83.4%
Cost – Room (with depreciation expense excluded)	THB Million	1.39	25.35	39.30	50.74	54.35

Cost of Sale and Service		2020F	2021F	2022F	2023F	2024F
% of Room Revenue	%	20.0%	20.0%	20.0%	20.0%	20.0%
Cost – Other Activity	THB Million	0.32	5.67	9.36	11.67	12.14
% of Revenue from Other Activities	%	67%	66%	64%	64%	64%
Cost – Payroll	THB Million	30.51	79.75	110.42	130.99	140.03
Growth Rate	%	N/A	256.0%	38.5%	18.6%	6.9%
Total Cost of Sale and Service	THB Million	36.81	194.31	288.33	360.06	384.89

Source: Information from MK and projection by IFA

Selling Expense	Mainly consists of marketing expense and package discount, which are projected as 4.5% of total sales. The margin is projected jointly by MK and MINOR according to management's viewpoint of marketing strategy
Administrative Expense	Mainly consists of Maintenance, Energy, and IT Expense, which are projected to increase 13% and 5% in 2022 and 2023 to be supportive to the significant increase of occupancy rate, and projected to increase 1.5% from 2024 onwards, according to average of 10-year inflation rate
Salary Expense	Based on employee in the head office unit with the assumption of additional headcount in the amount of 10 persons during 2022-2023 which is the period of rising activities from customers. The increase of salary is projected to grow at 3% per year according to average of GDP rate. Moreover, bonus and benefit is equivalent to 27-28% of total salary with 30% allocation of total service charge income.
Other Expense	Composes of 1) Revenue sharing to VitalLife, equivalent to 1.00% of total revenues according to the contract and 2) Management Fee in the amount of THB 24.18 million for Minor Internation PCL.

Selling and Administrative Expense		2020F	2021F	2022F	2023F	2024F
Selling Expense	THB Million	59.28	33.00	33.00	32.90	35.19
% of Total Revenue	%	294.6%	9.0%	5.8%	4.5%	4.5%
Administrative Expense	THB Million	24.27	59.89	67.67	71.05	72.12
Growth Rate	%	N/A	146.7%	13.0%	5.0%	1.5%
Salary Expense	THB Million	41.68	53.53	62.36	69.59	71.66
Growth Rate	%	N/A	28.4%	16.5%	11.6%	3.0%
Other Expense	THB Million	2.22	27.84	29.85	31.49	32.00
Growth Rate	%	N/A	1156.1%	7.2%	5.5%	1.6%
Selling and Administrative Expense	THB Million	127.45	174.26	192.88	205.03	210.97

6. Office Building for Rend and Head Office

At present, the head office of MK provides office building space and shop space for rent as well as parking space in 345 Building. The Building is on leasehold right 30 years which will be expire in late 2045.

6.1 Revenue from Office Building for Rend and Head Office

Revenue from Office Building for Rend and Head Office includes revenue from office rental, revenue from shop rental, revenue from parking space and other revenue. The Independent Financial advisor determined detail of assumptions as follow:

Revenue from office and shop rental	<ul style="list-style-type: none"> - Space for rent 283 sq. m. with rental rate of THB 500 per sq. m. per month. The rental period is 3 year within September 2019 to September 2022. - Space for rent 260 sq. m. with rental rate of THB 700 per sq. m. per month. The rental period is 3 year within September 2019 to September 2022. - The IFA projected rental as fixed rate throughout the projection period
Revenue from parking space	The income from rental of parking space charged to employees. The Independent Financial Advisor estimated rental income for parking space to be equal to the year 2020 at 0.42 million baht per year.
Other revenue	Other revenue consists of central service income, agricultural product income, and other income. The Independent Financial Advisor estimated other income according to summary table of Office Building for Rend and Head Office as below.

Source: Information from MK and projections prepared by the Independent Financial Advisor.

Summary Table of Revenue from Office Building for Rend and Head Office

Revenue (THB Million)	2020F	2021F	2022F	2023F	2024F
Revenue from office and shop rental	1.94	3.88	3.88	3.88	3.88
Revenue from parking space	0.21	0.42	0.42	0.42	0.42
Other revenue	5.23	10.73	10.73	10.73	10.73
Total revenue	7.38	15.03	15.03	15.03	15.03
<i>Growth Rate</i>	-	-	0.00%	0.00%	0.00%

Source: Information from MK and projections prepared by the Independent Financial Advisor.

6.2 Cost of rental and service

Cost of rental and service are depreciation on assets for rent such as buildings, interior decoration and work systems within buildings, etc.

Cost of rental and service	2020F	2021F	2022F	2023F	2024F
6.2 Cost of rental and service	(0.44)	(0.88)	(0.88)	(0.88)	(0.88)
<i>Growth Rate</i>	-	-	0.00%	0.00%	0.00%

Source: Information from MK and projections prepared by the Independent Financial Advisor.

6.3 Selling and Administrative Expenses of Head Office

Selling Expenses	Consisting of selling expenses, promotion expenses, advertising expenses and other selling expenses related to MK directly. The Independent Financial Advisor assumed expenses ratio at 0.16 percent of the total revenue from operation of MK, which is based on the proportion in 2017 to 2019.
Staff Expenses	Consisting of staff salaries, bonus, benefits, training expenses, meeting allowance for directors, and other expenses related to common property staff. The Independent Financial Advisor assumed a growth rate of 1.50 percent per year in accordance with the 10 years average of inflation rate of Thailand.
Office Expenses	Consisting of telephone bills, security fees and other expenses related to the head office. The Independent Financial Advisor assumed a growth rate of 1.50 percent per year in accordance with the 10 years average of inflation rate of Thailand.
Other Expenses	Consisting of fees, operating fees and other expenses related to the head office. The Independent Financial Advisor assumed a growth rate of 1.50 percent per year in accordance with the 10 years average of inflation rate of Thailand.
Depreciation and Amortization	Consisting of depreciation and amortization of office building and leasehold right. The Independent Financial Advisor assumed based on the policy of depreciation and amortization of MK.

Source: Information from MK and projections prepared by the Independent Financial Advisor.

6.4 Capital Expenditure

The Independent Financial Advisor assumed capital expenditure of Office Building for Rend and Head Office in year 2020 of THB 5.00 Million, year 2021 of THB 4.00 Million, year 2022 of THB 3.00 Million and year 2023-2024 of THB 2.00 Million.

7. Discount Rate

IFA use combined operating cash flow of MK, and adjusted by Weighted Average Cost of Capital (WACC) of MK, which is calculated at 6.27%

The calculation of WACC is as follows:

$$WACC = K_e \left(\frac{E}{V} \right) + K_d (1 - t) \left(\frac{D}{V} \right)$$

K_e *	= Cost of equity (calculation referred below)	= 9.97%
K_d **	= Cost of interest-bearing debt of MK as of 30 June 2020	= 4.51%
t	= Corporate Income Tax	= 20.00%
V	= $D + E$ whereas D is Debt and E is shareholder's equity	= 100.00%
$\left(\frac{E}{V} \right)$	= Ratio of Equity to total Capital	= 41.80%
$\left(\frac{D}{V} \right)$	= Ratio of Debt to total Capital	= 58.20%

The calculation of K_e is as per below:

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

Whereas:

Risk-free Rate R_f	=	Risk Free Rate is calculated at 2.05% ^{1/} per year, based on 3-year average return from investment in 10-year Thai government bond (as of 25 September 2020)
Market Return R_m	=	Risk Free Rate is calculated at 10.29% ^{2/} per year, based on 3-year average return as of 25 September 2020
Beta β_l	=	Beta is at 0.96, calculated by comparing volatility of return of the Stock Exchange of Thailand to the return of MK's share
Market premium, $R_m - R_f$	=	The difference between the market expected return and risk free rate as of 25 September 2020 is at 8.25%, calculated based on 3 - year average daily figures of the difference between the market expected return and risk free rate

Source: 1/ and 2/ Bloomberg as of 12 July 2018

The Calculation of Levered Beta of MK

IFA calculate Levered Beta of the Company by using the median of Unlevered Beta of listed companies in the Stock Exchange of Thailand which derive their revenues from similar business as the Company's, adjusted for debt to equity ratio to reflect the capital structure risk of the Company.

Table of Average Unlevered Beta

Average Unlevered Beta is calculated by using listed companies in the Stock Exchange of Thailand which derive their revenues from similar business as the Company's as per below:

No.	Company Name	Ticker Symbol	Unlevered Beta
1.	Areeya Property Public Company Limited	A	0.19
2.	Ananda Development Public Company Limited	ANAN	0.52
3.	AP (Thailand) Public Company Limited	AP	0.52
4.	Baan Rock Garden Public Company Limited	BROCK	0.51
5.	Chewathai Public Company Limited	CHEWA	0.26
6.	Country Group Development Public Company Limited	CGD	0.19
7.	Eastern Star Real Estate Public Company Limited	ESTAR	0.66
8.	Everland Public Company Limited	EVER	0.45
9.	Frasers Property (Thailand) Public Company Limited	FPT	0.36
10.	J.S.P. Property Public Company Limited	JSP	0.64
11.	Lalin Property Public Company Limited	LALIN	0.48
12.	Land and Houses Public Company Limited	LH	0.49

No.	Company Name	Ticker Symbol	Unlevered Beta
13.	L.P.N. Development Public Company Limited	LPN	0.52
14.	Major Development Public Company Limited	MJD	0.21
15.	N. C. Housing Public Company Limited	NCH	0.57
16.	Noble Development Public Company Limited	NOBLE	0.28
17.	Nusasiri Public Company Limited	NUSA	0.62
18.	Nirvana Daii Public Company Limited	NVD	0.19
19.	Origin Property Public Company Limited	ORI	0.56
20.	Property Perfect Public Company Limited	PF	0.36
21.	Preecha Group Public Company Limited	PROUD	0.35
22.	Prinsiri Public Company Limited	PRIN	0.31
23.	Pruksa Holding Public Company Limited	PSH	0.62
24.	Quality Houses Public Company Limited	QH	0.54
25.	Richy Place 2002 Public Company Limited	RICHY	0.44
26.	Raimon Land Public Company Limited	RML	0.41
27.	Singha Estate Public Company Limited	S	0.48
28.	Sammakorn Public Company Limited	SAMCO	0.36
29.	SC Asset Corporation Public Company Limited	SC	0.37
30.	Senadevelopment Public Company Limited	SENA	0.40
31.	Sansiri Public Company Limited	SIRI	0.43
32.	Supalai Public Company Limited	SPALI	0.55
33.	Thanasiri Group Public Company Limited	THANA	0.53
34.	Univentures Public Company Limited	UV	0.69
35.	M.K. Real Estate Development Public Company Limited	MK	0.30
	Median		0.45

Source: Information from Bloomberg as of September 25, 2020

$$\text{Beta } \beta_l = \beta_u(1 + (1 - t)(D/E))$$

β_u	=	Average unlevered beta of the Stock Exchange of Thailand, compared to listed companies in the Stock Exchange of Thailand with revenue similar to that of the Company and with assumption of no debt, calculated based on 3 year average figure as of 25 September 2020 ^{1/}	=	0.96
t	=	Corporate Income Tax	=	20.00%

Source: 1/ Information from Bloomberg as of September 25, 2020 and calculation prepared by IFA

Based on the above calculation, the Levered Beta of the Stock Exchange of Thailand compared to the Company's is equal to 0.96

8. Terminal Value

For businesses having stable cash flows in the long term, such as apartments for rent, golf course, and property management, the Independent Financial Advisor assumed the present value of terminal growth rate remain constant by using a discount rate equal to WACC of the Target Company. The Independent Financial Advisor expected that the Company will be able to maintain a growth rate of free cash flow over the long term based on the assumption of growth rate at 1.5 percent per year after the end of the projection period in 2024

9. Present Value of Cash Flow of Property Development for Sale and Related Services (Excluding Warehouses and Factory Buildings for Rent)

The Independent Financial Adviser projected cash flow of property development for sale and related services of the Company by using assumptions in the calculation of net cash flow of the Company which is expected to receive in the future. The discount rate is calculated from the weighted average cost of capital (WACC). The Cash flow projections can be summarized as follows;

	Unit	2H2020F	2021F	2022F	2023F	2024F
Property Development for Sale Revenue	THB Million	1,496.37	2,616.55	2,473.77	1,815.16	539.79
Property Development for Rent Revenue	THB Million	23.96	50.12	51.63	53.17	54.77
Property Management Revenue	THB Million	18.03	37.55	38.68	39.84	41.04
Golf Course Revenue	THB Million	58.01	123.15	131.25	135.21	139.30
Health and Wellness Revenue	THB Million	20.39	365.84	567.15	731.04	781.94
Headquarter Revenue	THB Million	7.38	15.02	15.02	11.14	11.14
Total Revenue	THB Million	1,624.15	3,208.24	3,277.49	2,785.57	1,567.98
Property Development for Sale Cost	THB Million	(1,091.65)	(1,872.47)	(1,723.04)	(1,232.40)	(363.21)
Property Development for Rent Cost	THB Million	(1.65)	(3.25)	(3.34)	(3.44)	(3.55)
Property Management Cost	THB Million	(9.26)	(20.80)	(21.43)	(22.07)	(22.73)
Golf Course Cost	THB Million	(17.10)	(39.46)	(42.37)	(43.61)	(44.88)
Health and Wellness Cost	THB Million	(30.59)	(194.31)	(288.33)	(360.06)	(384.89)
Headquarter Cost	THB Million	(0.44)	(0.88)	(0.88)	(0.88)	(0.88)
Total Cost	THB Million	(1,150.70)	(2,131.17)	(2,079.40)	(1,662.46)	(820.14)
Selling and Administrative Expenses	THB Million	(418.02)	(815.77)	(821.23)	(743.47)	(569.48)
EBITDA	THB Million	55.43	261.30	376.87	379.64	178.36
Depreciation and Amortization	THB Million	(53.50)	(181.53)	(191.60)	(192.52)	(186.53)
Profit Before Interest and Tax	THB Million	1.93	79.76	185.26	187.11	(8.16)
Income Tax	THB Million	(0.39)	(15.95)	(37.05)	(37.42)	-
Profit After Tax	THB Million	1.54	63.81	148.21	149.69	(8.16)
Depreciation and Amortization	THB Million	53.50	181.53	191.60	192.52	186.53
Capital Expenditure	THB Million	(327.37)	(146.93)	(118.65)	(2.11)	(2.08)
Increasing (Decreasing) In Working Capital	THB Million	34.84	1,008.42	971.11	816.33	267.18
Free Cash Flow to Firm (FCFF)	THB Million	(237.49)	1,106.83	1,192.28	1,156.44	443.46

	Unit	2H2020F	2021F	2022F	2023F	2024F
Year		0.27	1.27	2.27	3.27	4.27
WACC		6.27%	6.27%	6.27%	6.27%	6.27%
Discount Factor		0.98	0.93	0.87	0.82	0.77

Source: Information of the Company and projections prepared by the Independent Financial Advisor

Summary of Base Case of Property Development for Sale and Related Services

The Independent Financial Advisor evaluated the reasonableness of the valuation of fair value of the Company by using discounted free cash flow to firm approach since the Company has a policy to maintain debt to equity ratio in the long term. The valuation of property development for sale and related services can be summarized as follows;

List	Value	Remark
Net present value of cash flow	3,120.47	
Terminal Value ^{1/}	3,907.11	
Value of property development for sale and service	7,027.58	THB Million

Source: Projections prepared by the Independent Financial Advisor

Remark: 1/ Terminal value is the sum of terminal value of apartment for rent business, golf course, asset management, and health and wellness, which does not include property for sale business and headquarter

The value of property development for sale and service business based on Discounted Cash Flow Approach is **THB 7,027.58 Million Baht**

10. Warehouses and Factory Buildings for Rent

10.1 Warehouses and Factory Buildings for Rent by Prospect Development Co., Ltd.

Prospect Development Co., Ltd. provides warehouses and factory buildings for rent, under the project known as "Bangkok Free Trade Zone," located on Mueang Mai Bang Phli Road, Bang Sao Thong District, Samut Prakan Province. The project is 354.75 rais in size, which is divided into (1) public utility area within the project, which is approximately 50.50 rais in size, and (2) area for the development of property for commercial purposes, i.e. factory buildings and warehouses for rent, which is approximately 304.25 rais in size. The latter area is also divided in two following categories;

- General Zone, approximately 124.53 rais in size.
- Free Zone, 230.22 rais in size.

In the third quarter of 2020, Prospect Development Co., Ltd. and Finansa Pcl. had divested part of lease area, building, parts of its common area, and access road in Bangkok Free Trade Zone to Real-estate Investment Trust under the name PROSPECT with the total land area of 343,155 square meter (where Prospect Development divested around 219,116 square meter and Finansa divest around 140,193 square meters), factory warehouse area 219,116 square meter, and access road 43,161 square meters.

Prospect Development Co., Ltd remaining total rental space and area under development which will be completed in 2021 of 160,946 square meters with 84.00 to 90.00 percent occupancy and rental rate per square meter to be increase by 3 percent every 6 years in accordance with the table below;

Prospect (Square Meter)	2018A	2019A	2020F	2021F	2022F	2023F	2024F
Space Available for Rent (Beginning)	114,974	125,767	193,872	120,662	160,946	160,946	160,946
Additional available space for rent	2,082	68,105	56,882	40,284 ^{2/}	-	-	-
(Less) divestment of rental area	-	-	(130,092) ^{1/}	-	-	-	-
Space Available for Rent (Ending)	125,767	193,872	120,662	160,946	160,946	160,946	160,946
Occupancy Rate	95%	95%	74% ^{1/}	84%	90%	90%	90%
Rental Rate Per Square Meter	174.38	175.99	174.00	174.29	179.39	186.45	179.32

Source: Information of the Company and projections prepared by the Independent Financial Advisor

Remarks: ^{1/} In third quarter of 2020, Prospect Development Ltd. divest part of its lease area of an estimated 130,092 square meter of its rentable space to REIT as explain in the report.

^{2/} Additional available space in 2021 is expected to complete in the beginning of the year base on construction schedule

10.1.1 Revenue from Rent

Revenues of Prospect Development Co., Ltd. consists of rent, space management, and other revenues.

Projections of the Independent Financial Advisor are as follows;

Revenue from Rent	The Independent Financial Advisor projected revenue from rent based on the actual number of tenants and new tenants that will increase in the future in line with the expansion of space available for rent and the aforementioned projection of rental rate.
Revenue from Space Management	Revenue from space management consists of revenue from common area management which the Independent Financial Advisor projected at 10.42 percent of rental revenue. The Independent Financial Advisor also includes property management fee of PROSPECT under REIT which is expected to be around 11.4 million in year 2021 as per agreed contract and assumed growth of 1.5 percent base on average 10 years inflation of Thailand where PROSPECT will complete its lease in year 2039 as per table shown below
Other Revenues	Other revenues consist of utilities bills (electricity and water supply) of the entire project, accounted for 1.00 percent of revenue from rent and other service fees, Service Package

	<p>which cover construction, maintenance, and renovation service for clients in BFTZ which is assumed 3.00 percent growth as per 10 years average of Thailand GDP and other expense such as access road rental (by REIT) according to agreed contracts.</p> <p>In third quarter of 2020, Prospect Development Co. Ltd. divested parts of its lease area and booked 331.13 million baht as profit from asset sale divestment.</p>
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Source: Information of the Company and projections prepared by the Independent Financial Advisor.

