The opinions of the Independent Financial Advisor on the acquisition of assets regarding the acquisition of ordinary shares of Grand Unity Development Company Limited and the voluntary tender offer for all securities of Golden Land Property Development Public Company Limited

of

Univentures Public Company Limited

presented to

The Shareholders of Univentures Public Company Limited

by

JayDee Partners Limited

September 27, 2012

This English report of the Independent Financial Advisor's Opinions has been prepared solely for the convenience of foreign shareholders of Univentures Public Company Limited and should not be relied upon as the definitive and official document. The Thai language version of the Independent Financial Advisor's Opinion is the definitive and official document and shall prevail in all aspects in the event of any inconsistency with this English Translation.

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Glossary

The Company or UV	Univentures Public Company Limited
GOLD	Golden Land Property Development Public Company Limited
GOLD Group	Golden Land Property Development Public Company Limited, subsidiaries and associated companies of GOLD
Grand U	Grand Unity Development Company Limited
GUL	Grand U Living Company Limited
RKIL	Rock Key International Limited
LPN	L.P.N. Development Public Company Limited
Yaowawong	Yaowawong Holding Company Limited
GOLD – W1	The warrants for the right to buy ordinary shares of Golden Land Property Development Public Company Limited
Voluntary Tender Offer or VTO	The voluntary tender offer for all securities of Golden Land Property Development Public Company Limited
All securities of GOLD	All ordinary shares and warrants to purchase ordinary shares of GOLD
Independent Financial Advisor or IFA	JayDee Partners Limited
SET	The Stock Exchange of Thailand
SEC	The Office of the Securities and Exchange Commission
Acquisition or Disposition Notification	The Notification of the Board of Governor the Stock Exchange of Thailand, Tor. Chor. 20/2008 Re: Rules for Significant Transactions Constituting an Acquisition or Disposal of Assets and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E.2547 (2004) dated October 29, 2004, and its amendments.

September 27, 2012

Attention: The shareholders of Univentures Public Company Limited

Subject: The opinions of the independent financial advisor on the acquisition of assets

According to the Board of Director's meeting of Univentures Public Company Limited ("the Company" or "UV") No. 6/2012 held on September 7, 2012, passed the resolutions to approve important matters, as follows:

1) Approved the Company's acquisition of all ordinary shares of Grand Unity Development Company Limited ("Grand U") held by L.P.N. Development Public Company Limited ("LPN") and by Yaowawong Holding Company Limited ("Yaowawong"), a total number of 24,000,000 shares, equivalent to 40% of total issued and paid-up shares of Grand U, at THB 15.00 per share, totaling THB 360.00 million.

2) Approved the voluntary tender offer ("VTO") by the Company for all securities of Golden Land Property Development Public Company Limited ("GOLD"). The Company will make an offer for the ordinary shares of GOLD at THB 5.50 per share and for the warrants ("GOLD-W1") at THB 2.50 per unit, and approved the entry into the agreement to sell and purchase shares with Rock Key International Limited ("RKIL"), which is the shareholder and warrant holder of GOLD, under which RKIL agreed to sell 281,316,464 shares (or 24.80% of total issued and paid-up shares of GOLD) and 108,479,551 units of warrant to the Company in the process of VTO at the price equivalent to the offering price set by the Company. The purchase of shares and warrants by the Company in the VTO (including the number of shares which will be sold by RKIL) is subjected to the condition that the Company is able to obtain more than 50.00% of all issued and paid-up ordinary shares of GOLD.

3) Approved the increase of the Company's registered share capital as follows:
   3.1 Increase of the Company's registered capital for acquiring ordinary shares of Grand U:
      3.1.1 Approved the increase of the Company's registered share capital by THB 264.00 million from the former registered share capital of THB 764,770,615 to THB 1,028,770,615, by issuing 264,000,000 new ordinary shares, at a par value of THB 1.00 each.
      3.1.2 Approved the allotment of the newly issued shares for the capital increase of the Company of up to 264,000,000 shares, at a par value of THB 1.00 each, to the following entities
         (1) Allotted the newly issued ordinary shares for the capital increase of the Company of not more than 264,000,000 shares, at a par value of THB 1.00 each, to existing shareholders of the Company according to their rights (Rights Offering), at the price not less than THB 2.50 per share, where the Executive Board or President and Managing Director are authorized to determine the share ratio and the final offering price.

         If there are shares remaining from the first round of allocation, the Company will allocate the remaining shares to existing shareholders who express their intention to subscribe for shares exceeding their shareholding ratio, until all outstanding shares are sold, or until no shareholders express their intention to subscribe for such shares.

         (2) If there are still shares remaining from the allotment to the shareholders as stated in (1), the Company will offer such shares to specific persons in a private placement, at the offering price which is determined by a survey on the demand of institutional investors at different prices (Bookbuild), but will not be lower than the price offered to existing shareholders of the Company according to their shareholding ratio.

   3.2 Increase of the Company's registered capital for making the VTO

3.2.1 Approved the increase of the Company's registered share capital by THB 3,016,000,000, from the former registered capital of THB 764,770,615 to THB 3,780,770,615, by issuing 3,016,000,000 newly issued ordinary shares, at a par value of THB 1.00 each.

3.2.2 Approved the allotment of the newly issued shares for the capital increase of the Company of up to 3,016,000,000 shares, at a par value of THB 1.00 each, to the following entities

(1) Allotted the newly issued ordinary shares for a capital increase of the Company of not more than 3,016,000,000 shares, at a par value of THB 1.00 each, to existing shareholders of the Company according to their rights (Rights Offering), at the price not less than THB 2.50 per share, where the Executive Board or President and Managing Director are authorized to determine the share ratio and the final offering price.

If there are shares remaining from the first round of allocation, the Company will allocate the remaining shares to existing shareholders who express their intention to subscribe for shares exceeding their shareholding ratio, until all outstanding shares are sold, or until no shareholders express their intention to subscribe for such shares.

(2) If there are still shares remaining from the allotment to the shareholders as stated in (1), the Company will offer such shares to specific persons in a private placement, at the offering price which is determined by a survey on the demand of institutional investors at different prices (Bookbuild), but will not be lower than the price offered to existing shareholders of the Company according to their shareholding ratio.

The acquisition of all ordinary shares of Grand U held by LPN and Yaowawong is considered to be an acquisition of asset as prescribed in the Notification of the Board of Governor the Stock Exchange of Thailand, Tor. Chor. 20/2008 Re: Rules for Significant Transactions Constituting an Acquisition or Disposal of Assets and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E.2547 (2004) dated October 29, 2004, and its amendments ("Acquisition or Disposition Notification") with transaction size of 98.95% derived from 40% of the net profits from ordinary operations after deducting taxes for the past 12 months based on the 6 month period reviewed financial statements ending June 30, 2012 of Grand U, equivalent to THB 174.62 million (THB 436.54 million x 40%) compared to the net profits of the Company for the past 12 months of THB 176.46 million which is the maximum transaction amount pursuant to the calculation criteria no. 2 (net profits from ordinary operations after deducting taxes). Such a transaction is, therefore, a category 1 transaction under Acquisition or Disposition Notification.

The voluntary tender offer for all securities of GOLD is considered to be an acquisition of asset with transaction size of 340.22% (calculated by using the consolidated financial statements as of June 30, 2012), which is the maximum transaction amount pursuant to the criteria on net tangible assets, and is a category 1 transaction under Acquisition or Disposition Notification.

The combined transaction size is equal to 365.18% of net tangible assets of the Company and its subsidiaries (The size of Transaction to acquire Grand U's ordinary shares is equal to 24.96% of net tangible assets of the Company and its subsidiaries). The Transaction is classified as Category 1 Transaction as prescribed in the Acquisition or Disposal Notification. Therefore, the Company is obliged to prepare and disclose a report on the transactions to the Stock Exchange of Thailand ("SET"). Moreover, the Company is required to hold the shareholders' meeting to seek approval for the transactions with affirmative votes of not less than three-fourths of the total number of votes of the shareholders attending the meeting and having the right to vote. Also, the Company is required to appoint an independent financial advisor to render opinion regarding the reasonableness of the transactions and the fairness of the price and conditions of the transactions to present to the shareholders of the Company for consideration.

The Board of Directors' Meeting No.6/2012, held on September 7, 2012 approved the appointment of JayDee Partners Limited ("independent financial advisor" or "the IFA"), the financial advisor approved by the Office of the Securities and Exchange Commission ("the SEC"), to be the independent financial advisor of the Company to render the opinions to the shareholders as supporting information for their voting consideration in respect of entering into the transactions.

The IFA has given opinion based on the information from the interview, information received from the Company, publicly available information as well as current economic condition data. If there are any signification changes to such information in the future, it may alter the opinion of the IFA accordingly. Information used in this report are as follows:

- The resolutions of the Company's Board of Directors' Meeting related to the transactions.
- The Company's information memorandum disclosure to the Stock Exchange of Thailand ("the SET").
- Annual Report for year 2010 – 2012 and Form 56-1 of the Company and other companies related with the transactions.
- News and summary of information memorandum disclosured to the SET.
- Audited financial statements of the Company for the year ended December 31, 2009 – 2011 and reviewed financial statements for 6 months ended June 30, 2012.
- The agreements and contracts related to the transactions.
- Interview with the management and staff of the Company and Grand U.
- Information and documents obtained from the Company and Grand U.

Additionally, this report is based on these underlying assumptions.

- All information and documents obtained from the Company and Grand U are complete, adequate and truthful and that the opinion from the interview of the Company's management and Grand U's management are reflective of the current situation;
- There are not any events which had occurred, is going to occur or is likely to occur that might materially affect the operating results and financial performances of the Company and Grand U;
- All business contracts related to the Company's business and Grand U's business with its counterparties are still legal, valid and binding and have not been amended, revoked or terminated;

Limitation of the IFA in preparation of this opinion report

The opinion of the IFA has been prepared on the limited accessible information of GOLD including its subsidiaries and associated companies ("GOLD Group") as the acquisition of ordinary shares and warrants of GOLD from the existing shareholders is via the voluntary tender offer process. In addition, RKIL, the shareholder of GOLD who expresses an intention to dispose of its investment to the Company under this VTO, is the non-controlling shareholder of GOLD. Therefore, the IFA has prepared this opinion report based on the accessible and publicly disclosed information of GOLD Group and the gathered information on real estate projects of GOLD. In addition, the IFA has not performed the due diligence process on the financial position as well as the assets, liabilities and the business operation of GOLD Group. Also, the IFA did not obtain any financial and quantitative information from GOLD Group. Therefore, the completeness of the information may not be equivalent to the information, which is directly received or interviewed with the management of GOLD Group.

In this regard, the IFA has prepared this report on September 7, 2012 and hereby certified that we have studied, analyzed and prudently performed our duties as an Independent Financial Advisor, complying with the generally accepted professional standard and rendered our opinion based on the unbias analysis with regards to the best benefit of the shareholders. However, it is important to note that the IFA's opinions are based on the information and documents received from the Company and other publicly available information. The IFA assumes that such information is accurate and reliable at the time the IFA prepared this opinion report. However, if such information is found to be inaccurate and/or incomplete and/or unreliable and/or have any significant changes in the future, the opinion provided by the IFA may differ accordingly. As a result, the IFA is unable to hold responsible for any impacts on the Company and its shareholders resulting from such transactions. In addition, the objective of this report is merely to provide opinion on the transactions to the Company's shareholders. The decision to vote is the sole discretion of the shareholders, which shall include the consideration of advantages, disadvantages, and risk associated with the transactions as well as consideration of the attached documents submitting to the shareholders along with the invitation letter so as to make the most appropriate decision. In this regards, the opinion of the IFA does not certify the success of the Transactions as well as their possible impacts. The IFA does not hold any responsibilities for the impacts that might arise from such transactions both directly and indirectly.

The IFA has considered the reasonableness of the transactions with the details as follows:

Executive Summary

On September 7, 2012, the Board of Directors' meeting No.6/2012 passed the resolution to approve the acquisition of assets, altogether of 2 transactions, as follows:

1) The purchase of all ordinary shares of Grand U held by LPN and Yaowawong, a total number of 24,000,000 shares, equivalent to 40% of issued and paid-up shares of Grand U, at THB 15.00 per share, totaling of THB 360.00 million.
2) The voluntary tender offer for all securities of GOLD. The Company will make an offer for the ordinary shares of GOLD at THB 5.50 per share and for GOLD-W1 at THB 2.50 per unit, and the enter into the agreement to sell and purchase shares with RKIL, who is the shareholder holding 281,316,464 shares (24.80% of all issued and paid-up shares of GOLD) and 108,479,551 units of warrants. RKIL will sell its securities of GOLD in the process of VTO at the price equivalent to the offering price set by the Company.

   Additionally, there are conditions precedents to the transaction as follows:
   - The Extraordinary General Meeting of the Shareholders No.1/2012, to be held on October 17, 2012, resolves to approve the acquisition of GOLD's securities along with other relevant matters with at least three-fourth of votes from the total voting rights of the shareholders who attend the meeting and are entitled to vote, excluding the portion of any conflicting shareholders.
   - The Extraordinary General Meeting of the Shareholders No. 1/2012, to be held on October 17, 2012, resolves to approve the capital increase of the Company along with the allocation of newly issued shares to repay the bridging loan from financial institution(s) for the Voluntary Tender Offer to purchase all securities of GOLD.
   - In making such tender offer to purchase all securities of GOLD, the Company will stipulate a condition that the Company is entitled to cancel such tender offer to purchase all securities of GOLD in case that, upon the completion of such tender offer, the Company is unable to purchase more than 50% of the total issued shares of GOLD.

The transactions are considered as the acquisition of asset with total transaction size of 365.18% (calculated by using the net tangible asset method), and is a category 1 transaction under Acquisition or Disposition Notification. Therefore, the Company is obliged to prepare and disclose a report on the transactions to the SET. Moreover, the Company is to call a shareholders' meeting to seek approval for the transactions with affirmative votes of not less than three-fourths of the total number of votes of the shareholders attending the meeting and having the right to vote. Also, the Company is required to appoint an independent financial advisor to render opinion regarding the reasonableness of the transactions and the fairness of the price and conditions of the transactions to present to the shareholders of the Company for consideration. The calculation of the transaction size based on the prescribed method is presented in the below Table.

Table 1: The transaction size for the asset acquisition presented to the EGM No. 1/2012 for the shareholders' approval

Method	Transaction size (%)		Total of transaction size (%)
	The purchase of all ordinary shares of Grand U	The voluntary tender offer for all securities of GOLD	
Value of total consideration	5.13	106.91	112.04
Net profit after tax	98.95*	N.A.**	98.95
Net tangible asset	**24.96**	**340.22**	**365.18**

Remark * Derived from 40% of the net profits from ordinary operations after deducting taxes for the past 12 months from the 6 month period reviewed financial statements ending June 30, 2012 of Grand U, equivalent to THB 174.62 million (THB 436.54 million x 40%) compared to the net profits of the Company for the past 12 months of THB 176.46 million.

** Cannot be applied due to negative earnings of GOLD.

Summary of the opinions of the IFA on each transaction are presented as follows:

1) **The acquisition of Grand U's ordinary shares from LPN and Yaowawong** with the transaction value of THB 360.00 million, the IFA views that this transaction is **appropriate** due to the following rationales:
   - The increasing stake in Grand U will allow the Company to record greater portion of revenue and profit generated from the sales of condominium projects developed by Grand U. In recent years, the performance of Grand U has continuously growing.
   - Upon the completion of the Transaction, Grand U will become a wholly owned subsidiary of the Company. This could help improving the flexibility and efficiency of the Company in managing the business of Grand U, to be in line with its business plan and policy. In addition, the conflict of interest between Grand U and the other shareholder, who is operating the same business will be eliminated.
   - The proposed acquisition price at THB 15.00 per share is lower than the range of fair value evaluated by the IFA using Discounted Cash Flow Approach, which ranges between THB 17.20 – 19.29 per share (details of the share valuation appears in Section 2 Clause 2.3.1 of this report)
   - The conditions stipulated under this Transaction are agreed upon the willingness of both counterparties and/or in accordance with the general practice under the share purchase and sale transaction. The IFA views that such conditions do not impair the benefit of the Company.

Therefore, the shareholders should **approve** the Transaction. Nonetheless, the disadvantages and risks associated with the Transaction as shown below should also be carefully considered by the shareholders before voting.
   - Grand U will incur additional liabilities and interest expenses to finance the payment of dividend to its shareholders prior to the Transaction.
   - The Company will be exposed to greater risk from its investment in real estate business in relation to its higher investment portion in Grand U.
   - The increase of the Company's capital by THB 264.00 million to finance the acquisition of Grand U's shares will result in price dilution of around 9.47% and earnings dilution of around 25.66% to the existing shareholders (In this regards, the calculation of dilution effect has not yet taken into account the remaining 40% of Grand U's operating performance. The details of the calculation appear in Section 2 Clause 2.2.2 in Table 18 of this report).

2) **The voluntary tender offer for GOLD's common shares and warrants** with the maximum transaction value of THB 7,497.98 million is **appropriate** due to the following rationales:
   - The acquisition of GOLD's shares is in line with the Company's growth strategy in real estate business.
   - In case the Company can acquire more than 50.00% stakes in GOLD, it will allow the Company to gain management control and to bring in its expertise to improve GOLD's performance. In addition, since GOLD currently owns many assets in high potential location, thus, the Company will have an opportunity to earn high return from its investment in GOLD.
   - The Company will be able to record additional revenue from the current projects of GOLD which are open for sale or in operation.
   - The proposed offering price for the purchase of GOLD's common shares at THB 5.50 per share is lower than the book value of shareholders' equity as appeared in GOLD's financial statement for the 6 month period ended June 30, 2012 at THB 5.89 per share. In addition, the proposed offering price is also lower than the range of fair price evaluated by the IFA using Price to Book Ratio Approach between THB 6.26 – 7.07 per share (details of the share valuation appears in Section 3 Clause 3.3.1.1 of this report)
   - The proposed offering price for the purchase of GOLD–W1 at THB 2.50 per unit is lower than the range of fair price evaluated by the IFA using Black-Scholes Model between THB 3.40 – 4.28 per unit (details of the warrant valuation appears in Section 3 Clause 3.3.1.2 of this report)
   - For the precedent conditions stating that the Company must acquire more than 50.00% stakes in GOLD and that its shareholders must approve the capital increase in order to repay the bridging loan used in the VTO process prior to the Transaction, the IFA views that such conditions should help release the burden of the Company from purchasing GOLD's securities if it is unable to attain the desired stakes. For other conditions of the Transaction, the IFA views that they are agreed upon the willingness of both

counterparties and/or in accordance with the general practice for the share purchase and sale transaction. The IFA views that such conditions do not impair the benefit of the Company.

Therefore, the shareholders should **approve** the Transaction. Nonetheless, the disadvantages and risks associated with the Transaction as shown below should also be carefully considered by the shareholders before voting.

- In case the Company is unable to improve GOLD's management efficiency as targeted, the operating performance of the Company might be worse off from consolidating the negative operating performance of GOLD into its financial statements; since upon the completion of the Transaction, GOLD will be considered as a subsidiary of the Company.
- The Company will incur additional liabilities and interest expenses from the drawdown of bridging loan to support the VTO process. In addition, the increase of the Company's capital for the repayment of bridging loan will result in price dilution of around 29.44% and earnings dilution of around 79.77% (In this regards, the calculation of dilution effect has not yet taken into account of GOLD's operating performance. The details of the calculation appears in Section 3 Clause 3.2.2 in Table 45 of this report)
- **Since prior to the Transaction, the Company did not perform the due diligence on GOLD's assets, liabilities, financial status and business operation of GOLD. Thus, the Company might be exposed to risks associated with the contingent liabilities of GOLD at unknown cost such as:**
  - Possible contingent liabilities from business contracts or agreements that are currently in effective.
  - Pending lawsuits and litigation claims that are currently on the process and might not yet be disclosed in GOLD's latest financial statements as of June 30, 2012 as well as any other cases following the date of such financial statements.
  - Expenses that may arise from the payment of compensation to management or employees who might have to leave prior to the ending of employment contract.
  - Possible devaluation of project value or assets of GOLD which might not yet be reflected in the financial statements as of June 30, 2012.
- Shareholding portion of the Company in GOLD might be diluted down after the fully exercise of warrants by other warrant holders (in case none of the shareholders of GOLD, apart from RKIL, sell GOLD-W1 to the Company under the VTO)
- Risk of incurring additional expenses without completing the Transaction.

Observation from the IFA regarding the operating performance of GOLD in the past

By analyzing the profitability ratios of GOLD, its gross profit margin for the sale of real estate business which were 14.74%, 19.00%, 34.15% during 2009 – 2011 and 28.79% during the first 6 months of 2012 are below the industry average (based on the industry performance during the first 6 months of 2012, average gross profit margin was around 30.87% and the median was around 33.67%). Since in the past, GOLD recorded the allowance for project devaluation in its cost of sales. This is with the objective to reflect the expected net realizable value from its developing projects as well as the projects that GOLD Group has ceased to develop.

Although gross profit margin of GOLD were quite volatile at below the industry average, its revenue stream from rental and services can be maintained with stable gross profit margin over the past 3 years. In this regards, it has helped diversify GOLD's business risk arising from the uncertainty of sales income.

Additionally, GOLD had incurred high selling and administrative expenses with its operating profit margin at negative 10.16%, negative 7.24% and negative 5.12% during 2009 – 2011 and negative 7.33% during the first 6 months of 2012 which are below the industry average (based on the industry performance during the first 6 months of 2012, average operating profit margin was around negative 4.85% and the median was around 12.79%). Selling and administrative expenses of GOLD include extraordinary items that may not reflect the normal course of business operation such as the asset write-off, the allowance for doubtful debt, the provision against litigation claim as well as the minimum guarantee given to the property fund (the guarantee period ended in 2011).

In summary, operating loss of GOLD was partly due to its capability in asset management resulting in the Company's obligation to set up the allowance and the provision for project devaluation, doubtful debts, asset write-off as well as litigation claims as mentioned earlier. Therefore, in case the efficiency of asset management can be improved, the operating performance of GOLD could as well be improved in the future.

Section 1: Information of Univentures Public Company Limited

1.1 Background

Univentures Public Company Limited was incorporated on August 13, 1980 in the name of Unithai Oxide Company Limited with the initial objective of operating the business of producing zinc oxide products. Later, the Company was listed in the Stock Exchange of Thailand on December 9,1988 and transformed into a public limited company on March 31, 1994 and was renamed "Univentures Public Company Limited" on July 2, 1995.

Later on 2001, the Company started to diversify its investments in real estate development, with an aim to develop potential real estate projects that were facing financial problems, to an extent that these projects could be completed for sale. Under the new strategy, the Company set up subsidiary companies and joined investments with experienced real estate developers to acquire the projects which hardly hit by financial crisis. As a result of its shifting and quick execution, the revenue sales from property development jumped and thus navigating the Company to rethink and shifted the business objective. On September 2006, the Company was approved by the Stock Exchange of Thailand to shift the business from Petrochemicals and Chemicals Sector to be traded under Property Development Sector.

The Subsidiaries and Associated Companies of the Company as of June 30, 2012 are listed as follow:

Table 2: Information of the Subsidiaries and Associated Companies of the Company as of June 30, 2012

Company Name	Shareholding (%)	Type of business
Direct subsidiaries		
Lertrattakarn Co., Ltd Registered Capital / Paid-Up Capital THB 600 million	100.00	Property development business for lease (Park Ventures Ecoplex Project)
Grand Unity Development Co., Ltd Registered Capital / Paid-Up Capital THB 600 million	60.00	Property development business (condominium)
Univentures Asset Management Co., Ltd Registered Capital / Paid-Up Capital THB 22.31 million	100.00	Investment and management consulting, investment in property for lease
Univentures Consulting Co., Ltd Registered Capital / Paid-Up Capital THB 2.5 million	100.00	Finance and Investment Consulting
Kinnaree Property Fund Paid-Up Capital THB 5.57 million (under liquidation)	98.88	Property fund
Thai – Lysaght Co., Ltd Registered Capital / Paid-Up Capital THB 140 million	100.00	Manufacture and sale of zinc oxide and chemicals
Forward System Co., Ltd Registered Capital / Paid-Up Capital THB 5 million	99.99	Sales of time recording and car parking control equipments
ESCO Ventures Co., Ltd Paid-Up Capital THB 27.50 million	79.00	Investment in energy services business
Indirect subsidiary		
Grand U Living Co., Ltd * Registered Capital / Paid-Up Capital THB 244.05 million	59.99	Property development business (condominium)
Associated companies		
Excellent Energy International Co., Ltd	30.59	Engineering, Energy management and energy conservation

Company Name	Shareholding (%)	Type of business
Registered Capital / Paid-Up Capital THB 25 Million		consultancy
Sahasinwattana Cogeneration Co., Ltd** Registered Capital / Paid-Up Capital THB 92 million	15.80	Generation of energy to Industry and Commercial
Sahasinwattana Bioenergy Co., Ltd ** Registered Capital / Paid-Up Capital THB 10 million	15.80	

Remark *59.99% indirectly held via Grand Unity Development Co., Ltd.
** 15.80% indirectly held via ESCO Ventures Co., Ltd.
Source: Reviewed financial statements of UV for 6 months ended June 30, 2012

1.2 Overview of Business

The Company is an investment business (Holding company) which invests in the securities for its subsidiaries and associated Companies as presented the above Table 2. The businesses of UV Group are presented as below:

1.2.1 Property investment and development business

a) Real Estate Development Business in Condominium Building
The Company invests in real estate development business for high-rise residential condominium buildings by holding Grand Unity Development Company Limited ("Grand U") at 60.00% ownership and Grand U Living Company Limited ("GUL")(The Company indirectly holds GUL through Grand U which held 99.98% directly). As of June 30, 2012, Grand U and GUL have properties under development and/or for sales and/or in transition to its customers and/or under the plan to develop totaling of 8 projects which the characteristics for each project is presented in the Table 3.

b) Real Estate Development Business in Office Building and Hotel Development
The subsidiary of the Company, Lertrattrakarn Co., Ltd., (The Company holds a 100.00% share) is a developer and operator of Park Ventures Ecoplex, which is an office building and hotel with 34-floor located at the corner of Ploenchit – Witthayu Road. The details of Park Ventures Ecoplex are presented in the Table 4.

In addition, the Company invested in real estate development business through Kinnaree Property Fund (The Company holds a 98.88% shares) for developing residential real estate for sale and lease. Project Inkruk, Project Sathorn Seven Resident (Service Apartment), Narathorn Place Project are samples of developed projects for Kinnaree Property Fund. The Company also invests in Univentures Asset Management Co., Ltd. (The Company holds a 100.00% share) which is a real estate management consulting for the UV Group.

Table 3: Condominium developed by Grand U and GUL as of June 30 2012

	Name of the project	Project Characteristics	Year of project launching*	Area (Rais)	Project progress	Average selling price per Unit (THB Million)	Total Project value		Accumulated sold value		Accumulated transferred value	
							Units	(THB Million)	Units	(THB Million)	Units	(THB Million)
Condominium developed by Grand U												
1	U delight @ On Nut Station	32 storey building	2010	3-3-50	100%	1.84	773	1,421.48	722	1,395.32	434	845.63
2	U delight 2 @ Bangsue Station	30 storey building	2011	3-0-32	78%	1.59	645	1,024.08	620	991.53	-	-
3	U delight Residence Patanakarn-Thonglor	27 storey building	2011	4-1-85	16%	2.16	676	1,457.80	280	676.62	-	-
4	U delight 3 Prachachuen-BangSue	23 storey building	2011	5-0-93	13%	1.97	745	1,468.78	539	1,032.06	-	-
5	Condo U @ Huamak Station	2 Buildings of 8 storey	2012	3-1-25	4%	1.56	408	635.57	375	606.51	-	-
6	Condo U Ratchayothin (Paholyothin 32)*	2 Buildings of 8 storey	2012	3-3-44	-	1.69	394	663.92	-	-	-	-
7	Condo U @ Paholyothin Station *	2 Buildings of 8 storey	2012	3-3-02	-	2.16	389	840.55	-	-	-	-
Condominium developed by GUL												
8	Udelight @ Huay Khwang Station	1 Building of 10 storey/ 3 Buildings of 20 storey	2009	5-1-48	100%	1.97	596	1,176.00	595	1,253.35	592	1,239.80

Remark * That Projects have been opened to sales on September 15, 2012
Source: UV

JayDee Partners

Table 4: Park Ventures Ecoplex

	Detail	Average Occupancy Rate as of June 30, 2012
1. Office space and retail space for rent (opened on September 2011)	26,000 sq.m. of premium office space on the 9th through 22nd floors	70.00 %
	1,000 sq.m. of retail space on the 1st and 2nd floors	100.00%
	Meeting venue on 8th floor (Victor Club)	
2. The Okura Prestige Bangkok hotel* (opened on April 2012)	240 rooms on the 23rd through 34th floors	

Remark * In December 2011, Lertrattrakarn Co., Ltd is a subsidiary of the Company entered into an agreement with TCC Luxury Hotels and Resort Co., Ltd to lease space for the operation of a hotel business for the period of 30 years. Lertrattrakarn Co., Ltd. received remuneration of THB 1,476.30 million and service fees at agreed prices.

1.2.2 Manufacture and sale of zinc oxide and chemicals business

The Company invests in the zinc oxide powder production business under the trademark through Thai-Lysaght Co., Ltd. (The Company holds a 100.00% share). The product grades are categorized by the percentage of zinc oxide purities and types of applications.

Table 5: zinc oxide of Thai – Lysaght Co., Ltd

Type	Purities	Industry	Qualification
White Seal	99.50%	▪ Automobile tyre industry ▪ Paint industry ▪ Animal feed industry	▪ Increase tension force ▪ Fungi treatment
		▪ Paint industry for ship and steel structure	▪ Anti rush
Red Seal	99.00%	▪ Automobile tyre industry	▪ Increase tension force
Red Seal - R	99.00%	▪ Automobile tyre industry and rubber shoes industry ▪ Latex and ceramic industry	▪ Increase tension force ▪ Prevention from latex decomposition

1.2.3 Investment in energy services business

The Company operates energy services business through investing in Excellent Energy International Co., Ltd. (The Company holds a 30.59% share), which provide engineering, energy management and energy conservative consultant. Excellent Energy International Co., Ltd. provide multitude of services such as feasibility study, system optimization and design, project construction management, operation and maintenance, saving guarantee and project investment. The Company invests in ESCO Ventures Company Limited in order to operate in energy services business (The Company holds a 79.00% share). ESCO Ventures Company Limited provides energy management services that manage waste from natural sources and achieve energy efficiency.

1.2.4 Others business

a) Sales of time recording and car parking control equipments business. The Company operates the business through holding Forward System Co., Ltd. by holding 99.99% share. Forward System Co., Ltd is the exclusive distributor of "AMANO" products from Japan and "CEDA" products from Italy.
b) Business advisory and consultant in investment and assets acquisition including raw land, distress property, under-financial restructuring assets, or any business and financial advisory aspects. The Company operates the business through holding Univentures Consulting Co., Ltd. By holding 100.00% shares.

Total revenue structure of the Company and its subsidiaries for the years ended 31 December 2009 to 2011 and 6 months of 2012 are presented in the following Table.

Table 6: Revenue structure of the Company and its subsidiaries and for the years ended 31 December 2009 to 2011 and 6 months of 2012

(Unit :THB Million)	Operated by	2009		2010		2011		Jan – Jun 2012	
		Revenue	%	Revenue	%	Revenue	%	Revenue	%
Investment & Property Development									
Revenues from sales of condominium units	Grand U	463.09	34.03	1,139.36	49.80	2.544.87	70.24	1,489.16	48.67
Operating Lease Rental - Investment properties	Lertrattakarn Co., Ltd	0.00	0.00	0.00	0.00	13.33	0.37	1,043.69	34.11
Rental from Apartment	Univentures Asset Management Co., Ltd	0.00	0.00	6.86	0.30	12.04	0.33	6.34	0.21
Rental & Gain on sales of property, plant and equipment for rent	Grand U/ Lertrattakarn Co., Ltd/ Univentures Asset Management Co., Ltd/ Kinnaree Property Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest Income		1.17	0.09	0.99	0.04	0.98	0.03	1.74	0.06
Dividend Income		5.81	0.43	0.00	0.00	0.00	0.00	0.00	0.00
Gain (loss) on sales of long-term investment		11.44	0.84	0.00	0.00	0.00	0.00	0.00	0.00
Others		3.98	0.29	5.95	0.26	6.97	0.19	14.00	0.46
Revenues from Investment & Property Development		**485.49**	**35.67**	**1,153.16**	**50.41**	**2,578.19**	**71.16**	**2,554.93**	**83.50**
Zinc Oxide & other Chemicals									
Domestic sales	Thai – Lysaght Co., Ltd	760.94	55.91	1,001.78	43.79	906.33	25.01	403.81	13.20
Export sales		48.53	3.57	79.79	3.49	79.70	2.20	26.92	0.88
Others		4.33	0.32	8.77	0.38	9.84	0.27	47.95	1.57
Revenues from Zinc Oxide & other Chemicals		**813.80**	**59.79**	**1,090.34**	**47.66**	**995.87**	**27.48**	**478.68**	**15.64**
Other businesses									
Sales of Time recorder & Car park system	UV/ Forward System Co., Ltd / ESCO Ventures Co., Ltd / Univentures Consulting Co., Ltd	42.21	3.10	40.34	1.76	43.74	1.21	17.71	0.58
Revenues from energy saving consultant		0.00	0.00	1.58	0.07	2.05	0.06	0.97	0.03
Interest Income		13.05	0.96	2.24	0.10	0.00	0.00	0.62	0.02
Others		6.45	0.47	0.11	0.00	3.49	0.10	7.05	0.23
Revenues from other businesses		**61.71**	**4.53**	**44.27**	**1.94**	**49.27**	**1.36**	**26.35**	**0.86**
Total		**1,361.00**	**100.00**	**2,287.77**	**100.00**	**3,623.33**	**100.00**	**3,059.96**	**100.00**

Source: the Company

1.3 Registered and paid-up capital

As of June 30, 2012, UV had a registered capital and paid-up capital of THB 764,770,615 comprising of 764,770,615 ordinary shares at a par value of THB 1.00 per share.

1.4 Shareholders

Major shareholders of the Company as of September 24, 2012 are listed as follow

Table 7: Major shareholders of the Company as of September 24, 2012

Name of shareholders		Shareholding	
		Number of Shares	% of Total
1.	Adelfos Company Limited*	440,434,326	57.59
2.	UOB KAY HIAN PRIVATE LIMITED	62,610,000	8.19
3.	Thai NVDR Company Limited	30,739,149	4.02
4.	AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED-TIGER	15,000,000	1.96
5.	Mr. Nares Ngamapichon	10,066,400	1.32
6.	Mr. Pichit Chinvittayakul	6,400,000	0.84
7.	Mrs. Vorapan Jeungsuppaisarn	6,000,000	0.78
8.	Mrs. Paweena Pongsuntichai	5,200,000	0.68
9.	Mr. Boonkiat Euasudkij	5,178,600	0.68
10.	Mrs. Kanitta Viriyapol	5,000,000	0.65

Remark *Shareholders of Adelfos Company Limited are Mr. Thapana Sirivadhanabhakdi and Mr. Panot Sirivadhanabhakdi holding shares at 50% each. Both of them are the directors of the Company.
Source: www.set.or.th

1.5 The Board of Directors

The Board of Directors of the Company as of June 30, 2012 is listed as follow

Table 8: List of the Board of Directors of the Company as of June 30, 2012

Name	Position
1. Ms. Potjanee Thanavaranit	Chairman of the Board / Independent Director / Audit Committee
2. Mr. Thapana Sirivadhanabhakdi	Executive Chairman
3. Mr. Panot Sirivadhanabhakdi	Executive Chairman
4. Mr.Suwit Chindasanguan	Independent Director and Chairman of Audit Committee
5. Mr.Nararat Limnararat	Independent Director and Audit Committee
6. Mr. Sithichai Chaikriengkrai	Director
7. Mrs. Ornruedi Na-Ranong	Director and President
8. Mr. Thanapol Sirithanachai	Director and Managing Director

Source: Form 56-1 of UV

Authorized signatories are Mrs.Ornruedi Na-Ranong Mr.Thanapol Sirithanachai Mr.Thapana Sirivadhanabhakdi Mr. Panot Sirivadhanabhakdi Mr.Sithichai Chaikriengkrai. Any two of the five directors are authorized to co-sign with the company seal affixed.

