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Independent Financial Advisor's Opinion Report on the Acquisition of Asset and Connected Transactions of the Sathorn Heritage Residences and Waiver of Tender Offer for All Securities of the Company as a Result of an Acquisition of Asset by Virtue of a Resolution of the Shareholders (Whitewash)

Present to  
Shareholders of JCK International Public Company Limited



Prepared by  
Avantgarde Capital Company Limited



18 August 2023

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Subject Independent Financial Advisor's Opinion Report On the Acquisition of Asset and Connected Transactions of the Sathorn Heritage Residences and Waiver of Tender Offer for All Securities of the Company as a Result of an Acquisition of Asset by Virtue of a Resolution of the Shareholders' Meeting

To President, The Stock Exchange of Thailand

Due to JCK International Public Company Limited ("**the Company**" or "**JCK**") or its subsidiaries (collectively referred to as the "**Group of the Company**") plan to invest in assets other than investing in the existing business in order to diversify investment risks and diversify the company's income-generating channels in order to mitigate the risk of relying on the main income from the industrial estate business, the Company has studied and analyzed the feasibility of investing in the "Sathorn Heritage Residences" condominium building B, C (partial) under the name "JC Kevin Sathorn Bangkok Hotel" ("**the Hotel**") from JC Kevin Development Co., Ltd. ("**JCKD**"), which is a connected person of the Group. The hotel is located in the center of Bangkok and in the past, JCKD hired a subsidiary of Minor International Public Company Limited to manage JC Kevin Sathorn Bangkok Hotel under the former name "Anantara Bangkok Sathorn". Providing complete services under the standard of a 5-star hotel. However, at present, JCKD has operated hotel management services itself since 2020 under the standard of 4 - 4.5 star hotels according to the ratings of Agoda and Booking, which is an international accommodation booking application. The trend of the current hotel business in Thailand has started to return to normal as before the outbreak of the COVID-19 virus in 2020 due to the increasing number of guests since the end of 2022 as a result of relieving outbreak of the COVID-19 virus.

The Board of Directors' Meeting of JCK International Public Company Limited No. 7/2023 held on August 2, 2023, resolved to approve to propose to the Extraordinary General Meeting of Shareholders No. 1/2023 ("**EGM**") to consider and approve the Company or its subsidiaries to enter into the acquisition of asset in the the Hotel. This acquisition is the purchase of 318 commercial and residential condominiums, no. 36, 36/301 – 36/617, 1st – 37th floors, within the "Sathorn Heritage Residences" building B, C (partial) under the name "JC Kevin Sathorn Bangkok Hotel", which is at Narathiwas Rajanagarindra Road, Yannawa Subdistrict, Sathorn District, Bangkok, from JCKD which is a connected person of the Company Group, equivalent to a total value not exceeding THB 3,055.00 million ("**the Asset**") (referred to as "**Hotel Investment Transaction**" or "**Acquisition of Assets from JCKD**").

In addition, the Acquisition of the Asset from JCKD is regarded as an asset acquisition transaction of the Company or its subsidiaries pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (collectively called

“**Notifications on Acquisition or Disposal**”). The size of such transaction is equal to 34.47 percent according to the total value of consideration criteria from which the maximum transaction size is obtained (total value of consideration of not exceeding THB 3,055.00 million), from which the maximum transaction size is obtained, according to the Company's reviewed consolidated financial statements ended 31 March 2023. In the previous six months, the Company did not execute any asset acquisition transactions.

In addition, the Acquisition of The Asset from JCKD constitutes a connected transaction of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Entering into Connected Transactions, dated August 31, 2008, (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B. E. 2546, dated November 19, 2003, (as amended) (“**Notifications on Connected Transactions**”). Since it has a major shareholder, related persons, and close relatives holding shares in the Company. As of May 18, 2023, the Company has related connected persons with JCKD as follows:

No.	Name <sup>1/</sup>	No. of shares	Percent
1	Mr. Apichai Taechaubol	364,204,456	10.51
2	Mrs. Chalida Taechaubol <sup>2/</sup>	278,079,966	8.02
3	Mr. Kritawat Taechaubol <sup>3/</sup>	44,095,000	1.27
4	Mr. Chotiwit Taechaubol <sup>3/</sup>	36,720,859	1.06
5	Mr. Noppavee Taechaubol <sup>3/</sup>	15,710,800	0.45
6	Miss Waraporn Taechaubol <sup>4/</sup>	2,771,736	0.08
7	Miss Oranut Taechaubol <sup>3/</sup>	2,300,000	0.07
	<b>Total</b>	<b>743,882,817</b>	<b>21.46</b>

Note: 1/ Mr. Apichai Taechaubol's family is a major shareholder in JCK. Information from the shareholder register book as of May 18, 2023.

2/ Mr. Apichai Taechaubol's spouse

3/ Mr. Apichai Taechaubol and Mrs. Chalida Taechaubol's sons

4/ Mr. Apichai Taechaubol's sister

And, as of May 10, 2023, held 10,000,000 shares<sup>1</sup> in JCKD (including related persons), representing 100.00% of JCKD's total issued and paid-up. The total value of consideration for the connected transaction is not exceeding THB 3,055.00 million and the maximum size of this transaction is equal to 210.22% of the Company's net tangible assets (NTA) (as of 31 March 2023, the Company's NTA amounted to THB 1,453.26 million), according to its reviewed consolidated financial statements ended 31 March 2023. During the previous six months, the Company did not enter into any connected transactions.

<sup>1</sup> Mr. Apichai Taechaubol directly holds 3,125,000 shares, equivalent to 31.25% of the total issued shares of JCKD and indirectly held through his spouse (Mrs. Chalida Taechaubol) and his children in the amount of 6,875,000 shares, equivalent to 68.75% of JCKD's total issued shares. The total number of issued shares of JCKD (refer to the copy of the list of shareholders (Bor Or Jor. 5) of JCKD)

Therefore, the size of the Acquisition of the Asset from JCKD is greater than 3% of the Company's NTA and the transaction value is more than THB 20.00 million. The Company is accordingly required to obtain approval from the Board of Directors and to prepare and disclose an information memorandum on the transaction to the Stock Exchange of Thailand ("SET") pursuant to the Notifications on Connected Transactions. It must also obtain an approval from the shareholders' meeting with required affirmative votes of not less than three-fourths of the total number of votes of the shareholders attending the meeting and being entitled to vote, excluding votes of the shareholders having an interest, and must appoint an independent financial advisor (IFA), which must be on the SEC's approved list of financial advisors.

Furthermore, The Board of Directors' Meeting of JCK International Public Company Limited No. 7/2023 held on August 2, 2023, resolved to approve to propose to the Extraordinary General Meeting of Shareholders No. 1/2023 to consider approving the Allocation of newly issued ordinary shares, in the amount not exceeding 3,465,833,184 shares with a par value of THB 1.00 per share to be offered to existing shareholders in proportion to their shareholdings (Right Offering) at an allocation ratio of 1 existing ordinary share to 1 newly issued ordinary share at the offering price of THB 0.30 per share, representing the issuance of newly issued ordinary shares in the amount not exceeding THB 1,039,749,955.20. Which the shareholders may subscribe for the newly issued ordinary shares in excess of their rights at the ratio specified above (Oversubscription) where the existing shareholders who subscribe for shares in excess of the rights will receive the allocation of shares subscribed more than their rights only if there are shares remaining from the allocation to the existing shareholders of the Company, which has already subscribed to all rights. In the allocation of new ordinary shares to the existing shareholders of the Company in proportion to their respective shareholding (Right Offering), in the event that there are shares remaining from the allocation to the existing shareholders of the Company according to the shareholding ratio in the first round, the Company will allocate the remaining to the shareholders who oversubscribe their rights in proportion to their shareholdings in the same price as the shares that have been allocated according to their rights. However, if after the allocation of newly issued ordinary shares to existing shareholders in proportion to their shareholdings (Right Offering), Mr. Apichai Taechaubol ("**the Applicant**") (including related persons) holds shares in the Company in the proportion that crosses the mandatory tender offer requirement threshold prescribed in the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers, dated May 13, 2011, (as amended) ("**the Notification TorChor. 12/2554**"). Mr. Apichai Taechaubol has an intention to apply for a waiver of the requirement to make a tender offer for all securities of the Company by virtue of the resolution of the shareholders' meeting (Whitewash), which will seek approval from the Company's shareholders at the same time as the issuance, offering and allocation of newly issued ordinary shares to existing shareholders in proportion to their shareholdings (Right Offering) this time.

In this regard, the Company appointed Avantgarde Capital Company Limited as independent financial advisor ("**the IFA**") to express the opinions regarding the reasonableness of the aforementioned transaction. As the IFA, I have analyzed the objectives of the transaction and operational capability by considering historical data from annual financial statements in the past 3 years, estimation data obtained from management interviews. Including information, news that is disclosed to the public to analyze the advantages and disadvantages of entering

into the hotel investment transaction of the Company Including information and documents received from the company and other information that the company discloses to the public such as annual reports, audited or reviewed financial statements by a certified accountant in the list of SEC and other information from public sources Including information from interviews with service providers, etc. The opinion of the IFA is based on the assumption that All information and documents received from the Company Including from interviews with the management of the company is accurate, complete and true information, showing the latest views towards the Company and the Hotel and there are no future changes that may affect the Company's business operations significantly.

The independent financial advisor's opinion is for information purposes only in considering the approval of the transaction. The shareholders should study the information and opinions of the IFA in various aspects to use as information for their decision making. However, the final decision to approve is at the discretion of each shareholder of the Company.

## Glossary

“BGY&TFD”	BGY & TFD Properties Co., Ltd
“BH”	Beauty Honour Enterprises Limited
“Buyer” or “JCK” or “The Group of the Company”	JCK International Public Company Limited
“CAGR”	Compound Annual Growth Rate
“CBD”	Central Business District
“D/E”	Debt to Equity Ratio
“DCF”	Discounted Cash Flow
“Extraordinary General Meeting of Shareholders”	Extraordinary General Meeting of Shareholders no. No. 1/2023 of the Company (“EGM”)
“FCFF”	Free Cash Flow to Firm
“Hotel Investment Transaction” or “Acquisition of Assets from JCKD”	The Company or subsidiaries of the Company – together “The Group of the Company” enter into the transaction for purchase of 318 commercial and residential condominiums, no. 36, 36/301 – 36/617, 1st – 37th floors, within the “Sathorn Heritage Residences” building B, C (partial) under the name "JC Kevin Sathorn Bangkok Hotel", which is at Narathiwas Rajanagarindra Road, Yannawa Subdistrict, Sathorn District, Bangkok, from JCKD which is a connected person of the Company Group, equivalent to a total value not exceeding THB 3,055.00 million
“Independent Financial Advisor”	Avantgarde Capital Company Limited
“Kd”	Cost of Debt
“Ke”	Cost of Equity
“Notifications on Acquisition or Disposal”	Notification of the Capital Market Supervisory Board TorChor. No. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, dated August 31, 2008 and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 as of October 29, 2004
“Notifications on Connected Transactions”	Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Entering into Connected Transactions, dated August 31, 2008, (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of

	Information and Other Acts of Listed Companies Concerning the Connected Transactions B. E. 2546, dated November 19, 2003, (as amended)
“NTA”	Net Tangible Assets
“Related Persons”	Mrs. Chalida Taechaubol, wife of Mr. Apichai Taechaubol
“SEC”	Securities and Exchange Commission
“Seller” or “JCKD”	JC Kevin Development Co., Ltd.
“SET”	Stock Exchange of Thailand
“SOUTHEAST”	SouthEast Asia International Co.,Ltd.
“TA”	T.A. Management Corporation (1999) Co.,Ltd.
“The Applicant”	Mr. Apichai Taechaubol
“the Asset”	Asset of 318 commercial and residential condominiums, no. 36, 36/301 – 36/617, 1st – 37th floors, within the “Sathorn Heritage Residences” building B, C (partial) under the name "JC Kevin Sathorn Bangkok Hotel", which is at Narathiwat Rajanagarindra Road, Yannawa Subdistrict, Sathorn District, Bangkok, from JCKD which is a connected person of the Company Group, equivalent to a total value not exceeding THB 3,055.00 million
“The Group of the Company ”	The Company or subsidiaries of the Company
“The Hotel”	Sathorn Heritage Residences Building B and Building C under "JC Kevin Sathorn Bangkok"
“The Notification TorChor. 12/2554”	Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers, dated May 13, 2011, (as amended)
“WACC”	Weighted Average Cost of Capital
“Wd”	Weight of Debt
“We”	Weight of Equity

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## 1. Executive Summary

### 1.1 Transaction Overview and Purpose of the Transaction

Due to JCK International Public Company Limited (“the Company” or “JCK”) or its subsidiaries (collectively referred to as the “Group of the Company”) plan to invest in assets other than investing in the existing business in order to diversify investment risks and diversify the company's income-generating channels in order to mitigate the risk of relying on the main income from the industrial estate business, the Company has studied and analyzed the feasibility of investing in hotel assets from JCKD, which is a connected person of the Group. The hotel is located in the center of Bangkok and in the past, JCKD hired a subsidiary of Minor International Public Company Limited to manage JC Kevin Sathorn Bangkok Hotel under the former name "Anantara Bangkok Sathorn". Providing complete services under the standard of a 5 - star hotel. However, at present, JCKD has operated hotel management services itself since 2020 under the standard of 4 - 4.5 star hotels according to the ratings of Agoda and Booking, which is an international accommodation booking application. The trend of the current hotel business in Thailand has started to return to normal as before the outbreak of the COVID-19 virus in 2020 due to the increasing number of guests since the end of 2022 as a result of relieving outbreak of the COVID-19 virus.

