

Opinion of the Independent Financial Advisor

Regarding the Acquisition of Assets

Of

Asia Corporate Development Public Company Limited

Submitted

Shareholders



Asia Corporate Development  
Public Company Limited

Asia Corporate Development Public Company Limited

Prepared by



Asset Pro Management Company Limited

December 8<sup>th</sup>, 2015



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IFA has provided the definitions of abbreviations used in this report as follows.

<b>Abbreviation</b>	<b>Definition</b>
DIA	D.I.A. and Associates Co., Ltd.
Independent Financial Advisor or IFA	Asset Pro Management Co., Ltd. (APM)
NAV	Net Asset Value
ORIN	Orin Property Company Limited
Project Origins	Project Origins Bangmod – Rama 2
RO	Rights Offering or an issue of rights to the company's existing shareholders entitling them to buy additional shares directly from the company in proportion to their existing holding.
SEC	Office of the Securities and Exchange Commission
Stock Exchange or SET	Stock Exchange of Thailand
The Company or ACD	Asia Corporate Development Public Company Limited
TorJor. 20/2551	Notification of Capital Market Supervisory Board No. Torjor 20/2551 titled Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets
Torjor. 21/2551	Notification of Capital Market Supervisory Board No. Torjor 21/2551 titled Rules on Related Transactions
Prospective Buyer	Asia Corporate Development Public Company Limited
Prospective Seller	Mr. Sorawuth Manasomchit
Aor 1	Building Permits
Aor 6	Certificate of Building Construction
AorChor.1	The Request for Registration of Condominium
AorChor.2	Title Deed for Condominium
AorChor.3	The request of registration of condominium jurisdiction person



Ref. No. APM 204 / 2015

December 8, 2015

Subject The Opinion of Independent Financial Advisor Regarding the Acquisition of Assets of Asia Corporate Development Public Company Limited

To Shareholders of Asia Corporate Development Public Company Limited

The Board of Directors of Asia Corporate Development Public Company Limited (“the Company” or “ACD”) has resolved at its meeting No. 15/2015 held on August 21, 2015 to approve the acquisition of ordinary shares of Orin Property Company Limited (“the Target” or “ORIN”), which develops the property for sale. The number of acquired shares in this transaction is 150,000 shares with the par value of THB 1,000, which is 100% of its authorized capital. The ordinary shares will be acquired from the current shareholder name Mr. Sorawut Manasomjitr, who is not the connected person with the Company. ORIN is the owner of one Condominium project under development named Origins Bangmod – Rama II Project (“Origins Project”). There are totally 371 units for this project. The project is located on 2 parcels of land as follows.

- 1) Title Deed No. 6930, Parcel No. 40, Dealing File No. 852, Bangmod Sub-District, Bangkhuntien District, Bangkok, with the area of 2 Rai 3 Ngan 25 Square Wah.
- 2) Title Deed No. 17321, Parcel No. 35, Dealing File No. 851, Bangmod Sub-District, Bangkhuntien District, Bangkok, with the area 60 Square Wah.

Total value of this transaction is THB 195.00 million. The size of transaction in the acquisition of asset based on total value of consideration is 68.91% of total asset of the Company according to the consolidated financial statement as of March 31, 2015 (Before the share offering to the existing shareholders (“Rights Offering” or “RO”) during the 2<sup>nd</sup> quarter of 2015).

Thereafter, the Company has received the accounting due diligence from D.I.A. and Associates Company Limited (“DIA”)(Independent Auditor) on August 31, 2015 and found that the value of Origins Project based on the actual price in the sale and purchase agreement of condominium units between ORIN and customers including the estimated value of remaining units is THB 619.40 million, which is different from the value in the appraisal report done by 2 independent appraisals on the transaction date is THB 692.64 million by THB 73.24 million. Moreover, the value of total net asset (total asset minus total liabilities) ranges from the lowest to the highest between THB 139.76-194.48 million, which is different from the value in the sale and purchase agreement of ordinary shares of THB 195.00 million. Therefore, the Company has revised the feasibility study of the project and the expected return on investment and found that the price in the agreement is too high after concerning to the changed information. The Company has negotiated for reducing the price in this transaction according to the conditions in the agreement. The seller has agreed to reduce the price by THB 35.00 million to



be THB 160.00 million. The Company has proposed this issue to the Board of Directors of the Company in the meeting No. 22/2015 held on November 27, 2015 and the Board of Directors has the resolution to approve the negotiation for reducing the price in the transaction after the result of accounting due diligence from THB 195.00 million to THB 160.00 million and do the amendment in the Sale and Purchase Agreement. Therefore, the size of the transaction in acquisition of asset based on total value of consideration has changed from 68.91% to 56.55% of total asset of the Company according to the consolidated financial statement as of March 31, 2015 (Before the share offering to the existing shareholders (“Rights Offering” or “RO”) during the 2<sup>nd</sup> quarter of 2015.

This acquisition of asset is classified as Class 1 Transaction according to Notification of Capital Market Supervisory Board No. TorJor. 20/2551 about Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated August 31, 2008 (“Acquisition or Disposal Rule”) and Notification of the Board of Governors of the Stock Exchange of Thailand about Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 dated October 29, 2003 as well as other related notifications. Moreover, Section 12 of Notification of the Board of Governors of the Stock Exchange of Thailand about Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 has specified that “the Stock Exchange of Thailand may consider to combine all transactions during past 6 months to be one transaction in order to calculate the size of transaction about asset acquisition.” The Board of Directors of the Company has resolved at its meeting No. 13/2015 held on July 29, 2015 to approve the acquisition of land for 4 parcels, which are Title Deed No. 136629, 136630, 136631, and 136632, which are located in Pak Kret District, Nonthaburi with total area of 80 Square Wah, as well as all buildings on those land parcels and all component parts that are related and necessary in utilize those buildings (later referred to as “Land and Buildings”). Total value of this acquisition is THB 42.00 million and the size of transaction based on total value of consideration is 14.84% of total asset of the Company. After including all transactions during past 6 months, total size of transaction becomes 71.39% of total asset the Company. Therefore, the Company needs to disclose information to the Stock Exchange of Thailand (“Stock Exchange”) and arrange the shareholder meeting in order to get the resolution to approve the transaction. The resolution in the shareholder meeting must of consist of supporting votes at least three-fourths of the total votes including proxy votes (if any) of shareholders attending the meeting and having voting rights, excluding interested shareholders.

Base on the above reasons, the Company has appointed Asset Pro Management Company Limited (“IFA”) as the Independent Financial Advisor to provide the opinion on this transaction to the shareholders of the Company. The opinion of IFA in this report has considered the appropriateness of the Transaction independently under the professional standards and has considered the benefits of all shareholders fairly.



There are advantages and disadvantages of performing the transaction and advantages and disadvantages of not performing the transaction, which can be summarized as follows.

Advantages and disadvantages of performing the transaction	
Advantages of performing the transaction	Disadvantages of performing the transaction
<ul style="list-style-type: none"> <li>● The Company will earn income from property development business in a short period, which is the new channel of the Company for additional source of income</li> <li>● The Company can utilize cash receipt from offering ordinary shares to existing shareholders (Rights Offering: RO)</li> </ul>	<ul style="list-style-type: none"> <li>● The investment in the new business that the Company has not much expertise and experience</li> <li>● The Company is responsible to do the consolidated financial statement by combining the financial statement of ORIN because ORIN is a subsidiary of the Company</li> </ul>
Advantages and disadvantages of not performing the transaction	
Advantages of not performing the transaction	Disadvantages of not performing the transaction
<ul style="list-style-type: none"> <li>● No risk from uncertainty of investment</li> <li>● The Company can utilize cash from share offering in other investments</li> <li>● The Company does not need to do the consolidated financial statement by combining the financial statement of ORIN as a subsidiary of the Company</li> </ul>	<ul style="list-style-type: none"> <li>● The Company loses opportunity in investment in new business</li> <li>● The Company loses the opportunity in utilizing cash receipt from offering ordinary shares to existing shareholders (Rights Offering:RO)</li> <li>● The Company may not be able to ask for the refund of the 1<sup>st</sup> payment of THB 117.00 million</li> </ul>
Risks of Performing the Transaction	
<ul style="list-style-type: none"> <li>● The performance of ORIN is worse than expected (More details in Page 60)</li> <li>● The construction or the process of documentation with government official is delay and the ownership transfer cannot be done as expected (More details in Page 61)</li> <li>● ORIN did not collect the retention for performance guarantee from the contractor (More details in Page 62)</li> <li>● The seller of ordinary share cannot do according the agreement (More details in Page 62)</li> <li>● Volatility of interest rate (More details in Page 63)</li> </ul>	



IFA has performed the valuation of ORIN using various approaches with different advantages and disadvantages. The value of ORIN can be summarized as follows.

Valuation approach	Value (THB million)	Compared to the price of transaction of THB 160 million
1. Discounted Cash Flow Approach	168.38 – 192.10	Higher by THB 8.38 – 32.10 million or 5.24% – 20.06%
2. Book Value Approach	139.76	Lower by THB 20.24 million or 12.65%
3. Adjusted Book Value Approach	139.76	Lower by THB 20.24 million or 12.65%
4. Price to Book Value Ratio: P/BV	189.81 – 248.10	Higher by THB 29.81 – 88.10 million or 18.63% – 55.06%

IFA has selected the appropriate valuation approach, which is the discounted cash flow approach. The reasonable value of ORIN based on this valuation approach is THB 163.38-192.10 million, which is higher than the price in the transaction of THB 160.00 million by THB 8.38-32.10 million or 5.24%-20.06% of the price of this transaction (More details of valuation is in Part 3 The Reasonability of the Price of the Transaction).

#### Summary of the Opinion of IFA

This opinion of IFA is about the acquisition of ordinary shares of Orin Property Company Limited that develops the property for sale. The number of acquired share is 150,000 shares with the par value of THB 1,000, which is 100% of its authorized capital. The Prospective Seller of ordinary shares of ORIN is Mr. Sorawut Manasomjit. ORIN is the owner of one Condominium project named Origins Bangmod – Rama II Project, which is 19-story condominium with 371 units. Total area for sale is 11,125.00 Square Meter. Total value of project after all units are sold is THB 619.40 million (according to the price in the sale and purchase agreement of condominium units and the estimated value of remaining units based on the price list). The selling price is around THB 49,000-70,000 per Square Meter. As of November 30, 2015, the condominium units have been already reserved for 331 units, which is 89.22% of total units or 9,995.50 Square Meter. Total value of units already reserved is THB 546.52 million. There are 40 remaining units, which is 1,129.50 Square Meter. Total value of remaining units based on the price list is THB 72.88 million.

The construction progress of Origins Project based on the accounting due diligence of ORIN done by D.I.A. and Associates Company Limited on August 31, 2015 is 80% of total construction work. Thereafter, the construction progress report done by the engineering supervisor on December 2, 2015 has confirmed that the progress of the project is more than 90% of total construction work. The report has affirmed that the construction





will be completed and ready for applying for title deeds of condominium units and registration of condominium juristic person as well as related documents e.g. Aor.Chor. 1, Aor.Chor. 2, and Aor.Chor. 3, which is ready for the ownership transfer to customers within January 13, 2016. The recognition of revenue from sale can be started in January 2016.

This transaction will allow the Company to earn income from property development business in a short period, which is the new channel of the Company for additional source of income. The Company can also utilize cash receipt from offering ordinary shares to existing shareholders (Rights Offering: RO). Moreover, IFA has performed the financial protection for ORIN based on conservative basis and has also performed the valuation of ORIN based on discounted cash flow approach including the sensitivity analysis on the percentage of ownership transfer and the possible increasing in the cost of project from selling the remaining units. IFA has opined that the value of ORIN is THB 168.39-192.10 million, which is higher than the price in the transaction of THB 160.00 million by THB 8.38-32.10 million or 5.24%-20.06% of the price of the transaction.

IFA has also considered various risk factors that can affect the performance of the Company e.g. the performance of ORIN is lower than expected, the delay in construction, the seller cannot act according to the agreement, as well as the volatility of interest rate. Moreover, the conditions in the transactions are not appropriate regarding to the payment condition because the Company has made the 1<sup>st</sup> payment of THB 117.00 million, which is 73.13% of total price in the transaction of THB 160.00 million though the agreement has specified that the Company can ask for the refund of this amount if the Company does not perform the transaction. However, it is uncertain whether the seller can refund this amount to the Company because the seller used to have the debt with ORIN for THB 72.50 million (according to the accounting due diligence in the part of total net asset of ORIN on August 31, 2015 Page 76 and this amount of debt has been just repaid in the early of December 2015 after the Company has made the first payment. Therefore, it is expected that the seller used this amount to repay the debt). IFA has considered for the advantages and disadvantages of performing the transaction and not performing the transaction and has opined that the Company will get more benefits from performing the transaction. Therefore, IFA has opined that shareholders should vote for this transaction.

Asset Pro Management Co., Ltd. as the Independent Financial Advisor has performed the due diligence and analysis of various information with prudence under the professional standards. The opinion is based on the information and documents received from various sources as well as information from the executives of the Company and ORIN are completely accurate based on the current condition and situation. If there is any significant change from the current condition and/or some information is inaccurate, it may significantly affect the opinion of IFA in this report.



The shareholders should study the information in this IFA report in order to come up with own justification for making appropriate decision. The decision to vote for or against the transactions rests primarily with the shareholders



The Acquisition of Ordinary Shares of Orin Property Company Limited (ORIN) and  
Ownership in Condominium Project named Origins Bangmod – Rama II

Part 1 : Transaction Overview

1.1 Objective and Background of Transaction

The Board of Directors of Asia Corporate Development Public Company Limited (“the Company” or “ACD”) has resolved at its meeting No. 15/2015 held on August 21, 2015 to approve the acquisition of ordinary shares of Orin Property Company Limited (“the Target” or “ORIN”), which develops the property for sale. The number of acquired shares in this transaction is 150,000 shares with the par value of THB 1,000, which is 100% of its authorized capital. The ordinary shares will be acquired from the current shareholder name Mr. Sorawut Manasomjit, who is not the connected person with the Company. ORIN is the owner of one Condominium project under development named Origins Bangmod – Rama II Project (“Origins Project”). There are totally 371 units for this project. The project is located on 2 parcels of land as follows.

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Total value of this transaction is THB 195.00 million. The size of transaction in the acquisition of asset based on total value of consideration is 68.91% of total asset of the Company according to the consolidated financial statement as of March 31, 2015 (Before the share offering to the existing shareholders (“Rights Offering” or “RO”) during the 2<sup>nd</sup> quarter of 2015).

Thereafter, the Company has received the accounting due diligence from D.I.A. and Associates Company Limited (“DIA”)(Independent Auditor) on August 31, 2015 and found that the value of Origins Project based on the actual price in the sale and purchase agreement of condominium units between ORIN and customers including the estimated value of remaining units is THB 619.40 million, which is different from the value in the appraisal report done by 2 independent appraisals on the transaction date is THB 692.64 million by THB 73.24 million. Moreover, the value of total net asset (total asset minus total liabilities) ranges from the lowest to the highest between THB 139.76-194.48 million, which is different from the value in the sale and purchase agreement of ordinary shares of THB 195.00 million. Therefore, the Company has revised the feasibility study of the project and the expected return on investment and found that the price in the agreement is too high after concerning to the changed information. The Company has negotiated for reducing the price in this transaction according to the conditions in the agreement. The seller has agreed to reduce the price by THB 35.00 million to be THB 160.00 million. The Company has proposed this issue to the Board of Directors of the Company in the meeting No. 22/2015 held on November 27, 2015 and the Board of Directors has the resolution to approve the



negotiation for reducing the price in the transaction after the result of accounting due diligence from THB 195.00 million to THB 160.00 million and do the amendment in the Sale and Purchase Agreement. Therefore, the size of the transaction in acquisition of asset based on total value of consideration has changed from 68.91% to 56.55% of total asset of the Company according to the consolidated financial statement as of March 31, 2015 (Before the share offering to the existing shareholders (“Rights Offering” or “RO”) during the 2<sup>nd</sup> quarter of 2015.

This acquisition of asset is classified as Class 1 Transaction according to Notification of Capital Market Supervisory Board No. TorJor. 20/2551 about Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated August 31, 2008 (“Acquisition or Disposal Rule”) and Notification of the Board of Governors of the Stock Exchange of Thailand about Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 dated October 29, 2003 as well as other related notifications. Moreover, Section 12 of Notification of the Board of Governors of the Stock Exchange of Thailand about Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 has specified that “the Stock Exchange of Thailand may consider to combine all transactions during past 6 months to be one transaction in order to calculate the size of transaction about asset acquisition.” The Board of Directors of the Company has resolved at its meeting No. 13/2015 held on July 29, 2015 to approve the acquisition of land for 4 parcels, which are Title Deed No. 136629, 136630, 136631, and 136632, which are located in Pak Kret District, Nonthaburi with total area of 80 Square Wah, as well as all buildings on those land parcels and all component parts that are related and necessary in utilize those buildings (later referred to as “Land and Buildings”). Total value of this acquisition is THB 42.00 million and the size of transaction based on total value of consideration is 14.84% of total asset of the Company. After including all transactions during past 6 months, total size of transaction becomes 71.39% of total asset the Company. Therefore, the Company needs to disclose information to the Stock Exchange of Thailand (“Stock Exchange”) and arrange the shareholder meeting in order to get the resolution to approve the transaction. The resolution in the shareholder meeting must of consist of supporting votes at least three-fourths of the total votes including proxy votes (if any) of shareholders attending the meeting and having voting rights, excluding interested shareholders.

Base on the above reasons, the Company has appointed Asset Pro Management Company Limited (“IFA”) as the Independent Financial Advisor to provide the opinion on this transaction to the shareholders of the Company. The opinion of IFA in this report has considered the appropriateness of the Transaction independently under the professional standards and has considered the benefits of all shareholders fairly.

The Company has done many activities related to the investment in ordinary shares of Orin Property Company Limited as follows.

- The Board of Directors of the Company has resolved in its meeting No. 15/2015 held on August 21, 2015 to approve the acquisition of ordinary shares of ORIN for 150,000 shares,



which is 100% of the authorized capital of ORIN. This acquisition is done from Mr. Sorawut Manasomjitr for THB 195.00 million. The transaction will be proposed to the Extraordinary General Meeting of shareholders No. 1/2015 for approval, which will be held on October 12, 2015 at 10.00 hrs. at Sapphire 201, Impact Forum Building, Muang Thong Thani, 99 Popular Road, Banmai Sub-District, Pak Kret District, Nonthaburi, 11120.

- The Board of Directors of the Company has resolved in its meeting No. 16/2015 held on September 3, 2015 to approve the postponement of the Extraordinary General Meeting of shareholders No. 1/2015 from October 21, 2015 to November 26, 2015 at 10.00 hrs. at Sapphire 201, Impact Forum Building, Muang Thong Thani, 99 Popular Road, Banmai Sub-District, Pak Kret District, Nonthaburi, 11120. The reason for postponement is that the Company needs time in checking the documents related to the investment in ORIN longer than expectation.
- The Board of Directors of the Company has resolved in its meeting No. 18/2015 held on October 5, 2015 to approve the postponement of the Extraordinary General Meeting of shareholders No. 1/2015 from November 26, 2015 to be the Extraordinary General Meeting No. 1/2016 on January 14, 2016 at Sapphire 201, Impact Forum Building, Muang Thong Thani, 99 Popular Road, Banmai Sub-District, Pak Kret District, Nonthaburi, 11120. The reason for postponement is to allow ORIN to prepare the adjustment of the standard about financial reporting and accounting policy so that it is consistent with the Company.
- The Board of Directors of the Company has resolved in its meeting No. 22/2015 held on November 27, 2015 to approve the negotiation of price reduction after getting the accounting due diligence from DIA from THB 195.00 million to THB 160.00 million. This resolution will be proposed to the Extraordinary General Meeting of shareholders No. 1/2016 for approval, which will be held on January 14, 2016 at 10.00 hrs. at Sapphire 201, Impact Forum Building, Muang Thong Thani, 99 Popular Road, Banmai Sub-District, Pak Kret District, Nonthaburi, 11120.

ORIN has already performed many activities related to the construction and selling of Origins Project as follows.

- ORIN has got the approval of loan agreement from Thanachart Bank Public Company Limited for THB 312 million to develop the condominium under the name of Origins Project on February 3, 2014.
- ORIN has got the acknowledgement letter on the request for building construction without applying for a license according to Section 39 bis based on the receipt no. 44/2014 issued on March 3, 2014 by Department of Public Works, Bangkok Metropolitan Administration for the



construction of 19-story building according to the Section 39 bis in Building Control Act (Amendment No. 2) B.E. 2535.

- Currently, the Building Control Act (Amendment No. 2) B.E. 2535 has specified 2 methods for the request of construction, which are (1) 1<sup>st</sup> method is that the requestor must request for the permission and get the license from local authority according to Section 21, or (2) 2<sup>nd</sup> method is that the requestor does not need to request for the permission but needs to inform the local authority and act according to specified conditions in Section 39 bis.
- ORIN has done the construction agreement with S. Somboon Company Limited as the contractor in construction of 19-story condominium for Origins Project on May 1, 2014.
- ORIN has done the sale and purchase agreement for 3 sets of elevator with AD Hero Schneider (Thailand) Company Limited In order to be used in Origins Project on September 1, 2014.
- The construction progress of Origins Project based on the accounting due diligence of ORIN on August 31, 2015 by DIA is at 80%.
- On November 17, 2015, Mr. Sorawut Manasomjitr, the director of ORIN has sent the letter to Thanachart Bank Public Company Limited, who will provides the loan used in construction of Origins Project. This letter is to inform about the change in shareholder structure of ORIN because all ordinary shares will be sold to the Company according to the sale and purchase agreement of ordinary shares on November 3, 2015.
- The engineering progress report of Origins Project done by the engineering supervisor on December 2, 2015 has confirmed the progress of more than 90% and the project will be completed and ready for the title deed (AorChor. 2) and can do the ownership transfer to customers within January 13, 2016.

## 1.2 Transaction Date

The Company will acquire ordinary shares of ORIN from Mr. Sorawut Manasomjitr after getting the approval of investment in ordinary shares of ORIN from the Extraordinary General Meeting of shareholders No. 1/2016, which will be held on January 14, 2016 at 10.00 hrs. at Sapphire 201, Impact Forum Building, Muang Thong Thani, 99 Popular Road, Banmai Sub-District, Pak Kret District, Nonthaburi, 11120.

## 1.3 Parties Involved in the Transaction

1. Related Parties : Sale and Purchase Agreement of ordinary shares of Orin Property Company Limited (ORIN)

Prospective Buyer : Asia Corporate Development Public Company Limited (ACD)



Prospective Seller : Mr. Sorawut Manasomjitr  
Relationship : No relationship with any shareholder, director or executive of the Company

Currently, Mr. Sorawut Manasomjitr owns ordinary shares of ORIN for 15,000 shares with the par value of THB 1,000, which is 10% of the authorized capital. Moreover, he has the power of attorney from other 9 shareholders who hold ordinary shares of ORIN for 90% of the authorized capital. The Company will acquire ordinary shares of ORIN from Mr. Sorawut Manasomjitr for 150,000 shares with the par value of THB 1,000, which is 100% of the authorized capital after getting the approval of investment in ordinary shares of ORIN from the Extraordinary General Meeting of shareholders No. 1/2016, which will be held on January 14, 2016 at 10.00 hrs. at Sapphire 201, Impact Forum Building, Muang Thong Thani, 99 Popular Road, Banmai Sub-District, Pak Kret District, Nonthaburi, 11120. After this transaction, ORIN will become the subsidiary of ACD.

### Summary of the Agreement

#### Sale and Purchase Agreement of ordinary shares of Orin Property Company Limited (ORIN)

Date	: November 3, 2015
Prospective Seller	: Mr. Sorawut Manasomjitr
Prospective Buyer	: Asia Corporate Development Public Company Limited ("ACD")
Objective	: The buyer intends to purchase all ordinary shares of Orin Property Company Limited with the authorized capital of THB 150.00 million in form of 150,000 ordinary shares with the par value of THB 1,000. The buyer will purchase all shares from the seller and other shareholders for 150,000 shares. The seller intends to sell ordinary shares of ORIN under his ownership and/or acts to all other shareholders to sell all shares to the buyer according to term and condition in this agreement.
Contents	: The Seller agrees to sell and transfer all shares under his ownership. In case that the seller does not have the ownership in ordinary shares of ORIN according to this agreement, the seller will act so that all shareholders will sell and transfer all shares to the buyer or another person specified by the buyer. The buyer agrees to purchase and get the transfer of all shares according to this agreement.
Price	: The seller agrees to sell or act so that all shareholders of ORIN will sell and transfer all shares to the buyer with total price of THB 195.00 million, which is the price per share of THB 1,300 and the buyer agrees to buy based on that specified price.
Payment	: <u>1<sup>st</sup> Payment</u> Within 3 working days after the date of this agreement or within any
Condition	period that both parties agree. The buyer will pay the deposit for 60% of total price, which is THB 117.00 million. <u>2<sup>nd</sup> Payment</u> On the day that the shareholder meeting of the buyer (The



Extraordinary General Meeting of shareholder of Asia Corporate Development Public Company No. 1/2016 will be held on January 14, 2016 or later if it is postponed) has the resolution to approve the acquisition of ordinary shares according to the condition of related law and regulation. The Buyer will pay the second payment for 20% of total price, which is THB 39.00 million

3<sup>rd</sup> Payment On the day that the agreement is completed. The Buyer will pay the payment for 20% of total price, which is THB 39.00 million

Regarding to the price in this agreement, there is additional agreement according to the following detail.