1.6 Financial status and operating performance

Financial information from the Company's consolidated financial statement as of December 31, 2009 to 2011 audited by KPMG Phoomchai Audit Limited and reviewed financial statements for 6 months of 2012 are presented as follows:

Table 9: Summarized financial status and financial performance for the year ended 2009 – 2011 and 6 months of 2012

Univentures Public Company Limited Balance Sheet (Unit: '000 THB)	2009	2010	2011	June 2012
Current Assets				
Cash and cash equivalents	480,246	180,358	237,712	272,734
Trade accounts receivable	189,655	195,711	131,168	137,328
Other receivables and short-term loans to related parties	442,489	12,423	10,418	73,898
Real estate projects under development	815,849	1,448,162	2,714,380	2,593,449
Other current assets	227,409	604,908	797,707	891,921
Total current assets	**2,155,648**	**2,441,562**	**3,891,385**	**3,969,330**
Non-current assets				
Investments in associates	71,423	2,894	1,814	1,780
Advances for construction-investment property	320,803	206,245	4,656	-
Investment properties	970,441	2,079,531	2,078,465	2,114,893
Land deposit	-	12,500	-	
Property, plant and equipment	221,378	116,800	544,987	571,126
Prepaid rent expenses	-	17,782	298,263	275,727
Goodwill	1,340	1,340	1,340	1,340
Intangible asset	12,582	14,278	18,173	17,644
Other non-current assets	10,033	72,646	32,895	61,300
Total non-current assets	**1,608,001**	**2,524,015**	**2,980,593**	**3,043,810**
Total assets	**3,763,650**	**4,965,577**	**6,871,978**	**7,013,140**
Current liabilities				
Short-term loans from financial institutions	-	42,808	357,000	975,300
Trade accounts payable	217,566	595,149	304,786	427,290
Current portion of long-term loans from financial institutions	218,024	704,500	721,600	508,421
Advance received from customers	69,887	181,296	181,324	174,061
Current portion of advance received from related parties	-	-	886,724	16,001
Other current liabilities	69,948	67,902	158,451	157,403
Total current liabilities	**575,426**	**1,591,655**	**2,609,885**	**2,258,476**
Non-current liabilities				
Long-term loans from financial institutions	-	-	1,429,500	1,671,100
Retention payable	-	42,577	107,376	117,188
Rental received in advance from related party	1,050,000	1,250,000	453,276	455,403
Employee benefit obligations	-	-	15,265	17,133
Other non-current liabilities	-	-	24,030	37,111
Total non-current liabilities	**1,050,000**	**1,292,577**	**2,029,447**	**2,297,935**
Total liabilities	**1,625,426**	**2,884,232**	**4,639,332**	**4,556,411**
Equity				
Registered capital	944,528	764,771	764,771	764,770
Issued and paid-up share capital	764,767	764,771	764,771	764,770
Premium on ordinary shares	474,567	474,572	474,572	474,572

Univentures Public Company Limited Balance Sheet (Unit: '000 THB)	2009	2010	2011	June 2012
Retained earnings	510,782	559,859	572,711	727,247
Revaluation difference on land/ Revaluation difference on land	147,567	-	-	-
Equity attributable to owners of the Company	**1,897,684**	**1,799,202**	**1,812,054**	**1,966,589**
Non-controlling interests	240,540	282,143	420,593	490,140
Total equity	**2,138,224**	**2,081,346**	**2,232,646**	**2,456,729**
Total liabilities and equity	**3,763,650**	**4,965,577**	**6,871,978**	**7,013,140**

Univentures Public Company Limited Profit and Loss Statement (Unit: '000 THB)	2009	2010	2011	June 2012
Income				
Revenue from sale of goods and rendering of services	853,926	1,130,357	1,043,846	453,805
Revenue from sale of units in condominium projects	463,093	1,139,366	2,544,871	1,489,158
Revenue from rental and rendering of services	-	-	13,333	48,259
Revenue from rental under finance lease contract	-	-	-	1,001,768
Interest income	14,452	4,658	3,204	2,425
Dividend income	5,808	-	-	-
Net insurance reimbursement	-	-	-	45,257
Other income	23,736	13,382	18,073	19,293
Total income	**1,361,015**	**2,287,763**	**3,623,327**	**3,059,965**
Expenses				
Cost of sale of goods and rendering of services	776,778	1,011,770	978,537	441,131
Cost of sale of units in condominium projects	362,364	848,192	1,783,371	1,049,914
Cost of rental and rendering of services	-	-	40,169	87,327
Cost of rental under finance lease contract	-	-	-	855,338
Selling expenses	44,352	78,624	175,809	104,883
Administrative expenses	144,996	208,957	291,910	118,233
Finance costs	1,120	2,670	31,828	51,974
Total expenses	**1,329,609**	**2,150,213**	**3,301,623**	**2,708,800**
Share of loss of equity-accounted investees				
Associates	(2,657)	(14,988)	(1,080)	(34)
Profit (loss) before income tax	**28,749**	**122,563**	**320,624**	**351,131**
Income tax expense	(11,824)	(10,541)	(114,522)	(49,967)
Profit (loss) for the period	**16,925**	**112,022**	**206,102**	**301,164**
Other comprehensive income for the period, net of income tax	-	-	-	-
Profit (loss) attributable to:				
Owners of the Company	8,247	56,720	63,093	200,417
Non-controlling interests	8,678	55,301	143,009	100,747
Basic earnings (loss) per share *(in THB)*	**0.010**	**0.074**	**0.082**	**0.262**

Univentures Public Company Limited Cash Flow Statement (Unit: '000 THB)	2009	2010	2011	Jan - Jun 2012
Net cash inflows (outflow) from operating activities	(373,182)	14,696	(1,206,344)	(294,776)
Net cash inflows (outflow) from investing activities	(615,427)	(1,009,714)	(432,317)	(171,237)
Net cash inflows (outflow) from financing activities	577,158	696,430	1,695,389	501,035
Increase (decrease) in cash and cash equivalent -	**(411,451)**	**(298,587)**	**56,729**	**35,022**

Univentures Public Company Limited Cash Flow Statement (Unit: '000 THB)	2009	2010	2011	Jan - Jun 2012
net				
Cash and cash equivalents at the beginning of year	894,921	480,246	180,358	237,712
Effect of exchange rate changes on balances held in foreign currencies	(3,224)	(1,301)	625	-
Cash and cash equivalents at the end of year	**480,246**	**180,358**	**237,712**	**272,734**

Univentures Public Company Limited Key financial ratios	2009	2010	2011	Jan - Jun 2012
Liquidity Ratio				
Current ratio (time)	3.75	1.53	1.49	1.76
Quick ratio (time)	1.16	0.24	0.14	0.18
Cash liquidity ratio (time)	-1.12	0.01	0.03	-0.25
Account receivable turnover ratio (time)	8.30	11.78	22.04	22.29
Average collection period (day)	43.98	30.99	16.56	16.37
Inventory turnover ratio (time)	1.99	1.41	0.37	0.99
Inventory period (day)	180.57	256.10	960.91	363.39
Account payable turnover ratio (time)	9.35	4.58	6.23	13.30
Payable period (day)	39.05	78.65	57.81	27.45
Cash Cycle (day)	186.04	208.43	919.66	352.31
Profitability Ratio				
Gross profit margin (%)	13.51	18.05	22.21	18.69
Operating profit margin (%)	2.27	5.52	9.78	13.47
Operating cash flow to operating profit (%)	-1377.53%	-238.43%	16.10%	8.69%
Net profit margin (%)	1.24	4.90	5.69	9.84
Return on equity (%)	0.81	5.31	9.56	25.69
Efficiency Ratio				
Return on assets (%)	0.54	2.57	3.48	8.68
Return on fixed assets (%)	13.36	76.31	75.74	138.79
Asset turnover (time)	0.44	0.52	0.61	0.88
Financial Policy Ratio				
Debt to equity ratio (time)	0.27	0.79	1.48	1.67
Interest coverage ratio (time)	(256.19)	(108.52)	1.05	1.54
Debt service coverage ratio (%)	(0.45)	(0.18)	0.03	0.04

Analysis of operating results and financial position

Operating results of the Company

Revenue from business operation

In 2010, the Company had revenue from sale of goods and rendering of services of THB 1,130.36 million, an increase of THB 276.43 million or 32.37% from previous year. The revenue from sales and services was mostly from zinc oxide business. Additionally, the revenue from sale of condominium units amounted to THB 1,139.37 million, an increase of THB 676.27 million or 146.03% from previous year due to the realized income from U Sabai and U Delight Bang Sue station. Consequently, combining with sale from goods and rendering of services, the total income was THB 2,287.76 million, an increase of THB 926.75 million or 68.09% from previous year.

In 2011, the Company had revenue from sale of goods and rendering of services of THB 1,043.85 million, a decrease of THB 86.51 million or 7.65% due to the decrease in income from zinc oxide business. The revenue from sale of condominium units amounted to THB 2,544.87 million, an increase of THB 1,405.50 million or 123.36% from previous year, whereby in 2011 the Company had realized income additionally by 622 units, as a result of realization U Delight Hauykwang station. Moreover, in 2011 was the first year that the Company had earned income from rental of office spaces in Park Venture Ecoplex which was opened in September of 2011.

For 6 months ended June 30, 2012, the Company had revenue from sale of goods and services of THB 453.81 million, a decrease of THB 108.42 million or 19.28% when compared to the same period last year. In addition, the revenue from sales of condominium units was THB 1,489.16 million, an increase of THB 481.96 million or 47.85%. The main reason was the Company realized revenue from U Delight On nut station, U Delight Huaykwang and U Delight Jatuchak station. Revenue from rental of office spaces amounted to THB 48.26 million resulted from average occupancy rate of 43% and new customers who already signed rental contracts with deposits paid but have not moved in of 28% occupancy rate. Accordingly, total office occupancy rate as at June 30, 2012 was 71%.

In addition, during the first 6 months of 2012, the Company had revenue from rental under finance lease contract since the Company has transferred the lease space for the operation of a hotel business for a period of 30 years to TCC Luxury Hotels and Resort Co., Ltd. (lessee) and the Company already received the remuneration of THB 1,476.3 million. According to Thai Accounting Standard No. 17 (revised 2009): Lease, this rental agreement is classified as financial lease because it transfers substantially all the risks and rewards of the asset incidental to ownership to lessee and the title may or may not eventually be transferred. Thus, the Company recognized revenue from rental under financial lease contract of THB 1,001.77 million with relevant cost of rental under finance lease contract of THB 855.3 million at transfer date resulting in having gain on rental under finance lease contract of THB 146.5 million which is one time off. For the remaining rental received in advance, the Company will amortize it as income throughout 30-year period.

<u>Other Income</u>
In 2010, the Company had other income which was not from the normal business operation of THB 18.04 million, a decrease of THB 25.96 million or 139.40% from 2009. This was because the dropping of interest income at the amount of THB 9.79 million from previous year and the decrease in other income by THB 10.35 million.

In 2011, the other income which was not from the normal business operation amounted to THB 21.28 million, an increase of THB 3.24 million or 17.94% from 2010 as a result of the increase in other income amounted to THB 4.69 million.

For 6 months ended June 30, 2012, other income amounted to THB 66.98 million, an increase of THB 57.55 million when compared to the same period last year. The main reason was net insurance claim from flooding at THB 45.26 million.

<u>Cost of sales and services</u>
At the end of 2009 – 2011 and 6 months ended June 30, 2012, the Company had cost of sale of goods and services of THB 776.78 million, THB 1,011.77 million, THB 978.54 million and THB 441.13 million, respectively as well as the cost of sales and services to revenue from sales and services ratios were 90.97%, 89.51%, 93.74% and 97.21%, respectively, showing higher cost to income ratio since 2010.

<u>Cost of condominium units sales</u>
At the end of 2009 – 2011 and 6 months ended June 30, 2012, the Company had cost of sale of units in condominium projects at THB 362.36 million, THB 848.19 million, THB 1,783.37 million and THB 1,049.91 million, respectively as well as the cost of sales of condominium units to revenue from sale of condominium units were 78.25%, 74.44%, 70.08% and 70.50%, respectively which shows Grand U's improvement in cost controlling efficiency.

<u>Cost of rental and rendering of services</u>
Since year 2011 was the first year the Company started to rent out the office space in the Park Venture Ecoplex (opened in September 2011). Therefore, the revenue from rental cannot cover the cost of rental. At the end of 2011 and 6 months ended June 30, 2012, the Company had cost of rental and rendering of services amounted to THB 40.17 million and THB 87.33 million, respectively.

<u>Selling and Administrative Expense</u>
In 2010, the Company had selling and administrative expenses of THB 287.58 million, an increase of THB 98.23 million or 51.88% from 2009, as a result of selling and expenses related to the ownership transfer of U Sabai and U Delight Bang Sue as well as the marketing expenses to support new projects such as U Delight Jatuchak and U Delight On Nut.

In 2011, the selling and administrative expenses amounted to THB 467.72 million, an increase of THB 180.14 million or 62.64% from 2010, as a result of expenses incurred from the ownership transfer of condominium units which was in line with revenue recognition and marketing expenses to support the new projects. In addition, the Company has also set up the provision for the damage from flooding at THB 13.99 million in 2011.

For 6 months ended June 30, 2012, the Company's selling and administrative expenses amounted to THB 223.12 million, an increase of THB 40.88 million or 22.43% when comparing to the same period last year. This was a result of special business tax and transfer fees which were in line with the revenue recognition and administrative expenses related to the office building for rent.

<u>Finance Costs</u>
In 2010, the Company had finance costs of THB 2.67 million, an increase of THB 1.55 million or 138.49% from 2009, as a result of increase in short-term loans by 42.81 million. In 2011, the Company had finance cost of THB 31.83 million, an increase of 29.16 million or 1,092.06% from 2010, causing by short-term loan for the Park Venture Ecoplex project.

For 6 months ended June 30, 2012, the finance cost amounted to THB 51.97 million, an increase of THB 46.49 million or 848.43% when compared to the same period last year. The main reason was the bank loan for Park Venture Ecoplex project. During 2009 – 2011 and 6 months ended June 30, 2012, finance costs continuously increased, due to the loan for new real estate development projects in 2010. Accordingly, short-term loans from financial institution was THB 42.81 million in 2010 and increased by THB 314.19 million in 2011, along with long-term loans from bank increased by THB 1,429.50 million.

<u>Net Profits</u>
In 2010, the Company had net profit of THB 112.02 million, an increase of THB 95.10 million or 561.86% from 2009. This was due to higher income, along with the improvement in cost control of Grand U.

In 2011, the net profit amounted to THB 206.10 million, an increase of THB 94.08 million or 83.98% from 2010. This was because of the effective management and early completion of condominium construction. Moreover, it was the first year that the Company earned income from rental of office spaces in Park Venture Ecoplex.

For 6 months ended June 30, 2012, net profit amounted to THB 301.16 million, an increase of THB 144.85 million or 92.67% when comparing to the same period last year. This was due to the increase of profit from the sale of condominium units and recognition of profit from rental under financial lease contract.

Financial Position
<u>Asset</u>
As of December 31, 2010, the Company had total assets of THB 4,965.58 million, an increase of THB 1,201.93 million or 31.94% from 2009. The main item was the increase of THB 632.31 million from real estate project under Grand U. Additionally, the increased asset from the real estate project under development (Park Venture Ecoplex) was THB 1,109.09 million.

As of December 31, 2011, the total assets amounted to THB 6,871.98 million, an increase of THB 1,906.40 million or 38.39%. The main reason was an increase in real estate projects under development by THB 1,266.22 million or 87.44% from 2010.

As of June 30, 2012, total assets amounted to THB 7,013.14 million, an increase of THB 141.16 million or 2.05% from the end of 2011. Main reasons were the increase in advances for construction of real estate projects under development by THB 194.96, as well as the increase in cash and cash equivalents by THB 35.02 million and the receivables from the insurance reimbursement arising from flooding situation at THB 60.00 million. In addition, the investment properties increase by THB 36.43 million which was mainly for the additional works required for the office building, Park Ventures Ecoplex during the period.

Liabilities and shareholders' equity

In 2010, total liabilities amounted to THB 2,884.23 million, an increase of THB 1,258.81 million or 77.44% from 2009. The main reason was the increase in traded accounts payable amounted to THB 377.58 million, the current portion of long term loans by THB 486.48 million, the creditor under the obligations of the long-term land lease contract by THB 200.00 million, advance received from customers by THB 111.41 million. The shareholders' equity amounted to THB 2,081.34 million, a decrease of THB 56.88 million or 2.66% due to the revaluation of land price and the change in fair value of its investment.

In 2011, total liabilities amounted to THB 4,639.33 million, an increase of THB 1,755.10 million or 60.85% from 2010 due to the increase of short-term loans by THB 314.19 million or 733.97% from 2010 and the increase of long-term loans from financial institution by THB 1,429.50 million. The shareholders' equity amounted to THB 2,232.65 million, an increase of THB 151.30 million or 7.27% from 2010 due to the rising operating performance from real estate business.

As of June 30, 2012, total liabilities amounted to THB 4,556.41 million, a decrease of THB 82.92 million or 1.79% from the end of 2011. The main reason was the decrease in current portion received in advance from related party by THB 870.72 million which related to the accrued revenue from transfer of lease area to TCC Luxury Hotels & Resorts Co., Ltd. In addition, the short-term loans from financial institution increased by THB 261.30 million and traded payable by THB 122.51 million. The shareholders' equity amounted to THB 2,456.73 million, an increase of THB 224.08 million or 10.04% from the end of 2011 due to the operating profit of the Company.

In 2008 – 2011, the Company received additional advanced payment from related companies under the long-term lease agreement of land located the Park Venture Ecoplex by THB 250.00 million, THB 800.00 million, THB 200.00 million and THB 90.00 million, respectively. As a result, the Company had the accumulated advanced received from related companies as at year end 2008 – 2011 at THB 250.00 million, THB 1,050.00 million, THB 1,250.00 million and THB 1,340.00 million (divided into current portion of THB 886.72 million and non-current portion of THB 453.28 million). During the first 6 month of 2012, the Company recorded an additional advanced received at THB 136.26 million. As a result, the remaining amount on the balance sheet was THB 471.40 million (divided into current portion of THB 16.00 million and non-current portion of THB 455.40 million). This is as a result of revenue recognition under the financial lease contract as mentioned earlier in the section of revenue from business operation. In this regards, the remaining amount of advanced rental received will be gradually recognized as revenue during the 30-year lease period.

Liquidity

Cash flows

In 2010, net cash and cash equivalents of the Company was THB 180.36 million, decreased by THB 299.89 million comparing to the same period last year. This was primarily due to THB 1,009.71 million net cash flows used in investing activities, especially proceeds used in construction of Park Ventures Ecoplex of THB 1,109.11 million. Net cash flows from financing activities was THB 696.43 million, out of which THB 200.00 million was rental received in advance from Park Venture Ecoplex. Besides, net cash flows from operating activities was THB 14.70 million, most of which was cash flows from other receivables from related parties at THB 404.55 million, and cash flows used in properties under development of THB 643.63 million.

In 2011, net cash and cash equivalents of the Company was THB 237.71 million, increased by THB 57.35 million from 2010. Cash flows from financing activities contributed most of net cash and cash equivalent during the year, with the amount of THB 1,695.39 million whereby THB 1,446.60 million was net cash received from long-term loan from financial institution. Net cash flows used in operating activities was THB 1,206.34 million, primarily used in properties under development. In addition, the Company incurred net cash flows used in investing activities of THB 423.32 million. This was mainly due to purchase of property, plant and equipment of THB 466.14 million.

For 6 months ended June 30, 2012, the Company recorded cash and cash equivalent of THB 272.73 million, increased by THB 35.02 million comparing to the end of 2011. Net cash flows from financing activities was THB 501.04 million, contributed mostly by proceeds from loan from financial institution of THB 677.00 million to support property development projects, both condominiums and office buildings. Net cash flows used in operating activities was THB 294.78 million, primarily resulted from THB 734.57 million used in real estate projects under development. Moreover, the Company used net cash flow in investing activities of THB 171.24 million. This was generally the increase of investment properties of THB 107.11 million and the purchase of property, plant and equipment of THB 76.99 million.

Profitability ratios
At the end of 2009 – 2011 and 6 months ended June 30, 2012, the Company recognized gross margin of 13.51%, 18.05%, 22.21% and 18.69%, respectively. While net margin were 1.24%, 4.90%, 5.69% and 9.84%, respectively. The upward trend of both gross margin and net margin reflected efficiency in cost control of the Company.

Liquidity ratios
At the end of 2009 – 2011 and 6 months ended June 30, 2012, liquidity ratio of the Company was 3.75 times, 1.53 times, 1.49 times and 1.76 times, respectively. Liquidity ratio shrinkage in 2010 resulted from increasing of current liabilities by THB 1,016.23 million, especially THB 377.58 million increased in trade account payable, THB 486.48 million increased in current portion of long term loan and THB 111.41 million increased in advances received from customers.

Leverage ratios
At the end of 2009 – 2011 and 6 months ended June 30, 2012, D/E ratio of the Company was 0.27 times, 0.79 times, 1.48 times and 1.67 times, respectively. The increasing tendency resulted from greater liabilities, which mainly was long-term loan from financial institution for property development.

1.7 Industry Overview

1.7.1 Thai economy and real estate industry

Thai economy in Q2/2012 has been continuously improved from the first quarter of the year, reported by Bank of Thailand. Most business sectors have returned to normal operations while accelerating production capability to meet market needs and store their inventories, therefore, export business performance improved accordingly. Also, the Private Consumption expanded from the previous quarter mainly due to a high level of purchasing power with higher price of agricultural products, consumer confidence recovery and the implementation of economic stimulus packages by the government such as the first car tax refund policy together with other consumer activities operated by private sectors.

Kasikorn Research Center as of June 2012 predicted the overall Thailand's real estate sector at the beginning of the year 2012 will continue to resume with the country's economy. The real estate sector benefits from the economic stimulus packages by the government such as government's tax cut for first-time homebuyers and home loan for low-income earners with zero percent interest for up to 3 years (both packages are valid until December 31, 2012). The demand and supply of Q2/2012 has been improving steadily from the previous quarter. New property units and loan approved units by the banks in Q2/2012 increased from the last quarter to 21.6% and 14.4% respectively. Nonetheless, the real estate sector of Bangkok Metropolitan Area had been slowdown mainly due to flood crisis that caused the consumers to delay their buying decision. According to Bank of Thailand, ownership transfers in Bangkok Metropolitan Area in the first half of year 2012 dropped to 72,165 units compared to 76,892 units from the same period last year. The investment in property market of Bangkok Metropolitan Area in the first half of year 2012 remained stable with 44,363 new property units compared to 44,052 units from a year ago. In addition, developers tend to shift to condominium market with 77.03% of total new residences.

Table 10: Industry Index for Year 2010 – the second quarter of 2012

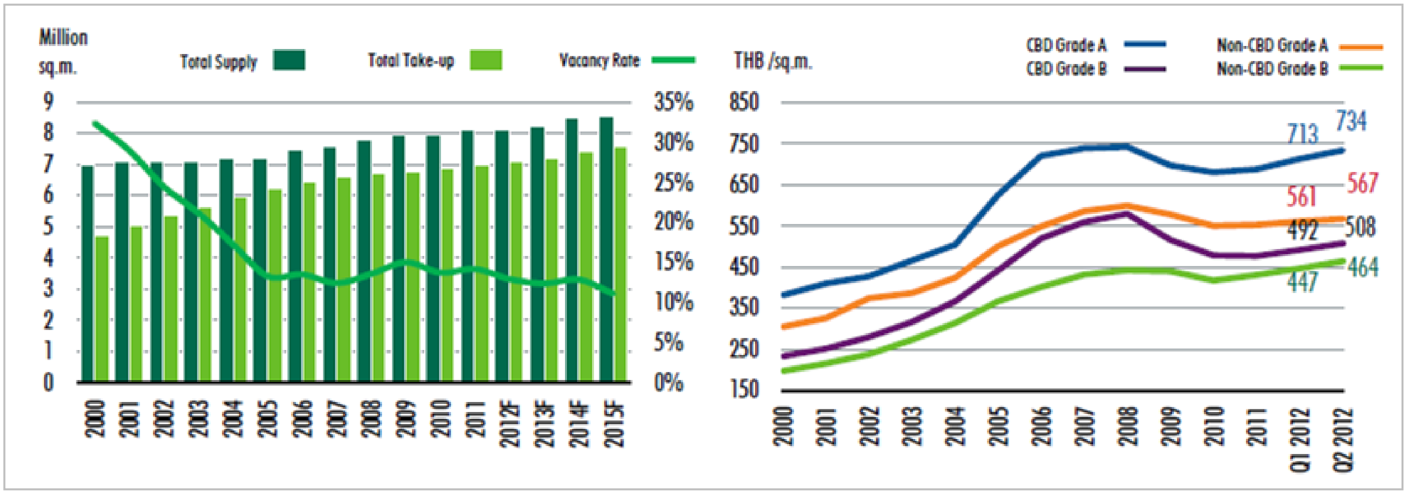
	2010	2011	H1/2012	H2/2012
1. Demand Indicators				
1.1 The registration of the ownership transfer in Bangkok and vicinity (unit)	183,469	150,189	32,107	40,058
- Detached & duplex house	37,762	30,932	6,223	7,955
- Townhouse and Commercial building	72,343	58,979	11,763	14,964
- Condominium	73,364	60,278	14,121	17,139
1.2 The approval of new credit line by the financial institution in Bangkok and vicinity (unit)	50,244	48,908	11,432	13,078
- Detached & duplex house	14,133	13,911	3,047	3,278
- Townhouse and Commercial building	15,616	15,831	3,940	4,532
- Condominium	20,415	19,265	4,498	5,390
2. Supply Indicators				
2.1 The registered completed residences in Bangkok and vicinity (unit)	106,893	81,735	21,941	31,691
- Detached & duplex house	33,207	32,920	7,707	8,005
- Townhouse and Commercial building	13,767	14,081	3,132	2,718
- Condominium	59,919	34,734	11,102	20,968
2.2 New residences open for sale in Bangkok and vicinity (unit)	116,674	81,581	20,023	24,341
- Detached & duplex house	20,278	19,104	2,841	1,986
- Townhouse and Commercial building	35,424	22,343	1,720	3,517
- Condominium	60,972	40,134	16,150	18,023

Source : Bank of Thailand

The total office supply in Bangkok in Q2/2012 was 8,080,818 square meters, down for 0.80% from the previous quarter mainly due to no new office building was completed during this quarter, reported by CB Richard Ellis (Thailand) "CBRE". However, demand in the office market continued to improve. The overall vacancy rate in Q2/2012 was 13.25% compared to 13.86% in the last quarter.The Grade-A CBD (Central Business District) vacancy rate fell from 18.33% of Q1 2012 to 17.16% in Q2/2012. The higher vacancy rate of Grade-A CBD office buildings compared to the overall office sector was largely due to the completion of two new Grade-A buildings last year, Park Ventures Ecoplex and Sathorn Square. The vacancy rates in both office buildings will drop once the tenants move in whereas the Grade-A CBD vacancy rate is normally lower than 10%.

The Grade-A CBD monthly rents in Q2/2012 rose to an average of THB 734 per square meter compared to THB 713 per square meter in the last quarter. Similarly, the average monthly rents of overall Grade-A CBD, Grade-A outer CBD, Grad-B CBD and Grade-B outer CBD rose from Q1/2012 to THB 651 per square meter, THB 567 per square meter, THB 508 per square meter and THB 464 per square meter respectively.

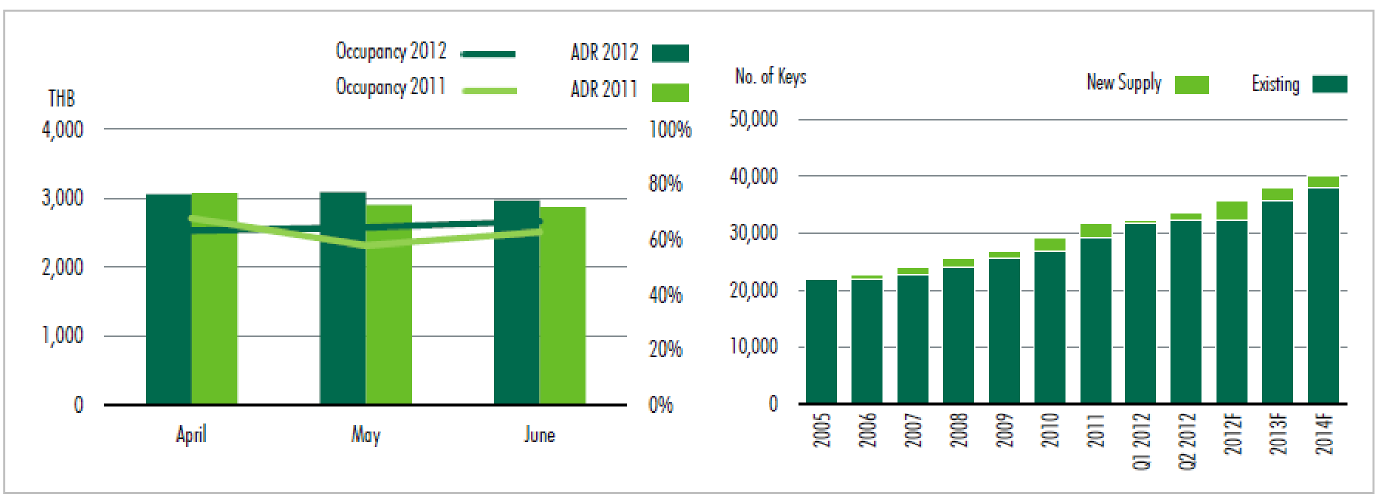
Diagram 1: Supply and Rental Rate of Offices as of H1/2012



Source: CBRE

Hotel and serviced apartment markets in Q2/2012 performed better with a strong number of tourist arrivals after flood crisis at the end of last year. The occupancy rate grew from 57.0% in the same period last year to 60.0% in Q2/2012. An Average Daily Rate (ADR) of luxury hotels in Bangkok rose by 7.0% from a year ago to 5,895 baths per room per night. Nonetheless, the total hotel supply continues to increase in Bangkok which will put pressure on occupancy and rental rates. CBRE estimated that hotel room supply in Bangkok will rise by 23.0%, from 33,464 rooms currently to 41,284 rooms by the end of 2014.

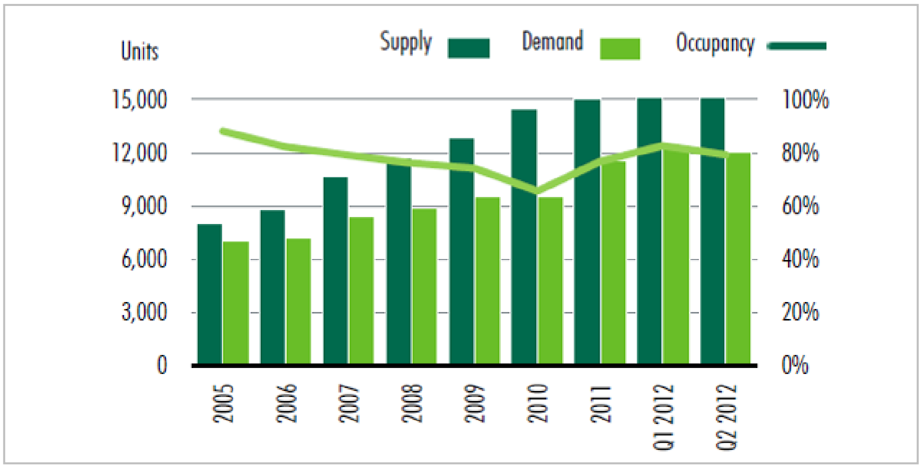
Diagram 2: Occupancy Rate and Future Supply of Hotels in Bangkok as of H2/2012



Source: CBRE

The overall occupancy rate for serviced apartment in central Bangkok area grew to 76.6% in Q2/2012 compared to 79.2% the same period last year. Similarly, monthly rents rose to THB 1,068 per square meter, a 1.30% increase from the same period previous year. Serviced apartment market saw improved trends due to limited future supply. CBRE estimated 359 new units will be completed by 2013, an increase of 2.0% on Q2/2012 total supply of 15,548 units.

Diagram 3: Supply Demand and Occupancy Rate of Serviced Apartment in Bangkok as of H2/2012



Source: CBRE

1.7.2 Future trend in real estate industry

According to Kasikorn Research Center, June 2012, the investment in real estate business in Q2 2012 may face with various challenges:

- A lagging post-flood recovery
- Global economic risk
- Higher business costs from factors such as new minimum wage allowances announced by the Government on April 1, 2012 and the new land appraisal criteria which was effective since July 2012. These factors are expected to bring up the land price by 10.5 – 12.5% on average. As a result, the construction cost will rise up by 4.0% – 5.0% during 2012, as against to a 6.3% increase in 2011.

Kasikorn Research Center expected the number of new housing projects in Bangkok Metropolitan Area should reach 84,500 – 87,500 units in 2012, close to the 85,800 units last year. For the remainder of 2012, developers may delay the launch of low-rise units until the end of Q3/2012 as fears of a repeat of last year's floods. Developers will focus more on condominiums due to the continued demand in particular locations, inner Bangkok area, middle Bangkok area and along the sky train routes. In addition, homebuyers tend to consider high rise condominiums as effects of last year's floods and people who have a favorable financial status may want to buy condominiums to use as a second home. As a result of the rising construction costs, homebuyers have shifted from middle income to upper middle income groups whereas starting sales price per unit of city condominiums shifted from just about THB 1 million to over THB 2 million. Moreover, the locations for condominium market expanded toward suburban Bangkok where close to future mass transit stations.

Real estate business in the second half 2012 may face numerous challenges, such as new marketing campaigns accelerating homebuyers' decision to purchase, the BOT soft-loan program for those 2011 flood victims with a fixed interest rate of 3.0% over five years, some boosts from the government's tax incentive for first-time homebuyers and home loans for low-income earners. Kasikorn Research Center expected that housing ownership transfers within Bangkok Metropolitan Area in 2012 should reach 148,700 – 154,000 units, a contraction of -1.0% to a growth of 2.5%, improved from a -12.8% contraction last year.

Section 2: The approval of the purchase of the ordinary shares of Grand Unity Development Company Limited

2.1 Characteristic and details of the transaction

The Company intends to acquire 24.00 million ordinary shares of Grand U from LPN and Yaowawong (each of the shareholder holds 12.00 million shares representing 20.00% stakes each) at THB 15.00 per share totaling of THB 360.00 million.

2.1.1 Category and size of the transaction

The acquisition of all ordinary shares of Grand U held by LPN and by Yaowawong is considered to be an acquisition of asset as prescribed in Acquisition or Disposition Notification with transaction size of 98.95% derived from 40% of the net profits from ordinary operations after deducting taxes for the past 12 months from the six-month period audited financial statements ending June 30, 2012 of Grand U, which is equivalent to THB 174.62 million (THB 436.54 million x 40%) compared to the net profits of the Company for the past 12 months of THB 176.46 million (which is the maximum transaction amount pursuant to the calculation criteria no. 2: net profits from ordinary operations after deducting taxes). However, the size of transaction for acquisition of Grand U ordinary shares is equal to 24.96% of NTA. In addition, the VTO transaction for ordinary shares and warrants of GOLD has the transaction size at 340.22% of the NTA, resulted in combined size of transaction equivalent to 365.18% of NTA. Thus, the Company is required to seek approval from the shareholders' meeting with affirmative votes of not less than three-fourths of the total number of votes attending the meeting and having the right to vote, excluding the votes of the shareholders who have conflict of interest. Under this agenda, there are no such shareholders who have the conflict of interest and do not have the right to vote.

2.1.2 Relevant parties, key condition of contracts and detail of assets

Relevant parties

Buyer	:	Univentures Public Company Limited
Seller	:	1) L.P.N. Development Public Company Limited 2) Yaowawong Holding Company Limited
Relationship of the Parties	:	The Buyer and the Seller do not have relationship with each other in respect of the shareholding or joint management. The Transaction is not considered as the connected transaction according to the regulations of the SET.