The Board of Directors' Meeting of JCK International Public Company Limited (“the Company” or “JCK”) No. 7/2023 held on August 2, 2023, resolved to approve to propose to the Extraordinary General Meeting of Shareholders No. 1/2023 (“EGM”) to consider and approve the Company or its subsidiaries (collectively referred to as the “Group of the Company”) to enter into the acquisition of asset in the “Sathorn Heritage Residences” condominium building B, C (partial) under the name “JC Kevin Sathorn Bangkok Hotel” (“the Hotel”). This acquisition is the purchase of 318 commercial and residential condominiums, no. 36, 36/301 – 36/617, 1st – 37th floors, within the “Sathorn Heritage Residences” building B, C (partial) under the name "JC Kevin Sathorn Bangkok Hotel", which is at Narathiwas Rajanagarindra Road, Yannawa Subdistrict, Sathorn District, Bangkok, from JC Kevin Development Co., Ltd. (“JCKD”) which is a connected person of the Company Group, equivalent to a total value not exceeding THB 3,055.00 million (“the Asset”) (referred to as “Hotel Investment Transaction” or “Acquisition of Assets from JCKD”).

The Company Group will pay for the purchase of the Asset from JCKD in the amount of not exceeding THB 3,000.00 million, together with interest in the amount of not more than THB 55.00 million baht, totaling not exceeding THB 3,055.00 million in cash, divided into the payment of the purchase price as follows:

- 1) 1st Installment : The Group of the Company will pay THB 1,200.00 million, equivalent to 40.00 percent of the purchase price of the Asset of JCKD, which will be paid no later than September 30, 2023, with the condition that the Group of the Company will receive the right to operate the hotel<sup>1</sup> and be able

<sup>1</sup> Management rights are the rights that the company can operate the hotel business. Ownership is the ownership of the property. But the group of companies can accept the transfer of the hotel business license. Because it is allowed to use the property from

to earn the revenue immediately<sup>2</sup> after receive the transfer of hotel license from JCKD and payment of the 1st installment has been completed<sup>3</sup> and the Company will pay with cash from operating cash flow. In this regard, the Group of the Company will receive the transfer of hotel license from JCKD within the date the 1st installment has been paid (or any other date as agreed by the parties in writing to extend the period).

However, if there is no transfer of ownership by March 31, 2024 (or any other date as agreed by the parties in writing to extend the period). JCKD is obligated to return the full amount of the advance payment to the Group of the Company with interest at the rate of 7.5 percent per annum from the date JCKD receives the amount of THB 1,200.00 million within 15 days from the date of termination of the contract. If the payment is not returned according to the contract, The Group of the Company will have the right to file a lawsuit in court to compel JCKD to return the advance payment in accordance with the terms of the contract.

- 2) 2nd Installment : The Group of the Company will pay THB 800.00 million, equivalent to 26.67 percent of the purchase price of the Asset of JCKD. JCKD will proceed to register and transfer full ownership of the Asset to the Group of the Company within the day that the 2nd Installment has been completed, which will be paid no later than March 2024. The Company will pay with the money from the issuance and offering of newly issued ordinary shares to the existing shareholders proportionately (Right Offering). However, in case that the Company is unable to issue and offer all newly issued ordinary shares. The company will consider additional sources of funding from borrowing from financial institutions.
- 3) 3rd Installment: The Group of the Company will pay the remaining amount of THB 1,000.00 million, equivalent to 33.33 percent of the purchase price of the Asset of JCKD. The Group of the Company will pay in installments in cash completely within 5 years from the date of registration of ownership transfer (or within the period that the seller and the Group of the Company have agreed to extend such period further) with an interest rate of 1.00 per year on the outstanding principal that calculated from the date

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the seller who is the owner of the property. The group of companies will accept the transfer of employees from the seller to become employees of the group together with the transfer of the hotel business license. The employees will receive the same rights and welfare as before. For executives and managers, will they be the person that the group of companies has been transferred from the seller or not, requesting information from the group of companies. and the Group is responsible for the expenses incurred from the management of such hotels.

<sup>2</sup> After the 1st installment payment, the Group of the Company will recognize revenue as Net Operating Profit of the Hotel. Then after the 2nd installment payment, which JCKD will register the transfer of the ownership of the assets to the Group of the Company.

<sup>3</sup> After the Group of the Company has paid the 1<sup>st</sup> installment, the Group of the Company will receive the hotel license and the right to manage the hotel. It therefore be able to operate the hotel business and enable the Group of the Company to recognize revenue from operations immediately. The Seller agrees to allow the Group of the Company to use the Asset as soon as the 1<sup>st</sup> installment is paid, thus the Group of the Company can accept the transfer of the hotel license even though the ownership of the Asset has not yet been transferred.

of registration of ownership transfer of the Asset until the date of full payment, as an interest in the amount not exceeding THB 55.0 million. The Group of the Company will pay the 3rd installment for the first time by December 2024 and the minimum payment amount must not be less than THB 100.00 million per year. The Company will pay with cash from operating cash flow or from borrowing in case that cash flow from operations is not sufficient.

In addition, the Acquisition of the Asset from JCKD is regarded as an asset acquisition transaction of the Company or its subsidiaries pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (collectively called "Notifications on Acquisition or Disposal"). The size of such transaction is equal to 34.47 percent according to the total value of consideration criteria from which the maximum transaction size is obtained (total value of consideration of not exceeding THB 3,055.00 million), from which the maximum transaction size is obtained, according to the Company's reviewed consolidated financial statements ended 31 March 2023. In the previous six months, the Company did not execute any asset acquisition transactions.

The Acquisition of Assets from JCKD has the size of such transaction equal to 15 percent or higher but lower than 50 percent and is classified as a Class 2 Transaction according to the Notifications on Acquisition or Disposal. The Company has a duty to report and disclose the transaction with required minimum information under Schedule (1) pursuant to the Notifications on Acquisition or Disposal as follows:

- 1) Disclose information related to the transaction to SET according to Schedule (1) attached to the Notifications on Acquisition or Disposal of Assets
- 2) Send a circular letter to the shareholders regarding the acquisition and disposition of the Company's assets within 21 days from the date of disclosure of the information of such transaction.

However, The Board of Directors has agreed that the asset acquisition transaction is considered a significant transaction, which is the transaction is a connected transaction of the Company. (Details of connected transactions are described below) which the Company must also obtain approval from the shareholders' meeting. Accordingly, The Board of Directors of the Company has resolved to approve the proposal for the asset acquisition transaction to the shareholders' meeting of the Company for further approval.

In addition, the Acquisition of The Asset from JCKD constitutes a connected transaction of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Entering into Connected Transactions, dated August 31, 2008, (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B. E. 2546, dated November 19, 2003, (as amended) ("Notifications on Connected Transactions"). Since it has a major shareholder, related persons, and close relatives holding shares in the Company. As of May 18, 2023, the Company has related connected persons with JCKD as follows:

No.	List of shareholders <sup>1/</sup>	Number of shares	Proportion (%)
1	Mr. Apichai Taechaubol	364,204,456	10.51
2	Mrs. Chalida Taechaubol <sup>2/</sup>	278,079,966	8.02
3	Mr. Krittawat Taechaubol <sup>3/</sup>	44,095,000	1.27
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	<b>Total</b>	<b>743,882,817</b>	<b>21.46</b>

Remark: 1/ Mr. Apichai Taechaubol's family, a group of shareholders in JCK, information from the shareholder register book as of May 18, 2023.

2/ Spouse of Mr. Apichai Taechaubol

3/ Children of Mr. Apichai Taechaubol and Mrs. Chalida Taechaubol

4/ Sister of of Mr. Apichai Taechaubol

And, as of May 10, 2023, held 10,000,000<sup>1</sup> shares in JCKD (including related persons), representing 100.00 percent of JCKD's total issued and paid-up. The total value of consideration for the connected transaction is not exceeding THB 3,055.00 million and the maximum size of this transaction is equal to 210.22 percent of the Company's net tangible assets (NTA) (as of 31 March 2023, the Company's NTA amounted to THB 1,453.26 million), according to its reviewed consolidated financial statements ended 31 March 2023. During the previous six months, the Company did not enter into any connected transactions.

Therefore, the size of the Acquisition of the Asset from JCKD is greater than 3 percent of the Company's NTA and the transaction value is more than THB 20.00 million. The Company is accordingly required to obtain approval from the Board of Directors and to prepare and disclose an information memorandum on the transaction to the SET pursuant to the Notifications on Connected Transactions. It must also obtain an approval from the shareholders' meeting with required affirmative votes of not less than three-fourths of the total number of votes of the shareholders attending the meeting and being entitled to vote, excluding votes of the shareholders having an interest, and must appoint an independent financial advisor (IFA), which must be on the SEC's approved list of financial advisors.

Furthermore, The Board of Directors' Meeting of JCK International Public Company Limited ("the Company" or "JCK") No. 7/2023 held on August 2, 2023, resolved to approve to propose to the Extraordinary General Meeting of Shareholders No. 1/2023 ("EGM") to consider approving the Allocation of newly issued ordinary shares, in the amount not exceeding 3,465,833,184 shares with a par value of THB 1.00 per share to be offered to existing shareholders in proportion to their shareholdings (Right Offering) at an allocation ratio of 1 existing

<sup>1</sup> Mr. Apichai Taechaubol directly holds 3,125,000 shares, equivalent to 31.25% of the total issued shares of JCKD and indirectly held through his spouse (Mrs. Chalida Taechaubol) and his children in the amount of 6,875,000 shares, equivalent to 68.75% of JCKD's total issued shares. The total number of issued shares of JCKD (refer to the copy of the list of shareholders (Bor Or Jor. 5) of JCKD)

ordinary share to 1 newly issued ordinary share at the offering price of THB 0.30 per share, representing the issuance of newly issued ordinary shares in the amount not exceeding THB 1,039,749,955.20. Which the shareholders may subscribe for the newly issued ordinary shares in excess of their rights at the ratio specified above (Oversubscription) where the existing shareholders who subscribe for shares in excess of the rights will receive the allocation of shares subscribed more than their rights only if there are shares remaining from the allocation to the existing shareholders of the Company, which has already subscribed to all rights. In the allocation of new ordinary shares to the existing shareholders of the Company in proportion to their respective shareholding (Right Offering), in the event that there are shares remaining from the allocation to the existing shareholders of the Company according to the shareholding ratio in the first round, the Company will allocate the remaining to the shareholders who oversubscribe their rights in proportion to their shareholdings in the same price as the shares that have been allocated according to their rights. However, if after the allocation of newly issued ordinary shares to existing shareholders in proportion to their shareholdings (Right Offering), Mr. Apichai Taechaubol (including related persons) holds shares in the Company in the proportion that crosses the mandatory tender offer requirement threshold prescribed in the Notification TorChor. 12/2554. Mr. Apichai Taechaubol has an intention to apply for a waiver of the requirement to make a tender offer for all securities of the Company by virtue of the resolution of the shareholders' meeting (Whitewash), which will seek approval from the Company's shareholders at the same time as the issuance, offering and allocation of newly issued ordinary shares to existing shareholders in proportion to their shareholdings (Right Offering) this time.

However, Mr. Apichai Taechaubol has informed his intention to subscribe for the newly issued ordinary shares in proportion to his holding and oversubscribe according to his rights in accordance with the criteria specified above. Mr. Apichai Taechaubol (including related persons) may hold shares in the Company in the proportion that crosses the mandatory tender offer requirement threshold prescribed in the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 (Shareholding proportion reaching or crossing 25.00 percent of the total number of shares with voting rights of the Company). However, it must not exceed 50.00 percent of the total number of shares with voting rights of the Company (After the capital increase for the issuance and allocation of newly issued ordinary shares to the existing shareholders in proportion to their shareholdings (Right Offering)).

In this regard, the Company appointed Avantgarde Capital Company Limited as independent financial advisor ("the IFA") opined that this transaction is reasonable (*Please consider the details shown in the Section 3.1 Reasonableness of entering into the Transaction*). And for the reasonableness of the price, The IFA has compared the transaction price (The value of the acquisition of the Hotel in the amount of 3,055.00 million baht) with the value appraised by an independent appraiser. It was found that the transaction price was lower than the appraised price by an independent appraiser in both reports Valuation of assets and both methods of appraisal (Please consider the details shown in the Section 4.1 *Valuation Methods by Independent Appraisers*) In addition, the IFA has evaluated the hotel value by considering various methods to find an appropriate fair value range for entering into such transactions. However, the IFA utilize DCF method to determine the ability to generate cash

flow of the business. And able to reflect future performance under business plans and various assumptions that are reasonable. The IFA has evaluated the fair value range of the Hotel Acquisition Transaction. It was found that it was between 2,899.49 – 3,306.05 million baht (*please consider the details shown in Section 4. Appropriateness of the price*). Therefore, the transaction price was within the fair value range.