"Both parties has understood and agreed that the price specified in Section 1 is the final price that the buyer needs to pay for the seller according to this agreement. However, before the agreement is completed, both parties can agree to change the price that will be paid in the last payment based on the current value of asset or cash or ORIN according to fact in the accounting due diligence of ORIN.

- Other important details :
- The seller agrees to pledge the ordinary shares as in the appendix 3<sup>1</sup> to the buyer in order to guarantee the performance of the seller according to this agreement. The seller will deliver the share certificate for pledged share and the photocopy of the book of shareholders' registration recording the pledge of ordinary shares to the buyer on the same date if there is any request for the transfer of pledged shares.
  - The seller affirms that, on the agreement date, the seller has the ownership in ordinary shares and those shares are not subject to any obligation, eviction, right of pledge, right or retention, right of claim, any restriction, and any claim except the pledge according to this agreement.
  - The seller affirms that, on the agreement date, the seller has delivered all documents and important information about the Origins Bangmod-Rama II Project showing the number of units that customers have done the sale and purchase agreement and have paid the deposit properly, which is not less than 88% of total number of unit of the project. Moreover, the seller does not have any other fact or information that may make the sale of the project incorrectly or differently from what specified such documents.
  - The seller agrees to take responsibility of any expense of the company before the transaction is completed and will manage all properties of the company honestly





	as well as protect the benefits of the company.
Penalty and Termination	: - If the affirmation of the seller in Section 4.4 <sup>/2</sup> is incorrect or incomplete because the seller does not reveal some important information, the seller agrees to take responsibility in compensating for any reduction in revenue from the ownership transfer to current customers (backlog) as well as other related expense to the buyer. Moreover, the buyer still has the right to terminate the agreement according to Section 3.4 <sup>/3</sup>
Precedent Condition	: - The buyer must receive the letter from the seller specifying that the seller (e.g. Mr. Sorawut Manasomjittr) will be the surety for the full amount of loan from Thanachart Bank Public Company Limited according to the loan agreement dated February 3, 2014 or from other financial institutions (if any) until the Company has paid back the full amount of loan according to the agreement. Moreover, the buyer does not need to be the surety for such loans.

**Note:** <sup>/1</sup> Appendix 3 has the details about the pledge of shares as follows .

- The seller will pledge 90,000 shares (60% of total number of share) once the buyer has made the 1<sup>st</sup> payment.
- The seller will pledge 30,000 shares (20% of total number of share) once the buyer has made the 2<sup>nd</sup> payment.

The seller will deliver the share certificate for pledged share and the photocopy of the book of shareholders' registration recording the pledge of ordinary shares to the buyer within 5 days after receiving each payment.

<sup>/2</sup> **Section 4.4** in the sale and purchase agreement has specified as follows.

The seller affirms that, on the agreement date, the seller has delivered all documents and important information about the Origins Bangmod-Rama II Project showing the number of units that customers have done the sale and purchase agreement and have paid the deposit properly, which is not less than 88% of total number of unit of the project. Moreover, the seller does not have any other fact or information that may make the sale of the project incorrectly or differently from what specified such documents.

<sup>/3</sup> **Section 3.4** in the sale and purchase agreement has specified as follows.

If the seller intends or does by negligence in concealing the fact or not revealing any information making the seller break the agreement in the essence points, the buyer has the right to terminate the agreement and the seller will pay back all amount made by the buyer including the interest rate at 15% of that amount, as well as the compensation of any damage to the buyer.



**Amendment for Sale and Purchase Agreement of ordinary shares of Orin Property Company Limited**

Date	:	November 27, 2015
Prospective Seller	:	Mr. Sorawut Manasomjittr
Prospective Buyer	:	Asia Corporate Development Public Company Limited (“ACD”)
Objective	:	<ul style="list-style-type: none"><li>- The buyer and the seller has made the sale and purchase agreement for all ordinary shares of Orin Property Company Limited (“ORIN”) dated November 3, 2015 with total price of THB 195.00 million.</li><li>- The buyer and the seller commonly agree to adjust the price according to the agreement.</li></ul>
Contents	:	<ul style="list-style-type: none"><li>- Both parties agree to reduce the price in the original sale and purchase agreement of ordinary shares from THB 195.00 million to THB 160.00 million according to the change in information as in the accounting due diligence done by D.I.A. and Associates Company Limited</li><li>- Both parties agree to change some contents in the sale and purchase agreement of ordinary shares by using the following contents instead.<ul style="list-style-type: none"><li><u>2<sup>nd</sup> Payment</u> On the day that the shareholder meeting of the buyer (The Extraordinary General Meeting of shareholder of Asia Corporate Development Public Company No. 1/2016 will be held on January 14, 2016 or later if it is postponed) has the resolution to approve the acquisition of ordinary shares according to the condition of related law and regulation. The Buyer will pay the second payment of THB 21.50 million</li><li><u>3<sup>rd</sup> Payment</u> On the day that the agreement is completed. The Buyer will pay the payment for THB 21.50 million</li></ul></li></ul> <p>Moreover, both parties agree to add some significant contents as follows.</p> <ol style="list-style-type: none"><li>1) The seller knows and accepts that the seller is the debtor for short-term loan of THB 92.50 million from ORIN as appeared in the financial statement of the Company on August 31, 2015. The seller affirms that the seller will do the stoppage of this short-term loan with the amount that the seller has lent to the company for THB 20 million on August 31, 2015. Moreover, the seller agrees to pay the remaining short-term loan of THB 72.50 million to the company within December 31, 2015.</li><li>2) The seller affirms that all expenses related to the property development project of the company (Origins Project) until completion including other operating expenses of the company as well as the audit expense for the accounting period</li></ol>



as of December 31, 2015 will not exceed THB 553.00 million. If the expenses related to the development of the project until completion is more than the amount specified above, the seller will be responsible in compensating for the expense above that amount to the buyer within 15 days after getting the notification letter from the buyer. Moreover, the seller affirms that, from the agreement date until the agreement is completed, the seller will not make any liability or will not use any asset or cash of the company that cause any damage to the company or the buyer.

3) Both parties agree that the property development project of the company under the name Origins Project will be completed after the following conditions have been done.

- The company has done the registration of condominium for Origins Project in order to be able to issue the title deed for each unit of condominium and the registration of condominium juristic person with the official according to the law, as well as the company has already received related documents including Aor.Chor.1, Aor.Chor.2, and Aor.Chor.3.
- The company has worked until the construction of Origins Project has been completed according to the construction plan.
- The representatives who have been appointed by the buyer have already inspected Origins Project and have signed for accepting the delivery of Origins Project.

The seller affirms to the buyer if there are any revenues and incomes or any benefits after the agreement date until the transaction is completed, the seller will retain those revenues or incomes and will not use that amount except for the normal business operation of the company according to this agreement.

4) The seller affirms to the buyer that the seller as the shareholder and the director of the company will manage the project development until completion as specified in "No. 3)" and the ownership transfer to customers will be ready within January 15, 2016. If the ownership transfer is not ready on that day without any fault from the buyer, the seller will be responsible for any expense incurred after January 15, 2016 until the project is completed and the ownership transfer to customers is ready.



#### 1.4 Executive Summary of Orin Property Company Limited (ORIN)

##### 1) General Information of ORIN

Orin Property Company Limited has been registered as the juristic person on July 24, 2012 with the Juristic Person Registration No. 0105555108663. The objective of ORIN is to develop the property for sale. Currently, ORIN has the authorized capital is THB 150.00 million and is the owner of one Condominium project under development named Origins Bangmod – Rama II Project (“Origins Project”). There are totally 371 units for this project. The project is located on 2 parcels of land as follows.

Origins Bangmod – Rama II Project (“Origins Project”). There are totally 371 units for this project. The project is located on 2 parcels of land as follows.

- 1) Title Deed No. 6930, Parcel No. 40, Dealing File No. 852, Bangmod Sub-District, Bangkhuntien District, Bangkok, with the area of 2 Rai 3 Ngan 25 Square Wah.
- 2) Title Deed No. 17321, Parcel No. 35, Dealing File No. 851, Bangmod Sub-District, Bangkhuntien District, Bangkok, with the area of 2 Rai 3 Ngan 60 Square Wah.

##### List of Directors

As of April 30, 2015, the list of directors of Orin Property Company Limited consists of 2 directors as follows.

Name	Authorized Director
1. Mr. Sorawut Manasomjitr	Two directors sign together with the company's stamp.
2. Mrs. Parichart Thavornsakcharoen	

As of November 11, 2015, the list of directors of Orin Property Company Limited consists of 1 director as follows.

Name	Authorized Director
1. Mr. Sorawut Manasomjitr	One director sign together with the company's stamp.

##### List of Shareholders

As of April 30, 2015, the authorized capital of Orin Property Company Limited (ORIN) is THB 150.00 million. There are 150,000 ordinary shares with the par value of THB 1,000.00 per share. The list of shareholders consists of 3 persons as follows.



Name	Number of Shares	Value (THB)	%
1. Mr. Sorawut Manasomjitr	97,500	97,500,000	65.00 %
2. Mrs. Parichart Thavornsakcharoen	30,000	30,000,000	20.00 %
3. Mr. Nattapong Panrattanamongkol	22,500	22,500,000	15.00 %
<b>Total</b>	<b>150,000</b>	<b>150,000,000</b>	<b>100.00%</b>

On November 16, 2015, it appeared that 1) the shareholder no. 1, Mr. Sorawut Manasomjitr, has sold some shares to Mr. Sumont Manasomjitr, Mr. Panwarit Manasomjitr, Mr. Nat Manasomjitr, Ms. Petcharat Manasomjitr, and Ms. Bussaba Ponyiam for 15,000 shares each and to Mr. Siwach Lakbun for 7,500 shares, 2) the shareholder no. 2, Mrs. Parichart Thavornsakcharoen, has sold all shares to Mrs. Tharntip Anantasuwana and Mrs. Arunee Santiwong for 15,000 shares each, and 3) the shareholder no. 3, Mr. Nattapong Panrattanamongkol, has sold all shares to Mr. Techat Diewwanichkul for 15,000 shares and to Mr. Siwach Lakbun for 7,500 shares. As of November 17, 2015, the authorized capital of Orin Property Company Limited (ORIN) is THB 150.00 million. There are 150,000 ordinary shares with the par value of THB 1,000.00 per share. The list of shareholders consists of 10 persons as follows.

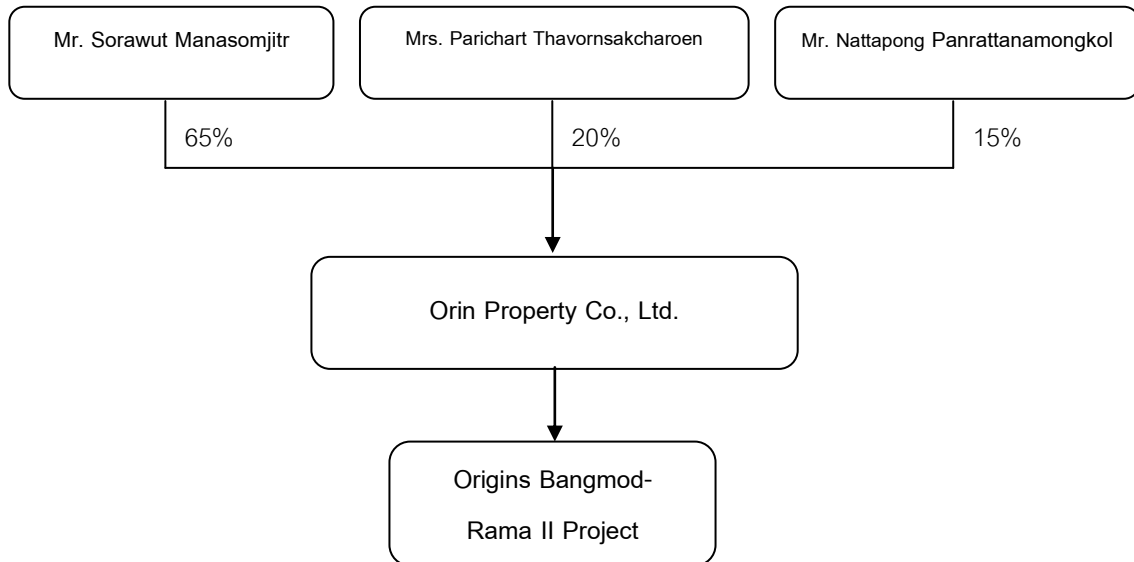
Other 9 shareholders has signed the memorandum of understanding to acknowledge and act according to any condition in the sale and purchase agreement of ordinary shares of ORIN on November 3, 2015 and the amendment of sale and purchase agreement on November 27, 2015. For the above memorandum of understanding and other related documents, the Company has assigned the law firm to do.

Name	Number of Shares	Value (THB)	%
1. Mr. Sorawut Manasomjitr	15,000	15,000,000	10.00 %
2. Mr. Sumont Manasomjitr	15,000	15,000,000	10.00 %
3. Mr. Panwarit Manasomjitr	15,000	15,000,000	10.00 %
4. Mr. Nat Manasomjitr	15,000	15,000,000	10.00 %
5. Ms. Petcharat Manasomjitr	15,000	15,000,000	10.00 %
6. Ms. Bussaba Polyiam	15,000	15,000,000	10.00 %
7. Mr. Siwach Lakbun	15,000	15,000,000	10.00 %
8. Mr. Techat Diewwanichkul	15,000	15,000,000	10.00 %
9. Mrs. Arunee Santiwong	15,000	15,000,000	10.00 %
10. Mrs. Tharntip Anantasuwana	15,000	15,000,000	10.00 %
<b>Total</b>	<b>150,000</b>	<b>150,000,000</b>	<b>100.00%</b>

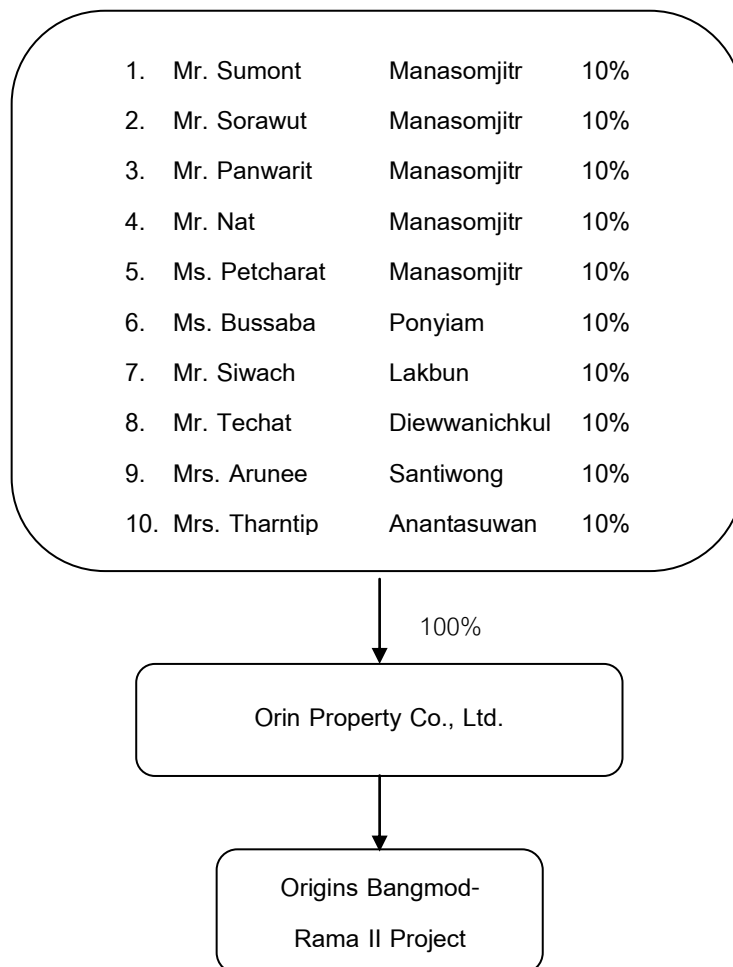


Shareholder Structure before the Transaction

- The shareholder structure when signing the Sale and Purchase Agreement

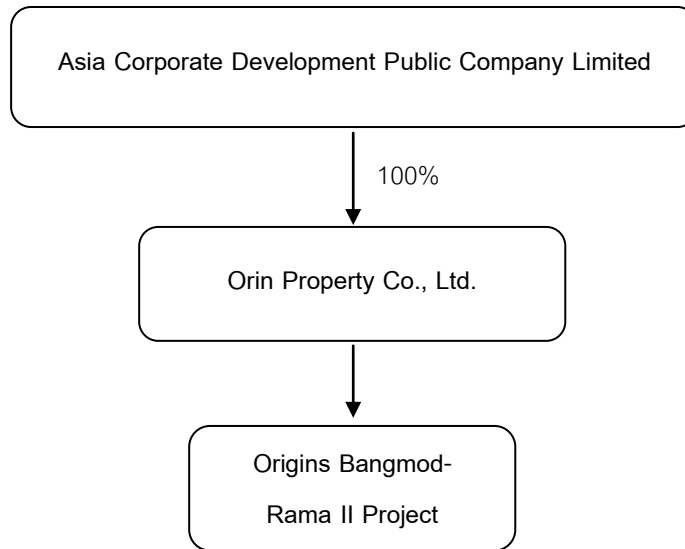


- Current shareholder structure





Shareholder Structure after the Transaction





Financial Position

Orin Property Company Limited						
Statement of Financial Position						
As of	December 31, 2013		December 31, 2014		Accounting Due Diligence as of August 31, 2015	
	THB million	%	THB million	%	THB million	%
	Cash and cash equivalents	13.80	6.60%	13.66	5.00%	10.24
Trade accounts and other receivable	67.79	32.42%	2.34	0.85%	6.52	1.35%
Cost of project under construction	119.40	57.09%	250.38	91.65%	394.05	86%
Other current assets	0.93	0.44%	0.00	0.00%		
Short-term loan to related parties					72.50 <sup>/1</sup>	14.99%
<b>Total Current Assets</b>	<b>201.92</b>	<b>96.55%</b>	<b>266.38</b>	<b>97.50%</b>	<b>483.31</b>	<b>99.91%</b>
Property, plant and equipment	7.00	3.35%	6.60	2.42%	0.14	0.03%
Other non-current assets	0.22	0.11%	0.22	0.08%	0.29	0.06%
<b>Total Non-Current Assets</b>	<b>7.22</b>	<b>3.45%</b>	<b>6.82</b>	<b>2.50%</b>	<b>0.43</b>	<b>0.09%</b>
<b>Total Assets</b>	<b>209.14</b>	<b>100.00%</b>	<b>273.21</b>	<b>100.00%</b>	<b>483.74</b>	<b>100.00%</b>
Trade accounts and other payable	21.99	10.51%	46.61	17.06%	18.97	3.92%
Retention for construction agreement					1.62	0.33%
Advances received from sale and purchase agreements					56.58	11.70%
Other current liabilities	0.57	0.27%	0.38	0.14%	1.01	0.21%
<b>Total Current Liabilities</b>	<b>22.56</b>	<b>10.79%</b>	<b>47.00</b>	<b>17.20%</b>	<b>78.18</b>	<b>16.16%</b>
Long-term loan from financial institutions	47.00		99.64		265.80	
<b>Total Non-Current Liabilities</b>	<b>47.00</b>	<b>22.47%</b>	<b>99.64</b>	<b>36.47%</b>	<b>265.80</b>	<b>54.95%</b>
<b>Total Liabilities</b>	<b>69.56</b>	<b>33.26%</b>	<b>146.64</b>	<b>53.67%</b>	<b>343.98</b>	<b>71.11%</b>
Authorized share capital 150,000 ordinary shares with the par value of THB 1,000	150.00		150.00		n/a <sup>/2</sup>	
Paid up share capital 150,000 ordinary shares with the	150.00	71.72%	150.00	54.90%	n/a <sup>/2</sup>	n/a <sup>/2</sup>





par value of THB 1,000						
Unappropriated retained earnings	(10.42)	(4.98%)	(23.43)	(8.58%)	n/a <sup>/2</sup>	n/a <sup>/2</sup>
Total Shareholders' Equity	139.58	66.74%	126.57	46.33%	n/a <sup>/2</sup>	n/a <sup>/2</sup>
Total Liabilities and Shareholders' Equity	209.14	100.00%	273.21	100.00%	n/a <sup>/2</sup>	n/a <sup>/2</sup>

Note: - The accounting due diligence is done by DIA with the purpose of assessment for the value of asset and liabilities of ORIN in order to be used to make the decision of acquisition of ordinary shares of ORIN

<sup>/1</sup> As of December 2, 2015, ORIN has already received the payment for loan of THB 72.50 million.

<sup>/2</sup> Not available

Orin Property Company Limited						
Income Statement						
	December 31, 2013		December 31, 2014		Accounting Due Diligence as of August 31, 2015	
	THB million	%	THB million	%	THB million	%
Other incomes	0.36	100.00%	0.03	100.00%	n/a <sup>/1</sup>	n/a <sup>/1</sup>
Total Revenue	0.36	100.00%	0.03	100.00%	n/a <sup>/1</sup>	n/a <sup>/1</sup>
Administrative expenses	9.05	2,513.89%	9.60	32,000.00%	n/a <sup>/1</sup>	n/a <sup>/1</sup>
Earnings before interest and income taxes	(8.69)	(2,413.89%)	(9.57)	(31,900.00%)	n/a <sup>/1</sup>	n/a <sup>/1</sup>
Finance costs	1.64	455.56%	3.43	11,433.33%	n/a <sup>/1</sup>	n/a <sup>/1</sup>
Net profit (net loss)	(10.33)	(2,869.44%)	(13.01)	(43,366.67%)	n/a <sup>/1</sup>	n/a <sup>/1</sup>

Note : - Because ORIN is the private company, there is no interim income statement and no quarterly income statement. Moreover, ORIN has no revenue from selling because the Origins Project is under development.

<sup>/1</sup> Not available

#### The opinion of legal advisor about the fact and legal status of Origins Bangmod-Rama II Project

The Company has assigned Kasem Suchanwit Law Firm Company Limited to provide the opinion of legal advisor about the fact and legal status of Origins Project in order to be used as information before the decision to do the transaction. the details can be summarized as follows.



Topic	Fact and opinion of the legal advisor
General information	<ul style="list-style-type: none"><li>- Orin Property Company Limited Has been registered according to the Civil and Commercial Code at the Office of the Company and Partnership Registration Bangkok, Department of Business Development, Ministry of Commerce on July 24, 2012 with Juristic Person Registration No. 0105555108663. It has been registered in form of "Company Limited"</li><li>- Orin Property Co., Ltd has the former name as Origin Assets Company Limited And has registered for the name change on September 18, 2015.</li><li>- The authorized capital is THB 150</li></ul>
Scrip and the book of shareholders' registration	<ul style="list-style-type: none"><li>- Based on verification, Orin Property Company Limited has never made any scrip of ordinary share or the book of shareholders' registration.</li></ul>
Lawsuit	<ul style="list-style-type: none"><li>- The inspection of lawsuit about Orin Property Co., Ltd and its directors and shareholders is done in the database of Civil Court, Criminal Court, Bangkok North Municipal Court, Southern Bangkok Civil Court, Southern Bangkok Criminal Court, Pathumwan Municipal Court, Thonburi Civil Court, Thonburi Criminal Court, Thonburi Municipal Court, Dusit Municipal Court, Taling Chan Provincial Court. As of June 22, 2015, it is found that only one shareholder and one director have the lawsuits for personal level, which is not related to the company.</li><li>- For the civil case,</li><li>- For the inspection of lawsuit in Civil Court, Bankruptcy Court, Administrative Court, Tax Court, Intellectual Property Court, Labor Court, there is no lawsuit about Orin Property Company Limited and its shareholders and directors.</li></ul>
Liabilities	<ul style="list-style-type: none"><li>- Based on verification, Orin Property Company Limited has done the loan agreement with Thanachart Bank Public Company Limited dated February 3, 2014 with the maximum loan amount of THB 312 million for the construction of Origins Bangmod-Rama II Project</li></ul>

Note.: Currently, ORIN has made the scrip of ordinary share and the book of shareholders' registration. Moreover, ORIN has pledged 90,000 ordinary shares with the Company according to the sale and purchase agreement.

#### Appraisal Report

The Company has assigned Nawamin Appraisal and Consultant Company Limited to do the appraisal for the value of the property for Origins Bangmod-Rama II Project. The details can be summarized as follows.



Type of property	: Land and buildings
Title Deed	: Title Deed No. 6930 and 17321 with the area of 2-3-81 Rai or 1,181.00 Square Wah
Building	: 19-story condominium with component parts (under construction)
Obligation	: Under the mortgage with Thanachart Bank Public Company Limited
Purpose of appraisal	: To know the current market value (can be used for public)
Appraisal criteria	: Market Value criteria
Appraisal method	: Cost Approach and Hypothetical Development Method are used for the appraisal of the property based on the current condition. Market Approach and Income Approach are used for the appraisal for the value of the property after the construction has been completed for 100%.
Appraisal date	: July 17, 2558
Value after completion	: THB 692,643,500
Value based on cost approach after 100% completion.	THB 523,190,000
Value based on cost approach on appraisal date with 75% completion	THB 429,295,000

Source: Property appraisal report done by Nawamin Appraisal And Consultant Company Limited

Note: The explanation of different appraisal value

- Value after completion is the appraisal value of the project if the units are sold based on the selling price
- Value based on cost approach after 100% completion is the appraisal value of the project based on cost approach after the construction is completed.
- Value based on cost approach on appraisal date with 75% completion is the appraisal value of the project based on cost approach and the progress of the project on appraisal date.

Moreover, the Company has assigned Siam City Appraisal Company Limited to do the appraisal for the value of property for Origins Bangmod-Rama II Project. The details can be summarized as follows.