Profile of L.P.N. Development Public Company Limited

<table>
<tr><td>Type of business</td><td>:</td><td>The Company and its affiliated companies carry on the business of real estate development aiming to sell and rent the developed projects, as offices and residential condominiums located in the central business district of Bangkok and neighboring provinces.</td></tr>
<tr><td>Paid-up capital</td><td>:</td><td>THB 1,475,698,768</td></tr>
<tr><td>Director</td><td>:</td><td>
<table>
<tr><th>Name</th><th>Position</th></tr>
<tr><td>Mr. Pakorn Thavisin</td><td>Chairman of the Board and Independent Director</td></tr>
<tr><td>Mr. Tikhamporn Plengsrisuk</td><td>Director and Chairman of Executive Director</td></tr>
<tr><td>Mr. Siri Keiwalinsrit</td><td>Vice Chairman of the Board and Independent Director</td></tr>
<tr><td>Mr. Tawechai Chitasaranachai</td><td>Vice Chairman of the Board and Independent Director</td></tr>
<tr><td>Mr. Opas Sripayak</td><td>Managing Director</td></tr>
<tr><td>Mr. Tirachai Panchasarp</td><td>Director</td></tr>
<tr><td>Mrs. Jongjit Thapanangkun</td><td>Director</td></tr>
<tr><td>Mrs. Yupa Techakraisri</td><td>Director</td></tr>
</table>
</td></tr>
</table>

		Mr. Pichet Supakijjanusan	Director
		Mr. Kumpee Chongthurakit	Director
		Mr. Amornsuk Noparumpa	Independent Director and Chairman of Audit Committee
		Mr. VudhipholSuriyabhivadh	Independent Director and Audit Committee
		Mr. Thep Roongtanapirom	Independent Director and Audit Committee
		Mr. Weerasak Wahawisal	Independent Director and Audit Committee
Authorization	:	Mr.Tikhamporn Plengsrisuk or Mrs.Yupa Techakraisri or Mr.Pichet Supakijjanusan or Mr. Kumpee Chongthurakit or Mr. Opas Sripayak. Any two of the five directors are authorized to co-sign with the company seal affixed.	

Shareholding structure of LPN as of August 24, 2012

Table 11: Shareholders of LPN as of August 24, 2012

Name of shareholders		Shareholding	
		Number of Shares	% of Total
1.	Thai NVDR Company Limited	441,211,424	29.90
2.	CHASE NOMINEES LIMITED 28	90,526,793	6.13
3.	Mr. Sumet Techakraisri	63,276,593	4.29
4.	NORBAX INC.,13	55,813,700	3.78
5.	Mr.Kenneth Rudy Kamon	37,710,000	2.56
6.	Krungsri Dividend Stock LTF	36,977,300	2.51
7.	SOMERS (U.K.) LIMITED	36,419,700	2.47
8.	STATE STREET BANK EUROPE LIMITED	34,322,422	2.33
9.	STATE STREET BANK AND TRUST COMPANY	32,320,493	2.19
10.	CHASE NOMINEES LIMITED 1	30,508,100	2.07

Source : www.set.or.th

<u>Profile of Yaowawong Holding Company Limited</u>

Type of business	:	Investment in other companies	
Paid-up capital	:	THB 133,333,280	
Director	:	**Name**	**Position**
		Mr. Yanyong Pathomsak	Director
		Mr. Charnchai Tangsajjaphoj	Director
		Mr. Vichian Tanguthaisak	Director
		Mr. Phiset Eiamsakulrat	Director
		Mrs. Phanthipha Uthaisuk	Director
		Mr. Chang Chun Lit	Director
		Mr. Thanompong Pathomsak	Director
Authorization	:	Mr. Charnchai Tangsajjaphoj Mr. Chang Chun Lit Mr. Thanompong Pathomsak. Any two of the three directors are authorized to co-sign with the company seal affixed.	

Source : www.bol.co.th

Shareholding structure of Yaowawong as of April 30, 2012

Table 12: Shareholders of Yaowawong as of April 30, 2012

Name of shareholders		Shareholding	
		Number of Shares	% of Total
1.	Pathomsak Holding Co.,Ltd.	3,333,332	25.00
2.	ThaiHong Commercial and Finance Co.,Ltd.	3,333,332	25.00
3.	Tanathai Pattana Asia Co.,Ltd.	3,333,332	25.00

Name of shareholders		Shareholding	
		Number of Shares	% of Total
4.	Best P. Co.,Ltd.	3,333,332	25.00
	Total	**13,333,328**	100.00

Remark * incorporated in Hong Kong
Source: www.bol.co.th

The directors and shareholders of Pathomsak Holding Co., Ltd. is listed as follow

Name	Position
Miss Jarinthip Pathomsak	Director
Mr. Thanompong Pathomsak	Director
Mrs. Phichitra Pathomsak	Director
Miss Pornphimon Pathomsak	Director
Miss Nuanchan Bunyanankij	Director

Name of shareholders as of April 30, 2012	Shareholding	
	Number of Shares	% of Total
Mr. Kasemsith Pathomsak	225,000	22.50
Miss. Jarinthip Pathomsak	225,000	22.50
Mr. Thanompong Pathomsak	225,000	22.50
Miss. Pornphimon Pathomsak	225,000	22.50
Mrs. Phichitra Pathomsak	40,000	4.00
Mr. Yanyong Pathomsak	30,000	3.00
Mrs. Suphatda Pathomsak	30,000	3.00
Total	**1,000,000**	**100.00**

Source: www.bol.co.th

The directors and shareholders of Tanathai Pattana Asia Co.,Ltd. is listed as follow

Name	Position
Mrs. Phanthipha Uthaisuk	Director
Miss Somruedee Tanguthaisak	Director
Mr. Thawatchai Tanguthaisak	Director

Name of shareholders as of April 30, 2012	Shareholding	
	Number of Shares	% of Total
Anant Union Co.,Ltd.	9,000	30.00
Mr. Kavin Tanguthaisak	5,250	17.50
Mr. Thawatchai Tanguthaisak	5,250	17.50
Miss. Nuanla-Or Tanguthaisak	5,250	17.50
Mr. Phorjai Uthaisuk	5,250	17.50
Total	30,000	100.00

Remark: Anant Union Co., Ltd. has 4 directors which are Mrs. Chawanlak Chaloeikitti , Mr. Thawatchai Tanguthaisak, Mrs. Phanthipha Uthaisuk, Miss Somruedee Tanguthaisak. As of April 29, 2012, the shareholders are Purichart Co., Ltd. at 98.00%, Mrs. Chawanlak Chaloeikitti at 0.40%, Mr. Kavin Tanguthaisak at 0.40%, Miss. Nanthanuch Tanguthaisak at 0.40%, Mrs. Phanthipha Uthaisuk at 0.40% and Mr. Thawatchai Tanguthaisak at 0.40%. For Purichart Co., Ltd., there are 4 directors which are Miss Sanissorn Naktae, Mr. Woraphol Ketmakit, Mr. Kriangsak Samart and Mr. Narin Pinkumphee. As of April 28, 2012, the shareholders are Miss. Warin Akkharanurakkul at 90.00%, Miss Hatsawan Naktae at 9.95% and Mr. Narin Pinkumphee at 0.05%.

Source: www.bol.co.th

The directors and shareholders Best P. Co., Ltd. is listed as follow

Name	Position
Mrs. Orasa Tangsajjaphoj	Director
Mr. Thawatpong Tangsajjaphoj	Director
Miss Natthaporn Tangsajjaphoj	Director
Mr. Suthipong Tangsajjaphoj	Director

Name of shareholders as of April 30, 2012	Shareholding	
	Number of Shares	% of Total
Saim 3 P Co.,Ltd.	12,500	25.00
Miss. Natthaporn Tangsajjaphoj	10,000	20.00
Mr. Thawatpong Tangsajjaphoj	10,000	20.00
Mr. Suthipong Tangsajjaphoj	10,000	20.00
Mrs. Orasa Tangsajjaphoj	7,300	14.60
Mrs. Orawan Jandaprem	100	0.20
Mr. Amnaj Eua-Areemitr	100	0.20
Total	50,000	100.00

Remark: Saim 3 P Co., Ltd. has 4 directors which are Mrs. Orasa Tangsajjaphoj, Mr. Thawatpong Tangsajjaphoj, Miss Natthaporn Tangsajjaphoj and Mr. Suthipong Tangsajjaphoj. As of April 30, 2012, the shareholders are Miss. Natthaporn Tangsajjaphoj at 24.00%, Mrs. Orasa Tangsajjaphoj at 24.00%, Mr. Suthipong Tangsajjaphoj at 24.00%, Mr. Thawatpong Tangsajjaphoj at 24.00%, Mr. Amnaj Eua-Areemitr at 2.00%, Mr. Anuphong Jandaprem at 1.00% and Mrs. Orawan Jandaprem at 1.00%.

Source: www.bol.co.th

Summary of key conditions in The Memorandum of Understanding ("MOU") to acquire common shares of Grand U

Counterparties	:	Univentures Public Company Limited and L.P.N. Development Public Company Limited ("LPN") and Yaowawong Holding Company Limited
Date of The MOU	:	August 27, 2012
Property to be Purchased and Sold	:	24,000,000 common shares of Grand Unity Development Company Limited, representing 40% of the total issued and paid up capital of Grand U.
Key Condition and Key Term		
Dividend payment	:	After signing the MOU, counterparties agree that Grand U will arrange the shareholders' meeting by September 3, 2012 in order to consider and approve the appropriation of its retained earnings up to August 31, 2012 for the payment of dividend for 2012 to the shareholders at not less than THB 660.00 million or not less than THB 11.00 per share. The record date to gather the list of shareholders who are entitled to receive the dividend shall be within September 4, 2012. The dividend payment shall be on December 27, 2012.
The acquisition of Grand U's ordinary shares	:	1) LPN and Yaowawong ("the Seller") agree to dispose of 24.00 million ordinary shares to the Company ("the Buyer") without any obligations. 2) The Seller and the Buyer agrees to sell and purchase share at THB 15.00 per share. The payment shall be made to LPN amounting to THB 180.00 million and Yaowawong amounting to THB 180.00 million, resulted in a total of THB 360.00 million. The selling price is mutually agreed by both the Buyer and the Seller because the selling price is fairly and appropriately presented the intrinsic value of Grand U based on the 5 ongoing projects for properties development and for sales as follows: a) U delight @ OnNut Station b) U delight2 @ Bag sue Station c) U Delight 3 Prachachuen-Bang Sue

		d) U delight Residence Patanakarn-Thonglor e) Condo U @ Huamak Station However, in the case of Grand U pays dividend higher/lower than THB 660.00 million or THB 11.00 per share. The Seller and the Buyer agree to adjust the transaction price by increasing or decreasing the selling price at THB 15.00 per share by the increased/decreased amount of dividend per share*. 3) The Buyer will hold a shareholders' meeting in order to consider and approve to enter transaction for acquisition of shares at agreed price. The transaction is expected to be completed by December of 2012. 4) The Seller shall be responsible for relevant tax and stamp duty incurred from the sell and purchase of share transaction. If there are any expenses incurred from the MOU, the Buyer and the Seller shall be responsible for its owned cost and expenses. 5) At the transaction date, the Buyer shall pay for the acquired shares according to agreed terms and conditions. The Seller shall provide securities certificates together with share transfer document entitled to the Buyer or the appointed individual/juristic persons of the Buyer in which the Buyer shall give a notice to the Seller in advance. The Buyer shall affix stamp duty or attach an evidence for stamp duty payment and sign by witnesses. Such individual/jurisdiction appointed to be a transferee of shares from the Buyer shall not be regarded as the Seller violates the terms and conditions of the agreement with the Buyer. Remark *as at the preparation of this IFA report, the management of the Company has informed that Grand U will be paying out dividend at THB 11.00 per share. Thus, the proposed transaction price will be THB 15.00 per share without further changes. In addition, the management has informed that the source of funding for the dividend payment will be from Grand U's working capital at the time and partially from the bank loan. In this regards, the terms and conditions of such loan are under negotiation process.
Conditions Precedent	:	The Buyer and the Seller acknowledge and agree that the MOU to purchase the Acquired Shares shall be binding on the date such MoU is approved by the Buyer's shareholders pursuant to the regulations of the SET. Hence, the Buyer shall undertake to hold such meeting of the shareholders to consider and approve the acquisition of the acquired shares and the purchase price stipulated in the MOU to acquire the common shares of Grand U.
Termination of the MOU	:	In case that the Condition Precedent as above is not fulfilled, the MOU shall not be binded.

Value of the Acquired Assets and the Consideration

The Company shall pay cash to acquire 24.00 million Grand U's shares to both sellers at the acquisition date. The payment comprises the payment to LPN amounting to THB 180.00 million and Yaowawong amounting to THB 180.00 million, totaling of THB 360.00 million. The acquisition price for Grand U's shares at THB 15.00 per share is the agreed price between the Company and the Seller, whom mutually agree that such price can fairly reflects the present value of Grand U's shares as of June 30, 2012. During such period, Grand U has 5 properties projects under development and for sale comprising of 1) U delight @ On Nut Station 2) U delight2 @ Bangsue Station 3) U Delight 3 Prachachuen-Bang Sue 4) U delight Residence Patanakarn-Thonglor 5) Condo U @ Huamak Station.

Information of asset

The general information of Grand U which is the assets to be acquired by the Company under this Transaction as follows:

a) General Information

Grand U was incorporated in 2001 with the initial objective of operating the business of developing condominium. At the present, Grand U had a registered capital and paid-up capital of THB 600.00 million comprising of million 60.00 ordinary shares at a par value of THB 10.00 per share.

Grand U has one subsidiary, Grand U Living Co., Ltd. (Grand U holds a 99.98% share in GUL). GUL is a residential real estate developer. At the present, GUL had a registered capital and paid-up capital of THB 244,049,400 comprising of 2,711,660 ordinary shares and 21,693,280 preferred shares at a par value of THB 10.00 per share**.**

b) Type of Business

Grand U and its subsidiary are real estate development business of high-rise residential condominium buildings for sales. As of June 30, 2012, Grand U and GUL have properties under development and/or for sales and/or in transition to its customers and/or under the plan to develop totaling of 8 projects. The details are presented in the below Table.

Table 13: Projects under development and/or sales for Grand U and GUL

<table>
<tr><th>Project Name</th><th>Detail of Project</th></tr>
<tr><td colspan="2">Condominium developed by Grand U</td></tr>
<tr><td>U delight @ OnNut Station</td><td>
<u>Location</u>: Soi Sukumvit 77 (Soi On Nut), Suanluang, Bangkok
<u>Summary information of project</u>: 32 storey condominium with a total of 773 residential units, covering a total area of 3-3-50 rais and totaling project value of THB 1,421.48 million. This project has been opened for sales since October 2010. Detail types of room are listed as follow:
<table>
<tr><td>1 bedroom Standard</td><td>Total Space 29.58 – 32.00 sq.m.</td></tr>
<tr><td>1 bedroom Plus</td><td>Total Space 38.91 sq.m.</td></tr>
<tr><td>2 bedrooms</td><td>Total Space 45.87 – 47.01 sq.m.</td></tr>
</table>
<u>Current Project Status</u>: The construction is expected to be completed in May 2012 and the project is currently open for sales. The sales progress is presented in Table 3.
<u>Map</u>


<u>Picture of project</u>


</td></tr>
</table>

<table>
<tr><th>Project Name</th><th>Detail of Project</th></tr>
<tr><td>U delight2 @ Bangsue Station</td><td>
<u>Location</u>: Soi Prachachuen19, Prachachuen Rd., Bangsue, Dusit, Bangkok
<u>Summary information of project</u>: 30 storey condominium with a total of 645 residential units, covering a total area of 3-0-32 rais and totaling project value THB 1,024.08 million. This project has been opened for sales since March 2011. Detail types of room are listed as follow:
<table>
<tr><td>1 bedroom</td><td>Total Space 26.0 sq.m.</td></tr>
<tr><td>1 bedroom Deluxe</td><td>Total Space 33.0 sq.m.</td></tr>
<tr><td>2 bedrooms</td><td>Total Space 48.0 sq.m.</td></tr>
</table>
<u>Current Project Status</u>: The decoration of common area is under construction which is the remaining progress. The construction is expected to be completed in November 2012. The sales progress is presented in the Table 3.
<u>Map</u> <u>Picture of project upon completion</u>



</td></tr>
<tr><td>U delight Residence Patanakarn-Thonglor</td><td>
<u>Location</u>: Patanakarn Rd. Suanluang, Bangkok
<u>Summary information of project</u>: 27 storey condominium with a total of 676 residential units, covering a total area of 4-1-85 rais and totaling project value THB 1,457.80 million. This project has been opened for sales since December 2011. Detail types of room are list as follow:
<table>
<tr><td>1 bedroom</td><td>Total Space 26.0 – 40.0 sq.m.</td></tr>
<tr><td>3 bedrooms</td><td>Total Space 70.0 sq.m.</td></tr>
</table>
<u>Current Project Status</u>: The construction of project is expected to be completed in December 2013. The sales progress is presented in the Table 3.
<u>Map</u> <u>Picture of project upon completion</u>



</td></tr>
</table>

Project Name	Detail of Project
U Delight 3 Prachachuen-BangSue	Location: Soi Prachachuen26, Prachachuen Rd., Bangsue, Dusit, Bangkok Summary information of project: 23 storey condominium with a total of 745 residential units, covering a total area of 5-0-93 rais and totaling project value THB 1,468.78 million. This project has been opened for sales since November 2011. Detail types of room are listed as follow: 1 bedroom — Total Space 30.0 – 43.5 sq.m. 2 bedrooms — Total Space 48.5 – 59.0 sq.m. Current Project Status: The construction is expected to be completed in June 2013. The sales progress is presented in the Table 3. Map / Picture of project upon completion 
Condo U @ Huamak Station	Location: Soi Ramkhamhaeng24 (Soi Seri), Ramkhamhaeng Rd., Hua Mak. Bangkapi, Bangkok Summary information of project: 2 buildings of 8 storey condominiums with a total of 408 residential units, covering a total area of 3-1-25 rais with total project value of THB 635.57 million. This project has been opened for sales since April 2012. Detail types of room are listed as follow: 1 bedroom — Total Space 31.0 – 45.0 sq.m. 2 bedrooms — Total Space 49.0 sq.m. Current Project Status: The construction is expected to be completed in June 2013. The sales progress is presented in the Table 3. Map / Picture of project upon completion 
Condo U Ratchayothin (Paholyothin 32)	Location: Soi Paholyothin 32, Paholyothin Rd., Senanikhom, Jatujak, Bangkok Summary information of project: 2 building of 8 storey condominium with a total of 394 residential units, covering a total area of 3 – 3 – 44 rais and totaling project value THB

Project Name	Detail of Project
	663.92 million. Detail types of room are listed as follow:

1 bedroom	Total Space 31.0 – 44.0 sq.m.
2 bedrooms	Total Space 50.0 – 52.0 sq.m.
Retail shop	Total Space 31.0 – 42.0 sq.m.

Current Project Status: The sales office and mock-up room were completed on August, 2012. This project has been opened for sales since September 15, 2012. The construction of project is expected to be completed in September 2013. The sales progress is presented in the Table 3.

Map

Picture of project upon completion

Udelight @ Paholyothin Station

Location: Soi Paholyothin 23, Paholyothin Rd., Senanikhom, Jatujak, Bangkok

Summary information of project: 2 buildings of 8 storey condominium with a total of 389 residential units, covering a total area of 3–3–02 rais with total project value THB 840.55 million. Detail types of room are listed as follow:

1 bedroom	Total Space 30.0 – 47.0 sq.m.
2 bedrooms	Total Space 50.0 sq.m.
Retail shop	Total Space 28.0 – 40.0 sq.m.

Current Project Status: This project has been open for sales since September 15, 2012. The construction of project is expected to be completed since April 2013. The sales progress is presented in the Table 3.

Map

Picture of project upon completion

Condominium developed by GUL

Udelight @ Huai Khwang Station

Location: Prachauthi Rd., Huai Khwang, Bangkok

Summary information of project: 3 building of 20 storey-condominium with a total of 596 residential units and 1 building of 10 storey for parking and facilities, covering a total area of 5-1-48 rais and total project value of THB 1,176 million. Detail types of room are listed as follow:

1 bedroom	Total Space 32.0 – 45.0 sq.m.

Project Name	Detail of Project	
	2 bedrooms	Total Space 64.0 sq.m.

Current Project Status: The construction was completed in March 2011 and is in progress to close the sale. The sales progress is presented in the Table 3.

Map

Picture of project upon completion

C) The Board of Directors and Shareholders

The Board of Directors of Grand U as of July 17, 2012 is listed as follow

Table 14: The Board of Directors of Grand U as of July 17, 2012

Name	Position
1. Mrs. Ornruedi Na-Ranong	Director
2. Mr. Thanapol Sirithanachai	Director and President
3. Mrs. Yupa Techakraisri	Director
4. Mr. Thanompong Pathomsak	Director
5. Mr.Neramit Srangiam	Director and Managing Director

Source: Grand U

Authorized signatories are Mrs.Ornruedi Na-Ranong or Mr.Thanapol Sirithanachai or Mr.Neramit Srangiam. Any two of the three directors are authorized to co-sign with Mrs. Yupa Techakraisri or Mr. Thanompong Pathomsak with the company seal affixed.

The shareholders of Grand U as of April 27, 2012 are listed as follow

Table 15 : The shareholders of Grand U as of April 27, 2012

Name of shareholders		Shareholding	
		Number of Shares	% of Total
1.	Univentures Public Company Limited	36,000,000	60.00
2.	L.P.N. Development Public Company Limited	12,000,000	20.00
3.	Yaowawong Holding Company Limited	12,000,000	20.00
	Total	60,000,000	100.00

Source: Grand U

d) Financial status and operating performance

Financial information from Grand U's consolidated financial statement as of December 31, 2009 to 2011 audited by KPMG Phoomchai Audit Limited and reviewed financial statements for 6 months of 2012 are presented as follows:

Table 16: Summarized financial status and financial performance for the year ended 2009 – 2011 and 6 months of 2012

Grand Unity Development Company Limited Balance Sheet (Unit: '000 THB)	2009	2010	2011	June 2012
Current Assets				
Cash and cash equivalents	115,104	22,509	89,095	63,709
Real estate projects under development	735,874	1,452,657	1,996,747	2,029,965
Project development for sale	82,481	-	-	-
Advances for construction-investment property	-	-	103,008	297,963
Land deposit	62,800	121,407	38,000	-
Other current assets	17,730	124,319	39,616	96,670
Total current assets	**1,013,989**	**1,720,892**	**2,266,466**	**2,488,307**
Non-current assets				
Property, plant and equipment	24,649	23,740	16,714	20,338
Other non-current assets	2,036	30,227	9,274	8,060
Total non-current assets	**26,685**	**53,967**	**25,988**	**28,398**
Total assets	**1,040,674**	**1,774,859**	**2,292,454**	**2,516,705**
liabilities and equity				
Current liabilities				
Short-term loans from financial institutions	-	704,500	-	90,000
Trade accounts payable	125,652	138,869	172,822	279,151
Other payables	3,293	5,383	13,579	1,553
Advance received from customers	67,366	180,774	181,324	173,398
Long-term loans from financial institutions	218,024	-	644,600	374,821
Retention payable	18,036	33,980	24,007	42,982
Other current liabilities	13,207	9,703	93,475	65,769
Total current liabilities	**445,579**	**1,073,209**	**1,129,807**	**1,027,674**
Non-current liabilities				
Long-term loans from financial institutions	-	-	106,000	266,000
Other non-current liabilities	-	-	9,676	2,010
Total non-current liabilities	-	-	115,676	268,010
Total liabilities	**445,579**	**1,073,209**	**1,245,483**	**1,295,684**
Equity				
Registered capital	600,000	600,000	600,000	600,000
Issued and paid-up share capital	600,000	600,000	600,000	600,000
Retained earnings (deficit)				
Appropriated - legal reserve	5,000	6,710	7,280	11,579
Unappropriated	(9,896)	94,930	439,603	609,327
Equity attributable to owners of the Company	595,104	701,640	1,046,883	1,220,906
Non-controlling interests	(8)	9	88	115
Total equity	**595,096**	**701,649**	**1,046,971**	**1,221,021**
Total liabilities and equity	**1,040,674**	**1,774,859**	**2,292,454**	**2,516,705**

Source: Grand U

Grand Unity Development Company Limited Profit and Loss Statement (Unit: '000 THB)	2009	2010	2011	June 2012
Income				
Revenue from sale of units in condominium	463,093	1,139,366	2,544,871	1,489,158

Grand Unity Development Company Limited Profit and Loss Statement (Unit: '000 THB)	2009	2010	2011	June 2012
projects				
Interest income	1,046	876	501	1,306
Other income	2,948	5,073	6,808	13,798
Total income	**467,088**	**1,145,315**	**2,552,180**	**1,504,262**
Expenses				
Cost of sale of goods and rendering of services	363,012	851,970	1,792,579	1,055,762
Selling expenses	34,425	68,636	154,789	93,224
Administrative expenses	44,119	80,599	127,552	49,782
Total expenses	**441,556**	**1,001,204**	**2,074,920**	**1,198,768**
Profit (loss) before financial costs and income tax	25,532	144,112	477,260	305,494
Finance costs	(1,403)	(3,340)	(7,194)	(3,464)
Profit (loss) before income tax	24,129	140,771	470,067	302,030
Income tax expense	-	-	(111,980)	(49,952)
Profit (loss) for the period	**24,129**	**140,771**	**358,086**	**252,078**
Profit (loss) attributable to:				
Owners of the Company	24,122	140,736	358,008	252,051
Non-controlling interests	6	35	78	27
Net Profit (loss)	**24,129**	**140,771**	**358,086**	**252,078**

Source: Grand U

Grand Unity Development Company Limited Key financial ratios	2009	2010	2011	Jan - Jun 2012
Liquidity Ratio				
Current ratio (time)	2.28	1.60	2.01	2.42
Quick ratio (time)	0.26	0.02	0.08	0.06
Cash liquidity ratio (time)	0.26	0.03	0.08	0.06
Account receivable turnover ratio (time)	366.34	436.78	643.79	-
Average collection period (day)	0.98	0.82	0.56	-
Inventory turnover ratio (time)	0.49	0.78	1.04	1.05
Inventory period (day)	729.77	462.38	346.37	343.26
Account payable turnover ratio (time)	2.89	6.44	11.50	9.34
Payable period (day)	124.61	55.89	31.30	38.53
Cash Cycle (day)	606.14	407.35	315.35	304.74
Profitability Ratio				
Gross profit margin (%)	21.61%	25.22%	29.56%	29.10%
Operating profit margin (%)	5.47%	12.58%	18.70%	20.31%
Net profit margin (%)	5.17%	12.29%	14.03%	16.76%
Return on equity (%)	4.05%	21.71%	40.96%	22.23%
Efficiency Ratio				
Return on assets (%)	2.32%	10.00%	17.61%	20.97%
Asset turnover (time)	0.45	0.81	1.25	0.63
Financial Policy Ratio				
Debt to equity ratio (time)	0.75	1.53	1.19	1.06

Analysis of operating results and financial position

Operating results of Grand U

Revenue from sale of condominium units

In 2010, Grand U had revenue from sale of condominium units of THB 1,139.37 million, an increase of THB 676.27 million or 146.03% from 2009. Besides, revenue in year 2009 earned from the realized income from Parkview Vibhavadi, U Sabai and U Delight Bang Sue station which already finished and transferred condominium room ownership to customers in quarter 3 and 4 of 2009, revenue in year 2010 also earned from U Sabai and U Delight Bang Sue.

In 2011, Grand U had revenue from sale of condominium units of THB 2,544.87 million, an increased of THB 1,405.51 million or 123.36% from 2010. The company had realized income additionally by 622 units, as a resulted of realization U Delight Hauykwang station 584 units (98% from total units) and U Delight Jatuchak station 652 units (71% from total units).

For 6 months ended June 30, 2012, Grand U had revenue from sale of condominium units of THB 1,489.16 million, an increase of THB 481.96 million or 47.85% when compared to the same period last year. This was because the company had realized income additionally by 714 units, as a resulted of realization U Delight On Nut station 434 units, U Delight Hauykwang station 8 units and U Delight Jatuchak station 272 units when compared to 483 units from the same period last year.

Other Income

In 2010, the other income which not from the normal business operation amounted to THB 5.95 million, an increase of THB 1.96 million or 48.95% from 2009 due to the increase in other income by THB 2.12 million, while interest income decreased by THB 0.17 million.

In 2011, the other income which not from the normal business operation amounted to THB 7.31 million, an increase of THB 1.36 million or 22.86% from 2010 due to the increase in other income by THB 1.74 million while interest income decreased by THB 0.38 million.

For 6 months ended June 30, 2012, the other income which not from the normal business operation amounted to 15.10 million, an increase of THB 11.65 million or 337.67% when compared to the same period last year, as a result of other income increased by THB 10.54 million and interest income increased by THB 1.11 million.

Total Revenue

In 2010, Grand U had total income of THB 1,145.31 million, an increase of 678.23 million or 145.20% from 2009, as a result of an increase in sales of condominium units by THB 676.27 million.

In 2011, the total income amounted to 2,552.18 million, an increase of THB 1,406.87 million or 122.84% from 2010. This was because the increase in revenue from sale of condominium units by THB 1,405.51 million.

For 6 months ended June 30, 2012, total income amounted to THB 1,504.26 million, representing an increase of THB 493.61 million or 48.84% when compared to the same period of last year. The main reason was the increase of revenue from sale of condominium units by THB 481.96 million.

Cost of condominium units sales

At the end of 2009 – 2011 and 6 months ended June 30, 2012, Grand U had cost of condominium units sold of THB 363.01 million, THB 851.97 million, THB 1,792.58 million and THB 1,055.76 million, respectively. The ratios of cost of condominium units sold to revenue from sales were 78.39%, 74.78%, 70.44% and 70.90%, respectively. From the continuously decreasing ratio, it indicated that Grand U had efficiency in cost control.

Selling Expense

In 2010, the selling expenses amounted to THB 68.64 million, an increase of THB 34.21 million or 99.38% from 2009. In 2011, the selling expense amounted to THB 154.79 million, an increase of THB 86.15 million or 125.52% from 2010. For 6 months ended June 30, 2012, the selling expense amounted to THB 93.22 million, an increase of 25.15 million or 36.95% in line with the increase in revenue from sales of condominium units.

Administrative Expense

In 2010, the administrative expense amounted to THB 80.60 million, representing an increase of THB 36.48 million or 82.69% from 2009. In 2011, the selling expense amounted to THB 127.55 million, an increase of THB 46.95 million or 58.26% from 2010. For 6 months ended June 30, 2012, the administrative expense amounted to THB 49.78 million, an increase of THB 7.76 million or 18.46% when comparing to the same period last year.

Finance Costs

In 2010, Grand U had finance cost at THB 3.34 million, representing an increase of THB 1.94 million or 138.06% from 2009 due to the additional loans from financial institution by THB 486.48 million. In 2011, the financial cost amounted to THB 7.19 million, representing an increase of THB 3.85 million or 115.37% from 2010 due to the increase in loans by THB 46.10 million.

For 6 months ended June 30, 2012, financial cost amounted to THB 3.46 million, representing an increase of THB 1.69 million or 94.94% when comparing to the same period last year.

Net profits

In 2010, Grand U had net profits of THB 140.77 million, an increase of THB 116.64 million or by 483.41% from 2009. In 2011, the net profits amounted to THB 358.09 million, an increase of THB 217.32 million or 154.37% from 2010. For 6 months ended June 30, 2012, net profits amounted to 252.08 million, an increase of THB 78.52 million or 45.24% when compare to the same period last year. This was because the increase in profit from sale of units in condominium business. The net profit ratios were 5.17%, 12.29%, 14.03% and 16.76% in 2009 – 2011 and the first 6 months ended June 30, 2012, respectively.

Financial Position

Asset

In 2010, Grand U had total asset of THB 1,774.86 million, an increase of THB 734.19 million or 70.55% from 2009 due to the following reasons:

1) Real estate projects under development amounted to THB 1,452.66 million, an increase of THB 716.78 million or 97.41% from 2009.
2) Other current asset amounted to THB 124.32 million, an increase of THB 106.59 million or 601.19% from 2009.
3) Cash and cash equivalents amounted to THB 22.51 million, a decrease of 92.60 million or 80.44% from 2009.
4) Real estate for sales decreased by THB 82.48 million or 100% from 2009.

In 2010, Grand U had total asset of THB 2,292.45 million, an increase of THB 517.60 million or 29.16% from 2010 due to the following reasons:

1) Cash and cash equivalents amounted to THB 89.10 million, an increase of THB 66.59 million or 295.82% from 2010.
2) Real estate projects under development amounted to THB 1,996.75 million, representing an increase of THB 554.09 million or by 37.45% from 2010.
3) Advance payment for real estate projects amounted to THB 103.01 million, as there was no advance payment in 2010.
4) Land deposit amounted to THB 38.00 million, decreased by THB 83.41 million as well as other current asset deceased by THB 80.75 million from 2010.

As of June 30, 2012, Grand U had total asset of THB 2,516.17 million, an increase of THB 224.25 million or by 9.78% from the end of 2011. The main reasons were the increase in advances for construction of real estate by THB 194.96 million and other current asset by THB 57.05 million, whereas there was no land deposit this year.

Total Liabilities

In 2010, Grand U had total liabilities of THB 1,073.21 million, an increase of THB 627.63 million or 140.86% from 2009, as a result of the increase in short-term loans from financial institution by THB 704.50 million and advance received from customer by THB 113.41 million. However, current portion of long-term loans decreased by THB 218.02 million.

In 2011, the total liabilities were THB 1,245.48 million, an increase of THB 172.27 million or 16.05% from 2010. The main reasons were the increase in loan from financial institution by THB 46.10 million, the increase in trade payables by THB 33.95 million and tax payable by THB 53.27 million.

As of June 30, 2012, total liabilities amounted to THB 1,295.68 million, an increase of THB 50.21 million or by 4.03% from the end of 2011. This was mainly from the increase in short-term loans by THB 90.00 million and trade accounts payable by THB 106.33 million, whereas long-term loans decreased by THB 109.78 million.

Shareholders' Equity

In 2010, Grand U had shareholders' equity at 701.65 million, an increase of THB 106.55 million or 17.91% from 2009. In 2011, the shareholders' equity amounted to THB 1,046.97 million, an increase of THB 345.32 million or 49.22% from 2010. As of June 30, 2012, shareholders' equity amounted to THB 1,221.02 million, an increase of THB 174.05 million from the end of 2011 due to the revenue from operation from Grand U.

Liquidity

Profitability ratios

At the end of 2009 – 2011 and 6 months ended June 30, 2012, Grand U recorded gross margin of 21.61%, 25.22%, 29.56% and 29.10%, respectively. These could represent the efficiency in cost control of the company. Besides, Grand U illustrated operating margin of 5.47%, 12.58%, 18.70% and 20.31%, respectively. These demonstrated that Grand U possessed expenditure advantages as well as cost efficiency.

Liquidity ratios

At the end of 2009 – 2011 and 6 months ended June 30, 2012, the liquidity ratio was 2.28 times, 1.60 times, 2.01 times and 2.42 times, respectively. In 2010, Grand U raised fund from short-term liabilities by THB 486.48 million as well as spent its cash flows by THB 95.60 million, resulting in lower liquidity ratio comparing to other periods. Nevertheless, liquidity ratio of Grand U was still moderate.

Leverage ratios

At the end of 2009 – 2011 and 6 months ended June 30, 2012, D/E ratio of Grand U was 0.75 times, 1.53 times, 1.19 times and 1.06 time, respectively. The D/E ratio relatively aligned with industry peers.

2.2 Reasonableness of the transaction

2.2.1 Objective and benefit of the transaction

Pursuant to the intention of LPN and Yaowawong (other shareholders of Grand U having altogether of 40% stakes) to dispose its entire shareholding in Grand U to the Company. The Meeting of the Executive Committee of the Company No.6/2012 held on August 14, 2012 has passed the resolution to approve the acquisition of Grand U's ordinary shares from LPN and Yaowawong of 24.00 million shares. Later on August 27, 2012, the Company entered into the MOU with LPN and Yaowawong in which LPN and Yaowawong agrees to dispose its entire stakes in Grand U to the Company at THB 15.00 per share, or altogether of THB 360.00 million.