Therefore, the IFA has an opinion that The transaction price is appropriate. Since the transaction price is lower than the appraisal price by an independent appraiser and within the range of the fair value evaluated by the DCF method.

In addition, in requesting a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting, The IFA opines that entering into such transaction is beneficial to the Company, i.e. being one of the steps to support the successful completion of the transaction which will be beneficial to the Company since the company will be able to use the money received from this capital increase to pay for all of the assets acquisition transactions from JCKD, which will reduce the burden of external financing and reduce the obligation to pay interest that will occur in the future for the payment of such transaction. And will make the company have business partners (Strategic Partnership) with experience and have resources that are beneficial to the business expansion of the Company whereby the Company will not lose all control over the business. Although there are disadvantages such as loss of opportunities for shareholders to receive from making a tender offer for all securities of the business and that the applicant (Including related persons) will be a major shareholder holding more than 25.00 percent of the Company's shares still has a plan to continue doing business as before and seek opportunities to invest in other businesses which can help diversify risks for the Company. and create more returns in the long term for the Company and shareholders which may create the value of the business higher than the current value. The person requesting a waiver also is a major shareholder and directors of the Company who have been in business for a long time who is not a shareholder who seeks to speculate in the Company in the short term, and he will subscribe for newly issued ordinary shares in the proportion of less than 50.00 percent of the total number of shares with voting rights of the Company. (After the capital increase for the issuance and allocation of newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering)), the Company will still be able to maintain control over half of the voting rights of the ordinary shares of the Company. In addition, in the event that the shareholders do not approve the request for a waiver from making a tender offer for all securities of the business by virtue of the resolution of this shareholders' meeting, there will be a risk that the Company which is a chance that the capital increase will not be received as planned which may cause the Company need to find additional sources of funding and may cause the Company's plan to enter into the asset purchase transaction from JCKD may be postponed. This may affect the performance of the business in the future.

Therefore, the IFA has an opinion that application for a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash) was for the benefit of the Company and shareholders and is appropriate. Therefore, the shareholders should vote to approve the waiver of making a tender offer for all securities of the Company by virtue of the resolution of this shareholders' meeting.

Therefore, when considering the reasonableness of the transaction and the appropriateness of the transaction price, The IFA has an opinion that the acquisition of the hotel transaction is appropriate and the shareholders should approve the transaction. And the IFA has an opinion that the Application for a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting is appropriate and beneficial to the Company. Therefore, the shareholders should vote to approve the waiver of making a tender offer for all securities of the Company by virtue of the resolution of the shareholders' meeting. Shareholders should consider the information, opinions and details in preparing the opinion of the Independent Financial Advisor mentioned above including the advantages and disadvantages of entering into this transaction should also be considered. However, the decision to approve or disapprove this transaction is mainly at the discretion of the shareholders.

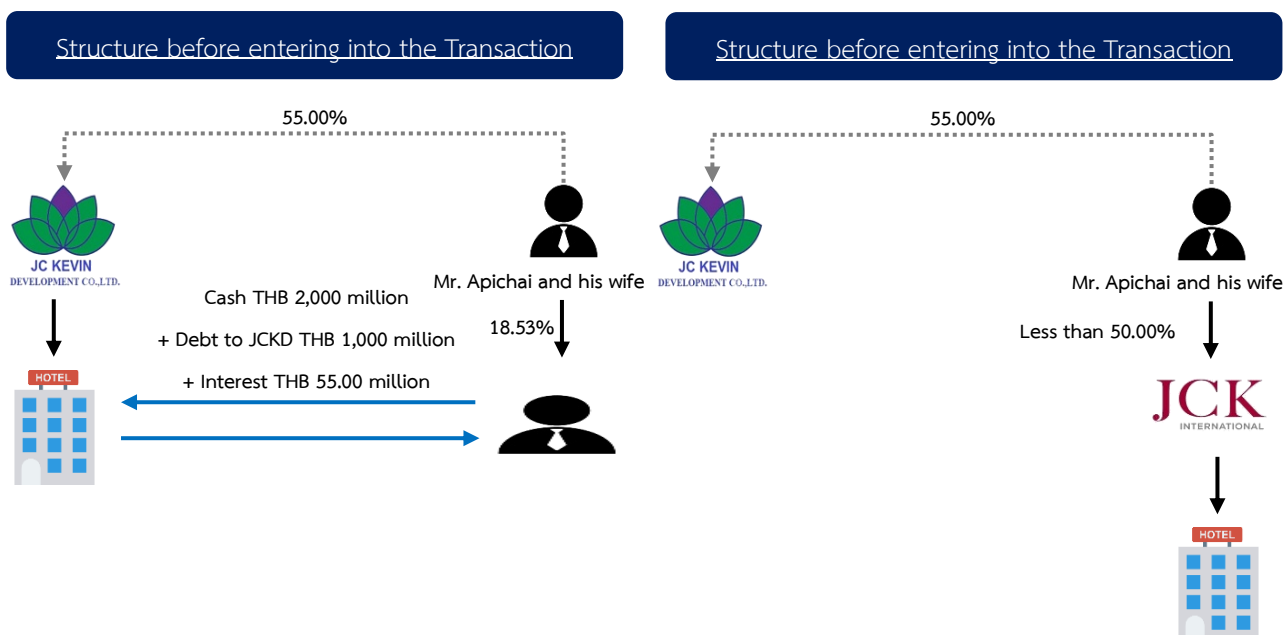


## 1.2 Characteristics of the Transaction

Buyer	JCK International Public Company Limited (“JCK” or “the Company”) and/or Subsidiary Company (“the Company group”)																																								
Seller	JC Kevin Development Co., Ltd. (“JCKD”)																																								
	List of shareholders of JCKD as of 10 May 2023 as follows:																																								
	<table><tr><th>No.</th><th>Name</th><th>No. of shares</th><th>Percent</th></tr><tr><td>1</td><td>Mr. Apichai Taechaubol</td><td>3,125,000</td><td>31.25</td></tr><tr><td>2</td><td>Mrs. Chalida Taechaubol<sup>1/</sup></td><td>2,375,000</td><td>23.75</td></tr><tr><td>3</td><td>Mr. Chotiwit Taechaubol<sup>2/</sup></td><td>750,000</td><td>7.50</td></tr><tr><td>4</td><td>Mr. Krittawat Taechaubol<sup>2/</sup></td><td>750,000</td><td>7.50</td></tr><tr><td>5</td><td>Mr. Akarawin Taechaubol<sup>2/</sup></td><td>750,000</td><td>7.50</td></tr><tr><td>6</td><td>Mr. Athawut Taechaubol<sup>2/</sup></td><td>750,000</td><td>7.50</td></tr><tr><td>7</td><td>Mr. Noppawee Taechaubol<sup>2/</sup></td><td>750,000</td><td>7.50</td></tr><tr><td>8</td><td>Miss Oranat Taechaubol<sup>2/</sup></td><td>750,000</td><td>7.50</td></tr><tr><td></td><td>Total</td><td>10,000,000</td><td>100.00</td></tr></table>	No.	Name	No. of shares	Percent	1	Mr. Apichai Taechaubol	3,125,000	31.25	2	Mrs. Chalida Taechaubol <sup>1/</sup>	2,375,000	23.75	3	Mr. Chotiwit Taechaubol <sup>2/</sup>	750,000	7.50	4	Mr. Krittawat Taechaubol <sup>2/</sup>	750,000	7.50	5	Mr. Akarawin Taechaubol <sup>2/</sup>	750,000	7.50	6	Mr. Athawut Taechaubol <sup>2/</sup>	750,000	7.50	7	Mr. Noppawee Taechaubol <sup>2/</sup>	750,000	7.50	8	Miss Oranat Taechaubol <sup>2/</sup>	750,000	7.50		Total	10,000,000	100.00
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	Total	10,000,000	100.00																																						
Note: 1/ Mr. Apichai Taechaubol’s spouse																																									
2/ Mr. Apichai and Mrs. Chalida Taechaubol’s child																																									
Relationship	<p>Mr. Apichai Taechaubol is major shareholder of the Company, and there are related parties and relatives holding shares in the Company. Details are as follows:</p> <table><tr><th>No.</th><th>Name<sup>1/</sup></th><th>No. of shares</th><th>Percent</th></tr><tr><td>1</td><td>Mr. Apichai Taechaubol</td><td>364,204,456</td><td>10.51</td></tr><tr><td>2</td><td>Mrs. Chalida Taechaubol</td><td>278,079,966</td><td>8.02</td></tr><tr><td>3</td><td>Mr. Krittawat Taechaubol</td><td>44,095,000</td><td>1.27</td></tr><tr><td>4</td><td>Mr. Chotiwit Taechaubol</td><td>36,720,859</td><td>1.06</td></tr><tr><td>5</td><td>Mr. Noppawee Taechaubol</td><td>15,710,800</td><td>0.45</td></tr><tr><td>6</td><td>Miss Waraporn Taechaubol</td><td>2,771,736</td><td>0.08</td></tr><tr><td>7</td><td>Miss Oranat Taechaubol</td><td>2,300,000</td><td>0.07</td></tr><tr><td></td><td>Total</td><td>743,882,817</td><td>21.46</td></tr></table> <p>Note: 1/ Mr. Apichai Taechaubol’s family is a group of shareholders in JCK, as recorded in the Shareholder Register as of 18 May 2566.</p> <p>Mr. Apichai Taechaubol and Mrs. Chalida Taechaubol (related persons) are major shareholders in JCKD. As of 10 May 2023, Mr. Apichai Taechaubol and Mrs. Chalida Taechaubol held 10,000,000<sup>1</sup> shares in JCKD, representing 100.00% of the total issued shares of JCKD (according to BorOrJor. 5 of JCKD as of 10 May 2023).</p>	No.	Name <sup>1/</sup>	No. of shares	Percent	1	Mr. Apichai Taechaubol	364,204,456	10.51	2	Mrs. Chalida Taechaubol	278,079,966	8.02	3	Mr. Krittawat Taechaubol	44,095,000	1.27	4	Mr. Chotiwit Taechaubol	36,720,859	1.06	5	Mr. Noppawee Taechaubol	15,710,800	0.45	6	Miss Waraporn Taechaubol	2,771,736	0.08	7	Miss Oranat Taechaubol	2,300,000	0.07		Total	743,882,817	21.46				
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<sup>1</sup> Mr. Apichai Taechaubol directly holds 3,125,000 shares, equivalent to 31.25% of the total issued shares of JCKD and indirectly held through his spouse (Mrs. Chalida Taechaubol) and his children in the amount of 6,875,000 shares, equivalent to 68.75% of JCKD's total issued shares. The total number of issued shares of JCKD (refer to the copy of the list of shareholders (Bor Or Jor. 5) of JCKD

### Shareholding structure information before the Transaction and after entering into the Transaction



### 1.3 Characteristics of Acquired Assets

Property Type	Commercial and residential suites, with 318 rooms on a total usable area of 35,438.37 sq. m. and a license to operate hotel business.
Address	36, 36/301 – 36/617, Floor 1 – 37, Sathorn Heritage Residences Building B (Floor 1 – 37, mezzanine) and Building C (partial; Floor 1 – 3, mezzanine) under "JC Kevin Sathorn Bangkok" Naradhiwas Rajanagarindra Road, Yan Nawa, Sathorn, Bangkok 10120. The acquisition of Building C (partial; Floor 1: Lobby, Back of House, Zin Bar, Floor 2: 100 EAST, The Crust Pizza & Bar, Pool garden, spa, Floor 3: Staff canteen, Mezzanine: Banquet Sathorn) will not include condo's gym on 3 <sup>rd</sup> floor (separated from hotel's gym), swimming pool, and corridor connecting the building on 2 <sup>nd</sup> floor – all of which are common area belonging to JCKD.
Ownership Characteristics	Freehold
Owner	JC Kevin Development Co., Ltd. ("JCKD")
Obligations	Mortgage as insurance against Bank of Ayudhya PCL, in which the seller will register the redemption of the assets from the existing mortgage before the ownership of the assets is transferred to the Company.

#### 1.4 Reasonableness and benefit of entering the Transaction

The Company Group intends to acquire the Assets in "Sathorn Heritage Residence", buildings B and C (partly), under the name "JC Keving Sathorn Bangkok Hotel" ("the Hotel"). The assets include 318 commercial and residential units, numbered 36, 36/301 - 36/617, the 1st to the 37th floor, within the "Sathorn Heritage Residence", building B and C (partly), located on Naradhiwas Rajanagarindra Road, Yan Nawa, Sathorn, Bangkok from JC Kevin Development Company Limited ("JCKD"), which is related persons to the Company Group, with a total value not exceeding THB 3,055.00 million ("the Asset") (referred to as "Hotel Investment Transaction" or "Acquisition of Assets from JCKD") with terms of payment that are beneficial to the Company (please see details in Section 2.2 Transaction Overview). The main objective of this transaction is to expand the Company's business into diverse new ventures, increase opportunities for generating returns, and help diversify the risks in the Company's operations. The Company may also benefit from the potential and increasing value of the Assets's location in the future, besides using the acquired assets as collateral for borrowing. Furthermore, despite being connected transactions, it will cause the Company to have a strategic partnership and have resources that are beneficial to the Company's business operations, enabling the company to generate revenue from managing potentially lucrative assets, reinforcing revenue and profit growth in the long term, and providing appropriate returns to the shareholders in the long term. Under payment conditions, a portion of the amount may be repaid as loans, which will be beneficial for the company's liquidity management. Additionally, there are also repayment conditions that can be repaid gradually at low interest rates.