Summary of Revenues of Prospect Development Company Limited

Prospect Revenue (THB Million)	2018A	2019A	2020F	2021F	2022F	2023F	2024F	2025A	2026A	2027F
Revenue From Rent	213.39	292.03	368.76	281.15	310.90	323.15	310.78	311.21	311.21	311.30
Revenue From Space Management	16.20	15.77	32.83	50.97	50.68	51.98	53.17	52.46	52.17	53.89
Other Revenues	24.06	23.26	353.36	28.12	27.08	23.69	24.93	27.89	29.78	26.35
Total Revenues	253.65	331.07	754.95	360.23	388.66	398.82	388.88	391.56	393.16	391.54
Prospect Revenue (THB Million)	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
Revenue From Rent	311.74	311.74	320.64	321.09	321.09	321.19	321.66	321.66	330.82	331.30
Revenue From Space Management	53.88	53.18	54.11	55.89	55.88	55.17	54.88	56.67	57.96	57.24
Other Revenues	27.54	30.58	32.78	29.31	30.62	33.81	35.92	32.55	34.07	37.43
Total Revenues	393.16	395.50	407.52	406.29	407.59	410.17	412.46	410.87	422.86	425.97
Prospect Revenue (THB Million)	2038F	2039F	2040F	2041F						
Revenue From Rent	331.30	331.30	331.30	331.30						
Revenue From Space Management	56.95	58.80	-	-						
Other Revenues	39.67	36.19	27.32	28.14						
Total Revenues	427.92	426.30	358.63	359.45						

Source: Information of the Company and projections prepared by the Independent Financial Advisor

10.1.2 Rental Expenses

To calculate expenses of warehouses and factory buildings for rent which is operated by Prospect Development Co., Ltd., the Independent Financial Advisor compared previous costs of various revenues as follows;

Rental Costs	Rental costs consist of common expenses, building rent from Chaiyanan-Bangplee Parkland Co., Ltd., as per contract with 10.00 percent increase every 3 years and maintenance costs where the Independent Financial Advisor assumed the proportion of costs to revenue based on the actual information in 2019 at 5.87 percent, which is in line with actual rental costs in first half of 2020.
Rental Expenses	Rental expenses consist of sales staff salaries, commissions, utilities bills, and marketing expenses. The Independent Financial Advisor assumed salary expense to increase at 4.00 percent per year as per management interview and

	calculated commission fee in relation to available space for rent and replacement of existing contract through out lease hold period. As per utilities bills, marketing expense, and other rental expense, the independent financial advisor assumed 2,01 percent of rental revenue which is in line with actual expense in 2019
Administrative Expenses	Administrative expenses consist of staff salaries, utilities bills, and other administrative expenses. The Independent Financial Advisor assumed the growth rate of administrative expenses at 3.00 percent per year based on the possible growth rate of staff salaries. In addition, the Independent Financial Advisor also includes expense relate to PROSPECT from property and REIT management in this cash flow as well.
Other Expenses	Other expenses consist of project advisor expenses throughout the project period in which the Independent Financial Advisor assumed these expenses as the below table.
Depreciation Expense	The Independent Financial Advisor assumed investment depreciation as the below table.

Source: Information of the Company and projections prepared by the Independent Financial Advisor

Summary of Rental Expenses of Prospect Development Co. Ltd

Prospect Rental Expenses (THB Million)	2018A	2019A	2020F	2021F	2022F	2023F	2024F	2025A	2026A	2027F
Rental Costs	22.32	33.74	39.55	28.42	31.36	32.08	31.36	32.69	32.69	32.70
Proportion to Revenue	8.80%	10.19%	5.24%	7.89%	8.07%	8.04%	8.06%	8.35%	8.32%	8.35%
Rental Expenses	17.48	18.96	25.47	25.55	23.50	21.19	20.44	20.53	21.12	21.47
Proportion to Revenue	6.89%	5.73%	3.37%	7.09%	6.05%	5.31%	5.26%	5.24%	5.37%	5.48%
Administrative Expenses	30.12	32.62	35.63	38.68	40.09	41.55	43.07	44.64	46.27	47.97
Proportion to Revenue	11.88%	9.85%	4.72%	10.74%	10.31%	10.42%	11.07%	11.40%	11.77%	12.25%
Other Expenses	13.84	11.26	11.23	12.28	12.62	11.97	12.33	12.70	13.08	13.47
Proportion to Revenue	5.45%	3.40%	1.49%	3.41%	3.25%	3.00%	3.17%	3.24%	3.33%	3.44%
Depreciation Expense	106.14	122.09	137.42	132.32	132.32	132.32	132.32	132.32	132.32	132.32
Proportion to Revenue	41.84%	36.88%	18.17%	36.49%	33.82%	32.96%	33.80%	33.57%	33.43%	33.57%
Total Rental Expenses	189.89	218.68	249.30	237.26	239.89	239.12	239.51	242.88	245.49	247.93
Prospect Rental Expenses (THB Million)	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
Rental Costs	34.16	34.16	34.69	36.30	36.30	36.31	38.08	38.08	38.62	40.56
Proportion to Revenue	8.69%	8.64%	8.51%	8.93%	8.91%	8.85%	9.23%	9.27%	9.13%	9.52%
Rental Expenses	21.90	22.54	23.26	23.70	24.40	24.96	25.52	26.21	27.06	27.72
Proportion to Revenue	5.57%	5.70%	5.71%	5.83%	5.99%	6.09%	6.19%	6.38%	6.40%	6.51%
Administrative Expenses	49.72	51.54	53.43	55.39	57.43	59.54	61.72	63.99	66.34	68.79

Proportion to Revenue	12.65%	13.03%	13.11%	13.63%	14.09%	14.51%	14.96%	15.57%	15.69%	16.15%
Other Expenses	13.88	14.29	14.72	15.16	15.62	16.09	16.57	17.07	17.58	18.11
Proportion to Revenue	3.53%	3.61%	3.61%	3.73%	3.83%	3.92%	4.02%	4.15%	4.16%	4.25%
Depreciation Expense	132.32	132.32	132.32	132.32	132.32	132.32	132.32	132.32	132.32	132.32
Proportion to Revenue	33.43%	33.23%	32.25%	32.35%	32.25%	32.04%	31.87%	31.99%	31.08%	30.86%
Total Rental Expenses	251.99	254.87	258.42	262.88	266.07	269.21	274.22	277.67	281.92	287.51
Prospect Rental Expenses (THB Million)	2038F	2039F	2040F	2041F						
Rental Costs	40.56	40.56	40.54	40.54						
Proportion to Revenue	9.48%	9.52%	11.31%	11.28%						
Rental Expenses	28.59	29.20	26.33	27.11						
Proportion to Revenue	6.68%	6.85%	7.34%	7.54%						
Administrative Expenses	71.32	73.95	63.78	66.22						
Proportion to Revenue	16.67%	17.35%	17.78%	18.42%						
Other Expenses	18.65	19.21	19.79	20.38						
Proportion to Revenue	4.36%	4.51%	5.52%	5.67%						
Depreciation Expense	132.32	132.32	131.18	131.18						
Proportion to Revenue	30.71%	30.83%	36.33%	36.25%						
Total Rental Expenses	291.44	295.25	281.63	285.44						

Source: Information of the Company and projections prepared by the Independent Financial Advisor

10.1.3 Capital Expenditure

Projections of capital expenditure for the construction of space available for rent by expanding space available for rent to 160,946 square meters by 2021 as follows;

Capital Expenditure (THB Million)	2H2020F	2021F	2022F	2023F	2024F
Capital Expenditure	304.91	17.14	-	-	-

Source: Information of the Company and projections prepared by the Independent Financial Advisor

10.1.4 Summary of Financial Projections of Warehouse and Factory Buildings for Rent

The Independent Financial Advisor projected cash flows of warehouse and factory buildings for rent, including Prospect Development Co., Ltd. by using assumptions to calculate net cash flow of the Company which is expected to receive in the future. Discount rate is calculated from weighted average cost of capital (WACC). Details can be summarized as follows;

	Unit	2H2020F	2021F	2022F	2023F	2024F
Revenue from Warehouse and Factory Buildings for Rent	THB Million	535.92	360.23	388.66	398.82	388.88

	Unit	2H2020F	2021F	2022F	2023F	2024F
Costs of Warehouse and Factory	THB Million	(16.03)	(28.42)	(31.36)	(32.08)	(31.36)
Buildings for Rent						
Selling and Administrative Expenses	THB Million	(43.11)	(76.51)	(76.21)	(74.71)	(75.84)
Earnings Before Interest, Taxes and Depreciation	THB Million	476.78	255.30	281.09	292.02	281.69
Depreciation and Amortization	THB Million	(56.19)	(132.32)	(132.32)	(132.32)	(132.32)
Earnings Before Interest and Taxes	THB Million	420.60	122.98	148.77	159.70	149.37
Income Taxes (Excluding Interest)	THB Million	(54.12)	(24.60)	(29.75)	(31.94)	(29.87)
Profit After Tax	THB Million	366.47	98.38	119.01	127.76	119.49
Depreciation and Amortization	THB Million	56.19	132.32	132.32	132.32	132.32
Capital Expenditure	THB Million	(304.91)	(17.14)	-	-	-
Free Cash Flow to Firm (FCFF)	THB Million	117.75	213.56	251.34	260.08	251.82
Year		0.27	1.27	2.27	3.27	4.27
WACC		6.27%	6.27%	6.27%	6.27%	6.27%
Discount Rate		0.98	0.93	0.87	0.82	0.77

	Unit	2025F	2026F	2027F	2028F	2029F
Revenue from Warehouse and Factory	THB Million	391.56	393.16	391.54	393.16	395.50
Buildings for Rent						
Costs of Warehouse and Factory	THB Million	(32.69)	(32.69)	(32.70)	(34.16)	(34.16)
Buildings for Rent						
Selling and Administrative Expenses	THB Million	(77.87)	(80.47)	(82.92)	(85.51)	(88.38)
Earnings Before Interest, Taxes and Depreciation	THB Million	281.00	279.99	275.92	273.49	272.95
Depreciation and Amortization	THB Million	(132.32)	(132.32)	(132.32)	(132.32)	(132.32)
Earnings Before Interest and Taxes	THB Million	148.68	147.67	143.60	141.17	140.63
Income Taxes (Excluding Interest)	THB Million	(29.74)	(29.53)	(28.72)	(28.23)	(28.13)
Profit After Tax	THB Million	118.94	118.14	114.88	112.93	112.50
Depreciation and Amortization	THB Million	132.32	132.32	132.32	132.32	132.32
Capital Expenditure	THB Million	-	-	-	-	-
Free Cash Flow to Firm (FCFF)	THB Million	251.27	250.46	247.20	245.26	244.83
Year		5.27	6.27	7.27	8.27	9.27
WACC		6.27%	6.27%	6.27%	6.27%	6.27%
Discount Rate		0.73	0.68	0.64	0.61	0.57

	Unit	2030F	2031F	2032F	2033F	2034F
Revenue from Warehouse and Factory	THB Million	407.52	406.29	407.59	410.17	412.46
Buildings for Rent						
Costs of Warehouse and Factory	THB Million	(34.69)	(36.30)	(36.30)	(36.31)	(38.08)

	Unit	2030F	2031F	2032F	2033F	2034F
Buildings for Rent						
Selling and Administrative Expenses	THB Million	(91.42)	(94.26)	(97.45)	(100.58)	(103.82)
Earnings Before Interest, Taxes and Depreciation	THB Million	281.42	275.73	273.84	273.28	270.56
Depreciation and Amortization	THB Million	(132.32)	(132.32)	(132.32)	(132.32)	(132.32)
Earnings Before Interest and Taxes	THB Million	149.10	143.41	141.52	140.96	138.24
Income Taxes (Excluding Interest)	THB Million	(29.82)	(28.68)	(28.30)	(28.19)	(27.65)
Profit After Tax	THB Million	119.28	114.73	113.22	112.76	110.59
Depreciation and Amortization	THB Million	132.32	132.32	132.32	132.32	132.32
Capital Expenditure	THB Million	-	-	-	-	-
Free Cash Flow to Firm (FCFF)	THB Million	251.60	247.05	245.54	245.09	242.91
Year		10.27	11.27	12.27	13.27	14.27
WACC		6.27%	6.27%	6.27%	6.27%	6.27%
Discount Rate		0.54	0.50	0.47	0.45	0.42

	Unit	2035F	2036F	2037F	2038F	2039F
Revenue from Warehouse and Factory	THB Million	410.87	422.86	425.97	427.92	426.30
Buildings for Rent						
Costs of Warehouse and Factory	THB Million	(38.08)	(38.62)	(40.56)	(40.56)	(40.56)
Buildings for Rent						
Selling and Administrative Expenses	THB Million	(107.27)	(110.98)	(114.62)	(118.56)	(122.36)
Earnings Before Interest, Taxes and Depreciation	THB Million	265.52	273.26	270.79	268.80	263.37
Depreciation and Amortization	THB Million	(132.32)	(132.32)	(132.32)	(132.32)	(132.32)
Earnings Before Interest and Taxes	THB Million	133.20	140.93	138.46	136.48	131.05
Income Taxes (Excluding Interest)	THB Million	(26.64)	(28.19)	(27.69)	(27.30)	(26.21)
Profit After Tax	THB Million	106.56	112.75	110.77	109.18	104.84
Depreciation and Amortization	THB Million	132.32	132.32	132.32	132.32	132.32
Capital Expenditure	THB Million	-	-	-	-	-
Free Cash Flow to Firm (FCFF)	THB Million	238.88	245.07	243.09	241.51	237.16
Year		15.27	16.27	17.27	18.27	19.27
WACC		6.27%	6.27%	6.27%	6.27%	6.27%
Discount Rate		0.40	0.37	0.35	0.33	0.31

	Unit	2040F	2041F
Revenue from Warehouse and Factory			
Buildings for Rent	THB Million	358.63	359.45
Costs of Warehouse and Factory			
Buildings for Rent	THB Million	(40.54)	(40.54)

	Unit	2040F	2041F
Selling and Administrative Expenses	THB Million	(109.90)	(113.71)
Earnings Before Interest, Taxes and Depreciation	THB Million	208.19	205.19
Depreciation and Amortization	THB Million	(131.18)	(131.18)
Earnings Before Interest and Taxes	THB Million	77.00	74.01
Income Taxes (Excluding Interest)	THB Million	(15.40)	(14.80)
Profit After Tax	THB Million	61.60	59.21
Depreciation and Amortization	THB Million	131.18	131.18
Capital Expenditure	THB Million	-	-
Free Cash Flow to Firm (FCFF)	THB Million	192.78	190.39
Year		20.27	21.27
WACC		6.27%	6.27%
Discount Rate		0.29	0.27

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

Remark: 1/ In August, 2020, Prospect Development divested part of its lease hold area of BFTZ to PROSPECT REIT and booked profit of 331.13 million bath from this transaction

Summary of Base Case of Warehouses and Factory Buildings for Rent

The Independent Financial Advisor evaluated the reasonableness of the valuation of fair value of warehouses and factory buildings for rent by using discounted free cash flow to firm approach since the Company has a policy to maintain debt to equity ratio in the long term. The valuation of warehouses and factory buildings for rent can be summarized as follows;

Item	Value	Assumption
Present Value of Cash Flow ^{1/}	2,860.20	
Cash ^{2/}	7.97	As of 30 June 2020
Value of undevelop land and lease hold ^{1/}	308.65	As of 30 June 2020
Book value of divested lease hold ^{2/}	1,606.27	
Warehouses and Factory Buildings For Rent	4,783.09	THB Million

Source: Information based on the financial statements of the Company as of 30 June 2020, which has been reviewed by an auditor approved by the SEC Office, and projections prepared by the Independent Financial Advisor.

Remarks: 1/ Value of undeveloped land and leasehold include 2 pipeline projects where the independent financial advisor use book value of both asset in this valuation

2/ Value of divestment (sale) of leasehold asset during August, 2020 does not include profit from divestment in the amount of THB 331.13 million since the amount has already been accounted in the Cash Flow from Operation in Cash Flow Statement.

Valuation by discounted free cash flow to firm approach of warehouses and factory buildings for rent is equal to **4,783.09 Million Baht**

11. Property for Sale, Land Held for Development and Other Projects

The Independent Financial Advisor projected MK's cash flow from the sale of property in part of the property projects that were completely constructed but few units remained and not in the main selling plan of MK, and land held for development, as well as others. These include complete property for sale in amount of 24 projects and other projects under development and held for development, including detached single house, town home, vacant land, and leasehold rights representing cash flow from the sale of property of THB 3,745.38 million. Cash flow from the sale of the aforementioned property calculated from evaluated value appraised by the Independent Appraisers with the corporate income tax rate of 20 percent. Details are as follows;

Item	Amount (THB Million)
A. Complete property for sale in amount of 24 projects	337.55
B. Land held for development, Project under development, Leasehold right for land held for development ^{1/}	3,669.87
Total asset value (A+B)	4,007.43
<u>Less</u> Book value of asset ^{2/}	(2,697.18)
Gain from asset appraisal	1,310.25
Income tax^{3/}	262.05

Net Cash Flow	Amount (THB Million)
Total asset value	4,007.43
<u>Less</u> Income tax ^{3/}	(262.05)
Net cash flow from sale of asset	3,745.38

Remark: ^{1/} Leasehold right for land size 295.50 sq.m., valued THB 82.73 million is non-development project.

^{2/} Assets book value as of 30 June 2020

^{3/} The Independent Financial Advisor estimated the income tax that would occur as a result of the increase in appraised property at 20 percent of gain from sale of land and building before income tax.

Valuation by book value approach or adjusted book value approach of property for sale, land held for development and other projects is equal to **THB 3,745.38 million**

12. Long-term Investments in Other Companies

12.1 Long-term Investments in Other and associated Companies

In addition to the core business of MK mentioned above, MK also has investments in other companies, but not being involved in the management, such as Durafloor Co., Ltd., Thai Advance Panel Co., Ltd., Sinnsuk Properties Co., Ltd., Supalai Northeast Co., Ltd., Samukkee Cement Co., Ltd., Subnorasing Co., Ltd. and Prospect Logistics and Industrial Leasehold Real Estate Investment Trust

Only Durafloor Co., Ltd. ("Durafloor") that has good operating performance and pays dividends on a regular basis. Historical dividends payments are as follows;

	2018	2019	2020
Dividends Payment (THB Million)	8.25	11.00	7.70
Dividend Payout Ratio (%)	53%	78%	64%

The Independent Financial Advisor has an opinion that dividend discount model should be used in valuation of Durafloor with the assumption that the Company will receive a fixed amount of dividend of THB 1.37 million per year throughout the projection period, based on dividends of floor of Durafloor in 2018-2020. The valuation of Durafloor can be summarized as follows;

Item	Amount	Note
Present Value of Dividends Received	4.24	
Terminal Value	10.95	
Value of Durafloor Company Limited	15.19	THB Million

Source: projections prepared by the Independent Financial Advisor.

Valuation by dividend discount model of Durafloor Co., Ltd. is equal to THB **15.19** million.

For investment in Prospect Logistics and Industrial Leasehold Real Estate Investment Trust or PROSPECT that invests in leasehold land with some warehouse and factory buildings in Bangkok Free Trade Zone of 21,847,100 units. Therefore, the independent financial advisor uses assumptions to assess the value of investments in PROSPECT based on expected cash flows from the disposal of investments with market price. The details are as follows:

Item	Amount	Note
Number of shares invested in PROSPECT	21.85	Million shares
Close price of PROSPECT as of 25 September 2020	9.20	THB per share
Market value of PROSPECT as of 25 September 2020	200.99	THB Million
<u>Deduct</u> Investment value from 1 July 2020 to 25 September 2020 ^{1/}	(218.12)	THB Million
Free cash flow from investment in PROSPECT	(17.12)	THB Million

Source: MK Information of investment in PROSPECT as of 25 September 2020 of MK

Remark: ^{1/} The value of investments in PROSPECT which recognized at cost as of the acquisition date.

The valuation of investments in PROSPECT is equal to **loss of 17.12 million baht**.

However, apart from Dura Floor Co., Ltd. and PROSPECT, other companies mentioned above. MK has been partially impaired in some part of long-term Investments in other companies due to they have losses or stop their operations. Moreover, MK can not able to estimate future cash flows of those companies. The Independent Financial Advisor received confirmation that from management that MK will not increase capital or do anything in

those businesses. Therefore, the Independent Financial Advisor does not use those businesses to contribute in MK's valuation.