Subsequent to the Transaction, the Company will hold 100% shares in Grand U which will allow Grand U to pursuit its capital increase plan to support its future business expansion. As a result of such expansion plan, Grand U will have an opportunity to generate higher revenue from the sales of its real estate projects. As a result, the Company could possibly earn higher return from its investment in Grand U. In addition, the Transaction will help eliminating the possible conflict of interest between Grand U and one of its shareholders, who operates the same business as the developers of medium-price condominium projects.

2.2.2 Advantages and disadvantages of entering and not entering into the transaction

- **Advantages and disadvantages of entering into the transaction**

Advantages of entering into the transaction

1) Opportunity to record greater portion of revenue and profit from the uprising performance of Grand U
By increasing the shareholding stake in Grand U, the Company will have an opportunity to record greater portion of revenue from the sales of real estate projects in relation to its shareholding stake in Grand U, which is 60.00% at present and will be up to 100.00% upon the completion of the Transaction. This could possibly help improving the operating results of the Company in the future. The operating performance of Grand U can be summarized as follow:

Table 17: Revenue from Sales and Services of Grand U during 2009 – 2011 and for the first 6 months of 2012

Year	Revenue from Sales (THB million)	Profit (Loss) Attributable to Equity Holders Of the Parent (THB million)
2009	463.09	24.12
2010	1,139.37	140.74
2011	2,544.87	358.01
January – June 2012	1,489.16	252.05

As of June 30, 2012, Grand U owns 7 real estate projects with the remaining sales value of approximately THB 2,949.45 million* (calculated by multiplying the projected average selling price per unit with the numbers of unsold units). In case the shareholders' meeting approves of the Transaction, the Company will be able to record higher portion of revenue and profit in proportion to its shareholding stake.

Remark * Exclude the remaining units under U Delight @ Huaykwang Station operated by GUL since the management of the Company has informed that the remaining 4 units are during the process of transferring to customers.

2) Eliminate the conflict of interest with the other major shareholder who operates the same business as Grand U
Since LPN, one of the shareholders of Grand U owning 20.00% stake, is currently the developer of middle-price condominium projects as same as Grand U. Therefore, the Transaction will help eliminating the conflict of interest between Grand U and such shareholder from being the competitors within the same business. Nonetheless, since the Transaction has been endorsed by all shareholders of Grand U, hence, business alliance between LPN and Grand U, for example the employment of Lumpini Property Management Co., Ltd., a subsidiary of LPN, to manage condominium projects of Grand U, are still durable upon the completion of the transaction.

3) Gain more control and management flexibility
Upon the completion of the Transaction, the Company plans to adjust the Board of Directors of Grand U to be conformed to the new shareholding structure. In this regards, the Company will have an absolute control in Grand U and thus can directly change its business plan and policy to align with the Company's. This will help improving the flexibility in operating the business of Grand U in the future.

Disadvantages of entering into the transaction

1) Incur additional liabilities and interest expenses to support the payment of dividend to existing shareholders
According to the MOU among the shareholders, Grand U must pay the dividend of not less than THB 660.00 million or not less than THB 11.00 per share, from its retained earning up to August 31, 2012. The dividend payment shall be made prior to the Transaction (as at the date that the IFA prepares this report, the Company's management has informed that Grand U agrees to pay dividend of THB 11.00 per share, hence, the offering price to purchase Grand U's shares from LPN and Yaowawong will remain unchanged at THB 15.00 per share). Grand U will exploit its working capital, internal cash flows as well as bank loan to support the payment of dividend. Therefore, liabilities and interest expenses of the Company and Grand U will be higher. The management of Grand U has informed that terms and conditions of the bank loan are under negotiation process and that the repayment of such loan will be made by cash flows generated from Grand U's operation.

As of June 30, 2012, total liabilities of the Company was THB 4,556.41 million while the shareholders' equity was THB 2,456.73 million, hence, D/E ratio was 1.85 times. Grand U, on the other hand, had total liabilities of THB 1,295.68 million and shareholders' equity of THB 1,221.02 million; hence, D/E ratio was 1.06 times.

2) The Company will be exposed to greater risk from investment in real estate business
By entering into the Transaction, the Company will be exposed to greater investment risk as a result of increasing it investment stake in Grand U to 100.00%. In example, risk from incurring loss during the initial period of project development, risk from incurring higher liabilities when Grand U engages in new project finance, risk from failure of projects as the successful of those real estate projects depend on various factors including economic condition, competition in real estate market, purchasing power and consumer confidence, etc.

3) Dilution effect to existing shareholders from the increase of capital to support the Transaction
The Company will propose to the shareholders' meeting to consider the increase of the Company's capital of not greater than THB 264.00 million by issuing common shares of not greater than 264.00 million shares, at the par value of THB 1.00 per share. Newly issued shares will be allocated to the existing shareholders of the Company on a pro rata basis and/or private placement at the offering price of not less than THB 2.50 per share. These new equity funding proceeds will be used in purchasing common stocks of Grand U.

In case the existing shareholders of the Company fully exercise the right offering, control dilution will not be affected. However, in case the existing shareholders do not fully exercise the right offering, dilution effect to the existing shareholders will be as follows:

Table 18: Dilution Effect to Shareholders from the Capital Increase of the Company*

Scenarios	Control Dilution (%)	Earning Dilution** (%)	Price Dilution*** (%)
Scenario 1 Existing shareholders fully exercise the right offering	0.00	25.66	9.47
Scenario 2 Existing shareholders does not fully exercise the right offering	25.66	25.66	9.47

Calculation details for dilution effect*

Unit : million shares and THB million

1. Control Dilution	=	Number of new shares to be issued / (current paid-up shares + number of new shares to be issued)
	=	264.0000 / (764.7706 + 264.0000)
	=	25.6617%

2.Earnings Dilution	=	(EPS pre-capital increase – EPS post-capital increase) / EPS pre-capital increase
	=	(0.2621 – 0.1948) / 0.2621

	=	25.6617%

where by

EPS pre-capital increase = The Company's net profit for 6 months ended June 30, 2012** / current paid-up shares
= 200.4170 / 764.7706
= THB 0.2621 per share

EPS post-capital increase = The Company's net profit for 6 months ended June 30, 2012** / (Current paid-up shares + number of new shares to be issued)
= 200.4170 / (764.7706 + 264.0000)
= THB 0.1948 per share

3. Price Dilution	=	(Market price pre-capital increase – diluted price) / Market price pre-capital increase
	=	(3.9624 – 3.5871) / 3.9624
	=	9.4709%

where by:

Diluted price = [(Market price pre-capital increase*** x current paid-up shares) + (Offering price of new shares x Number of new shares to be issued)] / (Current paid-up shares + Number of new shares to be issued)
= [(3.9624 x 764.7706 million shares) + (2.5000 x 264.0000 million shares)] / (764.7706 + 264.0000 million shares)
= THB 3.5871 per share

Remark * Dilution effect is calculated based on 264.00 million newly issued shares (maximum offering amount) at THB 2.50 per share (minimum offering price) according to the resolution of the Board of Directors' meeting No.6/2012. In this regards, dilution effect to shareholders might vary from the Table above in the case that the actual amount of offering shares and price vary.

** The IFA has calculated Earning Dilution based on net profit of the Company for the first 6 months of 2012 at THB 200.42 million. Nonetheless, operating performance of the Company might be different post-transaction.

*** The IFA has calculated Price Dilution based on volume weighted average price over 7 business days until September 7, 2012, which is the date of Board of Directors' meeting No.6/2012 at THB 3.96 per share.

<u>Risks associated with the transaction</u>

- Incur additional liabilities if the capital increase cannot be achieved as targeted
  In case the existing shareholders of the Company partially exercise or decline the right offering, and the Company is unable to allocate the remaining shares to other investors via private placement, it might be necessary for the Company to engage in debt financing to support the Transaction resulting in higher burden of debt and interest expense. Nonetheless, the Company believes that it will achieve the targeted fund raising.

- **Advantages and disadvantages of not entering into the Transaction**

<u>Advantages of not entering into the Transaction</u>

1) Does not have to incur higher liabilities as a result of consolidating the liabilities of Grand U into the Company's financial statement and the additional liabilities to support the dividend payment to existing shareholders of Grand U.

2) Does not expose to greater investment risk in real estate business (via investment stake in Grand U). Since the development of large real estate projects usually incur loss during the beginning phase of project development. Additionally, the development of real estate projects generally requires debt financing, thus, in case that the projects are not successful as plan, the Company will unavoidably be subjected to greater liabilities and interest expense.

<u>Disadvantages of not entering into the Transaction</u>

1) Opportunity loss in recording greater portion of revenue via the increasing shareholding stake in Grand U, in which the operating performance of Grand U are expected to increase based on its current projects.

2) There might be the conflict of interest with the other shareholder of Grand U whose business is developing middle-price condominium project, as same as the business of Grand U.

2.3 Fairness of the transaction price and condition

2.3.1 Fairness of the Transaction Price

To evaluate the appropriateness of the acquisition price of Grand U's common shares, the IFA has conducted the financial valuation of Grand U's common shares by applying 4 financial valuation methodologies as follow:

1) Book Value Approach
2) Adjusted Book Value Approach
3) Market Comparable Approach
   - Price to Book Value Ratio Approach
   - Price to Earning Ratio Approach
4) Discounted Cash Flow Approach

In this regards, the IFA did not use the Dividend Discounted Model Approach for the valuation of Grand U's common share since in the past Grand U has not paid out dividend at constant rate. Therefore, the IFA views that such valuation approach is inappropriate for the valuation of Grand U's share price.

Details of each share valuation approach are shown as follows:

1) Book Value Approach

The Book Value Approach evaluates the value of shareholders' equity at a certain point of time as shown in the financial statement. In this case, the IFA used Grand U's financial statement for the 6 month period ended June 30, 2012 reviewed by the auditor of Grand U. Further details of the valuation are presented in the Table below.

Table 19: Book Value of Shareholders' Equity of Grand U as of June 30, 2012

Items	Amount (THB '000)
Issued and paid-up capital	600,000
Add: Retained earnings	620,906
Equity attributable to equity holders of parent	**1,220,906**
Number of issued and paid-up shares ('000) – par value at THB 10 each	60,000
Book value per share (THB)	**20.35**

Based on the above Table, **The fair value of Grand U share is THB 20.35 per share**, which is higher than the proposed acquisition price at THB 15.00 per share by 35.67%. However, the IFA views that Book Value Approach takes into consideration only the book value of shareholders' equity at a certain point in time, without taken into consideration of the future operating performance as well as any occurrences that might arise subsequent to the date of the financial statement. Therefore, the IFA views that Book Value Approach is **inappropriate** for the valuation of Grand U's share.

2) Adjusted Book Value Approach

Adjusted Book Value Approach evaluates the fair value of Grand U by using the book value of Grand U's equity as appeared in the consolidated financial statements for the 6 month period ended June 30, 2012 reviewed by the auditor of Grand U, then adjusting with the expected amount of dividend to be paid according to the MOU signed among Grand U's shareholders. The MOU requires Grand U to pay dividend from its retained earnings up to August 31, 2012 to its shareholders at the amount not less than THB 660.00 million or not less than THB 11.00 per share prior to the Transaction. The book closing date for the payment of such dividend shall be on September 4, 2012 and the date of the dividend payment shall be on December 27, 2012.

In this regards, the IFA did not adjust the value of Grand U's assets to reflect their fair market value at present since Grand U did not have its real estate projects appraised. Therefore, the IFA is unable to make such adjustment. In addition, the IFA did not incorporate in the book value the contingent liabilities of Grand U that might arise from its pending lawsuit concerning the construction on servitude land. Under such lawsuit, the plaintiff has filed for compensation from Grand U at THB 0.10 million per month starting from the date of the court filing (on August 3, 2007) until the day Grand U removed its constructions. On November 3, 2007, Grand U had already opened the entrance and exit for such land. In this regards, the Court of First Instance has issued a court order for Grand U to remove its constructions without subjecting to any compensation. However, the Court of Appeal has ordered Grand U to pay a compensation of THB 50,000 a month to the plaintiff starting from the date of the court filling. At present, the case is under the consideration of the Supreme Court and has not significantly affected the business operation of Grand U.

Table 20: Adjusted Book Value of Grand U as of June 30, 2012

Items	Amount (THB '000)
Equity attributable to equity holders of parent as at June 30, 2012	1,220,906
Deduct: Amount of dividend to be paid according to the MOU*	660,000
Adjusted Book Value	**560,906**
Number of issued and paid-up shares ('000) – par value at THB 10 each	60,000
Adjusted book value per share (THB)	**9.35**

Remark * As at the preparation date of this IFA report, the management of the Company has informed that Grand U will be paying dividend at THB 11.00 per share or in total of THB 660.00 million.

Based on the above Table, **fair value of Grand U share price based on Adjusted Book Value Approach is THB 9.35 per share,** which is lower than the proposed acquisition price at THB 15.00 per share or by 37.66%. However, similar to the constraint of the Book Value Approach, this valuation approach does not take into consideration the future operating performance of Grand U. Therefore, the IFA views that Adjusted Book Value Approach is **inappropriate** for the valuation of Grand U's share.

3) Market Comparable Approach

The Market Comparable Approach determines the fair value of Grand U's share by using market ratios of comparable real estate companies listed in the SET that operate similar business to Grand U with the underlying assumption that financial ratios such as Price to Earnings Ratio ("PER") and Price to Book Value Ratio ("P/BV") of companies within the same industry should possess comparable characteristic. Details of companies operating real estate development business and listing on the stock market are presented in the following Table.

Table 21: Listed Companies on the SET Operating Real Estate Development Businesses Categorized by the Value of Asset as of June 30, 2012

Unit: THB million

No.	Trading Symbol	As of June 30, 2012				For 6 month period ended June 30, 2012						As of September 7, 2012			
		Total Assets	Total Debts	Total Equity	D/E Ratio (x)	Total Revenue	Net Profit (Loss)	EPS (THB per share)	Net Profit Margin (%)	Return on Assets (%)	Return on Equity (%)	Market Capitalization	P/E (x)	P/BV (x)	Dividend Yield (%)
1	LH	63,272	31,065	31,102	1.00	11,868	2,591	0.26	21.84	9.82	17.23	83,215	16.22	2.68	4.82
2	PS	41,988	24,226	17,761	1.36	11,543	1,636	0.74	14.17	9.46	16.35	39,769	14.45	2.24	2.22
3	SIRI	41,875	30,496	11,378	2.68	10,733	790	0.11	7.36	8.83	21.36	17,744	7.82	1.56	5.6
4	QH	40,901	27,203	13,698	1.99	5,467	642	0.07	11.74	3.88	7.32	16,439	16.96	1.2	0.48
5	BLAND	39,288	6,831	27,075	0.25	2,408	355	0.02	14.74	3.25	3.22	21,531	25.11	0.8	1.65
6	AP	30,493	19,273	11,220	1.72	7,087	997	0.35	14.07	9.53	18.60	22,729	11.67	2.03	2.23
7	PF	22,941	14,766	8,132	1.82	4,355	186	0.04	4.28	4.34	4.96	5,962	15.69	0.73	3.17
8	SPALI	21,351	10,152	10,803	0.94	3,351	568	0.33	16.95	12.15	14.84	33,129	21.1	3.07	3.37
9	SC	19,783	10,464	9,320	1.12	2,781	354	0.54	12.72	6.14	8.51	11,057	14.22	1.19	3.87
10	RML	16,370	15,279	1,086	14.06	1,335	31	0.01	2.30	0.10	-34.60	6,185	n/a	5.69	-
11	LPN	13,460	6,533	6,926	0.94	3,330	441	0.30	13.26	15.96	20.50	25,825	18.76	3.73	3.71
12	NOBLE	13,024	9,233	3,791	2.44	777	57	0.12	7.29	2.80	4.76	2,762	15.4	0.73	4.96
13	**GOLD**	**12,200**	**5,734**	**6,676**	**0.86**	**1,008**	**-186**	**-0.16**	**-18.44**	**-0.86**	**-4.66**	**8,223**	**n/a**	**1.23**	**-**
14	GLAND	11,146	5,136	5,449	0.94	39	-70	-0.01	-177.56	-0.15	-0.76	15,078	n/a	2.77	0.98
15	MJD	9,189	7,116	2,090	3.41	624	-98	-0.14	-15.74	0.34	-3.98	1,930	n/a	0.92	-
16	PRIN	7,181	3,584	3,597	1.00	1,442	204	0.17	14.16	6.44	9.37	2,225	6.86	0.62	2.73
17	MK	7,110	2,147	4,960	0.43	883	131	0.15	14.86	4.12	4.13	2,684	13.18	0.54	5.77
18	**UV**	**7,013**	**4,556**	**1,967**	**2.32**	**3,060**	**200**	**0.26**	**6.55**	**8.56**	**8.93**	**2,967**	**16.82**	**1.51**	**1.55**
19	A	5,981	3,523	2,459	1.43	1,110	57	0.08	5.17	2.64	2.83	2,835	41.08	1.15	0.8
20	LALIN	5,260	1,330	3,931	0.34	649	88	0.11	13.50	6.97	6.01	2,112	9.03	0.54	7.03
21	ESTAR	4,730	496	4,111	0.12	210	-78	-0.02	-37.39	-3.33	-3.71	3,767	n/a	0.92	-
22	SENA	3,803	1,655	2,139	0.77	835	145	0.20	17.36	12.96	17.35	2,316	6.69	1.08	5.51
23	CI	3,669	2,391	1,015	2.36	1,104	64	0.54	5.84	8.98	9.01	894	10.18	0.88	0.81
24	NUSA	3,517	1,816	1,701	1.07	201	20	-	10.09	2.88	3.93	1,635	26.48	0.96	-
25	NCH	3,340	1,181	2,160	0.55	634	24	0.02	3.83	9.89	8.32	1,423	8.09	0.66	5.83
26	SAMCO	3,239	1,386	1,763	0.79	372	-1	-	-0.17	1.89	-0.65	963	n/a	0.55	0.93
27	KMC	2,588	939	1,649	0.57	149	-73	-0.11	-49.09	11.55	17.70	883	4.55	0.54	-

No.	Trading Symbol	As of June 30, 2012				For 6 month period ended June 30, 2012						As of September 7, 2012			
		Total Assets	Total Debts	Total Equity	D/E Ratio (x)	Total Revenue	Net Profit (Loss)	EPS (THB per share)	Net Profit Margin (%)	Return on Assets (%)	Return on Equity (%)	Market Capitalizatio n	P/E (x)	P/BV (x)	Dividend Yield (%)
28	KC	2,522	1,181	1,340	0.88	219	-6	-0.01	-2.92	0.84	-1.47	744	n/a	0.55	-
29	METRO	1,952	929	1,023	0.91	95	-29	-0.06	-29.98	-1.24	-6.60	742	n/a	0.73	-
30	N-PARK	1,845	1,046	799	1.31	552	304	-	54.99	19.84	67.38	1,339	3.58	1.68	-
31	RASA	1,306	614	691	0.89	382	31	0.06	8.03	13.44	24.28	830	5.5	1.2	1.34
32	KTP	1,300	1,116	209	5.35	59	-49	-0.22	-82.41	-3.48	-32.53	279	n/a	1.34	-
33	BROCK	1,236	24	1,212	0.02	44	9	0.01	19.94	1.28	1.00	1,040	86.1	0.86	0.96
34	PRECHA	886	277	609	0.46	167	0	-	0.11	12.17	11.31	386	5.85	0.63	4.35
35	LL	765	444	320	1.39	61	-55	-0.04	-90.36	-5.47	-30.00	390	n/a	1.22	-
36	EVER	635	238	397	0.60	10	-17	-0.04	-180.49	-3.21	-10.65	287	n/a	0.72	-

Source: information as of September 7, 2012 from www.setsmart.com

However, the listed companies shown in the above Table are currently developing various types of real estate projects including housing, condominium, office buildings, service apartments and hotels. In this regards, for the valuation of Grand U's share, the IFA selected only the group of listed companies that develop condominium projects for sale similar to the business of Grand U as peers comparable. Details of selected peers comparable are presented in the following Table.

Table 22: Peers Comparable Companies for the Valuation of Grand U Share Price

No.	Name	Symbol
1	Land and Houses Plc.	LH
2	Preuksa Real Estate Plc.	PS
3	Sansiri Plc.	SIRI
4	Quality House Plc.	QH
5	Bangkok Land Plc.	BLAND
6	Asian Property Development Plc.	AP
7	Property Perfect Plc.	PF
8	Supalai Plc.	SPALI
9	SC Asset Corporation Plc.	SC
10	Raimon Land Plc.	RML
11	L.P.N. Development Plc.	LPN
12	Noble Development Plc.	NOBLE
13	Grand Canal Land Plc.	GLAND
14	Major Development Plc.	MJD
15	Prinsiri Plc.	PRIN
16	M.K. Real Estate Development Plc.	MK
17	Areeya Property Plc.	A
18	Eastern Star Real Estate Plc.	ESTAR
19	Sena Development Plc	SENA
20	Charn Issara Development Plc	CI
21	Nusasiri Plc	NUSA
22	Rasa Property Development Plc.	RASA
23	Precha Group Plc.	PRECHA
24	Living Land Capital Plc.	LL

Under Market Comparable Approach, the IFA uses the method of Price to Earning Ratio Approach and Price to Book Ratio Approach in order to evaluate the fair price of Grand U share. Further details of the valuations are presented as follow:

a) Price to Earning Ratio Approach

Based on the Price to Earning Ratio Approach, the IFA has determined the cut-off date for the calculation of average historical price to earning ratio ("PER") to be on September 7, 2012. In this regards, the IFA has calculated the historical 15 – 360 business days average PER for comparable companies which can be summarized as follow:

Table 23: Average Historical PER of Peers Comparable for the Valuation of Grand U's Share

Peers Comparable	Historical Period (Business Days)						
	15 days	30 days	60 days	90 days	180 days	240 days	360 days
LH	16.14	15.85	15.63	15.15	13.87	13.37	13.65
PS	14.13	14.23	13.75	12.98	11.34	10.64	11.57
SIRI	7.59	7.81	7.71	7.53	6.92	6.27	5.79
QH	17.10	16.79	16.28	16.12	15.00	13.82	13.27
BLAND	~~20.23~~	~~22.76~~	~~21.66~~	~~21.37~~	~~19.86~~	~~18.30~~	~~16.92~~

Peers Comparable	Historical Period (Business Days)						
	15 days	30 days	60 days	90 days	180 days	240 days	360 days
AP	11.72	11.56	11.39	11.35	10.34	10.17	10.53
PF	15.53	14.92	13.99	13.22	10.66	9.48	8.93
SPALI	20.52	18.06	16.08	14.85	11.63	10.50	9.68
SC	13.16	11.82	10.95	10.37	9.06	8.14	7.87
RML	~~n/a~~	~~n/a~~	~~n/a~~	~~n/a~~	~~19.97~~	~~16.49~~	~~24.56~~
LPN	18.27	16.17	15.01	14.46	12.19	11.08	10.30
NOBLE	14.88	12.01	10.10	9.34	7.14	5.97	5.00
GLAND	~~n/a~~	~~n/a~~	~~n/a~~	~~n/a~~	~~n/a~~	~~n/a~~	~~n/a~~
MJD	~~n/a~~	~~n/a~~	~~n/a~~	7.30	6.82	6.18	6.28
PRIN	6.52	6.73	6.54	6.65	6.81	6.37	5.63
MK	12.29	11.47	10.77	10.49	8.94	7.97	7.21
A	~~40.89~~	~~48.38~~	~~51.92~~	~~49.97~~	~~39.80~~	~~34.63~~	~~26.11~~
ESTAR	~~n/a~~	~~n/a~~	~~n/a~~	~~n/a~~	~~n/a~~	~~n/a~~	~~310.84~~
SENA	5.85	5.08	4.60	4.41	3.98	3.86	4.17
CI	~~9.94~~	~~46.97~~	~~62.55~~	~~62.58~~	~~62.58~~	~~62.58~~	~~62.58~~
NUSA	~~27.22~~	~~27.57~~	~~27.62~~	~~28.59~~	~~33.89~~	~~44.83~~	~~36.59~~
RASA	4.94	4.83	4.87	4.85	4.94	5.10	4.97
PRECHA	5.71	5.86	5.81	5.95	6.57	6.57	6.90
LL	~~n/a~~	~~n/a~~	~~n/a~~	~~n/a~~	~~n/a~~	~~n/a~~	~~n/a~~
Average PER	**12.29**	**11.55**	**10.90**	**10.31**	**9.14**	**8.47**	**8.23**

Source: Information as of September 7, 2012 from www.setsmart.com

The IFA disregarded the outliers of average PER from this calculation to prevent the valuation result from being significantly deviated. The details of such outliers are presented in the above Table. Thereafter, the IFA applied the average PER obtained to the earning per share of Grand U to derive at fair price. Based on the historical earning of Grand U during the latest 4 quarters from Q3/2011 until Q2/2012, total earning was THB 436.54 million or THB 7.28 per share. The details of share valuation are presented as follow:

Table 24: Share Valuation of Grand U Using PER Approach

Historical Period (Business Days)	Average PER (times) (1)	Earning per Share (THB) (2)	Fair Value (THB per share) (3) = (1) * (2)
15 business days	12.29	7.28	89.43
30 business days	11.55		84.01
60 business days	10.90		79.30
90 business days	10.31		75.04
180 business days	9.14		66.48
240 business days	8.47		61.61
360 business days	8.23		59.90
Fair value of Grand U share (THB per share)		**59.90 – 89.43**	

Based on the above Table, **the fair value of Grand U share ranges between THB 59.90 – 89.43 per share** which is higher than the proposed acquisition price at THB 15.00 per share by 299.37% – 496.17%. Nonetheless, this approach has some constraints regarding the differences between comparable companies in terms of the types of projects developed, funding structure, management efficiency, business plan for the development of future projects as well as stock's trading liquidity. In addition, this valuation approach takes into account only the earnings of Grand U at a point in time without taking into consideration the profit generating capability in the future. Therefore, the IFA views that Price to Earning Ratio Approach is **inappropriate** for the valuation of Grand U's share.

b) Price to Book Value Ratio Approach

Based on the Price to Book Ratio Approach, the IFA has determined the cut-off date for the calculation of average historical P/BV to be on September 7, 2012. In this regards, the IFA has calculated the historical 15 – 360 business days average P/BV for comparable companies which can be summarized as follow:

Table 25: Average Historical PER of Peers Comparable for the Valuation of Grand U's Share

Peers Comparable	Historical Period (Business Days)						
	15 days	30 days	60 days	90 days	180 days	240 days	360 days
LH	2.66	2.60	2.56	2.52	2.45	2.37	2.34
PS	2.19	2.21	2.13	2.03	1.93	1.88	2.15
SIRI	1.50	1.48	1.42	1.38	1.28	1.17	1.08
QH	1.21	1.21	1.19	1.17	1.13	1.08	1.14
BLAND	0.64	0.61	0.54	0.51	0.49	0.46	0.47
AP	2.04	1.97	1.92	1.86	1.69	1.61	1.60
PF	0.73	0.77	0.77	0.75	0.68	0.61	0.58
SPALI	2.98	2.92	2.80	2.69	2.53	2.41	2.31
SC	1.10	1.06	1.04	1.02	1.02	0.96	0.97
~~RML~~	~~5.38~~	~~7.89~~	~~9.34~~	~~9.66~~	~~8.04~~	~~6.88~~	~~5.57~~
LPN	3.63	3.65	3.67	3.63	3.32	3.08	2.89
NOBLE	0.70	0.70	0.68	0.67	0.68	0.66	0.69
GLAND	2.63	2.47	2.33	2.24	2.10	2.16	2.22
MJD	0.91	0.87	0.74	0.69	0.64	0.61	0.62
PRIN	0.59	0.59	0.56	0.54	0.51	0.49	0.52
MK	0.50	0.50	0.49	0.48	0.48	0.47	0.49
A	1.15	1.15	1.14	1.14	1.12	1.11	1.12
ESTAR	0.88	0.87	0.89	0.91	0.82	0.74	0.70
SENA	0.95	0.91	0.88	0.86	0.86	0.84	0.84
CI	0.86	0.82	0.76	0.69	0.59	0.56	0.53
NUSA	0.99	1.00	1.00	1.02	1.08	1.09	0.80
RASA	1.08	1.08	1.10	1.12	1.25	1.25	1.13
PRECHA	0.62	0.62	0.61	0.61	0.65	0.64	0.62
LL	1.21	1.24	1.17	1.26	1.74	1.80	1.57
Average PBV	**1.38**	**1.36**	**1.32**	**1.30**	**1.26**	**1.22**	**1.19**

Source: Information as of September 7, 2012 from www.setsmart.com

The IFA disregarded the outliers of average P/BV from this calculation to prevent the valuation result from being significantly deviated. The details of such outliers are presented in the above Table. Thereafter, the IFA applied the average P/BV obtained to the book value per share of Grand U to derive at fair price. Based on the financial statement of Grand U for the 6 month period ended June 30, 2012, the book value of shareholders' equity was THB 1,221.02 million or THB 20.35 per share. The details of share valuation are presented as follow:

Table 26: Share Valuation of Grand U Using P/BV Approach

Historical Period (Business Days)	Average P/BV (times) (1)	Book Value per Share (THB) (2)	Fair Value (THB per share) (3) = (1) * (2)
15 business days	1.38	20.35	28.08
30 business days	1.36		27.69
60 business days	1.32		26.89
90 business days	1.30		26.36
180 business days	1.26		25.69

Historical Period (Business Days)	Average P/BV (times) (1)	Book Value per Share (THB) (2)	Fair Value (THB per share) (3) = (1) * (2)
240 business days	1.22		24.84
360 business days	1.19		24.23
Fair value of Grand U share (THB per share)		**24.23 – 28.08**	

Based on the above Table, **<u>the fair value of Grand U share ranges between THB 24.23 – 28.08 per share</u>** which is higher than the proposed acquisition price at THB 15.00 per share by 61.50% – 87.20%. Nonetheless, this valuation approach is not only excluding the consideration of future revenue generating ability, but the difference in details of the business of comparable listed companies also affected the valuation result. Therefore, the IFA views that Price to Book Ratio Approach is **<u>inappropriate</u>** for the valuation of Grand U share.

4. Discounted Cash Flow Approach

Discounted Cash Flow Approach evaluates the fair value of Grand U share by taking into consideration free cash flow generating capability of Grand U in the future. Such free cash flow will then be discounted with an appropriate discount rate or the weighted average cost of capital ("WACC") to derive the present value.

In this regards, the IFA has performed the financial projection for each real estate project under Grand U, comprising of 1) the completed projects 2) the projects under construction and 3) the future projects to begin the construction. The details of Grand U's project are presented in the following Table. Thereafter, the IFA has calculated the expected net cash flow to be received from each project to derive at the fair value of Grand U's share price.

Table 27: Real Estate Projects Operated under Grand U for the Valuation of Grand U's Share Price

Project	Current Status
Completed Projects	
1. U delight @ On Nut Station	The project is completed and under sale/transfer period
Projects under Construction	
2. U delight 2 @ Bangsue Station	The project is expected to be completed in November 2012 and the ownership transfer is expected to begin in December 2012
3. U delight Residence Patanakarn-Thonglor	The project is expected to be completed in December 2013 and the ownership transfer is expected to begin in January 2014
4. U Delight 3 Prachachuen-BangSue	The project is expected to be completed in June 2013 and the ownership transfer is expected to begin in July 2013
5. Condo U @ Huamak Station	The project is expected to be completed in June 2013 and the ownership transfer is expected to begin in July 2013
Future Projects to begin Construction	
6. Condo U Ratchayothin (Paholyothin 32)	The project is expected to begin construction in late September 2012 and to be completed in September 2013. The ownership transfer is expected to begin in October 2013.
7. Udelight @ Paholyothin Station	The project is expected to begin construction in February 2013 and to be completed in April 2014. The ownership transfer is expected to begin in May 2014.

Based on the MOU among the shareholders of Grand U which are the Company, LPN and Yaowawong, the proposed transaction price is calculated based on the expected net cash flow to be received from the 5 projects of Grand U under development as of June 30, 2012 comprising of the following projects.

1) U delight @ OnNut Station
2) U delight 2 @ Bangsue Station
3) U delight Residence Patanakarn-Thonglor
4) U Delight 3 Prachachuen-BangSue and

5) Condo U @ Huamak Station

However, the future projects to begin construction in the near future comprising of the followings:
1) Condo U Ratchayothin (Paholyothin 32) in which on June 30, 2012, Grand U had made payment for the land and already received the transfer of ownership. The project was open for sale on September 15, 2012.
2) U delight @ Paholyothin Station in which on August 31, 2012, Grand U had made payment for the land and already received the transfer of ownership. The project was open for sale on September 15, 2012.

In this regards, the IFA views that it is appropriate to incorporate the expected performances of the future projects which have clear business plan in the calculation of the fair value of Grand U's share price. The IFA has performed the financial projection for each project primarily based on the financial projection received from the management of Grand U, then adjusting certain assumptions to reflect the current economic situation, competitive environment as well as to be in accordance with the conservative basis.

The IFA has performed the financial forecast over the 2 years and 6 months period starting from July 2012 until December 2014 to be in line with the period of the above projects of Grand U. The financial forecast is performed under the underlying assumption that there will not be any significant changes affecting the business operation of Grand U or otherwise this valuation result could also be affected as well.

Key underlying assumptions under this financial projection are as follow:

1) Revenue from sales of condominium units

The IFA has forecasted the average selling price per unit for the remaining units under each project of Grand U based on the project value of each project according to the business plan of the management. In this regards, the actual selling price, calculated from the actual units sold and total sales value up to June 30, 2012 is in range with the forecasted selling price by the IFA; the actual selling price is higher than the forecasted selling price by around 12.06% to lower by 2.88%. The details of the forecasted selling price under each project are presented in the following Table.

Table 28: Projected Selling Price per Unit under Each Project of Grand U

Projects	Total Units	Salable Area (sq.m.)	Average Salable Area (sq.m./ unit)	Average Selling Price (THB/sq.m.)	Projected Selling Price per Unit (THB million)	Actual Selling Price per Unit for Unit Sold up to June 30, 2012	Actual Selling Price Higher (Lower) than Projected Selling Price (%)
1. U delight @ OnNut Station	773	24,593	31.82	57,800	1.84	1.93	5.09%
2. U delight2 @ Bangsue Station	645	18,786	29.13	54,513	1.59	1.60	0.73%
3. U delight Residence Patanakarn-Thonglor	676	23,704	35.07	61,500	2.16	2.42	12.06%
4. U delight 3 Prachachuen-Bang Sue	745	25,071	33.65	58,585	1.97	1.91	-2.88%
5. Condo U @ Huamak Station	408	13,241	32.45	48,000	1.56	1.62	3.83%
6. Condo U Ratchayothin (Paholyothin 32)	394	13,591	34.49	48,850	1.69	n/a	n/a
7. U delight @ Huai Khwang Station	389	13,342	34.30	63,000	2.16	n/a	n/a

Grand U will record the revenue from sale of condominium units when the ownership is transferred to customers. The customers are to make payment to Grand U in 2 portions as the followings.

1) Down payment of 10% of the selling price comprises the reservation payment, the contract payment and the remaining amount as installment payment. In this regards, the IFA forecasted the cash inflow from down payment based on the actual remaining installment period. As for the new projects that the down payments have not yet been made by customers, the IFA forecasted the installment period based on the business plan of the management.
2) The remaining 90% of the selling price is to be payable when the ownership of the condominium are transferred to customers. The IFA forecasted that Grand U can begin the transfer of condominium units to its customers in the month following the completion of the project construction.

As of June 30, 2012, Grand U had the accumulated sale and transferred units for 7 projects under each project as shown in the following Table. In this regards, the IFA forecasted the sale and transferred units in the future based on the business plan of the management, which is in accordance with the average sale and transferred unit per month of each project in the past.