In addition, when considering the appropriateness of the price. The IFA has compared the transaction price (Value of acquiring the hotel in the amount of 3,055.00 million baht) with the value appraised by independent appraisers. It was found that the transaction price was lower than the value appraised by an independent asset appraiser using the Income Approach method which the IFA deems appropriate because It is a method that takes into account the performance of the hotel. which reflects the value of assets in the future which has a range of appraised prices equal to 3,606.00 - 3,919.00 million baht. It also was found that the transaction price was lower than the appraised price by an independent appraiser in both reports Valuation of assets and both methods of appraisal (*Please consider the details shown in the Section 4.1 Valuation Methods by Independent Appraisers*) In addition, the IFA has evaluated the hotel value by considering various methods to find an appropriate fair value range for entering into such transactions. However, the IFA utilizes DCF method to determine the ability to generate cash flow of the business. And able to reflect future performance under business plans and various assumptions that are reasonable. The IFA has evaluated the fair value range of the Hotel Acquisition Transaction. It was found that it was between 2,899.49 – 3,306.05 million baht (*please consider the details shown in Section 4. Appropriateness of the price*). Therefore, the transaction price was within the fair value range.

Therefore, the IFA has the opinion that the Transaction price is appropriate. Since the transaction price is lower than the appraisal price by an independent appraiser and within the range of the fair value evaluated by the DCF method.

The IFA opined that the acquisition of the aforementioned assets is carried out for the maximum benefit of the company and its shareholders in the long term. Hence, the financial advisor believes that this transaction is rational and reasonable.

### 1.5 Advantages of entering into the Transaction

- 1) The Hotel investment expands the Company's businesses into various new businesses, increasing opportunities for return on investment and helping to diversify the Company's business operations.

Currently, the Company engages in land development for industrial purposes as well as constructing factories and standard warehouses and built to suit customers' needs for sale and lease within the Company's industrial estates, including both industrial estates and other industrial areas. These businesses have long-term and periodic revenue recognition, which differs from the hotel business that has a shorter revenue recognition cycle (Trip-Based) and a lower trade receivable, resulting in a shorter cash cycle and reduced liquidity risk compared to the Company's main business. Additionally, it generates recurring revenue streams.

Investing in the Hotel allows the Company to expand its service offerings and its revenue streams, as the hotel business has higher profit margins compared to other types of real estate businesses due to the hotel industry's ability to set flexible and higher prices during certain periods of the year, driven by market demand, such as various festivals, including the hotel business benefits from the economic recovery after the COVID-19 pandemic. The Genomics Medical Center, Faculty of Medicine, Ramathibodi Hospital, Mahidol University, has revealed that the World Health Organization declared the end of the COVID-19 emergency on 5 May 2023, although it has not been classified as an endemic disease. Nevertheless, the tourism sector has shown consistent signs of recovery, which positively contributes to the Thai economy. The government has continuously implemented measures to stimulate tourism to revitalize the domestic tourism industry and support the hotel business, which is beneficial for the Company's investment.

- 1) The Hotel is located in the central area of Bangkok which has the potential and opportunity to increase its value in the future.

The Hotel is located in a densely populated, commercial and shopping centers area in the central area of Bangkok and also on the main road, which provides convenient access for travel and is mainly composed of hotels, office buildings, shops, shopping centers, banks, apartment buildings, and government offices (Details in Section 2.5 Details of Acquired Assets). In addition, the area will attract many investors who are looking for opportunities to invest in areas with growth potential to expand their businesses and speculate in the future. As a result, the land value of such a location continues to increase due to the high demand in the area.

Therefore, the Company's investment in the Hotel may benefit the Company from its location in the central area of Bangkok, which has the potential for increased value in the future.

- 2) The Company can utilize tangible assets as collateral for loans.

Due to the financial institution's consideration of the borrower's ability to repay the loan, collateral, or security, is an important factor in assessing creditworthiness. Therefore, the Company's investment in the Hotel may benefit the Company to seek external funding to facilitate the operation of the business, in the event of a potential loan application from a financial institution.

## 1.6 Disadvantages of entering into the Transaction

- 1) Obligations to enter into the Transaction

The Company Group will pay for the purchase of the Asset from JCKD in the amount of not exceeding THB 3,000.00 million, together with interest in the amount of not more than THB 55.00 million baht, totaling not exceeding THB 3,055.00 million in cash, divided into the payment of the purchase price as follows:

- (1) **1<sup>st</sup> Installment** : The Group of the Company will pay THB 1,200.00 million, which will be paid no later than September 30, 2023, with the condition that the Group of the Company will receive the right to operate the hotel<sup>1</sup> and be able to earn the revenue immediately<sup>2</sup> after receive the transfer of hotel license from JCKD and payment of the 1st installment has been completed<sup>3</sup>. In this regard, the Group of the Company will receive the transfer of hotel license from JCKD within the date the 1st installment has been paid (or any other date as agreed by the parties in writing to extend the period).

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<sup>1</sup> Management rights are the rights that the company can operate the hotel business. Ownership is the ownership of the property. But the group of companies can accept the transfer of the hotel business license. Because it is allowed to use the property from the seller who is the owner of the property. The group of companies will accept the transfer of employees from the seller to become employees of the group together with the transfer of the hotel business license. The employees will receive the same rights and welfare as before. For executives and managers, will they be the person that the group of companies has been transferred from the seller or not, requesting information from the group of companies. and the Group is responsible for the expenses incurred from the management of such hotels.

<sup>2</sup> After the 1st installment payment, the Group of the Company will recognize revenue as Net Operating Profit of the Hotel. Then after the 2nd installment payment, which JCKD will register the transfer of the ownership of the assets to the Group of the Company.

<sup>3</sup> After the Group of the Company has paid the 1<sup>st</sup> installment, the Group of the Company will receive the hotel license and the right to manage the hotel. It therefore be able to operate the hotel business and enable the Group of the Company to recognize revenue from operations immediately. The Seller agrees to allow the Group of the Company to use the Asset as soon as the 1<sup>st</sup> installment is paid, thus the Group of the Company can accept the transfer of the hotel license even though the ownership of the Asset has not yet been transferred.

However, if there is no transfer of ownership by March 31, 2024 (or any other date as agreed by the parties in writing to extend the period). JCKD is obligated to return the full amount of the advance payment to the Group of the Company with interest at the rate of 7.5 percent per annum from the date JCKD receives the amount of THB 1,200.00 million within 15 days from the date of termination of the contract. If the payment is not returned according to the contract, The Group of the Company will have the right to file a lawsuit in court to compel JCKD to return the advance payment in accordance with the terms of the contract

(2) **Installment** : The Group of the Company will pay THB 800.00 million, which will be paid no later than March 2024.

(3) **3<sup>rd</sup> Installment** : The Group of the Company will pay the remaining amount of THB 1,000.00 million. The Group of the Company will pay in installments in cash completely within 5 years from the date of registration of ownership transfer (or within the period that the seller and the Group of the Company have agreed to extend such period further) with an interest rate of 1.00 percent per year on the outstanding principal that calculated from the date of registration of ownership transfer of the Asset until the date of full payment, as an interest in the amount not exceeding THB 55.0 million. The Group of the Company will pay the 3<sup>rd</sup> installment for the first time by December 2024 and the minimum payment amount must not be less than THB 100.00 million per year.

Therefore, the Company Group will have an obligation to repay JCKD with interest from the agreement between the Company Group and JCKD.

## 2) The impact of the Dilution Effect due to the transaction being a part of the Right Offering

Therefore, the Company engages in the Transaction, under the condition that all shareholders do not express their commitment to subscribe for additional ordinary shares in proportion to their current shareholding. Mr. Apichai Taechaubol (including related persons) will subscribe for additional ordinary shares in amount of not exceed 2,180,699,999 shares or in the proportion of 62.92 percent of newly issued ordinary shares and will hold shares in the company (including related persons) in the maximum amount not exceeding 2,822,984,421 shares or in the proportion of 49.99 percent of the Company's issued and paid-up capital after this capital increase. Therefore, the IFA calculates the impact of issuing additional shares not exceeding 3,465,833,184 shares on the Company's shareholders. The calculation includes the impact on Control Dilution, Price Dilution, and EPS dilution. Based on the table, the dilution effect on the proportion of existing shareholders' holdings would be as follows: Control Dilution of existing shareholders will affect by 38.62 percent but there will be effect on the EPS Dilution by 38.62 percent.

However, if the Company engages in the Transaction, under the condition that some shareholders do not express their commitment to subscribe for additional ordinary shares in proportion to their current shareholding. Mr. Apichai Taechaubol (including related persons) will subscribe for additional ordinary shares in maximum amount of not exceed 2,822,855,595 shares or in the proportion of 81.45 percent of newly issued ordinary shares and will hold shares in the company (including related persons) in the maximum amount not exceeding 3,465,140,017 shares or in the proportion of 49.99 percent of the Company's issued and paid-up capital after this capital increase. Therefore, the IFA calculates the impact of issuing additional shares not exceeding 3,465,833,184 shares on the Company's shareholders. Based on the table, the dilution effect on the proportion of existing shareholders' holdings would be as follows: Control Dilution of existing shareholders will affect by 50.00 percent but there will be effect on the EPS Dilution by 50.00 percent.

### 1.7 Advantages from entering into the Transaction with connected person comparing to non-connected person

#### 1) Reducing negotiation time for the Transactions

As Mr. Apichai Taechaubol is a director and serves as the chairman and executive chairman of the Company, negotiating transactions with related parties offers convenience and expedience compared to negotiations with external parties. This is because there may be less time required for due diligence on the assets. Additionally, conducting transactions with connected person can enhance coordination across various aspects. This is achieved under the relevant terms and conditions outlined in the contractual agreements

#### 2) Connected person has expertise in business operations, which benefits the Company in the long term.

JCK and the Company have a common major shareholder, which is Mr. Apichai Taechaubol, who has experience and expertise in the real estate business. The connected transaction enabled the Company to establish strategic partnerships and access beneficial resources that contribute to the successful operation of its business. The partnership and resources empower the Company to generate revenue through effective asset management, which will contribute to the Company's revenue and profit growth. Additionally, this strengthens the Company's ability to create appropriate returns for shareholders in the long term

#### 3) Repayment conditions with gradual repayment term and low interest rates.

The Company Group will pay for the purchase of the Asset from JCKD in the amount of not exceeding THB 3,000.00 million, together with interest in the amount of not more than THB 55.00 million baht, totaling not exceeding THB 3,055.00 million in cash, divided into the payment of the purchase price as follows

- (1) **1st Installment** : The Group of the Company will pay THB 1,200.00 million, which will be paid no later than September 30, 2023, with the condition that the Group of the Company will receive the right to operate the hotel<sup>1</sup> and be able to earn the revenue immediately<sup>2</sup> after receive the transfer of hotel license from JCKD and payment of the 1st installment has been completed. In this regard, the Group of the Company will receive the transfer of hotel license from JCKD within the date the 1st installment has been paid (or any other date as agreed by the parties in writing to extend the period).

However, if there is no transfer of ownership by March 31, 2024 (or any other date as agreed by the parties in writing to extend the period). JCKD is obligated to return the full amount of the advance payment to the Group of the Company with interest at the rate of 7.5 percent per annum from the date JCKD receives the amount of THB 1,200.00 million within 15 days from the date of termination of the contract. If the payment is not returned according to the contract, The Group of the Company will have the right to file a lawsuit in court to compel JCKD to return the advance payment in accordance with the terms of the contract

- (2) **2<sup>nd</sup> Installment** : The Group of the Company will pay THB 800.00 million. JCKD will proceed to pay no later than March 2024.
- (3) **3<sup>rd</sup> Installment** : The Group of the Company will pay the remaining amount of THB 1,000.00 million. The Group of the Company will pay in installments in cash completely within 5 years from the date of registration of ownership transfer (or within the period that the seller and the Group of the Company have agreed to extend such period further) with an interest rate of 1.00 per year on the outstanding principal that calculated from the date of registration of ownership transfer of the Asset

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<sup>1</sup> Management rights are the rights that the company can operate the hotel business. Ownership is the ownership of the property. But the group of companies can accept the transfer of the hotel business license. Because it is allowed to use the property from the seller who is the owner of the property. The group of companies will accept the transfer of employees from the seller to become employees of the group together with the transfer of the hotel business license. The employees will receive the same rights and welfare as before. For executives and managers, will they be the person that the group of companies has been transferred from the seller or not, requesting information from the group of companies. and the Group is responsible for the expenses incurred from the management of such hotels.

<sup>2</sup> After the 1st installment payment, the Group of the Company will recognize revenue as Net Operating Profit of the Hotel. Then after the 2nd installment payment, which JCKD will register the transfer of the ownership of the assets to the Group of the Company.