Value of long-term Investments in other and associated companies can be summarized as follow:

Item	Amount	Note
Value of Durafloor Company Limited	15.19	
Loss from investments in PROSPECT	(17.12)	
Value of long-term Investments in other and associated companies	(1.93)	THB Million

12.2 Joint Venture

PD currently owns 40% of Frasers Property BFTZ Company Limited ("BFTZ") to develop real estate in warehouse or factory for rent or transfer leasehold or sale rights in some areas of the Bangkok Free Trade Zone. At the end of 2019, Frasers Property BFTZ Company Limited has registered capital of THB 803 Million and paid-up capital of THB 631.05 Million. The details of valuation of BFTZ are as follows:

Item	Amount	Note
Present value of cash flows	433.29	
Cash	109.00	
Value of Frasers Property BFTZ Company Limited	542.29	THB Million
Share holding proportion of PD	40.00%	
Value of Frasers Property BFTZ Company Limited	216.92	THB Million

Source: projections prepared by the Independent Financial Advisor.

The value of BFTZ which evaluate by free cash flow to equity approach under share holding proportion of PD is 216.92 million baht.

13. Summary of Calculation of the Target Company's Value by Sum-of-the-Part Valuation

The valuation of the Company engaged in property development for sale and related services, as well as warehouses and factory buildings for rent, which are currently operating and having cash flow. The Independent Financial Advisor has an opinion that the valuation can be based on projections of cash flow of the aforementioned businesses, thus discounted cash flow approach can be used in the valuation of fair value.

However, for some backlog property projects that were completely constructed but not included in the selling plan of MK and land held for development which is currently under feasibility study, the Independent Financial Advisor has an opinion that development of the projects and projections of future cash flows are uncertain. Therefore, we will use appraised value of such properties by the Independent Appraisers as a fair value (Adjusted Book Value: ABV). In respect of the aforementioned projects or vacant land, they have not been yet appraised by the Independent Appraisers or the last appraisal date is longer than **3 years** which cannot be

used as a reference. The Independent Financial Advisor has an opinion that book value (BV) should be used as a fair price in this case.

The valuation of the Company by Sum-of-the-Part Valuation is the valuation of the Company by taking into account the ability to generate future cash flows of each business or asset separately in order to reflect the Target Company's value based on fundamental factors of each business or asset. The valuation results can be summarized as follows;

Fair Value	THB Million
Property Development for Sale and Related Services	7,027.58
Warehouses and Factory Buildings for Rent	4,783.09
Property Projects for Sale and Vacant Land ^{1/}	5,586.11
Investments	214.98
Interest-bearing liabilities ^{2/}	(9,335.78)
Cash ^{2/}	532.76
Total Fair Value	8,808.74
Number of Share	1,091.21
Share Value (THB Per Share)	8.07

Source: Projections prepared by the Independent Financial Advisor and information based on the financial statements of the Company as of 30 June 2020, which has been reviewed by an auditor approved by the SEC Office.

Remark: ^{1/} Property Projects for Sale and Vacant Land in addition to the value stated in part 11 of valuation it also includes acquired property for RAKxa phase 2 in the value of 1,840.73

^{2/} Interest-bearing liabilities and cash as of 30 June 2020

14. Sensitivity Analysis

The Independent Financial Advisor has conducted a sensitivity analysis of the evaluation of reasonableness of the Target Company's fair value on the base case in order to cover all ranges of impacts that are expected to arise from changes in 3 factors, including;

- (1) Terminal Growth Rate: in order to calculate the fair values that cover fluctuations in the Target Company's long-term growth, the Independent Financial Advisor assumed the increase and decrease by 0.5 percent from the base case in which terminal growth rate will be at 1.00 – 2.00 percent.
- (2) The discount rate from financial costs with the weighted average cost of capital (WACC): in order to calculate the fair values of the Company that reflect all possibilities of various cases, the Independent Financial Advisor used WACC of the base case at 6.27 percent and assumed the increase and decrease by 0.50 percent. Therefore, the maximum and minimum WACC are in a range of 5.77 – 6.77 percent.

- (3) Changes in gross margin: in order to calculate the fair values that cover fluctuations in costs and revenues which are reflected in gross margin, the Independent Financial Advisor assumed the increase and decrease in gross margin by 1.00 percent from the base case. Therefore, changes in gross margin rate will be -1.00 percent to + 1.00 percent.

Summary of Sensitivity Analysis

Rate of Return for Discounted Cash Flow Approach

		WACC		
		5.77%	6.27%	6.77%
Change in Gross Margin	-1.00%	8.63	7.98	7.44
	0.00%	8.72	8.07	7.53
	+1.00%	8.80	8.16	7.61

		WACC		
		5.77%	6.27%	6.77%
Terminal Growth	2.00%	8.27	7.72	7.24
	1.50%	8.72	8.07	7.53
	1.00%	9.28	8.51	7.88

Discounted Cash Flow Approach has significant fluctuations from change in terminal growth, change in profitability of the Company and change in WACC, which resulting of the fair value is in range of THB 7.24 – 9.28 per share, which is higher than tender offer price of 3.10 baht with 4.14 to 6.18 bath higher when compare to IFA's fair value range or in another word, 133.55 to 199.25% higher than tender offer price.

Summary of the appropriateness of Tender Offer Price of MK

Table of MK's valuation comparison by various approaches with tender offer price is provided as following.

(Unit: Baht per Share)

Valuation Approach	Fair Value	Tender Offer Price Not Exceeding	Higher (Lower) than Tender Offer Price (Baht)	Higher (Lower) than Tender Offer Price (Percent)
1) Book Value Approach	6.14	3.10	3.04	98.06
2) Adjusted Book Value Approach	8.75	3.10	5.65	182.26
3) Volume Weighted Average Price Approach	2.75 – 3.02	3.10	(0.35) – (0.08)	(11.39) – (2.71)
4) Market Comparable Approach				
a. Price to Book Value Ratio Approach	4.63 – 6.23	3.10	1.53 – 3.13	49.26 – 100.95
b. Price to Earnings Ratio Approach	N/A	3.10	N/A	N/A
c. Enterprise Value to Earnings before	N/A	3.10	N/A	N/A

Valuation Approach	Fair Value	Tender Offer Price Not Exceeding	Higher (Lower) than Tender Offer Price (Baht)	Higher (Lower) than Tender Offer Price (Percent)
Interest, Tax, Depreciation and Amortization Ratio Approach				
5) Discounted Cash Flow Approach (DCF)	7.24 – 9.28	3.10	4.14 – 6.18	133.55 – 199.35

Source: Independent Financial Advisor's estimation

Remark: Tender offer price of MK is not exceeding to THB 3.10 per share

From the table, Independent Financial Advisor determined MK's fair value is between 7.24 – 9.28 Baht per share. Each valuation approach has different advantages and disadvantages which reflect the suitability of fair price valuation in different approaches as the followings.

1) Book Value Approach

Book Value Approach is the method which reflects the value of shareholders' at any point in time and does not reflect profit generating ability in the future, competitiveness of business, economic trend, industry outlook. Therefore, independent financial advisor see that this valuation approach is not appropriate for valuate the fair value of MK and unable to reflect the intrinsic value of MK.

2) Adjusted Book Value Approach

Adjusted Book Value Approach can reflect asset value which is superior to Book Value Approach because it was adjusted by new appraisal value on land and building to reflect market value or fair value. Then, it was divided by number of shares. Moreover, Adjusted Book Value Approach also has the adjustment of transactions that may have significant changes to financial position of MK including gain from selling of assets of a subsidiary, which is selling of assets to Prospect Logistics and Industrial Leasehold Real Estate Investment, and dividend payment. From those adjustments, the net asset value then reflects market value and is considered the effect to financial position of the Business appropriately. Therefore, Adjusted Book Value is the appropriated valuation approach for MK.

3) Volume Weighted Average Price Approach

Volume weighted average price approach reflects the market price based on the demand/supply and speculations from the shareholders of MK, which can reflect the share price at that moment. Moreover, it also reflects the shareholder's perception towards Company's ability to grow in the future. However, after the board of director of the Company had resolution to enter into the acquisition of assets and announced to public that the Company will acquire all ordinary shares of MK. As a result, the stock price of MK had significant change from the offer price not exceeding 3.10 Baht per share. The stock price which had significant change from the Company's announcement may not reflect the intrinsic value of MK. Therefore, this approach may result in the valuation deviation due to the factor of stock price movement of MK.

4) Market Comparable Approach

a. Price to Book Value Ratio Approach

Price to Book Value approach will focus on financial status of the Business by comparing this ratio with average from their peers. However, this valuation approach can reflect only accounting value of MK but ignore the future operation. Then, the implied value may not reflect the intrinsic value of MK. Therefore, this valuation approach may not reflect the accurate fair price.

b. Price to Earnings Ratio Approach

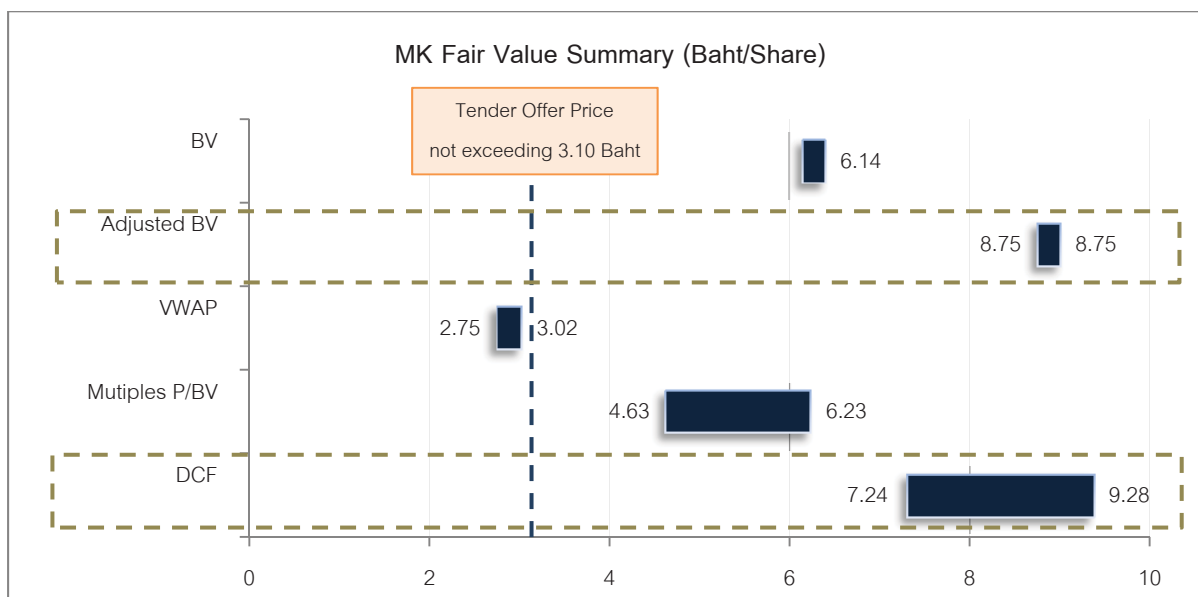
Price to Earnings Ratio will focus on ability to make profit by comparing this ratio with the average from their peers. However, this valuation method can reflect only the past performance but ignore the future operation. However, MK has operating losses for trial 12-month, referring to the financial statement of MK which is audited or reviewed by auditor approved by SEC. Therefore, the Independent Financial Advisor is unable to evaluate MK by the Price to Earnings Ratio Approach or P/E Ratio.

c. Enterprise Value / Earnings Before Interest, Tax, Depreciation and Amortization Multiples Approach or EV/EBITDA Ratio

EV/EBITDA Ratio will focus on ability to make operating cash flow and adjusted by various financial structure of MK. However, this valuation method can reflect only the past performance but ignore the future operation. Therefore, this valuation method may not reflect the accurate fair price.

5) Discounted Cash Flow Approach

Discounted Cash Flow Approach is the valuation to reflect on earnings and cash flow generating ability from MK in the future which can be evaluated by present value of net cash flow. The estimation is based on assumption and information received from MK under current economic and situation. However, any changes in the future which have impact to regarding assumptions significantly, future earnings of MK may not follow the expectation including fair value of MK. Nevertheless, Independent financial advisor conducted Sensitivity Analysis on 3 factors which Gross Margin, Terminal Growth and weighted average cost of capital (WACC) in order to find reasonable fair value on base case fair price. This valuation approach reflects ability in earnings and cash flow generating in the future along with sensitivity analysis. Therefore, this valuation approach is the most appropriate for MK's valuation.



Due to Valuation Football Field, each valuation method has differently pros and cons as mentioned above. Independent financial advisor has conclusion that the most appropriated valuation approach for the company are Adjusted Book Value and Discounted Cash Flow Approach, the summary are as follow:

(1) Adjusted Book Value Approach

Adjusted Book Value Approach can reflect asset value which is superior to Book Value Approach because it was adjusted by new appraisal value on land and building to reflect market value or fair value. Then, it was divided by number of shares. Moreover, Adjusted Book Value Approach also has the adjustment of transactions that may have significant changes to financial position of MK including gain from selling of assets of a subsidiary, which is selling of assets to Prospect Logistics and Industrial Leasehold Real Estate Investment, and dividend payment. From those adjustments, the net asset value then reflects market value and is considered the effect to financial position of the Business appropriately. The IFA is of opinion that the fair value of MK is THB 8.75 per share which THB 5.65 per share higher than Tender Offer price or 182.26 percent higher than Tender Offer price.

(2) Discounted Cash Flow Approach

Discounted Cash Flow Approach is the valuation to reflect on earnings and cash flow generating ability from MK in the future which can be evaluated by present value of net cash flow. The estimation is based on assumption and information received from MK under current economic and situation. However, any changes in the future which have impact to regarding assumptions significantly, future earnings of MK may not follow the expectation including fair value of MK. The Independent Financial Advisor is of opinion that fair value of MK is THB 8.07 per share according to base case scenario. Such mentioned fair value is THB 4.97 per share higher than Tender Offer price, or accounted to 160.32 percent of Tender Offer price. Moreover, the IFA has conducted

sensitivity analysis to absorb major factors that influences fair value, including changes in gross margin, terminal growth rate, and the weighted average cost of capital (WACC), resulting in price range of THB 7.24 – 9.28 per share, which is higher than Tender Offer price not less than THB 4.14 – 6.18 per share or not less than 133.55 – 199.35 percent.

The Independent Financial Advisor is of opinion that the fair value of MK calculated based on adjusted book value approach and discount cash flow approach is THB 7.24 – 9.28 per share.

In conclusion, IFA is of the opinion that the Tender Offer price not exceeding THB 3.10 per share is the appropriate price because Tender Offer price is below than fair value evaluated by the Independent Financial Advisor.

3.2 Appropriateness of the conditions of the entering into the transaction

In entering into this transaction, the transaction is Type 1 which is a transaction between a listed company or a subsidiary and another listed company or subsidiary of another listed company with the transaction size of 50 percent or more. Therefore, the Company is required to disclose an information memorandum on the assets acquisition transaction to the Stock Exchange of Thailand (“SET”), and obtain the shareholders’ approval for entering into the transaction with at least three-fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding interested shareholders’ equity. The Company must deliver the invitation letter to the shareholders’ meeting, together with the opinion report of the Independent Financial Advisor to shareholders at least 14 days before the meeting, as well as there are conditions that must be performed under the land lease agreement as follows;

Conditions Precedent	Appropriateness
1) FNS is approved for entering into the transaction by the shareholders' meeting.	- In accordance with the Notification of the Capital Market Supervisory Board, TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed an Acquisition or Disposition of Assets (and its amendments) dated 31 August 2008, as well as under the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Operation Concerning the Acquisition and Disposition of Assets of a Company B.E. 2547 dated 29 October 2004 (“Assets Acquisition or Disposition Notifications”). The highest size of the Project is equal to 208.83 percent according to the value of consideration basis.

When considering terms of the transaction and sources of funds used in entering into the transaction mentioned above, the Independent Financial Advisor has an opinion that **terms of this transaction are fair** since they are normal business terms as same as general transactions and there are no conditions that will deteriorate benefits of the Company and the Company's shareholders.

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Part 4 Summary of Opinion of the Independent Financial Advisor

The Board of Directors' meeting of Finansa Public Company Limited (the "Company" or "FNS") No. 7/2020 dated September 25, 2020 has approved to proposed to the Extraordinary General Meeting of Shareholders to consider and approve the investments in M.K. Real Estate Development Plc. (the "Business" or "MK") through a Voluntary Tender Offer at the price of not exceeding THB 3.10 per share, totaling not exceeding THB 2,766,991,949.

The share acquisition is considered as the purchase or acceptance of transfer of the business of other companies by the Company in accordance with the Section 107 (2) (Khor) of the Public Limited Companies Act B.E. 2535 (1992) and is considered as the acquisition of assets in accordance with the Notification of the Capital Market Supervisory Board No. TorChor 20/2551 Re: Rules on Entering into Material Transaction Deemed as Acquisition or Disposal of Assets 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 Acquisition and Disposition of Assets, 2004 ("Notification of the Acquisition or Disposition"). According to the Acquisition or Disposal of Assets Regulations, the highest value of the transaction size based on the financial statements as of June 30, 2020 is 208.83 percent derived from the net tangible asset value criteria. After taking into consideration of the acquisition or disposal of asset transactions during past 6 months, the highest value of aggregated transaction size is equal to 208.83 percent derived from the net tangible asset value criteria. Therefore, this transaction is considered the acquisition of assets, Class 1 Transaction, a transaction between a listed company or a subsidiary and another listed company or subsidiary of another listed company with the transaction size of 50 percent or more. As a result, the Company has the obligations to

- (1) Disclose an information memorandum on the assets acquisition transaction to the Stock Exchange of Thailand ("SET") in accordance with the Notification of the Acquisition or Disposition
- (2) Hold the shareholders' meeting to approve the acquisition transaction with at least three-fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding interested shareholders' equity
- (3) Appoint an independent financial advisor (IFA) to render an opinion on the assets acquisition transaction to the Company's shareholders, as well as submit the opinion to Securities and Exchange Commission, Stock Exchange of Thailand, and the Company's shareholders

Opinion of the Independent Financial Advisor can be summarized as follow;

Reasonableness of Entering into Transaction

Objective and necessity of entering into transaction

The Company will purchase ordinary shares of MK of not exceeding 892,578,048 shares, comprising 886,078,048 shares, which is the difference between the current number of total paid-up shares of MK and the number of shares held by the Company before this acquisition of shares of MK and 6,500,000 shares, which is the number of paid-up shares of MK that may be increased resulting from the exercise of the Warrant. In case that all other shareholders accept to sell all shares through the Tender Offer, the Company will have a shareholding of 100% of MK's paid up capital and 100% of MK's voting rights. In this case, MK will become a subsidiary of the Company.

In this regard, the Company's Board of Directors has an opinion that the above transaction is beneficial to the Company's shareholders in the long term since the Company will be able to expand its investment in real estate business to cover more segments from the original investment in real estate business that provides warehouse services which can generate recurring revenue for the Company. Therefore, the voluntary tender offer in MK will enhance the Company to enter into the comprehensive real estate business, including real estate development for sale, real estate development for rent and related services, golf course, real estate management, as well as wellness and medical retreat businesses. Consequently, entering into the transaction of the Company will benefit the Company and shareholders in the long term.