Table 29: Accumulated Sale and Transferred Units as of June 30, 2012 and the Forecasted Sale and Transferred Units

Project	Total Units	Accumulated Sale Units as of Jun 30, 12	Accumulated Sale Units (%)	Forecasted Sale Units			Accumulated Transferred Units as of Jun 30, 12	Accumulated Transferred Units (%)	Forecasted Transferred Units		
				Jul – Dec 2012	2013	2014			Jul – Dec 2012	2013	2014
Completed Projects											
U delight @ On Nut Station	773	722	93.40%	51	-	-	434	56.41%	339	-	-
Projects under Construction											
U delight 2 @ Bangsue Station	645	620	96.12%	271	332	57	-	0.00%	161	1,637	676
U delight Residence Patanakarn-Thonglor	676	280	41.42%								
U delight 3 Prachachuen-BangSue	745	539	72.35%								
Condo U @ Huamak Station	408	375	91.91%								
Future Projects to Begin Construction											
Condo U Ratchayothin (Paholyothin 32)	394	-	0.00%	304	440	39	-	0.00%	-	294	489
Condo U @ Paholyothin Station	389	-	0.00%								
Total	**4,030**	**2,536**	**62.93%**	**626**	**772**	**96**	**434**	**10.77%**	**500**	**1,931**	**1,165**

2) Project Cost

Project cost comprises various types of cost including land cost, land improvement cost, construction cost for buildings and utilities, design fees, construction management fees and contingency. In this regards, the projects which are currently under construction had the accumulated project cost paid as of June 30, 2012 as presented in the following Table. The IFA determined the contingency to be 3.00% of the total project cost so as to be conservative. The details of the forecasted payment for the remaining project cost are presented in the following Table.

Table 30: Project Cost Paid as of June 30, 2012 and the Forecast of Future Payment

Project	Forecast of Total Project Cost (THB million)	Accumulated Project Cost Paid as of June 30, 2012		Forecasted Payment of the Remaining Project Cost		
		Land Cost	Construction Cost*	Jul – Dec 2012	2013	2014
Projects under Construction						
1. U delight 2 @ Bangsue Station 2. U delight Residence Patanakarn-Thonglor 3. U delight 3 Prachachuen-BangSue 4. Condo U @ Huamak Station	3,430.04	716.73	1,008.51	961.99	742.80	-
Projects to Begin Construction						
1. Condo U Ratchayothin (Paholyothin 32) 2. Condo U @ Paholyothin Station	1,056.47	117.62	-	320.34	536.41	82.10

Remark * including advanced payment for project development cost

3) Selling, General and Administrative Expenses

The IFA forecasted the selling, general and administrative expenses as a percentage of the total project value which is in accordance with the forecast of the selling, general and administrative expenses for real estate project in general. In addition, the forecast of such expenses are in line with the efficiency of Grand U in controlling and managing such expenses in the past.

- Marketing expenses : 3.00% of project value, payable in the selling month
- Commission expenses : 1.00% of project value, payable quarterly during the sale period
- Administrative expenses : 1.00% of project value, payable until the end of the project
- Transfer fee and special business tax : 4.30% of transferred value, payable in the month of ownership transferring

4) Financial Cost

The IFA forecasted the financial cost for each project based on the actual interest rate that Grand U obtained from financial institution for each credit line to finance the purchase of land and project construction ranging between 4.98% – 5.40% per annum. As for the projects that the loan agreements have not yet made with the financial institution, the IFA forecasted by applying the actual interest rate obtained for the past project.

5) Discount Rate

The IFA applied Weighted Average Cost of Capital (WACC) as a discount rate to calculate the present value of free cash flows to Grand U. WACC can be calculated based on the following equation.

$$\boxed{WACC = Ke*[E/(D+E)] + Kd*(1 - t)*[D/(D+E)]}$$

Nonetheless, cost of equity (“Ke”) is necessary in order to calculate WACC. Ke can be derived from Capital Asset Pricing Model (CAPM) based on the following equation.

$$\boxed{Ke = Rf + \beta\,(Rm - Rf)}$$

Whereas

Rf = The risk free rate based on the 30-year Government Bond Yield as of September 7, 2012 which is the date the IFA prepared this report, equals to 4.06% (Source: www.thaibma.or.th).

β = Beta co-efficient between return on the stock price and change in SET index (“Beta”). The IFA estimated Grand U’s beta based on the average historical beta of UV over 3 consecutive years which is 0.817 (Source: Bloomberg) since the IFA views that UV is the major shareholder of Grand U. In addition, the majority of revenue and operating profit of UV in the past are as a result of real estate projects under the development of Grand U and GUL. Therefore, the IFA views that the beta of UV can reflect the appropriate return that is in accordance with the business operation of Grand U.

Nonetheless, the IFA unlevered the leveraged beta of UV by removing UV’s capital structure out of such beta. As of June 30, 2012, the debt to equity ratio of UV was 1.85 times. Then, the IFA leveraged the unleveraged beta obtained with the debt to equity ratio of Grand U. As of June 30, 2012, the debt to equity ratio of Grand U was 1.06 times. This is with the objective of truly reflecting the real capital structure of Grand U. The leveraged beta of Grand U obtained is 0.595.

Rm = The market return in which the IFA estimated to be 14.72% per year based on the average return from investment in SET Index over 37 years during 1975 – 2011 (Source: www.set.or.th and the calculation of the IFA).

Based on the aforementioned assumptions, Ke can be calculated as follows:

Table 31: Calculation of the Cost of Equity of Grand U

Factors	Assumptions
Risk-free Rate (1)	4.06%
Risk Premium (Rm – Rf) (2)	10.66%
β (3)	0.595
Cost of Equity or Ke (4) = (1) + [(3)*(2)]	**10.40%**

The cost of equity (Ke) obtained from the calculation shown in the above Table is 10.40%. Then, Ke is applied in the calculation of WACC in which the IFA obtains the value of 7.95%. The details of the calculation are presented in the following Table.

Ke = Cost of equity based on Capital Asset Pricing Model (CAPM), equals to 10.40% as shown in the above Table.
Kd = Average cost of interest-bearing debt in which the IFA uses the weighted average interest rate of Grand U's loans as of June 30, 2012 equals to 5.01%.
t = Corporate tax rate of Grand U for 2012 equals to 23.00%
D = Portion of interest bearing debt of Grand U as of June 30, 2012 equals to THB 730.82 million
E = Portion of equity of Grand U as of June 30, 2012 equals to THB 1,221.02 million

Table 32: Calculation of Grand U's WACC

Factor	Assumption
Cost of Equity or Ke (1)	10.40%
Cost of Debt or Kd (2)	5.01%
D/(D+E) (3)	37.44%
Corporate tax rate or t (4)	23.00%
WACC or Discount Rate (5) = {(1)*[1-(3)]} + {(2)*[1-(4)]*(3)}	**7.95%**

The details of projected net cash flows to be received from the 7 condominium projects under the development of Grand U are presented in the following Table.

Table 33: Summary of projected free cash flows of Grand U during the latter 6 months of 2012 – 2014

Unit: THB million	Jul – Dec 2012	2013	2014
Sale units for all projects	**626**	**772**	**96**
Transferred units for all projects	**504***	**1,931**	**1,165**
Expected cash inflows from down payment	166.44	321.86	20.72
Expected cash inflows from transfer payment	831.52	3,028.74	2,285.69
Deduct expected cash outflows from project cost	-1,277.23	-1,279.22	-82.10
Deduct expected cash outflows from operation and tax	-368.45	-309.11	-397.01
Free cash flows to the firm (FCFF)	**-647.72**	**1,762.27**	**1,827.30**
Net present value of FCFF	**2,457.11**		
Add: cash as of June 30, 2012	63.71		
Minus: interest bearing debts as of June 30, 2012	730.82		
Net present value of shareholders' equity @ WACC = 7.95%	**1,790.00**		
No. of paid-up shares (million shares)	60.00		
Fair value of Grand U's share (THB/share)	**29.83**		
Minus: dividend to be paid based on the MOU (THB/share)	11.00		
Fair value of Grand U's share after dividend (THB/share)	**18.83**		

Remark * including the 4 remaining units of U Delight Huaykwang developed by GUL in which the management has informed that they are awaiting to be transferred to customers.

From the above Table, the fair value of Grand U's share is THB 18.83 per share. In addition, the IFA has conducted sensitivity analysis in order to analyze the impact from the variation of a certain factor from base case scenario as follows:

Scenario 1 Adjust the sale units to be 95% of the total remaining units unsold from 100% under the base case scenario
Scenario 2 Adjust WACC upward and downward by 0.50% from the based case scenario

Table 34: Sensitivity Analysis

Scenario	Projected Sale Units for All Projects	WACC	Fair Value of Grand U's Share (THB/share)	Fair Value of Grand U's Share after Dividend (THB/share)
Scenario 1 Adjust the sale units to be 95% of total remaining units unsold	3,954	7.95%	28.20	17.20
Base Case Scenario	**4,030**	**7.95%**	**29.83**	**18.83**
Scenario 2 Increase/decrease WACC by 0.50%	4,030	7.45% – 8.45%	29.39 – 30.29	18.39 – 19.29

Based on the sensitivity analysis shown in the above Table, **the fair value of Grand U share ranges between THB 17.20 – 19.29 per share (fair value after the adjustment by dividend)** which is 14.66% – 28.57% higher than the proposed acquisition price at THB 15.00 per share. This valuation approach takes into consideration future operating performance as well as the business plan of the management of Grand U in the future. Therefore, the IFA views that Discounted Cash Flow Approach is **appropriate** for the valuation of Grand U's share.

Table 35: Summary of Fair Value of Grand U's share Comparing to the Proposed Acquisition Price

Valuation Approach	Fair Value by IFA (THB per share)	Proposed Acquisition Price (THB per share)	Appropriateness of the Approach	Fair Value by IFA Higher (Lower) than Proposed Acquisition Price by (%)
1. Book Value Approach	20.35	15.00	Inappropriate	35.67
2. Adjusted Book Value Approach	9.35	15.00	Inappropriate	(37.66)
3. Market Comparable Approach				
- Price to Earning Ratio Approach	59.90 – 89.43	15.00	Inappropriate	299.37 – 496.17
- Price to Book Ratio Approach	24.23 – 28.08	15.00	Inappropriate	61.50 – 87.20
4. Discounted Cash Flow Approach	**17.20 – 19.29***	**15.00**	**Appropriate**	**14.66 – 28.57**

Remark * fair value after the adjustment by the dividend at THB 11.00 per share (fair value before dividend ranges between THB 28.20 – 30.29 per share)

The IFA views that the fair value of Grand U's share derived from the Discounted Cash Flow Approach is appropriate since this valuation approach takes into consideration of the capability of Grand U in generating future cash flows. In this regards, **the fair value of Grand U's share from Discounted Cash Flow Approach ranges between THB 17.20 – 19.29** per share **(fair value after the adjustment by dividend)** which is higher than the proposed acquisition price at THB 15.00 per share by 14.66% – 28.57%.

2.3.2 Fairness of the Conditions of the Transaction

The IFA has considered the conditions for the purchase of Grand U's shares from LPN and Yaowawong according to the MOU signed among the shareholders of Grand U comprise the following key conditions:

- Prior to the Transaction, Grand U will arrange for the payment of dividend for the year 2012 from its retained earnings until August 31, 2012 to the shareholders by the amount not less than THB 660.00 million or THB 11.00 per share. In this regards, the closing date of share register book to collect the list of shareholders entitled to the payment of dividend shall be within September 4, 2012 and the payment date shall be on December 27, 2012.
- In the case that Grand U pays dividend at higher or lower than THB 660.00 million or THB 11.00 per share, the seller and the buyer agrees to adjust the proposed transaction price at THB 15.00 per share by the increase or decrease amount of such dividend.

  Remark As at the preparation date of this IFA report, the management of the Company has informed that Grand U will pay dividend at THB 11.00 per share. Thus, the proposed acquisition price of Grand U's shares from LPN and Yaowawong will be at THB 15.00 per share without further changes.
- The seller shall be responsible for relevant tax and stamp duty arising from the Transaction. For other expenses arising from this MoU (if any), the Company and the seller agrees to bear its own cost and expenses.

- Both parties shall proceed for the Transaction to be completed within December 2012.
  Remark In case the Company does not receive the equity funding proceeds within the above period, the management of the Company has informed that it has already negotiated with the seller to extend the transaction period further.
- As at the date of the Transaction, the Company shall make the payment for the acquired shares pursuant to these agreed conditions. In addition, the seller shall deliver the share certificates as well as the share transfer documents entitled to the Buyer to the Buyer or designated appointed individual/juristic persons by the Buyer.

Based on the above condition stating that Grand U shall pay dividend to its shareholders prior to the Transaction and that the contract parties agree for the adjustment of the transaction price by the decrease/increase amount of the actual dividend paid, as such condition is agreed on the willingness of both parties and that the benefit of Company, as the shareholder of Grand U, is not impaired by such condition, the IFA views that such condition is appropriate. Additionally, other conditions stating that both parties shall be responsible for its own costs and expenses arising from the Transaction and that the price settlement shall be made on the date of share transfer, the IFA views that such conditions are in accordance with the general practice of the share purchase agreement. Therefore, the IFA views that **the conditions pursuant to the acquisition of Grand U's shares from LPN and Yaowawong are appropriate.**

2.4 Summary of opinion of the IFA

The acquisition of Grand U's shares from LPN and Yaowawong will render the Company to be the only shareholder of Grand U. As a result, it will help improving the efficiency and flexibility of the Company in managing the business of Grand U. In addition, it will provide the Company with the opportunity to earn higher return on its investment as Grand U's performance has continuously rising. Taking into consideration of the proposed acquisition price at THB 15.00 per share, it is lower than the range of fair value of Grand U's share evaluated by the IFA between THB 17.20 – 19.29 per share. Meanwhile, the conditions of the Transaction are agreed upon under the willingness of both parties and/or in accordance with the general practice for the share purchase and sale transaction. Also, such conditions do not impair the benefit of the Company as the shareholder of Grand U. Therefore, **the IFA views that the shareholders of the Company should approve the Transaction**, however; the decision to vote is solely under the discretion of the shareholder.

Section 3: The approval of The voluntary tender offer for all securities of Golden Land Property Development Public Company Limited

3.1 Characteristic and details of the transaction

The Company has the intention to perform the voluntary tender offer for acquiring all securities of GOLD. The offering price for the acquisition of GOLD's ordinary shares is at THB 5.50 per share and for the warrant is at THB 2.50 per unit, respectively. The Company entered into the Sell and Purchase Agreement for acquiring ordinary shares of GOLD and GOLD-W1 with RKIL which is one of the shareholders of GOLD. RKIL agrees to dispose of 281,316,464 shares (equivalent to 24.80% of total issued and paid-up shares of GOLD) and 108,479,551 units of GOLD-W1 to the Company under the VTO at the same offering price set by the Company. The transaction shall be considered completed when the Company is able to acquire the ordinary shares of GOLD at greater than 50% of GOLD issued and paid-up shares.

3.1.1 Category and size of the transaction

The voluntary tender offer for acquiring all securities of GOLD is considered as the acquisition of asset with a transaction size of 340.22% of NTA as of June 30, 2012. When combining such transaction size with the other transaction which is the acquisition of Grand U's ordinary shares from LPN and Yaowawong at 24.96% of NTA, the combined transaction size is at 365.18% of NTA. Thus, the Company is required to seek approval from the shareholders' meeting with affirmative votes of not less than three-fourths of the total number of votes attending the meeting and having the right to vote, excluding the votes of the shareholders who have conflict of interest. Under this agenda, there are no such shareholders who have the conflict of interest and do not have the right to vote.

3.1.2 Relevant parties, key condition of contracts and detail of assets

Relevant parties

Buyer	:	Univentures Public Company Limited
Seller	:	The shareholders of GOLD's securities and Rock Key International Limited*
Relationship of the Parties	:	The Buyer and RKIL have no relationship with each other in respect of the shareholding or joint management. The Transaction is not considered as the connected transaction according to the regulations of the SET (In this regards, the IFA has received the letter issuing by Adelfos Company Limited ("Adelfos"), the major shareholder of the Company, stating that Adelfos and its persons under Section 258 of the Securities and Exchange Act BE 2535 (and its amendments) does not hold shares in GOLD both directly and indirectly. Also, Adelfos does not have any significant relationship with GOLD or the major shareholder of GOLD or the directors of GOLD such as jointly operate the business, having related transactions, jointly invest in other businesses or having any agreements or contracts between each other)

Remark *RKIL is the company organized under the laws of British Virgin Islands with is office located at Trident Trust Company (B.V.I.) Limited, Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands

Summary of key conditions of the voluntary tender offer to purchase all Securities of GOLD and agreement to sell and purchase shares with Rock Key International Limited

Counterparties	:	Univentures Public Company Limited (the "**Buyers**") and Rock Key International Limited and shareholders of GOLD's securities who express their intentions to sell such securities (the "**Seller**")
Date of The Agreement	:	September 7, 2012
Property To Be Purchased and Sold	:	▪ 281,316,464 common shares of GOLD and 108,479,551 units of warrants of GOLD from RKIL in accordance with the Sales and Purchase Agreement for the securities of GOLD through the Voluntary Tender Offer to purchase all securities of GOLD and;

		▪ The Voluntary Tender Offer of all remaining securities of GOLD, which includes 852,831,260 common shares of GOLD and 395,586,104 units of warrants of GOLD
Purchase Price	:	▪ THB 5.50 per share for all common shares of GOLD ▪ THB 2.50 per unit for all warrants of GOLD
Major Conditions	:	▪ The Company agrees to purchase and RKIL agrees to sell the securities stipulated in the Agreement to Purchase the Securities of GOLD whereby the Company will conduct Voluntary Tender Offer to purchase all securities of GOLD pursuant to the Notification of the Capital Market Supervisory Board No. Tor Jor 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeover ▪ In making such tender offer to purchase all securities of GOLD, the Buyer will stipulate a condition that the Buyer is entitled to cancel such tender offer to purchase all securities of GOLD in case that, upon the completion of such tender offer, the Buyer is unable to purchase more than 50% of the total issued shares of GOLD
Conditions Precedent	:	▪ The Extraordinary General Meeting of the Shareholders No. 1/2012, which will be held on 17 October 2012, resolves to approve the acquisition of GOLD's securities along with other relevant matters with at least 3/4 votes from the total voting rights of the shareholders who attend the meeting and are entitled to vote, excluding the portion of any conflicting shareholders. ▪ The Extraordinary General Meeting of the Shareholders No. 1/2012, which will be held on 17 October 2012, resolves to approve the capital increase of the Company along with the allocation of newly issued shares to repay bridge loan from financial institution(s) for the Voluntary Tender Offer to purchase all securities of GOLD ▪ The Buyer is able to purchase more than 50% of the total issued shares of GOLD from the VTO process.

Value of the assets to be acquired and consideration value

The maximum transaction value of THB 7,497,976,619.50 comprises of

- THB 6,237,812,482 for the acquisition of all common shares of GOLD (1,134,147,724 shares) at THB 5.50 per share
- THB 1,260,164,137.50 for the acquisition of all warrants of GOLD (504,065,655 Unit) at THB 2.50 per unit

The offering price of the securities is based on the agreed selling price of GOLD's ordinary shares between the Company and RKIL. The payment will be made to shareholders of GOLD who intends to sell their shares upon the completion of tender offer period.

Information of asset

General information of GOLD which is the asset to be acquired by the Company. The details are presented as follow:

a) General information

Golden Land Property Development PLC (the "Company") was established in 1978 to operate the business of property development. The Company was listed on the Stock Exchange of Thailand on 29th March 1994 and converted from a private limited company into a public limited company on 17th June 1994.

As of June 30, 2012, GOLD had a registered capital of THB 16,382,133,790 comprising of 1,638,213,379 ordinary shares at a par value of THB 10.00 per share and paid-up capital of THB 11,341,477,240 comprising of 1,134,147,724 ordinary shares at a par value of THB 10.00 per share. The unissued shares is registered and reserved for the exercise of GOLD-W1 offered and allotted to the existing shareholders of GOLD who have subscribed for and been allocated with the newly issued ordinary shares in proportionate with their shareholdings (accordance to the resolution for Extraordinary General Shareholders' Meeting 1/2011 of GOLD dated on March 3, 2011). The preliminary details of GOLD-W1 and results of warrant exercise are as follow:

Name	:	Warrants representing right to purchase newly issued ordinary shares of Golden Land Property Development Public Company Limited No. 1 ("GOLD-W1")
Type	:	In name certificated form and transferable
Issuance Amount	:	504,065,655 units
Price per Unit	:	THB 0
Exercise Ratio	:	1 unit of Warrants for 1 ordinary share, unless the exercise ratio is adjusted under the conditions of the rights adjustment
Exercise Price	:	THB 3 per share, unless the exercise price is adjusted under the conditions of the rights adjustment
Term of the Warrants	:	Three (3) years from the Issuance Date. After the issuance of the Warrants, the Company will not extend the term of the Warrants.
Allocation Method	:	The Warrants shall be allocated to the existing shareholders of GOLD who have subscribed for and been allocated the newly issued ordinary shares through the Right Offering whose names appeared as shareholders of GOLD on the date of determination of names of shareholders who will be entitled to subscribe for and be allocated the newly issued ordinary shares (Record Date) on March 11, 2011 and the date of gathering the names of shareholders under Section 225 of the Securities and Exchange Act B.E. 2535 (1992) (as amended) by closing the shareholder register and suspension of share transfer on March 14, 2011 at the ratio of 1 newly issued ordinary share allocated for 1 unit of Warrants.
Exercise Period	:	The Warrant holders shall be entitled to exercise their rights under the Warrants on the last business day of every March, June, September and December of each calendar year throughout the term of the Warrants. In any case, the first exercise date shall be June 30, 2011 and the last exercise date shall be the date on which the Warrants reach 3 years from the issuance date.
Numbers of Ordinary Shares Allocated to Accommodate the Exercise of the Warrants	:	504,065,655 shares or 44.44% of the total shares sold of GOLD.
Secondary Market for the Warrants	:	GOLD will list the Warrants on the SET.
Result of the Exercise of GOLD-W1	:	

No.	Exercise Date	Number of Exercised Warrants (Unit)	Total Warrants Remaining (Unit)
1	June 30, 2011	-	504,065,655
2	September 30, 2011	-	504,065,655
3	December 30, 2011	-	504,065,655
4	March 30, 2012	-	504,065,655
5	June 29, 2011	-	504,065,655

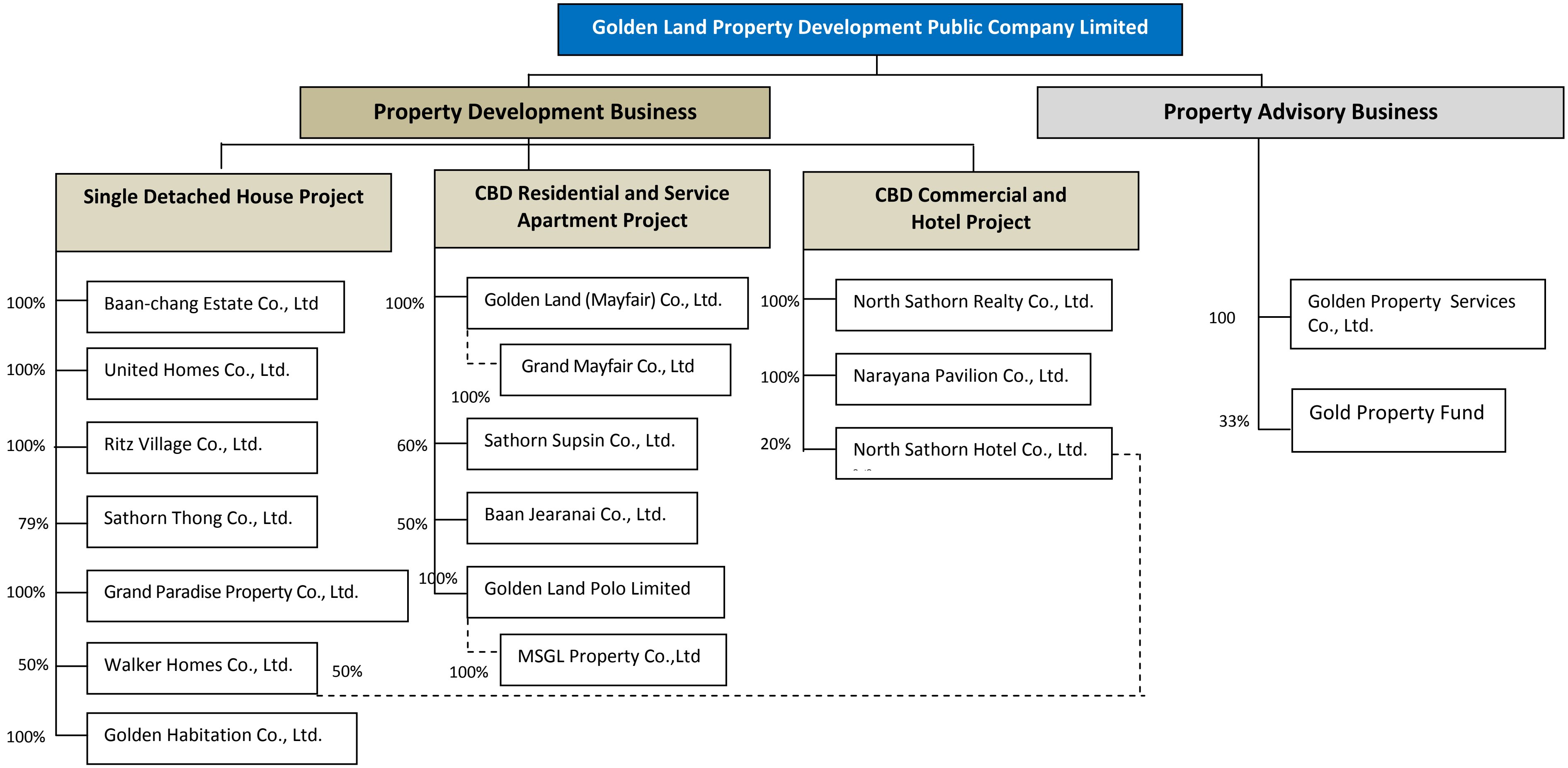
The Subsidiaries and Associated Companies of GOLD as of June 30, 2012 are listed as follow:

Table 36: Information of the Subsidiaries and Associated Companies of GOLD as of June 30, 2012

Company Name	Type of Business	Registered Capital (THB)	Par Value (THB)	No. of Issued Ordinary Share	% of Shares holding
Baan-chang Estate Co., Ltd	Property Development	30,000,000	100	300,000	100.00
Narayana Pavilion Co., Ltd.	Office Building Rental	475,000,000	100	4,750,000	100.00
United Homes Co., Ltd.	Property Development	500,000,000	10	50,000,000	100.00
Golden Land (Mayfair) Co., Ltd.	Residential Building Rental	11,000,000	10	1,100,000	100.00
North Sathorn Realty Co., Ltd.	Property Development	638,600,000	10	63,860,000	100.00
Ritz Village Co., Ltd.	Property Development	100,000,000	10	10,000,000	100.00
Golden Land Polo Limited	Property Development	1,000,000	10	100,000	100.00
Grand Paradise Property Co., Ltd.	Property Development	1,000,000	10	100,000	100.00
Golden Property Services Co., Ltd.	Property Development Managements	1,000,000	10	100,000	100.00
Golden Habitation Co., Ltd.	Property Development	5,000,000	10	500,000	100.00
Sathorn Thong Co., Ltd.	Property Development	220,000,000	10	22,000,000	79.00
Sathorn Supsin Co., Ltd.	Residential Building Rental	245,000,000	10	24,500,000	60.00
Walker Homes Co., Ltd.	Property Development	1,000,000	10	100,000	50.00
North Sathorn Hotel Co., Ltd.	Property Development	1,100,000,000	100	11,000,000	20.00
Gold Property Fund	Investment in Property for Sale or Rent	2,060,000,000	10	206,000,000	33.00
Baan Jearanai Co., Ltd.	Property Development	20,000,000	10	2,000,000	50.00

Source: Form 56-1 of GOLD in 2010

Diagram 4: Overview of the Operation of GOLD, its Subsidiaries and Associated Companies as of December 31, 2011



Source: Form 56-1 (2011) of GOLD

a) Type of Business

GOLD, its subsidiary companies and associated companies operate the business of property development. The current operations of GOLD Group can be divided into two main segments as follows:

1) Property Development Business of GOLD is classified into 3 characteristics which are Single detached housing communities, CBD residential projects and CBD commercial projects. The details are presented in GOLD's Form 56-1 of 2011 as follows:

Table 37: Property Project of GOLD Group

Project Name	Detail of Project
Single Detached Housing Projects	
Golden Legend Operated by United Homes Co., Ltd. And Ritz Village Co., Ltd.	Location: Kalaprapruek Rd., Bangkhunthian, Chomtong, Bangkok Summary information of project: The luxurious single detached housing under the idea of French Colonial Style with an area of 100 – 120 sq.m. each. The details are presented as follows: Phase 1 136 Units 64-3-95.9 Rais Phase 2 94 Units 49-2-83.6 Rais Phase 3 25 Units 17-2-15.0 Rais Phase 4 17 Units 10-0-27.5 Rais **Total 272 Units 142-1-22.0 Rais** Current Project Status: Project closed Map  Picture of Project 
Golden Nakara Operated by United Homes Co., Ltd. and Ritz Village Co., Ltd.	Location : Soi OnNut 65, OnNut Rd., Prawet, Bangkok Summary information of project: The single detached housing under the idea of Resort Living with an area of 100 – 200 sq.w. each. The target market is middle-class to upper-class customers. The details are presented as follows: Phase 1 247 Units 106-1-35.1 Rais Phase 2.1 - Units 85-0-35 Rais Phase 2.2 - Units 66-3-55 Rais **Total 247 Units 258-1-25.1 Rais** Current Project Status: The project is open for sales.

<table>
<tr><th>Project Name</th><th>Detail of Project</th></tr>
<tr><td></td><td>
<u>Map</u> <u>Picture of Project</u>



</td></tr>
<tr><td>Golden Heritage
Operated by United Homes Co., Ltd. and Ritz Village Co., Ltd.</td><td>
<u>Location</u> : Moo 13, Rachapruek Rd., Bang-Ramart, Taling Chan, Bangkok
<u>Summary information of project</u>: The luxurious single detached housing under the idea of Colonial Riviera Style with an area of 100 – 200 sq.w. each. The details are presented as follows:
Phase 1 108 Units 83-3-61.6 Rais
Phase 2 111 Units 70-2-64 Rais
Total 219 Units 154-2-25.6 Rais
<u>Current Project Status</u>: Phase 1 is open for sales and Phase 2 is under construction development.
<u>Map</u> <u>Picture of Project</u>




</td></tr>
<tr><td>Grande Monaco
Operated by
United Homes Co., Ltd.</td><td>
<u>Location</u> : Kanchanapisek Rd., (Bangna-Trad – OnNut Ring Rd.), Dokmai, Prawet, Bangkok
<u>Summary information of project</u>: The luxurious single detached housing under the idea of French Riviera Style with an area of 80 – 250 sq.w. each. The details are presented as follows:
Phase 1 178 Units 64-1-41.9 Rais
Phase 2 - Units 43-3-33.0 Rais
Phase 4 - Units 33-0-83.9 Rais
Total 178 Units 141-1-58.8 Rais
<u>Current Project Status</u>: The project is open for sales.
</td></tr>
</table>

<table>
<tr><th>Project Name</th><th>Detail of Project</th></tr>
<tr><td></td><td>

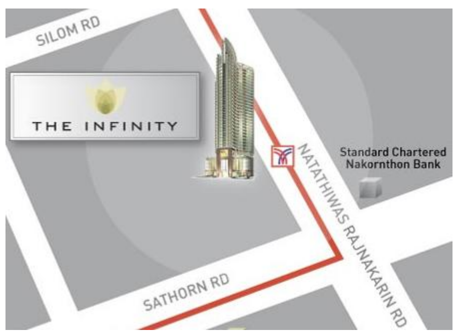
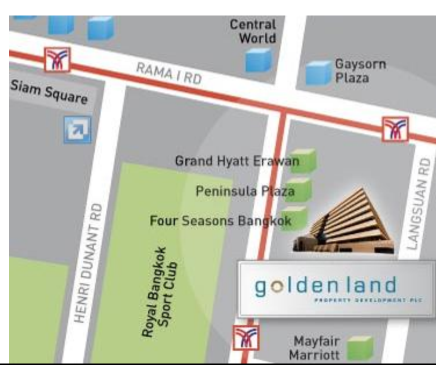
<u>Map</u> <u>Picture of Project</u>

</td></tr>
<tr><td>Golden Village
Operated by
Baan Chang Estate Co., Ltd.</td><td><u>Location</u> : Sukhumvit Rd. Km.195, BannChang, Rayong
<u>Summary information of project</u>: The developed projects are residential buildings, single detached housing and commercial buildings for small to medium sized families.</td></tr>
<tr><td>Baan Suan Suay
Operated by Sathorn Thong Co., Ltd.</td><td><u>Location</u> : Chaloem Phra Kiat Rd., Bangkok</td></tr>
<tr><td colspan="2">CBD Residential / Service Apartment Projects</td></tr>
<tr><td>Mayfair Marriott
Operated by Grand Mayfair Co., Ltd.</td><td>

<u>Location</u> : 658 Soi Langsuan, Bangkok
<u>Summary information of project</u>: Project Mayfair Marriott Executive Apartments is a service apartment with 25 story tower with total area of 16,000 sq.m. offering 164 units with two and three bedrooms. Marriott International, the leading hotel management company, is in partnership to manage the project with GOLD.
<u>Current Project Status</u>: Operational

<u>Map</u> <u>Picture of project</u>

</td></tr>
<tr><td>The Ascott Sathorn Bangkok and Sky Villas
Operated by
Sathorn Supsin Co., Ltd.</td><td><u>Location</u> : 187 South Sathorn Road, Bangkok
<u>Summary information of project</u>: The Ascott Sathorn Bangkok is the residential and serviced apartment, which is a Grade A and 35-floor building, with 177 units and rental space of 25,000 sq.m. located at CBD (Central Business District) nearby Silom and Sukhumvit shopping and business districts. The building is in a walking distance to the Chong Nonsri Skytrain station. The Ascott Group Limited, an operator of serviced apartments and luxurious residential tower across Asia Pacific, operates the building. The 1 – 20 floors is located for service apartment and the 21 – 35 floor is located for Sky Villa, luxurious residences with 1 – 3 bedrooms and penthouse offering in a long term lease contract.
<u>Current Project Status</u>: The part of service apartment is in operation and there are 3</td></tr>
</table>

Project Name	Detail of Project
	remaining units in Sky Villas (based on information from Form 56-1 of 2010) Map / Picture of project  
The Infinity Operated by North Sathorn Realty Co., Ltd.	Location : Naradhiwas Rd. (beside Sathorn Square Office Tower and Chong Nonsi Station of BTS Summary information of project: Project Infinity is a 33-floor condominium comprising of 123 residences which designed by world-class architect. Current Project Status: Project closed (Transferred the last condominium units ownership to customers since September 2011) Map / Picture of project  
CBD Commercial / Hotel Projects	
Goldenland Building Operated by Narayana Pavilion Co., Ltd.	Location : 153/3 Soi Mahardlekluang 1, Rajdamri Rd., Bangkok, 10500 Summary information of project: Golden land building is an office tower comprising of 8 floors with gross internal area of 11,000 sq.m.and 2-storey parking building with more than 200 parking places wherewith located near Ratchadamri station and Chitlom station. Current Project Status: Operational Map / Picture of project  

Project Name	Detail of Project
Inchcape Ramkamhaeng Operated by GOLD	Location: Ramkamhaeng Rd. Summary information of project: Land area equals to 31.18 Rais, comprising 8 storey floor office building with 8,010 sq.m. space available for rent and rental storehouse with 31,046 sq.m. space available for rent. Current Project Status: halt further development for more study on the more appropriate project in the future.
Sathorn Square Office Tower Operated by North Sathorn Realty Co., Ltd.	Location: 98, North Sathorn Road, Silom, Bangrak, Bangkok Summary information of project: Sathorn Square office project is an office tower, 40 storey height with gross internal area of 73,000 sq.m. The building also connects with Chongnonsri station. Current Project Status: Operational Map  Picture of project 
W Bangkok Operated by North Sathorn Hotel Co., Ltd.	Location : 106, North Sathorn Road, Silom, Bangrak, Bangkok Summary information of project: W Bangkok and historic building of later home to Russian embassy is luxury six-star hotel with area equals to 7,592 sq.m. is located near business area of Bangkok and Sathorn Square building. Current Project Status: under development with the opening schedule in fourth quarter this year. Map  Picture of project upon completion 
Rama IV (Pai Singtoe) Operated by GOLD	Location: 2535, Rama IV Rd., Klongtoey, Bangkok Summary information of project: RAMA IV project is located opposite to Queen Sirikit national convention center and stock exchange of Thailand cover 9 Rais around the corner of RAMA IV road and Ratchadapisek road. The building contains 1) Office and shopping space of 48,000 sq.m. 2) Mid-range hotel with 265 rooms. Current Project Status: under development with the opening schedule in 2015.