<sup>3</sup> After the Group of the Company has paid the 1<sup>st</sup> installment, the Group of the Company will receive the hotel license and the right to manage the hotel. It therefore be able to operate the hotel business and enable the Group of the Company to recognize revenue from operations immediately. The Seller agrees to allow the Group of the Company to use the Asset as soon as the 1<sup>st</sup> installment is paid, thus the Group of the Company can accept the transfer of the hotel license even though the ownership of the Asset has not yet been transferred.



until the date of full payment, as an interest in the amount not exceeding THB 55.0 million. The Group of the Company will pay the 3rd installment for the first time by December 2024 and the minimum payment amount must not be less than THB 100.00 million per year.

Therefore, the interest rate is low compared to interest rates of minimum loan rate – MLR of domestic banks, equal to 7.94 percent, according to information from the Bank of Thailand as of 2 August 2023. The negotiation with connected person benefits the company in being able to gradually repay the debt and/or may be able to extend the payment period incrementally which resulted in the Company able to manage liquidity and reduce the interest burden from borrowing from third parties.

### 1.8 Disadvantages from entering into the Transaction with connected person comparing to non-connected person

- 1) The Company's obligations on entering into the connected transaction.

The Transaction is regarded as a connected transaction in which the transaction size exceeds 3.00 percent of the Company's NTA and the Transaction value is more than THB 20.00 million. To achieve fairness, orderly, including systematic information to shareholders by disclose information fairly transparency. Therefore, the Company has more duties and expenses when compared with third parties.

- 2) There may be a conflict of interest.

According to the connected transaction, as a result, the negotiation of various conditions may result in a lack of independence and inability to fully perform the transaction the same way as the one conducted with a third party, since Mr. Apichai Taechaubol is a connected person and a major shareholder of the Company, which is mainly engaged in the development of industrial estates, and JCKD, which engages in the business of office building rental, hotel business, and development and sale of residential condominiums, as well as JCK Hospitality Public Company Limited ("JCKH"), which operates a restaurant business and hotel business. ( *Please consider the details shown in the Section 3.5 Disadvantages from entering into the Transaction with connected person comparing to non-connected person of details of other businesses, including rental offices and condominiums that may have conflicts of interest* ) Although JCKD is the owner of another hotel in Ratchadapisek area and JCKH is the owner of a hotel in Chiang Rai, both of which are currently in the process of renovation and do not operate any business, the location of both hotels is situated far away from the Hotel that the Company will enter into the transaction with as well as the fact that each hotel has different target customer groups. Therefore, there will be no conflict of interest after the Company enter into the Transaction as currently the two hotels owned by JCKD and JCKH do not operate any business that competes with the hotel business of the Company Group. Regardless, the Company also has measures to prevent such conflicts as Mr. Apichai Taechaubol will consider granting rights to invest in hotel business to the Company first according to 1. Non-Competition Agreement between Mr. Apichai

Taechaubol and JCK stating that “The contractor agrees to grant the Company the right to consider investing in the hotel business that JCKD will invest in first, depending on the investment conditions and/or potential or financial constraints of the Company at the time of investment.” and 2. between JCKD and the Company stating that “As long as Mr. Apichai Taechaubol was a major shareholder of the buyer and seller, the seller agrees to give the buyer the right to consider investing in the hotel business that the seller will invest in first, depending on the investment conditions and/or the potential or financial constraints of the buyer while investing”; although, under the investment conditions and/or the financial capability or limitation of each party while making the investment, taking into account the best interests of the Company’s shareholders.

The Company has negotiated conditions that are beneficial to the Company and shareholders of the Company. To protect conflict of interest in the future business operation, if there is any new project that may create a conflict of interest between the Company and Mr. Apichai Taechaubol and the related persons under Section 258 of Mr. Apichai Taechaubol in the future (which is not limited to only the current businesses with a possible conflict of interest but shall include any other businesses with a possible conflict of interest that may increase due to the changing business operation condition of the Company, Mr. Apichai Taechaubol and the related persons under Section 258 of Mr. Apichai Taechaubol at the time of making such investment decision), Mr. Apichai Taechaubol JCKD will give the Company the first right to invest in such project according to 1. Non-Competition Agreement between Mr. Apichai Taechaubol and JCK stating that “The Contractor agrees to grant the Company the right to consider investing in the hotel business that JCKD will invest first, depending on the conditions of investment and/or potential or financial constraints of the company while investing” and 2. The purchase and sale agreement between JCKD and the Company states that “As long as Mr. Apichai Taechaubol has been a major shareholder of the Purchase and the Seller. The Seller agrees to give the Purchase the right to consider investing in the hotel business that the Seller will invest in first, depending on the investment conditions and/or the potential or financial constraints of the Purchaser while investing.”; although, under the investment conditions and/or the financial capability or limitation of each party while making the investment, taking into account the best interests of the Company’s shareholders.

In addition, according to the draft agreement to buy and sell the assets, there are conditions throughout the period that Mr. Apichai Taechaubol is still a major shareholder of the Company. JCKD (with Mr. Apichai Taechaubol being a major shareholder) agrees to not operating a hotel business or partner or being a major shareholder or being a party to a contract with other hotel operators that compete with the business of the Company and will not take any action that is in competition with the hotel business of the Company either directly or indirectly. And even though JCKD currently has 1 other hotel property which is in the process of closing down its business and waiting for a project development plan (Renovate), but the said project has different target customers and location from the hotel that the

Company will enter into the transaction this time. As a result, they will not compete with the Company in the future.

In this regard, according to the Board of Directors meeting 7/2023, held on 2 August 2023, two interested directors, namely Mr. Apichai Taechaubol and Mr. Kittawat Taechaubol, did not attend the meeting and vote on the agenda to consider and approve the Transaction.

## 1.9 Risks of entering into the Transaction

### 1.9.1 Before entering into the Transaction

- 1) Risk may occur from the condition precedent that will not be successful or may be delayed.

The Transaction requires approval from the shareholders' meeting with required affirmative votes of not less than three-fourths of the total number of votes of the shareholders attending the meeting and being entitled to vote, excluding votes of the shareholders having an interest, as well as to appoint an IFA, which must be on the approved list of financial advisors of the Office of SEC, including the conditions for entering into the transaction. However, such conditions may be changed according to the parties involved to negotiate and agree on further. Such conditions will not be material conditions that may affect the decision of the shareholders to consider and approve the Transaction. *(Detail in Topic 2.8 Condition of the Transaction)*

Therefore, if the Company is unable to fulfill the condition precedent to enter into the Transaction, the Transaction will not be successful or delayed.

- 2) Risk of the source of funds

As source of fund of the Transaction is come from newly issued ordinary shares, in the amount not exceeding 3,465,833,184 shares with a par value of THB 1.00 per share to be offered to existing shareholders in proportion to their shareholdings (Right Offering) at an allocation ratio of 1 existing ordinary share to 1 newly issued ordinary share at the offering price of THB 0.30 per share, representing the issuance of newly issued ordinary shares in the amount not exceeding THB 1,039,749,955.20.

Therefore, If there are some existing shareholders who do not express their intention to subscribe for ordinary shares under the assumption that Mr. Apichai Taechaubol (including related persons) exercises his right to purchase shares in excess of the amount not exceeding 2,180,532,734 shares or 62.92 percent of the shares issued for offering to the existing shareholders in proportion to their shareholding (Right Offering), the Company may have insufficient cash flow to enter into the Transaction and the Company have to find additional financing through borrowing. This may cause the Transaction to be unsuccessful or delay.

- 3) Risk from losing the advance payment without collateral from JCKD

After the 1st payment of installment of the Company Group to JCKD, if there is no transfer of ownership by 31 March 2024 (or any other date as agreed by the parties in writing to extend the period). JCKD is obligated to return the full amount of the advance payment to the Company Group with interest at the rate of 7.5 percent per annum from the date JCKD receives the amount of THB 1,200.00 million within 15 days from the date of termination of the contract. If the payment is not returned according to the contract, The Company Group will have the right to file a lawsuit

in court to compel JCKD to return the advance payment in accordance with the terms of the contract.

However, the Company Group has no collateral from JCKD to refund the prepayment in accordance with the terms. There is only the right to file a lawsuit in court to compel JCKD. Therefore, if JCKD is unable to return the advance payment to the Company Group. The Company Group therefore has a risk of not receiving the advance payment back, which must follow the process of prosecuting a lawsuit in court only.

### 1.9.2 After entering into the Transaction

- 1) The volatility in the tourism industry may directly affect the risks of hotel operations.

Due to the hotel business, the main customers are both domestic and foreign tourists, and Thailand mainly relies on tourists from China. In the past year, the global tourism industry has suffered significant consequences from the pandemic, leading to direct repercussions on the Thai hotel industry due to government-imposed travel restrictions. This has resulted in a lack of international tourists entering the country, as well as limitations on domestic travel, such as interprovincial movement restrictions and heightened preventive measures in high-risk areas. The hotel industry has experienced unfavorable business outcomes in the past few years. However, currently, the situation is gradually improving as the pandemic situation is easing and many countries are starting to relax their control measures. This has led to the reopening of borders, allowing tourists to travel again. Consequently, the hotel industry now could grow once more.

However, the hotel business may be affected by other external risk factors that cause volatility in the tourism industry, which the Company cannot control. Examples of such factors include acts of terrorism, natural disasters, internal unrest within the country, and global economic downturns. These impacts can be widespread and may have consequences for future business operations.

### 1.10 Appropriateness of the price

For the appropriateness in terms of price, the IFA has compared the transaction price (The value of the acquisition of the Hotel in the amount of 3,055.00 million baht) with the value appraised by an independent appraiser. It was found that the transaction price was lower than the appraised price by an independent appraiser in both reports Valuation of assets and both methods of appraisal (*Please consider the details shown in the Section 4.1 Valuation Methods by Independent Appraisers*) In addition, the IFA has evaluated the hotel value by considering various methods to find an appropriate fair value range for entering into such transactions. However, the IFA utilize DCF method to determine the ability to generate cash flow of the business. And able to reflect future performance under business plans and various assumptions that are reasonable. The IFA has evaluated the fair value range of the Hotel Acquisition Transaction. It was found that it was between 2,899.49 –

3,306.05 million baht (*please consider the details shown in Section 4. Appropriateness of the price*). Therefore, the transaction price was within the fair value range.

Therefore, the IFA has an opinion that the Transaction price is appropriate. Since the transaction price is lower than the appraisal price by an independent appraiser and within the range of the fair value evaluated by the DCF method.

When considering the reasonableness of the transaction and the appropriateness of the transaction price, the IFA has an opinion that the acquisition of the Hotel is an appropriate transaction and the shareholders should approve the transaction. Shareholders should consider the information, opinions and details in preparing the opinion of the IFA mentioned above, including the advantages and disadvantages of entering into this transaction should also be considered. However, the decision to approve or disapprove this transaction is mainly at the discretion of the shareholders.

### 1.11 Whitewash

The IFA opinions that the Whitewash of the Company is deemed appropriate. This conclusion takes into account a thorough evaluation of several significant factors, including the potential advantages, disadvantages, and risks associated with engaging in the aforementioned transaction.

### 1.12 Characteristics and details of the transaction

The Board of Directors' meeting of JCK International Public Company Limited ("the Company") No. 7/2023 held on 2 August 2023, resolved to approve the proposal to the Extraordinary General Meeting of Shareholders no. No. 1/2023 of the Company ("EGM") to consider and approve the capital increase in the amount not exceeding 3,465,833,184 shares with a par value of THB 1.00 per share to be offered to existing shareholders in proportion to their shareholdings (Right Offering) at an allocation ratio of 1 existing ordinary share to 1 newly issued ordinary share at the offering price of THB 0.30 per share<sup>1</sup>, representing the issuance of newly issued ordinary shares in the amount not exceeding THB 1,039,749,955.20.

Since the Company has accumulated losses shown in the financial statements ending 31 March 2023, the Company is able to set the offering price of the newly issued ordinary shares of the Company lower than the par value of the Company upon approval from the shareholders' meeting, according to Section 52 of the Public Companies Act, which must not be less than THB 0.01 per share (as stipulated in Section 52 of the Public Limited Companies Act, any company having been in operation for not less than one year, if suffering a loss, may offer

<sup>1</sup> The Board of Directors has determined the price for offering of newly issued ordinary shares is equal to THB 0.30 per share, which is lower than the conversion price of the convertible debentures issued and offered to AO Fund that calculated from 17 May 2022 to 12 May 2023, the average conversion price of AO Fund is THB 0.389 per share. And when calculating the conversion price from the beginning of 2023 to 12 May 2023, the average conversion price of AO Fund is THB 0.287 per share. the Company do not want to inferior of newly issued ordinary shares price due to the conversion price of AO Fund. Therefore, the Board of Directors has considered the offering price of newly issued ordinary shares at THB 0.30 per share in order to offer the newly issued ordinary shares close to the market price AO Fund exercises the right to convert.

its shares for sale at a price lower than the registered value, but must obtain an approval from the shareholders' meeting and determine a definite discount rate).