Advantages and Disadvantages of Entering into Transaction

Advantages of Entering into Transaction

- To increase the shareholding in a company that has abilities to grow in the future
- It is an acquisition of assets that are worthwhile for the investment
- It is a risk diversification of sources of revenue and business operations of the Group of the Company
- Increase the opportunity to be a business partner
- Increase the opportunity to generate the Company's recurring revenue

Disadvantages of Entering into Transaction

- The Company will have increasing financial burden from entering into the transaction
- It is an investment that is not the Company's core business at present

Advantages and Disadvantages of Not Entering into Transaction

Advantages of Not Entering into Transaction

- The Company will not have any loan and interest burden from entering into the transaction

- The Company has an amount of cash that can be invested in other businesses with higher returns and/or having lower risk

Disadvantages of Not Entering into Transaction

- Losing an investment opportunity in a business that can grow in the future
- Losing an opportunity in terms of trading price

Risks from Entering into Transaction

- Risk from operating performance that does not meet expectation
- Risk of receiving a rate of return on investment lower than the financial cost of entering into the transaction
- Risk from not receiving an approval from the shareholders' meeting
- Risk from feedback of the tender offer

Reasonableness of Price

This Voluntary Tender Offer will fully enhance the Company into the real estate business. The Independent Financial Advisor has opined that the fair values of MK's shares appraised by the Adjusted Book Value Approach and the Discounted Cash Flow Approach are appropriate.

The Independent Financial Advisor has opined that the Adjusted Book Value Approach is appropriate since most of the assets of MK are assets for sale which generate direct income to the Company accounting for 43.62% of total assets. As of June 30, 2020, these assets for sale include real estate projects under development, land held for development, Investment properties in amount of Baht 11,382.07 million which is the main business operation and can generate direct income to MK from both one-time income and recurring income. Moreover, MK has investments in associates, investments in joint venture and long-term investment in other companies (other non-current assets) in amount of Baht 304.44 million which can generate other revenue to MK. In addition, MK has cash and cash equivalents in amount of Baht 532.76 million. Therefore, most assets can reflect the value of the enterprise through revenue generation and cash flow. The Independent Financial Advisor adjusted real estate projects under development, land held for development, Investment properties to market value based on market value from the appraisal which will make the assets can reflect its market value or fair value. Furthermore, the Adjusted Book Value Approach has adjusted items that have a significant impact on the financial position of MK such as net profit from disposal of the subsidiary's assets which the assets are sold to Prospect Logistics and Industrial Leasehold Real Estate Investment Trust, and dividend payment. Adjusting the book value of the assets will make the asset value of the Business reflected by the market price and also take appropriate consideration of the impact on the financial position of the Business. The fair value by the Adjusted Book Value approach is 8.75

baht per share, which is higher not more than 5.65 baht per share or higher 182.26 percent than the tender offer price.

For the valuation by Discounted Cash Flow Approach, the past performance is used to forecast the ability and future performance of the Business by preparing financial projections based on assumptions and information obtained from MK under the current economic and circumstances conditions. If any changes occur in the future which affects such assumptions may result in the performance of MK in future which not being as expected or affect the variables used in the valuation resulting in the value of the ordinary shares assessed by this method has changed as well. The Independent Financial Advisor is of the opinion that the fair value in the base case of the Business is at 8.07 baht per share, which is not more than 4.97 baht per share or 160.32% higher than the offering price. In addition, The Independent Financial Advisor has conducted a sensitivity analysis of MK's shares toward terminal growth rate, discount rate with the weighted average cost of capital (WACC) and changes in gross margin, which provided the fair values in a range of Baht 7.24 - 9.28 per share. At the result, the fair value is higher than the offer price of Baht 4.14 – 6.18 per share or 133.55 – 199.35 percent.

The Independent Financial Advisor is of the opinion that the fair value of MK's shares obtained from the Adjusted Book Value Approach and the Discounted Cash Flow Approach are in range Baht 7.24 - 9.28 per share.

Therefore, the Independent Financial Advisor is of the opinion that the offer price for MK shares which is not more than 3.10 baht per share for this asset acquisition transaction is appropriate.

Table of MK's valuation by comparing between fair values from different approaches and offering price can be summarized as follows;

(Unit: Baht per share)

Valuation approach	Fair Value	Offer Price	Fair Value is higher (lower) than the Offer Price	Fair Value is higher (lower) than the Offer Price (%)
1) Book Value Approach	6.14	3.10	3.04	98.06
2) Adjusted Book Value Approach	8.75	3.10	5.65	182.26
3) Volume Weighted Average Price Approach	2.75 – 3.02	3.10	(0.08) – (0.35)	(2.71) – (11.39)
4) Market Comparable Approach				
a. Price to book value ratio	4.63 – 6.23	3.10	1.53 – 3.13	49.26 – 100.95
5) Discount Cash Flow Approach	7.24 – 9.28	3.10	4.14 – 6.18	133.55 – 199.35

Source: Projection prepared by the Independent Financial Advisor.

Remark: The offer price for MK shares is not more than 3.10 baht per share.

Appropriateness of Terms of Transaction

In entering into this transaction, the transaction is Type 1 assets acquisition transaction under the Notification on Acquisition or Disposition of Assets. Therefore, the Company is required to disclose an information

memorandum on the assets acquisition transaction to the Stock Exchange of Thailand (“SET”), and obtain the shareholders’ approval for entering into the transaction with at least three-fourth of the total voting rights of the shareholders who attend the meeting and are eligible to vote excluding interested shareholders’ equity. The Company must deliver the invitation letter to the shareholders’ meeting, together with the opinion report of the Independent Financial Advisor to shareholders at least 14 days before the meeting.

The Independent Financial Advisor has an opinion that in order to implement the transaction in accordance with the law and regulations, the Company should comply with the conditions precedent such as requesting an approval to enter into the transaction from the shareholders' meeting before the acquisition of MK's shares.

When considering the conditions precedent and terms of the transaction, the Independent Financial Advisor has an opinion that conditions precedent is appropriate which in accordance with the Notification of the Acquisition or Disposition of assets and have no conditions that will deteriorate benefits of the Company and the Company's shareholders.

And according to consideration of the information and reasons mentioned in this report, the Independent Financial Advisor has an opinion that this asset acquisition is appropriate which the price and conditions of the transaction are fair as well as can generate benefits to the Company and the Company's shareholders. Therefore, the shareholders should approve the entering into this asset acquisition transaction.

Please see a summary of opinion of the Independent Financial Advisor in “**Executive Summary**”, Page 3 of this report.

Nonetheless, in deciding whether to approve or disapprove the said transaction, the shareholders can make consideration thereon based on the above reasons and opinion rendered by the Independent Financial Advisor. The final decision depends on the shareholders’ individual judgment.

I V Global Securities Public Company Limited as the Independent Financial Advisor hereby certifies that we have provided the opinion fairly using independent professional judgments, by placing the interest of the shareholders at the utmost importance.

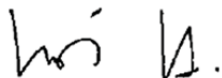
In this regard, the independent Financial Advisor's opinion is based on the information obtained from document and/or the interviews with the Company's management as well as information disclosed to the public and other relevant information. The Independent Financial Advisor assumed that the aforementioned information was complete and accurate, and reflects the operating environment and most up-to-date information at the time of issuance of this report. Therefore, if the above information is not correct and/or not true and/or there is a significant change in the future, these may affect the opinion of the Independent Financial Advisor. For this reason, the Independent Financial Advisor is unable to confirm the impact of these factors that may occur on the Company and shareholders in the future. The purpose of this report is to provide a recommendation to shareholders of the Company and the opinion of the Independent Financial Advisor should not be misconstrued as an endorsement to enter into the Transaction, or a guarantee of the outcome of the Transaction.

I V Global Securities Public Company Limited as the Independent Financial Advisor of the Company hereby certifies that we have studied and analyzed the data provided by the professional standard and on the opinion fairly using independent professional judgments, by placing the interest of the shareholders at the utmost importance.

Yours Faithfully,

Independent Financial Advisor

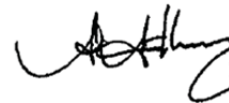
I V Global Securities Public Company Limited



(Miss Krisaporn Kunchan)

Vice President

Supervisor Financial Advisory



(Mrs. Sriporn Sudthipongse)

President and CEO

Attachment 1

Company Information and Operating Results of Finansa Public Company Limited

Source: 56-1 of Finansa Public Company Limited

1. General Information

Company Name : Finansa Public Company Limited (“The Company” or “FNS”)

Type of Business : Finansa Public Company Limited operates 4 main businesses, including;

1. Corporate advisory and investment banking
2. Direct investment
3. Warehouse and factory leasing
4. Securities brokerage

Registration Number : 0107545000080

Website : www.finansa.com

Head Office Address : 48/48 20th Fl. TISCO Tower, North Sathon Road,
Silom, Bangrak, Bangkok 10500

Telephone : (02) 697-3700

Fax : (02) 266-6688

Registered Capital : THB 1,729,277,200

Divided into 345,855,440 common shares with a par value of THB 5 per share

Paid-up Capital : THB 1,729,277,200

Divided into 345,855,440 common shares with a par value of THB 5 per share

2. Nature of Business

2.1 Primary Business History and Development

Finansa Public Company Limited (“The Company” or “FNS”) was incorporated in 1989. The Company is converted to public company on 19 June 2002 and increased the registered capital from THB 320 million to THB 500 million by issuing 36 million new ordinary shares with a par value of Baht 5 per share to public offering and registered on the Stock Exchange of Thailand (SET) on 25 September 2002. Then, in 2003 and 2004, the Company increased the registered capital to THB 1,100 million and THB 1,500 million, respectively. In 2009, the Company decreased the registered capital to THB 1,492.5 million from treasury stock repurchase. In 2012, the Company decreased the registered capital of unpaid portion and increased the registered capital to THB 1,235.2 million, fully paid.

In 2018, the Company increased the registered capital from the existing of THB 1,235.2 million to new registered capital of THB 1,729.3 million by offering to existing shareholders and all the new shares were sold, totaling the issued and paid-up share capital in the amount of THB 345,855,440 shares or the registered capital of THB 1,729.3 million.

Significant Development of the Company in the Past 3 Years

Year	Event
2017	1. In June, a subsidiary, FC made an Investment of Baht 20.6 million in FB Foodservice (2017) Ltd. (“FB”), a full service Thai food distribution company. The investment, made in a combination of existing and new ordinary shares issued by FB, is equivalent to 6% of FB’s total registered capital.
2018	1. During 2018, the Company acquired additional MK shares, resulting in a total shareholding of 18.80%. 2. In August, the Company sold all Finansia Syrus Securities Public Company Limited shares to Finansa Fund Management Ltd., a 100% own subsidiary to restructure the Finansa group’s assets, therefore, there is no impact to the consolidated financial statements. 3. On October 22, 2018, the extraordinary shareholders’ meeting No.1/2018 passed resolutions on the matters below: <ul style="list-style-type: none">- Increase the registered capital of the Company from the existing registered capital of Baht 1,235,198,000 to Baht 1,729,277,200 by issuing 98,815,840 new ordinary shares with a par value of Baht 5 per share, totaling Baht 494,079,200. The Company registered the increase in such paid-up share capital with the Ministry of Commerce on November 27, 2018.- Issuance and allocation of new ordinary shares in the amount of 98,815,840 shares to existing shareholders proportionate to their shareholding (Right Offering) at the ratio of 2.5 existing shares to 1 new ordinary share with an offering price of Baht 5 per share, totaling Baht

Year	Event
	494,079,200 and offered the sales of newly issued ordinary shares of the Company per the above resolution during November 19-23, 2018 and all the new shares were sold.
2019	1. In December 2018, the Company signed a convertible loan agreement with Kanom Factory (1999) Ltd. to invest Baht 120 million in a series of tranches, convertible at the option of the Company into new ordinary shares of Kanom Factory (1999). During 2018 and 2019 there were three drawdowns totaling Baht 60 million. Furthermore, an amendment was made to the loan agreement to extend the conversion period to 30 June 2020.

Source: 56-1 of Finansa Public Company Limited

2.2 Business Operations

The Company and its subsidiaries provide a wide range of financial services to institutional, corporate and retail clients, including Investment Banking, Wealth Management and Direct Investment. In addition, the Company has warehouses and factories for lease and also provides support to its affiliates and subsidiaries in many respects including organizational administration, business and market planning, management and development of information technology, human resources management, accounting, administration as well as research into investment opportunities and analysis of economic conditions. Through its associated companies, Finansa Syrus Securities Public Company Limited and M.K. Real Estate Development Public Company Limited, it can also offer securities brokerage and real estate development businesses, respectively. The activities of the Finansa Group can be divided into the following areas:

1. Corporate Advisory and Investment Banking

Providing corporate and financial advisory services including fund raising, financial and business restructuring, business alliance negotiations, business acquisitions, and project financing.

2. Direct Investment

The Company and some of its subsidiaries also engage in direct investments in companies or funds. This business area is aimed at supporting and extending the group's businesses.

3. Warehouse and Factory Leasing

The Company has provided the warehouse and factory leasing business since the end of 2014 and is acquiring the area for warehouse building and factory in total 89,024 sq.m. located at Bangkok Free Trade Zone in Bang Phli, Bangna-Trad road Km. 24.

4. Securities Brokerage

Providing these services through Finansa Syrus Securities Public Company Limited which is associated company.

2.3 The Shareholding Structure

The Finansa Group consists of 6 operating companies of which 5 are local companies including the parent company itself with 1 overseas company. As the regional headquarters of the group, the Company determines management and investment policies and supports, controls, supervises and advises companies in the group in relation to business planning and management. The aim is to create overall coherence for the group's various operations. The Finansa Group now consists of the following affiliates and subsidiaries:

Companies Operating in Thailand

1. Finansa Securities Limited (FSL)

FSL has securities license no. (2) 476/2536 issued by the Ministry of Finance allowing it to conduct all types of securities business, namely: 1) acting as securities broker, 2) securities trading, 3) acting as investment advisor, 4) securities offering and underwriting and 5) acting as futures exchange agent. In addition, FSL is a financial advisory company authorized by the SEC. In mid 2009, FSL merged its securities broking services with Finansia Syrus Public Company Limited and now focuses on Investment Banking activity. The paid-up capital as of 31 December 2019 was Baht 700 million.

2. Finansa Capital Limited (FC)

FC was formerly called Finansa Credit Limited which was a licensed financial institution regulated by the Bank of Thailand. FC returned its license to operate the finance business to the Ministry of Finance on 25 December 2009. At present, FC's business objective is to manage its remaining loan portfolio. As of 31 December 2019, FC had paid up capital of Baht 511 million.

3. Finansia Syrus Securities Public Company Limited (FSS)

FSS is a new securities company formed by the merger of Syrus Securities Pcl., ACL Securities Co., Ltd. and FSL's securities broking business. The merger was completed in September 2009. FSS is an associated company of Finansa with an initial investment of 19.6% of FSS's total paid-up capital.

Further, the Company invested in additional shares and newly increased capital shares of FSS. In this regard, the Shareholders' meeting of FSS had a resolution to waive the Company from making a tender offer for all securities of FSS ("Whitewash"). In June 2013, the Company sold its investment in FSS to FSL, a 100% own subsidiary to reorganize the Finansa group structure.

In 2014 and in November 2015, FSL received stock dividends and additional ordinary FSS shares from disposal of FSL's membership of the SET, respectively. As a result, FSL holds totally 170,269,978 shares or 29.29% of FSS's total paid-up capital. In December 2015, the Company purchased all FSS shares from FSL to restructure the Finansa group's assets. In August 2018, the Company sold all FSS shares to FFM with no impact on the significant controls over FSS. As of 31 December 2019, FSS had paid up capital of Baht 930.24 million.

4. M.K. Real Estate Development Public Company Limited (MK)

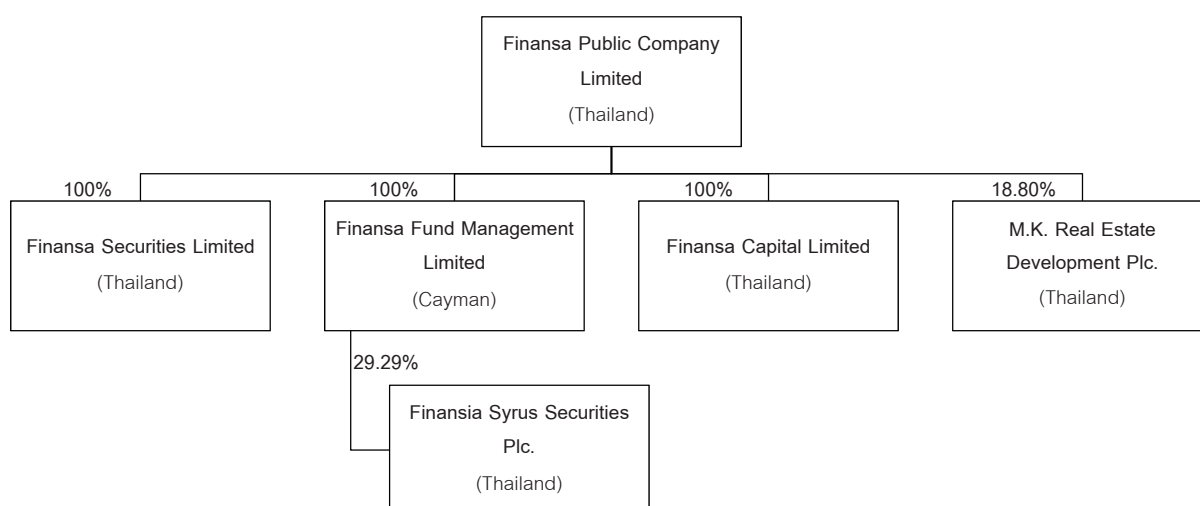
MK is an associated company which the Company invested in at the end of 2015 with total shareholding of 7.15% of MK's total paid-up capital. MK operates its core business as a real estate developer in various areas such as developing empty land for sale, building house for sale including the land, providing construction services, building condominium for sale, providing rental and car park services, and golf course services, etc. Over time, the Company purchased additional MK shares, resulting in a shareholding of 9.78%, increased to 18.80% at year-end 2019. As of 31 December 2019, MK had paid up capital of Baht 1,091.21 million.

Companies Operating Overseas

1. Finansa Fund Management Limited (FFM)

FFM is a company incorporated in the Cayman Islands with paid-up capital of US\$ 20,000 ordinary shares and US\$ 14.4 million preferred shares as of 31 December 2019. It operates investment business in Private Equity in Thailand, Vietnam, Myanmar and Cambodia.

The shareholding structure of the Company is as follows:



Source: 56-1 of Finansa Public Company Limited

2.4 Revenue Structure

Total revenue structures of the business group in previous 3 years and for 6-month period of 2020 are illustrated as follow:

(Unit: THB Thousand)

Revenue Structure	2017		2018		2019		Jan – Jun 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenue Revenues from investment, advisory and management business	28,807	5.97	38,254	7.33	38,968	12.76	10,764	3.06

Revenue Structure	2017		2018		2019		Jan – Jun 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenues from securities business	245,325	50.84	299,608	57.42	63,662	20.84	238,688	67.85
Revenues from warehouse and factory leasing business	180,795	37.47	179,854	34.47	176,407	57.76	90,518	25.73
Gain from dissolution of a subsidiary	-	-	-	-	-	-	3,181	0.90
Other income	27,603	5.72	4,079	0.78	26,400	8.64	8,652	2.46
Total revenue	482,530	100.00	521,795	100.00	305,437	100.00	351,803	100.00

Source: Consolidated financial statement of Finansia Public Company Limited

3. Board of Directors

On the date 16 September 2020, the board of directors of the Company consists of 8 persons, including:

No.	Name	Position
1	Mr. Virabongsa Ramangkura	Chairman / Independent Director
2	Mr. Vorasit Pokachaiyapat	Managing Director / Director
3	Mr. Varah Sucharitakul	Director
4	Mr. Vorapak Tanyawong	Director
5	Mr. Kittipong Lertvanangkul	Director
6	Mr. Akarat Na Ranong	Independent Director / Chairman of the Audit Committee
7	Mr. Chanmanu Sumawong	Independent Director / Audit Committee
8	Mr. Nuttawut Phowborom	Independent Director / Audit Committee

Source: The Stock Exchange of Thailand and Company affidavit of Finansia Public Company Limited

Pursuant to the letter of affidavit of the Company dated 16 September 2020, the Authorized Signatories Directors of the Company are Mr. Vorasit Pokachaiyapat, Mr. Varah Sucharitakul and Mr. Kittipong Lertvanangkul, in which two out of these three directors jointly affix their signatures together with the corporate seal.