Type of property	: Land and buildings in 2 parcels
Title Deed	: Title Deed No. 6930 and 17321 with the area of 2-3-81 Rai or 1,181.00 Square Wah located in Bangmod Sub-District, Bangkhuntien District, Chom Thong, Bangkok.
Building	: 19-story condominium with component parts (under construction)
Building License	: License according to Section 39 bis No. 44/2014
Ownership	: Land ownership belongs to Orin Property Company Limited Building ownership belongs to Orin Property Company Limited



Obligation	:	Under the mortgage with Thanachart Bank Public Company Limited
Access to the property	:	Public Road
Purpose of appraisal	:	Use for public purpose
Appraisal criteria	:	Market Value criteria
Appraisal method	:	Cost Approach and Market Comparison Approach
Appraisal date	:	August 7, 2015
Value after 100% completion	:	THB 692,643,500
Value based on cost approach after 100% completion.	:	THB 518,378,740
Value based on cost approach on appraisal date	:	THB 444,697,856

Source: Property appraisal report done by Siam City Appraisal Company Limited

Note: The explanation of different appraisal value

- Value after completion is the appraisal value of the project if the units are sold based on the selling price
- Value based on cost approach after 100% completion is the appraisal value of the project based on cost approach after the construction is completed.
- Value based on cost approach on appraisal date is the appraisal value of the project based on cost approach and the progress of the project on appraisal date.

## 2) Related Parties with ORIN

Related Parties	:	Construction Agreement for 19-story condominium (Origins Bangmod-Rama II Project)
Owner	:	Orin Property Company Limited (ORIN)
Contractor	:	S. Somboon Company Limited
Relationship	:	No relationship with any shareholder, director or executive of the Company

### Summary of the agreement

#### Construction Agreement for 19-story condominium (Origins Bangmod-Rama II Project)

Owner	:	Orin Property Company Limited (ORIN)
Contractor	:	S. Somboon Company Limited
Duration	:	Both parties agree that the duration of construction of 19-story condominium in this agreement will be 600 days starting from May 10, 2014 to December 30, 2015.
Contents	:	The owner agrees to hire and the contractor agrees to be hired for



	construction of one building of 19-story condominium on Title Deed no. 17321, which is located at 35, Bangmod Sub-District, Bangkhuntien District, Bangkok under the name of Origins Bangmod-Rama II Project according to the term and condition in this agreement.
<b>Value of Agreement</b>	: THB 297.00 million
<b>Payment</b>	: The owner will make the monthly payment based on the progress of work. The contractor will summarize the progress of work and propose to the superintendent and/or the representative of the owner in order to verify.
<b>Other important details</b>	: <ul style="list-style-type: none"><li>- If the monthly payment is delay, the owner will pay the interest at the annual rate of 7.50% of that payment based on the number of day that is delay.</li><li>- The contractor allows the owner to take the retention of 5% of total value in the agreement by deducting from every payment. The owner agrees to return this retention to the contractor in 365 days after the owner has accepted the final work. The owner will pay back this amount without interest within 30 days after the above due date. Before the due date, the contractor can ask to get this amount back by putting the letter of guarantee issued by the bank with the same amount and due date.</li></ul>
<b>Variations</b>	: <ul style="list-style-type: none"><li>- If the contractor cannot work within specified period or ORIN has assigned some works in form of written notification but the contract cannot complete in the proper time, ORIN has the right to assign that part of work to another party instead. In this case, the contractor agrees to pay for the expenses of such work by deducting from the payment made by the owner.</li><li>- If there are additional expenses in construction, the payment must be requested according to the process of monthly payment as agreed by both parties.</li></ul>
<b>Penalty for delay</b>	: <ul style="list-style-type: none"><li>- If the contractor cannot complete the work within the period specified in this agreement or within the period after getting extension, the contractor allows ORIN to charge the penalty. The penalty rate is 0.05% of total value in the agreement per day with VAT included starting from the specified date until the contractor can deliver the work completely or until ORIN terminates the agreement. However, total penalty charge will not exceed 10% of total value in this agreement.</li></ul>

Note: - The progress of Origins Project based on the accounting due diligence for ORIN on August 31, 2015 done by DIA is 80%.



- The engineering progress report of Origins Project done by the engineering supervisor on December 2, 2015 has confirmed the progress of more than 90%. Moreover, the project will be completed and ready for the title deed (AorChor. 2) and can do the ownership transfer to customers within January 13, 2016.

#### Overview of S. Somboon Company Limited

##### General information of S. Somboon Company Limited

S. Somboon Company Limited has been registered as the juristic person according to Civil and Commercial Code on February 7, 2012 with the authorized capital of THB 1.00 million. The head office is located at 14/41 Boonthavorn Village, Wat Kod Hin – Khao Phai Road, Noen Phra Sub-District, Muang Rayong District, Rayong. The main business is to be the contractor for the construction.

S. Somboon Company Limited has just been established in 2012 with the authorized capital of only THB 1.00 million. Therefore, there is a risk of selecting this company as the contractor for the project with high value. However, this project has been done for more than 90% based on the engineering progress report done by the engineering supervisor on December 2, 2015. It is also confirmed that the project will be completed and ready for the title deed (AorChor. 2) and can do the ownership transfer to customers within January 13, 2016. Moreover, according to the sale and purchase agreement of ordinary shares and the amendment for sale and purchase agreement, the seller has affirmed to be responsible until the construction of Origins Project has been completed and to process for related registration, as well as to guarantee that the total expenses in developing Origins Project will not exceed THB 553.00 million. If the expense exceeds the specified amount, the seller will be responsible in compensating for the expense over that amount.

Related Parties	: Sale and Purchase Agreement for the elevators including installation
Buyer	: Orin Property Company Limited (ORIN)
Seller	: AD Hero Schneider (Thailand) Company Limited
Relationship	: No relationship with any shareholder, director or executive of the Company

#### Summary of the Agreement

##### Sale and Purchase Agreement for the elevators including installation (Origins Bangmod-Rama II Project)

Buyer	: Orin Property Company Limited (ORIN)
Seller	: AD Hero Schneider (Thailand) Company Limited
Period	: 265-540 days after getting notification from the buyer
Type of Agreement	: The seller agrees to sell and the buyer agrees to purchase the passenger elevator under the brand of AD HERO-SCHNEIDER Model ACVF900-CO60-19F/19S for 3 sets with the loading capacity of 900 Kilogram. These elevators are installed in Origins Project.



Value of Agreement	: THB 5.85 million
Payment	: There will be 3 payments as follows. <u>1<sup>st</sup> Payment</u> The payment of 20% will be made on the agreement date (The deposit of 40% will also be made and the seller will put the letter of guarantee (LG) for the same amount.) <u>2<sup>nd</sup> Payment</u> The payment of 30% will be made once the components of elevator are delivered (the payment will be made on delivery date) <u>3<sup>rd</sup> Payment</u> The payment of 10% will be made after the final delivery.
Description	: - The seller provides the warranty of elevator and components for 5 years after the final delivery date.
Other important details	: - The ownership in components of elevator will be transferred to the buyer once the delivery is complete and the buyer makes the payment completely in each lot.

Note: As of November 16, 2015, ORIN has already accepted the shipment of 1 set of elevator for Origins Project

#### Overview of AD Hero Schneider (Thailand) Company Limited

#### General information of AD Hero Schneider (Thailand) Company Limited

AD Hero Schneider (Thailand) Company Limited has been registered according to Civil and Commercial Code on July 7, 2008. Currently, the authorized capital is THB 5.00 million. The head office is located at 61/488, Moo 2, Lam Pakchi sub-district, Nong Chok District, Bangkok. The main business is to provide services in installation, maintenance, and distribution of car elevator and elevator.

Related Parties	: Sale and Purchase Agreement for furniture ( <u>Origins Bangmod-Rama II Project</u> )
Buyer	: Orin Property Company Limited (ORIN)
Seller	: SB Furniture Industry Company Limited
Relationship	: No relationship with any shareholder, director or executive of the Company

#### Summary of the Agreement

#### Sale and Purchase Agreement for furniture (Origins Bangmod-Rama II Project)

Buyer	: Orin Property Company Limited (ORIN)
Seller	: SB Furniture Industry Company Limited
Period	: The seller will deliver and install the furniture for the buyer starting around September 2015
Type of Agreement	: Sale of furniture set including delivery and installation
Value of Agreement	: THB 17.28 million



<b>Payment</b>	: The details of payment are as follows. <u>1<sup>st</sup> Payment</u> 5% of total value will be paid on agreement date, which is April 1, 2014 <u>2<sup>nd</sup> Payment</u> 10% of total value will be paid in 4 months after agreement date <u>3<sup>rd</sup> Payment</u> 10% of total value will be paid in 8 months after agreement date <u>4<sup>th</sup> Payment</u> 10% of total value will be paid in 12 months after agreement date <u>5<sup>th</sup> Payment</u> 35% of total value will be paid after the delivery of furniture. The buyer can divide the payment for each lot of delivery. <u>6<sup>th</sup> Payment</u> 30% of total value will be paid based on the delivery of installation of furniture. The payment will be made for each lot based on the invoices.
<b>Description</b>	: - The seller will deliver and install furniture sets at Origins Bandmod-Rama II Project according to the delivery plan. Each lot of delivery is for a floor or at least 30 units. The buyer will make the written notification at least 60 days before delivery.
<b>Other important details</b>	: - The buyer can postpone the installation date not more than 45 days by notifying the seller in written letter at least 30 days before. If it is over such period, the seller can charge for the warehouse fees at the rate of THB 270 per unit per day.

Note: As of November 2015, ORIN has already paid the deposit for the agreement for THB 6.05 million

#### Overview of S.B. Furniture Industry Company Limited

##### General information of S.B. Furniture Industry Company Limited

S.B. Furniture Industry Company Limited has been registered as the juristic person according to the Civil and Commercial Code on August 30, 1990. Currently, the authorized capital is THB 590.00 million. The head office is located at 126/150, Moo 1, Pak Kret Sub-District, Pak Kret District, Nonthaburi, 11120. The main business is to produce and sell furniture for home and office decoration under the brand of "S.B. Furniture".

<b>Related Parties</b>	: Installation of Sanitation System (Origins Bandmod-Rama II Project)
<b>Owner</b>	: Orin Property Company Limited (ORIN)
<b>Contractor</b>	: Prima Mech Engineering Company Limited
<b>Relationship</b>	: No relationship with any shareholder, director or executive of the Company





### Summary of Installation of Sanitation System based on Quotation

Date	: March 16, 2015
Reference No.	: PMEC-QT-58-115105-4
Proposed to	: Orin Property Company Limited(ORIN)
Proposed by	: Prima Mech Engineering Company Limited
Description	: The accessories and tools, as well as service cost for installing the mechanical engineering for building, which includes sanitation system, fire protection system, and ventilation systems for Origins Project.
Value	: THB 29.96 million
Payment	: The payment based on the progress of work will be done every 15 days
Duration	: 360 days

Note: Based on the accounting due diligence done by DIA on August 31, 2015, the remaining value of work is THB 12.45 million.

### Overview of Prima Mech Engineering Company Limited

#### General information of Prima Mech Engineering Company Limited

Prima Mech Engineering Company Limited has been registered as the juristic person according to Civil and Commercial Code on September 24, 2011. Currently, the authorized capital is THB 5.00 million. The head office is located at 89/938 Suthawee Village Soi 2/6, Bangplee-Tumru Road, Bangpleeyai Sub-District, Bangplee District, Samut Prakan, 10540.

#### 1.5 Class and Size of the Transaction

The Board of Directors of Asia Corporate Development Public Company Limited (“the Company” or “ACD”) has resolved at its meeting No. 15/2015 held on August 21, 2015 to approve the acquisition of ordinary shares of Orin Property Company Limited (“the Target” or “ORIN”), which develops the property for sale. The number of acquired shares in this transaction is 150,000 shares with the par value of THB 1,000, which is 100% of its authorized capital. The ordinary shares will be acquired from the current shareholder name Mr. Sorawut Manasomjit, who is not the connected person with the Company. ORIN is the owner of one Condominium project under development named Origins Bangmod – Rama II Project (“Origins Project”). There are totally 371 units for this project. The project is located on 2 parcels of land as follows.

- 1) Title Deed No. 6930, Parcel No. 40, Dealing File No. 852, Bangmod Sub-District, Bangkhuntien District, Bangkok, with the area of 2 Rai 3 Ngan 25 Square Wah.
- 2) Title Deed No. 17321, Parcel No. 35, Dealing File No. 851, Bangmod Sub-District, Bangkhuntien District, Bangkok, with the area of 2 Rai 3 Ngan 60 Square Wah.



Total value of this transaction is THB 195.00 million. Thereafter, the Company has received the accounting due diligence of ORIN developed by DIA on August 31, 2015 and found that ORIN has some financial data that is different from the previous data. In this report, after including the expected value to be benefit and contingent liabilities, the value of total asset ranges from the lowest to the highest between THB 139.76-194.48 million. Therefore, the Company has revised the feasibility study of the project and the expected return on investment and has negotiated for reducing the price in this transaction. Thereafter, The Board of Directors of the Company has resolved in its meeting No. 22/2015 held on November 27, 2015 to approve the negotiation for reducing the price in the transaction from THB 195.00 million to THB 160.00 million. The details of this investment are as follows.

Investment in ORIN	Amount (THB million)
Investment in ordinary shares of ORIN	160.00
<b>Total</b>	<b>160.00</b>

Source : information from the Company

This transaction is the acquisition of assets according to the Notification of the Board of Governors of the Stock Exchange of Thailand about Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 and Notification of Capital Market Supervisory Board No. TorJor. 20/2551 about Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets ("Acquisition or Disposal Rule"), as well as other related notifications. The size of transaction is calculated based on the consolidated financial statement of the Company as of March 31, 2015 and the financial statement of ORIN as of December 31, 2014. The calculation is based on the following details.

Amount (THB million)	The Company as of March 31, 2015	ORIN as of August 31, 2015
Total assets	282.96	483.74
Intangible assets	0.16	-
Total liabilities	8.34	343.98
Minority interests	(0.25)	-
Net tangible assets	276.27	139.76
Net profit excluding minority interests	(79.32)	n/a <sup>1</sup>

Source : - The consolidated financial statement of the Company as of March 31, 2015, which is before the share offering to the existing shareholders ("Rights Offering" or "RO") during the 2nd quarter of 2015 and the financial statement from the accounting due diligence done by DIA on August 31, 2015.



<sup>1/</sup> There is no revenue recognition because the project of the Company is under construction.

Note : Net profit excluding minority interests is calculated from past 4 quarters as of March 31, 2015.

Method for calculation of transaction size

	Calculation	Value (%)
1. Net tangible assets	$\frac{\% \times \text{NTA of the Target} \times 100}{\text{NTA of ACD}}$	$\frac{139.76 \times 100}{276.27} = 50.59$
2. Net profit	$\frac{\% \times \text{Net profit of the Target} \times 100}{\text{Net profit of ACD}}$	n/a <sup>1/</sup>
3. Value of consideration	$\frac{\text{Value of consideration paid} \times 100}{\text{Total asset of ACD}}$	$\frac{160.00 \times 100}{282.96} = 56.55$
4. Value of shares issued for the payment of acquisition	$\frac{\text{Number of shares issued by ACD for the payment of ordinary share of ORIN}}{\text{Number of issued and paid-up shares of ACD}}$	Cannot be calculated due to the payment is made in cash

Note : <sup>1/</sup> Cannot be calculated because the financial statement of the Company during the last 4 quarters until March 31, 2015 shows the net loss.

Total value of this transaction is THB 160.00 million. Therefore, the size of transaction based on total value of consideration is 56.55% of total asset of the Company according to the consolidated financial statement as of March 31, 2015 (Before the share offering to the existing shareholders (“Rights Offering” or “RO”) during the 2<sup>nd</sup> quarter of 2015).

This acquisition of asset is classified as Class 1 Transaction according to Notification of Capital Market Supervisory Board No. TorJor. 20/2551 about Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated August 31, 2008 (“Acquisition or Disposal Rule”) and Notification of the Board of Governors of the Stock Exchange of Thailand about Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 dated October 29, 2003 as well as other related notifications. Moreover, Section 12 of Notification of the Board of Governors of the Stock Exchange of Thailand about Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 has specified that “the Stock Exchange of Thailand may consider to combine all transactions during past 6 months to be one transaction in order to calculate the size of transaction about asset acquisition.” The Board of Directors of the Company has resolved at its meeting No. 13/2015 held on July 29, 2015 to approve the acquisition of land for 4 parcels, which are Title Deed No. 136629, 136630, 136631, and 136632, which are located in Pak Kret District, Nonthaburi with total area of 80 Square Wah, as well as all buildings on those land parcels and all component parts that are related and necessary in utilize



those buildings (later referred to as “Land and Buildings”). Total value of this acquisition is THB 42.00 million and the size of transaction based on total value of consideration is 14.84% of total asset of the Company. After including all transactions during past 6 months, total size of transaction becomes 71.39% of total asset the Company. Therefore, the Company needs to disclose information to the Stock Exchange of Thailand (“Stock Exchange”) and arrange the shareholder meeting in order to get the resolution to approve the transaction. The resolution in the shareholder meeting must consist of supporting votes at least three-fourths of the total votes of shareholders attending the meeting and having voting rights, excluding interested shareholders.

After considering the Acquisition or Disposal Rule, the size of transaction based on total value of consideration is 56.55% of total asset of the Company according to the consolidated financial statement as of March 31, 2015 (Before the share offering to the existing shareholders (“Rights Offering” or “RO”) during the 2<sup>nd</sup> quarter of 2015), which is the highest value based on calculation methods. This transaction is considered to be Class 1 Transaction according to Notification of the Board of Governors of the Stock Exchange of Thailand about Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547.

Class 1 Transaction means “The transaction between any listed company or its subsidiary and the other party who is not a listed company. After the calculation based on the criteria, the size of transaction is 50% or higher but less than 100%.”

According to Notification of the Board of Governors of the Stock Exchange of Thailand about Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547, the Company needs to appoint the Independent Financial Advisor to provide the opinion on acquisition of asset and disclose information to the Stock Exchange. Moreover, the Company needs to arrange the shareholder meeting in order to get the resolution to approve this transaction. The resolution in the shareholder meeting must consist of supporting votes at least three-fourths of the total votes including proxy votes (if any) of shareholders attending the meeting and having voting rights, excluding interested shareholders. The Extraordinary General Meeting of shareholders No. 1/2016 will be held on January 14, 2016 at 10.00 hrs. at Sapphire 201, Impact Forum Building, Muang Thong Thani, 99 Popular Road, Banmai Sub-District, Pak Kret District, Nonthaburi, 11120.

#### 1.6 Details of Acquired Asset

The Board of Directors of Asia Corporate Development Public Company Limited (“the Company” or “ACD”) has resolved at its meeting No. 15/2015 held on August 21, 2015 to approve the acquisition of ordinary shares of Orin Property Company Limited (“the Target” or “ORIN”), which develops the property for sale. The number of acquired shares in this transaction is 150,000 shares with the par value of THB 1,000, which is 100% of its authorized capital. Total value of this transaction is THB 195.00 million. The ordinary shares will be acquired from the current shareholder name Mr. Sorawut Manasomjitr, who is not the connected person with the



Company. Thereafter, the Company has received the accounting due diligence of ORIN developed by DIA on August 31, 2015 and found that ORIN has some financial data that is different from the previous data. In this report, after including the expected value to be benefit and contingent liabilities, the value of total asset ranges from the lowest to the highest between THB 139.76-194.48 million. Therefore, the Company has revised the feasibility study of the project and the expected return on investment and has negotiated for reducing the price in this transaction. Thereafter, The Board of Directors of the Company has resolved in its meeting No. 22/2015 held on November 27, 2015 to approve the negotiation for reducing the price in the transaction from THB 195.00 million to THB 160.00 million. ORIN is the owner of one Condominium project with 371 units currently under development named Origins Bangmod – Rama II Project (“Origins Project”). Origins Project has got the related documents and licenses related to the development of the project as following details.

#### Summary of related documents

##### Title Deeds

Topic	Description
Ownership	Orin Property Company Limited
Location	Bangmod Sub-District, Bangkhuntien District, Chom Thong, Bangkok.
Title Deeds	No. 17321 and No. 6930
Number of parcels	2 Parcels
Total area	2 Rai 3 Ngan 85 Square Wah or 1,185 Square

Note : Under the mortgage with Thanachart Bank Public Company Limited on February 3, 2014.

##### Acknowledgement letter on the request for building modification, demolition of a building or move without applying for a license according to Section 39 bis (Form KorThorMor. 6)

Topic	Description
Issue date	March 3, 2014
Approved by	Mr. Patarut Tardaranon, Deputy Director of Public Work Department, acting for Director of Public Work Department, acting on behalf of Governor of Bangkok, Local Authority
Applied by	Orin Property Company Limited
Purpose	For construction of 1 unit of 19-story reinforced concrete building. The building will be used for commercial unit (4 units), parking space, residential unit (367 units) for 21,214.00 Square Meter and for parking lot, U-turn, and entrance-exit for car with capacity of 147 cars for 1,690 Square Meter.
Period	The construction will be completed in 730 days. The process of building/demolition/modification starts on March 3, 2014 and will be finished



Topic	Description
	on March 3, 2016.
Other important details	Within 120 days after getting the acknowledgement letter on the request according to Section 39 bis or after starting for building modification, demolition of a building or move or use of building as in the request, the local authority found that the request activities, or the documents submitted with the request according to Section 39 bis e.g. layout plan, floor plan, specification, and structural engineering calculation of building does not comply with Building Control Act, as well as the ministerial regulations or local registration related to this act or other related regulations, the local authority can order to make them correctly or completely within 7 days.

**Summary of loan agreement from Thanachart Bank Public Company Limited**

Topic	Description
Date	February 3, 2014
Borrower	Orin Property Company Limited("ORIN")
Lender	Thanachart Bank Public Company Limited
Credit line and purpose	The borrower agrees to use the loan amount and the lender agrees to provide the loan for the maximum amount of THB 312 million in order to be used in construction of condominium in Origins Project ("the Project"). The details of loan are as follows. <b>1<sup>st</sup> Amount:</b> Long-term loan with the maximum amount of THB 47.00 million is for the cost of land used for the project <b>2<sup>nd</sup> Amount:</b> Long-term loan with the maximum amount of THB 240.00 million is for the cost of construction of the project. <b>3<sup>rd</sup> Amount:</b> This amount is used to guarantee of the bill of exchange with maximum amount of THB 6.00 million. The lender will guarantee for the bill of exchange issued by the borrower in order to be used with the seller of passenger elevator. <b>4<sup>th</sup> Amount:</b> Long-term loan with the maximum amount of THB 14.50 million is for the cost of furniture used in room decoration. <b>5<sup>th</sup> Amount:</b> Long-term loan with the maximum amount of THB 4.50 million is for the cost of air conditioners installed in the project.
Interest rate and payment	The borrower agrees to pay the interest of all amounts to the lender on monthly basis. The first payment is made on the last working day of the month of the first drawdown. <b>1<sup>st</sup> Amount:</b> The annual interest rate is Minimum Loan Rate (MLR) minus 1.25% in



Topic	Description
	<p>the first year. MLR on the agreement date is 7.25% per year. Thereafter, the annual interest rate is MLR minus 1.00%.</p> <p><u>2<sup>nd</sup> Amount:</u> The annual interest rate is MLR minus 1.00%</p> <p><u>3<sup>rd</sup> Amount:</u> The borrower will pay the interest after the amount used to guarantee of the bill of exchange is converted into monthly installment loan. The payment will be made at the end of each month. The payment will start in the month that the lender has paid the amount according to the bill of exchange. The annual interest rate is MLR minus 1.00%. Thereafter, the payment will be made at the end of each month until total amount is paid off.</p> <p><u>4<sup>th</sup> Amount:</u> The annual interest rate is MLR minus 1.00%</p> <p><u>5<sup>th</sup> Amount:</u> The annual interest rate is MLR minus 1.00%</p>
Collateral	<ul style="list-style-type: none"><li>- 2 parcels of land consist of Title Deed No. 6930 in Bangmod Sub-District, Bangkhuntien District, Bangkok and Title Deed No. 17321 in Bangmod Sub-District, Bangkhuntien District, Bangkok. The collateral includes any building on those pieces of land on the agreement date and/or any building that will be built on those pieces of land. The mortgage amount is THB 330.00 million.</li><li>- Mr. Sorawut Manasomjit and Mrs. Parichart Thavornsakcharoen will be the surety for the full amount of this loan. This surety will take responsibility of this loan as the joint debtor.</li></ul>
Repayment	<ul style="list-style-type: none"><li>- When the mortgage is released for each unit in order to transfer to the customers, the borrower will pay back the amount at least 75% of selling price for each unit to the lender but the amount must not less than THB 40,000 for each unit.</li><li>- The 1<sup>st</sup> amount will be paid back within 3 years after agreement date.</li><li>- The 2<sup>nd</sup> amount will be paid back within 3 years after the first drawdown of this amount.</li><li>- The 3<sup>rd</sup> amount will be paid back within 3 years after the amount amount used to guarantee of the bill of exchange is converted into the loan.</li><li>- The 4<sup>th</sup> amount will be paid back within 3 years after agreement date.</li></ul>
Default conditions	<p>ORIN is considered to be default in the following conditions.</p> <ul style="list-style-type: none"><li>- ORIN does not make the payment of principal, interest, fees, or any amount specified in this agreement.</li><li>- ORIN is under any legal action or government order or other situations that the operation of the borrower is changed or the authority in running business of</li></ul>



Topic	Description
	<p>ORIN is changed or stopped, or all or some shares of ORIN are seized, withheld, expropriated, or transferred to the government.</p> <p>- ORIN is sued and the lender thinks that it can deteriorate the operation or financial status of the borrower or the debt repayment capacity of ORIN or the ability to act according to this agreement. Otherwise, ORIN is insolvency, under receivership, is distrained by the official, is requested for rehabilitation, acts of bankruptcy, or under composition.</p>

Note: On November 17, 2015, Mr. Sorawut Manasomjitr has sent the letter as the company director to Thanachart Bank Public Company Limited, who provide loan for construction of Origins Project. The letter is to inform about the change in shareholder of ORIN that will sell all ordinary shares to the Company according to the sale and purchase agreement of ordinary shares on November 3, 2105.