<table>
<tr><th>Project Name</th><th>Detail of Project</th></tr>
<tr><td></td><td>
<u>Map</u>

<u>Picture of project upon completion</u>


</td></tr>
<tr><td colspan="2">Others</td></tr>
<tr><td>Panorama Golf & Country Club (Voyage Panorama) Operated by GOLD</td><td>
<u>Location</u>: 68 Moo10, Nongyakao, Si Khiu, Nakhon Ratchasima
<u>Summary information of project</u>: Panorama Golf & Country Club is a resort for relaxing with the area of 2,000 Rais. It comprises of 18-hole standard golf course, land property, detached house, golf school, sport complex, woodlot, shopping area and seminar rooms.
<u>Current Project Status</u>: Operational

<u>Map</u>

<u>Picture of project</u>


</td></tr>
</table>

All real estate projects of GOLD, subsidiaries and affiliated as mention above have obligation that specified in Table 38 on the next page.

Table: 38 Obligations on GOLD's and its subsidiaries' and associated companies' assets as of December 31, 2011

Project Name	Location	Space	Obligated Value	Obligation	Ownership
Panorama Golf & Country Club	Mittraphap Rd. km.199, Si Khiu, Nakhon Ratchasima	353-1-79 rais	15,200,000	Collateral for Loan	GOLD
Panorama Golf & Country Club	Mittraphap Rd. km.199, Si Khiu, Nakhon Ratchasima	1147-3-60 rais	450,100,000	Collateral for Loan	GOLD
Panorama Golf & Country Club	Mittraphap Rd. km.199, Si Khiu, Nakhon Ratchasima	142-0-63 rais	40,000,000	Securities on Guarantees	GOLD
Panorama Golf & Country Club	Mittraphap Rd. km.199, Si Khiu, Nakhon Ratchasima	2-3-74 rais	1,770,000	Securities on Litigation Claim	GOLD
Panorama Golf & Country Club	Mittraphap Rd. km.199, Si Khiu, Nakhon Ratchasima	34-2-79 rais	27,758,000	Securities on Litigation Claim	GOLD
Panorama Golf & Country Club	Mittraphap Rd. km.199, Si Khiu, Nakhon Ratchasima	5-0-75 rais	4,150,000	Securities on Litigation Claim	GOLD
Panorama Golf & Country Club	Mittraphap Rd. km.199, Si Khiu, Nakhon Ratchasima	0-2-98 rais	596,000	Securities on Litigation Claim	GOLD
Panorama Golf & Country Club	Mittraphap Rd. km.199, Si Khiu, Nakhon Ratchasima	0-1-41rais	211,500	Securities on Litigation Claim	GOLD
Land	Nong-Talay, Krabi	118-3-20 rais	100,000,000	Collateral for Loan	GOLD
Land	Bangkapi, Bangkok	31-0-70 rais		Collateral for Loan	GOLD
Ramkamhaeng Complex	Ramkamhaeng Rd., Bangkapi, Bangkok	42,457.50 Sq.m.	400,000,000	Collateral for Loan	GOLD
Land	Soi Pai Singtoe, Rama IV Rd., Klongtoey, Bangkok	8-3-75.28 rais	40,000,000	Securities for Guarantees on utilities	GOLD
Golden Legend	Kalaprapruek Rd, Bang kae, Bangkok	34-3-10.9 rais	136,487,642	Collateral for Loan	United Homes Co., Ltd., Ritz Village Co., Ltd.and Walker Homes Co., Ltd.
Golden Heritage	Rachapruek Rd., Taling Chan, Bangkok	80-1-87.4 rais	470,000,000	Collateral for Loan	United Homes Co., Ltd., Ritz Village Co., Ltd. Grand Paradise Property Co., Ltd. Walker Homes Co., Ltd.
Golden Nakara	New Rama IV Rd., Prawet, Bangkok	29-2-52.7 rais	3,615,637	Securities for Guarantees on utilities	United Homes Co., Ltd., Ritz Village Co., Ltd. Grand Paradise Property Co., Ltd. Walker Homes Co., Ltd.
Grande Monaco	Bangna - Trad km.8, Prawet, Bangkok	110-1-63.6 rais	3,124,979	Securities for	United Homes Co., Ltd., Ritz Village Co., Ltd.

Project Name	Location	Space	Obligated Value	Obligation	Ownership
				Guarantees on utilities	Grand Paradise Property Co., Ltd. Walker Homes Co., Ltd.
Baan Suan Suay	Chaloem Phra Kiat Rd. , Bangkok	0-3-65 rais	4,800,000	Collateral for Loan	Sathorn Thong Co., Ltd.
Golden Village	Sukhumvit Rd. Km.195, BannChang, Rayong	4-0-17.5 rais	10,000,000	Collateral for Loan	Baan-chang Estate Co., Ltd
The Ascott Sathorn Bangkok	South Sathorn Road, Sathorn, Bangkok	4-1-66.01 rais	900,000,000	Collateral for Loan	Sathorn Supsin Co., Ltd.
Sathorn Square – Office for rent	Naradhiwas Rd., Bangkok	5-0-60.32 rais	2,460,000,000	Collateral for Loan	North Sathorn Realty Co., Ltd.
W Bangkok Hotel	Naradhiwas Rd., Bangkok	4-3-17.45 rais	3,045,000,000	Collateral for Loan	North Sathorn Hotel Co., Ltd.
Goldenland Building (**Golden Pavilion**)	Rajdamri Rd., Patumwan, Bangkok	3-1-37 rais	200,000,000	Collateral for Loan	Narayana Pavilion Co., Ltd.

Source: Form 56-1 (2011) of GOLD

2) Property Development Management and Consultancy
   - Property development management : Operated by Golden Property Services Co., Ltd
   - Property development consultancy and engineering consultancy: Operated by Golden Property Services Co., Ltd
   - Investment in property fund : Operated by Gold Property Fund

Table 39: Revenue structure of GOLD, its subsidiary companies and associated companies for the years ended 31 December 2011

Product or Services	Operated by	2011		2010 (Restated)		2009	
		THB Million	%	THB Million	%	THB Million	%
Revenues from sales of real estate:							
Golden Heritage Phase 1	United Homes Co., Ltd.	-	-	73.87	3.69	96.26	5.45
Golden Heritage Phase 2	Ritz Village Co., Ltd. United Homes Co., Ltd. Walker Homes Co., Ltd.	420.31	36.74	292.81	14.61	225.57	12.77
Golden Heritage Phase 3	Golden Habitation Co., Ltd.Walker Homes Co., Ltd.	-	-	227.98	11.37	-	-
Golden Heritage Phase 4	United Homes Co., Ltd. Walker Homes Co., Ltd. Grand Paradise Property Co., Ltd.	-	-	130.73	6.52	-	-
Golden Legend Phase 1	United Homes Co., Ltd.	-	-	0.51	0.03	-	-
Golden Legend Phase 2	Ritz Village Co., Ltd. United Homes Co., Ltd.	13.70	1.20	44.80	2.24	100.19	5.67
Golden Legend Phase 3	Ritz Village Co., Ltd.	-	-	14.80	0.74	(5.49)	(0.31)
Golden Nakara Phase 1	United Homes Co., Ltd.	13.84	1.21	146.78	7.32	46.43	2.63
Golden Nakara (Executive Zone)	Ritz Village Co., Ltd.	22.01	1.92	20.34	1.01	103.26	5.85
Golden Nakara Phase 2	United Homes Co., Ltd.	-	-	-	-	(33.48)	(1.90)
Golden Nakara Phase 3	Ritz Village Co., Ltd. Walker Homes Co., Ltd.	-	-	112.34	5.61	-	-
Golden Nakara Phase 4	Ritz Village Co., Ltd. Walker Homes Co., Ltd.	-	-	132.86	6.63	-	-
Grande Monaco Phase 1	United Homes Co., Ltd.	21.50	1.88	218.84	10.92	345.14	19.55
The Infinity	North Sathorn Realty Co., Ltd.	87.19	7.62	86.42	4.31	(12.86)	(0.73)
Sky Villas	Sathorn Supsin Co., Ltd.	-	-	6.50	0.32	-	-
Golden Village	Baan-chang Estate Co., Ltd	2.32	0.20	2.98	0.15	0.79	0.04
Panorama Golf & Country Club	GOLD	1.95	0.17	1.00	0.05	-	-
Rama II Project	United Homes Co., Ltd. Ritz Village Co., Ltd. Walker Homes Co., Ltd.	-	-	-	-	221.85	12.56

Product or Services	Operated by	2011		2010 (Restated)		2009	
		THB Million	%	THB Million	%	THB Million	%
Chiangrai Project	GOLD	-	-	0.17	0.01	-	-
Revenues from rental of property and services:							
Goldenland Building	Narayana Pavilion Co., Ltd.	53.12	4.64	56.15	2.80	57.49	3.26
Inchcape Ramkamhaeng	GOLD	12.53	1.10	11.20	0.56	10.90	0.62
Mayfair Marriott	Grand Mayfair Co., Ltd	171.90	15.03	152.57	7.61	166.85	9.45
The Ascott Sathorn Bangkok	Sathorn Supsin Co., Ltd.	183.76	16.06	163.03	8.13	168.56	9.55
Sathorn Square	North Sathorn Realty Co., Ltd.	46.46	4.06	37.74	1.88	37.74	2.14
Rama IV Project	GOLD	0.21	0.02	3.30	0.16	4.49	0.25
Panorama Golf & Country Club	GOLD	2.78	0.24	2.45	0.12	2.12	0.12
Chiangrai Project	GOLD	0.23	0.02	0.23	0.01	0.23	0.01
Revenues from golf course operations :							
Panorama Golf & Country Club	GOLD	22.37	1.96	23.22	1.16	19.50	1.10
Revenues from other businesses							
Management fee income	GOLD	14.40	1.26	14.40	0.72	15.20	0.86
Investment income	GOLD and its Subsidiaries	35.39	3.09	6.07	0.30	4.59	0.26
Profit from the reverse of allowance for doubtful debts	GOLD and its Subsidiaries	-	-	0.29	0.01	11.06	0.63
Profit from the allowance of asset devaluation	Sathorn Supsin Co., Ltd.	-	-	-	-	150.00	8.49
Other income	GOLD and its Subsidiaries	17.89	1.56	19.85	0.99	29.48	1.68
Total		**1,143.86**	**100.00**	**2,004.23**	**100.00**	**1,765.87**	**100.00**

Source: Form 56-1 (2011) of GOLD

b) The Board of Directors and Major shareholders of GOLD

The Board of Directors of GOLD as of August 29, 2012 is listed as follow

Table 40: List of the Board of Directors of GOLD as of August 29, 2012

Name	Position
1. Mr. Christopher Michael Delaney	Chairman of the Board / Acting Chief Executive Officer
2. Mr. Tasporn Guptarak	Director
3. Mr. Chan Bulakul	Director
4. Mr. Anake Kamolnate	Director
5. Mr. Somboon Wasinchutchawal *	Director
6. Mr. Prasong Thachasongtham	Independent Director and Chairman of Audit Committee
7. Mr. Rapeepat Suansilpong	Independent Director and Audit Committee
8. Mr. Surat Chiracharasporn	Independent Director and Audit Committee

Remark * Entered the position of Director and Vice Managing Director of GOLD on August 29, 2012 instead of Mr. Nigel John Cornick whom has resigned from the position.

Source: www.goldenlandplc.com

Authorized signatories are Mr. Christopher Michael Delaney or Mr. Tasporn Guptarak is authorized to co-sign with Mr. Somboon Wasinchutchawal or Mr. Anake Kamolnate with the company seal affixed.

Major shareholders of the Company as of March 9, 2012 are listed as follow

Table 41: Major shareholders of GOLD as of March 30, 2012

Name of shareholders		Shareholding	
		Number of Shares	% of Total
1.	Well Base Development Limited Group [1/]	282,366,000	24.896
	1.1. Well Base Development Limited	199,293,554	17.572
	1.2. Well Base Development Limited holds via Thai NVDR Company Limited	83,072,446	7.324
2.	Rock KeyInternational Limited [2/] holds via UOB Kay Hian Private Limited (custodian who holds under Thai NVDR Company Limited)	281,316,464	24.80
3.	Golden Source Global Limited [3/] holds via UOB Kay Hian Private Limited (custodian)	263,910,128	23.269
4.	Thai NVDR Company Limited	56,368,585	4.970
5.	Mr. Suthep Opasphanich	25,649,505	2.262
6.	Mr. Vichit Chinwongvorakul	14,009,500	1.235
7.	Best Fortune Property And Loan Fund	11,421,200	1.007
8.	Mr. Nuttapol Jurangkool	8,000,000	0.705
9.	Mrs. Chantaras Prayoonwiwat	8,000,000	0.705
10.	Mr. Vilerd Wongapisumpho	7,243,980	0.639

Remark [1/] Information from 56-1 for 2011 of GOLD stated that Well Base Development Limited is the major shareholder who has control over GOLD's business and management policy. The shareholder of Well Base Development Limited is Simpson's Limited, which is the company incorporated in Hong Kong (privately owned professional investor).

[2/] Information from the website of GOLD stated that GOLD has not received any information from Rock Key International Limited on their shareholding portion. Latest information as of March 13, 2012, Rock Key International Limited holds 24.804% of total shares via UOB Kay Hian Private Limited (custodian who holds under Thai NVDR Company Limited).

[3/] Information from the website of GOLD stated that GOLD has not received any information from Golden Source Global Limited on their shareholding portion. Latest information as of January 19, 2012, Golden Source Global Limited holds 23.269% of total shares via UOB Kay Hian Private Limited (custodian).

Source: www.goldenlandplc.com

c) **Financial status and operating performance**

Financial information from GOLD's consolidated financial statement as of December 31, 2009 to 2011 audited by KPMG Phoomchai Audit Limited and reviewed financial statements for 6 months of 2012 are presented as follows:

Table 42: Summarized financial status and financial performance for the year ended 2009 - 2011and 6 months of 2012

Golden Land Property Development Plc. Balance Sheet (Unit: '000 THB)	2009	2010	2011	June 2012
Current Assets				
Cash and cash equivalents	169,537	364,796	819,543	704,417
Current investments - fixed deposits	67,795	78,879	84,262	69,660
Trade accounts receivable	259,312	40,906	43,651	36,262
Real estate projects under development	1,925,411	1,222,808	1,034,863	713,918
Other current assets	112,445	278,481	269,711	228,962
Total current assets	**2,534,500**	**1,985,870**	**2,252,030**	**1,753,219**
Non-Current Assets				

Golden Land Property Development Plc. Balance Sheet (Unit: '000 THB)	2009	2010	2011	June 2012
Deposit at banks under commitments	14,533	8,416	8,546	6,431
Investments in associates	445,060	439,220	421,092	395,396
Properties developed for sale	12,900	148,881	149,011	149,011
Investment properties	4,613,809	5,178,791	6,068,642	6,145,004
Leasehold rights	2,621,989	1,986,621	2,002,120	1,991,575
Property, plant and equipment	215,604	1,159,837	1,656,039	1,645,360
Intangible assets	6,902	6,019	52,231	50,174
Other non-current assets	122,383	84,269	73,240	63,723
Total non-current assets	**8,053,184**	**9,012,054**	**10,430,921**	**10,446,674**
Total assets	**10,587,682**	**10,997,924**	**12,682,951**	**12,199,893**
Current Liabilities				
Bank overdrafts	68	11,440	4,063	1,086
Trade accounts payable	95,302	141,535	230,672	43,385
Current portion of long-term loans from financial institutions	729,009	873,230	508,807	427,922
Other current liabilities	807,290	1,231,553	1,005,179	699,683
Total current liabilities	**1,631,669**	**2,257,759**	**1,748,722**	**1,172,076**
Non-Current Liabilities				
Long-term loans from financial institutions	1,551,910	1,932,451	2,871,383	3,134,486
Long-term loans from shareholder of subsidiary	224,053	239,653	252,133	258,093
Deferred income	918,580	858,732	828,801	813,866
Finance lease liabilities	14,109	3,642	-	-
Employee benefit obligations	-	19,132	22,847	24,454
Long-term provisions	252,369	92,170	26,613	63,246
Other non-current liabilities	159,947	161,745	237,298	268,160
Total non-current liabilities	**3,106,859**	**3,303,883**	**4,239,076**	**4,562,305**
Total liabilities	**4,738,529**	**5,561,642**	**5,987,798**	**5,734,381**
Shareholders' equity				
Registered capital	7,087,821	7,087,821	16,382,134	16,382,134
Issued and paid - up capital	6,300,821	6,300,821	11,341,477	11,341,477
Discount on ordinary shares	(505,788)	(282,255)	(3,810,715)	(3,810,715)
Retained earnings (Deficit)				
Appropriated - legal reserve	98,180	98,180	99,082	99,830
Unappropriated	76,100	(535,317)	(767,672)	(954,232)
Total equity attributable to equity holders of the Company	**5,969,313**	**5,581,428**	**6,862,172**	**6,676,360**
Non-controlling interests	(120,160)	(145,146)	(167,019)	(210,848)
Total shareholders' equity	**5,849,153**	**5,436,282**	**6,695,153**	**6,465,512**
Total liabilities and shareholders' equity	**10,587,682**	**10,997,924**	**12,682,951**	**12,199,893**

Golden Land Property Development Plc. Profit and Loss Statement (Unit: '000 THB)	2009	2010	2011	June 2012
Income				
Revenue from sales of real estate	766,385	909,656	582,821	651,695
Revenue from sales of land held for development	321,282	604,071	-	-
Revenue from rental and services	448,388	426,666	470,989	317,909
Revenue from golf course operation	19,498	23,221	22,365	11,244
Management fee income	15,200	14,400	14,400	3,477

Golden Land Property Development Plc. Profit and Loss Statement (Unit: '000 THB)	2009	2010	2011	June 2012
Reversal doubtful accounts	11,063	291	-	-
Reversal of provision for loss on disposal	150,000	-	-	-
Investment income	4,586	6,067	35,390	12,488
Other income	29,473	19,858	17,896	3,816
Total income	**1,765,875**	**2,004,229**	**1,143,861**	**1,000,629**
Expenses				
Cost of sale of real estate	653,422	736,834	383,810	464,050
Cost of sale of land held for development	360,089	538,065	-	-
Cost of rental and services	353,997	318,585	372,404	281,721
Cost of golf course operation	8,278	12,625	10,789	5,325
Selling expenses	61,686	73,798	61,433	37,657
Administrative expenses	511,512	445,023	369,890	292,231
Key management personnel compensation	45,787	75,272	50,205	-
Finance costs	154,931	119,478	173,544	145,751
Total expenses	2,149,702	2,319,679	1,422,075	1,226,735
Share of profit of associates	49,543	50,856	46,075	7,010
Loss before income tax expense	(334,284)	(264,594)	(232,139)	(219,096)
Income tax expense	(9,421)	(61,472)	(21,187)	(10,545)
Loss for the year	**(343,705)**	**(326,066)**	**(253,326)**	**(229,641)**
Profit (loss) attributable to Owners of the Company	**(309,793)**	**(301,340)**	**(231,453)**	**(185,812)**
Non-controlling interests	(33,912)	(24,725)	(21,873)	(43,829)
Basic earnings (loss) per share (THB/Share)	**(0.49)**	**(0.4783)**	**(0.2301)**	**(0.1638)**
Diluted earnings (loss) per share (THB/Share)	-	**(0.4783)**	**(0.2146)**	**(0.1424)**

Golden Land Property Development Plc. Cash Flow Statement (Unit: '000 THB)	2009	2010	2011	Jan - Jun 2012
Net cash inflows (outflow) from operating activities	1,126,664	382,562	93,000	(42,075)
Net cash inflows (outflow) from investing activities	(311,602)	(596,668)	(1,499,914)	(120,199)
Net cash inflows (outflow) from financing activities	(724,769)	409,364	1,861,661	47,148
Increase (decrease) in cash and cash equivalent - net	90,293	195,259	454,747	(115,126)
Cash and cash equivalent at the beginning of the year	79,244	169,537	364,796	819,543
Cash and cash equivalent at the end of the year	169,537	364,796	819,543	704,417

Golden Land Property Development Plc. Key financial ratios	2009	2009	2011	Jan - Jun 2012
Liquidity Ratio				
Current ratio (time)	1.55	0.88	1.29	1.50
Quick ratio (time)	0.31	0.22	0.54	0.69
Cash liquidity ratio (time)	0.58	0.20	0.05	(0.03)
Account receivable turnover ratio (time)	2.82	13.08	25.45	49.10
Average collection period (day)	129.24	27.90	14.34	7.43
Inventory turnover ratio (time)	0.27	0.43	0.30	0.88
Inventory period (day)	1,355.70	839.2583	1,219.50	415.77
Account payable turnover ratio (time)	12.35	13.56	4.12	10.96
Payable period (day)	29.55	26.91	88.56	33.29

Golden Land Property Development Plc. Key financial ratios	2009	2009	2011	Jan - Jun 2012
Cash Cycle (day)	1,455.78	840.24	1,145.28	389.91
Profitability Ratio				
Gross profit margin (%)	11.56	18.21	28.73	23.42
Operating profit margin (%)	-10.16	-7.24	-5.12	-7.33
Operating cash flow to operating profit (%)	-628.18	-263.62	-158.72	N/A
Net profit margin (%)	-19.46	-16.27	-22.15	-22.95
Return on equity (%)	-5.71	-5.78	-4.18	-3.49
Efficiency Ratio				
Return on assets (%)	-3.08	-3.02	-2.14	-3.69
Return on fixed assets (%)	-2.81	-2.99	-1.47	-1.34
Asset turnover (time)	0.16	0.19	0.10	0.16
Financial Policy Ratio				
Debt to equity ratio (time)	0.81	1.02	0.89	0.89
Interest coverage ratio (time)	7.90	3.00	0.51	(0.25)
Debt service coverage ratio (%)	0.55	0.18	0.04	(0.07)

Analysis of operating results and financial position

Revenue from sales of real estate

From January 1, 2011, consequent to the adoption of new and revised TFRS, GOLD has changed its accounting policy for recognizing revenue from the sale of real estate from the percentage of completion method to completion of the contract, when substantial risks and rewards of ownership have been transferred to the buyer.

In 2010, following the new and revised TFRS, GOLD had revenue from sale of real estate of THB 909.66 million, an increase of THB 143.27 million or 18.69% from 2009 mainly due to the increase in revenues from sales of Golden Heritage Phase II. In this year, revenue from sales of real estate earned by many projects as follows 1) Golden Heritage Phase II amounted to THB 292.81 million or 32.19% of revenue from sales of real estate 2) Golden Heritage Phase III amounted to THB 227.98 million or 25.06% of revenue from sales of real estate 3) Grand Monaco Phase I amounted to THB 218.84 million or 24.06% of revenue from sales of real estate.

In 2011, the revenue from sales of real estate was THB 582.82 million, a decrease of THB 326.84 million or 35.93% from 2010. In this year, revenue from sales of real estate earned by many projects as follows 1) Golden Heritage Phase II amounted to THB 292.81 million or 32.19% of revenue from sales of real estate 2) The infinity amounted to THB 87.19 million or 14.96% of revenue from sales of real estate 3) Golden Nakara (Executive Zone) amounted to THB 22.01 million or 3.78% of revenue from sales of real estate.

For 6 months ended June 30, 2012, revenue from sales of real estate amounted to THB 651.70 million, an increase of THB 436.35 million or 202.63% when compare to the same period last year. The main reasons were the increase in ownership transfer of Golden Heritage Phase II and Grand Monaco.

Revenue from sales of land held for development

In 2010, the revenue from sales of land held for development was THB 604.07 million, an increase of THB 282.79 million or 88.02% from 2009. The main revenue from sales of land held for development was at Golden Nakara Phase III and IV and Golden heritage Phase III and IV. However, there was no revenue from sales of land held for development in 2011 and the 6 months ended June 30, 2012.

Revenue from rental and service business

At the end of 2009 – 2011 and 6 months ended June 30, 2012, GOLD had revenue from rental and service from 1) Golden land-building 2) Inchcape Ramkhamhaeng 3) Mayfair Marriot 4) Ascott Sathorn 5) Project Rama IV 6) Panorama

Golf and Country Club 7) Chaing Rai Project as well as Sathorn Square office tower that was opened in September 2011.

In 2010, GOLD had revenue from rental and service amounted to THB 426.67 million, a decrease of THB 21.72 million or 4.84% from 2009. This was because the political uncertainty since April 2010.

In 2011, The revenue from rental and service amounted to THB 470.99 million, an increase of THB 44.32 million or 10.39% from 2010, resulting from confidence of tourists in Thai politics. In addition, the increase in the occupancy rate was due to the recovery of tourist in Thailand.

For 6 months ended June 30, 2012, revenue from rental and service THB 317.91 million, an increase of THB 91.53 million or 40.43% when compare to the same period last year due to the increase in revenue from Sathorn Square office tower that have operate in September 2011.

However, the revenue structure of GOLD indicated that the revenue from rental and services were more stable than the revenue from sales of real estate. While revenue from sales was inconsistent, the revenue from rental and service could diversify the total revenue from the fluctuation resulting from the sales of each real estate project.

Revenue from golf course operation business

In 2010, the golf course operation received revenue of THB 23.22 million, an increase THB 3.72 million or 19.09% from 2009, due to the renovation of golf course facilities and clubhouse in order to support seminar and large tour groups. In addition, the launch of public relation activities with the government and private sectors contributed to the increase in both foreign and local golf players, especially from foreign tour groups during the first and fourth quarter of the year. However, in 2011, the revenue from golf course operation was THB 22.37 million, a decrease of THB 0.86 million or 3.69% from last year.

For 6 months ended June 30, 2012, revenue from golf operation was THB 11.24 million, a decrease of THB 0.65 million or 5.46% when compare to the same period last year.

Total Revenues

In 2010, GOLD had total revenue of THB 2,004.23 million, an increase of THB 238.35 million or 13.50% from 2009, as a result of increased revenue from sales of Housing projects and sales of land held for development.

In 2011, the total revenues amounted to THB 1,143.86 million, a decrease of THB 860.37 million from THB 2,004.23 million of last year or 42.93% from 2010, due to the decrease in revenue from sales of real estate and also there was no revenue from sales of land held for development this year.

For 6 months ended June 30, 2012, GOLD had total revenues of THB 1,000.63 million, representing an increase of THB 519.96 million or 108.18%, comparing to the same period last year due to the THB 436.35 million increase in ownership transfer of housing projects and the increase in revenue from rental and services of Sathorn Square office tower by THB 91.53 million.

Cost of sale of real estate

At the end of 2009 – 2011 and 6 months ended June 30, 2012,GOLD had cost of sale of real estate of THB 653.42 million, THB 736.83 million, THB 383.81 million and THB 464.05 million, respectively. The cost of sale of real estate was 85.26%, 81.00%, 65.85% and 71.21% of revenue from sales. The ratio of cost to income was high in 2009 – 2010, because there was asset impairment in the amounted of THB 72.99 million in 2009 and THB 74.39 million in 2010. Due to the halt further development of Golden Village (Bann Chang) and its subsidiaries, GOLD recorded the impairment of that project and another project that the subsidiary of GOLD ceased to develop.

Cost of rental and service

At the end of 2009 – 2011 and 6 months ended June 30, 2012, GOLD had cost of rental and service of THB 353.99 million, THB 318.50 million, THB 372.40 million and THB 281.72 million, respectively. There were 79.85%, 74.67%, 79.07% and 88.62% of revenue from sales of real estate business, respectively.

Cost of golf course operation

At the end of 2009 – 2011 and 6 months ended June 30, 2012, GOLD had cost of golf course operation of THB 8.28 million, THB 12.63 million, THB 10.79 million and THB 5.33 million, respectively. There were 42.46%, 54.37%, 48.24% and 47.36% of revenue from golf course operation, respectively. The increase in ratio of cost to revenue in 2010 was a result from golf course renovation to improve and modernize its image including repair and maintenance of building and various equipment to attract both foreign and local golf players.

Selling expenses

In 2010, the selling expenses amounted to THB 73.80 million, an increase of THB 12.11 million or 19.63% from 2009 due to the increase in sales commission from sales of land held for development at Golden Nakara phase III and IV and Golden Heritage Phase III and IV.

In 2011, the selling expense amounted to THB 61.43 million, a decrease of THB 12.37 million or 16.76% from 2010 due to the reduction of marketing expenses at Grande Monaco and Golden Heritage projects, which near its completion.

For 6 months ended June 30, 2012, the selling expense amounted to THB 37.66 million, an increase of 14.97 million or 69.95% when compare to the same period last year, due to selling expense of Sathorn Square office tower project that began its operation in September 2011.

Administrative expense

In 2010, the administrative expenses amounted to THB 445.02 million, a decrease THB 66.49 million or 13.00% from 2009. The decrease was mainly caused by the amortization of assets and provision for doubtful debts in the amount of THB 98.44 million and THB 51.48 million, respectively. During 2010, there was an increase in provision of rental guarantee by THB 53.42 million and specific business tax by THB 37.13 million.

In 2011, administrative expenses amounted to THB 369.89 million, a decrease of THB 75.13 million or 16.88% from 2010 due to a decrease in provision of rental guarantee by THB 54.91 million and the adjustment of provision for litigation claims.

For 6 months ended June 30, 2012, administrative expenses amounted to THB 292.23 million, an increase THB 91.53 million or 45.61% when compare to the same period last year. The main reason was an increase of THB 63.54 million in provision for litigation and THB 15.78 million of specific business tax. Meanwhile, the guarantee given to the fund ended in 2011.

Finance cost

In 2010, GOLD had finance costs of THB 119.48 million, a decrease of THB 35.45 million or 22.88% from 2009. For the continuously declined since 2008, because there were fewer loans outstanding due to debenture redemption and loan repayment to financial institutions of Housing and The Infinity projects, including finance cost from Sathorn Square office project that was under construction and had to capitalize its finance costs as project costs. The result was a decrease in finance costs in the statement of income.

In 2011, finance costs amounted to THB 173.54 million, an increase of THB 54.07 million or 45.25% from 2010 as a result from increased interest expense for Sathorn Square Office project. GOLD ceased to recognize interest expense as part of the value of construction due to the reason that the project was completed at the end of third quarter.

For 6 months ended June 30, 2012, finance cost amounted to THB 145.75 million, an increase of THB 75.77 million or 108.28% when compare to the same period last year. This was because a result of higher loan outstanding and the release of interest expense from Sathorn Square office tower project.

Net profit (Loss)
In 2010, GOLD had net loss of THB 301.34 million, a decrease of THB 8.45 million or 2.73% from 2009 due to the increase in revenue from sales of real estate and revenue from sales of land held for development.

In 2011, GOLD had net loss of THB 231.45 million, a decrease of THB 69.89 million or 23.19% from 2010 due to the decrease of selling and administrative expense and management fee.

For 6 months ended June 30, 2012, GOLD had net loss of THB 185.81 million, a decrease of THB 87.25 million or 88.52% when compare to the same period last year due to the increase in the transfer of ownership.

In addition, the net profit margin ratios were 19.46%, 16.27%, 22.15% and 22.95% in 2009-2011 and 6 months ended June 30, 2012, respectively.

Financial position
Asset
In 2010, GOLD had total asset of THB 10,997.92 million, an increase of THB 410.24 million or 3.87% from 2009, due to the following reason:

1) Real estate projects under development amounted to THB 1,222.81 million, an increase of THB 702.60 million or 36.49% from 2009 mainly due to sales of Golden Heritage and Grande Monaco. Moreover, in fourth quarter of 2009, there was a THB 519.06 million decrease in real estate project under development resulted from a reclassification to investment properties.
2) Properties for investment amounted to THB 5,178.79 million, an increase of THB 564.98 million or 12.25% from 2009 due to the development of Sathorn Square project and the reclassification as mention above.
3) GOLD had trade accounts receivable of THB 40.91 million, a decrease of THB 218.41 million or 84.23% from last year. The aging of trade account receivable mostly were accounts overdue more than 12 months, 72.78% of total trade account receivable and accounts overdue less than 3 months at 16.06% of trade account receivable.
4) Cash and cash equivalent amounted to THB 364.80 million, an increase of THB 195.26 million or 115.17% from 2009.
5) Properties development for sales amounted to THB 148.88 million, an increase THB 135.98 million or 1,054.12% from 2009.

In 2011, GOLD had total assets of THB 12,682.95 million, an increase of THB 1,685.03 million or 15.32% from 2010, due to the following reason:

1) Properties for investment amounted to THB 6,068.64 million, an increase of THB 889.85 million or 17.18% mainly due to the construction of Sathorn Square office.
2) Land, building and equipment amounted to THB 3,658.15 million, an increase of THB 511.70 million or 16.26% from 2010 due to an increase of investment during the year.
3) Cash and cash equivalents amounted to THB 819.54 million, an increase of THB 454.75 million or 124.66%, resulting from a capital increase.
4) Real estate projects under development amounted to THB 1,034.86 million, a decrease of THB 187.95 million or 15.37% from 2010 mainly due to sales of the infinity and housing projects including Golden heritage, Golden Nakara and Grande Monaco.

As of 30 June 2012, GOLD had total assets of THB 12,199.98 million, a decrease of THB 483.06 million or 3.81% mainly due to the decrease in cash and cash equivalent of THB 115.13 million and the decrease in real estate projects under development of THB 320.95 million (as a result of ownership transfer of housing project). However, investment properties increased by THB 76.36 million during the period because of Sathorn Square office tower project and Rama IV project construction.

Total liabilities

In 2010, GOLD had total liabilities of THB 5,561.64 million, an increase of THB 823.11 million or 17.37% from 2009. This was mainly from the increase in trade accounts payable of THB 46.23 million, the increase in current portion of long-term loans of THB 144.22 million and the increase in long-term loans from financial institution of THB 380.54 million.

In 2011, total liabilities amounted to THB 5,987.80 million, an increase of THB 426.16 million or 7.66% from 2010. This was mainly from the increase in long-term loans from financial institution for Sathorn Square office projects of THB 938.93 million, the increase in trade accounts payable of THB 364.42 million, the decrease in others current liabilities of THB 168.18 million and the decrease in current portion of long-term loans of THB 364.42 million.

As of June 30, 2012, total liabilities amounted to THB 5,734.38 million, a decrease of THB 253.42 million or 4.23% from the end of 2011. This was mainly from the decrease in trade accounts payable of THB 187.29 million, the decrease in other current liabilities of THB 299.41 million, the decrease in deferred income of THB 93.93 million and guarantee from contractors of THB 103.43 million. However, long-term loans from financial institution increased by THB 263.10 million due to Sathorn Square office construction.

Shareholders' equity

In 2010, GOLD had shareholders' equity at THB 5,436.28 million, a decrease of THB 412.87 million or 7.06% due to net loss from operation.

In 2011, the shareholders' equity amounted to THB 6,695.15 million, an increase of THB 1,258.87 million or 23.16% due to the capital increase in second quarter of 2011, at the amount of 1,512.20 million from 504.47 million shares and at THB 3 per share via right offering. Meanwhile, the Company incurred a net loss of THB 253.33 million.

As of 30 June 2012, shareholders' equity amounted to THB 6,465.51 million, a decreased of THB 229.64 million or 3.43% from the end of 2011 due to net loss from operation.

Liquidity

Cash flows

In 2010, GOLD had net cash flows from operating activities of THB 382.56 million, which mainly resulted from decreased in real estate projects under development. Net cash flows used in investing activities was THB 596.67 million, increased by THB 285.00 million as a result of purchasing of property, plant and equipment, investment property and leasehold rights. Besides, net cash flows from financing activities were THB 409.36 million, increased by 1,134.00 million. Since, Sathorn Square project are currently under construction and Golden Heritage project Phase II had been granted with more credit lines, while other projects was completed and could be sold as planned and project finance was already paid, hence, there was not a large amount of debt repayment due as in the earlier year and resulted in greater cash flows from financing activities.

In 2011, GOLD had net cash flows from operating activities of THB 93.00 million. Since GOLD focused on construction of Sathorn Square project in order to complete and make it ready for decoration at the end of the year, hence, there was not new housing projects for sale during that year and also resulted in lower operating cash flows as mentioned earlier.