The shareholders may subscribe for the newly issued ordinary shares in excess of their rights at the ratio specified above (Oversubscription) where the existing shareholders who subscribe for shares in excess of the rights will receive the allocation of shares subscribed more than their rights only if there are shares remaining from the allocation to the existing shareholders of the Company, which has already subscribed to all rights. In the allocation of new ordinary shares to the existing shareholders of the Company in proportion to their respective shareholdings (Right Offering), in the event that there are shares remaining from the allocation to the existing shareholders of the Company according to the shareholding ratio in the first round, the Company will allocate the remaining to the shareholders who oversubscribe their rights in proportion to their shareholdings in the same price as the shares that have been allocated according to their rights. Details are as follow:

1. In the event that there are shares remaining from the allocation to the existing shareholders of the Company according to the shareholding ratio in the first round, more than or equals to the shares that the existing shareholders who oversubscribe their rights in proportion to their shareholdings, the Company will allocate the remaining shares to all those who oversubscribe and pay for all such shares according to the amount of oversubscription notifications.
2. In the event that there are shares remaining from the allocation to the existing shareholders of the Company according to the shareholding ratio in the first round, less than the shares that the existing shareholders who oversubscribe their rights in proportion to their shareholdings, the Company will allocate the remaining shares to the shareholders who oversubscribe their rights as follows:
  - Allocate according to the proportion of existing shareholders who oversubscribe their rights in proportion to their shareholdings by taking the proportion of each of the existing shares of those who oversubscribe their rights multiplied by the number of shares remaining, resulting in the number of shares that each of the shareholders who oversubscribe will have the right to be allocated. In this regard, the number of shares to be allocated will not exceed the number of shares that each shareholder has subscribed and paid for the subscription.
  - In the case that there are remaining shares after the allocation, the allocation will be made to those who oversubscribe their rights and still have not received the allocation in full according to the original shareholding ratio of those who oversubscribe their rights, by taking the proportion of each of the existing shares of those who oversubscribe their rights multiplied by the number of shares remaining, resulting in the number of shares that each of the shareholders who oversubscribe will have the right to be allocated. The number of shares to be allocated will not exceed the number of shares that each shareholder has subscribed and paid for the subscription. In this regard, the shares will be allocated to those who oversubscribe their rights under this method until there are no shares remaining from the allocation.

In the event that, there are shares remaining from the allocation to the shareholders, according to the shareholding proportion and allocation to shareholders who subscribe more than their rights in offering for sale at the same time or at different times. The Company may offer to sell the remaining shares at the same time or at different times to the existing shareholders of the Company, according to the shareholding proportion with above details, and/or the Company will proceed to propose the reduction of the registered capital by cutting off the shares that have not been allocated to the shareholders' meeting.

The allocation of shares to the existing shareholders of the Company that oversubscribe their rights in any case, it must not cause any shareholder (including persons under Section 258 of the Securities and Exchange Act B.E. 2535 (including amendments) of such shareholder) to hold shares of the Company in the following manner:

- In the manner that crosses the tender offer point as specified in the Notification TorChor. 12/2554 (except that such shareholder has been exempted from making a tender offer for all securities of the business as specified in the Notification TorChor. 12/2554) or
- In a manner that violates the foreign shareholding restrictions as specified in the Company's regulations.

Allocation of newly issued ordinary shares to existing shareholders in proportion to their shareholdings (Right Offering) as detailed above. However, if after the allocation of newly issued ordinary shares to existing shareholders in proportion to their shareholdings (Right Offering), Mr. Apichai Taechaubol (including related persons) holds shares in the Company in the proportion that crosses the mandatory tender offer requirement threshold prescribed in the Notification TorChor. 12/2554. Mr. Apichai Taechaubol has an intention to apply for a waiver of the requirement to make a tender offer for all securities of the Company by virtue of the resolution of the shareholders' meeting (Whitewash), which will seek approval from the Company's shareholders at the same time as the issuance, offering and allocation of newly issued ordinary shares to existing shareholders in proportion to their shareholdings (Right Offering) this time.

#### 1) Characteristics of related securities and securities offered for disposal to the Applicant

Mr. Apichai Taechaubol ("the Applicant") has informed his intention to subscribe for the newly issued ordinary shares in proportion to his holding and oversubscribe according to his rights in accordance with the criteria specified above. Mr. Apichai Taechaubol (including related persons) may hold shares in the Company in the proportion that crosses the mandatory tender offer requirement threshold prescribed in the Notification No. TorChor. 12/2554 (Shareholding proportion reaching or crossing 25.00 percent of the total number of shares with voting rights of the Company). However, it must not exceed 50.00 percent of the total number of shares with voting rights of the Company (After the capital increase for the issuance and allocation of newly issued ordinary shares to the existing shareholders in proportion to their shareholdings (Right Offering)).



## 2) General Information of the Applicant

<b>Name</b>	Mr. Apichai Taechaubol																																						
<b>Age</b>	67 years old																																						
<b>Education</b>	<ul style="list-style-type: none"> <li>- Honorary Degree of Master of Business Administration in Department of General Management Ramkhamhaeng University</li> <li>- Master's degree in political science, Ramkhamhaeng University</li> <li>- Bachelor's degree in business administration, North Central University, Arizona, U.S.A.</li> <li>- Bachelor's degree in political science Ramkhamhaeng University</li> </ul>																																						
<b>Professional Training</b>	<ul style="list-style-type: none"> <li>- DAP, Class 39/2005</li> <li>- Chairman 2000 Program</li> <li>- CGI, Class 3/2015</li> </ul>																																						
<b>Relationship with the Company</b>	<p>Chairman, Executive Chairman, and major shareholder of the Company, and there are related parties and relatives holding shares in the Company. Details are as follows:</p> <table> <tr> <th>No.</th><th>Name<sup>1/</sup></th><th>No. of shares</th><th>Percent</th></tr> <tr> <td>1</td><td>Mr. Apichai Taechaubol</td><td>364,204,456</td><td>10.51</td></tr> <tr> <td>2</td><td>Mrs. Chalida Taechaubol<sup>2/</sup></td><td>278,079,966</td><td>8.02</td></tr> <tr> <td>3</td><td>Mr. Kittawat Taechaubol<sup>3/</sup></td><td>44,095,000</td><td>1.27</td></tr> <tr> <td>4</td><td>Mr. Chotiwit Taechaubol<sup>3/</sup></td><td>36,720,859</td><td>1.06</td></tr> <tr> <td>5</td><td>Mr. Noppawee Taechaubol<sup>3/</sup></td><td>15,710,800</td><td>0.45</td></tr> <tr> <td>6</td><td>Miss Waraporn Taechaubol<sup>4/</sup></td><td>2,771,736</td><td>0.08</td></tr> <tr> <td>7</td><td>Miss Oranat Taechaubol<sup>3/</sup></td><td>2,300,000</td><td>0.07</td></tr> <tr> <td></td><td><b>Total</b></td><td><b>743,882,817</b></td><td><b>21.46</b></td></tr> </table> <p>Note: 1/ Mr. Apichai Taechaubol's family is a group of shareholders in JCK, as recorded in the Shareholder Register as of 18 May 2566.  2/ Spouse of Mr. Apichai Taechaubol  3/ Children of Mr. Apichai Taechaubol and Mrs. Chalida Taechaubol  4/ Sister of of Mr. Apichai Taechaubol</p>			No.	Name <sup>1/</sup>	No. of shares	Percent	1	Mr. Apichai Taechaubol	364,204,456	10.51	2	Mrs. Chalida Taechaubol <sup>2/</sup>	278,079,966	8.02	3	Mr. Kittawat Taechaubol <sup>3/</sup>	44,095,000	1.27	4	Mr. Chotiwit Taechaubol <sup>3/</sup>	36,720,859	1.06	5	Mr. Noppawee Taechaubol <sup>3/</sup>	15,710,800	0.45	6	Miss Waraporn Taechaubol <sup>4/</sup>	2,771,736	0.08	7	Miss Oranat Taechaubol <sup>3/</sup>	2,300,000	0.07		<b>Total</b>	<b>743,882,817</b>	<b>21.46</b>
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### 3) General Information of the Issuer

*Detail in Appendix 1*

#### 1.13 IFA's Opinion on the Whitewash

##### 1) Opinion Policy and management plan offered by the Applicant

	Policy and management plan of the Company	Opinion of the Board of Directors and Independent Financial Advisor
1	<p><u>Objectives of business operation</u></p> <p>Real estate development, type of land, and construction of a standard factory in TFD Industrial Estate and various industrial estates for sale or rent, providing asset management services in the type of office buildings and SME, ready-made factories with office buildings for rent, residential (condominium) for sale, including operating hotels, restaurants, bowling alleys, cinemas and other theaters. resorts, sport fields, swimming pools, with the policy to make the acquired hotel business one of the core businesses of the Company. Applicant has no plans or policies to change the original objectives of the Company to be any different from the present.</p>	<p><u>The Board of Directors</u></p> <p>There will be no material impact on the nature of the business operations of the Company.</p> <p><u>The Independent Financial Advisor</u></p> <p>According to the Company's disclosure of the plan to utilize the increased capital for purchasing assets from JCKD, the Company aims to expand and diversify its business risks into potential future growth areas, which will enable the Company to generate revenue and profits from the operational performance of the Hotel business.</p> <p>The IFA opined that the Company's operation will not be affected because the Applicant, who is a major shareholder and holds positions as a director, chairman of the board, and CEO of the Company, has no plan or policy to change objectives, organizational structure, management plan, or the policy to dispose of core assets used in the Company's operations or subsidiaries significantly. As the Applicant is a major shareholder and has held positions as a director, chairman of the board, and CEO of the Company since before the whitewash of the Mandatory Tender Offer and will continue to manage the Company's operations even after increasing their shareholding through the issuance of additional ordinary shares exceeding the rights in this instance.</p> <p>In addition, the transfer of employees from JCKD, including executives and the manager who are under the management of the Company Group will benefit the operation of the Hotel and benefit the Company Group to be able to operate the business continuously.</p>
2	<p><u>Change of organization structure, management plan, and staff recruitment</u></p> <p>The Applicant has no plan or policy to change the Company's organization structure or management plan. However, upon acquiring JCKD's assets, the Company plans to manage the Hotel instead of JCKD and transfer various licenses to the Company, including hiring the former staff of JC Kevin Sathorn Bangkok Hotel to operate the Hotel after the acquisition transaction of assets from JCKD completed.</p> <p>However, if it is necessary to enhance efficiency and competitiveness in the Company's business operations, the Applicant may consider reviewing and adjusting the organizational and financial management structures of the Company to align with the changing business conditions and financial status of the Company, considering the significant benefits that would accrue to the Company. If these changes</p>	

	Policy and management plan of the Company	Opinion of the Board of Directors and Independent Financial Advisor
	represent a significant change from what was specified in the current request for the Whitewash, the Applicant will request approval from the Company's Board of Directors and shareholder meeting, as required by the Company's regulations, criteria, and relevant laws.	However, if the Applicant intends to appoint additional executives and/or make changes to the management or personnel of the Company, as deemed appropriate, the Applicant may consider reviewing and adjusting the organizational and financial management structure of the Company to align with the changing business conditions and financial position of the Company over time. Both the Applicant and the Company must adhere to relevant regulations and the Company's policies established by the board of directors and/or shareholder meetings. Additionally, it is important to maintain a governance framework for the board of directors, management, and personnel in accordance with good corporate governance principles to benefit the Company and shareholders.
3	<p><u>Plan for disposal of core assets of the Company or of its Subsidiaries</u></p> <p>The Applicant has no plan to materially dispose any core assets of the Company or its Subsidiaries. However, if the Company disposes of its assets, the Applicant will ensure that the Company complies with the rules and regulations of the SEC and the SET and other related regulations.</p>	
4	<p><u>Plan for financial restructuring</u></p> <p>The Applicant has no policy to change the Company's financial structure. However, after the issuance of new ordinary shares of THB 1,039,749,955.20, the company's shareholders' equity will increase to THB 3,367,122,955.20. (Based on financial statements as of 31 March 2020), while liabilities increased from THB 6,535,245,000 to THB 7,590,245,000 (From the outstanding payment for the purchase of assets from JCKD in the amount of THB 1,055 million in the last installment.), resulting in a decrease in debt to equity ratio from 2.81 times to 2.25 times. Only in this regard will the exemption applicant determine the company's capital structure based on the net debt to equity ratio. Not more than 3 times.</p>	<p><u>The Board of Directors</u></p> <p>Considering additional sources of funding to support growth and align with the relevant business plans of the Company group is a common business practice.</p> <p><u>The Independent Financial Advisor</u></p> <p>The IFA opined that the Transaction may affect the shareholding ratio of existing shareholders due to the issuance of newly issued ordinary shares as part of the source of funds for entering into the Transaction (<i>Details in Section 3.3 Disadvantages of entering into the transaction</i>) and if there is insufficient source of fund in the future, it may affect the Company Group to borrow from financial institutions which will result in a higher debt to equity ratio. In this regard, the Applicant, as director, may consider seeking additional sources of funding to support growth and align with the relevant business plans of the Company group. This is a common business practice to ensure that the business operates in a manner consistent with standard business practices.</p> <p>In this regard, the Applicant should carefully consider the feasibility and cost-effectiveness of any additional investment to ensure maximum benefits for both the Company and shareholders. Additionally, both the Applicant and the Company</p>