4. Shareholders

List of major shareholders of Finansia Public Company Limited as of 27 March 2020 are as follows:

No.	Name	Number of shares	Portion of paid-up capital
1	Mr. Vorasit Pokachaiyapat	119,793,306	34.64
2	Mr. Kobkhun Tienpreecha	33,767,500	9.76
3	DEUTSCHE BANK AG SINGAPORE - PWM	16,697,990	4.83
4	MORGAN STANLEY & CO. INTERNATIONAL PLC	13,776,855	3.98
5	M.L. Suddhiman Pokachaiyapat	10,500,000	3.04
6	Miss Yasinee Apitanothai	8,527,200	2.47
7	Mr. Wachira Tayanaraporn	6,500,000	1.88
8	Mrs. Prakaikam Baikaew	6,192,000	1.79

No.	Name	Number of shares	Portion of paid-up capital
9	CREDIT SUISSE AG, SINGAPORE BRANCH	5,923,800	1.71
10	Mrs. Monravee Davis	4,660,000	1.35
Total shares held by major 10 shareholders		226,338,651	65.44
Other shareholders		119,516,789	34.56
Total		345,855,440	100.00

Source: The Stock Exchange of Thailand and Information of major shareholders from Thailand Securities Depository Company Limited (TSD)

5. Financial Positions and Operating Performance

Financial position of the Company in previous 3 years and for 6-month period of 2020 is as follows:

(Unit: THB Thousand)

Financial Position Summary	2017		2018		2019		Jan – Jun 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	98,350	2.74	67,637	1.55	66,056	1.61	175,590	4.04
Temporary investments	207,559	5.78	404,666	9.28	172,868	4.22	-	-
Other current financial assets	-	-	-	-	-	-	60,000	1.38
Service income receivables:								
Related parties	267	0.01	160	0.00	501	0.01	444	0.01
Other parties	118,614	3.30	11,958	0.27	6,171	0.15	275,754	6.35
Total service income receivables	118,881	3.31	12,118	0.28	6,672	0.16	276,198	6.36
Receivables and loans to others	20,827	0.58	575,351	13.20	644,500	15.73	646,500	14.89
Other receivables	7,819	0.22	10,288	0.24	29,325	0.72	41,874	0.96
Short-term loans and advance to related parties	613	0.02	786	0.02	730	0.02	748	0.02
Leasehold rights	-	-	32,450	0.74	-	-	1,116,453	25.71
Other current assets	45,220	1.26	32,608	0.75	32,251	0.79	37,207	0.86
TOTAL CURRENT ASSETS	499,269	13.90	1,135,904	26.05	952,402	23.25	2,354,570	54.21
NON-CURRENT ASSETS								
Deposits subject to restrictions	620	0.02	625	0.01	630	0.02	632	0.01
Long-term investments - Available-for-sale securities	25,464	0.71	33,282	0.76	20,546	0.50	-	-
Other non-current financial assets	-	-	-	-	-	-	55,658	1.28
Investment in associates	1,289,494	35.90	1,684,306	38.63	1,658,748	40.49	1,647,295	37.93
Investment in subsidiaries	-	-	-	-	-	-	-	-
Long-term investments in a related party	73	0.00	72	0.00	72	0.00	-	-
Other long-term investments - General investments	28,651	0.80	28,651	0.66	28,651	0.70	-	-
Receivables and loans to others, net of current portion	238,617	6.64	1,375	0.03	-	-	-	-

Financial Position Summary	2017		2018		2019		Jan – Jun 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Premises and equipment	85,264	2.37	104,664	2.40	112,371	2.74	112,181	2.58
Right-of-use assets	-	-	-	-	-	-	3,581	0.08
Goodwill	156,920	4.37	156,920	3.60	156,920	3.83	156,920	3.61
Leasehold rights	1,259,248	35.06	1,202,068	27.57	1,144,887	27.95	-	-
Other intangible assets other than goodwill	5,404	0.15	4,938	0.11	3,631	0.09	3,514	0.08
Deferred tax assets	1,031	0.03	1,479	0.03	11,581	0.28	3,126	0.07
Other non-current assets	2,081	0.06	5,505	0.13	6,307	0.15	5,811	0.13
TOTAL NON-CURRENT ASSETS	3,092,867	86.10	3,223,885	73.95	3,144,344	76.75	1,988,718	45.79
TOTAL ASSETS	3,592,136	100.00	4,359,789	100.00	4,096,746	100.00	4,343,288	100.00
LIABILITIES AND SHAREHOLDERS' EQUITY								
CURRENT LIABILITIES								
Short-term loan from a financial institution	-	-	20,000	0.46	-	-	60,000	1.38
Deposits from customers	-	-	-	-	-	-	63,857	1.47
Short-term debentures	100,000	2.78	100,000	2.29	-	-	-	-
Current portion of long-term debentures	240,000	6.68	-	-	230,000	5.61	330,000	7.60
Current portion of lease liabilities	-	-	399	0.01	1,140	0.03	1,179	0.03
Bills of exchange	-	-	-	-	-	-	89,156	2.05
Short-term loans from related parties	-	-	-	-	-	-	-	-
Corporate income tax payable	9,745	0.27	9,222	0.21	-	-	15,648	0.36
Other current liabilities	142,772	3.97	145,037	3.33	46,506	1.14	152,795	3.52
TOTAL CURRENT LIABILITIES	492,517	13.71	274,658	6.30	277,646	6.78	712,635	16.41
NON-CURRENT LIABILITIES								
Lease liabilities	-	-	1,034	0.02	3,142	0.08	2,543	0.06
Long-term debentures, net of current portion	730,000	20.32	1,170,000	26.84	1,040,000	25.39	840,000	19.34
Deposits from customers	66,625	1.85	65,069	1.49	64,037	1.56	-	-
Provision for post-employment benefits	23,314	0.65	26,542	0.61	36,486	0.89	37,783	0.87
TOTAL NON-CURRENT LIABILITIES	819,939	22.83	1,262,645	28.96	1,143,665	27.92	880,326	20.27
TOTAL LIABILITIES	1,312,456	36.54	1,537,303	35.26	1,421,311	34.69	1,592,961	36.68
SHAREHOLDERS' EQUITY								
Share capital:								
Authorized share capital	1,235,198	34.39	1,729,277	39.66	1,729,277	42.21	1,729,277	39.81
Paid-up share capital	1,235,198	34.39	1,729,277	39.66	1,729,277	42.21	1,729,277	39.81
Premium on ordinary shares	208,455	5.80	208,455	4.78	208,455	5.09	208,455	4.80
Retained earnings:								
Legal reserve	40,000	1.11	45,000	1.03	49,000	1.20	49,000	1.13
Unappropriated	1,112,045	30.96	1,133,218	25.99	991,033	24.19	1,065,704	24.54
Other components of shareholders' equity	(316,018)	(8.80)	(293,464)	(6.73)	(302,330)	(7.38)	(302,109)	(6.96)
TOTAL SHAREHOLDERS' EQUITY	2,279,680	63.46	2,822,486	64.74	2,675,435	65.31	2,750,327	63.32
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,592,136	100.00	4,359,789	100.00	4,096,746	100.00	4,343,288	100.00

Source: Consolidated financial statement of Finansa Public Company Limited

Statement of profit or loss of the Company in previous 3 years and for 6-month period of 2020 is as follows:

(Unit: THB Thousand)

Operating Performance Summary	2017		2018		2019		Jan – Jun 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
REVENUES								
Revenues from investment, advisory and management business	28,807	5.97	38,254	7.33	38,968	12.76	10,764	3.06
Revenues from securities business	245,325	50.84	299,608	57.42	63,662	20.84	238,688	67.85
Revenues from warehouse and factory leasing business	180,795	37.47	179,854	34.47	176,407	57.76	90,518	25.73
Gain from dissolution of a subsidiary	-	-	-	-	-	-	3,181	0.90
Other income	27,603	5.72	4,079	0.78	26,400	8.64	8,652	2.46
Total Revenues	482,530	100.00	521,795	100.00	305,437	100.00	351,803	100.00
COSTS AND EXPENSES								
Finance costs	52,508	10.88	53,702	10.29	64,263	21.04	31,438	8.94
Investment, advisory and management business costs and expenses	38,793	8.04	33,039	6.33	41,971	13.74	15,959	4.54
Securities business costs and expenses	108,680	22.52	135,658	26.00	83,113	27.21	92,341	26.25
Warehouse and factory leasing business costs and expenses	90,149	18.68	92,445	17.72	95,184	31.16	48,229	13.71
Servicing and administrative expenses	43,038	8.92	47,854	9.17	42,703	13.98	35,696	10.15
Impairment loss on investment	23,753	4.92	22,625	4.34	26,832	8.78	-	-
Director and management remuneration	49,315	10.22	79,563	15.25	36,224	11.86	17,413	4.95
Total Costs and Expenses	406,236	84.19	464,886	89.09	390,290	127.78	241,076	68.53
PROFIT (LOSS) FROM OPERATING ACTIVITIES	76,294	15.81	56,909	10.91	(84,853)	(27.78)	110,727	31.47
Share of profit (loss) from associates	74,949	15.53	27,659	5.30	(7,095)	(2.32)	(11,639)	(3.31)
PROFIT (LOSS) BEFORE INCOME TAX EXPENSE	151,243	31.34	84,568	16.21	(91,948)	(30.10)	99,088	28.17
INCOME TAX - INCOME (EXPENSE)	(18,940)	(3.93)	(20,501)	(3.93)	9,366	3.07	(24,417)	(6.94)
NET PROFIT (LOSS) FOR THE PERIODS	132,303	27.42	64,067	12.28	(82,582)	(27.04)	74,671	21.23

Source: Consolidated financial statement of Finansa Public Company Limited

Statement of cash flows of the Company during past 3 years and six months period of 2020 is as follows:

(Unit: THB Thousand)

List	2017	2018	2019	Jan – Jun 2020
Net cash provided by (used in) operating activities	220,802	(270,498)	72,178	66,229
Net cash provided by (used in) investing activities	56,622	(434,853)	26,746	(10,406)
Net cash provided by (used in) financing activities	(224,703)	676,771	(72,601)	48,370
Net increase in cash and cash equivalents before effect of exchange rate	52,721	(28,580)	26,323	104,193
Differences on translation of financial statements	(36,919)	(2,133)	(27,904)	5,341
Net increase (decrease) in cash and cash equivalents	15,802	(30,713)	(1,581)	109,534
Cash and cash equivalents as at period end	98,350	67,637	66,056	175,590

Source: Consolidated financial statement of Finansia Public Company Limited

Financial ratio of the Company in previous 3 years and for 6-month period of 2020 is as follows:

Financial Ratio	Unit	2017	2018	2019	Jan – Jun 2020
Liquidity Ratio					
Current Ratio	Times	1.01	4.14	3.43	3.30
Quick Ratio	Times	0.66	3.81	3.18	1.15
Cash Flow Current Ratio	Times	0.45	(0.71)	0.26	0.13
Profitability Ratio					
Operating Profit Margin	Percent	26.69	21.20	(6.74)	40.41
Cash to Profit Margin	Percent	289.41	(475.32)	(85.06)	59.81
Net Profit Margin	Percent	27.42	12.28	(27.04)	21.23
Return on Equity	Percent	5.80	2.51	(3.00)	2.75
Efficiency Ratio					
Return on Asset	Percent	3.68	1.61	(1.95)	1.77
Asset Turnover	Times	13.43	13.12	7.22	8.34
Leverage Ratio or Financial Ratio					
Debt to Equity Ratio	Times	0.58	0.54	0.53	0.58
Interest Coverage Ratio	Times	3.88	2.57	(0.43)	4.15

Source: Calculated by IFA

Operating Performance and Financial Position Analysis

1. Operating Performance

For 6-month period of 2020

For the six-month period of 2020, the consolidated financial results of the Company and subsidiaries showed a net profit of THB 74.7 million, an increase of THB 78.0 million or 2,333% compared with a net loss of THB 3.3 million recorded last year.

Total revenues were THB 351.8 million, increasing by THB 198.1 million or 129% from last year. Major revenues comprised 1) THB 10.8 million from investment, advisory and management business, decreasing by THB 9.0 million or 46%, 2) THB 238.7 million from the securities business, increasing by THB 209.1 million or 708% and 3) THB 90.5 million from the warehouse and factory leasing business, increasing by THB 2.2 million or 2%. In addition, other income was THB 8.7 million, decreasing by THB 7.4 million.

Total costs and expenses were THB 241.1 million, increasing by THB 53.8 million or 29%. Major costs and expenses were 1) THB 92.3 million from the securities business, increasing by THB 45.7 million resulted from the completed financial advisory and lead underwriting deal and service, and 2) administrative expenses totaled THB 35.7 million, an increase of THB 14.7 million or 70%.

For year 2019

For the year ended 31 December 2019, the consolidated financial results of Finansa Public Company Limited and its subsidiaries showed a net loss of THB 82.6 million or a net loss of THB 0.24 per share, a decrease in its financial performance of THB 146.7 million or 229% compared with a net profit of THB 64.1 million or THB 0.25 per share recorded in 2018.

The significant item causing a net operating loss was a decline in total revenues from THB 521.8 million in 2018 to THB 305.4 million in 2019, representing a decrease of THB 216.4 million or 41%. The major revenues were comprised of 1) Revenues from investment, advisory and management businesses totaled THB 38.9 million, a 2% increase from 2018, 2) Revenues from securities businesses totaled THB 63.7 million, a decrease of THB 235.9 million or 79%, from a slowdown in the advisory business in 2019. Several advisory deals and one large underwriting deal were completed in 2018, and 3) Revenues from the warehouse and factory leasing business totaled THB 176.4 million, a 2% decrease from 2018. Other revenues totaled THB 26.4 million, an increase of THB 22.3 million from unrealised gains on the exchange rate on THB assets and liabilities of a foreign subsidiary.

Total costs and expenses were THB 390.3 million, a decrease of THB 74.6 million or 16% from 2018. The major changes in costs and expenses were 1) financing costs totaling THB 64.3 million, an increase of THB 10.6 million or 20% from an increase in long-term debentures, 2) Investment, advisory and management business costs and expenses totaled THB 42 million, an increase of THB 9 million or 27% from additional employee benefit expenses based on the new labor law, 3) Securities business costs and expenses totaled THB 83.1 million, a decrease of THB 52.6 million or 39% following a decrease in revenues and 4) Directors and management remuneration totaled THB 36.2 million, a decrease of THB 43.4 million or 55% following the securities business performance. Other costs and expenses were changed slightly.

The Company and its subsidiaries also recognised a share of loss from investments in associates totaling THB 7.1 million, a decreased of THB 34.8 million or 126% following the operating results of associated companies. Income tax - income totaled THB 9.4 million, as compared with an income tax - expense of THB 20.5 million in 2018 from an operating loss of a securities business subsidiary.

2. Profitability Ratios

For 6-month period of 2020

For the six-month period of 2020, Finansa recorded a net profit of THB 74.7 million, compared with a net loss of THB 3.3 million in 2019. Net profit to total income of the group was 21.23%, compared to -2.18% in 2019

For year 2019

In 2019, Finansa recorded a net loss of THB 82.6 million or a basic loss per share of THB 0.24, compared with a net profit of THB 64.1 million or basic earnings per share of THB 0.25 in 2018. Net profit to total income of the group was -27%, compared to 12.3% in 2018 as a result of a drop in total revenues. Total costs and

expenses also declined, however, at a lesser percentage than the total revenues. In addition, a significant change from profit sharing to loss sharing came from a net operating loss of Finansia Syrus Securities Plc. The return on average assets was -2.0% and return on average equity was -3.0%, compared to those of 2018 which were 1.6% and 2.5%, respectively.

3. Financial Position

For 6-month period of 2020

As of 30 June 2020, the Company and its subsidiaries had total assets of THB 4,343.3 million, an increase of THB 246.5 million or 6% from year-end 2019. The main components of these assets were THB 2,354.5 million of current assets and THB 1,988.7 million of non-current assets representing 54% and 46% of total assets, respectively.

For year 2019

As of 31 December 2019, the Company and its subsidiaries had total assets of THB 4,096.7 million, a decrease of THB 263.1 million or 6% from year-end 2018. The main components of these assets were THB 952.4 million of current assets and THB 3,144.3 million of non-current assets representing 23% and 77% of total assets, respectively. The main items and/or items showing significant changes from those of year-end 2018 were as follows.

- Cash and cash equivalents stood at THB 66.1 million (2% of total assets), a decrease of THB 1.6 million or 2% from 2018.
- Total investments stood at THB 222.1 million (5% of total assets), a fall of THB 244.5 million or 52%. Almost all of the decrease came from redemptions of investments in domestic money market funds of high liquidity and low investment risk and were used to invest in an exchangeable loan to a company with a convertible option to exchange into common shares as well as working capital.
- Receivables and loans to others stood at THB 644.5 million (16% of total assets), an increase of THB 69.1 million or 12% from additional investment in an exchangeable loan to a company with a convertible option to exchange into common shares of the company and short-term loan to another company.
- Investment in associates stood at THB 1,658.7 million (40% of total assets), a decrease of THB 25.6 million or 2%. The changes reflected the recorded share of profit/loss and dividends received from associates.
- Goodwill stood at THB 156.9 million (4% of total assets), no change from that of year-end 2018. The Company and its subsidiaries test for impairment of goodwill annually.

- Leasehold rights, stood at THB 1,144.9 million (28% of total assets), a decrease of THB 57.2 million or 5% from year-end 2018 from amortization according to the lease period.

During the year, a subsidiary disposed of all of its investment in a Digital Token and received a full payment.

4. Liquidity

Cash and cash equivalents of the Company and its subsidiaries as at year-end 2019 totalled THB 66.1 million, representing a decrease of THB 1.6 million or 2% from year-end 2018 with the following movements.

- Net cash provided by operating activities totalled THB 72.2 million, resulting from cash flows from operating activities after adjustments of THB 74.2 million and changes in key operating assets and liabilities, i.e. temporary investments (-THB 232.8 million), receivables and loans to others (+THB 67.7 million), other current liabilities (-THB 98.6 million), interest paid (-THB 64 million), cash received from refundable income tax (+THB 9.7 million) and income tax paid (-THB 9.6 million).
- Net cash provided by investing activities totalled THB 26.7 million, comprising mainly cash received from the Digital Token (+THB 33.2 million), distribution from investments (+THB 10 million), dividends received (+THB 12.5 million), cash paid for other long-term investments (-THB 11.4 million) and cash paid for acquisition of fixed assets and intangible assets (-THB 17.4 million).
- Net cash used in financing activities totalled THB 72.6 million, resulting from cash paid for a loan and short-term debentures (-THB 120 million), cash paid for dividends (-THB 51.9 million) and cash received from debentures issued (+THB 100 million).

The current liquidity ratio (current assets/current liabilities) of the Group as of 31 December 2019 was 3.43, fell slightly from 4.14 at year-end 2018. This was due to a decline in its temporary investment versus an increase in the current portion of long-term debentures.

As of 31 December 2019, Finansa had an interest coverage ratio of 2.28 and a debt service coverage ratio (cash basis) of 0.36, compared to -3.71 and -0.54, respectively, in 2018. Both ratios were positive compared to negative ratios in 2018, reflecting positive net cash provided by operating activities.

The Group has applied a collective liquidity management policy with regard to intercompany loans and borrowings. Under the management of the Group Risk Management Committee, the liquidity gap is calculated to assess its capital and liquidity adequacy. Credit line facilities are reserved, in case the market situation does not allow short-term debt securities issuance, while liquid assets are maintained at an adequate amount. The Board of Directors assigned the Managing Director to set an internal policy to control debt securities issuance and to report the issued amount and outstanding amount to the Board of Directors in the quarterly meeting.