#### Information about project and investment

- Investment budget

Investment in ORIN	Amount (THB million)
Investment in ordinary shares of ORIN	160.00
Total	160.00

Source : Information from the Company

- Location

Orin Property Company Limited (“the Target” or “ORIN”) runs the business in property development for sale. ORIN has the ownership in 1 condominium project with 371 units currently under development, which is Origins Bangmod-Rama II Project (“Origins Project”). Origins Project is located at 666/1, Rama II Road (Highway No. 35) around Km. 3+500, Bangmod Sub-District, Chom Thong District, Bangkok. Origins Project is at the roadside of Rama II Road, which is surrounded by many amenities e.g. Central Plaza Rama II that consists of the department store, Tops Supermarket, and more than 350 retail stores, HomePro Rama II, many restaurants on Rama II Road, driving ranges, and hospitals. The transportation is convenient because it is near the expressway, which is around 2 Kilometer from Rama II Toll Gate.

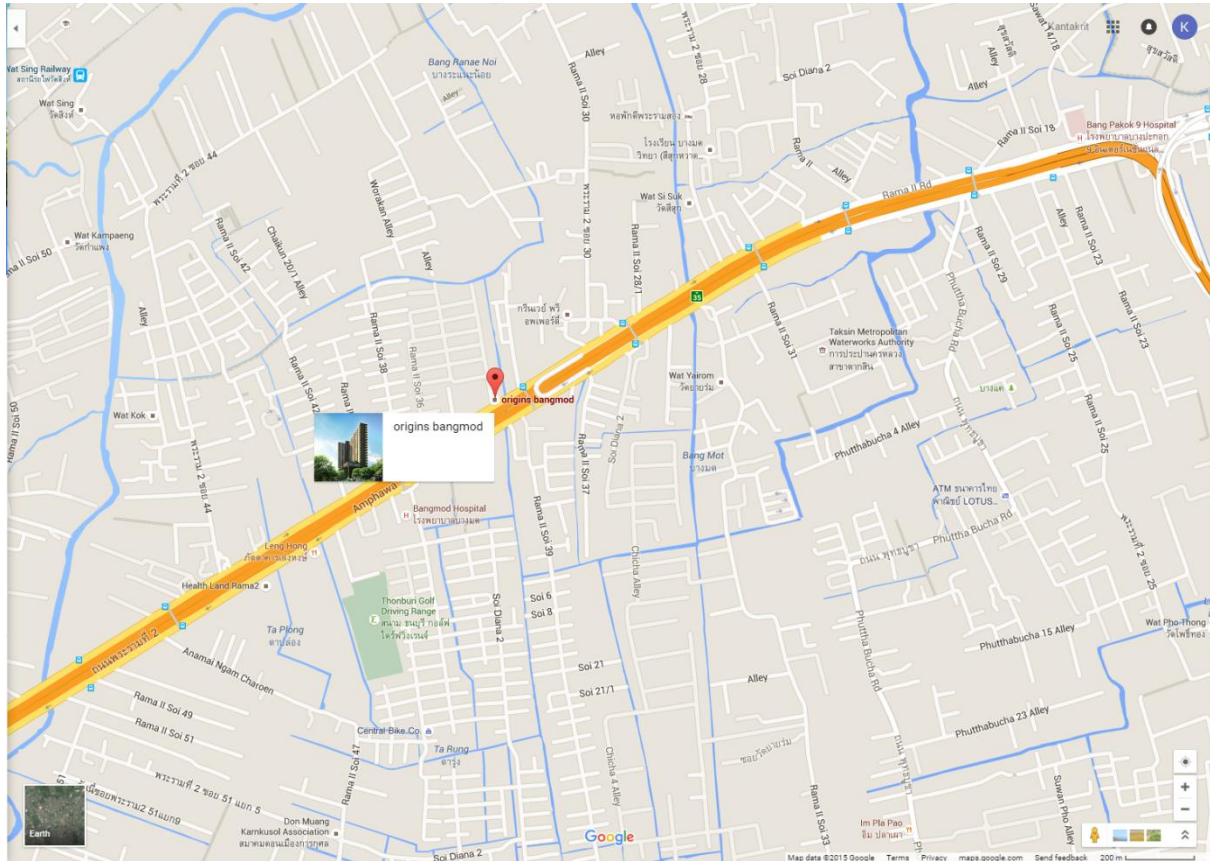
The progress of Origins Project based on the accounting due diligence done by DIA on August 31, 2015 is 80% and the engineering progress report done by the engineering supervisor on December 2, 2015 has verified that the progress is around 90% and confirmed that the project will be completed and ready for the title deed (AorChor. 2) and can do the ownership transfer to customers within January 13, 2016. For the progress of sale, ORIN affirmed, on November 3, 2015 (which is the agreement date) that there are customers who has made the sale and purchase agreement and already paid the deposit more than 88% of total units in the project





according to the sale and purchase agreement of ordinary shares and information that ORIN has provided for the Company.

### Location Map





- *Value of the Project (based on List Price)*

After the completion, the value of the project is as follows.

Selling Price	THB / Square Meter
Selling price for residential units	49,000 – 68,500
Commercial area	67,000 – 70,000
Total value*	THB 619.40 million <sup>1/</sup>

Note: <sup>1/</sup>The value of the project is based on the price in the sale and purchase agreement of condominium units and the estimated value of remaining units



- Characteristics of Building and Facilities

Origins Bangmod-Rama II Project is located on Rama II Road. The project is developed on 2 parcels owned by Orin Property Company Limited Total area is 2 Rai 3 Ngan 85 Square Wah and the development area is 4,725.84 Square Meter. The project consists of one 19-story building with 367 units for residential purpose and 4 units for commercial area, parking lots, facilities including electrical system, ventilation system, sanitation system, elevator system, telephone system, fire protection system, fire alarm system. There are 3 sets of elevator to support 19 floors.

The project provides the parking lots for 147 cars, which consists of indoor parking for 134 cars and outdoor parking for 13 cars (including 1 parking lot for disability and 1 parking lot for garbage truck).

Project Image

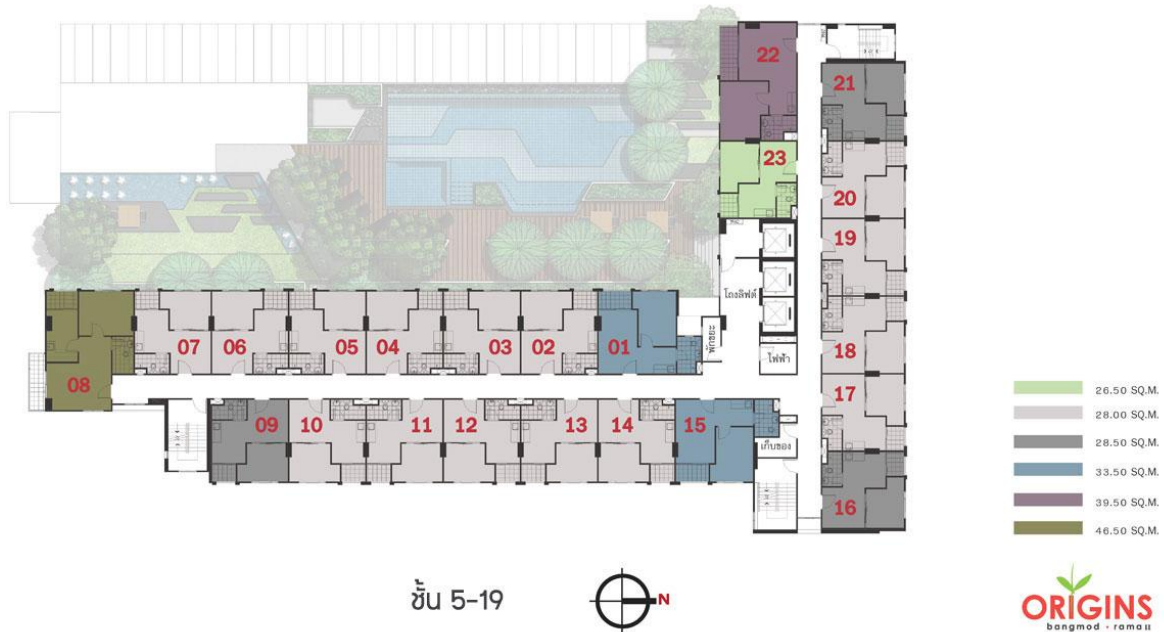




Floor plan







- Type of unit

Based on the design of Orin Property Company Limited, the unit type of Origins Bangmod-Rama II Project consists of 2-bedroom and 1-bedroom with 3 designs as follows.

Superior Design 28 Square Meter

1 bedroom 1 bathroom 1 living room 1 service corner (washing and hanging clothes)

Super Deluxe Design combines 2 rooms to become 56 Square Meter

2 bedroom 2 bathroom 1 living room 1 service corner (washing and hanging clothes)

Deluxe Design 33, 39, 44, 46.5 Square Meter

1 bedroom 1 bathroom 1 living room 1 service corner (washing and hanging clothes)



Unit Layout with the size of 26.5 Square Meter



Unit Layout with the size of 28 Square Meter





Unit Layout with the size of 33.5 Square Meter



Unit Layout with the size of 44 Square Meter





Unit Layout with the size of 46.5 Square Meter



Unit Layout with the size of 56 Square Meter







Showroom image



- Type of condominium buyers

The condominium buyers can be divided into 2 groups as follows.

- The buyers for residential zone for 367 units in 19 floors
- The buyers for commercial zone for 4 units, which are located on the 1<sup>st</sup> floor.



Facilities and Project Feature

- Nice scene on High-rise 19-story condominium with no high building around
- Infinity edge swimming pool
- Fitness in the same horizon as the garden (Horizon Fitness)
- The common area includes children zone and library
- The height from floor to ceiling is 2.5 Meter with good ventilation
- 24-hour security system with CCTV and key card







Project Progress as of August 2015



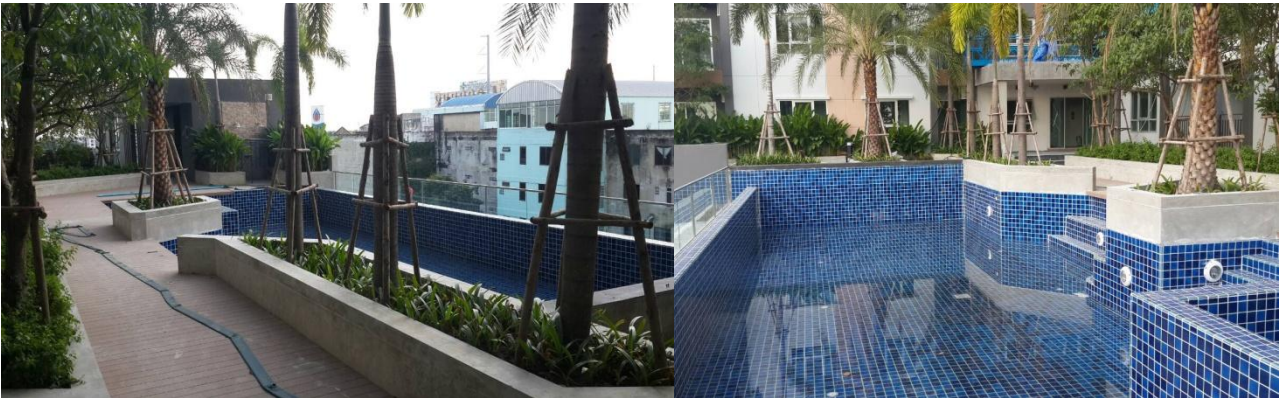


Project Progress as of November 2558









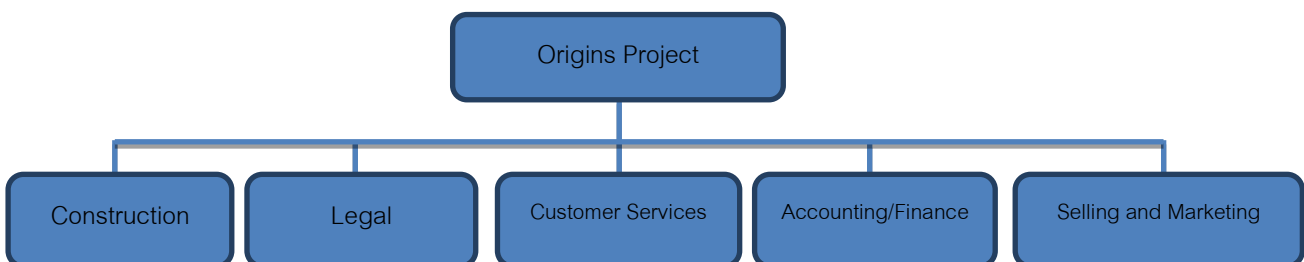
- Project Duration

The Company has specified the duration of construction and selling of remaining units for Origins Bangmod-Rama II Project at 6 months. The details are as follows.

Description	Duration (months)	Month						
		Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16
- Coordinating and follow-up with the banks for the loan approval process of customers	2+							
- Establishment of condominium juristic person	2							
- Getting approval from the shareholders' meeting	1							
- Ownership transfer for units already sold	4							
- Promotional campaign of remaining units	2							
- Selling for remaining units	3							
- Ownership transfer for remaining units	3							

- Project Management

In project management, the Company has assigned some employees of the Company to work in the project with the employees of ORIN. There are 8 employees in five departments including construction department, legal department, customer services department, accounting and finance department, and selling and marketing department. The structure of the project can be illustrated as follows.





Department	Responsibility	Personnel under ORIN	Personnel under the Company
Construction	<ol style="list-style-type: none"><li>1. Follow-up the construction to be done according to the specified period.</li><li>2. Correct the defect as examined by customers.</li></ol>	1 officer	1 executive
Legal	<ol style="list-style-type: none"><li>1. Check the title deeds used in ownership transfer to customers (Aor. 6 and AorChor. 2)</li><li>2. Prepare for registration of condominium juristic person.</li></ol>	1 officer	1 executive
Customer Services	<ol style="list-style-type: none"><li>1. Coordinate with banks about the loan for customers</li><li>2. Coordinate with customers in applying for loan.</li><li>3. Coordinate with customers in examining the room.</li></ol>		2 executives
Accounting and Finance	<ol style="list-style-type: none"><li>1. Prepare the report for revenue and expense of the project</li><li>2. Follow-up the ownership transfer and loan repayment.</li></ol>	1 officer	
Selling and Marketing	<ol style="list-style-type: none"><li>1. Prepare for the selling and marketing plan for remaining units.</li><li>2. Prepare the budget in selling and marketing.</li></ol>	1 officer	2 executives who are the same team in Customer Services Department

Source: Information from the Company

- Environmental Impact

Origins Bangmod-Rama II Project is considered to the residential project according to building codes and regulations with more than 80 units or with usable area more than 4,000 Square Meter. The project needs to do the Environmental Impact Assessment according to Notification of Ministry of Natural Resources and Environment about Specification on Types and Sizes of Projects or Activities requiring preparation of Environmental Impact Assessment Reports and the Principle, Method, Procedure and Guideline for preparation of Environmental Impact Assessment Reports.



On February 20, 2014, based on the document No. TorSor. 1009.5/1715, Office of Natural Resources and Environmental Policy and Planning has considered and presented the report about environmental impact assessment to The Committee for Considering the Environmental Impact Assessment of Buildings, Land Allocation, and Community Services to be considered in the meeting No. 6/2014 held on January 23, 2014. The Committee has approved the environmental impact assessment of Origins Project of ORIN and ordered ORIN to act as the environmental protection measures and follow-up measures based on the proposed report.

#### 1.7 Value of Consideration

The Company has determined the value of consideration of investment in ordinary shares of ORIN and construction of Origins Project until completion as follows.

Investment in ORIN	Amount (THB million)
Investment in ordinary shares of ORIN	160.00
Total	160.00

Source : information from the Company

#### 1.8 Value of Acquired Asset

Investment in ORIN	Amount (THB million)
Ordinary shares of ORIN	160.00
Total	160.00

Source : information from the Company

#### 1.9 Method in calculating the value of consideration

The fair value of the Target is considered based on the appraisal value by 2 independent appraisers approved by Office of Securities and Exchange Commission in order to negotiate for the appropriate price. The appraisal can be summarized as follows.

1. Siam City Appraisal Company Limited

The value of the project after completion is THB 692.64 million

Based on cost approach and market approach

2. Nawamin Appraisal and Consultant Company Limited

The value of the project after completion is THB 692.64 million

Based on income approach and market approach





Thereafter, the Company has received the accounting due diligence of ORIN developed by DIA on August 31, 2015 and found that ORIN has some financial data that is different from the previous data. In this report, after including the expected value to be benefit and contingent liabilities, the value of total asset ranges from the lowest to the highest between THB 139.76-194.48 million. Therefore, the Company has revised the feasibility study of the project and the expected return on investment and has negotiated for reducing the price in this transaction. Thereafter, The Board of Directors of the Company has resolved in its meeting No. 22/2015 held on November 27, 2015 to approve for reducing the price in the transaction from THB 195.00 million to THB 160.00 million

#### 1.10 Source of Capital

The source of capital for investment in ordinary shares of Orin Property Company Limited (ORIN) is as follows.

Source of capital (THB million)		Use of capital (THB million)	
1. Own capital <sup>1</sup>	160.00	1. Investment in ordinary shares of ORIN	160.00
<b>Total</b>	<b>160.00</b>	<b>Total</b>	<b>160.00</b>

Source : The value based on the sale and purchase agreement of ordinary share and the amendment

Note : <sup>1</sup> Asia Corporate Development Public Company Limited has done the capital increase by share offering to existing shareholders (Right Offering) for 199,230,125 shares and the price of THB 3.00 per share, which is totally THB 497,262,645.35 (This is the net amount after deducting related floatation costs)

#### 1.11 Expected Benefits

- The Company will earn income from property development business in a short period, which is the new channel of the Company for additional source of income.
- The Company can utilize cash receipt from offering ordinary shares to existing shareholders (Rights Offering:RO) without relying on loan.

#### 1.12 Opinion from the Board of Directors

The Board of Directors of the Company has opined that this is a good opportunity in expanding into the new business. The Company has the goal to be the leader in property development business. The acquisition of ordinary shares of ORIN will allow the Company to realize the revenue and profit quickly. The Company will involve in financial management and marketing of the Target. The Board of Directors of the Company is confident that the performance of the Target will be good as expected and will help enhancing the performance of the Company.



1.13 The Opinion of Audit Committee and/or Directors that is Different from the Opinion from the Board of Directors

- None -



## Part 2 : The Reasonability and Benefits of the Transaction

### 2.1 Objective and Necessity of the Transaction

The Company has changed its main business from producing and distributing of sport and entertainment products with dramatically decreasing in demand from a change in technology to property development, which has good potential in the future. However, the Company has not earned any revenue from property development. It means that the Company has no revenue from its main business. The executives have considered the investment that allows the Company to earn revenue quickly. Therefore, the Company has the plan to invest by acquiring ordinary shares of Orin Property Company Limited (“the Target” or “ORIN”) which develops the property for sale. ORIN is the owner of one Condominium project with 371 units named Origins Bangmod – Rama II Project (“Origins Project”). Origins Project has been developed since 2013 and the current progress is 80% based on the accounting due diligence done by D.I.A. and Associates Company Limited on August 31, 2015. Moreover, the progress report done by the engineering supervisor on December 2, 2015 has affirmed the progress of 90% and the project will be completed and ready for the title deed (AorChor. 2) and can do the ownership transfer to customers within January 13, 2016. For selling of condominium units, ORIN has affirmed in the sale and purchase agreement of ordinary shares on November 3, 2015 (which is the agreement date) that customers has reserved and paid the deposit for at least 88.00% of total unit in the project.

Based on the above information, the executives of the Company believe that the transaction will allow the Company to earn revenue from property development quickly compared to start the new property development project. Moreover, this investment will generate return to the Company in short period of time.

### 2.2 Advantages and Disadvantages of Performing the Transaction

#### 2.2.1 Advantages of Performing the transaction

- The Company will earn income from property development business in a short period, which is the new channel of the Company for additional source of income.

The investment in ordinary shares of ORIN for 100% of the authorized capital of ORIN will make ORIN become a subsidiary of the Company. Currently, Origins Project has been progressed well in both construction and selling as discussed earlier. The Company can consolidate the performance of ORIN in the consolidated financial statement with the expected total revenue from sale of the project is THB 619.40 million (according to the sale and purchase agreement of condominium units and the estimated value of remaining units) based on the current selling price of condominium unit (excluding other revenues). The Board of Directors of the Company has opined that this transaction will benefit the Company in earning the revenue property development business in a short period and will be the new channel for additional revenue, which is the good opportunity for the Company to expand the current business according to the goal to be the leading property



development company. If the performance of ORIN is as expected, it will also enhance the performance of the Company.

- The Company can utilize cash receipt from offering ordinary shares to existing shareholders (Rights Offering:RO)

The Company has done the rights offering (RO) for 166.02 million shares with the net receipt of cash for THB 497.26 million. As of September 30, 2015, the Company has cash and cash equivalents of THB 172.55 million. The investment in ordinary shares of ORIN is the good opportunity in to generate return from investment in property development business that will be the new channel for additional revenue, which is the good opportunity for the Company to expand the current business according to the goal to be the leading property development company. If the performance of ORIN is as expected, the Company will earn net profit of THB 46.08 million from this investment (according to the financial protection of income statement in Part 3: Appropriateness of the Price and the Condition of the Transaction).

#### 2.2.2 Disadvantages of Performing the transaction

- The investment in the new business that the Company has not much expertise and experience

The Company has just changed its main business from producing and distributing of sport and entertainment products to property development. The Company has not much expertise and experience in property development that can make the construction and sale management deviate from the specified plan. Therefore, the revenue from sale may be lower than the expected amount of THB 619.40 million (according to the sale and purchase agreement of condominium units and the estimated value of remaining units) if the sale is based on the current price (excluding other revenues) and the total expenses may be higher than the expected amount of THB 553.00 million.

Total expense of the project is THB 553.00 million, which includes the cost of construction and project administration until completion as well as the following conditions.

- 1) The company has done the registration of condominium for Origins Project in order to be able to issue the title deed for each unit of condominium and the registration of condominium juristic person with the official according to the law, as well as the company has already received related documents including Aor.Chor.1, Aor.Chor.2, and Aor.Chor.3.
- 2) The company has worked until the construction of Origins Project has been completed according to the construction plan.
- 3) The representatives who have been appointed by the buyer have already inspected Origins Project and have signed for accepting the delivery of Origins Project.



According to the amendment of sale and purchase agreement of ordinary share on November 27, 2015, the seller has agreed to be responsible for any expense in developing Origins Project until completion for the amount exceeding THB 553.00 million. The project is scheduled to be completed on January 15, 2016. The details of expense in developing and managing the project are as follows.

Unit: THB million

Items	Amount	Amount already paid as of August 31, 2015	Investment during Sep 1 – Nov 30, 15 <sup>1/</sup>	Remaining investment until completion
Cost of land	104.50	104.50	-	-
Construction cost	368.50	246.61	78.48	43.31
Passenger elevators	6.22	1.17	2.24	2.81
Furniture sets	17.28	6.05	-	11.23
Air conditioners	5.27	4.82	-	0.45
Other expenses	16.57	16.57	-	-
Finance costs	20.03	14.33	4.24	1.46
<b>Total cost of development</b>	<b>538.37</b>	<b>394.05</b>	<b>84.96</b>	<b>59.36</b>
Selling and administrative expenses	14.63	10.69	0.78	3.16
<b>Total cost of development plus selling and administrative expenses</b>	<b>553.00</b>	<b>404.74</b>	<b>85.74</b>	<b>62.52</b>

Note: the details of investment during September 1 – November 30, 2015 is based on the investment summary information from the Company without auditing

- The Company is responsible to do the consolidated financial statement by combining the financial statement of ORIN because ORIN is a subsidiary of the Company

As of September 30, 2015, total liabilities of the Company is THB 65.35 million including the trade account and other payables of THB 1.79 million, current portion of long-term loan of THB 6.48 million, long-term loan of THB 49.37 million, and other liabilities of THB 7.71 million. The debt-to-equity ratio is 0.09 times. After acquiring ordinary share of ORIN for 100% of its authorized capital, ORIN becomes a subsidiary of the Company and the Company needs to do the consolidated financial statement. After consolidation, the liabilities and interest expense of the Company will increase. Based on the accounting due diligence of ORIN done by DIA on August 31, 2015, large portion of total liabilities of ORIN is from long-term loan from financial institutions of THB 265.80 million. Therefore, after performing the transaction, the debt-to-equity of the Company will be higher due to liabilities and interest expense of ORIN.



## 2.3 Advantages and Disadvantages of Not Performing the Transaction

### 2.3.1 Advantages of not performing the transaction

- No risk from uncertainty of investment

Although, the Origins Project has been progressed well in both construction and selling as mentioned in the section about the Objective and Necessity of the Transaction, the Company needs to process further about documentations with government official. Moreover, the Company needs to prepare for the process of condominium unit checking and ownership transfer to customers. All these processes may be delay and the performance of ORIN may not be as expected. If the Company does not perform this transaction, the Company will not face the risk that the return from investment may be lower than expected.