For 6 months ended June 30, 2012, GOLD recorded net cash flows used in operating activities of THB 42.75 million, increased by THB 114.71 million compared to the same period last year. This was substantially due to payment of trade account receivable and other liabilities. Moreover, GOLD incurred net cash flows used in investing activities of THB 120.20 million which resulted from purchasing of property, plant and equipment, investment property and leasehold right. Notwithstanding, there was net cash flows from financing activities of THB 47.15 million, contributed by long-term loan from financial institution.

Profitability ratios

In 2009 – 2011, GOLD recognized gross margin of 11.56%, 18.21% and 28.73% respectively. The marginally increasing gross margin implied that cost control of GOLD was improving. Besides, gross margin for 6 months ended June 30, 2012 was 23.42%.

Liquidity ratios

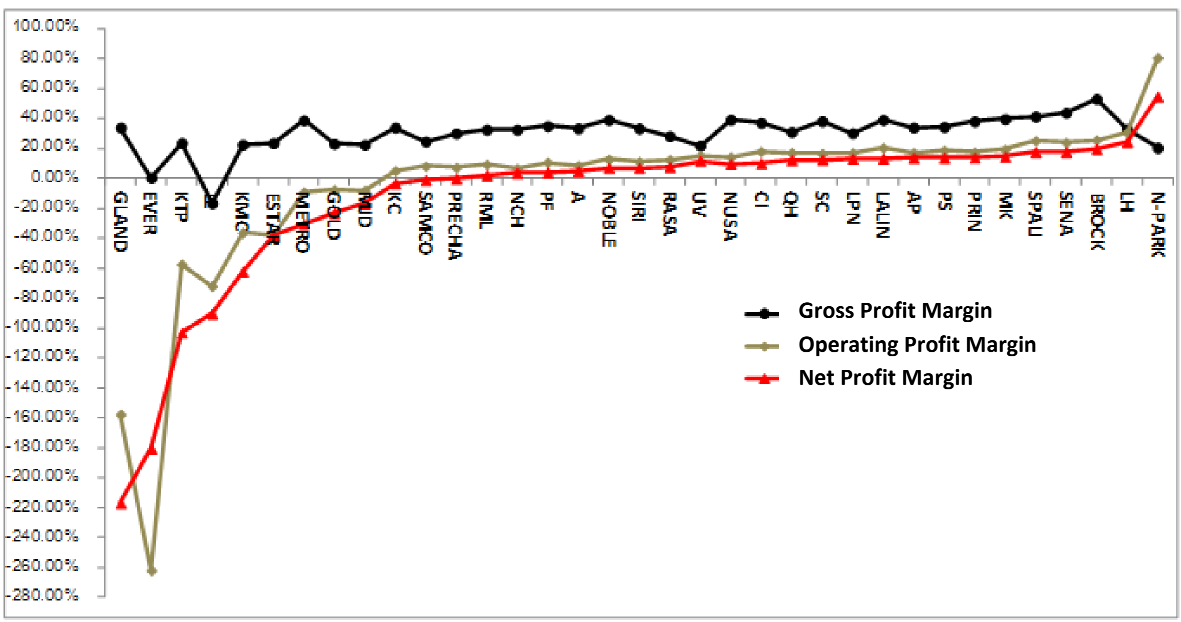
At the end of 2009 – 2011 and as of June 30, 2012, liquidity ratio was 1.55 times, 0.88 times, 1.29 times and 1.50 times, respectively. This demonstrated that GOLD was able to maintain its liquidity except for that in 2010 which liquidity ratio dropped to 0.88 times, while quick ratio was 0.22 times. The primary reasons were decreasing in account receivable, dropped in real estate under development from the less remaining units sold under Golden Heritage project and Grand Monaco project, as well as the re-categorized of real estate projects under development to property, plant and equipment in order to comply with new accounting standard.

Leverage ratios

At the end of 2009 – 2011 and as of June 30, 2012, GOLD had D/E ratio of 0.81 times, 1.02 times, 0.89 times and 0.89 times, respectively. The D/E ratio relatively aligned with industry peers.

Observation from the IFA

Diagram 5: Comparison of operating performance of real estate companies in real estate development business for the period of 6 months ending June 30, 2012



Source: information from www.setsmart.com and the calculation of the IFA

Remark: Profit margin of the Company is calculated based on the performance in real estate business only, according to the information provided by the management of the Company.

According to the above Diagram, it is shown that **gross profit margin of GOLD for sale of real estate business is below the industry average (based on the industry performance during the first 6 months of 2012, average gross profit margin was around 30.87% and the median was around 33.67%).** According to the information presented in Form 56-1 of GOLD in 2011, GOLD recorded the allowance for project devaluation of THB 72.99 million and THB 74.39 million in 2009 and 2010, representing 9.52% and 8.70% of total revenue from sale of real estate. This is with an objective to

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reflect the expected net realizable value of Golden Village Project (Baan Chang) and another project that a subsidiary of GOLD has ceased to develop. As a result, gross profit margin of GOLD was below average at 14.74% and 19.00% in 2009 and 2010. In 2011, gross profit margin rise to 34.15%. In that year, GOLD recorded the reverse of allowance for project devaluation at THB 7.57 million, representing 1.30% of total revenue from sale of real estate.

Table 43: Profitability Ratio of GOLD

Profitability Ratio	2009	2010	2011	Jan – Jun 2012
Gross profit margin – sales of real estate	14.74%	19.00%	34.15%	28.79%
Gross profit margin – rental and services	21.05%	25.33%	20.93%	11.38%
Gross profit margin – golf course operation	57.54%	45.63%	51.76%	52.64%
Operating profit margin	-10.16%	-7.24%	-5.12%	-7.33%

Although gross profit margin of GOLD were quite volatile at below the industry average, its revenue stream from rental and services can be maintained with stable gross profit margin over the past 3 years. In this regards, it has helped diversify GOLD's business risk arising from the uncertainty of sales income. Additionally, its golf course business has shown the highest gross profit margin among other businesses. Nonetheless, its revenue stream is quite low in comparison.

Additionally, GOLD has incurred high selling and administrative expenses **with operating profit margin below the industry average (based on the industry performance during the first 6 months of 2012, average operating profit margin was around -4.85% and the median was around 12.79%).** Selling and administrative expenses of GOLD include extraordinary items that may not reflect the normal course of business operation such as, the asset write-off, the allowance for doubtful debt, provision against litigation claim as well as the minimum guarantee given to the property fund (the guarantee period ended in 2011). However, operating profit margin of GOLD has continuously improved during 2009 – 2011.

In summary, operating loss of GOLD was partly due to its capability in asset management resulting in the Company's obligation to set up the allowance and provision for project devaluation, doubtful debts, asset write-off as well as litigation claims as mentioned earlier. Therefore, in case the efficiency of asset management can be improved, the operating performance of GOLD could as well be improved in the future.

3.2 Reasonableness of the Transaction

3.2.1 Objective and Benefit of the Transaction

The objective of the Company for the acquisition of GOLD's shares via performing the VTO, having the condition precedent that it must obtain more than 50.00% stakes in GOLD for the VTO process to be considered completed, is primarily to attain many high potential assets owned by GOLD as well as the management control over GOLD and GOLD's subsidiaries/associated companies. In addition, the Transaction is in accordance with the Company's expansion policy to level up its investment holding in real estate development businesses, especially in the company that owns assets with long-term revenue generating capability.

At present, GOLD and its subsidiaries/associated companies own many assets and leasehold rights within the central business district of Bangkok such as Project Rama 4 (Soi Pai Sing To), in which according to GOLD's business plan, Project Rama 4 will be developed as office buildings, shops and hotels. Other projects of GOLD include The Ascott Sathorn Bangkok (grade A residences and service apartment), Sathorn Square (office building) and etc. The Company believes that upon the completion of the Transaction, it can bring in its management expertise to improve the performance of GOLD and eventually, the Company will benefit from return on its investment as well as any other synergies that could possibly arise post-transaction. In this regards, real estate projects currently developed by the Company and GOLD are explicitly targeting at different target market. Grand U, a subsidiary of the Company mainly develops condominium projects for a medium market. On the other hand, GOLD mainly develops housing and condominium projects for an upper market. Although both companies own large office buildings, however; Park

Venture Ecoplex (belongs to the Company) and Sathorn Square (belongs to GOLD) are located in different area which could greatly help diversifying business risk.

Subsequent to the completion of the VTO, the Company's management has planned to maintain the same business operation of Grand U and GOLD as is at present. Since each company has its own expertise in managing its own brand. In this regards, Grand U will be focusing on developing condominium projects under the brand "Condo U" and "U Delight" located along the line of sky train, which mainly targets at the medium market. Meanwhile, GOLD will be developing housing projects and high rise buildings which targets mainly at the upper market segment.

3.2.2 Advantages and disadvantages of entering and not entering into the Transaction

- **Advantages and Disadvantages of entering into the Transaction**

<u>Advantages of entering into the Transaction</u>

1) The Transaction is in line with the Company's business plan for expansion
   By acquiring common shares of GOLD and GOLD-W1, it will enable the Company to improve its business structure by means of growing its investment holding in real estate business that has been in operation and owning ongoing projects.

2) Enable the Company to record revenue from the current projects of GOLD that are currently open for sale
   At present, the majority of GOLD's projects including housing, service apartments and office buildings are currently open for sale or otherwise have been in operation for a certain period of time. As a result, the Transaction will provide the Company with an opportunity to add new sources of income. In this regards, it will require less time for the Company than to start developing new projects from the beginning stage or even to develop new branding.

3) Become the co-owner of high potential assets
   Based on the publicly disclosed information as appeared in Form 56-1 for FY2011 of GOLD, it stated that GOLD owns many leasehold rights within the central business district of Bangkok and its vicinity. Long-term leasehold rights in high potential locations as shown in the Table below could possibly render high investment return to the Company in the near future. In this regards, the Company has planned to bring in its management expertise as well as new capital to further support the ongoing projects of GOLD, aiming at higher asset management efficiency than it currently is.

Table 44: Leasehold Rights of GOLD

Projects	Lessor	Lessee	Lease Period	Project Status
Under Construction Project				
Project Rama 4 Soi Phai Sing To, Rama 4 Road, Klong Toey, Bangkok	The Crown Property Bureau	GOLD	Construction period: 5 years Operation period: lease period of 28 years and the right to extend the lease period for another 30 years (in total of 58 years)	▪ 2 office buildings are under construction. ▪ Hotel project is currently under the process of designing to obtain EIA approval. ▪ It is stated in Form 56-1 that the Lessee has already issued a consent letter upon the delay of project construction.
In-Operation Projects				
Project Golden Land Building Soi Mahadlek Luang 1, Rajdamri Road, Bangkok	The Privy Purse Bureau	GOLD or its subsidiaries or associated companies	30 years from 1992	In operation
Project The Ascott	GOLD; leasehold	Sathorn Supsin	41 years from Dec 23,	In operation

Projects	Lessor	Lessee	Lease Period	Project Status
Sathorn Bangkok South Sathorn Road, Bangkok	rights was transferred from Pacific Sathorn Co., Ltd.	Co., Ltd. (GOLD holds 60% stake)	2011 (when the lease term ends, the lessee agrees to extend the lease period for another 10 years)	
Project Sathorn Square North Sathorn Road, Silom, Bang Rak, Bangkok	The Crown Property Bureau	North Sathorn Realty Co., Ltd. (a wholly owned subsidiary of GOLD)	Construction period: 3 years 9 months Operation period: lease period of 30 years and leasehold right for another 30 years (in total of 60 years)	▪ Construction period began in Feb 07 and finished around Oct 28, 11 ▪ The building was granted with the approval from Bangkok Metropolitan to be opened in Sep 11. ▪ At present, the building is in operation.

Source: Form 56-1 of GOLD for 2011

4) Improve the stability of the Company's revenue stream
Since GOLD is able to generate stable income stream from its high rise service apartments such as Mayfair Mariott and The Ascott Sathorn Bangkok as well as its office buildings for rent such as Golden Land Building and Sathorn Square. In addition, GOLD has been generating income from the sales of its real estate projects under the brand "Golden" and "Grand". The revenue from sales of housing project could possibly be recorded faster, comparing to condominium projects since revenue from sales of condominium can be recorded only when the entire construction is completed and the ownership are transferred to customers. The management of the Company expects that this transaction will render the Company to have stable cash inflow from GOLD's rental income, apart from its main source of income at present, which is primarily from the sale of condominium units developed by Grand U and rental income from Park Venture Ecoplex.

5) An opportunity to acquire assets at the price lower than its book value
The offering price for the VTO of GOLD's share at THB 5.50 per share is lower than net asset value of GOLD as shown in the financial statement as of June 30, 2012 at THB 5.89 per share. In this regards, net asset value of GOLD could primarily reflect the value of its core assets comprising mainly of the investment properties, leasehold rights, real estate development cost and cash from capital increase in 2011.

<u>Disadvantages of entering into the Transaction</u>

1) The Company might have to consolidate the operating loss of GOLD into its financial statements
Under this VTO, the Company intends to acquire above 50% of GOLD's paid-up capital with its intention to have management control over GOLD's business. Thus, upon the completion of the Transaction, in case the Company is unable to improve GOLD's efficiency in asset management as expected, the Company might have to record GOLD's operating loss into its consolidated financial statements. As a result, the financial statements of the Company might show negative results. During 2009 – 2011 and the first 6 months of 2012, GOLD generated net loss attributable to equity holders of the parent at THB 309.79 million, THB 301.34 million, THB 231.45 million and THB 185.81 million, respectively.

2) Increase the burden of liabilities from the consolidation of financial statements
Upon the completion of the Transaction, the Company is required to consolidate the liabilities of GOLD into its financial statement. Based on the financial statement of GOLD for the year ended December 31, 2009 – 2011 and as of June 30, 2012, liabilities of GOLD were THB 4,738.53 million, THB 5,561.64 million, THB 5,987.80 million and THB 5,734.38 million, respectively. These include interest bearing debts of THB 1,790.14 million, THB 2,187.19 million, THB 3,127.58 million, THB 3,393.67 million, representing 37.78%, 39.33%, 52.23% and 59.18% of total liabilities, respectively. In addition, GOLD might have to incur additional liabilities for the construction its current projects under development such as Project Rama 4.

3) Increase debt burden and financial cost from bridging loan
As the condition precedent of the Transaction, the Company is required to obtain approvals from the Extraordinary Shareholders' Meeting No.1/2012 for the VTO of GOLD's shares and the increase of the Company's registered capital to be allocated to the existing shareholders in relation to its shareholding portion (right offering) and/or via private placement in the case that there are remaining shares from the right offering. to the fund raising proceed will be utilized as the main financing source for the Transaction. Nonetheless, prior to the time when the Company will actually receive such proceeds, it will be drawing down bridging loan to support the VTO. Later on, the Company plans to repay such loan with its capital raising fund. In this regards, the Company will have to bear the financial cost of bridging loan during a short interval. However, such burden could possibly rise in case the Company is unable to reach its fund raising target, which will result in higher burden of interest expenses. Nonetheless, the Company believes that it will achieve its targeted fund raising.

4) Dilution effect to existing shareholders from the increase of capital to support the Transaction
One of the condition precedent of the Transaction includes the approval of the shareholders for the increase of the Company's registered capital by not exceeding 3,016.00 million shares at a par value of THB 1.00 per share, or in total of THB 3,016.00 million as well as the allotment of these new common shares to the existing shareholders on a pro rata basis and/or via private placement at the offering price not lower than THB 2.50 per share. These new equity funding proceeds will be used to repay the bridging loan to support the VTO. In case the existing shareholders of the Company fully exercise the right offering, control dilution will not be affected. However, in case the existing shareholders do not fully exercise the right offering, dilution effect to the existing shareholders will be as follows:

Table 45: Dilution Effect to Shareholders from the Capital Increase of the Company*

Scenarios	Control Dilution (%)	Earning Dilution** (%)	Price Dilution*** (%)
Scenario 1 Existing shareholders fully exercise the right offering	0.00	79.77	29.44
Scenario 2 Existing shareholders does not fully exercise the right offering	79.77	79.77	29.44

<u>Calculation details for dilution effect*</u>
Unit : million shares and THB million

1. Control Dilution	=	Number of new shares to be issued / (current paid-up shares + number of new shares to be issued)
	=	3,016.0000 / (764.7706 + 3,016.0000)
	=	79.7721%

2. Earning Dilution	=	(EPS pre-capital increase – EPS post-capital increase) / EPS pre-capital increase
	=	(0.2621 – 0.0530) / 0.2621
	=	79.7721%

where by

EPS pre-capital increase	=	The Company's net profit for 6 months ended June 30, 2012** / current paid-up shares
	=	200.4170 / 764.7706
	=	THB 0.2621 per share
EPS post-capital increase	=	The Company's net profit for 6 months ended June 30, 2012** / (Current paid-up shares +number of new shares to be issued)
	=	200.4170 / (764.7706 + 3,016.0000)
	=	THB 0.0530 per share

3. Price Dilution	=	(Market price pre-capital increase – diluted price) / Market price pre-capital increase
	=	(3.9624 – 2.7958) / 3.9624
	=	29.4414%

where by:

Diluted price = [(Market price pre-capital increase*** x current paid-up shares) + (Offering price of new shares x Number of new shares to be issued)] / (Current paid-up shares + Number of new shares to be issued)

= [(3.9624 x 764.7706 million shares) + (2.5000 x 3,016.0000 million shares)] / (764.7706 + 3,016.0000 million shares)

= THB 2.7958 per share

Remark * Dilution effect is calculated based on 3,016 million newly issued shares (maximum offering amount) at THB 2.50 per share (minimum offering price) according to the resolution of the Board of Directors' meeting No.6/2012. In this regards, dilution effect to shareholders might vary from the Table above in the case that the actual amount of offering shares and price vary.

** The IFA has calculated Earning Dilution based on net profit of the Company for the first 6 months of 2012 at THB 200.42 million. Nonetheless, operating performance of the Company might be different post-transaction.

*** The IFA has calculated Price Dilution based on volume weighted average price over 7 business days until September 7, 2012, which is the date of Board of Directors' meeting No.6/2012 at THB 3.96 per share.

5) Possible conflict of interest from operating the same business in case the Company obtains more than 50.00% but less than 100.00% stakes in GOLD
Since the directors of the Company which are Mr.Panot Sirivadhanabhakdi and Mr.Thapana Sirivadhanabhakdi are also the directors of the companies under TCC Group that also operate real estate businesses and own similar type of projects as GOLD, for example, the office building for rent (Empire Tower owned by TCC Group and Sathorn Square owned by GOLD). In this regards, by having common directors, the conflict of interest between TCC Group and GOLD (under the control of UV) might arise post-transaction. However, the management of the Company has informed that the management of the Company is clearly separated from the management of TCC Group and upon the completion of this Transaction; the management of the Company will still be clearly separated from the management of TCC Group as before.

<u>Risks associated with the Transaction</u>

1) The Company did not perform due diligence on GOLD prior to the Transaction
The acquisition of GOLD's shares and GOLD-W1 will be completed under the VTO process including the purchase of shares from RKIL, one of GOLD's shareholders who intend to sell its stake in GOLD during this VTO process. Since RKIL is the shareholder who does not have any management control in GOLD, thus, the Company does not have its access to perform due diligence on the assets, liabilities and financial status or even business operation of GOLD. As a result, the Company might be exposed to risks at unknown cost as follows:
   - Possible contingent liabilities from business contracts or agreements that are currently in effective such as loan and collateral agreement with financial institution, leasehold rights agreements and its indemnity clause in case of project delay as well as other business contracts.

   - Risk that might arise from pending lawsuits and litigation claims that might not yet be disclosed in GOLD's latest financial statements as well as any other cases following the date of such financial statements. Based on the information as appeared in the financial statements of GOLD as of June 30, 2012, the following significant litigations had been filed against GOLD and its subsidiaries:
      a. The House Committee on Consumer Protection filed lawsuits against GOLD and a related company, seeking the return of deposits received of THB 4.00 million on the grounds that GOLD and the related company advertised and invited the public to purchase condominium units in a project of the related company, as a result of which the related company received deposits from customers, but the related company was not able to construct the condominium units and transfer ownership to the customers. For cases with claims of THB 2.00 million, the cases are being heard by the appeals court; and for cases with claims of THB 2.00 million, the appeals court judged that GOLD is jointly liable for payment, together with

interest at the rate of 7.50% per annum calculated from the latest date that customers made payment until such time all the outstanding have been paid. GOLD has petitioned against the decisions of the appeals court and the lawsuits are currently being heard by the Supreme Court.

During the fourth quarter of 2011, GOLD had pledged assets as security with the court with a book value as at December 31, 2011 of THB 24.00 million for a case which had been decided against GOLD with a principal of THB 17.00 million. As at December 31, 2011, the principle including interest charged until December 31, 2011 of THB 36.00 million had been classified as "liabilities under decision of the court" under other current liabilities. Consequently, during the first quarter of 2012, GOLD paid the principal plus interest and the court has released assets previously pledged by GOLD as security with the court.

b. The customers of a related company have filed lawsuits against the Company and the related company, suing for compensation of THB 12 million on the grounds that they paid deposits for buildings in a project of the related company but the related company was not able to construct and transfer the condominiums to them. For cases with claims totaling THB 2 million, the cases are being heard by the civil court; and for cases with claims totaling THB 10 million, The appeals court judged that the Company is jointly liable for payment, together with interest at the rate of 7.50% per annum calculated from the latest date that project customers made payment until such time all the outstanding have been paid. The Company has petitioned against the decisions of the appeals court and the lawsuits are currently being heard by the Supreme Court.

As at June 30, 2012, GOLD has made provision for liabilities set out in a) and b) based on the principal plus interest at the rate of 7.50% per annum totaling of THB 21.00 million. As at June 30, 2012, GOLD had maintained a collateral deposit of THB 8.00 million with the court, which is included in deposits.

c) A subsidiary, as a plaintiff, has a case with Revenue Department and submitted the case to the Central Tax Court against the Revenue Department on September 14, 2011. In July 2012, the Central Tax Court rendered its judgment in favor of the Revenue Department. The subsidiary is in process of petition against its decision to the Supreme Court. However, during the second quarter of 2012, the subsidiary has made provision for this case of THB 37.00 million.

In this regards, in the case that GOLD and its subsidiaries are subjected to pay higher than the amount of claims as recorded in the financial statements, it might possibly render future operating performance of GOLD to be lower than expected and consequently affecting the Company's return on investment.

- Expenses that may arise from the payment of compensation to management or employees who might have to leave thier positions prior to the ending of employment contract. This could be the case if the Company performs a restructuring on the management structure or alter the Board of Directors of GOLD to reflect its shareholding portion post-transaction.

- Possible devaluation of project value or assets which might not yet be reflected in the financial statements as of June 30, 2012.

2) Risk associated with the inability to sell the remaining housing projects of GOLD
Based on Kasikorn Research Center, it stated that during the first half of 2012, real estate market within Bangkok district especially horizontal residences is under the slow growth period. This might possibly be the result of unrecovered consumer confidence from flooding situation. As for the second half of 2012, real estate market remains stable due to various negative factors such as expectation on new round of flooding, possible world economic crisis and escalation of construction material cost and land price. All of those negative factors have driven down consumers' confidence and purchasing power. This could as well affect the target sale of GOLD, in particularly its housing projects under the brand "Golden" and "Grand".

As of December 31, 2011, book value of land and constructions in each housing project of GOLD within Bangkok and its vicinity are as follow:

Table 46: Book value of land and constructions in each housing project of GOLD within Bangkok and vicinity as of December 31, 2011

Project Name	Area	Book Value as of December 31, 2011 (THB million)
Golden Legend	57-0-91.2 rai	110.49
Golden Heritage	81-3-21.4 rai	448.66
Golden Nakara	189-3-5.6 rai	717.14
Grand Monaco	110-1-63.6 rai	638.22

3) Shareholding portion of the Company in GOLD might be diluted down after the fully exercise of warrants by other warrant holders
On March 3, 2011, the Extraordinary Shareholders' Meeting of GOLD no.1/2011 approved the issuance of new common shares to existing shareholders (right offering) as well as the issuance of GOLD-W1 to existing shareholders who subscribe the newly issued shares. As of June 30, 2012, registered capital of GOLD was 1,134,147,724 shares at a par value of THB 10.00 per share and having GOLD-W1 of 504,065,655 units (1 unit of warrant can be converted into 1 common share). In this regards, 5 exercisable periods have passed but none of the warrant holders have exercised.

In case the Company obtains GOLD's shares in this VTO above 50.00% (including 281,316,464 shares or 24.80% of total paid-up shares of GOLD and 108,479,551 units of warrants or 21.52% of total units of warrants of GOLD that RKIL intends to sell to the Company under this VTO), the condition stipulates the VTO is thus fulfilled and that the Company will enter into the Transaction. Nonetheless, following the scenario that all other warrant holders fully exercise GOLD-W1, the Company's shareholding portion in GOLD might be diluted down below 50.00%. As a result, the Company might be exposed to risk of holding stakes in GOLD less than 50.00%.

Table 47: Calculation of shareholding portion of GOLD post-exercise of all GOLD-W1 by other warrant holders under the scenario that the Company acquires ordinary shares of GOLD at 50.00% and GOLD-W1 only from RKIL

Items	No. of Shares
Number of GOLD's paid-up shares post-exorcist of all warrants	
Number of paid-up shares as of June 30, 2012 (1)	1,134,147,724
Number of shares resulting from the exercise of GOLD-W1 in full amount (2)	504,065,655
Total number of paid-up shares post-exercise of GOLD-W1 (3) = (1) + (2)	**1,638,213,379**
Shareholding of the Company in GOLD post-exercise of GOLD-W1	
Minimum numbers of acquired shares under the condition of this VTO (above 50.00%) (4)	567,073,862
Number of shares resulted from the exercise of GOLD-W1 acquired from RKIL (5)	108,479,551
Number of GOLD's shares held by the Company post-exercise of GOLD-W1 (6) = (4) + (5)	**675,553,413**
Representing shareholding portion in GOLD of (7) = (6) / (3)	**41.24%**

4) The Company might acquire less than 50.00% stakes in GOLD
One of the conditions stipulates this VTO is the Company will be able to call off the VTO if it is unable to acquire above 50.00% stakes in GOLD. In such case, any related operating expenses incurred by the Company in preparation for the Transaction might be considered as sunk cost to the Company.

- **Advantages and disadvantage of not entering into the Transaction**

Advantages of not entering into the Transaction

1) No additional debt burden from the consolidation of GOLD's financial performance into the Company's financial statement as well as debt burden from the drawdown of bridging loan to support the VTO process prior to the time when the Company will actually receive the equity funding proceeds.

2) The Company will not be exposed to risks associated with contingent liabilities and any pending lawsuits of GOLD of which the Company is unable to gauge the possible damage value since it does not have an access to perform Due Diligence in GOLD.

Disadvantages of not entering into the Transaction

The Company might lose the opportunity to further expand its business. In the case that the Transaction is successfully completed, the asset base of the Company will be increasing significantly and rapidly. If the Company does not enter into the Transaction, the Company might also lose the opportunity to record revenue from current project of GOLD that are under development as well as revenue from rental income generated from GOLD's investment properties which are mostly in operation.

3.3 Fairness of Transaction Price and Condition

3.3.1 Fairness of Transaction Price

3.3.1.1 Fairness of the Proposed Tender Offer Price for the Common Shares of GOLD

In preparation of this IFA report, the IFA has the limitation on the accessibility to internal information of GOLD and its subsidiaries/associated companies. This is because the acquisition of GOLD and GOLD-W1 will be performed via the VTO process. In addition, the acquisition from RKIL, the major shareholder of GOLD who expresses an intention to dispose of its stakes in GOLD under this VTO, does not have management control in GOLD. With the aforementioned reasons, the IFA has considered the appropriateness of the transaction price mainly based on the publicly disclosed information. In this regards, the IFA has performed share valuation by using 4 financial valuation approaches as shown in the following Table.

Table 48: Financial Valuation Methodologies for GOLD's Common Shares and Limitation of Each Approach

	Performed by the IFA	Limitation in Performing Share Valuation
1) Book Value Approach	✓	-
2) Adjusted Book Value Approach	✓	The IFA has analyzed the information about the contingent liabilities of GOLD as publicly disclosed in the notes to financial statements by the auditor. In this regards, the IFA is unable to adjust the value of GOLD's assets to reflect their market value at present aside from the book value as appeared in the latest financial statements.
3) Historical Market Price Approach	✓	-
4) Price to Book Ratio Approach	✓	-
5) Price to Earning Ratio Approach	×	The IFA is not able to perform the share valuation by using Price to Earning Ratio Approach since GOLD has been incurring negative operating performances.
6) Discounted Cash Flow Approach	×	Since Discounted Cash Flow Approach requires details information regarding the business operation of GOLD to produce accurate financial projection and valuation result such as the remaining units under each project, construction progress for each project under development, cost structure as well as business plan of GOLD's management in the near future. However, due to the constraint of the IFA in accessing to such required information, it might result in inaccurate forecasts of expected future free cash flow. Thus, the

	Performed by the IFA	Limitation in Performing Share Valuation
		valuation result obtained might not fairly reflect the intrinsic value of GOLD's share price.
7) Dividend Discounted Model Approach	×	The IFA is unable to perform the Dividend Discounted Model Approach because GOLD did not payout dividend to its shareholders due to it accumulated retained loss.

In this regards, the opinion of the IFA with regards to the appropriateness of the transaction price is under the aforementioned limitation of the IFA for the accessibility of GOLD's internal information.

Details of each share valuation approach is shown as follows:

1) Book Value Approach

The Book Value Approach evaluates the value of shareholders' equity at a certain point of time as shown in the financial statement. In this case, the IFA used GOLD's financial statement for the 6 month period ended June 30, 2012 reviewed by the auditor of GOLD. Further details of the valuation are presented in the Table below.

Table 49: Book Value of Shareholders' Equity of GOLD as of June 30, 2012

Items	Amount (THB '000)
Issued and paid-up capital	11,341,477
Add: discount on ordinary shares	-3,810,715
Add: Retained loss	-854,402
Equity attributable to equity holders of parent	**6,676,360**
Number of issued and paid-up shares ('000) – par value at THB 10 each	1,134,148
Book value per share (THB)	**5.89**

Based on the above Table, **the fair value of GOLD share is THB 5.89 per share**, which is higher than the tender offer price at THB 5.50 per share by 7.03%. However, the IFA views that Book Value Approach takes into consideration only the book value of shareholders' equity at a certain point in time, without taken into consideration of the future operating performance as well as any occurrences that might arise subsequent to the date of the financial statement. Therefore, the IFA views that Book Value Approach is **inappropriate** for the valuation of GOLD share.

2) Adjusted Book Value Approach

As previously mentioned that the IFA is unable to access the internal information of GOLD which includes the asset appraisal report, thus, the IFA is unable to adjust the value of GOLD's assets to reflect their current market value at present. However, the IFA has studied the contingent liabilities of GOLD as publicly disclosed in its note to financial statements for the first 6 month period ended June 30, 2012 which are as follow:

Table 50: Contingent Liabilities of GOLD as of June 30, 2012

Items	Details	Value
1. Long-term rental commitments	▪ During 2007, Grand Mayfair Co., Ltd., a wholly owned subsidiary of Golden Land (Mayfair) Co., Ltd. which is a wholly owned subsidiary of GOLD, entered into an agreement with Gold Property Fund to sub-lease the land and buildings and to lease furniture and equipment of the Mayfair Marriott Project for approximately 16 years from May 8, 2007 to March 15, 2023 unless the Fund exercises its right to renew the agreement for an additional 10 years.	A fixed monthly sum of THB 4.00 million and a variable monthly sum based on the operating results of Grand Mayfair Co., Ltd.
	▪ In August 2007, North Sathorn Realty Co., ("NSR") Ltd. sub-leased the Hotel Plot to North Sathorn Hotel Co., Ltd. ("NSH") under two sub-lease agreements. The sub-leases contain the same terms and conditions as the head-leases except that in addition to the annual payments to be made by NSH to NSR as lessor, which are the same amounts as have to be paid under the head-lease by NSR to the Crown Property Bureau, the first sub-lease agreement required NSH to make an Initial Payment of THB 989 million to NSR in consideration of NSR agreeing to sub-lease the land to NSH.	Unknown
	▪ On December 23, 2011, GOLD acquired rights to an agreement to lease land to a subsidiary on which is developed a serviced residential building, for a period of 41 years commencing on December 23, 2011. At the end of the lease period, the subsidiary company agrees to extend the lease period for another 10 years.	A sum total rental of THB 234.00 million and future rental commitments of THB 94.00 million.
	▪ A subsidiary has an agreement with the Privy Purse Bureau to lease land on which to develop an office building for rent for a period of 30 years commencing September 1, 1992.	THB 40.55 million (future rental payments under lease agreements as of June 30, 2012)
	▪ A subsidiary of GOLD has 4 lease agreements with the Crown Property Bureau to lease land for the development of office and/or residential buildings for a period of 33 years and 9 months ending October 2040.	THB 1,400.00 million (future minimum rental payments under lease agreements)
	▪ GOLD has a lease agreement with the Crown Property Bureau to lease land for the development of a building for rent for a period of 33 years ending October 2039	THB 660.39 million (future minimum rental payments under lease agreements)
2. Uncalled portion of share capital	As at June 30, 2012, GOLD has outstanding commitments in respect of the uncalled portion of share capital in its investment in a subsidiary	THB 66.00 million
3. Guarantee to financial institutions	As at June 30, 2012, GOLD and its subsidiaries had provided guarantees to financial institutions for certain obligations and liabilities of subsidiaries.	THB 3,768.00 million
4. Financial support	GOLD has commitment to provide the necessary financial support to its subsidiaries to meet its liabilities as they fall due.	Unknown

When considering the financial statements of GOLD for the period of 6 months ended June 30, 2012, GOLD has recorded the amount of its litigation claims classified as "liabilities under decision of the court" under other current liabilities as well as set up provision for other claims plus interest under "short-term and long-term provisions". In additionally, the Company has already recorded the allowance for doubtful debts, allowance for possible project devaluation as well as its commitment to provide the necessary financial support to its subsidiary to meet its liabilities as they fall due. Thus, the IFA did not further adjusted the book value of GOLD with other contingencies.

In addition, the IFA did not adjust the book value of GOLD by its long-term commitments as well as contingent liabilities as shown in the above Table since the IFA views that such commitments and obligations are arising from GOLD's normal course of business operation.

Therefore, **the fair value of GOLD share based on the Adjusted Book Value Approach is THB 5.89 per share**, which is equal to the book value of shareholders' equity of GOLD and higher than the proposed tender offer price at THB 5.50 per share by 7.03%. However, the IFA views that this approach takes into consideration only the book value of shareholders' equity at a certain point in time, without taken into consideration of the future operating performance of GOLD. Therefore, the IFA views that the Adjusted Book Value Approach is **inappropriate** for the valuation of GOLD share.

3) Historical Market Price Approach

Historical Market Price Approach evaluates the fair value of GOLD shares by taking into consideration of the actual trading price and volume in SET. With this regard, the IFA has calculated the historical 15 – 360 business day volume weighted average price ("VWAP") for GOLD share until September 7, 2012, which is when the Company's Board of Directors has passed the resolution to approve the Transaction. The market price of GOLD shares can reflect the actual demand and supply of GOLD shares by the investors based on their consideration of GOLD's operating performances, related news and information, industry environment as well as overall economic situation. The details of VWAP from each historical period are presented in the following Table.

Table 51: Volume Weighted Average Price of GOLD

Historical Period (Business Days)	Market Price (THB per share)			Average Trading Volume Per Day (shares)	VWAP (THB per share)
	Low	High	Average Closing Price		
15 business days	7.00	8.20	7.41	13,353,135	7.52
30 business days	6.35	8.20	7.06	8,866,042	7.37
60 business days	5.25	8.20	6.41	7,260,574	6.83
90 business days	4.12	8.20	5.82	7,476,586	6.27
180 business days	3.82	8.20	5.06	5,755,013	5.64
240 business days	3.24	8.20	4.71	4,806,617	5.44
360 business days	2.78	8.20	4.25	3,596,455	5.22
Range of GOLD share price (THB per share)					**5.22 – 7.52**

Source: information as of September 7, 2012 from www.setsmart.com

Based on the above Table, **fair value of GOLD share price ranges between THB 5.22 – 7.52 per share** which is lower than the proposed tender offer price at THB 5.50 per share by 5.06% and higher by 36.78%. Nonetheless, the fair value obtained from this valuation approach might be affected by uncontrollable external factors such as stock market condition at the time. The VWAP of GOLD during the historical 360 business days was at THB 5.22 per share and rise to THB 6.27 per share during the historical 90 business days, or higher by 20.11%. Thereafter, it further rise to THB 7.52 per share during the historical 15 business days, or higher by 44.06% from the VWAP during the historical 360 business days. Meanwhile, the Company is still incurring the operating loss. Therefore, the IFA views that Historical Market Price Approach is **inappropriate** for the valuation of GOLD share.