Finansa Securities Ltd., a subsidiary, has to maintain its liquidity ratio in accordance with the SEC's net capital rule (NCR). As of 31 December 2019, the subsidiary's NCR was 320.28%, which is higher than the minimum 7% requirement set by the SEC.

5. Sources of Fund

Liabilities

As of 31 December 2019, the total liabilities of the Group were THB 1,421.3 million, a decrease of THB 116 million or 8% from that of year-end 2018, of which 20% were current liabilities. The main items and/or items showing significant changes from those of year-end 2018 were as follows.

- Short-term debentures fell 100% to none at year-end 2018.
- Long-term debentures totaled THB 1,270 million (89% of total liabilities), an increase of THB 100 million or 9% from issuance of new debentures. The current portion of these long-term debentures was THB 230 million.
- Other current liabilities totaled THB 46.5 million (3% of total liabilities), a fall of THB 98.5 million or 68%. Major changes came from a drop in accrued bonus from THB 92.6 million at year-end 2018 to THB 15.6 million at year-end 2019 following operating performance of a subsidiary.

Short-term debentures pay interest at maturity while long-term debentures pay interest on a quarterly basis. The Company complies with the terms and conditions of these debentures. See details of short-term and long-term debentures in the Shareholder Structure and Management section.

Shareholders' Equity

At year-end 2019, the Company's equity in the consolidated financial statements was THB 2,675.4 million, a decrease of THB 147.1 million or 5% from 2018. Changes in equity came from a net operating loss for the year of THB 82.6 million and a dividend payment of THB 0.15 per share, totaling THB 51.9 million. The book value at year-end 2019 was THB 7.74 per share, compared to THB 8.16 per share at year-end 2018.

As of 31 December 2019, the Company's registered and paid up capital stood at THB 1,729.3 million while the legal reserve was THB 49 million or 2.8% of registered capital.

Commitments and Contingent Liabilities

From the audited financial statements of the Company and its subsidiaries, there were no commitments or contingent liabilities as at 31 December 2019.

6. Capital Structure

As of 31 December 2019, the Group's capital structure was comprised of THB 1,421.3 million in liabilities and THB 2,675.4 million in equity, resulting in a debt to equity ratio of 0.53 compared to a ratio of 0.54 the previous year. The capital structure is considered to be appropriate and the debt to equity ratio is considered low.

This indicates that the Group's capital came less from borrowing than from equity, yielding a lower risk of inability to pay debt obligations. The major sources of funds were long-term debentures issued by the Company. The major uses of funds were repayment of maturing short-term debentures, additional investment in an exchangeable loan to a company with a convertible option to exchange into common shares of the company and on-lending to another group company.

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Attachment 2

Company Information and Operating Results

of

M.K. Real Estate Development Public Company Limited

Source: 56-1 of M.K. Real Estate Development Public Company Limited

1. General Information

Company Name : M.K. Real Estate Development Public Company Limited (“The Business” or “MK”)

Type of Business : Develop property for sale and rent, and provide related services

Registration Number : 0107536001567

Website : www.mk.co.th

Head Office Address : 6th – 8th Floor, 345 Surawong Building, No. 345, Surawong Road
Kwaeng Suriyawong, Khet BangRak, Bangkok, 10500

Telephone : (02) 234-8888

Fax : (02) 234-8880

Registered Capital : THB 1,117,211,195

Divided into 1,117,211,195 common shares with a par value of THB 1 per share

Paid-up Capital : THB 1,091,205,066

Divided into 1,091,205,066 common shares with a par value of THB 1 per share

2. Nature of Business

2.1 Primary Business History and Development

M.K. Real Estate Development Public Company Limited (“the Business” or “MK”) is engaged in the development of residential property for sale and for rent. It has been in business for over 60 consecutive years.

MK was established in 1956 with registered capital of 8 million baht, under the name “Munkongsathapat General Partnership” Initially, MK’s business objective was to obtain construction contracts to build various types of buildings. Five years later, its business expanded to buildings and land, in addition to construction. In 1968, Chor Munkong Trading Limited Partnership was M.K. REAL ESTATE DEVELOPMENT PLC. separately established, to engage in the retail and wholesale of construction materials. Then, in 1977, MK developed its first housing estate under the name “Chuan Chuen Community” on Pracha Chuen Road. This business grew gradually as its products were warmly welcomed by the public, and consequently MK became fully engaged in real estate development in 1981. Subsequently, MK became the first real estate developer to be listed in the Thailand Stock Exchange in 1990. It registered a change of company type to public limited company in 1993, and in 1994 MK began to operate property for rent and related services, by developing Chuan Chuen Golf Club. In 2005, it launched new single-detached houses under the Chuan Chuen and Serene House brands. Up until now, it has developed more than 70 housing estates for sale throughout the Bangkok Metropolitan Region

Significant Development of MK in the Past 3 Years

Year	Event
2017	<ol style="list-style-type: none">On 19 January 2017 and 30 March 2017, TPARK BFTZ Company Limited (“TPARK”), an indirectly associated company of MK (through Prospect Development Company Limited (“Prospect”), a wholly owned subsidiary of MK, which invested by acquiring 40% of the registered shares of TPARK), increased its registered capital from 1 million baht to 50 million baht and 350 million baht, respectively. The newly issued shares were allocated to the existing shareholders proportionate to their respective shareholdings. Prospect, as one of TPARK’s shareholders, increased its shareholding percentage accordingly, and has fully paid the newly issued shares.On 18 May 2017, MK sold all of its 40.64% interest in the issued and paid-up share capital of Samakkee Cement Co., Ltd. and 36.07% interest in the issued and paid-up share capital of Subnorasing Co., Ltd., its associates, to Buntudthong Pattana Co., Ltd.,(a subsidiary), for a consideration of Baht 81.30 million and Baht 0.01 million, respectively.On 5 June 2017, MK restructured its investment for the purpose of merging its subsidiaries, by acquiring all the shares in Park Court Company (an indirect subsidiary) from S 71 Holding Company Limited (a subsidiary). As a result, Park Court Company Limited became MK’s direct subsidiary.On 7 August 2017, a meeting of the Board of Directors of Yours Property Management Company Limited (“Yours Property”), which is a subsidiary of MK, the Board of Yours Property approved to call-up its

Year	Event
	<p>ordinary shares of Baht 20 per share, amounting to Baht 1 million. MK paid-for a consideration to the subsidiary.</p> <p>5. On 1 September 2017, Park Court Company Limited, T 77 Park Company Limited, and M.K. 71 Company Limited, which are MK's subsidiaries, registered a merger under the name "Munkong Living Company Limited."</p> <p>6. On 26 September 2017, the Board of Directors' meeting No. 5/2017 passed the following resolutions:</p> <ul style="list-style-type: none"> - The meeting approved to purchase 10% of the issued and paid-up share capital of S71 Holding Co., Ltd., a direct subsidiary, from the other party in the amount of Baht 110 million. As a result, MK's equity interest in S71 Holding Co., Ltd. increased from 90% to 100%. - The meeting approved to sell its 9.98% of the issued and paid-up share capital of Munkong Living Co., Ltd., a direct subsidiary, to the other party amounting to Baht 100 million. As a result, MK's equity interest in Munkong Living Co., Ltd. decreased from 100% to 90.02%. <p>7. On 28 September 2017, Buntudthong Pattana Company Limited ("Buntudthong Pattana"), a subsidiary of MK, increased its registered capital from 1 million baht to 637 million baht. The capital increase was achieved by issuing an additional 6,360,000 ordinary shares at the par value of 100 baht, and has been registered with the Department of Business Development, the Ministry of Commerce.</p> <p>8. On 6 November 2017 and 15 December 2017, S 71 Holding Company Limited ("S 71 Holding"), a subsidiary of MK, reduced its registered capital twice, from 1,100 million baht to 100 million baht. The capital reduction was achieved with a reduction of 10,000,000 ordinary shares, and has been registered with the Department of Business Development, the Ministry of Commerce.</p> <p>9. On 19 December 2017, the Board of Directors' meeting No. 9/2017 approved to enter into the land lease agreement with a third party for a period of 30 years from 1 November 2018 ending 31 October 2048. MK agreed to pay land sublease compensation to the third party amounting to Baht 347.8 million.</p>
2018	<p>1. On 12 February 2018, the meeting of the Executive Committee No. 2/2018 passed the following resolutions:</p> <ul style="list-style-type: none"> - The meeting approved Buntudthong Pattana Co.,Ltd., a subsidiary, sold all of its 40.64% interest in the issued and paid-up share capital of Samakkee Cement Co., Ltd. and 36.07% interest in the issued and paid-up share capital of Subnorasing Co., Ltd., its associates, to S71 Holding Co.,Ltd., a subsidiary, for a consideration of Baht 81.30 million and Baht 0.01 million, respectively. - The meeting approved to invest in Munkong Living Co., Ltd. by purchasing of 9.98% of the issued and paid-up share capital from third party, totaling Baht 100 million. As a result, MK's equity interest in Munkong Living Co., Ltd. increased from 90.02% to 100%. <p>2. On 20 March 2018, MK invested in Munkong Life Co., Ltd., a new entity and a property developer, at 100% of ownership interest, totaling Baht 1 million. MK has paid the share capital to the subsidiary.</p> <p>3. On 26 June 2018, the extraordinary general meeting of the shareholders of Munkong Life Co., Ltd., a direct subsidiary, the shareholders approved to increase its authorised share capital from Baht 1 million to Baht 1,500 million by issuing of 14.99 million ordinary shares with a par value of Baht 100 per share to the</p>

Year	Event
	<p>existing shareholders. MK has fully paid the share capital.</p> <ol style="list-style-type: none"> 4. On 28 June 2018 and 16 October 2018, MK invested in Mancon Company Limited, a direct subsidiary, by purchasing of 4.50% of the issued and paid-up share capital from third party, totaling Baht 6.93 million. As a result, MK's equity interest in Mancon Company Limited increased from 95.50% to 100.00%. 5. On 29 October 2018, the extraordinary general meeting of the shareholders of Munkong Life Co., Ltd., a direct subsidiary, the shareholders approved to increase its authorised share capital from Baht 1,500 million to Baht 2,600 million by issuing of 11 million ordinary shares with a par value of Baht 100 per share to the existing shareholders and called-up for 100% of its par value of the increased share capital. MK has fully paid the share capital. 6. On 6 November 2018, MK sold its 100% of the issued and paid-up share capital of Buntudthong Pattana Co., Ltd., a direct subsidiary, and MK agreed to sell right of claim in accrued interest from the subsidiary to the third party for a consideration of Baht 660 million. 7. On 26 November 2018, MK had incorporated a new subsidiary company named "MKH Assets Co., Ltd." with registered capital amount at Baht 1,000,000,000, divided into 1,000,000 ordinary shares with a par value of Baht 100. The subsidiary called-up for 25% of its par value. MK has paid the share capital amounting to Baht 25 million. 8. On 26 November 2018, the Board of Directors' meeting of MKH Assets Co., Ltd., a direct subsidiary, approved to purchase the increased share capital of Cmeago Joint Stock Company, incorporated in Vietnam, by purchasing 6,000 ordinary shares, at 4.76% of ownership interest for a consideration of USD 1,000,000. Subsequently on 9 January 2019, the subsidiary has partially paid the share capital amounting to Baht 9.63 million.
2019	<ol style="list-style-type: none"> 1. On 28 January 2019, MK had incorporated a new subsidiary company named "Health and Wellness Village Co., Ltd." to operate Medical, Health and Wellness, with registered capital amount at Baht 1,000,000, divided into 10,000 ordinary shares with a par value of 100 Baht each. 2. On 12 March 2019, a meeting of the Board of Directors of MKH Assets Co., Ltd ("MKH Assets"), which is a subsidiary of MK, the Board of MKH Assets approved to additional call-up for 10% of its par value of the share capital. MK has paid the share capital amounting to Baht 10 million. 3. On 25 April 2019, the Annual General Meeting (AGM) of MK's shareholders passed the following resolutions: <ul style="list-style-type: none"> - The AGM approved the issuance and offering of the ordinary share-purchase warrants to the directors, executives and employees of MK and its Subsidiaries No.1 (MK-WA) in the amount of not exceeding 26,000,000 units - The AGM approved to increase in registered capital of MK to facilitate the dividend payment and Employee Stock Option Plan for the directors, executives and employees of MK and its subsidiaries No.1 (MK-WA) by increase its registered capital by Baht 125.20 million from the existing registered capital of Baht 992.01 million to Baht 1,117.21 million by issuing newly 125.20 million ordinary shares with the par value of Baht 1 per share.

Year	Event
	<p>4. On 1 May 2019, Frasers Property BFTZ Co., Ltd. (formerly TPark BFTZ Co., Ltd.), a joint venture, increased its registered share capital from Baht 350 million to Baht 700 million by issue of 35 million ordinary shares with par value of Baht 10 per share to the shareholders by existing proportion and called-up for 25% of its par value of the increased share capital. The Group paid the share capital for a consideration of Baht 35 million. Subsequently, on 17 July 2019 and 26 August 2019, Frasers Property BFTZ Co., Ltd. additional called-up for 35% and 10% of the increased share capital, respectively. The Group has paid the share capital totalling Baht 63 million.</p> <p>5. On 14 May 2019, MK has completed the registration of the increase of registered share capital amount from the registered share capital of Baht 992,010,177 to Baht 1,117,211,195 by issuing 125,201,018 ordinary shares with par value of Baht 1 per share, as submitted to the Department of Business Development, Ministry of Commerce.</p> <p>6. On 24 May 2019, MK has completed the registration of change of the paid-up capital from the existing amount of Baht 992,010,177 to Baht 1,091,205,066 as submitted to the Department of Business Development, Ministry of Commerce.</p> <p>7. On 20 August 2019, the Board of Directors' meeting of MK approved to amend the land lease agreement with the lessor by extension a period of 30 years to 35 years 6 months from 1 November 2018 to 30 April 2054. MK paid compensation for the amendment of land lease agreement amounting to Baht 30 million.</p> <p>8. On 15 October 2019, Frasers Property BFTZ Co., Ltd. (formerly TPark BFTZ Co., Ltd.), a joint venture, increased its registered share capital from Baht 700 million to Baht 803 million by issuing of 10.30 million ordinary shares with a par value of Baht 10 per share to the shareholders by existing proportion and called-up for 35% of its par value of the increased share capital. The Group paid the share capital for a consideration of Baht 14.42 million.</p> <p>9. On 18 October 2019, the extraordinary general meeting of shareholders of S71 Holding Co., Ltd., a direct subsidiary, the shareholders approved to change of the subsidiary's name to "RX Wellness Co., Ltd." and amend the subsidiary's business objective related to Health and Wellness in Memorandum of Association. The subsidiary registered the changing name and amendment of business objective with the Ministry of Commerce on 22 October 2019.</p> <p>10. On 29 November 2019, MK had incorporated an indirect subsidiary company named "Prospect Reit Management Co., Ltd." to operate REIT Manager for property investment. Prospect Development Co., Ltd., (a 100 percent direct subsidiary of MK) holding 100 percent with registered capital amount at Baht 10,000,000, divided into 100,000 ordinary shares with a par value of 100 Baht. Prospect Development Co., Ltd., has already paid the share capital of Prospect Reit Management Co., Ltd.</p> <p>11. On 19 December 2019, Health and Wellness Village Co., Ltd., (a subsidiary) increased its registered share capital from Baht 1 million to Baht 10 million by issuing of 90,000 ordinary shares with a par value of Baht 100 per share and called-up for 25% of its par value of the increased share capital. MK paid the share capital for a consideration of Baht 2.25 million.</p> <p>12. On 24 December 2019, Prospect Development Co., Ltd., (a subsidiary) increased its authorized share</p>

Year	Event
	<p>capital from Baht 1,200 million to Baht 2,260 million by issuing of 106 million ordinary shares with a par value of Baht 10 per share amounting to Baht 1,060 million. The subsidiary received the share capital for a consideration by transferring the share capital of Munkong Living Co., Ltd., a direct subsidiary, at net book value 1,002 million. As a result, Munkong Living Co., Ltd. became MK's indirect subsidiary. MK recognised gain on disposal of investment in a subsidiary of Baht 58 million in the separate statement of comprehensive income. However, the consolidated financial statements had not been effected.</p>

Source: Annual report of M.K. Real Estate Development Public Company Limited

2.2 Business Operations

MK is engaged in property development, which consists of (1) property development for sale, which is MK's main business (the principal source of income from this business is sale of residential property), and (2) property development for rent and related services.

1. Property Development for Sale

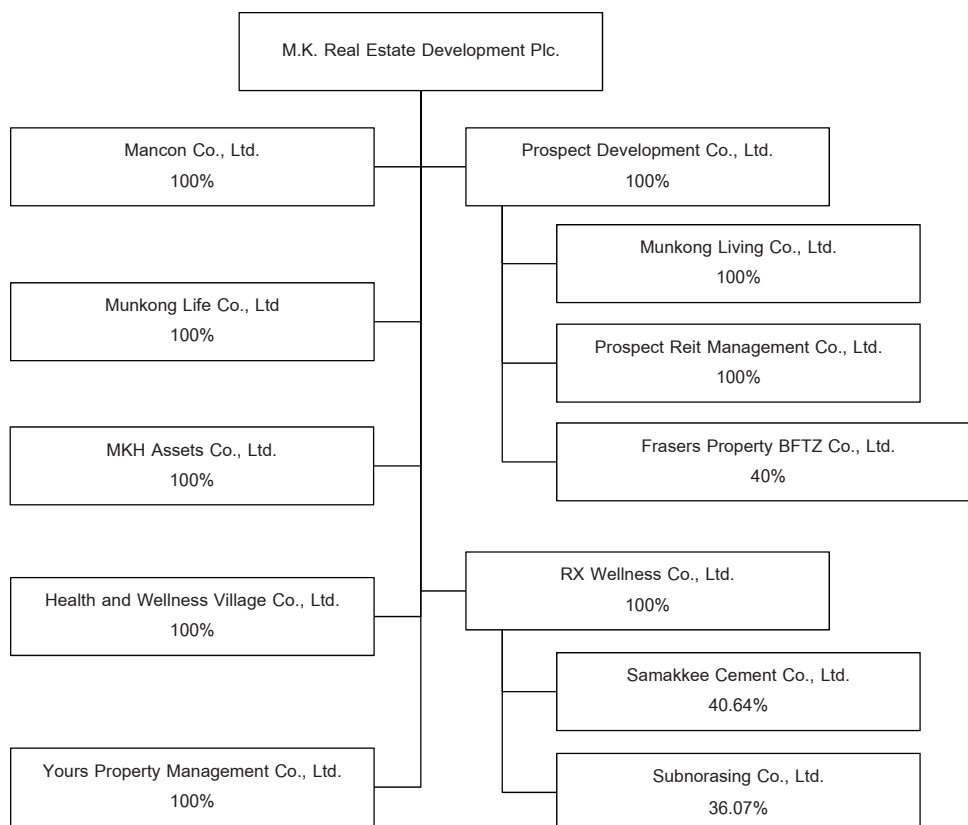
Since 1977, MK has developed over 70 residential property projects for sale in Bangkok and the vicinity under the current "ChuanChuen" and "Serene House" brands.

2. Property development for rent and related services

MK is engaged in property development for rent and related services, in order to generate rent and service fees as long-term, recurring income. At present, this income comes from a number of sources, such as warehouses and manufacturing factories for rent, office space for rent, golf course, and apartments for rent.