- The Company can utilize cash from share offering in other investments

If the Company does not invest in ordinary shares of ORIN, the Company can use this amount as working capital for other investments of the Company in order to strengthen and expand the current business, as well as to increase the business potential of the Company. Otherwise, the Company may consider to invest in other planned projects or projects that the Company may be interested in the future.

However, the decision to invest in other businesses required a specific period in consideration and may not happen in a short period. If the Company decides to deposit this cash amount in a bank, the return will be relatively low.

- The Company does not need to do the consolidated financial statement by combining the financial statement of ORIN as a subsidiary of the Company

After acquiring ordinary share of ORIN for 100% of its authorized capital, ORIN becomes a subsidiary of the Company and the Company needs to do the consolidated financial statement. Based on the accounting due diligence of ORIN done by DIA on August 31, 2015, most of liabilities of ORIN are long-term loan from financial institutions of THB 265.80 million. Therefore, total liabilities and interest expense in the consolidated financial statement will be higher. If the Company does not perform this transaction, the Company does not need to do the consolidated financial statement by combining the financial statement of ORIN.

### 2.3.2 Disadvantages of not Performing the transaction

- The Company loses opportunity in investment in new business

The acquisition of ordinary shares of ORIN for 100% of its authorized capital will make ORIN become a subsidiary of the Company. The progress of the project in both construction and selling is mentioned in the section about the Objective and Necessity of the Transaction. If the Company does not perform this transaction, the Company will lose the opportunity to earn revenue from property development business in a short period and will be the new channel for additional revenue, which is the good opportunity for the Company



to expand the current business according to the goal to be the leading property development company. The Company can invest in other investments but the Company needs to consider in evaluating the investment opportunity that will not be finished in a short period.

- The Company loses the opportunity in utilizing cash receipt from offering ordinary shares to existing shareholders (Rights Offering:RO)

If the Company does not perform this transaction, the cash and cash equivalents of THB 172.55 million as of September 30, 2015 will not be utilized. This amount is from the rights offering (RO) of 166.02 million shares with the net receipt of cash for THB 497.26 million. The cash balance will not be utilized to generate return from investment in property development business that will be the new channel for additional revenue, which is the good opportunity for the Company to expand the current business. Moreover, the Company will have the opportunity cost of holding cash instead of investment to generate return if the Company does not perform this transaction.

- The Company may not be able to ask for the refund of the 1<sup>st</sup> payment of THB 117.00 million

According to the sale and purchase agreement on November 3, 2015, the Company needs to make the 1<sup>st</sup> payment of THB 117.00 million or 60% of original selling price of THB 195.00 million to Mr. Sorawut Manasomjitr within 3 days after the transaction date. The Company has already made the 1<sup>st</sup> payment on November 6, 2015. On November 16, 2015, the seller has pledged 90,000 shares or 60% of total number of share. If the shareholder meeting does not approve the transaction, the agreement has specified that the seller needs to refund the paid amount to the Company without any interest. The Company may face the risk in asking for the refund of the 1<sup>st</sup> payment though there are pledged shares. If the Company needs to sell the pledged shares by auction for the pledged shares of 90,000 shares with the par value of THB 1,000 is totally THB 90.00 million, which is only 76.92% of the 1<sup>st</sup> payment already paid. It is difficult to find any buyer who would like to pay equal to or more than the amount paid by the Company because the ordinary shares of ORIN are not listed in the Stock Exchange; so those shares are illiquid. Therefore, if the Company needs to sell the pledged share, the Company may get the amount less than the 1<sup>st</sup> payment already paid.

## 2.4 Risks of Performing the Transaction

### 2.4.1 The performance of ORIN is worse than expected

The investment in ordinary shares of ORIN for 100% of the authorized capital of ORIN will make ORIN become a subsidiary of the Company. Currently, Origins Project has been progressed well in both construction and selling as discussed the objective and necessity of the transaction. The Company can recognize revenue from sale once the ownership can be transferred to customers. However, banks are more careful and restrict in granting the loan to customers due to the current economic slowdown. Some customers



may not get loan approval from banks. Moreover, the new customers may delay their decision to buy condominium. The sale of remaining units and the ownership transfer may not be as much as expected. The construction works or the process about documentations with government official can also be delayed. This can make the performance of ORIN lower than expectation. Total revenue from the project may be lower than the expected amount of THB 619.40 million (according to the sale and purchase agreement of condominium units and the estimated value of remaining units) based on the current price (excluding other revenues) and the cost and operating expense may be higher than the expected amount of THB 553.00 million, which is the expected cost of project until completion including the registration of Origins Project as the condominium (Aor.Chor. 1), the title deed for condominium (Aor.Chor. 2), and the registration of condominium juristic person (Aor.Chor. 3), as well as the representatives of the Company has signed for the acceptance of final delivery of Origins Project.

However, the amendment of sale and purchase agreement of ordinary shares on November 27, 2015 has specified that the seller will be responsible for any cost and operating expense in developing Origins Project until completion for the amount exceeding THB 553.00 million (the cost and expense in project management has been shown on Disadvantages of Performing the Transaction). The project is scheduled to be completed on January 15, 2016.

#### **2.4.2 The construction or the process of documentation with government official is delay and the ownership transfer cannot be done as expected.**

The current progress of Origin Project is 80% based on the accounting due diligence done by D.I.A. and Associates Company Limited on August 31, 2015. Moreover, the progress report done by the engineering supervisor on December 2, 2015 has affirmed the progress of 90% and the project will be completed and ready for the title deed (AorChor. 2) and can do the ownership transfer to customers within January 13, 2016. According to the sale and purchase agreement of ordinary shares in this transaction, the seller will be responsible until the construction is completed and the ownership transfer are ready within January 15, 2016.

For selling of condominium units as of December 2, 2015, ORIN has already made the sale and purchase agreement with customers for 331 units with total value of THB 546.52 million. The amount of earnest money is THB 52.49 million. The due date for ownership transfer is December 31, 2015. If the ownership transfer is delayed because of the project, the customers have the rights to terminate the agreement and ORIN needs to return the whole amount of earnest money plus the interest rate of 7.5% per year and can also claim for compensation.





#### **2.4.3 ORIN did not collect the retention for performance guarantee from the contractor**

According to the construction agreement of Origins Project, the company needs to deduct 5% (VAT excluded) of total value as the retention to guarantee the performance. The deduction will be done for each payment according to the agreement. The period of performance guarantee is 365 days after the final delivery. However, ORIN has already collected the retention for only THB 1.62 million, which is 0.56% of total project development cost of THB 289.55 million (excluding the cost of land). For the remaining amount, there is no letter of guarantee according to the accounting due diligence of ORIN done by DIA on August 31, 2015. Therefore, after the final delivery of Origins Project and there are some defects or customers asks for repairing somethings during the warranty period, ORIN may not be able to ask for the responsibility of the contractor because the contract is the small company with the authorized capital of only THB 1.00 million. Therefore, ORIN needs to be responsible for these expenses. However, the executives of the Company has informed that the Company will hire the other company providing construction management services in order to inspect for any defect and make the acceptance decision by engineering team who are expertise in inspection on behalf of the Company. If any defect is found, the original executives of ORIN need to notify the contractor to correct it property before the Company will make the final payment for shares of ORIN. Moreover, ORIN has the retention for construction of THB 1.62 million. If there is any defect after final delivery and the contractor is not responsible for making the correction, ORIN can use this amount for repairing and making the correction. Therefore, it can help in reducing this risk.

#### **2.4.4 The seller of ordinary share cannot do according the agreement**

According to the sale and purchase agreement of ordinary shares and the amendment as well as other related documents, the seller has agreed for some acts with significant responsibilities as follows.

- Unless the Company agrees to extend the specified schedule, the seller affirms to the buyer that the seller as the shareholder and the director of the company will manage the project development until completion and the ownership transfer to customers will be ready within January 15, 2016.
- The seller affirms that all expenses related to the property development project of the company (Origins Project) until completion including other related expenses of the company as well as the audit expense for the accounting period as of December 31, 2015 will not exceed THB 553.00 million. If the expenses related to the development of the project until completion is more than the amount specified above, the seller will be responsible in compensating for the expense above that amount to the buyer within 15 days after getting the notification letter from the buyer. Moreover, the seller affirms that, from the agreement date until the agreement is completed, the seller will not make any liability or will not use any asset or cash of the company that cause any damage to the company or the buyer.



After performing the transaction, the Company has the risk that the seller cannot act according to the agreement.

#### 2.4.5 Volatility of interest rate

The acquisition of ordinary shares of ORIN makes ORIN become a subsidiary of the Company and the Company needs to be responsible for liabilities and interest expense of ORIN. Based on the accounting due diligence of ORIN done by IDA on August 31, 2015, ORIN has long-term loan from financial institutions of THB 265.80 million. The interest rate in the loan agreement is floating rate, which will be changed according to the policy interest rate announced by Monetary Policy Committee (MPC). On November 4, 2015, MPC meeting has the unanimous resolution to leave the policy interest rate at 1.50% per year because of concerning about an increase of inflation rate in the future. If there is a change in monetary policy, it will affect to the cost of fund of banks and banks may announce for the change in deposit interest rate and loan interest rate. Therefore, the Company has faced the risk of volatility of interest rate that will affect the finance costs and the overall performance of the Company in the future.

However, the loan agreement between ORIN and the bank has specified the repayment condition of at least 75.00% of selling price of each unit already transferred or not less than THB 40,000 per Square Meter. The project will be completed and the ownership transfer is ready in January 2016. Moreover, the condominium units can be sold out more than 89.22% of total number of unit, which is THB 9,995.50 per Square Meter. The Company will be able to pay back the whole amount of loan in a short period. The impact of a change in interest rate policy is small or not at all. Furthermore, the meeting minutes of MPC on November 4, 2015 has specified "Most committee opined that a decrease in the policy interest rate will not much affect the economy recovery but it can affect the risk in short-term stability in financial market". It is expected that MPC meeting on December 16, 2015 will leave the policy interest rate at the same level of 1.50% in order to wait for the result of Fed meeting on December 15-16, 2015 that may affect the interest rate in Thailand next year.



### 3. Reasonability of the Price and Appropriateness of the Conditions in the Transaction

#### 3.1 The Reasonability of the Price in the Transaction

This section is about the appropriateness of the acquisition price of Origins Bangmod-Rama II Project by acquiring all ordinary shares of Orin Property Company Limited (“ORIN”). IFA has done the valuation of ORIN using various approaches in order to evaluate the appropriateness of the price. IFA also provides the advantages and disadvantages of each approach as follows.

1. Discounted Cash Flow Approach
2. Book Value Approach
3. Adjusted Book Value Approach
4. Market Multiples Approach

##### 4.1 Price to Book Value Ratio: P/BV

Because ORIN is not the listed company in the Stock Exchange, it is not necessary for ORIN to do the quarterly financial statement and disclose much information to the public. Moreover, ORIN is the owner of only one project, which is Origins Bangmod-Rama II Project (“Origins Project”). Origins Project is currently under development and the construction has not been finished yet. Therefore, there is no revenue and profit from operation. IFA has considered the appropriateness of price in the transaction based on gathered information and has summarized various valuation approaches as follows.

Approach	Performed by IFA	Limitation
1. Discounted Cash Flow Approach	✓	-
2. Book Value Approach	✓	Because ORIN is not the list company in the Stock Exchange, there is no audited financial statement. The Company has assigned D.I.A. and Associates Company Limited to do the accounting due diligence on August 31, 2015.
3. Adjusted Book Valued Approach	✓	Because ORIN is not the list company in the Stock Exchange, there is no audited financial statement. The Company has assigned D.I.A. and Associates Company Limited to do the accounting due diligence on August 31, 2015.
4. Price to Book Value: P/BV	✓	Because ORIN is not the list company in the Stock Exchange, there is no audited financial statement. The Company has assigned D.I.A. and Associates Company Limited to do the accounting due diligence on August 31, 2015.



Approach	Performed by IFA	Limitation
5. Price to Earnings Ratio: P/E	✘	Because ORIN is the owner of only one project, which is Origins Bangmod-Rama II Project (“Origins Project”). Origins Project is currently under development and the construction has not been finished yet and there is no revenue and profit from operation. Therefore, IFA cannot use this valuation approach.

The opinion of IFA about appropriateness of the price is based on available information. The limitation of each valuation approach has been specified in the above table.

#### The Key Assumption in the Financial Projection

##### 1. Discounted Cash Flow Approach

IFA has done the financial projection of ORIN with only one project, which is Origins Project. The financial project is for 6-month period starting from January 2016 to June 2016. The key assumptions are as follows.

##### 1.1 Revenue assumption

The revenue of ORIN consists of 2 sources, which are revenue from sale and other revenues.

##### 1) Revenue from sale

Revenue from sale of ORIN is from the sale of condominium unit of Origins Project, which is 19-story condominium with 371 units. Total area for sale is 11,250 Square Meter. Total value of project after selling all units is THB 619.40 million (according to the sale and purchase agreement of condominium units and the estimated value of remaining units), which is the average price of THB 55,626 per Square Meter. The value of the project is not the same as the appraisal value from 2 appraisers because there is the promotional campaign by providing the discount doing the opening of Origins Project (More details in Page 66).

As of August 31, 2015, ORIN has already sold and made the reservation agreement for 330 units, which is 88.95% of total unit or 9,949.00 Square Meter. Thereafter, as of November 30, 2015, the number of reservation has increased to 331 units, which is 89.22% of total unit or 9,995.50 Square Meter. The number of remaining units is 40 units or 1,129.50 Square Meter. The Company estimates that the ownership transfer will start during January-June 2016, and the Company can recognize the revenue from sale during that period.



There are different areas for each unit and the price per unit is also different. IFA has used the average area and average price per square meter in calculating of total revenue from sale. The details can be summarized as follows.

	Already made the sale and purchase agreement	Unsold
Total unit (units)	331	40
Total area (Square Meter)	9,995.50	1,129.50
Average area per unit (Square Meter per unit)	30.20	28.24
Average price per Square Meter (THB per Square Meter)	54,676	64,494

Note : The Difference between the price of condominium units already sold and the remaining units is from the promotional campaign and discount is offered to customers during the opening of Origins Project. Therefore, the average price per Square Meter of units already sold may be different from the remaining units.

Revenue from sale of ORIN consists of 2 parts, which are

- Revenue from down payment includes earnest money and down payment that customers paid to ORIN for reserving condominium unit. ORIN has already received this amount but recorded as advance received from sale and purchase agreement. This amount will be recognized as revenue once the mortgage is released for ownership transfer to customers.
- Revenue from sale net of down payment is the amount that ORIN receive once the condominium units are transferred to customers beside the part of down payment.

IFA has discussed with the executives of the Company in order to estimate the timing of ownership transfer of 331 units that have already been reserved and the remaining 40 unit. The revenue will be recognized once the ownership is transferred to customers starting from January 2016 to June 2016 as the following details.



	2016					
	Jan	Feb	Mar	Apr	May	Jun
Ownership transfer (unit)						
For 331 units already reserved (as of Nov 30, 15)	50	100	115	66	-	-
For remaining 40 units.	-	-	-	25	10	5
<b>Total unit</b>	<b>50</b>	<b>100</b>	<b>115</b>	<b>91</b>	<b>10</b>	<b>5</b>
Area of ownership transfer (Square Meter)						
For 331 units already reserved (as of Nov 30, 15)	1,509.89	3,019.79	3,472.76	1,993.06	-	-
For remaining 40 units.	-	-	-	705.94	282.38	141.19
<b>Total area</b>	<b>1,509.89</b>	<b>3,019.79</b>	<b>3,472.76</b>	<b>2,699.00</b>	<b>282.38</b>	<b>141.19</b>
Revenue from Sale (THB million)						
Revenue from sale net of down payment	74.11	148.22	170.46	143.35	18.21	9.11
Revenue from down payment	8.45	16.89	19.42	11.15	-	-
<b>Total revenue from sale</b>	<b>82.56</b>	<b>165.11</b>	<b>189.88</b>	<b>154.50</b>	<b>18.21</b>	<b>9.11</b>

## 2) Other revenues

Other revenues of ORIN are from the advance received from sale and purchase agreement but the customers terminate the agreement. This amount includes earnest money and down payment of customers who terminate the agreement or break the agreement and the company will not refund such amount. ORIN will recognize the revenue from advance received from sale and purchase agreement but Customers terminate the agreement once the mortgage is released for ownership transfer to customers, which will start in January 2016.

The projection of revenue from sale and other revenues can be summarized as follows.

Unit: THB million

	2016					
	Jan	Feb	Mar	Apr	May	Jun
Revenue from Sale						
Revenue from sale net of down payment	74.11	148.22	170.46	143.35	18.21	9.11
Revenue from down payment	8.45	16.89	19.42	11.15	-	-
Other revenues : Revenue from advance received from sale and purchase agreement – Customers terminate the agreement	4.07	-	-	-	-	-
<b>Total revenue</b>	<b>86.63</b>	<b>165.11</b>	<b>189.88</b>	<b>154.50</b>	<b>18.21</b>	<b>9.11</b>



## 1.2 Expense Assumptions

- **Cost of real estate development**

Based on the amendment of sale and purchase agreement of ordinary shares on November 27, 2015 between the Company as “the Prospective Buyer” and Mr. Sorawut Manasomjitr as “the Prospective Seller”, there is the affirmation about the cost of real estate development in Section 4.10 that the Seller affirms that all expenses related to the property development project of the company (Origins Project) until completion including other operating expenses of the company as well as the audit expense for the accounting period as of December 31, 2015 will not exceed THB 553.00 million. After deducting the operating expenses, the cost of real estate development is around THB 538.37 million.

IFA has discussed with the executives of the Company in estimating for cost of real estate development on conservative basis. The cost of real estate development is estimated to be equal to sale and purchase agreement of ORIN at THB 553.00 million. This amount consists of the construction cost around THB 538.37 million and the project administrative expense of THB 15.00 million. Based on the accounting due diligence done by DIA on August 31, 2015, the cost of real estate development is THB 394.05 million and the progress is 80%. IFA has used estimated the cost of remaining construction work at THB 144.32 million.

IFA has estimated total cost of real estate development. This amount will be recorded as expense unit by unit, which is calculated from the area for each unit multiplying by the cost per square meter. Total cost of real estate development for Origins Project is THB 538.37 million based on the above affirmation. Total area for sale is 11,125.00 Square Meter. Therefore, the cost of real estate development is THB 48,393 per Square Meter.

The cost of real estate development consists of

- 1) The cost of land for developing Origins Project. There are 2 parcels of land with Title Deed No. 6930 and 17321 with total area of 2-3-85 Rai or 1,185 Square Wah. ORIN has purchased the land from Miss Wanee Somprasong at THB 104.50 million.
- 2) The construction cost. ORIN has done the construction agreement for 19-story condominium with S. Somboon Company Limited as the contractor. The contractor is responsible for acquiring labor and materials, security of construction area, and construction works until completion, as well as other related construction works e.g. foundation pile and sanitation system. Total construction cost is THB 368.50 million.
- 3) Passenger elevators. ORIN has made the sale and purchase agreement for passenger elevators including installation with AD Hero Schneider (Thailand) Company Limited. The



seller is also responsible for acquiring tools and labors as well as installation in the project. Total price of elevators is THB 6.22 million.

- 4) Furniture sets. ORIN has made the sale and purchase agreement for furniture sets with SB Furniture Industry Company Limited. The furniture sets include furniture and kitchen for room decoration. The seller is responsible for delivery and installation in the project. Total price of furniture set is THB 17.28 million.
- 5) Air conditioners installed in condominium units. ORIN has purchased air conditioners from Siam Daikin Sales Company Limited. The seller is responsible for installation in the project. Total price is THB 5.27 million.
- 6) Other expenses include design, construction control, expenses in applying for licenses, expenses for environmental impact assessment, and follow-up. These expenses are THB 16.57 million.
- 7) Finance cost during construction is around THB 20.03 million.

- **Sales tax and related fees**

During the process of ownership transfer to customers, there are some fees and taxes that ORIN needs to pay as follows.

- 1) The government has reduced the fee in land transfer from 2% to 0.01% of cost estimate until April 28, 2016. Based on the sale and purchase agreement of condominium unit, ORIN as the seller and the buyer will be responsible for transfer fee equally.

The Notification of Ministry of Interior about the Fee for Registration of Right & Juristic Act for Condominium complying with the Criteria determined by the Council of Ministers of Thailand dated October 28, 2015, which is based on the resolution of the Council of Ministers of Thailand on October 13, 2015, has reduced the registration fee of land transfer to 0.01% for the ownership transfer of condominium unit. This fee is effective from October 29, 2015 to April 28, 2016. Thereafter, the fee will become the original rate of 2%.

IFA has considered on conservative basis and used the selling price of Origin Projects as the cost estimate used in calculating the land transfer fee.

- 2) Special business tax is 3% of selling price but not less than cost estimate. ORIN is responsible in payment of this tax.
- 3) Local administration tax is 10% of special business tax. ORIN is responsible in payment of this tax.
- 4) Stamp duty is 0.50%. However, ORIN is exempted according to Royal Decree No. 342 B.E. 2541 about the exemption of stamp duty for those who have already paid special business tax.





- **Selling and administrative expenses**

The selling and administrative expenses include salary expense, advertising expense, promotion expense, utility expense, depreciation expense of office equipment, etc. IFA has discussed with the executives of the Company in estimating selling and administration expense during January 2016 to June 2016 as follows.

- 1) Salary Expense. There are 4 officers under ORIN and 4 executives under the Company who involve with the project. The executives will get earn some compensation from the Company directly from management of the project of ORIN. Total salary expense is estimated to be THB 0.13 million per month according to the following details.

Department	Responsibility	Personnel under ORIN	Personnel under the Company
Legal	3. Check the title deeds used in ownership transfer to customers (Aor. 6 and AorChor. 2) 4. Prepare for registration of condominium juristic person.	1 officer with salary of THB 20,000	1 executive with salary of THB 15,000
Customer Services	4. Coordinate with banks about the loan for customers 5. Coordinate with customers in applying for loan. 6. Coordinate with customers in examining the room.	1 officer with salary of THB 15,000	1 executive with salary of THB 15,000
Accounting and Finance	3. Prepare the report for revenue and expense of the project 4. Follow-up the ownership transfer and loan repayment.	-	2 executive with total salary of THB 15,000
Selling and Marketing	3. Prepare for the selling and marketing plan for remaining units. 4. Prepare the budget in selling and marketing.	1 officer with salary of THB 15,000	-
Legal	5. Check the title deeds used in ownership transfer to customers (Aor. 6 and AorChor. 2) 6. Prepare for registration of condominium juristic person.	1 officer with salary of THB 15,000	2 executives who are the same team in Customer Services Department
<b>Total Salary</b>		<b>THB 65,000 /month</b>	<b>THB 60,000 /month</b>



- 2) Utility expense includes office utility expense, stationary, other office expenses, etc. The utility expense is estimated to be THB 0.11 million per month.
- 3) Advertising and promotion expense. After this acquisition, ORIN has the plan to set up the booth at department stores during January-February 2016 in order to promote Origins Project once the construction is completed and ready for ownership transfer. The cost of advertising and promotion is expected to be THB 0.40 million per month.
- 4) Depreciation expense of office equipment. Based on the accounting due diligence on August 31, 2015, ORIN has non-current asset, which is office equipment, with the gross value of THB 0.23 million and net value of THB 0.14 million. The depreciation expense is calculated for 5 years. IFA has estimated the depreciation expense of office equipment at THB 0.0039 million per month.

For the selling and administrative expense during September-December 2015, IFA has used the actual expense of ORIN provided by the executives of the Company. However, the selling and administrative expense during January-June 2016, IFA has used the above assumptions. The details of expense can be summarized as follows.

Unit: THB million

	2016					
	Jan	Feb	Mar	Apr	May	Jun
Selling and Administrative Expenses						
Salary expense	0.13	0.13	0.13	0.13	0.13	0.13
Utility expense	0.11	0.11	0.11	0.11	0.11	0.11
Advertising and promotion expense	0.40	0.40	-	-	-	-
Depreciation expense of office equipment	0.0039	0.0039	0.0039	0.0039	0.0039	0.0039
<b>Total selling and administrative expense</b>	<b>0.64</b>	<b>0.64</b>	<b>0.24</b>	<b>0.24</b>	<b>0.24</b>	<b>0.24</b>

- **Common charges**

According to the sale and purchase agreement of condominium unit in Origins Project, the buyer needs to pay for monthly common charges at the rate of THB 35 per Square Meter on ownership transfer date. IFA has considered based on conservative basis and has determined that ORIN needs to pay for monthly common charges at the rate of THB 35 per Square Meter for the total area that the ownership transfer has not been done yet because ORIN is the owner of those units.



### 1.3 Investment budget assumptions

- **Total investment budget in construction of Origins Project**

Total investment budget in construction of Origins Project is THB 538.37 million consists of

- 1) The cost of land for developing Origins Project. There are 2 parcels of land with Title Deed No. 6930 and 17321 with total area of 2-3-85 Rai or 1,185 Square Wah. ORIN has purchased the land from Miss Wanee Somprasong at THB 104.50 million.
- 2) The construction cost. ORIN has done the construction agreement for 19-story condominium with S. Somboon Company Limited as the contractor. The contractor is responsible for acquiring labor and materials, security of construction area, and construction works until completion, as well as other related construction works e.g. foundation pile and sanitation system. Total construction cost is THB 368.50 million.
- 3) Passenger elevators. ORIN has made the sale and purchase agreement for passenger elevators including installation with AD Hero Schneider (Thailand) Company Limited. The seller is also responsible for acquiring tools and labors as well as installation in the project. Total price of elevators is THB 6.22 million.
- 4) Furniture sets. ORIN has made the sale and purchase agreement for furniture sets with SB Furniture Industry Company Limited The furniture sets includes furniture and kitchen for room decoration. The seller is responsible for delivery and installation in the project. Total price of furniture set is THB 17.28 million.
- 5) Air conditioners installed in condominium units. ORIN has purchased air conditioners from Siam Daikin Sales Company Limited The seller is responsible for installation in the project. Total price is THB 5.27 million.
- 6) Other expenses include design, construction control, expenses in applying for licenses, expenses for environmental impact assessment, and follow-up. These expenses are THB 16.57 million.
- 7) Finance cost during construction is around THB 20.03 million.