4) Market Comparable Approach

The Market Comparable Approach determines the fair value of GOLD share by using market ratios of comparable real estate companies listed in the SET that operate similar business to GOLD with the underlying assumption that financial ratios such as Price to Earning Ratio ("PER") and Price to Book Value Ratio ("P/BV") of companies within the same industry should possess comparable characteristic. In this regards, the IFA performed the valuation by using a group of real estate development companies that develop projects such as housing, condominium and office buildings similar to the projects of GOLD. Details of peers comparable companies are presented in the following Table.

Table 52: Peers Comparable Companies for the Valuation of GOLD Share Price

No.	Name	Symbol
1	Land and Houses Plc.	LH
2	Preuksa Real Estate Plc.	PS
3	Sansiri Plc.	SIRI
4	Quality House Plc.	QH
5	Bangkok Land Plc.	BLAND
6	Asian Property Development Plc.	AP

No.	Name	Symbol
7	Property Perfect Plc.	PF
8	Supalai Plc.	SPALI
9	SC Asset Corporation Plc.	SC
10	Raimon Land Plc.	RML
11	L.P.N. Development Plc.	LPN
12	Noble Development Plc.	NOBLE
13	Grand Canal Land Plc.	GLAND
14	Major Development Plc.	MJD
15	Prinsiri Plc.	PRIN
16	M.K. Real Estate Development Plc.	MK
17	Univenture Plc.	UV
18	Areeya Property Plc.	A
19	Lalin Property Plc.	LALIN
20	Eastern Star Real Estate Plc.	ESTAR
21	Sena Development Plc	SENA
22	Charn Issara Development Plc	CI
23	Nusasiri Plc	NUSA
24	N.C. Housing Plc.	NCH
25	Sammakorn Plc.	SAMCO
26	Krisda Mahanakorn Plc.	KMC
27	K.C. Property Plc.	KC
28	Metro Star Property Plc.	METRO
29	Natural Park Plc.	N-PARK
30	Rasa Property Development Plc.	RASA
31	Keppel Thai Properties Plc.	KTP
32	Baan Rock Garden Plc.	BROCK
33	Precha Group Plc.	PRECHA
34	Living Land Capital Plc.	LL
35	Everland Plc.	EVER

Under Market Comparable Approach, the IFA applied only the method of Price to Book Ratio Approach because GOLD has continuously incurring net loss in the past, thus, the IFA is unable to perform share valuation by using Price to Earning Ratio Approach.

a) Price to Book Ratio Approach

Based on the Price to Book Ratio Approach, the IFA has determined the cut-off date for the calculation of average historical P/BV to be on September 7, 2012 which is date that the Compaby's Board of Directors has passed the resolution to approve the Transaction. In this regards, the IFA has calculated the historical 15 – 360 business days average P/BV for comparable companies which can be summarized as follow:

Table 53: Average Historical P/BV of Peers Comparable for the Valuation of GOLD's Share

Peers Comparable	Historical Period (Business Days)						
	15 days	30 days	60 days	90 days	180 days	240 days	360 days
LH	2.66	2.60	2.56	2.52	2.45	2.37	2.34
PS	2.19	2.21	2.13	2.03	1.93	1.88	2.15
SIRI	1.50	1.48	1.42	1.38	1.28	1.17	1.08
QH	1.21	1.21	1.19	1.17	1.13	1.08	1.14
BLAND	0.64	0.61	0.54	0.51	0.49	0.46	0.47
AP	2.04	1.97	1.92	1.86	1.69	1.61	1.60

Peers Comparable	Historical Period (Business Days)						
	15 days	30 days	60 days	90 days	180 days	240 days	360 days
PF	0.73	0.77	0.77	0.75	0.68	0.61	0.58
SPALI	2.98	2.92	2.80	2.69	2.53	2.41	2.31
SC	1.10	1.06	1.04	1.02	1.02	0.96	0.97
RML	~~5.38~~	~~7.89~~	~~9.34~~	~~9.66~~	~~8.04~~	~~6.88~~	~~5.57~~
LPN	3.63	3.65	3.67	3.63	3.32	3.08	2.89
NOBLE	0.70	0.70	0.68	0.67	0.68	0.66	0.69
GLAND	2.63	2.47	2.33	2.24	2.10	2.16	2.22
MJD	0.91	0.87	0.74	0.69	0.64	0.61	0.62
PRIN	0.59	0.59	0.56	0.54	0.51	0.49	0.52
MK	0.50	0.50	0.49	0.48	0.48	0.47	0.49
UV	1.54	1.37	1.23	1.18	1.11	1.04	1.06
A	1.15	1.15	1.14	1.14	1.12	1.11	1.12
LALIN	0.54	0.54	0.54	0.53	0.52	0.50	0.52
ESTAR	0.88	0.87	0.89	0.91	0.82	0.74	0.70
SENA	0.95	0.91	0.88	0.86	0.86	0.84	0.84
CI	0.86	0.82	0.76	0.69	0.59	0.56	0.53
NUSA	0.99	1.00	1.00	1.02	1.08	1.09	0.80
NCH	0.66	0.65	0.63	0.62	0.67	0.66	0.67
SAMCO	0.53	0.53	0.52	0.51	0.51	0.50	0.51
KMC	0.51	0.82	0.97	1.30	1.03	0.93	0.87
KC	0.56	0.54	0.53	0.51	0.50	0.49	0.49
METRO	0.69	0.65	0.58	0.56	0.55	0.52	0.55
N-PARK	~~2.12~~	~~4.01~~	~~4.94~~	~~4.95~~	~~5.39~~	~~5.06~~	~~4.60~~
RASA	1.08	1.08	1.10	1.12	1.25	1.25	1.13
KTP	1.32	1.26	1.19	1.20	1.24	1.22	1.23
BROCK	0.84	0.83	0.79	0.77	0.75	0.70	0.69
PRECHA	0.62	0.62	0.61	0.61	0.65	0.64	0.62
LL	1.21	1.24	1.17	1.26	1.74	1.80	1.57
EVER	0.72	0.74	0.74	0.80	1.21	1.10	1.12
Average PBV	**1.20**	**1.19**	**1.15**	**1.14**	**1.12**	**1.08**	**1.06**

Source: Information as of September 7, 2012 from www.setsmart.com

The IFA disregarded the outliers of average P/BV from this calculation to prevent the valuation result from being significantly deviated. The details of such outliers are presented in the above Table. Thereafter, the IFA applied the average P/BV obtained to the book value per share of GOLD to derive at fair price. Based on the financial statement of GOLD for the 6 month period ended June 30, 2012, the book value of shareholders' equity was THB 6,676.36 million or THB 5.89 per share. The details of share valuation are presented as follow:

Table 54: Share Valuation of GOLD Using P/BV Approach

Historical Period (Business Days)	Average P/BV (times) (1)	Book Value per Share (THB) (2)	Fair Value (THB per share) (3) = (1) * (2)
15 business days	1.20	5.89	7.07
30 business days	1.19		7.00
60 business days	1.15		6.80
90 business days	1.14		6.74
180 business days	1.12		6.62
240 business days	1.08		6.38

Historical Period (Business Days)	Average P/BV (times) (1)	Book Value per Share (THB) (2)	Fair Value (THB per share) (3) = (1) * (2)
360 business days	1.06		6.26
Fair value of GOLD share (THB per share)		**6.26 – 7.07**	

Based on the above Table, **<u>the fair value of GOLD share ranges between THB 6.26 – 7.07 per share</u>** which is higher than the tender offer price at THB 5.50 per share by 13.80% – 28.62%. Although this valuation approach mainly considers the book value of shareholders' equity at a point in time without taking into consideration the revenue generating capability of GOLD in the future, however; since the IFA is unable to perform the financial forecast on GOLD's future performance. Meanwhile, its net asset value which comprises mainly of investment properties, leasehold right and real estate development cost, can truly reflect the value of GOLD's main assets that have the capability to generate future income stream. By adding the premium based on the P/BV of real estate companies operating similar business and are trading in the stock market to GOLD's net asset value as of June 30, 2012, the IFA views that such approach is **<u>appropriate</u>** for the valuation of GOLD share price.

Table 55: Summary of Fair Value of GOLD Share Comparing to the Proposed Tender Offer Price

Valuation Approach	Fair Value by IFA (THB per share)	Tender Offer Price (THB per share)	Appropriateness of the Approach	Fair Value by IFA Higher (Lower) than Tender Offer Price by (%)
1. Book Value Approach	5.89	5.50	Inappropriate	7.03
2. Adjusted Book Value Approach	5.89	5.50	Appropriate	7.03
3. Historical Market Price Approach	5.22 – 7.52	5.50	Appropriate	(5.06) – 36.78
4. Price to Book Ratio Approach	**6.26 – 7.07**	**5.50**	**Appropriate**	**13.80 – 28.62**

The IFA views that the fair value of GOLD share derived from Price to Book Ratio Approach is appropriate since it takes into consideration the value of GOLD's core assets that have the capability to generate revenue and free cash flow to GOLD in the future. Then, adding the average market premium given to real estate companies' share price operating similar business to GOLD and are trading in the stock market. In this regards, the fair value of GOLD share from Price to Book Ratio Approach ranges between **<u>THB 6.26 – 7.07 per share which is higher than the proposed tender offer price at THB 5.50 per share by 13.80% – 28.62%.</u>**

3.3.1.2 Fairness of the Proposed Tender Offer Price for the Warrants of GOLD (GOLD-W1)

The IFA has evaluated the fair price of GOLD-W1 by using 3 financial valuation approaches as follow:
1) Historical Market Price Approach
2) Intrinsic Value Approach
3) Black-Scholes Model Approach

Details of the valuation of GOLD-W1 using each financial valuation approach are as follow:

1) Historical Market Price Approach

Historical Market Price Approach evaluates the fair value of GOLD-W1 by taking into consideration of the actual trading price and volume in SET. With this regard, the IFA has calculated the historical 15 – 360 business days volume weighted average price ("VWAP") for GOLD-W1 until September 7, 2012, which is when the Company's Board of Directors has passed the resolution to approve the Transaction. The market price of GOLD-W1 can reflect the actual demand and supply of GOLD-W1 by the investors based on their consideration of GOLD's share price, operating performances, related news and information, industry environment as well as overall economic situation. The details of VWAP from each historical period are presented in the following Table.

Table 56: Volume Weighted Average Price of GOLD-W1

Historical Period (Business Days)	Market Price (THB per share)			Average Trading Volume Per Day (shares)	VWAP (THB per share)
	Low	High	Average Closing Price		
15 business days	3.98	5.20	4.52	22,788,615	4.68
30 business days	3.40	5.20	4.12	21,818,951	4.26
60 business days	2.44	5.20	3.48	21,529,438	3.68
90 business days	1.29	5.20	2.99	19,048,599	3.45
180 business days	1.13	5.20	2.25	11,296,239	3.17
240 business days	0.75	5.20	1.93	9,118,228	3.01
360 business days	0.75	5.20	1.64	8,271,538	2.58
Range of GOLD-W1 price (THB per unit)					**2.58 – 4.68**

Source: information as of September 7, 2012 from www.setsmart.com

Based on the above Table, **fair value of GOLD-W1 ranges between THB 2.58 – 4.68 per unit** which is higher than the proposed tender offer price at THB 2.50 per share by 3.24% – 87.17%. Nonetheless, the fair value obtained from this valuation approach might be affected by uncontrollable external factors as same as the valuation of GOLD share by using Historical Market Price Approach. Therefore, the IFA views that Historical Market Price Approach is **inappropriate** for the valuation of GOLD-W1.

2) Intrinsic Value Approach

This valuation approach takes into consideration of historical market price of GOLD-W1 trading in the SET over 15 – 360 business days until September 7, 2012 which is when the Company's Board of Directors passed the resolution to approve the Transaction, then deducting with the exercise price of GOLD-W1. Details of the valuation are presented as follow:

Table 57: Intrinsic Value of GOLD-W1

Historical Period (Business Days)	VWAP (THB per share) (1)	Exercise Price (THB per share) (2)	Intrinsic Value of GOLD-W1 (THB per unit) (3) = (1) – (2)
15 business days	4.68	3.00	1.68
30 business days	4.26	3.00	1.26
60 business days	3.68	3.00	0.68
90 business days	3.45	3.00	0.45
180 business days	3.17	3.00	0.17
240 business days	3.01	3.00	0.01
360 business days	2.58	3.00	-0.42
Range of GOLD-W1 price (THB per unit)			**0.00 – 1.68**

Source: information as of September 7, 2012 from www.setsmart.com

Based on the above Table, **fair value of GOLD-W1 based on Intrinsic Value Approach ranges between THB 0.00 – 1.68 per unit** which is lower than the proposed tender offer price at THB 2.50 per share by 100.00% – 32.83%. The fair value obtained from this valuation approach reflects the minimum value of GOLD-W1 at each period of time as if the warrant holders must exercise the warrants immediately without taking into consideration of the remaining life of the warrants, the volatility of underlying stock price as well as possible dilution effect to shareholders. As a result, the IFA views that this approach is **inappropriate** for the valuation of GOLD-W1.

3) Black-Scholes Model Approach

This valuation approach evaluates the fair value of GOLD-W1 by using Black-Scholes formula as follow:
Fair value of the warrants = $Se^{-qt/365} * N(d1) - Xe^{-rt/365} * N(d2)$

Where by: $d1 = [\ln(S/X) + (r - q + (V^2/2)) * (t/365)] / (V * t/365^{1/2})$
$d2 = d1 - V * t/365^{1/2}$

S is Price of GOLD share; the IFA applied the fair value of GOLD share derived from the Price to Book Ratio Approach ranging between THB 6.26 – 7.07 per share as it is considered as the appropriate valuation approach
X is Exercise price of GOLD-W1 at THB 3.00 per share
r is Risk-free rate; the IFA applied risk free rate based on the 1.50 year government-bond yield to match with the remaining time to maturity of GOLD-W1 at 3.07% (source: www.thaibma.or.th)
q is Dividend yield of GOLD; the IFA applied 1-year historical average dividend yield of GOLD at 0.00%.
t is The remaining time to maturity of GOLD-W1 (days) which is 570 days from September 7, 2012 until March 31, 2014
V is Volatility of GOLD share price; the IFA applied 1-year historical average volatility at 36.56%

Upon applying the above factors into the Black-Scholes Model, the fair value of GOLD-W1 obtained ranges between THB 3.43 – 4.23 per unit. In addition, the IFA has performed the sensitivity analysis by adjusting the volatility of GOLD share price to be 26.56% – 46.56% (by adding +10.00%/-10.00% from the volatility applied under the base case scenario). Details of the sensitivity analysis are presented as follow:

Table 58: Sensitivity Analysis for GOLD-W1

Volatility of Underlying Stock Price	Fair Value of GOLD Share	
	6.26	7.07
Lower Case 26.56%	3.40	4.22
Base Case 36.56%	3.43	4.23
Upper Case 46.56%	3.50	4.28

Based on the above Table, **fair value of GOLD-W1 based on the Black-Scholes Model ranges between THB 3.40 – 4.28 per unit** which is higher than the proposed tender offer price at THB 2.50 per unit by 36.16% – 71.19%. This valuation approach takes into consideration many factors including the underlying stock price and its historical movement, the remaining time to maturity of the warrants, the exercise price as well as the dividend yield. Therefore, the IFA views that this valuation approach is **appropriate** for the valuation of GOLD-W1.

Table 59: Summary of Fair Value of GOLD-W1Comparing to the Proposed Tender Offer Price

Valuation Approach	Fair Value by IFA (THB per share)	Tender Offer Price (THB per share)	Appropriateness of the Approach	Fair Value by IFA Higher (Lower) than Tender Offer Price by (%)
1. Historical Market Price Approach	2.58 – 4.68	2.50	Inappropriate	3.24 – 87.17
2. Intrinsic Value Approach	0.00 – 1.68	2.50	Inappropriate	(100.00) – (32.83)
3. **Black-Scholes Model Approach**	**3.40 – 4.28**	**2.50**	**Appropriate**	**36.16 – 71.19**

Based on the above Table, **fair value of GOLD-W1 derived from Black-Scholes Model ranging between THB 3.40 – 4.28 per unit** is appropriate since it takes into consideration of many factors including the underlying stock price and its volatility, the exercise price, the remaining time to maturity of the warrants and the dividend yield. Such range of fair value is higher than the proposed tender offer price at THB 2.50 per unit by 36.16% – 71.19%.

3.3.2 Fairness of the Conditions of the Transaction

For the acquisition of GOLD common shares and GOLD-W1 from RKIL under this VTO, the Company has determined the conditions precedent to the Transaction as follow:

- The Company is entitled to cancel the VTO to purchase all securities of GOLD in case that, upon the completion of such tender offer, the Company is unable to purchase more than 50% of the total issued and paid-up shares of GOLD
- The Extraordinary Shareholders' Meeting No.1/2012 must approve of this acquisition transaction as well as any other related matters with the votes not less than three-fourth of the total shareholders attending the meeting and having the right to vote, excluding the shareholders who have conflict of interest.
- The Extraordinary Shareholders' Meeting No.1/2012 must approve of the increase of the Company's registered capital and the allotment of the newly issued common shares. The increase of the Company's capital is intended for the repayment of bridging loan used to purchase all securities of GOLD under the VTO process.

Since the Company has the objective to acquire stakes in GOLD at the portion that will allow the Company to gain the management control, the IFA views that the condition precedent which enables the Company to withdraw the tender offer in the case that it cannot acquire more than 50.00% stakes in GOLD is appropriate and fair. This condition precedent will help release the burden of the Company from purchasing any shares if it is unable to obtain the desired stakes.

As for the condition precedent which requires the Company to obtain the approval from the shareholders' meeting prior to entering into the Transaction, it is considered as the general practice of listed companies in acquiring assets with the transaction size above 50.00%. For the shareholders' approval required for the increase of the Company's capital and the allotment of newly issued shares to the existing shareholders and via private placement, this equity funding is intended for the repayment of bridging loan. Such condition is also considered as appropriate since the new equity funding will help releasing the Company's debt burden as well as financial cost arising from the drawdown of bridging loan to support the VTO process. In sum, **the IFA views that the conditions for the acquisition of GOLD's common shares and GOLD-W1 from RKIL under this VTO are appropriate.**

3.4 Summary of the Opinion of the IFA

The IFA views that the voluntary tender offer for GOLD's common shares and GOLD-W1 including the acquisition from RKIL, who is the major shareholder of GOLD is appropriate and that the shareholders should approve the Transaction. This is because the Transaction will provide the Company with an opportunity to earn high return from its investment as GOLD currently owns many assets located in high potential areas of Bangkok. In addition, the proposed tender offer price for GOLD's common shares at THB 5.50 per share is lower than the range of fair price evaluated by the IFA between THB 6.26 – 7.07 per share. Meanwhile, the proposed tender offer price for GOLD-W1 is also lower than the fair price evaluated by the IFA using Black-Scholes Model ranging between THB 3.40 – 4.28 per unit. Last but not least, the conditions precedent to the Transaction are in accordance with the general practice and that they are intended for protecting the Company's benefit. In this regards, the decision to vote is solely under the discretion of the shareholders.

Section 4: Summary of Impact from the Transaction

The IFA has estimated the impact from the Transaction to the Company under the following scenarios:

Scenario 1	The Company does not acquire both assets
Scenario 2	The Company only acquires all ordinary shares of Grand U
Scenario 3	The Company only makes the voluntary tender offer for all securities of GOLD. Under the scenario that the Company is able to obtain more than 50.00% of all issued and paid-up ordinary shares of GOLD and able to obtain GOLD-W1 only from RKIL (based on the conditions of the VTO) ranging to the scenario that the Company is able to acquire 100% of GOLD's ordinary shares and the entire amounts of warrants.
Scenario 4	The Company acquires both assets. Under the scenario that the Company is able to obtain more than 50.00% of all issued and paid-up ordinary shares of GOLD and able to obtain GOLD-W1 only from RKIL (based on the conditions of the VTO) ranging to the scenario that the Company is able to acquire 100% of GOLD's ordinary shares and the entire amounts of warrants.

Table 60: Estimated Impacts from Various Scenarios

Scenario	Transaction Value (THB million)	Estimated Impacts to the Company's Financial Statements (THB million)			The Company's Operating Performance Post-Transaction	Debt-to-Equity Ratio**
		Total Assets	Total Liabilities	Paid-Up Capital*		
Scenario 1 No acquisition of both assets	-	No impact	No impact	No impact	No impact	1.85
Scenario 2 Considers only the acquisition of Grand U's ordinary shares	360.00	No impact because Grand U's assets has already been recorded in the company's consolidated financial statements	No impact because Grand U's liabilities has already been recorded in the company's consolidated financial statements	▪ Increase by THB 360.00 million from the capital increase ▪ Shareholder's equity will increase due to the decrease of non-controlling interest in Grand U	▪ Share of net income and profit from Grand U will increase in relation to the increasing investment stake. ▪ For 2011 and 6-month period ended June 30, 2012, profit of Grand U (attributable to equity holders of the parent) were THB 358.01 million and THB 252.05 million, respectively.	< 1.85 from capital increase
Scenario 3 Considers only the tender offer of GOLD, with proportion of acquired shares more than 50.00 % and up to 100.00%	Higher than 3,390.11**** – 7,497.98	Total assets will increase by THB 12,199.89 million due to the recognition of GOLD's assets in the consolidated financial statements (non-controlling interest is included)***	Total liabilities will increase by THB 5,734.38 million, comprising the interest bearing debt of THB 3,821.59 million due to the recognition of GOLD's liabilities in the consolidated financial statements (non-controlling interest is included)***	▪ Increase by THB 3,390.11 – 7,497.98 million from the capital increase ▪ Shareholder's equity attributable to UV depends on its investment stakes in GOLD	▪ In the event that the Company cannot improve the asset management capability of GOLD as targeted, the Company might have to consolidate GOLD's operating loss into its financial statements. ▪ For 2011 and 6-month period ended June 30, 2012, net loss of GOLD (attributable to equity holders of the parent) were THB 231.45 and THB 185.81 million, respectively. While profits of UV were THB 63.09 million and THB 200.42 million, respectively.	< 1.85 from capital increase
Scenario 4 Acquire both assets, by making the tender offer for	Higher than 3,750.11 – 7,857.98	Total assets will increase by THB 12,199.89 million due to the recognition of GOLD's assets in the	Total liabilities will increase by THB 5,734.38 million, comprising the interest bearing debt of	▪ Increase by THB 3,750.11 – 7,857.98 million from the capital increase	▪ Share of net income and profit from Grand U will increase in relation to the increasing investment stake. ▪ In the event that the Company	< 1.85 from capital increase

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Scenario	Transaction Value (THB million)	Estimated Impacts to the Company's Financial Statements (THB million)			The Company's Operating Performance Post-Transaction	Debt-to-Equity Ratio**
		Total Assets	Total Liabilities	Paid-Up Capital*		
GOLD with proportion of acquired shares more than 50.00% and up to 100.00%		consolidated financial statements (non-controlling interest is included)***	THB 3,821.59 million due to the recognition of GOLD's liabilities in the consolidated financial statements (non-controlling interest is included)***	▪ Shareholder's equity will increase due to the decrease of non-controlling interest in Grand U	cannot improve the asset management capability of GOLD as targeted, the Company might have to consolidate GOLD's operating loss into its financial statements.	

Remark: * If only the Company could achieve its fund raising target.
** The IFA estimated based on the Company's shareholder's equity as at June 30, 2012, the operating performance of the Company subsequent to such date were not included.
*** Based on GOLD's financial statements as of June 30, 2012.
**** The minimum payment for the acquisition of GOLD's shares based on the condition of this VTO at not less than 567.07 million shares at the offering price of THB 5.50 per share, representing the total amount of THB 3,118.91 million and the payment for the acquisition of GOLD-W1 only from RKIL at 108.48 million units at the offering price of THB 2.50 per unit, representing the total amount of THB 271.20 million. Thus, the minimum payment under Scenario 3 is THB 3,390.11 million.

Scenario 1: The Company does not acquire both assets

As of June 30, 2012, the company had total assets of THB 7,013.14 million, total liabilities of THB 4,556.41 million and total shareholder's equity of THB 2,456.73 million, provided a debt to equity ratio of 1.85 times. In case there is no acquisition of both assets, there will apparently be no impact on the company's financial statements and its liquidity.

Scenario 2: The Company only acquires all ordinary shares of Grand U

Under this scenario, the shareholding portion of the Company in Grand U will increase from 60% to 100%. In this regards, the financial position and financial performance of Grand U were currently recorded in the Company's consolidated financial statements. The higher stakes in grand U will lead to higher shareholder's equity, mainly due to a decrease in non-controlling interest. As of June 30, 2012, total assets was THB 2,516.71 million, total liabilities was THB 1,295.68 million and total shareholder's equity was THB 1,221.02 million, provided a debt to equity ratio of 1.06 times. The source of funds for the Transaction will be coming from the capital increase. Therefore, debt to equity ratio of the Company should decrease from 1.85 times, representing a more stable financial position.

Scenario 3: The Company only enters into the voluntary tender offer of GOLD

In the event that the Company obtains more than 50% of GOLD's common shares and acquires GOLD-W1 only from RKIL, the value of the Transaction will be at the minimum of THB 3,390.11 million (In this case, if all GOLD-W1 are exercised by other warrant holders post-transactions, shareholding portion of the Company might be diluted down to 41.24%. Details of the calculation are shown in Section 3.2.2 Table 47 of this report). In the case that the Company can acquire all common shares of GOLD and GOLD-W1, the value of the Transaction will be THB 7,497.98 million, whereas the source of funds for the Transaction will be coming from the bridging loans from financial institutions prior to when the Company actually receives the equity funding proceeds. Under this scenario, debt to equity ratio should decrease from 1.85 times due to the capital increase of approximately THB 3,390.11 – 7,497.98 million.

As of June 30, 2012, total assets of GOLD was THB 12,199.89 million, total liabilities was THB 5,734.38 million and total shareholder's equities was THB 6,465.51 million, provided a debt to equity ratio of only 0.89 times, which is lower than a debt to equity ratio of the Company at 1.85 times. Such total assets and total liabilities of GOLD include the non-controlling interest in case the Company can acquire less than 100.00% stakes in GOLD.

Scenario 4: The Company acquires both assets

Under the scenario that the Company acquires both assets, the value of the transactions will range approximately between THB 3,750.11 – 7,857.98 million. Therefore, the Company is required to consolidate the financial position and performance of GOLD into its financial statements. However, the non-controlling interest will decrease due to the acquisition of Grand U. Subsequent to the capital increase of around THB 3,750.11 – 7,857.98 million, a debt to equity ratio should decrease from 1.85 times.

Section 5: Summary Opinion of the IFA

Based on the evaluation of the IFA on the reasonableness of the Transaction as well as the fairness of the underlying price and conditions for 1) the acquisition of Grand U's shares from LPN and Yaowawong and 2) the voluntary tender offer for the common shares and the warrants of GOLD, the opinion of the IFA for the consideration of the shareholders are summarized as follows:

1) **<u>The acquisition of Grand U's ordinary shares from LPN and Yaowawong</u>** with the transaction value of THB 360.00 million, the IFA views that this transaction is **<u>appropriate</u>** due to the following rationales:

- The increasing stake in Grand U will allow the Company to record greater portion of revenue and profit generated from the sales of condominium projects developed by Grand U. In recent years, the performance of Grand U has continuously growing.
- Upon the completion of the Transaction, Grand U will become a wholly owned subsidiary of the Company. This could help improving the flexibility and efficiency of the Company in managing the business of Grand U, to be in line with its business plan and policy. In addition, the conflict of interest between Grand U and the other shareholder, who is operating the same business will be eliminated.
- The proposed acquisition price at THB 15.00 per share is lower than the range of fair value evaluated by the IFA using Discounted Cash Flow Approach, which ranges between THB 17.20 – 19.29 per share (details of the share valuation appears in Section 2 Clause 2.3.1 of this report)
- The conditions stipulated under this Transaction are agreed upon the willingness of both counterparties and/or in accordance with the general practice under the share purchase and sale transaction. The IFA views that such conditions do not impair the benefit of the Company.

Therefore, the shareholders should **<u>approve</u>** the Transaction. Nonetheless, the disadvantages and risks associated with the Transaction as shown below should also be carefully considered by the shareholders before voting.

- <u>Grand U will incur additional liabilities and interest expenses</u> to finance the payment of dividend to its shareholders prior to the Transaction.
- The Company will be exposed to <u>greater risk from its investment in real estate business</u> in relation to its higher investment portion in Grand U.
- The increase of the Company's capital by THB 264.00 million to finance the acquisition of Grand U's shares will result in price dilution of around 9.47% and earnings dilution of around 25.66% to the existing shareholders (In this regards, the calculation of dilution effect has not yet taken into account the remaining 40% of Grand U's operating performance. The details of the calculation appear in Section 2 Clause 2.2.2 in Table 18 of this report).

2) **<u>The voluntary tender offer for GOLD's common shares and warrants</u>** with the maximum transaction value of THB 7,497.98 million is **<u>appropriate</u>** due to the following rationales:

- The acquisition of GOLD's shares is in line with the Company's growth strategy in real estate business.
- In case the Company can acquire more than 50.00% stakes in GOLD, it will allow the Company to gain management control and to bring in its expertise to improve GOLD's performance. In addition, since GOLD currently owns many assets in high potential location, thus, the Company will have an opportunity to earn high return from its investment in GOLD.
- The Company will be able to record additional revenue from the current projects of GOLD which are open for sale or in operation.
- The proposed offering price for the purchase of GOLD's common shares at THB 5.50 per share is lower than the book value of shareholders' equity as appeared in GOLD's financial statement for the 6 month period ended June 30, 2012 at THB 5.89 per share. In addition, the proposed offering price is also lower than the range of fair price evaluated by the IFA using Price to Book Ratio Approach between THB 6.26 – 7.07 per share (details of the share valuation appears in Section 3 Clause 3.3.1.1 of this report)
- The proposed offering price for the purchase of GOLD–W1 at THB 2.50 per unit is lower than the range of fair price evaluated by the IFA using Black-Scholes Model between THB 3.40 – 4.28 per unit (details of the warrant valuation appears in Section 3 Clause 3.3.1.2 of this report)

- For the precedent conditions stating that the Company must acquire more than 50.00% stakes in GOLD and that its shareholders must approve the capital increase in order to repay the bridging loan used in the VTO process prior to the Transaction, the IFA views that such conditions should help release the burden of the Company from purchasing GOLD's securities if it is unable to attain the desired stakes. For other conditions of the Transaction, the IFA views that they are agreed upon the willingness of both counterparties and/or in accordance with the general practice for the share purchase and sale transaction. The IFA views that such conditions do not impair the benefit of the Company.

Therefore, the shareholders should **approve** the Transaction. Nonetheless, the disadvantages and risks associated with the Transaction as shown below should also be carefully considered by the shareholders before voting.

- In case the Company is unable to improve GOLD's management efficiency as targeted, the operating performance of the Company might be worse off from consolidating the negative operating performance of GOLD into its financial statements; since upon the completion of the Transaction, GOLD will be considered as a subsidiary of the Company.
- The Company will incur additional liabilities and interest expenses from the drawdown of bridging loan to support the VTO process. In addition, the increase of the Company's capital for the repayment of bridging loan will result in price dilution of around 29.44% and earnings dilution of around 79.77% (In this regards, the calculation of dilution effect has not yet taken into account of GOLD's operating performance. The details of the calculation appears in Section 3 Clause 3.2.2 in Table 45 of this report)
- **Since prior to the Transaction, the Company did not perform the due diligence on GOLD's assets, liabilities, financial status and business operation of GOLD. Thus, the Company might be exposed to risks associated with the contingent liabilities of GOLD at unknown cost such as:**
  - Possible contingent liabilities from business contracts or agreements that are currently in effective.
  - Pending lawsuits and litigation claims that are currently on the process and might not yet be disclosed in GOLD's latest financial statements as of June 30, 2012 as well as any other cases following the date of such financial statements.
  - Expenses that may arise from the payment of compensation to management or employees who might have to leave prior to the ending of employment contract.
  - Possible devaluation of project value or assets of GOLD which might not yet be reflected in the financial statements as of June 30, 2012.
- Shareholding portion of the Company in GOLD might be diluted down after the fully exercise of warrants by other warrant holders (in case none of the shareholders of GOLD, apart from RKIL, sell GOLD-W1 to the Company under the VTO)
- Risk of incurring additional expenses without completing the Transaction.

Observation from the IFA regarding the operating performance of GOLD in the past

By analyzing the profitability ratios of GOLD, its gross profit margin for the sale of real estate business which were 14.74%, 19.00%, 34.15% during 2009 – 2011 and 28.79% during the first 6 months of 2012 are below the industry average (based on the industry performance during the first 6 months of 2012, average gross profit margin was around 30.87% and the median was around 33.67%). Since in the past, GOLD recorded the allowance for project devaluation in its cost of sales. This is with the objective to reflect the expected net realizable value from its developing projects as well as the projects that GOLD Group has ceased to develop.

Although gross profit margin of GOLD were quite volatile at below the industry average, its revenue stream from rental and services can be maintained with stable gross profit margin over the past 3 years. In this regards, it has helped diversify GOLD's business risk arising from the uncertainty of sales income.

Additionally, GOLD had incurred high selling and administrative expenses with its operating profit margin at negative 10.16%, negative 7.24% and negative 5.12% during 2009 – 2011 and negative 7.33% during the first 6 months of 2012 which are below the industry average (based on the industry performance during the first 6 months of 2012, average operating profit margin was around negative 4.85% and the median was around 12.79%). Selling and administrative expenses of GOLD include extraordinary items that may not reflect the normal course of business operation such as the asset write-off, the allowance for doubtful debt, the provision against litigation claim as well as the minimum guarantee given to the property fund (the guarantee period ended in 2011).

In summary, operating loss of GOLD was partly due to its capability in asset management resulting in the Company's obligation to set up the allowance and the provision for project devaluation, doubtful debts, asset write-off as well as litigation claims as mentioned earlier. Therefore, in case the efficiency of asset management can be improved, the operating performance of GOLD could as well be improved in the future.

The decision to vote is solely dependable on the consideration and discretion of the shareholders. The shareholders should take into consideration the advantages, disadvantages and the risk of the Transaction as well as carefully consider the attached documents submitted to the shareholders along with the invitation letter to shareholders' meeting so as to make the most appropriate decision.

JayDee Partners Limited, as the Independent Financial Advisory of the Company, has performed the study and analysis with care in accordance with the professional standard and has provided the opinion based on the fair analysis of information by taken into consideration the benefits of all shareholders.

The opinion of the independent financial advisor are based on the information, which have been received from the Company as well as the interviews with the Company's management, publicly available information and other relevant documents. The Independent Financial Advisor assumed that all information received is truthful and correct. Therefore, if the said information are incorrect and/or is not truthful and/or has been significantly changed in the future, it will affect the opinion of the Independent Financial Advisor. Therefore, the Independent Financial Advisor is unable to certify or warrant the future impact that may arise to the Company and the shareholders. In addition, the opinion of the Independent Financial Advisor is only to provide the comments to the shareholders, providing this opinion does not warrant the accomplishment of the Transaction and impact to be incurred from the Transaction to the Company.

This English report of the Independent Financial Advisor's Opinion has been prepared solely for the convenience of foreign shareholders of the Company and should not be relied upon as the definitive and official document. The Thai language version of the Independent Financial Advisor's Opinion is the definitive and official document and shall prevail in all aspects in the event of any inconsistency with this English Translation.

Yours Sincerely,

(Mrs. Duangjai Lorlertwit)	(Ms. Jirayong Anuman-Rajadhon)
Executive Partner	Managing Partner / Operation Controller

JayDee Partners Limited, the independent financial advisor