2.3 The Shareholding Structure

MK is engaged in the development of residential property for sale, focusing on horizontal projects, and the development of property for rent and related services. MK's shareholdings in other companies are as follows:



Source: 56-1 of M.K. Real Estate Development Public Company Limited

2.4 Revenue Structure

Total revenue structures of the business group in previous 3 years and for 6-month period of 2020 are illustrated as follow:

(Unit:: THB Thousand)

Revenue Structure	2017		2018		2019		Jan – Jun 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenue								
Revenue from sale of real estate	2,765,321	84.71	4,152,925	88.11	3,936,766	85.53	1,208,516	78.21
Revenue from rental and rendering of services	195,894	6.00	252,137	5.35	341,188	7.41	218,372	14.13
Revenue from golf services	81,268	2.49	109,249	2.32	119,769	2.60	42,236	2.73
Revenue from management of real estate	22,013	0.67	32,496	0.69	40,388	0.88	17,845	1.15
Revenue from health and wellness	-	-	-	-	-	-	144	0.01
Other income	199,870	6.12	166,331	3.53	164,575	3.58	58,119	3.76
Total revenues	3,264,365	100.00	4,713,138	100.00	4,602,686	100.00	1,545,232	100.00

Source: Consolidated financial statement of M.K. Real Estate Development Public Company Limited

3. Board of Directors

On the date 25 September 2020, the board of directors of MK consists of 9 persons, including:

No.	Name	Position
1	Mr. Suthep Wongvorazethe	Chairman
2	Mr. Vorasit Pokachaiyapat	Chief Executive Officer / Managing Director / Director
3	Miss Dusadee Tancharoen	Managing Director / Director
4	Mrs. Sutida Suriyodorn	Director
5	Miss Rachanee Mahatdetkul	Director
6	Mr. Att Tongyai Asavanund	Independent Director / Chairman of the Audit Committee
7	Mr. Chaiyapont Timsootheepant	Independent Director / Audit Committee
8	Mrs. Malai Rachataswan	Independent Director / Audit Committee
9	Mr. Theraphan Jittalarn	Independent Director / Audit Committee

Source: The Stock Exchange of Thailand and Company affidavit of M.K. Real Estate Development Public Company Limited

Pursuant to the letter of affidavit of MK, the Authorized Signatories Directors of MK are Mr. Suthep Wongvorazethe, Mr. Vorasit Pokachaiyapat, Mrs. Sutida Suriyodorn, Miss Rachanee Mahatdetkul, and Miss Dusadee Tancharoen, in which two out of these five directors jointly affix their signatures together with the corporate seal.

4. Shareholders

List of major shareholders of Finansa Public Company Limited as of 31 March 2020 are as follows:

No.	Name	Number of shares	Portion of paid-up capital
1	FINANSA PUBLIC COMPANY LIMITED	205,127,018	18.80
2	Mr. Prateep Tangmatitham	133,359,982	12.22
3	CPD ASSET COMPANY LIMITED	60,492,171	5.54
4	CPD HOLDING COMPANY LIMITED	60,000,000	5.50
5	EMINENT EXPERT LIMITED	54,362,000	4.98
6	WISDOM LEADER VENTURES LIMITED	52,171,368	4.78
7	SUPALAI PROPERTY MANAGEMENT CO.,LTD.	43,876,920	4.02
8	Dr. Aurchat Kanjanapitak	30,764,140	2.82
9	BCH PROPERTY COMPANY LIMITED	26,829,270	2.46
10	Miss Piyasri Tantiwattana	24,548,970	2.25
Total shares held by major 10 shareholders		691,531,839	63.37
Other shareholders		399,673,227	36.63
Total		1,091,205,066	100.00

Source: The Stock Exchange of Thailand

5. Financial Positions and Operating Performance

Financial position of MK in previous 3 years and for 6-month period of 2020 is as follows:

(Unit: THB Thousand)

Financial Position Summary	2017		2018		2019		Jan – Jun 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current assets								
Cash and cash equivalents	103,567	0.73	88,017	0.56	107,418	0.64	234,737	1.33
Other current financial assets	345,568	2.44	-	-	934,768	5.60	298,027	1.69
Trade receivables	15,258	0.11	12,358	0.08	20,641	0.12	37,286	0.21
Short-term loans to related parties	-	-	-	-	-	-	-	-
Short-term loans to other parties	95,000	0.67	111,267	0.71	100,000	0.60	85,000	0.48
Real estate projects under development	8,799,819	62.06	6,607,910	42.02	5,638,900	33.75	5,326,608	30.26
Deposits for purchase of land	81,500	0.57	76,300	0.49	33,561	0.20	41,088	0.23
Other current assets	73,787	0.52	41,592	0.26	71,772	0.43	123,165	0.70
Total current assets	9,514,500	67.10	6,937,445	44.11	6,907,060	41.34	6,145,911	34.91
Non-current assets								
Deposits pledged as collateral	4,880	0.03	4,921	0.03	4,650	0.03	4,650	0.03
Investments in associates	64,762	0.46	38,785	0.25	12,998	0.08	-	-
Investments in joint venture	140,029	0.99	142,102	0.90	256,246	1.53	262,292	1.49
Other non-current financial assets	10,126	0.07	10,126	0.06	42,143	0.25	42,143	0.24
Land held for development	1,141,411	8.05	541,411	3.44	525,416	3.14	525,416	2.98
Investment properties	408,131	2.88	2,134,635	13.57	2,119,111	12.68	5,530,043	31.41
Property, plant and equipment	925,640	6.53	3,660,054	23.27	4,291,729	25.69	4,851,663	27.56
Leasehold rights	1,883,979	13.29	2,084,440	13.25	2,368,871	14.18	-	-
Intangible assets	5,468	0.04	12,859	0.08	14,364	0.09	20,211	0.11
Deferred tax assets	35,181	0.25	34,801	0.22	30,933	0.19	28,200	0.16
Other non-current assets	45,729	0.32	125,188	0.80	133,331	0.80	193,784	1.10
Total non-current assets	4,665,335	32.90	8,789,321	55.89	9,799,792	58.66	11,458,402	65.09
Total assets	14,179,835	100.00	15,726,766	100.00	16,706,852	100.00	17,604,313	100.00
Liabilities and equity								
Current liabilities								
Short-term borrowings from financial institutions	630,000	4.44	630,000	4.01	736,163	4.41	745,527	4.23
Trade and other current payables	98,393	0.69	228,373	1.45	322,007	1.93	315,170	1.79
Current portion of long-term borrowings	88,010	0.62	275,119	1.75	146,351	0.88	228,579	1.30
Short-term debentures	129,806	0.92	658,268	4.19	249,814	1.50	498,828	2.83
Current portion of long-term debentures	1,325,000	9.34	686,164	4.36	1,153,528	6.90	2,374,333	13.49
Short-term loans from related parties	-	-	-	-	-	-	-	-
Short-term loans from other parties	293,149	2.07	352,425	2.24	638,715	3.82	585,961	3.33
Current portion of lease liabilities	1,115	0.01	1,454	0.01	1,510	0.01	4,580	0.03
Current income tax payable	47,008	0.33	8,115	0.05	1,627	0.01	946	0.01
Customers' deposits	21,574	0.15	421,987	2.68	9,092	0.05	25,300	0.14
Other current liabilities	283,581	2.00	250,060	1.59	294,781	1.76	288,177	1.64
Total current liabilities	2,917,635	20.58	3,511,964	22.33	3,553,588	21.27	5,067,401	28.78

Financial Position Summary	2017		2018		2019		Jan – Jun 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Non-current liabilities								
Payables for purchase of land	-	-	-	-	-	-	329,485	1.87
Long-term borrowings	1,550,532	10.93	2,332,076	14.83	1,887,500	11.30	1,807,936	10.27
Long-term debentures	2,831,583	19.97	2,868,086	18.24	4,150,958	24.85	3,090,040	17.55
Lease liabilities	4,355	0.03	3,964	0.03	5,239	0.03	303,545	1.72
Deferred tax liabilities	16,500	0.12	17,285	0.11	10,116	0.06	2,049	0.01
Non-current provisions for employee benefits	56,891	0.40	52,099	0.33	78,532	0.47	76,902	0.44
Other non-current provisions	6,767	0.05	-	-	-	-	-	-
Other non-current liabilities	127,684	0.90	295,272	1.88	225,994	1.35	226,053	1.28
Total non-current liabilities	4,594,313	32.40	5,568,781	35.41	6,358,339	38.06	5,836,010	33.15
Total liabilities	7,511,948	52.98	9,080,745	57.74	9,911,927	59.33	10,903,411	61.94
Equity								
Share capital:								
Authorised share capital	992,010	7.00	992,010	6.31	1,117,211	6.69	1,117,211	6.35
Issued and paid-up share capital	992,010	7.00	992,010	6.31	1,091,205	6.53	1,091,205	6.20
Share premium on ordinary shares	1,484,160	10.47	1,484,160	9.44	1,484,160	8.88	1,484,160	8.43
Warrants	-	-	-	-	1,376	0.01	2,323	0.01
Retained earnings:								
Legal reserve	99,201	0.70	99,201	0.63	111,721	0.67	111,721	0.63
Unappropriated	3,984,714	28.10	4,070,650	25.88	4,106,463	24.58	4,011,493	22.79
Non-controlling interests	107,802	0.76	-	-	-	-	-	-
Total equity	6,667,887	47.02	6,646,021	42.26	6,794,925	40.67	6,700,902	38.06
Total liabilities and equity	14,179,835	100.00	15,726,766	100.00	16,706,852	100.00	17,604,313	100.00

Source: Consolidated financial statement of M.K. Real Estate Development Public Company Limited

Statement of profit or loss of MK in previous 3 years and for 6-month period of 2020 is as follows:

(Unit: THB Thousand)

Operating Performance Summary	2017		2018		2019		Jan – Jun 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenues								
Revenue from sale of real estate	2,765,321	84.71	4,152,925	88.11	3,936,766	85.53	1,208,516	78.21
Revenue from rental and rendering of services	195,894	6.00	252,137	5.35	341,188	7.41	218,372	14.13
Revenue from golf services	81,268	2.49	109,249	2.32	119,769	2.60	42,236	2.73
Revenue from management of real estate	22,013	0.67	32,496	0.69	40,388	0.88	17,845	1.15
Revenue from health and wellness	-	-	-	-	-	-	144	0.01
Gain on disposal of investment and investment income	8,583	0.26	72,308	1.53	11,174	0.24	4,988	0.32
Gain on disposal of investment properties	-	-	-	-	79,610	1.73	-	-
Other income	191,287	5.86	94,023	1.99	73,791	1.60	53,131	3.44
Total revenues	3,264,365	100.00	4,713,138	100.00	4,602,686	100.00	1,545,232	100.00

Operating Performance Summary	2017		2018		2019		Jan – Jun 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
Expenses								
Cost of sale of real estate	1,860,791	57.00	2,865,122	60.79	2,754,087	59.84	896,426	58.01
Cost of rental and rendering of services	88,755	2.72	115,817	2.46	154,837	3.36	100,718	6.52
Cost of golf services	46,417	1.42	64,768	1.37	71,252	1.55	30,280	1.96
Cost of management of real estate	10,525	0.32	15,847	0.34	24,353	0.53	11,413	0.74
Cost of health and wellness	-	-	-	-	-	-	94	0.01
Distribution costs	277,404	8.50	372,965	7.91	332,217	7.22	106,821	6.91
Administrative expenses	424,832	13.01	574,256	12.18	678,549	14.74	303,873	19.67
Finance costs	222,087	6.80	296,498	6.29	328,307	7.13	187,530	12.14
Total expenses	2,930,813	89.78	4,305,272	91.35	4,343,601	94.37	1,637,155	105.95
Profit (loss) from operation	333,553	10.22	407,866	8.65	259,085	5.63	(91,923)	(5.95)
Share of loss of joint ventures and associates accounted for using equity method	(18,914)	(0.58)	(23,903)	(0.51)	(24,064)	(0.52)	(6,952)	(0.45)
Profit (loss) before income tax expense	314,639	9.64	383,963	8.15	235,021	5.11	(98,875)	(6.40)
Tax (expense) income	(81,912)	(2.51)	(80,490)	(1.71)	(57,574)	(1.25)	3,905	0.25
Profit (loss) for the period	232,726	7.13	303,473	6.44	177,447	3.86	(94,970)	(6.15)

Source: Consolidated financial statement of M.K. Real Estate Development Public Company Limited

Statement of cash flows of MK during past 3 years and six months period of 2020 is as follows:

(Unit: THB Thousand)

List	2017	2018	2019	Jan – Jun 2020
Net cash provided by (used in) operating activities	177,162	2,046,407	966,833	523,486
Net cash provided by (used in) investing activities	(331,208)	(2,365,687)	(1,726,395)	(534,193)
Net cash provided by (used in) financing activities	177,275	303,730	778,962	138,026
Net increase (decrease) in cash and cash equivalents	23,229	(15,550)	19,400	127,319
Cash and cash equivalents as at period end	103,567	88,017	107,418	234,737

Source: Consolidated financial statement of M.K. Real Estate Development Public Company Limited

Financial ratio of MK in previous 3 years and for 6-month period of 2020 is as follows:

Financial Ratio	Unit	2017	2018	2019	Jan – Jun 2020
Liquidity Ratio					
Current Ratio	Times	3.26	1.98	1.94	1.21
Quick Ratio	Times	0.16	0.03	0.30	0.11
Cash Flow Current Ratio	Times	0.06	0.64	0.27	0.12
Profitability Ratio					
Operating Profit Margin	Percent	17.02	14.94	12.76	6.19
Cash to Profit Margin	Percent	31.88	290.53	164.60	547.54
Net Profit Margin	Percent	7.13	6.44	3.86	(6.15)
Return on Equity	Percent	3.49	4.56	2.64	(1.41)

Financial Ratio	Unit	2017	2018	2019	Jan – Jun 2020
Efficiency Ratio					
Return on Asset	Percent	1.64	2.03	1.09	(0.55)
Asset Turnover	Times	0.23	0.32	0.28	0.09
Leverage Ratio or Financial Ratio					
Debt to Equity Ratio	Times	1.13	1.37	1.46	1.63
Interest Coverage Ratio	Times	2.50	2.38	1.79	0.51

Source: Calculated by IFA

Operating Performance and Financial Position Analysis

1. Operating Performance

For 6-month period of 2020

For the six-month period ended 30 June 2020, MK and its subsidiaries reported a net loss of THB 94.97 million, comparing to a net profit of THB 258.86 million for the same period of last year, an increase of loss of THB 353.83 million or -136.7% when comparing with the second quarter of 2019. Revenue from sales and services was THB 1,545.23 million, a decrease of THB 1,425.48 million or -48.0%

The main businesses of MK and its subsidiaries were as follows:

Real estate business

Sales of the real estate business were THB 1,208.52 million, a decrease of THB 1,400.89 million or -53.7% when comparing to the same period of last year which were THB 2,609.41 million. During the second quarter of 2019, MK recorded a sale of undeveloped land for a total amount of THB 871.07 million in first quarter and 439.58 million in second quarter. For the sales of residential units, MK revised the marketing strategies and channels to minimize the impact of COVID-19 which broke out during the middle of March 2020. MK created online channels to target customers. In addition, MK worked closely with customers to prepare financial documents for housing loan packages. As a result, sales of residential units during the second quarter of this year increased by THB 221.6 million from THB 489.99 million recorded during the same period of last year, or an increase of THB 214.66 million or 43.2% when comparing to the first quarter of this year. With the aim of improving their liquidity, all developers adopted a price war to speed up their sales. This caused MK's gross margin to decline from its normal level by 3%. However, at the end of the second quarter, MK could generate sales, from both pre-approved and backlog, 70% higher than the sales at the end of 2019. Although, MK received a lot of bookings from customers, MK was very careful in ordering the construction of new housing units. MK tried to minimize the risks that might incur from the uncertain spread of COVID-19 outside Thailand and the stringent housing loan approval policies adopted by the financial institutions. MK gave its priority to the management of housing inventory and financial liquidity.

Rent and service business

MK Group was able to continue to grow revenue from its rent and service business. This helped to minimize the impact of the economic slowdown. This quarter, revenue from rent and service came from leased warehouse/factory space in the Bangkok Free Trade Zone Project (by Prospect Development Co., Ltd.) was THB 92.86 million in first quarter and THB 99.44 million in second quarter. Rent and service revenue derived from the Park Court Project was THB 11.34 million in first quarter and THB 11.6 million in second quarter. Total gross profit from rent and service business this quarter was THB 117.65 million, an increase of THB 85.31 million or 37.9%, comparing to the same period of last year. MK was able to maintain its gross margin at the same level as the previous year.

Golf course and property management business

Due to the COVID-19 pandemic, MK temporarily closed the golf course from March 22 – May 2 of this year. This caused the revenue to decline by THB 15.94 million or -53.56% comparing to the second quarter of last year. However, the revenue for the first six month of this year decreased only 30%. MK focused on controlling the spread of COVID -19 by upgrading the standards of the golf facilities and services to boost the confidence of the golfers. As a result, the June revenue of this year reached 70% of revenue in June last year and the number of bookings was close to its normal level in the following month. For the property management business, revenue was THB 12.90 million, a decrease of 5% when comparing to the same period of last year. MK shifted its focus to manage properties owned by MK Group instead of those owned by others.

For the main businesses, the business restructuring of MK Group since 2016 has helped to ease the impact of the economic slowdown. In addition, MK has planned to launch the wellness business at the end of this year. The COVID-19 pandemic has caused a slight delay in commencing this business. However, as a result of the COVID-19, MK expects to see a change of consumer behavior toward more health consciousness. This will create a demand for wellness. As the wellness business has yet to operate, it incurred pre-opening expenses. MK was careful in controlling costs of goods sold and operating expenses to be aligned with the delay in the wellness opening plan. As a result, the selling and administrative expenses during this year declined by THB 81.00 million or -21.0%. Financing costs during this year increased by THB 27.34 million or 17.1% when comparing to the last year. In addition, MK Group has realized a loss of investment in Samukkee Cement Co., Ltd. (40.64% holding) for an amount of THB 6.95 million in this year. However, the realized loss accumulated till this quarter was more than the investment amount, and there will be no more loss to be realized from now on.

Although the economic slowdown this year caused a decrease in financial performance of MK Group, the Group was able to control both cost of sales and operating expenses at an appropriate level and to run the business according to the business restructuring plan.

For year 2019

In 2019, MK recognized revenue from sales and services amounting to 4,438.11 million baht, a decrease of 108.7 million baht or 2.39 percent compared to the previous year. MK's gross profit stood at 1,433.58 million baht, representing gross profit margin of 32.20 percent, a slight decrease from the previous year, when gross profit margin stood at 32.67 percent.

MK's main business segments and those of its subsidiaries consist of the below.

Real estate business

In 2019, MK had revenue from the sale of real estate amounting to 3,936.77 million baht, a decrease of 216.16 million baht or 5.2 percent from the previous year. This year's financial statements were affected by first-time adoption of Thai Financial Reporting Standard 15 (TFRS15) regarding revenue from contracts with customers, which became effective for the accounting period after 1 January 2019, as certain items under selling expenses and administrative expenses were reclassified as cost of sales and other items were deducted from revenue. However, the standard has no material effect on other revenue. If the standard adopted in the previous year was still in use, revenue from the sale of real estate would only decrease by 162.67 million baht or 3.92 percent. The real estate sector was significantly impacted by a strict loan-to-value (LTV) regulation, which directly affected consumers' ability to buy residential property. However, the majority of MK's clients do not have existing home loan obligations and so they are not majorly affected by the regulation. In addition, MK implements measures to alleviate any effect on customers from the enforcement of this regulation, such as by providing advice on how to prepare detailed financial information, conducting a mortgage affordability assessment on customers in advance and encouraging customers to get a preapproval and check their credit status with banks before issuing a preemption certificate. Furthermore, towards the end of last year, the government introduced a property stimulus package that included the reduction of transfer registration and mortgage registration fees for houses under 3 million baht. As MK has properties under this price in several of its projects, it has been able to maintain its revenue from the sale of real estate at a similar level to the previous year. Moreover, MK has placed importance on adjusting construction design to align with the behaviors and preferences of contemporary consumers, focusing on housing design that promotes well-being to add value to its products and expand its target markets. Gross profit margin of the sale of real estate, when calculated under the old standard, amounted to 31.1 percent, which was lower than that of the previous year which stood at 34.7 percent. This was triggered by Thailand's economic slowdown, causing most entrepreneurs to delay the launch of new housing projects and focus instead on selling available houses, which has led to a fierce price competition.