- **Source of capital for Origins Project**

ORIN has made the loan agreement with Thanachart Bank Public Company Limited for the maximum amount for the construction of condominium. The details of each loan amount are as follows.

1<sup>st</sup> Amount: The loan amount of THB 47.00 million is used for the cost of land used for the project.

2<sup>nd</sup> Amount: The loan amount of THB 240.00 million is used for the cost of construction of the project.



The amount is used to guarantee of the bill of exchange with maximum amount of THB 6.00 million. The lender will guarantee for the bill of exchange issued by the borrower in order to be used with the seller of passenger elevator.

3<sup>rd</sup> Amount: The loan amount of THB 14.50 million is for furniture used in room decoration.

4<sup>th</sup> Amount: The loan amount of THB 4.50 million is for air conditioners installed in the project.

Based on the accounting due diligence on August 31, 2015, ORIN has already invested in the project for THB 394.05 million and has used the bank loan for THB 265.80 million. The remaining investment amount is THB 144.32 million and the unused loan amount is THB 46.20 million. The details of investment are as follows.

Unit: THB million

Items	Amount	Amount already paid as of August 31, 2015	Investment during Sep 1 – Nov 30, 15 <sup>1/</sup>	Remaining investment until completion
Cost of land	104.50	104.50	-	-
Construction cost	368.50	246.61	78.48	43.31
Passenger elevators	6.22	1.17	2.24	2.81
Furniture sets	17.28	6.05	-	11.23
Air conditioners	5.27	4.82	-	0.45
Other expenses	16.57	16.57	-	-
Finance costs	20.03	14.33	4.24	1.46
<b>Total cost of development</b>	<b>538.37</b>	<b>394.05</b>	<b>84.96</b>	<b>59.36</b>
Selling and administrative expenses	14.63	10.69	0.78	3.16
<b>Total cost of development plus selling and administrative expenses</b>	<b>553.00</b>	<b>404.74</b>	<b>85.74</b>	<b>62.52</b>

Note: the details of investment during September 1 – November 30, 2015 is based on the investment summary information from the Company without auditing

#### 1.4 Working capital assumptions

- Trade receivable

In the financial projection, ORIN will start transferring ownership of condominium units to customers in January 2016. Before ownership transfer, customers need to get approval of bank loan in order to make payment to ORIN on ownership transfer date. Moreover, all units are expected to be sold in 2016. Therefore, there is no trade receivable in this financial projection.



- **Trade payable**

There is no trade payable in financial projection of ORIN because the construction of Origins Project will be completed and ready for transfer on the date that this acquisition is completed.

- **Advance received from sale and purchase agreement**

Advance received from sale and purchase agreement includes earnest money and down payment from customers for reservation of condominium unit. IFA has used the amount of this item based on the accounting due diligence, which is THB 56.86 million. Then, the number of unit already reserved is adjusted to be 331 units as of November 30, 2015. This amount will be deducted after the ownership is transferred and revenue from sale is recognized.

- **Advance received from sale and purchase agreement – Customers terminate the agreement**

Advance received from sale and purchase agreement – Customers terminate the agreement is the earnest money and down payment from customers who terminate the reservation agreement, as well as who break the agreement and the company will not return this amount. Based on the accounting due diligence as of August 31, 2015, ORIN has the advance received from sale and purchase agreement – customers terminate the agreement at THB 4.07 million. This amount will be recognized on the revenue once the ownership is transferred and revenue from sale is recognized.

Based on the above assumptions about working capital, the working capital has been used in the Summary of Free Cash Flow to Equity and the Value of ORIN (More details in Page 79)

## 1.5 Finance cost assumptions

In the development of condominium project of ORIN, the source of capital is the loan from financial institutions. IFA has estimated the finance cost in the financial project as follows.

- **Interest rate on loan**

ORIN has made the loan agreement with Thanachart Bank Public Company Limited for THB 312.00 million on February 3, 2014. The details of interest rate are as follows.

1<sup>st</sup> Amount: Long-term loan with the maximum amount of THB 47.00 million is used for the cost of land used for the project. The annual interest rate is MLR minus 1.25% in the first year. Thereafter, the annual interest rate is MLR minus 1.00%.



2<sup>nd</sup> Amount: Long-term loan with the maximum amount of THB 240.00 million is used for the cost of construction of the project. The annual interest rate is MLR minus 1.00%

The amount is used to guarantee of the bill of exchange with maximum amount of THB 6.00 million. The lender will guarantee for the bill of exchange issued by the borrower in order to be used with the seller of passenger elevator. The annual fee is MLR minus 1.00%.

3<sup>rd</sup> Amount: Long-term loan with the maximum amount of THB 14.50 million is for the cost of furniture used in room decoration. The annual interest rate is MLR minus 1.00%

4<sup>th</sup> Amount: Long-term loan with the maximum amount of THB 4.50 million is for the cost of air conditioners installed in the project. The annual interest rate is MLR minus 1.00%

The interest payment is based on the interest rate announced by the bank. MLR of Thanachart Bank as of August 20, 2015 is 6.90% per year. IFA has performed the financial project starting from January 2016, which the loan drawdown has been taken more than 1 year. Therefore, the finance cost used in financial projection is MLR minus 1.00%, which is 5.90% per year. The interest payment is made on monthly basis.

#### 1.6 Loan repayment assumptions

Based on the loan agreement, ORIN will make the loan repayment to Thanachart Bank Public Company Limited when the mortgage is released for each unit in order to transfer to the customers. The borrower will pay back the amount at least 75% of selling price for each unit. IFA has considered on conservative basis and discussed with the executives of ORIN to determine that the loan repayment will be 85% of selling price for each unit.

#### 1.7 Income tax assumptions

IFA has determined the income tax rate for juristic person in 2016 at 20% according to the resolution of The Council of Ministers on October 13, 2015 to approve the reduction of income tax rate for juristic person permanently from 30% to 20% of net profit starting from January 1, 2016 onward.

#### Projection of income statement

Based on the assumptions in financial projection, IFA has prepared the income statement of ORIN during January-June 2016 as follows.



Unit: THB million

Income Statement	2016					
	Jan	Feb	Mar	Apr	May	Jun
Revenue from Sale						
Revenue from sale net of down payment	74.11	148.22	170.46	143.35	18.21	9.11
Revenue from down payment	8.45	16.89	19.42	11.15	-	-
Other revenues : Revenue from advance received from sale and purchase agreement – Customers terminate the agreement	4.07	-	-	-	-	-
<b>Total revenue</b>	<b>86.63</b>	<b>165.11</b>	<b>189.88</b>	<b>154.50</b>	<b>18.21</b>	<b>9.11</b>
Cost of real estate development	73.07	146.14	168.06	130.61	13.66	6.83
Sales tax and related fees	2.73	5.46	6.28	5.11	0.77	0.40
Selling and administrative expenses	0.64	0.64	0.24	0.24	0.24	0.24
Common charges	0.33	0.22	0.10	0.01	0.00	-
<b>Earnings before interest and income taxes</b>	<b>9.86</b>	<b>12.65</b>	<b>15.20</b>	<b>18.53</b>	<b>3.52</b>	<b>1.64</b>
Finance costs	1.71	1.38	0.71	-	-	-
Income tax expense	1.63	2.25	2.90	3.71	0.70	0.33
<b>Net profit</b>	<b>6.52</b>	<b>9.02</b>	<b>11.59</b>	<b>14.82</b>	<b>2.82</b>	<b>1.31</b>

### 1.8 Equity Discounted Rate

IFA has considered in selecting the listed company in real estate sector as comparable in calculating Beta for estimating the required rate of return for equity (Ke) of ORIN. The criteria in selecting the companies used for comparable are as follows.

1. The companies have been listed for more than 3 years on August 20, 2015, which is the last trading day before the Board of Directors of the Company has the resolution to do the transaction.
2. The companies have the main business in property development for sale and the revenue from condominium development is at least 50.00% of total revenue during the past 3 years during 2012-2014

Based on the above criteria, the Beta of selected companies is estimated from August 21, 2012 to August 20, 2015 in order to be used to estimate the Beta of ORIN. The details of selected companies are as follows.





Symbol	Company	Levered Beta
GLAND	Grand Canel Land Public Company Limited	0.94
LPN	L.P.N. Development Public Company Limited	1.01
MJD	Major Development Public Company Limited	0.81
NOBLE	Noble Development Public Company Limited	0.46
RAIMON	Raimon Land Public Company Limited	1.45
SENA	Sena Development Public Company Limited	0.88

Source : Efinance

The Unlevered Beta can be calculated as follows.

$$\text{Unlevered Beta} = \text{Levered Beta} / (1 + ((1 - \text{Tax rate}) \times D/E))$$

The Levered Beta and other related information of each company are used to calculate based on the above formula. The average Unlevered Beta of comparable is as follows.

Symbol	Company	Tax Rate	D/E	Levered Beta	Unlevered Beta
GLAND	Grand Canel Land Public Company Limited	20%	0.94	0.94	0.54
LPN	L.P.N. Development Public Company Limited	20%	0.96	1.01	0.57
MJD	Major Development Public Company Limited	20%	3.13	0.81	0.23
NOBLE	Noble Development Public Company Limited	20%	4.34	0.46	0.10
RAIMON	Raimon Land Public Company Limited	20%	1.56	1.45	0.64
SENA	Sena Development Public Company Limited	20%	1.43	0.88	0.41
<b>Average</b>					<b>0.42</b>

Source : www.setsmart.com

The Levered Beta of ORIN can be calculated as follows.

$$\text{Levered Beta}_{\text{ORIN}} = \text{Unlevered Beta}_{\text{comparable}} \times (1 + ((1 - \text{Tax rate}) \times D/E_{\text{ORIN}}))$$

Levered Beta	=	$\text{Unlevered Beta}_{\text{comparable}} \times (1 + ((1 - \text{Tax rate}) \times D/E_{\text{ORIN}}))$
Unlevered Beta <sub>comparable</sub>	=	The unlevered beta is the average of unlevered beta of all companies whose businesses are similar to ORIN. The average unlevered beta is 0.42
(1 – Tax rate)	=	The tax saving is from interest expense. IFA has considered to use the income



Levered Beta	=	Unlevered Beta <sub>comparable</sub> x (1+ ( (1-Tax rate) x D/E <sub>ORIN</sub> ) )
		tax rate of juristic person in 2015-2016 at 20% based on the resolution of Council of Ministers on October 13, 2015 to approved the reduction of income tax rate for juristic person permanently from 30.00% to 20.00% of net profit.
D/E <sub>ORIN</sub>	=	The debt-to-equity ratio that represents the capital structure of ORIN. ORIN will earn revenue from only Origins Project and IFA has considered to use the debt-to-equity ratio of ORIN form the accounting due diligence on August 31, 2015, which is the updated financial information reflecting the risk on transaction date. The debt-to-equity ratio is 2.46.
Based on the above calculation, the Levered Beta used to estimate the required rate of return for equity (Ke) is 1.24.		

IFA has considered for the discount rate used to find the present value of free cash flow. The required rate of return for equity (Ke) is calculated from Capital Asset Pricing Model (CAPM) with the following formula.

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

Required rate of return for equity (Ke) by	=	$R_f + \beta (R_m - R_f)$
Risk Free Rate (Rf)	=	The yield on 1-year government bond, which is 1.45% as of August 20, 2015.
Beta ( $\beta$ )	=	The Levered Beta of ORIN is 1.24
Market Return (Rm)	=	The average historical market return in the Stock Exchange of Thailand starting from the establishment of the Stock Exchange in 1975 (as of August 20, 2015) is 14.02% per year.
Based on the above calculation, the required rate of return for equity (Ke) is 16.98%		

### 1.9 Value of ORIN

IFA has calculated the present value of free cash flow to equity using the above required rate of return for equity (Ke) as the discount rate. The projection for free cash flow to equity of ORIN starts from the period that the transaction is completed. The valuation using discounted cash flow approach can be summarized as follows.



Summary of Free Cash Flow to Equity and the Value of ORIN

(Unit: THB million)

Year		2016											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Net profit	THB million	6.52	9.01	11.59	14.82	2.82	1.31	-	-	-	-	-	-
± Depreciation and amortization	THB million	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	-	-	-
± Change in net working capital													
± Change in cost of real estate project	THB million	73.07	146.14	168.06	130.61	13.66	6.83	-	-	-	-	-	-
± Change in retention for construction agreement	THB million	-	-	-	-	-	-	(1.62)	-	-	-	-	-
± Change in advances received from sale and purchase agreements	THB million	(8.44)	(16.89)	(19.42)	(11.15)	-	-	-	-	-	-	-	-
± Change in advances received from sale and purchase agreements – Customers terminate the agreement	THB million	(4.07)	-	-	-	-	-	-	-	-	-	-	-
± Loan repayment	THB million	(70.17)	(140.34)	(101.48)	-	-	-	-	-	-	-	-	-
± Net investment	THB million	-	-	-	-	-	-	-	-	-	-	-	-
<b>Free cash flow to equity (FCFE)</b>	<b>THB million</b>	<b>(3.10)</b>	<b>(2.08)</b>	<b>58.75</b>	<b>134.29</b>	<b>16.48</b>	<b>8.15</b>	<b>(1.62)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Value of Equity of ORIN</b>	<b>192.10 THB million</b>												

Based on this valuation approach, the value of ORIN is THB 192.10 million, which is higher than the price in the transaction at THB 160.00 million by THB 32.10 million or 20.06% of the price in the transaction.



### 1.10 Sensitivity Analysis

IFA has performed the sensitivity analysis on key assumptions in financial project by considering the worst case scenario as follows.

1.10.1 If ORIN cannot do the ownership transfer for 331 units that have been already reserved as of November 30, 2015, IFA has considered the scenario that some percentage of condominium units cannot be transferred like 5%, 10%, and 15% of reserved units with the additional assumption as follows.

- 1) The ownership transfer cannot be done because customers do not get the loan approval from financial institutions or other reasons that ORIN does not need to refund the earnest money and down payment to customers based on “the sale and purchase agreement of condominium unit in Origins Project”.
- 2) ORIN can sell the units that the ownership transfer cannot be done within 1 year. This means that ORIN can recognize the revenue from sale in June 2017.
- 3) During the period that the ownership transfer cannot be done for all units, ORIN will have operating expenses every month.

1.10.2 If ORIN needs to do the promotional campaign for the remaining 40 units as of November 30, 2015 in order to be able to sell all units within June 2016, IFA has considered that the average cost of each unit will increase at 3%, 5%, and 10% while other assumptions do not change.

IFA has performed the sensitivity analysis of assumptions based on the above situation based on different level of percentage of condominium units that the ownership transfer is not completed and an increase in cost of sale of remaining units as follows.



Comparison on the value of ORIN  
with senility analysis based on the percentage of  
condominium unit that the ownership transfer is not completed and an increase in cost of sale

Unit: THB million

Scenario based on the percentage of condominium units that the ownership transfer is not completed	an increase in cost of sale per selling price of condominium unit			
	Base case	An increase in cost of sale by 3%	An increase in cost of sale by 5%	An increase in cost of sale by 10%
Base case	192.10	190.53	189.49	186.87
5.00%	185.27	183.22	181.86	178.30
10.00%	182.02	179.50	177.82	173.35
15.00%	178.75	175.75	173.75	168.38

Based on the sensitivity analysis of two important assumptions, which are the percentage of condominium units cannot be transferred at 5%, 10%, and 15% of reserved units and the increase in cost of sale at 3.00%, 5.00%, and 10.00%, ORIN will be affected more if the ownership transfer cannot be done for some units and the resale needs to be done compared to the increase in the cost of sale for remaining units. This is because ORIN cannot end the project and needs to be responsible for operating expenses until all units are sold out and transferred. For the worse case that ORIN cannot do the ownership transfer for units already reserved at 15.00% and the increase in cost of sale for remaining units of 10.00%, the value of ORIN will be THB 168.38 million.

Based on the valuation using discounted cash flow approach, the value of ORIN is THB 168.38-192.10 million, which is higher than the price in the transaction at THB 160.00 million by THB 8.38-32.10 million or 5.24%-20.06% of the price in the transaction.

## 2. Book Value Approach

The valuation using book value approach is to estimate the book value of net asset based on the financial statement of the Company. Total asset will be deducted by total liabilities and share repurchase in order to get the book value of equity. However, this valuation approach may not reflect the current market value of asset and the potential of future profitability of the Company, as well as the impact from economic and industry conditions. IFA has used information from the accounting due diligence done by DIA on August 31, 2015. The book value of equity can be calculated as follows.



(Unit: THB million)

Accounting due diligence as of August 31, 2015			
Assets		Liabilities	
<b>Current Assets</b>		<b>Current Liabilities</b>	
Cash and cash equivalents	10.24	Trade Payable	18.97
Other receivables	6.52	Retention for construction	1.62
Real estate development cost	394.05	Advance received from agreement	56.58
Short-term loan to connected parties	72.50	Other non-current liabilities	1.01
<b>Total Current Assets</b>	<b>483.31</b>	<b>Total Current Liabilities</b>	<b>78.18</b>
<b>Non-Current Assets</b>		<b>Non-Current Liabilities</b>	
Equipment	0.14	Loan-term loan from financial institutions	265.80
Other non-current assets	0.29		
<b>Total Non-Current Assets</b>	<b>0.43</b>	<b>Total Non-Current Liabilities</b>	<b>265.80</b>
<b>Total Assets</b>	<b>483.74</b>	<b>Total Liabilities</b>	<b>343.98</b>

Value of Equity	As of August 31, 2015
Book value (THB million)	139.76

Based on the valuation using book value approach, the book value of equity of ORIN is THB 139.76 million, which is lower than the price in the transaction at THB 160.00 million by THB 20.24 million or 12.65% of the price in the transaction.

### 3. Adjusted Book Value Approach

The valuation using adjusted book value approach is to use total asset deducted by total liabilities of the Company at specific time and adjusted by the contingent liabilities. IFA has used information from the accounting due diligence done by DIA on August 31, 2015 adjusted by any possible transaction after that day. The details of adjusted book value approach can be summarized as follows.

(Unit: THB million)

Accounting due diligence as of August 31, 2015			
Total assets	483.74	Total liabilities after adjustment	343.98
Adjustment on November 25, 2015			
1. Getting loan repayment from related parties			
<u>Deduct</u> Short-term loan to related parties	(72.50)		
<u>Add</u> Cash	72.50		
<b>Total assets after adjustment</b>	<b>483.74</b>	<b>Total liabilities after adjustment</b>	<b>343.98</b>



Total equity value base on adjusted book value approach	(Unit: THB million)
Book value of equity after adjustment (THB million)	139.76

Based on the valuation using adjusted book value approach, the book value of equity of ORIN after adjustment is THB 139.76 million, which is lower than the price in the transaction at THB 160.00 million by THB 20.24 million or 12.65% of the price in the transaction.

#### 4. Market Multiples Approach

The market multiples approach will use the ratio related to the market price of listed companies with similar business as the reference in order to reflect the market price that investors agree about the companies and/or business during that period. The ratio that IFA has used is the price to book value ratio.

IFA has considered in selecting the listed company with similar business as comparable. The criteria in selecting the companies used for comparable are as follows.

1. The companies have been listed for more than 3 years on August 20, 2015, which is the last trading day before the Board of Directors of the Company has the resolution to do the transaction.
2. The companies have the main business in property development for sale and the revenue from condominium development is at least 50.00% of total revenue during the past 3 years during 2012-2014

Based on the above criteria, the list of companies used as comparable is as follows.

Symbol	Company	Main business
GLAND	Grand Canel Land Public Company Limited	Property development for sale and rent
LPN	L.P.N. Development Public Company Limited	Property development for sale and rent under the development of the company and subsidiaries in form of office building, condominium in central business area of Bangkok and its vicinity
MJD	Major Development Public Company Limited	Property development for sale and hotel by focusing on high-rise condominium for high-end customers
NOBLE	Noble Development Public Company Limited	Property development for sale, rent, and service, as well as construction services
RML	Raimon Land Public Company Limited	Property development by focusing on condominium for middle-end and high-end customers and villa project for specific group of customers in Bangkok and resort area





Symbol	Company	Main business
SENA	Sena Development Public Company Limited	Property development for residential purpose e.g. detached house, townhouse, commercial building, condominium, apartment for rent, community mall, and golf course

Source : www.set.or.th

#### 4.1 Price to Book Value Ratio: P/BV

The valuation using price to book value approach uses the book value of ORIN based on the accounting due diligence on August 31, 2015 multiplied by the average price to book value ratio (P/BV ratio). The average P/BV ratio is the average of P/BV ratio of above 6 companies with similar business used as comparable. The book value of ORIN is as follows.

Item	As of August 31, 2015
Book value (THB million)	139.76

In valuation of ordinary shares of ORIN using price to book value approach, IFA has used the average P/BV ratio of the last trading day before the Board of Directors has the resolution to acquire of ordinary shares of ORIN and to propose this issue to the shareholder meeting to approve this transaction with the historical 360-trading day period, which is from February 25, 2014 to August 31, 2015. The details of calculation are as follows.

Calculation Period		P/BV						Average	Value of ORIN (THB million)
Number of trading day	Period	GLAND	LPN	MJD	NOBLE	RML	SENA		
7 days	August 11, 2015 - August 20, 2015	1.81	2.24	0.68	1.37	1.09	0.95	1.36	189.81
15 days	July 29, 2015 - August 20, 2015	1.83	2.33	0.74	1.37	1.13	0.99	1.40	195.48
30 days	July 8, 2015 - August 20, 2015	1.87	2.38	0.79	1.43	1.18	1.05	1.45	202.47
60 days	May 25, 2015 - August 20, 2015	1.87	2.39	0.86	1.43	1.33	1.14	1.50	210.04
90 days	April 2, 2015 - August 20, 2015	1.99	2.41	0.92	1.42	1.46	1.16	1.56	218.43
120 days	February 18, 2015 - August 20, 2015	2.08	2.47	0.97	1.41	1.57	1.15	1.61	224.90
180 days	November 19, 2014 - August 20, 2015	2.21	2.79	1.00	1.31	1.74	1.08	1.69	236.21
360 days	February 25, 2014 - August 20, 2015	2.42	2.96	0.98	1.23	2.10	0.97	1.78	248.10

Source : www.setsmart.com



Based on the valuation using the book value of ORIN multiplied by the average P/BV ratio of list companies with similar business, the value of ORIN is THB 189.81-248.10 million, which is higher than the price in the transaction at THB 160.00 million by THB 29.81-88.10 million or 18.63%-55.06% of the price in the transaction.

#### 5. Summary of the method used in considering the appropriateness of the price in the transaction

IFA has performed the valuation of ORIN using various approaches with different advantages and disadvantages. The value of ORIN can be summarized as follows.

Valuation approach	Value (THB million)	Compared to the price of transaction of THB 160 million
5. Discounted Cash Flow Approach	168.38 – 192.10	Higher by THB 8.38 – 32.10 million or 5.24% – 20.06%
6. Book Value Approach	139.76	Lower by THB 20.24 million or 12.65%
7. Adjusted Book Value Approach	139.76	Lower by THB 20.24 million or 12.65%
8. Price to Book Value Ratio: P/BV	189.81 – 248.10	Higher by THB 29.81 – 88.10 million or 18.63% – 55.06%

#### 5.1 The valuation approach that is selected to evaluate the appropriateness of the price

##### 5.1.1 Discounted Cash Flow Approach

The valuation using the discounted cash flow approach is based on the financial protection of ORIN regarding to the future free cash flow and the appropriate discount rate. This approach has concerned for the actual value of Origins Project according to the selling price of condominium units that have been already reserved by 88.00% as well as any expense related to the operation and the government policy that may affect to the company. This valuation approach can reflect the value of the company better than to other method.

Moreover, IFA has performed the sensitivity analysis based on the important assumptions and risks that can affect to the performance of ORIN in the future, which are the situation that the ownership transfer cannot be done making delay in revenue recognition and the situation that the cost has been increased because the promotional campaign of remaining units. Therefore, this approach is appropriate for the valuation of ORIN.

Based on this approach, the reasonable value of ORIN is THB 168.38-192.10 million, which is higher than the price in the transaction at THB 160.00 million by THB 8.38-32.10 million or 5.24%-20.06% of the price in the transaction.



## 5.2 The valuation approaches that are selected to evaluate the appropriateness of the price

### 5.2.1 Book Value Approach

This valuation approach uses book value based on the statement of financial statement of ORIN as of August 31, 2015. This approach does not concern the current market value of asset e.g. the value of real estate under development that ORIN has developed almost completely and 88.00% of total units have been reserved. This valuation approach does not reflect the potential profitability of the company as well as its actual value. Therefore, this approach is not appropriate for the valuation of ORIN.

Based on the valuation using book value approach, the book value of equity of ORIN is THB 139.76 million, which is lower than the price in the transaction at THB 160.00 million by THB 20.24 million or 12.65% of the price in the transaction.

### 5.2.2 Adjusted Book Value Approach

This valuation approach uses the book value of ORIN as of August 31, 2015 adjusted by the contingent liabilities. However, this approach does not concern the current market value of asset and the potential profitability of the company. This approach does not reflect the actual value of the company. Therefore, this approach is not appropriate for the valuation of ORIN.

Based on the valuation using adjusted book value approach, the book value of equity of ORIN after adjustment is THB 139.76 million, which is lower than the price in the transaction at THB 160.00 million by THB 20.24 million or 12.65% of the price in the transaction.