	Policy and management plan of the Company	Opinion of the Board of Directors and Independent Financial Advisor
		must adhere to relevant regulations and the Company's policies established by the board of directors and/or shareholder meetings.
5	<p><u>Dividend payment policy</u></p> <p>The Applicant has no policy to materially change the Company's dividend policy and will pay attention primarily to the Company's performance, business expansion plan, and the shareholders' returns in the long term.</p>	<p><u>The Board of Directors</u></p> <p>There will be no material impact on the nature of the business operations of the Company.</p> <p><u>The Independent Financial Advisor</u></p> <p>The IFA opined that the Company will not be affected in terms of its business model because the Applicant has no plan or policy to change the Company's dividend payment policy. However, the Applicant may consider reviewing and adjusting the organizational and financial management structures of the Company to align with the changing business conditions and financial position of the Company over time. Both the Applicant and the Company must operate within relevant regulations and policies, as decided in meetings of the board of directors and/or shareholders.</p>
6	<p><u>Related transactions</u></p> <p>If the said acquisition of newly issued shares, once completed, will cause the related transactions between the Company and the Applicant, the Related Persons under Section 258 of the Applicant, the concert parties of the Applicant, or the Related Persons under Section 258 of the concert parties to increase or to change significantly from the current status, the Company will implement the following management plan.</p> <p>Currently, the Applicant and the Related Persons under Section 258 of the Applicant have entered into the following related transactions with the Company:</p> <ol style="list-style-type: none"> <li><u>Entertainment fees: The Company has used JCKD's restaurants, hotels receptions and meeting rooms for board meetings and shareholders' meetings.</u></li> </ol> <p><u>The details of the related transactions are as follows:</u></p> <p><u>Year 2020 : THB 0.30 million</u></p> <p><u>Year 2021 : THB - million</u></p> <p><u>Year 2022 : THB - million</u></p>	<p><u>The Board of Directors</u></p> <p>The Applicant has no plan or policy to significantly change the Company's connected transaction policies in the future. Therefore, it will not have any impact on the policies after the Applicant becomes a shareholder of the Company; the Applicant will continue to operate in accordance with the Company's transaction policies, taking into account the maximum benefits for the Company and shareholders, which are similar to normal transactions conducted with external parties where the Company follows the Securities and Exchange Act and SET regulations.</p> <p><u>Independent Financial Advisor</u></p> <p>The IFA opined that the current transaction between the Company and the Applicant for the entertainment fees, rental of office space and services within the building from JCKD, advance deposit, other payables which are the transaction that has independent and mutually agreed upon conditions for payment with integrity in business trade, as well as the transaction in which the</p>

	Policy and management plan of the Company	Opinion of the Board of Directors and Independent Financial Advisor
	<p>However, JCKD charges a service fee at the price charged to general customers. The Audit Committee was of the opinion that it was a reasonable transaction and facilitated JCK in hosting receptions and meetings.</p> <p>2. <u>Office rental fee</u>: The Company rents office space and provides services in the office building from JCKD. The Company has considered renting office space from JCKD on the 2nd floor and the 4th - 6th floor with a total area of 1,695.44 sq.m. to be used as a location for JCK's head office because it is a new building with enough rental space for operate the office. And the office rental rate is comparable to the nearby office buildings. with rental rates and the service fee is 805,334 baht per month, with the condition of paying the rent in advance throughout the 3-year lease period. The company will receive a 9% discount on the rental per year, which the company agrees to pay in advance and get a discount according to the conditions. <u>The details of the related transactions are as follows:</u></p> <p>Year 2020: THB 8.33 million  Year 2021: THB 10.06 million  Year 2022 : THB 9.53 million</p> <p>However, the company has considered renting the office building space from JC Kevin because it is a new building with enough rental space to meet demand and office rental rates are comparable rates with nearby office buildings. The audit committee had an opinion that it was a reasonable transaction.</p> <p>3. Building rental fee: (classified as right-of-use assets from adopting the Thai Financial Reporting Standard No. 16 for the first time)</p>	<p>Applicant acts as a guarantor for the Company's loans, are undertaken to support the Company's operations and ensure continuity. This transaction is beneficial for the Company.</p> <p>In this regard, the Applicant is a major shareholder, director, and executive of the Company, which is a listed Company in SET prior to the increase in ordinary shares in the Company's capital in this instance. Both the Applicant and the Company have complied with the policies, regulations, and approval processes of SET and SEC to avoid conflicts of interest in transactions between the Company and its subsidiaries, affiliated companies, and/or persons who may have a conflict of interest.</p> <p>However, if there are more transactions between the Applicant and the Company in the future, both the Applicant and the Company are still obligated to comply with the policies and procedures for their connected transactions, which include compliance with the Securities and Exchange Act and SET regulations, including disclosure requirements or operations related to connected transactions and the acquisition or disposal of the Company's assets.</p>

	Policy and management plan of the Company	Opinion of the Board of Directors and Independent Financial Advisor
	<p><u>The details of the related transactions are as follows:</u></p> <p>Year 2020: THB 14.57 million</p> <p>Year 2021: THB 6.25 million</p> <p>Year 2022 : THB 26.28 million</p> <p>The audit committee had an opinion that it was a reasonable transaction.</p> <p>4. Advance deposit<sup>1/</sup></p> <p><u>The details of the related transactions are as follows:</u></p> <p>Year 2020: THB 5.02 million</p> <p>Year 2021: THB 5.02 million</p> <p>Year 2022 : THB 5.49 million</p> <p>The audit committee had an opinion that it was a reasonable transaction.</p> <p>5. Other payables<sup>2/</sup></p> <p><u>The details of the related transactions are as follows:</u></p> <p>Year 2020 : THB 0.98 million</p> <p>Year 2021 : THB 0.45 million</p> <p>Year 2022 : THB 0.35 million</p> <p>The audit committee had an opinion that it was a reasonable transaction.</p> <p><u>Mr. Apichai Taechaubol guarantees loans for the Company and its subsidiaries for credit limit THB 1,600 million.<sup>3/</sup></u> This guarantee is in accordance with the loan conditions of financial institutions. The loans are used as working capital for business operations, for land acquisition and project construction of JCK and its subsidiaries which are beneficial to the business of JCK and its subsidiaries without charge. The audit committee had an opinion that it was a reasonable transaction. After the acquisition of newly issued shares, the Applicant has no plan to materially change the Company's policy on future related transactions. In case there is any related transaction taking place in the future after the Applicant has become the</p>	

	Policy and management plan of the Company	Opinion of the Board of Directors and Independent Financial Advisor
	Company's shareholder, the Applicant will ensure that the Company's Board of Directors continues to abide by the Company's policy on related party transactions, taking into account the best interests of the Company and its shareholders in the same manner as the transactions executed on an arm's-length basis by the Company with any third party, and to comply with the law on securities and exchange and the SET's regulations, including the rules on information disclosure or other acts relating to the connected transactions and the acquisition or disposal of assets of the Company.	

Note: 1/Note: 1/ Advance deposit is the item that the Company paid to JCKD according to the lease agreement.

2/ Other payables are the items that the Company went to a restaurant of JCKD

3/ There is no fee charged between such guarantees.

- 2) All voting rights that the Applicant will have after the acquisition of securities and that will be able to get more in the future without being obligated to make a tender offer for all securities of the business

This proposal assumes that no other existing shareholders will exercise their rights to purchase additional shares in this offering, which the Applicant (including related persons) may hold shares in the Company, which could trigger a Mandatory Tender Offer according to the announcement of TorJor. 12/2554 (The shareholding reaches or exceeds 25.00 percent of the total voting shares of the company). However, it must not be more than 50.00 percent of the total number of shares with voting rights in the Company. (After the capital increase for the issuance and allocation of newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering))

The Applicant will be a shareholder who can significantly exercise Majority Control even though they may not have the majority of votes to control resolutions at shareholder meetings that require a majority vote (resolutions requiring more than half of the total votes) or special resolutions (resolutions requiring at least three out of four votes of the total votes at shareholder meetings).

However, the Applicant can exercise the right of veto in some matters where the company's laws or regulations require a threshold of at least three out of four votes of the total votes at shareholder meetings. For example, matters such as requesting approval for increasing capital, reducing capital, not having to make a tender offer for all securities of the business, conducting or disposing of significant

transactions, connected transactions according to the SET announcement, and issuing and offering convertible debentures.

### 3) Potential impact to existing shareholders of the Company

In the event that other existing shareholders do not exercise their rights to subscribe for additional shares in this capital increase, the applicant (including related parties) will have the opportunity to exercise their right to subscribe for additional shares of the existing shareholders and oversubscribe, and the total shareholding of the applicant is limited to a maximum of 50.00 percent of the total issued shares and voting rights of the Company. The offering of newly issued ordinary shares by the Company, assuming that the applicant has been fully allocated all shares without other existing shareholders exercising their rights, will result in a reduction of ownership and voting rights for other existing shareholders by 50.00 percent.

According to the aforementioned assumption, the changes in the shareholding percentage of other shareholders in the company will result in a significant reduction in their control. In other words, minority shareholders will find it more challenging to gather enough votes to control resolutions at shareholders' meetings. In the scenario where all shareholders exercise their rights to subscribe for additional shares in full, no shareholder will experience any dilution of their voting rights (Control Dilution) due to the capital increase in this instance.

However, all shareholders will not be affected by the decrease in the stock price resulting from the issuance of new common shares for sale to existing shareholders (Right Offering) at a price of 0.30 Baht per share, which is higher than the average weighted market price of the stock traded on SET in the 15 trading days before the Company's Board of Directors meeting on 2 August 2023. The resolution was passed to propose to the Extraordinary General Meeting of Shareholders on 1 July 2023, at an average price of THB 0.22 per share.

For this capital increase, all shareholders will not be affected by earnings dilution because the company has had a net loss from its operations for the past 12 months. However, if the Company has net profit, there will be effect on the EPS Dilution.

### 4) Effects that may occur to the Company

The Company will utilize the proceed for entering into the transaction. If the investment is successful, it will result in the Company having the opportunity to receive increased returns from such an investment. In the event that there is remaining capital after the investment, the Company will have funds available for debt repayment and/or working capital within the Company and/or used as capital in expansion of the Company's investment and business in the future. The Company will take into account the best interests of the Company and shareholders of the Company. Moreover, the Applicant



has no plan or policy to change objectives, organizational structure, management plan, or the policy to dispose of core assets used in the Company's operations or subsidiaries significantly.

In part of the plan for financial restructuring to support the Company's growth, this is a common business practice to ensure that the business operates in a manner consistent with standard business practices. The Company may consider looking for additional sources of funding. However, the Applicant should carefully consider the feasibility and cost-effectiveness of any additional investment to ensure maximum benefits for both the Company and shareholders.

5) Risks that may occur in case of not approving the request for a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash)

(1) The Company may not be able to raise funds as planned.

In case the shareholders do not approve the request for a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash) at this time will make the Company having a chance that the capital increase will not be received as planned. As other shareholders exercise their rights to purchase shares less than 2,691,048,912 shares or 77.65 percent of the shares issued for offering to the existing shareholders in proportion to their shareholding (Right Offering) this time, this may result in a delay of the Transaction which will affect the operating results of the business in the future.

However, if the Company does not issue newly ordinary shares, the Company will continue to operate as usual. The Company's shareholders continue to have the chance to receive returns from their investment which will be in accordance with the Company's performance at that time.

(2) The Company may need to find new funding sources.

If the Company cannot raise funds as its planned, the Company may need to find new funding sources, such as borrowing from investors or financial institutions, raising funds from private placement, issuing warrants to purchase additional shares, and issuing debentures, etc. The process to find a new source of fund may take a time to negotiate. along with preparing other additional information in accordance with necessary criteria and conditions so that the Company may postpone the Transaction and have the burden of increasing process costs or fees or more process such as process of placement of collateral and/or additional obligations. All of these will result in the Company's operation.

6) Conditions of Whitewash

According to the Board of Directors' Meeting of JCK International Public Company Limited ("the Company") No. 7/2023 held on 2 August 2023, the related agendas of the request for a waiver from

making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash) are determined as follow:

- Agenda 3 To consider and approve the Company or its subsidiaries by entering into the acquisition asset and the connected transaction by entering into the asset acquisition transaction by investing in JC Kevin Sathorn Bangkok Hotel
- Agenda 4 To consider and approve the increase of the Company's registered capital and the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the increase of the Company's registered capital
- Agenda 5 To consider and approve the allocation of newly issued ordinary shares of the Company, to offer to existing shareholders in proportion to their shareholdings (Right Offering)
- Agenda 6 To consider and approve the allocation of newly issued ordinary shares of the Company, to support the issuance and allocation of capital increase shares under General Mandate
- Agenda 7 To consider and approve the request for a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash)

In this regard, since Agenda 3 – 5 are related and conditional upon each other, therefore, if any agenda is not approved by the Extraordinary General Meeting of Shareholders No. 1/2023, other agendas will not be considered, which are related and conditional upon each other and it shall be considered that the agenda related and conditional upon each other that has already been approved shall be cancelled. Except for Agenda 4, which is a related agenda and is a mutual condition with Agenda 6, it will not be canceled if Agenda 6 is approved by the Extraordinary General Meeting of Shareholders No. 1/2023.

However, the define Agenda 7 as a non-related agenda since if the meeting does not approve the Applicant of the request for a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash), the Company still intends to enter into the Transaction, capital increase and allocation of newly issued ordinary shares according to Agenda 3 - 5.

The related agendas are to ensure that the Company will be able to raise fund from the capital increase to be issued and offered to the existing shareholders in proportion to their shareholding (Right Offering) sufficient to meet the needs of funds for entering into the Transaction.