Rent and service business

The Group recognized revenue from rental and services amounting to 341.19 million baht this year, compared to 252.14 million baht last year, representing an increase of 89.05 million baht or 35.32 percent. Revenue from warehouse/plant rental and services in the Bangkok Free Trade Zone, operated by Prospect Development Co., Ltd., amounted to 291.88 million baht, an increase of 78.53 million baht or 36.81 percent

compared to the previous year. Its gross profit margin stood at 58.6 percent. Meanwhile, compared to 113.01 million baht in 2016 (MK began its investment in the later months of 2015), the Group's growth rate in this business segment is at 158 percent. At the end of 2019, the Group had areas for rent amounting to 193,872 square meters, an expansion of 68,105 square meters from 2018. In addition, the Park Court project operated by Munkong Living Co., Ltd., which has units for rent, continued to generate increasing revenue from rental and services. The gross profit for real estate rental and services this year amounted to 186.34 million baht, up 50.02 million baht or 36.70 percent.

Golf course and property management business

Since a new club house has been launched in February 2018, MK's competitiveness has increased significantly. The golf course and the restaurant contribute to continuous increases in revenue from the golf course, bringing in 119.77 million baht this year, an increase of 10.52 million baht or 9.63 percent compared to the previous year. MK has also implemented a revenue growth strategy, by initiating marketing and sales activities, offering various promotions and increasing sales channels, to enable golfers to have more options to use services on business days as well as holidays. Furthermore, MK has been able to control operating costs, enabling it to maintain its gross profit margin at the same level as the year before, at 40 percent. It has also enhanced service efficiency, adopting more organized and standardized approaches. Meanwhile, real estate management services rendered by Yours Property Management Co., Ltd and part of the revenue from Prospect Development Co., Ltd. saw increases both in terms of revenue amount and gross profit. As a result, revenue from golf course and real estate management grew by a total of 18.42 million baht, up 13 percent compared to the previous year.

Based on the operating performance of each business segment of the Group, although revenue from the real estate development segment was in decline due to a number of factors in the past year, other business segments saw increases in revenue. As a result, revenue from sales and services decreased by only 108.7 million baht or 2.39 percent, whereas gross profit margin was kept at a similar level as the previous year. Gross profit from all segments decreased by 51.67 million baht or 3.48 percent compared to the previous year. Total costs and expenses for the year amounted to 4,401.18 million baht, up 15.41 million baht or 0.35 percent. However, the Group recognized loss in 2019 amounting to 25.79 million baht from Samakkhee Cement Co., Ltd. -an associate company in which MK holds 40.64 percent of the shares- as expenses.

Expenses consist of the following:

Selling and administrative expenses

In 2019, MK's selling and administrative expenses increased by 63.55 million baht, representing an increase of 6.71 percent. Selling expenses decreased by 40.75 million baht, in line with a decrease in revenue and an effect of the adoption of TFRS 15 explained above. Meanwhile, administrative expenses increased by 104.29 million baht, due to an increase in bills of exchange discounting from the sale of land awaiting

development amounting to 29.76 million baht and upward adjusted estimates of the employee benefits liability, in accordance with the Labor Protection Act No. 7, which requires a higher severance pay for employees who have been in service for 20 years. Other adjustments were also made to reflect changes in assumptions, which affected administrative expenses and comprehensive income. Excluding these particular items, administrative expenses increased by 68.82 million baht, or 12 percent compared to the previous year. The increase was due to expenses related to project renovation and improvements of public utilities to ensure readiness for project handover and the establishment of a juristic person. MK has also focused its resources on maintaining common areas and tightening security, to enhance the quality of after-sales services, which helps promote a positive image for MK and its projects and generate stable sales in the long run. The ratio of selling and administrative expenses to revenue from sales and services in this year stood at 22.7 percent, an increase of 2 percent from the previous year which stood at 20.8 percent.

Financial cost

In 2019, financial cost increased by 31.81 million baht, or 10.73 percent, from the previous year, because Prospect Development Co., Ltd invested more in building warehouses/plants compared to the previous year, which resulted in an increase of space for rent and services amounting to 54.15 percent of the total space. In this year, MK recognized a profit from sale of real estate for investment amounting to 79.62 million baht, bringing in cash inflows to be used for investment in order to expand the business segment of health services, in line with its business growth plans for real estate development for sale and rent as well as an increase in revenue from its service segment. This item decreased financial costs and made it possible for MK to maintain its interest bearing debt ratio at an appropriate level; the ratio stood at 1.32 at the end of 2019.

Over the last four years, the Group has been able to increase the ratio of gross profit margin from stable revenue-generating businesses, from 4.5 percent at the end of 2015 to 25.8 percent at the end of 2019. This was in accordance with the Group's revenue restructuring plan aimed at mitigating business risks and generating stable revenue in the long run. During the period when the revenue restructuring plan was implemented, the Group invested in new business segments while at the same time maintaining the growth rate of real estate development, which remains the Group's core business segment. Due to these reasons, selling and administrative expenses and financial cost increased. Nevertheless, in 2019, the Group had a net operating profit amounting to 177.45 million baht.

2. Financial Position

In 2019, MK had assets amounting to 16,706.85 million baht, up 980.08 million baht compared to the previous year's assets of 15,726.76 million baht. Its liabilities increased by 831.8 million baht, due to the issuance of debentures to be used to invest in real estate for investment and real estate development projects. Because of the increase in liabilities, its debt/equity (D/E) ratio increased to 1.46, compared to 1.37 in the previous year, whereas the debt-to-capital ratio stood at 1.32, compared to 1.17 in 2018.

3. Investment Expenses

In 2019, MK's cash flow from operating activities amounted to THB 966.83 million. MK paid income tax amounting to THB 98.45 million. It spent cash flow in investments amounting to THB 1,726.39 million. Cash flow from financing activities of THB 778.96 million was used to pay dividend amounting to THB 11.02 million and pay interest and other financial costs amounting to THB 338.78 million. MK repaid long-term loans amounting to THB 2,528.15 million and repaid long-term debentures that matured amounting to THB 1,346.0 million. It had cash flow from issue of debentures amounting to THB 2,700.5 million. As a result, its cash and cash equivalents had a net decrease of THB 19.40 million.

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Appendix 3

Valuation of using Discount Cash Flow Approach

of

Fraser Property BFTZ Company Limited

1. Main Assumptions

Prospect Development Company Ltd. established a joint venture company with Fraser Property Industrial (Thailand) Company Ltd. (former TICON Logistics Park Company Limited) subsidiary of Fraser Property Public Company Limited to develop warehouses and factory buildings for rent, or transfer of leasehold, or sale in parts of the Bangkok Free Trade Zone. The company had registered capital of THB 1 million, 40 percent of which was held by Prospect Development. The joint venture company was registered under the name Fraser Property BFTZ Company Limited ('BFTZ') on 20 October 2016, with paid-up capital accounting for 100 percent of registered and paid-up capital.

In addition, in 2016, Prospect Development sold leasehold rights of the land with the size of 64 rais to Fraser Property BFTZ Co., Ltd, a joint venture in which Prospect holds 40 percent of the shares, to develop real estate for warehouse and factory buildings for rent, or sale of lease, sub-lease in some area of Bangkok Free Trade Zone. Fraser Property BFTZ had THB 803 million bath of registered capital with 631.05 million baht paid.

1.1 Revenue from Rent

BFTZ rental revenue contribution is expected to be from 4 long-term customers when the available space for rent is fully completed in year 2021, the independent financial advisor forecast revenue from rent as below:

Summary of Revenue from Rent of Fraser Property BFTZ Co., Ltd.

Revenue (THB Million)	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F
Revenue From Rent	87.20	155.95	184.52	184.91	189.13	190.92	191.16	194.63	196.95	198.59
Revenue (THB Million)	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F	2039F
Revenue From Rent	203.84	205.27	206.75	194.45	196.02	197.64	199.30	203.79	205.55	207.37

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

1.2 Expense

To calculate expenses of warehouses or factory buildings for rent operated by BFTZ, the Independent Financial Advisor compared previous expenses of various revenues as follows;

Rental Costs	Rental costs consist of rental cost in common area rental are of 14,076.80 square meter with rental increase of 6.50 percent every 3 years as well as costs related to maintenance. The Independent Financial Advisor assumed the proportion of rental costs to revenue at 0.50 percent of revenue from rent.
Administrative Expenses	Administrative expenses consist of administrative fees and building /property tax. The Independent Financial Advisor assumed the proportion of administrative expenses to revenue at 7.00 percent of revenue from rent, according to the projections of the management. Property tax is estimated as per actual area.
Depreciation	The Independent Financial Advisor assumed investment depreciation as shown in the table below.

Source: Information of the Company and projections prepared by the Independent Financial Advisor

Summary of Expenses of Fraser Property BFTZ Co., Ltd

Expenses (THB Million)	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F
Rental Costs	(2.37)	(3.94)	(3.85)	(3.85)	(3.86)	(3.91)	(3.91)	(3.93)	(4.03)	(4.08)
Proportion to Revenue	2.72%	2.53%	2.09%	2.08%	2.04%	2.05%	2.05%	2.02%	2.04%	2.06%
Administrative Expenses	(12.12)	(14.36)	(16.42)	(16.52)	(16.83)	(16.98)	(17.08)	(17.41)	(17.61)	(17.77)
Proportion to Revenue	13.91%	9.21%	8.90%	8.93%	8.90%	8.89%	8.94%	8.95%	8.94%	8.95%
Depreciation	(14.50)	(18.30)	(20.27)	(20.37)	(20.69)	(20.89)	(20.99)	(21.35)	(21.64)	(21.85)
Proportion to Revenue	16.62%	11.73%	10.99%	11.01%	10.94%	10.94%	10.98%	10.97%	10.99%	11.00%
Total Expenses	(28.99)	(36.60)	(40.54)	(40.73)	(41.39)	(41.78)	(41.98)	(42.70)	(43.27)	(43.71)
Expenses (THB Million)	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	2038F	2039F
Rental Costs	(4.06)	(4.16)	(4.16)	(4.22)	(3.28)	(3.27)	(3.26)	(3.24)	(3.23)	(3.22)
Proportion to Revenue	1.99%	2.03%	2.01%	2.17%	1.67%	1.65%	1.64%	1.59%	1.57%	1.55%
Administrative Expenses	(18.14)	(18.24)	(18.34)	(17.29)	(17.40)	(17.52)	(17.63)	(17.75)	(17.88)	(18.00)
Proportion to Revenue	8.90%	8.89%	8.87%	8.89%	8.88%	8.86%	8.85%	8.71%	8.70%	8.68%
Depreciation	(22.19)	(22.40)	(22.50)	(21.51)	(20.68)	(20.79)	(20.89)	(20.99)	(21.11)	(21.22)
Proportion to Revenue	10.89%	10.91%	10.88%	11.06%	10.55%	10.52%	10.48%	10.30%	10.27%	10.23%
Total Expenses	(44.39)	(44.81)	(45.00)	(43.03)	(41.36)	(41.57)	(41.79)	(41.98)	(42.21)	(42.45)

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

1.3 Financial costs

BFTZ made a loan from a financial institution in the amount of THB 223,000,000 with a term loan of 9 years at a loan interest rate of MLR minus 1.2 - 2.45 percent at the end audit year (Sept) 2019, the total outstanding loan is 209 million baht. BFTZ also have second loan amount which expected to withdraw in 2020-2021 from a financial institution in the amount of THB 1,058,000,000 with a term loan of 9 years at a loan interest rate of MLR minus 1.75 - 2.15 percent

1.4 Capital Expenditure

Projections of capital expenditure for the construction of space for rent in which there is the remaining investment are as follows;

TPARK Capital Expenditure (THB Million)	2020F	2021F	2022F
Capital Expenditure	(913.84)	(381.64)	(42.64)

Source: Information of the Company and projections prepared by the Independent Financial Advisor

1.5 Summary of Financial Projections of Warehouse and Factory Buildings for Rent

The Independent Financial Advisor projected cash flows of warehouse and factory buildings for rent, Fraser Property BFTZ Co., Ltd. with the shareholding of 40 percent by using assumptions to calculate net cash flow of the Company which is expected to receive in the future. Discount rate is calculated from weighted average cost of equity (Ke). Details can be summarized as follows;

	Unit	2020F	2021F	2022F	2023F	2024F
Revenue from Warehouse and Factory Buildings for Rent	THB Million	87.20	155.95	184.52	184.91	189.13
Costs of Warehouse and Factory Buildings for Rent	THB Million	(2.37)	(3.94)	(3.85)	(3.85)	(3.86)
Selling and Administrative Expenses	THB Million	(12.12)	(14.36)	(16.42)	(16.52)	(16.83)
Earnings Before Interest, Taxes and Depreciation	THB Million	72.70	137.66	164.24	164.54	168.43
Depreciation and Amortization	THB Million	(19.41)	(41.81)	(43.41)	(43.41)	(43.41)
Earnings Before Interest and Taxes	THB Million	53.29	95.85	120.84	121.13	125.03
Interest	THB Million	(7.31)	(23.73)	(35.06)	(31.82)	(31.46)
Income Tax	THB Million	(9.20)	(14.42)	(17.16)	(17.86)	(18.71)
Net Profit	THB Million	36.78	57.69	68.62	71.45	74.85
Depreciation and Amortization	THB Million	19.41	41.81	43.41	43.41	43.41
Change in Working Capital	THB Million	33.49	26.05	27.93	28.75	30.99
Capital Expenditure	THB Million	(913.84)	(381.64)	(42.64)	-	-
New Loan Withdraw	THB Million	849.47	208.53	-	-	-
Loan Retirement	THB Million	(19.00)	(92.00)	(95.00)	(107.00)	(109.00)
Free Cash Flow to Equity (FCFE)	THB Million	6.32	(139.56)	2.33	36.61	40.25
Year		0.27	1.27	2.27	3.27	4.27
WACC		9.97%	9.97%	9.97%	9.97%	9.97%
Discount Rate		0.98	0.89	0.81	0.73	0.67

	Unit	2025F	2026F	2027F	2028F	2029F
Revenue from Warehouse and Factory Buildings for Rent	THB Million	190.92	191.16	194.63	196.95	198.59
Costs of Warehouse and Factory Buildings for Rent	THB Million	(3.91)	(3.91)	(3.93)	(4.03)	(4.08)
Selling and Administrative Expenses	THB Million	(16.98)	(17.08)	(17.41)	(17.61)	(17.77)
Earnings Before Interest, Taxes and Depreciation	THB Million	170.03	170.17	173.28	175.32	176.73
Depreciation and Amortization	THB Million	(43.21)	(43.21)	(43.21)	(43.06)	(42.85)
Earnings Before Interest and Taxes	THB Million	126.82	126.96	130.07	132.26	133.88
Interest	THB Million	(27.81)	(23.41)	(18.98)	(15.53)	(11.69)
Income Tax	THB Million	(19.80)	(20.71)	(22.22)	(23.35)	(24.44)
Net Profit	THB Million	79.21	82.84	88.87	93.39	97.75
Depreciation and Amortization	THB Million	43.21	43.21	43.21	43.06	42.85
Change in Working Capital	THB Million	31.98	34.53	35.59	35.72	35.49
Capital Expenditure	THB Million	-	-	-	-	-
New Loan Withdraw	THB Million	-	-	-	-	-
Loan Retirement	THB Million	(116.00)	(126.00)	(110.00)	(110.00)	(383.00)
Free Cash Flow to Equity (FCFE)	THB Million	38.40	34.58	57.67	62.16	(206.91)
Year		0.27	1.27	2.27	3.27	4.27
WACC		9.97%	9.97%	9.97%	9.97%	9.97%
Discount Rate		0.98	0.89	0.81	0.73	0.67

	Unit	2030F	2031F	2032F	2033F	2034F
Revenue from Warehouse and Factory Buildings for Rent	THB Million	203.84	205.27	206.75	194.45	196.02
Costs of Warehouse and Factory Buildings for Rent	THB Million	(4.06)	(4.16)	(4.16)	(4.22)	(3.28)
Selling and Administrative Expenses	THB Million	(18.14)	(18.24)	(18.34)	(17.29)	(17.40)
Earnings Before Interest, Taxes and Depreciation	THB Million	181.65	182.87	184.25	172.94	175.34
Depreciation and Amortization	THB Million	(42.85)	(42.85)	(42.85)	(42.85)	(42.85)
Earnings Before Interest and Taxes	THB Million	138.80	140.02	141.40	130.09	132.49
Interest	THB Million	-	-	-	-	-
Income Tax	THB Million	(27.76)	(28.00)	(28.28)	(26.02)	(26.50)
Net Profit	THB Million	111.04	112.02	113.12	104.07	105.99

	Unit	2030F	2031F	2032F	2033F	2034F
Depreciation and Amortization	THB Million	42.85	42.85	42.85	42.85	42.85
Change in Working Capital	THB Million	35.04	35.04	35.04	36.44	36.44
Capital Expenditure	THB Million	-	-	-	-	-
New Loan Withdraw	THB Million	-	-	-	-	-
Loan Retirement	THB Million	-	-	-	-	-
Free Cash Flow to Equity (FCFE)	THB Million	188.93	189.91	191.01	183.37	185.28
Year		0.27	1.27	2.27	3.27	4.27
WACC		9.97%	9.97%	9.97%	9.97%	9.97%
Discount Rate		0.98	0.89	0.81	0.73	0.67

	Unit	2035F	2036F	2037F	2038F	2039F
Revenue from Warehouse and Factory Buildings for Rent	THB Million	197.64	199.30	203.79	205.55	207.37
Costs of Warehouse and Factory Buildings for Rent	THB Million	(3.27)	(3.26)	(3.24)	(3.23)	(3.22)
Selling and Administrative Expenses	THB Million	(17.52)	(17.63)	(17.75)	(17.88)	(18.00)
Earnings Before Interest, Taxes and Depreciation	THB Million	176.85	178.40	182.80	184.45	186.15
Depreciation and Amortization	THB Million	(42.85)	(42.85)	(42.85)	(38.04)	(30.42)
Earnings Before Interest and Taxes	THB Million	134.00	135.56	139.95	146.40	155.73
Interest	THB Million	-	-	-	-	-
Income Tax	THB Million	(26.80)	(27.11)	(27.99)	(29.28)	(31.15)
Net Profit	THB Million	107.20	108.44	111.96	117.12	124.58
Depreciation and Amortization	THB Million	42.85	42.85	42.85	38.04	30.42
Change in Working Capital	THB Million	36.44	36.44	37.90	37.90	37.90
Capital Expenditure	THB Million	-	-	-	-	-
New Loan Withdraw	THB Million	-	-	-	-	-
Loan Retirement	THB Million	-	-	-	-	-
Free Cash Flow to Equity (FCFE)	THB Million	186.49	187.74	192.71	193.07	192.90
Year		0.27	1.27	2.27	3.27	4.27
WACC		9.97%	9.97%	9.97%	9.97%	9.97%
Discount Rate		0.98	0.89	0.81	0.73	0.67

Source: Information of the Company and projections prepared by the Independent Financial Advisor.

The Independent Financial Advisor evaluated the reasonableness of the valuation of fair value of BFTZ business by using discounted free cash flow to equity (FCFE) approach, the valuation of BFTZ can be summarized as follows;

Item	มูลค่า	หมายเหตุ
Present Value of Cash Flow	433.29	
Cash ^{1/}	109.00	As of 30 Sept. 2019
Equity Value of BFTZ	542.29	THB Million
Shareholding contribution to Prospect Development	40.00%	
Equity Value contribution to Prospect Development	216.92	THB Million

Source: Information based on the financial statements of the Company as of 30 September 2019, which has been reviewed by an auditor approved by the SEC Office, and projections prepared by the Independent Financial Advisor.

Valuation by discounted free cash flow to equity of BFTZ contribution to Prospect Development Company Limited is equal to THB 216.92 Million