### 5.2.3 Price to Book Value Ratio: P/BV

This valuation approach uses the book value of ORIN based on the accounting due diligence on August 31, 2015 multiplied by the average price to book value ratio (P/BV ratio) of other listed companies with similar business with ORIN, which are Grand Canel Land Public Company Limited, L.P.N. Development Public Company Limited, Major Development Public Company Limited, Noble Development Public Company Limited, Raimon Land Public Company Limited, and Sena Development Public Company Limited.

This valuation approach has concerned the financial position and the book value at specific time that is multiplied by P/BV ratio. The value of P/BV ratio reflects the premium from listing in the Stock Exchange. However, ORIN is not the listed company in the Stock Exchange. In this approach, the book value of the company that is not listed in the Stock Exchange is multiplied by the average P/BV ratio including the premium of listed companies, which is not appropriate. Moreover, this approach does not reflect the actual value of asset and potential profitability in the future. Therefore, IFA has opined that this approach is not appropriate for the valuation of ORIN.

Based on the valuation using the book value of ORIN multiplied by the average P/BV ratio of list companies with similar business, the value of ORIN is THB 189.81-248.10 million, which is higher



than the price in the transaction at THB 160.00 million by THB 29.81-88.10 million or 18.63%-55.06% of the price in the transaction.

#### Summary of the opinion of IFA about the appropriateness of the price in the transaction

IFA has considered various approaches to value the fair value of ordinary shares and has selected the appropriate approach for this transaction, which is the discounted cash flow approach. The valuation is based on the financial projection and the estimation of appropriate discount rate by including other relevant factors. The reasonable value based on this valuation approach is THB 163.38-192.10 million, which is higher than the price in the transaction of THB 160.00 million by THB 8.38-32.10 million or 5.24%-20.06% of the price of this transaction (according to No. 1 The Discounted Free Cash Flow Approach).

Based on the above reasons, IFA has opined that the price in acquisition of ordinary shares of ORIN for 100% of its authorized capital of THB 160.00 million is reasonable.

#### 3.2 The Appropriateness of the Conditions in the Transaction

There are some conditions in this transaction that are not appropriate, which can be summarized as follows.

- According to the sale and purchase agreement of ordinary shares on November 3, 2015, it has specified that the 1<sup>st</sup> payment is THB 117.00 million or 60% of total value of the transaction. Total value in the acquisition of all ordinary shares of ORIN for 150,000 shares with the par value of THB 1,000 per share is THB 195.00 million. The Company has already paid this amount on November 6, 2015. Thereafter, there is a negotiation of price in acquisition of all ordinary shares of ORIN to THB 160.00 million according the amendment of sale and purchase agreement on November 27, 2015. Therefore, the amount of 1<sup>st</sup> payment is 73.13% of total value in the transaction, which is relatively high though the payment can be refunded if the shareholder meeting does not approved the transaction according to the condition in the sale and purchase agreement and the progress of construction of Origins Project is 80% on August 31, 2015 as well as the project can sell for not less than 88.00% of total units.
- The value of pledged shares of ORIN for 90,000 shares with the par value of THB 1,000, which is totally THB 90.00 million. Compared to the 1<sup>st</sup> payment of THB 117.00 million, the value of pledged shares is only 76.92% of the 1<sup>st</sup> payment. Moreover, the shares of ORIN are not listed in the Stock Exchange and may face the illiquidity problem. If the Company needs to sell these pledged shares, the Company may get money less than the amount paid for the 1<sup>st</sup> payment.

Based on the above conditions, IFA has opined that the 1<sup>st</sup> payment of 73.13% of total value in the transaction is too high though ORIN is the owner of Origins Project which construction is almost completed and the condominium units have been reserved for 88% as well as there is the guarantee for the cost and expenses



in project development. Moreover, the pledged shares of 60% or total number of share of ORIN has the total par value of only THB 90.00 million, which is less than the amount paid for the 1<sup>st</sup> payment of THB 117.00 million. The Company has the risk in claiming for the amount of the 1<sup>st</sup> payment back if this transaction is not approved by the shareholder meeting. Therefore, IFA has opined that the conditions in the transaction are not appropriate.



#### 4. Summary of the Opinion of IFA

This opinion of IFA is about the acquisition of ordinary shares of Orin Property Company Limited that develops the property for sale. The number of acquired share is 150,000 shares with the par value of THB 1,000, which is 100% of its authorized capital. The Prospective Seller of ordinary shares of ORIN is Mr. Sorawut Manasomjitr. ORIN is the owner of one Condominium project named Origins Bangmod – Rama II Project, which is 19-story condominium with 371 units. Total area for sale is 11,125.00 Square Meter. Total value of project after all units are sold is THB 619.40 million (according to the sale and purchase agreement of condominium units and the estimated value of remaining units). The selling price is around THB 49,000-70,000 per Square Meter. As of November 30, 2015, the condominium units have been already reserved for 331 units, which is 89.22% of total units or 9,995.50 Square Meter. Total value of units already reserved is THB 546.52 million. There are 40 remaining units, which is 1,129.50 Square Meter.

Currently, the construction progress of Origins Project based on the accounting due diligence of ORIN done by D.I.A. and Associates Company Limited on August 31, 2015 is 80% and the progress report done by the engineering supervisor on December 2, 2015 has confirmed the progress of more than 90%. Moreover, the project will be completed and ready for applying and registration of condominium juristic person with related documents e.g. Aor.Chor. 1, Aor.Chor. 2, and Aor.Chor. 3 as well as ready for the ownership transfer to customers within January 13, 2016. The recognition of revenue from sale can be done during January – June, 2016.

This transaction will allow the Company to earn income from property development business in a short period, which is the new channel of the Company for additional source of income. The Company can also utilize cash receipt from offering ordinary shares to existing shareholders (Rights Offering: RO). Moreover, IFA has performed the financial protection for ORIN based on conservative basis and has also performed the valuation of ORIN based on discounted cash flow approach including the sensitivity analysis on the percentage of ownership transfer and the possible increasing in the cost of project from selling the remaining units. IFA has opined that the value of ORIN is THB 168.39-192.10 million, which is higher than the price in the transaction of THB 160.00 million by THB 8.38-32.10 million or 5.24%-20.06% of the price of the transaction.

IFA has also considered various risk factors that can affect the performance of the Company e.g. the performance of ORIN is lower than expected, the delay in construction, the seller cannot act according to the agreement, as well as the volatility of interest rate. Moreover, the conditions in the transactions are not appropriate regarding to the payment condition because the Company has made the 1<sup>st</sup> payment of THB 117.00 million, which is 73.13% of total price in the transaction of THB 160.00 million though the agreement has



specified that the Company can ask for the refund of this amount if the Company does not perform the transaction. However, it is uncertain whether the seller can refund this amount to the Company because the seller used to have the debt with ORIN for THB 72.50 million (according to the accounting due diligence in the part of total net asset of ORIN on August 31, 2015 Page 76 and this amount of debt has been just repaid in the early of December 2015 after the Company has made the first payment. Therefore, it is expected that the seller used this amount to repay the debt). IFA has considered for the advantages and disadvantages of performing the transaction and not performing the transaction and has opined that the Company will get more benefits from performing the transaction. Therefore, IFA has opined that shareholders should vote for this transaction.

Asset Pro Management Co., Ltd. as the Independent Financial Advisor has performed the due diligence and analysis of various information with prudence under the professional standards. The opinion is based on the information and documents received from various sources as well as information from the executives of the Company and ORIN are completely accurate based on the current condition and situation. If there is any significant change from the current condition and/or some information is inaccurate, it may significantly affect the opinion of IFA in this report.

The shareholders should study the information in this IFA report in order to come up with own justification for making appropriate decision. The decision to vote for or against the transactions rests primarily with the shareholders





Yours Faithfully,  
Asset Pro Management Company Limited

\_\_\_\_\_  
(Mr. Somphob Sakpunpanom)  
Chief Executive Officer

In performing financial advisory in this transaction, APM has assigned Mr. Seksan Thanopachaito be the supervisor.

\_\_\_\_\_  
Mr. Seksan Thanopachai  
Supervisor



# Appendix



### Summary of Asia Corporate Development Public Company Limited

(Source : Annual Registration Statement 2014 and the Financial Statement of the Company)

#### 1.1 Company Overview

Company Name	:	ASIA CORPORATE DEVELOPMENT PUBLIC COMPANY LIMITED
Establishment	:	On January 7, 1992 and has been registered to be the public company on August 17, 2005
Current Status	:	Being the listed company in the Stock Exchange of Thailand since December 8, 2005
Company Registration No.	:	0107548000587
Main Business	:	Property development and marketing and advertising services
Head Office	:	405 Bond Street Road, Bang Phood Sub-district, Pak Kret District, Nonthaburi, 11120
Web Site	:	<a href="http://www.acdplc.com">http://www.acdplc.com</a>
Authorized Capital	:	THB 1,149,760,250.00 Ordinary shares of 1,149,760,250 shares The par value of THB 1.00
Paid-up Share Capital	:	THB 581,229,485.00 Ordinary shares of 581,229,485 shares The par value of THB 1.00
Dividend Policy	:	Not less than 30% of net profit after income tax expense except the fund is required in business expansion.

#### 1.2 Business Overview

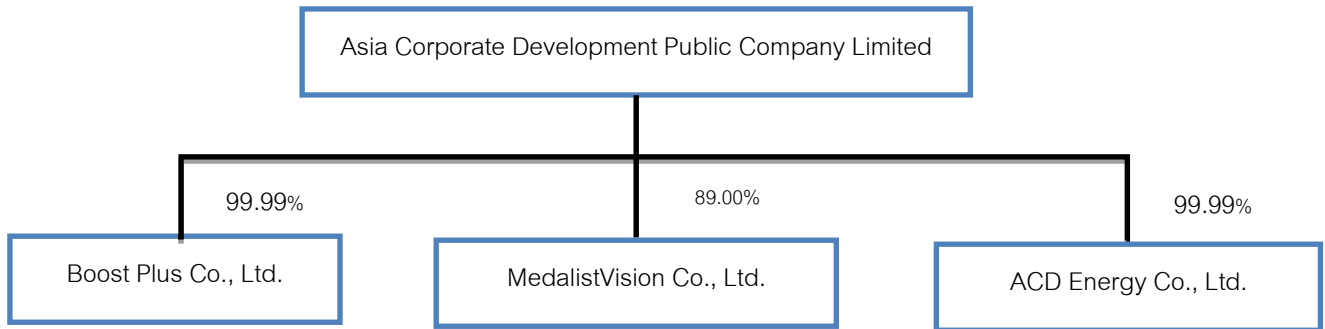
Asia Corporate Development Public Company Limited (the name has been changed from Mida-Medalist Entertainment Public Company Limited) ("the Company") has the former name as Mida Industry Company Limited. The company has been established on January 7, 1992 and has been listed in the Stock Exchange on December 8, 2005. As of September 30, 2015, the Company has the authorized capital of THB 1,149,760,250 (One Billion, One Hundred and Forty-nine Million, Seven Hundred and Sixty Thousand, Two Hundred and Fifty Baht) and the paid-up capital of THB 581,229,485 (Five Hundred Eighty-one Million, Two Hundred and twenty-nine Thousand, Four Hundred and Eighty-five Baht). Formerly, the Company produced and distributed sport entertainment products. In 2009, the Company has expanded to invest in MedalistVision Company Limited that provides marketing and advertising services. Until early 2013, the executives of the Company realized that the demand for sport entertainment products has decreased significantly in both domestic and international market based on the change in economic condition and customer demand. The



executives have changed the investment strategy according to the demand in the market and decided that the real estate is highly demanded currently, especially in provincial region. The Company has started investing in the real estate business and has changed the name of the Company for consistency with the change in the main business to be “Asia Corporate Development Public Company Limited”

### 1.3 Company Structure

The company is engaged in the property development in form of land development and construction for residential purpose focusing on housing project and condominium project near communities and educational institutions. The Company has subsidiaries that provide the marketing and advertising services and a subsidiary established for the study of renewable energy business. Therefore, there are 3 groups of business, which are property development business, marketing and advertising service business, and energy business.



#### Property Development Business

##### Asia Corporate Development Public Company Limited

Asia Corporate Development Public Company Limited is located in Building No. 405, Bond Street Road, Bang Phood Sub-district, Pak Kret District, Nonthaburi. The company has been established on January 7, 1992 and has been listed in the Stock Exchange on December 8, 2005. As of September 30, 2015, the Company has the authorized capital of THB 1,149,760,250 (One Billion, One Hundred and Forty-nine Million, Seven Hundred and Sixty Thousand, Two Hundred and Fifty Baht) and the paid-up capital of THB 581,229,485 (Five Hundred Eighty-one Million, Two Hundred and twenty-nine Thousand, Four Hundred and Eighty-five Baht). In 2013, the Company has started the business in property development for sale. The company has developed for condominium project. The company also has the plan on administration and hiring the contractor for housing project and control for the construction by the engineers and architects of the company to check the quality at every stage. The project is under the name Taxila Project, which is a 4-storey condominium with total residential units of 75 units for 4 buildings. The project is located near the educational institutions and university in Maha Sarakham with the investment value of THB 165.84 million as of December 31, 2014. This project is currently under development.



### Service Business

#### **Boost Plus Company Limited**

Boost Plus Company Limited is located in Building No. 405, 2<sup>nd</sup> Floor, Soi 13, Bond Street Road, Bang Phood Sub-district, Pak Kret District, Nonthaburi. It has been established on April 10, 2012 with the authorized capital and paid-up capital of THB 30.00 million. The main business is to provide services in organizing the event for both indoor and outdoor, as well as concert and any marketing campaign.

#### **MedalistVision Company Limited**

MedalistVision Company Limited is located in Building No. 405, 2<sup>nd</sup> Floor, Soi 13, Bond Street Road, Bang Phood Sub-district, Pak Kret District, Nonthaburi. It has been established on February 2, 2009 with the authorized capital and paid-up capital of THB 20.00 million. The main business is to design and develop a website and advertising and public relations services via internet, as well as online gaming. The value of investment in this company is THB 17.80 million, which is 89.00% of its authorized capital. In September 2013, the Company has recorded the loss on impairment of long-term investment for MedalistVision Company Limited for THB 17.80 million due to the change in business from sport entertainment products to property development. MedalistVision Company Limited needs to sell its products together with the former business of the Company. Therefore, the executives has the resolution to recode the loss on impairment of long-term investment for the whole amount of THB 17.80 million in the consolidated statement of financial position and THB17.80 million in the company statement of financial position as of December 31, 2014.

Based on the above reason, MedalistVision Company Limited is currently developing the business plan.

### Renewable Energy Business

#### **ACD Energy Company Limited.**

ACD Energy Company Limited is located in the Building No. 405, 2<sup>nd</sup> Floor, Soi 13, Bond Street Road, Bang Phood Sub-District, Pak Kret District, Nonthaburi. It has been established on March 11, 2015 with the authorized capital and paid-up capital of THB 1.00 million in order to study for the investment in renewable energy business e.g. solar power plant, wind power plant, hydro power plant, etc.

#### **1.4 List of Shareholders**

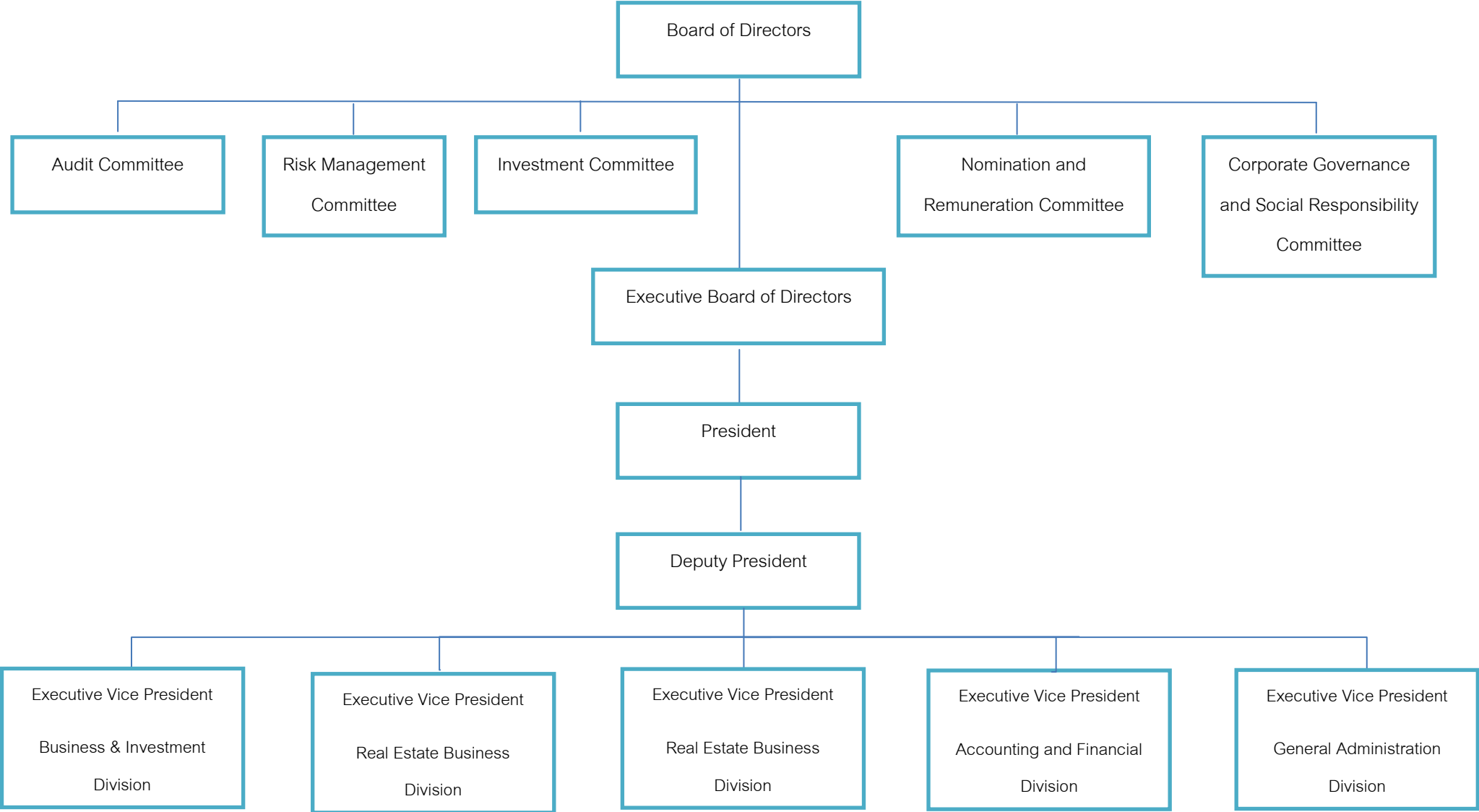
The Company has the paid-up capital of THB 581.23 million in form of ordinary shares of 581.23 million shares with the par value of THB 1.00. The top 10 shareholders of the Company as of October 31, 2015, which is the latest book closing date, are as follows.

No.	Shareholder	Number of share	%
1.	Mr. Sanan Siripanichsutha	37,900,000	6.52
2.	Mr. Pisut Viriyamettakul	20,000,000	3.44



3.	UOB KAY HIAN PRIVATE LIMITED	18,823,800	3.24
4.	Thai NVDR Company Limited	15,368,961	2.64
5.	Ms. Porn-tip Wongsrisuchon	14,227,000	2.49
6.	Mr. Attharut Leelaphat	13,518,850	2.34
7.	Ms. Pattaraporn Limpanawongsaen	11,907,800	2.05
8.	Mr. Nattawut Lomsuk	10,029,400	1.73
9.	Mr. Sun Chen	9,959,800	1.71
10.	MEDALIST MARKETING CORPORATION	8,000,000	1.38

1.5 Organizational Structure, Directors and Executives







### Board of Directors

As of April 10, 2015, the Board of Directors of the Company consists of 9 persons as follows.

Name	Position
1. Pol.Maj.Gen. Sahaschai Intarasuksri	Chairman of the Board of Directors
2. Mr. Prateep Anontachote	Vice Chairman of the Board of Directors
3. Mr. Sanan Siripanichsuta	Managing Director / Director
4. Mr. Glan Lao Lien Seng	Director
5. Mr. Ooi Boon Aun	Director
6. Mr. Apichart Siwamok	Director
7. Mrs. Pawanya Krittachart	Independent Director/Chairman of Audit Committee
8. Mr. Wirat Chansiriwattana	Independent Director / Audit Committee
9. Mr. Chinnapat Wisutpat	Independent Director / Audit Committee

### Audit Committee

As of April 10, 2015, the Audit Committee consists of 3 persons as follows.

Name	Position
1. Mrs. Pawanya Krittachart	Chairman of Audit Committee
2. Mr. Wirat Chansiriwattana	Member of Audit Committee
3. Mr. Chinnapat Wisutpat	Member of Audit Committee

### Risk Management Committee

As of September 1, 2015, the Risk Management Committee consists of 3 persons as follows.

Name	Position
1. Mr. Wirat Chansiriwattana	Chairman of Risk Management Committee
2. Mr. Prateep Anantachote	Member of Risk Management Committee
3. Mr. Sanan Siripanichsuta	Member of Risk Management Committee

### Investment Committee

As of September 24, 2015, the Investment Committee consists of 3 persons as follows.

Name	Position
1. Mr. Apichart Siwamok	Chairman of Investment Committee
2. Mrs. Pawanya Krittachart	Member of Investment Committee
3. Mr. Sanan Siripanichsuta	Member of Investment Committee

### Nomination and Remuneration Committee

As of September 24, 2015, the Nomination and Remuneration Committee consists of 3 persons as follows.



Name	Position
1. Mr. Sanan Siripanichsuta	Chairman of Nomination and Remuneration Committee
2. Pol.Maj.Gen. Sahaschai Intarasuksri	Member of Nomination and Remuneration Committee
3. Mrs. Thanida Inthachak	Member of Nomination and Remuneration Committee

#### Corporate Governance and Social Responsibility Committee

As of September 24, 2015, the Corporate Governance and Social Responsibility Committee consists of 3 persons as follows.

Name	Position
1. Mr. Wirat Chansiriwattana	Chairman of Corporate Governance and Social Responsibility Committee
2. Mr. Prateep Anantachote	Member of Corporate Governance and Social Responsibility Committee
3. Mr. Sanan Siripanichsuta	Member of Corporate Governance and Social Responsibility Committee

#### Executive Committee

As of September 1, 2015, the Executive Committee consists of 3 persons as follows.

Name	Position
1. Pol.Maj.Gen. Sahaschai Intarasuksri	Chairman of the Executive Committee
2. Mr. Prateep Anantachote	Vice Chairman of the Executive Committee
3. Mr. Sanan Siripanichsuta	Executive Committee
4. Ms. Supaporn Suwansangchuto	Executive Committee

#### Executives of the Company

As of September 1, 2015, there are 7 executives of the Company as follows.

Name	Position
1. Mr. Sanan Siripanichsuta	President
2. Ms. Supaporn Suwansangchuto	Deputy President
3. Ms. Promsiri Kitseree	Executive Vice President, Real Estate Business Division
4. Mr. Komson Thammarakkit	Executive Vice President, Real Estate Business Division
5. Mr. Sahustuch Kongwut	Executive Vice President, General Administration Division
6. Mr. Shih-Wei Collin Sim	Executive Vice President, Business & Investment Division
7. Mrs. Thanida Inthachak	Executive Vice President, Accounting and Financial Division



1.6 Performance and Financial Position

Unit: THB million

Items	December 31, 2012		December 31, 2013		December 31, 2014		September 31, 2015	
	Audited		Audited		Audited		Verified	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Asset</b>								
<b>Current Assets</b>								
Cash and cash equivalents	55.35	17.01	30.114	7.57	6.27	2.07	172.55	21.37
Short-term investment	45.00	13.83	0.00	0.00	11.53	3.80	200.00	24.77
Trade accounts and other receivable								
- Related parties	1.45	0.45	0.00	0.00	7.60	2.50	0.00	0.00
- Other Parties	23.57	7.24	20.51	5.15	61,27	20.17	25.98	3.22
Short-term loan and interest receivable to other parties	6.24	1.92	0.00	0.00	0.00	0.00	0.00	0.00
Inventories	26.43	8.12	8.88	2.23	0.00	0.00	0.00	0.00
Amount of retention on construction contracts	0.00	0.00	0.00	0.00	0.00	0.00	35.00	4.34
Real estate development costs	69.27	21.29	242.58	60.95	165.84	54.60	168.11	20.82
Other current assets	1.14	0.35	34.14	8.58	4.05	1.33	8.11	1.00
<b>Total current assets</b>	<b>228.43</b>	<b>70.21</b>	<b>336.23</b>	<b>84.48</b>	<b>256.57</b>	<b>84.48</b>	<b>609.75</b>	<b>75.52</b>
<b>Non-current Assets</b>								
Cash restricted or pledged	0.42	0.13	1.49	0.38	0.00	0.00	100.00	12.39
Other long-term investment	45.00	13.83	45.00	11.31	45.00	14.82	45.00	5.57
Property, plant, and equipment	24.56	7.55	3.76	0.94	1.53	0.50	52.19	6.46
Deposit for land acquisition	0.00	0.00	11.00	2.76	0.00	0.00	0.00	-
Intangible assets	26.94	8.28	0.18	0.04	0.18	0.06	0.00	-
Other non-current assets	0.02	0.00	0.32	0.08	0.43	0.14	0.42	0.05
<b>Total non-current assets</b>	<b>96.94</b>	<b>29.79</b>	<b>61.75</b>	<b>15.52</b>	<b>47.15</b>	<b>15.52</b>	<b>197.61</b>	<b>24.48</b>
<b>Total Assets</b>	<b>325.37</b>	<b>100.00</b>	<b>397.98</b>	<b>100.00</b>	<b>303.72</b>	<b>100.00</b>	<b>807.36</b>	<b>100.00</b>



The Opinion of Independent Financial Advisor Regarding the Acquisition of Assets  
Asia Corporate Development Public Company Limited (ACD)

Unit: THB million

Items	December 31, 2012		December 31, 2013		December 31, 2014		September 31, 2015	
	Audited		Audited		Audited		Verified	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Liabilities and Shareholders' Equity</b>								
<b>Liabilities</b>								
Trade accounts and other payable								
- Related parties	0.34	0.10	0.00	0.00	0.64	0.21	0.00	0.00
- Other parties	14.74	4.53	15.75	3.96	9.44	3.11	1.79	0.22
Current portion of financial lease liabilities								
- Related parties	0.10	0.03	0.11	0.03	0.00	0.00	0.00	0.00
- Other parties	0.10	0.03	0.00	0.00	0.00	0.00	6.48	0.80
Short-term Loan from related parties	0.75	0.23	0.00	0.00	0.00	0.00	0.00	0.00
Advances received from customers	0.01	0.00	3.77	0.95	0.58	0.19	0.67	0.08
Other current liabilities	0.68	0.21	5.91	1.48	1.99	0.65	6.54	0.81
<b>Total Current Liabilities</b>	<b>16.72</b>	<b>5.14</b>	<b>25.54</b>	<b>6.42</b>	<b>12.64</b>	<b>4.16</b>	<b>15.48</b>	<b>1.92</b>
Net of current portion of financial lease liabilities	0.29	0.09	0.18	0.04	0.00	0.00	49.37	6.12
Post employee benefit obligations	6.42	1.97	0.20	0.05	0.34	0.11	0.49	0.06
<b>Total Non-Current Liabilities</b>	<b>6.71</b>	<b>2.06</b>	<b>0.38</b>	<b>0.10</b>	<b>0.34</b>	<b>0.11</b>	<b>49.86</b>	<b>6.18</b>
<b>Total Liabilities</b>	<b>23.43</b>	<b>7.20</b>	<b>25.92</b>	<b>6.51</b>	<b>12.98</b>	<b>4.27</b>	<b>65.35</b>	<b>8.09</b>
<b>Equity</b>								
Share capital								
Issued and fully paid-up ordinary share capital	250.00	76.84	397.41	99.86	398.46	131.19	581.23	71.99
Premium (Discount) on share capital	269.95	82.97	292.18	73.41	292.18	96.20	624.23	77.32
Retained earnings (deficit)	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Appropriated – legal and statutory reserves	9.83	3.02	9.83	2.47	9.83	3.24	9.83	1.22
Unappropriated	(227.27)	(69.85)	(325.86)	(81.88)	(408.09)	(134.36)	(471.63)	(58.42)
Non-controlling interests	(0.57)	(0.18)	(1.50)	(0.38)	(1.64)	(0.54)	(1.65)	(0.20)
Total equity	301.94	92.80	372.07	93.49	290.74	95.73	742.01	91.91
<b>Total Liabilities and equity</b>	<b>325.37</b>	<b>100.00</b>	<b>397.98</b>	<b>100.00</b>	<b>303.72</b>	<b>100.00</b>	<b>807.36</b>	<b>100.00</b>



The Opinion of Independent Financial Advisor Regarding the Acquisition of Assets  
Asia Corporate Development Public Company Limited (ACD)

Unit: THB million

Items	2012		2013		2014		First 9 months of 2015	
	Audited		Audited		Audited		Verified	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Revenue</b> □								
Revenue from sale of goods	19.83	21.87	5.91	6.59	3.61	7.02	0.00	0.00
Revenue from rendering of services	65.66	72.44	79.71	88.96	47.12	91.62	0.44	1.59
Interest income	3.90	4.31	0.90	1.01	0.45	0.87	8.71	31.22
Other incomes	1.25	1.38	3.08	3.44	0.25	0.48	2.56	9.19
Bad debt recovery and reversal of allowance for doubtful accounts	0.00	0.00	0.00	0.00	0.00	0.00	16.18	58.01
<b>Total Revenues</b>	<b>90.64</b>	<b>100.00</b>	<b>89.60</b>	<b>100.00</b>	<b>51.43</b>	<b>100.00</b>	<b>27.89</b>	<b>100.00</b>
<b>Cost of Sale and Expenses</b> □								
Cost of sale of goods	18.46	20.37	29.77	33.23	0.02	0.03	0.00	0.00
Cost of rendering of services	57.55	63.49	80.25	89.57	51.06	99.29	0.30	1.06
Selling expenses	18.53	20.45	11.08	12.37	1.41	1.58	5.08	18.22
Administration expenses	40.36	44.52	46.72	52.15	50.05	55.86	54.26	194.55
Loss on impairment of intangible assets	0.00	0.00	21.23	23.69	0.00	0.00	0.00	0.00
Allowance for impairment of advances received for organizing the concert	0.00	0.00	0.00	0.00	23.41	26.13	0.00	0.00
Allowance for impairment of real estate development cost	0.00	0.00	0.00	0.00	0.00	0.00	3.82	13.68
Loss from sale of project	0.00	0.00	0.00	0.00	7.82	8.73	0.00	0.00
Loss on impairment of investment	138.06	152.32	0.00	0.00	0.00	0.00	0.00	0.00
Bad debt and doubtful accounts	0.00	0.00	0.00	0.00	0.00	0.00	27.72	99.39
<b>Total expenses</b>	<b>272.96</b>	<b>301.15</b>	<b>189.05</b>	<b>211.00</b>	<b>133.77</b>	<b>191.61</b>	<b>91.17</b>	<b>326.90</b>
Finance costs	0.19	0.21	0.12	0.14	0.04	0.04	0.27	0.95
<b>Total expenses</b>	<b>273.15</b>	<b>301.36</b>	<b>189.18</b>	<b>211.14</b>	<b>133.81</b>	<b>191.65</b>	<b>91.43</b>	<b>327.86</b>
<b>Profit (Loss) before income tax expenses</b>	<b>(182.51)</b>	<b>(201.36)</b>	<b>(99.58)</b>	<b>(111.14)</b>	<b>(82.38)</b>	<b>(160.17)</b>	<b>(63.55)</b>	<b>(227.86)</b>
Income tax expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net profit (loss)</b>	<b>(182.51)</b>	<b>(201.36)</b>	<b>(99.58)</b>	<b>(111.14)</b>	<b>(82.38)</b>	<b>(160.17)</b>	<b>(63.55)</b>	<b>(227.86)</b>
<b>Profit (Loss)</b>								
Attributable to equity holders of the parent	(181.33)		(98.59)		(82.23)		(63.54)	
Attributable to non-controlling interests	(1.18)		(0.99)		(0.15)		(0.01)	



The Opinion of Independent Financial Advisor Regarding the Acquisition of Assets  
Asia Corporate Development Public Company Limited (ACD)

Unit: THB million

items	2012	2013	2014	First 9 months of 2015
<b>Cash Flow from Operating Activities</b>				
Profit (Loss) before income tax expenses	(182.51)	(99.58)	(82.38)	(63.55)
Adjustments for income and expenses not involving cash flows:				
Depreciation and amortization	17.47	8.49	0.79	1.13
Bad debt (reversal)	0.00	0.00	0.00	(16.18)
Bad debt written off	0.00	1.44	0.02	0.00
Allowance for doubtful accounts	0.00	0.00	0.00	27.72
Allowance for doubtful accounts (reversal)	(1.81)	(2.35)	4.02	0.00
Loss (profit) from disposal or amortization of non-current assets	0.00	(0.11)	0.29	0.00
Loss from amortization of withholding taxes	0.09	0.00	0.00	0.00
Unrealized (gain) loss on foreign currency exchange	2.57	2.44	1.76	(1.32)
Loss on impairment of investment	138.06	0.00	0.00	0.00
Unrealized gain on financial assets classified as held for trading	0.00	0.00	0.00	0.00
Gain on disposal of financial assets classified as held for trading	0.00	0.00	0.00	0.00
Allowance for impairment of assets	0.00	0.33	0.00	0.00
Allowance for impairment of non-current assets	0.00	21.23	0.00	0.00
Allowance for impairment of advances received for organizing the concert	0.00	0.00	23.41	0.00
Allowance for impairment of real estate development cost	0.00	0.00	0.00	3.82
Loss from obsolete inventory	5.46	19.99	(32.19)	0.00
Finance costs	0.19	0.12	0.04	0.27
Dividend income	0.00	0.00	0.00	0.00
Interest income	(3.90)	(0.90)	(0.45)	(8.71)
Post employee benefit obligations	0.68	0.20	0.26	0.18
Cash flows from (used in) operations before changes in operating assets and liabilities	(23.69)	(48.70)	(84.43)	(56.64)
Movements in working capital:				
Trade accounts and other receivables – related parties	0.00	0.00	(7.60)	20.38
Trade accounts and other receivables – other parties	(10.59)	3.93	(34.09)	8.33
Inventories	(1.68)	(2.44)	41.07	0.00
Retention on construction contracts	0.00	0.00	0.00	(35.00)
Real estate development cost	(16.40)	(173.32)	76.74	(6.08)
Other current assets	(1.13)	(33.00)	7.51	1.29
Advances received from customers	0.00	3.76	(3.19)	0.10



The Opinion of Independent Financial Advisor Regarding the Acquisition of Assets  
Asia Corporate Development Public Company Limited (ACD)

Other payables – related parties	0.00	0.00	0.64	(0.64)
Trade account and other payables - other parties	0.00	0.00	0.00	(5.03)
Other current liabilities	(0.13)	5.23	(3.92)	1.94
Post employee benefit obligations	0.00	(6.42)	(0.13)	(0.03)
Cash generated from operations	(41.07)	(261.41)	(13.88)	(71.23)
Interest paid	(0.02)	(0.12)	(0.03)	(0.26)
Income tax paid	(0.77)	(1.19)	(2.23)	(0.19)
<b>Net cash provided by (used in) operating activities</b>	<b>(41.86)</b>	<b>(262.72)</b>	<b>(16.14)</b>	<b>(71.68)</b>
<b>Cash Flow from Investing Activities</b>				
Interest received	5.51	1.43	0.43	7.50
(Increase) decrease in short-term investments	89.80	45.00	(11.54)	(188.46)
Increase in cash restricted or pledged	0.54	(1.08)	1.49	(100.00)
Short-term loan repayment by other parties	0.00	0.00	0.00	0.00
Short-term loan to related parties	0.00	0.00	0.00	0.00
Short-term loan repayment by related parties	0.00	5.75	0.00	0.00
Investment in subsidiaries and others	0.00	0.00	0.00	0.00
Dividend received	0.00	0.00	0.00	0.00
Proceeds from disposal of financial assets classified as held for trading	0.00	0.00	0.00	0.00
Proceeds of non-current asset	0.05	20.35	1.59	0.00
Purchases of property, plant and equipment	(4.85)	(2.41)	(0.32)	(42.42)
Increase in intangible asset	(0.13)	(0.31)	(0.12)	(0.07)
Share capital for non-controlling interests	0.20	0.60	0.00	0.00
Non-controlling interests in subsidiaries	0.00	(0.54)	0.00	0.00
<b>Net cash provided by (used in) investing activities</b>	<b>91.03</b>	<b>68.80</b>	<b>(8.47)</b>	<b>(323.46)</b>
<b>Cash Flow from Financing Activities</b>				
Increase (decrease) in short-term borrowings from related parties	0.00	(0.75)	0.00	50.00
Decrease in long-term borrowings from financial institutions	0.00	0.00	0.00	(0.40)
Decrease in finance lease contract liabilities	(0.16)	(0.20)	(0.29)	(3.01)
Proceeds from issuance of share capital	0.00	169.64	1.05	514.82
<b>Net cash provided by (used in) financing activities</b>	<b>(0.16)</b>	<b>168.69</b>	<b>0.77</b>	<b>561.41</b>
<b>Net increase (decrease) in cash and cash equivalent</b>	<b>49.01</b>	<b>(25.23)</b>	<b>(23.84)</b>	<b>166.28</b>
Cash and cash equivalents, beginning balance	6.33	55.35	30.11	6.27
<b>Cash and cash equivalents, ending balance</b>	<b>55.34</b>	<b>30.11</b>	<b>6.27</b>	<b>172.55</b>





The Opinion of Independent Financial Advisor Regarding the Acquisition of Assets  
Asia Corporate Development Public Company Limited (ACD)

LIQUIDITY RATIO	2012	2013	2014	First 9 months of 2015
Liquidity ratio (times)	13.66	13.17	20.29	39.39
Quick Liquidity Ratio (times)	7.50	1.98	6.86	25.74
Cash Flow Liquidity Ratio (times)	(4.02)	(12.43)	(0.85)	(6.80)
Trade Accounts Receivable Turnover (times)	4.16	3.94	1.15	0.78 <sup>1</sup>
Average Collection Period (days)	87	92	317	465
Inventory Turnover (times)	2.67	6.23	11.51	N/A
Average Sales Period (days)	136	58	31	N/A
Payable Turnover (times)	8.63	7.14	3.93	0.07 <sup>1</sup>
Average Payment Period (days)	42	51	92	5,507
Cash Cycle (days)	182	100	255	N/A
<b>PROFITABILITY RATIO</b>				
Gross Profit Margin (%)	11.09%	(28.50%)	(0.69%)	33.41%
Operating Profit Margin (%)	(57.80%)	(96.02%)	(102.12%)	(13361.17%)
Other Profit Margin (%)	5.68%	4.44%	1.36%	98.41%
Cash to Earning Ratio (%)	0.00%	0.00%	0.00%	0.00% <sup>1</sup>
Net Profit Margin (%)	(201.36%)	(111.14%)	(160.17%)	(227.86%)
Return on Equity (%)	(46.43%)	(29.55%)	(24.86%)	(16.41%) <sup>1</sup>
<b>EFFICENCY RATIO</b>				
Return on Assets (%)	(44.55%)	(27.53%)	(23.48%)	(15.25%)
Return on Fixed Assets (%)	(288.34%)	(274.19%)	(2889.06%)	(308.82%) <sup>1</sup>
Asset Turnover (times)	0.22	0.25	0.15	0.0502 <sup>1</sup>
<b>FINANCIAL POLICY RATIO</b>				
Debt to Equity Ratio (times)	0.08	0.07	0.07	0.09
Interest Coverage Ratio (times)	(217.00)	(2,117.71)	(460.00)	(233.65)
Dividend Payout (%)	0.00	0.00	0.00	0

Note : <sup>1</sup> The ratio is annualized in order to be comparable with past information



### Revenue Structure

The revenues of the Company during past 3 years are mainly from sport entertainment products. For the revenue from organizing services, it is from a subsidiary. The details of consolidated financial data are as follows.

	2012		2013		2014		First 9 months of 2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Sport entertainment products	21.65	23.89	7.18	8.01	3.61	7.02	-	-
Organizing services	63.84	70.43	78.44	87.54	47.12	91.62	4.43	1.59
Property development	-	-	-	-	-	-	-	-
Other revenues	5.15	5.68	3.98	4.45	0.70	1.36	27.45	98.41
<b>Total Revenues</b>	<b>90.64</b>	<b>100.00</b>	<b>89.60</b>	<b>100.00</b>	<b>51.43</b>	<b>100.00</b>	<b>27.88</b>	<b>100.00</b>

During past 3 years, the Company did not earn any revenue from property development because it is under the process of investment.

### Overview of Financial Position of the Company

#### Overview of Performance

Asia Corporate Development Public Company Limited has the former name as Mida-Medalist Entertainment Public Company Limited with the main business in selling and distributing the electronic entertainment products e.g. electronic dartboard, pool table, table football, etc. However, the sale has decreased dramatically from the global economic slowdown that greatly affects the entertainment products. In 2012, the Company has changed its strategy to invest in property development business. Currently, it is under development and the Company has not earned any revenue from property development during past 3 years.

#### Revenue

In 2014, the Company has total revenues of THB 51.43 million, which has decreased by THB 38.17 million or 42.60% from the same period of previous year. There are 3 main sources of revenues, which are revenue from sale of goods and other revenues with the following details.

Items	2012		2013		2014		First 9 months of 2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenue from sale of goods	19.83	21.87	5.91	6.60	3.61	7.02	-	-
Revenue from rendering of services	65.66	72.45	79.71	88.96	47.12	91.62	0.44	1.58
Other revenues	5.15	5.69	3.98	4.44	0.70	1.36	27.44	98.42
<b>Total revenues</b>	<b>90.64</b>	<b>100</b>	<b>89.60</b>	<b>100.00</b>	<b>51.43</b>	<b>100.00</b>	<b>27.88</b>	<b>100.00</b>



Revenue from sale of goods

In 2013, the Company has total revenues of THB 5.91 million, which has decreased by 70.20% from the amount of THB 19.83 million in the same period of previous year. This decrease is from a decrease in sale from the global economic slowdown, especially for the entertainment products.

In 2014, the Company has total revenues of THB 3.61 million, which has decreased by 38.92% from the amount of THB 5.91 million in the same period of previous year. This decrease is from a change in the main business of the Company. Therefore, there is no investment in the former business and the Company has not earned any revenue from the new business because it is under the process of investment.

Revenue from rendering of services

The revenue from rendering of services includes the revenue from rent of electronic entertainment products of the Company and the revenue from organizing services of the subsidiary. In 2013, the Company has the revenue from rendering of services for 88.96% of total revenues.

In 2014, the revenue from rendering of services is from the revenue from organizing services of the subsidiary, which is THB 47.12 million, which has decreased by 40.22% from the amount of THB 78.82 million (for the revenue of that subsidiary) in the same period of previous year due to the economic slowdown and the intense competition.

Other revenues

Other revenues of the Company include revenue from other services, interest income, gain from disposal of asset, gain on foreign currency exchange, revenue from providing online data via the network of electronic dartboard of Medalist, etc. In 2012, the Company has other revenues for 5.68% of total revenues. In 2013, the Company has other revenues for 4.44% of total revenues. In 2014, the Company has other revenues for 1.36% of total revenues, which is from a decrease in interest income.

**Cost of Rendering of Services**

Items	2012	2013	2014	First 9 months of 2015
Revenue from rendering of services	65.66	79.71	47.12	0.44
Cost of rendering of services	57.55	80.25	51.06	0.30
Percentage of cost of rendering of services to total revenues (%)	87.64	101.93	108.36	68.18

In 2012, the Company has the cost of rendering of services of THB 57.55 million, which is 87.64% of the revenue from rendering of services. This amount has increased because of an increase in the revenue from organizing services of subsidiaries.

In 2013, the Company has the cost of rendering of services of THB 80.25 million, which is 101.93% of the revenue from rendering of services. This amount has increased because of an increase in the revenue from



organizing services of subsidiaries and the expenses from some organized events but no revenue recognition yet.

In 2014, the Company has the cost of rendering of services of THB 51.06 million, which is 108.36% of the revenue from rendering of services. This amount has increased because of the loss from some organized event due to the economic condition.

#### Selling and Administrative Expenses

Items	2012	2013	2014	First 9 months of 2015
Selling Expense	18.53	11.08	1.41	5.08
Administrative Expense	28.85	168.29	75.37	73.31
Executive Compensation	11.51	9.81	5.94	8.92
Total Selling and Administrative Expenses	58.89	189.18	82.72	87.31
Total Revenues	90.64	89.60	51.43	27.88
Percentage of total selling and administrative expenses to total revenues (%)	64.97	211.13	160.84	313.16

In 2012, 2013, and 2014, the Company has selling and administrative expenses of THB 58.89 million, THB 189.18 million, and THB 82.72 million respectively. The selling expenses are the expenses in marketing activities e.g. marketing management, advertising, amortization of trademark, etc. The administrative expenses include salary expense, allowance for doubtful expense, loss on disposal of investment, loss on disposal of assets, loss from advance received for organizing the events, etc.

#### Net Profit (Loss)

Items	2012	2013	2014	First 9 months of 2015
Net Profit	(182.51)	(99.58)	(82.38)	(63.55)
Net Profit Margin (%)	(201.37)	(111.14)	(159.89)	(227.86)
Return on Equity (%)	(46.43)	(26.76)	(24.70)	(16.41)
Return on Asset (%)	(44.55)	(27.53)	(23.47)	(15.25)

The financial ratio in 2012 and 2013 has decreased due to a decrease in sale from global economic slowdown especially for entertainment products. This make the operating profit decrease. In 2014, the Company has no revenue from property development because it is under the investment process but the expenses have increased including salary expense, bad debt, loss on disposal of asset, loss from obsolete inventory, and loss on impairment of investment.



## Assets

As of the end of 2013, the Company has total assets of THB 397.98 million, which has increased from total asset in 2012 of THB 325.37 million. Total assets in 2013 consist of current assets of THB 347.23 million, which is 87.25% of total assets and non-current assets of THB 50.75 million, which is 12.75% of total assets. Compared to the end of 2013, the Company has current assets of THB 228.43 million, which is 70.21% of total assets and non-current assets of THB 96.94 million, which is 29.79% of total assets. The major decrease in assets is from disposal of non-current assets, an increase in allowance for bad debts, an increase in allowance for obsolete inventory, and loss on impairment of investment.

As of the end of 2014, the Company has total assets of THB 303.72 million, which has decreased from total asset in 2013 of THB 397.98 million. Total assets in 2014 consist of current assets of THB 256.57 million, which is 84.48% of total assets and non-current assets of THB 47.15 million, which is 15.52% of total assets. Compared to the end of 2013, the Company has current assets of THB 347.23 million, which is 87.25% of total assets and non-current assets of THB 50.75 million, which is 12.75% of total assets. The major decrease in assets is from sale of property development project, disposal of non-current assets, an increase in allowance for bad debts, an increase in allowance for obsolete inventory, and loss on impairment of investment.

### Trade Receivable

In 2013, the Company has trade receivable of THB 19.77 million including trade receivable by other parties of THB 19.77 million, which has increased from 2012 with trade receivable of THB 12.07 million including trade receivable by related party of THB 12.07 million. This increase is from the change in executives of the Company as the result of the change in business policy.

In 2014, the Company has trade receivable of THB 13.91 million including trade receivable by other parties of THB 6.31 million and trade receivable by related parties of THB 7.60 million, which has decreased from 2013 with trade receivable of THB 19.77 million including trade receivable by related party of THB 19.77 million. This decrease is from an increase in payment of trade receivable and an increase in allowance for doubtful account.

### Net Inventory

Net inventory consists of finish goods; work in process, raw material, raw material under delivery, and supplies. The inventory has decreased from THB 8.88 million in 2013 to THB 0 in 2014 because the Company has sold most of inventory and reversed the allowance for obsolete inventory for THB 31.52 million.



*Investment in subsidiaries*

(Unit : THB thousand)

	Company Financial Statement					
	Paid-up Capital		Ownership Proportion		Value	
	Sep 30, 2015	Dec 31, 2014	Sep 30, 2015	Dec 31, 2014	Sep 30, 2015	Dec 31, 2014
Company			(%)			
MedalistVision Company Limited	20,000	20,000	89.00	89.00	17,800	17,800
Boost Plus Company Limited	30,000	30,000	99.99	99.99	30,000	30,000
A.C.D Energy Company Limited	1,000	-	99.99	-	1,000	-
<u>Deducting Allowance for Impairment</u> Losses					(47,800)	(47,800)
Net					1,000	-

The Company has recorded the allowance for impairment of long-term investment of Boost Plus Company Limited for THB 30.00 million and MedalistVision Company Limited for THB 17.8 million as in the consolidated statement of financial position and the company statement of financial position as of December 31, 2014.

*Other long-term investment*

In 2006, the Company has invested in ordinary shares of Phuket Peninsula Company Limited for 1.2 million shares with the price of THB 116.66 per share. Total investment is THB 140 million, which is 20% of authorized capital of that company.

There is the director of the Company who is also the director of another related company that has invested with the director of Phuket Peninsula Company Limited. In 2007, there is an argument and the Company has not received the financial statement of that company in order to consider the impairment of investment since 2007. Under this restriction, the consolidated financial statement of the Company has shown this investment by its book value based on the equity method but the company financial statement has shown this amount based on the cost method. Thereafter, the Company has re-classified this amount as other long-term investments because the Company has no power or significant influence in that company.

As of December 31, 2011, the argument has not been resolved and the Company cannot assess the loss from this investment.



In December 2012, the argument has not been resolved and Phuket Peninsula Company Limited has many legal disputes about debts and has been charged by government official for public land encroachment. The executives of the Company have expected that the argument will last for long period and will damage to the investment. Therefore, there is the resolution to record the loss on impairment of long-term investment for the whole amount of investment of THB 138 million in the consolidated statement of financial position and THB 140 million in the company statement of financial position as of December 31, 2012.

As of December 31, 2014, the argument has not been resolved.

## Source of Capital

### 1. Liabilities

As of the end of 2013, the Company has total liabilities of THB 25.92 million, which has increased from 2012 by THB 2.49 million. This increase is from an increase in advances received from customers and accrued expenses.

As of the end of 2014, the Company has total liabilities of THB 12.98 million, which has decreased from 2013 by THB 12.94 million. This decrease is from a decrease in advances received from customers and accrued expenses.

### 2. Shareholders' Equity

As of the end of 2013, the Company has total equity of THB 372.06 million, which has increased from 2012 due to the increase in authorized capital of the Company.

As of the end of 2014, the Company has total equity of THB 290.74 million, which has decreased from 2013 due to the decrease in performance.

Moreover, in 2014, there is the share offering of 199,230,125 shares to existing shareholders with the proportion of 2 existing shares to 1 new share. The offering price is THB 3 per share. There are 166,024,432 shares that are subscribed and the Company has received cash of THB 498,073,296.00.