In this regard, if there is no related agenda, the Company's shareholders will be independent and flexibility in considering each agenda separately. However, there is a risk of unsuccessful fundraising and/or there may be uncertainty of the proceed that can be raised this time which will make the Company need to find new funding sources or use loans to expand investments

#### **1.14 Advantages of approving the whitewash of Mandatory Tender Offer of the company in accordance with the resolution of the shareholders' meeting**

- 1) The approval of the request for a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash) is a part of support the Transaction.

A waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash) to the Applicant to entering into the Transaction will benefit to the Company as the Company can utilize the entire proceed from the Allocation of newly issued ordinary shares in this time. Additionally, this will reduce the burden of external financing and the obligation to pay interest that will occur in the future for the payment of the Transaction.

- 2) The Company will have a strategic partnership without losing all control over the business.

A waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash) to the Applicant to entering into the Transaction will lead the Company to have experienced strategic partnership with beneficial resource for business expansion without losing all control over the business.

#### **1.15 Disadvantages of approving the whitewash of Mandatory Tender Offer of the company in accordance with the resolution of the shareholders' meeting**

- 1) The loss of opportunity that shareholders may incur from the Mandatory Tender Offer of the Company

If the Applicant (including related persons) obtains approval for the whitewash of the Mandatory Tender Offer, the existing shareholders of the company will lose the opportunity to exercise their rights to sell common shares of the company in proportion to the Applicant's obligation to make a Mandatory Tender Offer. The Mandatory Tender Offer may have a price higher than the market price of the company's common shares during that period. However, the Mandatory Tender Offer Price must not be lower than the highest price at which the requesting party has acquired shares within the previous 90 days.

- 2) The Applicant (including related persons) will be a major shareholder holding more than 25.00 percent of the Company

If the Company has an extraordinary shareholders' meeting that requires a resolution by a majority of more than three-fourths of the total number of shares present and entitled to vote in important matters, such as acquiring or disposing of businesses, mergers, connected transactions, acquiring or disposing of significant assets, appointing others to manage the Company's business, etc., it may be

necessary for the Applicant (including related persons) to obtain approval. Additionally, the Applicant (including related parties) may also have the right to dissent or disagree during such meetings, which could result in the resolution not being approved at the shareholders' meeting.

**1.16 The Risk of requesting the Whitewash from making the Mandatory Tender Offer of the Company, utilizing the Whitewash resolution at the shareholders' meeting.**

1) The risk of not being approved by the shareholders' meeting

The Whitewash of the Mandatory Tender Offer of the Company, according to SorKor No. 29/2018, must be approved at the shareholders' meeting by a vote of not less than three-fourths of the total number of shares of the attending shareholders with voting rights. However, the votes of persons who do not have the right to vote for the approval of the request for the Whitewash, namely persons under Section 258, Concert Party, and persons under Section 258 of the Concert Party of the Applicant.

## 2. Characteristics and Details of the Transaction

### 2.1 Date of the Transaction

The Company Group will sign a disposal and acquisition agreement between the Company Group and JCKD, along with any related documents (if applicable), after the 7th/2566 Board Meeting held on 2 August 2023. Following the approval to proceed with the transaction obtained from Extraordinary General Meeting No. 1/2023 ("EGM"), the company anticipates that the entire process of disposing and acquiring the assets will be completed within the year 2567. After the Company adheres to the preconditions and key terms outlined in the disposal and acquisition agreement, including negotiations or relinquishments of rights by the relevant parties, various procedures have been taken to ensure the successful completion of the transaction as specified in the agreement with conditions precedent and important terms (*please see details in Section 2.8 Conditions for Transaction*).

### 2.2 Overview of the Transaction

JCK International Co., Ltd. ("JCK" or "the Company") or its subsidiaries of the Company have an intention to diversify their investment beyond their existing business to spread investment risks and create alternative income sources in order to mitigate the risk of being dependent on only one business, which is the industrial estate business. Therefore, the Company has studied and analyzed the possibility of investing in the Hotel owned by JC Kevin Development Co., Ltd. ("JCKD"), which is related to the Company Group. The Hotel is located in the center of Bangkok and was previously managed by a subsidiary company of Minor International PCL, known as Anantara Sathorn Bangkok Hotel", offering comprehensive services as a 5-star hotel. Currently, JCKD manages the Hotel itself, and the hotel business in Thailand has begun to return to normal before the COVID-19 pandemic situation in 2020, as the number of guests has increased since the end of 2022, following the easing of COVID-19-related restrictions.

The Board of Directors' Meeting of JCK International Public Company Limited ("the Company" or "JCK") No. 7/2023 held on 2 August 2023, resolved to approve to propose to the Extraordinary General Meeting of Shareholders No. 1/2023 ("EGM") to consider and approve the Company or its subsidiaries (collectively referred to as the "Group of the Company") to enter into the acquisition of assets in the "Sathorn Heritage Residences" condominium, building B and C (partial) under the name "JC Kevin Sathorn Bangkok Hotel" ("the Hotel"). This acquisition is the purchase of 318 commercial and residential rooms, no. 36, 36/301 – 36/617, 1st – 37th floors, within the "Sathorn Heritage Residences" condominium, building B, C (partial), under the name "JC Kevin Sathorn Bangkok Hotel", which is at Naradhiwas Rajanagarindra Road, Yan Nawa, Sathorn, Bangkok, from JC Kevin Development Co., Ltd. ("JCKD") which is a relate persons of the Company Group, equivalent to a total value not exceeding THB 3,055.00 million ("the Asset") (referred to as "Hotel Investment Transaction" or "Acquisition of Assets from JCKD").

The Company Group will pay for the purchase of the Asset from JCKD in the amount of not exceeding THB 3,000.00 million, together with interest in the amount of not more than THB 55.00 million baht, totaling not exceeding THB 3,055.00 million in cash, divided into the payment of the purchase price as follows:

- 1) **1<sup>st</sup> Installment:** The Group of the Company will pay THB 1,200.00 million, equivalent to 40.00 percent of the purchase price of the Asset of JCKD, which will be paid no later than September 30, 2023, with the condition that the Group of the Company will receive the right to operate the hotel and be able to earn the revenue immediately<sup>2</sup> after receive the transfer of hotel license from JCKD and payment of the 1st installment has been completed<sup>3</sup> and the Company will pay with cash from operating cash flow. In this regard, the Group of the Company will receive the transfer of hotel license from JCKD within the date the 1st installment has been paid (or any other date as agreed by the parties in writing to extend the period).

However, if there is no transfer of ownership by March 31, 2024 (or any other date as agreed by the parties in writing to extend the period). JCKD is obligated to return the full amount of the advance payment to the Group of the Company with interest at the rate of 7.5 percent per annum from the date JCKD receives the amount of THB 1,200.00 million within 15 days from the date of termination of the contract. If the payment is not returned according to the contract, The Group of the Company will have the right to file a lawsuit in court to compel JCKD to return the advance payment in accordance with the terms of the contract.

- 2) **2<sup>nd</sup> Installment:** The Group of the Company will pay THB 800.00 million, equivalent to 26.67 percent of the purchase price of the Asset of JCKD. JCKD will proceed to register and transfer full ownership of the Asset to the Group of the Company within the day that the 2nd Installment has been completed, which will be paid no later than March 2024. The Company will pay with the money from the issuance and offering of newly issued ordinary shares to the existing shareholders proportionately (Right Offering). However, in case that the Company is unable to issue and offer all newly issued ordinary shares. The company will consider additional sources of funding from borrowing from financial institutions.
- 3) **3<sup>rd</sup> Installment:** The Group of the Company will pay the remaining amount of THB 1,000.00 million, equivalent to 33.33 percent of the purchase price of the Asset of JCKD. The Group of the Company will pay in installments in cash completely within 5 years from the date of registration of ownership transfer (or within the period that the seller and the Group of the Company have agreed to extend such period further) with an interest rate of 1.00 per year on the outstanding principal that calculated from the date of registration of ownership transfer of the Asset until the date of full payment, as an interest in the amount not exceeding THB 55.0 million. The Group of the Company will pay the 3rd installment for the first time by December 2024 and the minimum payment amount must not be less than THB 100.00 million per year. The Company will pay with cash from operating cash flow or from borrowing in case that cash flow from operations is not sufficient.

Whereby the Company will pay with cash received from the Company's operating cash flow and/or cash payment from additional financing from borrowing from investors or financial institutions and/or from the issuance and offering of newly issued ordinary shares to the existing shareholders proportionately (Right Offering). The total value of the transaction does not exceed THB 3,055.00 million.

In addition, the Acquisition of the Asset from JCKD is regarded as an asset acquisition transaction of the Company or its subsidiaries pursuant to the Notification of the Capital Market Supervisory Board TorChor. No. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (collectively called "Notifications on Acquisition or Disposal"). The size of such transaction is equal to 34.47 percent according to the total value of consideration criteria from which the maximum transaction size is obtained (total value of consideration of not exceeding THB 3,055.00 million), from which the maximum transaction size is obtained, according to the Company's reviewed consolidated financial statements ended 31 March 2023. In the previous six months, the Company did not execute any asset acquisition transactions.

The Acquisition of Assets from JCKD has the size of such transaction equal to 15 percent or higher but lower than 50 percent and is classified as a Class 2 Transaction according to the Notifications on Acquisition or Disposal. The Company has a duty to report and disclose the transaction with required minimum information under Schedule (1) pursuant to the Notifications on Acquisition or Disposal as follows:

- 1) Disclose information related to the transaction to SET according to Schedule (1) attached to the Notifications on Acquisition or Disposal of Assets (Enclosure 1)
- 2) Send a circular letter to the shareholders regarding the acquisition and disposition of the Company's assets within 21 days from the date of disclosure of the information of such transaction.

However, The Board of Directors has agreed that the asset acquisition transaction is considered a significant transaction, which is the transaction is a connected transaction of the Company. (Details of connected transactions are described below) which the Company must also obtain approval from the shareholders' meeting. Accordingly, The Board of Directors of the Company has resolved to approve the proposal for the asset acquisition transaction to the shareholders' meeting of the Company for further approval.

In addition, the Acquisition of The Asset from JCKD constitutes a connected transaction of the Company pursuant to the Notification of the Capital Market Supervisory Board TorChor. No. 21/2551 Re: Rules on Entering into Connected Transactions, dated 31 August 2008, (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B. E. 2546, dated 19 November 2003, (as amended) ("Notifications on Connected

Transactions"). Since it has a major shareholder, related persons, and close relatives holding shares in the Company. As of 18 May 2023, the Company has related connected persons with JCKD as follows:

No.	Name <sup>1/</sup>	No. of shares	Percent
1	Mr. Apichai Taechaubol	364,204,456	10.51
2	Mrs. Chalida Taechaubol <sup>2/</sup>	278,079,966	8.02
3	Mr. Kittawat Taechaubol <sup>3/</sup>	44,095,000	1.27
4	Mr. Chotiwit Taechaubol <sup>3/</sup>	36,720,859	1.06
5	Mr. Noppavee Taechaubol <sup>3/</sup>	15,710,800	0.45
6	Miss Waraporn Taechaubol <sup>4/</sup>	2,771,736	0.08
7	Miss Oranut Taechaubol <sup>3/</sup>	2,300,000	0.07
	<b>Total</b>	<b>743,882,817</b>	<b>21.46</b>

Note: 1/ Mr. Apichai Taechaubol's family is a major shareholder in JCK. Information from the shareholder register book as of May 18, 2023.

2/ Mr. Apichai Taechaubol's spouse

3/ Mr. Apichai Taechaubol and Mrs. Chalida Taechaubol's sons

4/ Mr. Apichai Taechaubol's sister

And, as of 10 May 2023, held 10,000,000<sup>1</sup> shares in JCKD (including related persons), representing 100.00 percent of JCKD's total issued and paid-up shares. The total value of consideration for the connected transactions is not exceeding THB 3,055.00 million and the maximum size of this transaction is equal to 210.22 percent of the Company's net tangible assets (NTA) (as of 31 March 2023, the Company's NTA amounted to THB 1,453.26 million), according to its reviewed consolidated financial statements ended 31 March 2023. During the previous six months, the Company did not enter into any connected transactions.

Therefore, the size of the Acquisition of the Asset from JCKD is greater than 3 percent of the Company's NTA and the transaction value is more than THB 20.00 million. The Company is accordingly required to obtain approval from the Board of Directors and to prepare and disclose an information memorandum on the transaction to the SET pursuant to the Notifications on Connected Transactions. It must also obtain an approval from the shareholders' meeting with required affirmative votes of not less than three-fourths of the total number of votes of the shareholders attending the meeting and being entitled to vote, excluding votes of the shareholders having an interest, and must appoint an independent financial advisor (IFA), which must be on the SEC's approved list of financial advisors.

<sup>1</sup> Mr. Apichai Taechaubol directly holds 3,125,000 shares, equivalent to 31.25 percent of the total issued shares of JCKD and indirectly held through his spouse (Mrs. Chalida Taechaubol) and his children in the amount of 6,875,000 shares, equivalent to 68.75 percent of JCKD's total issued shares. The total number of issued shares of JCKD (refer to the copy of the list of shareholders (Bor Or Jor. 5) of JCKD)

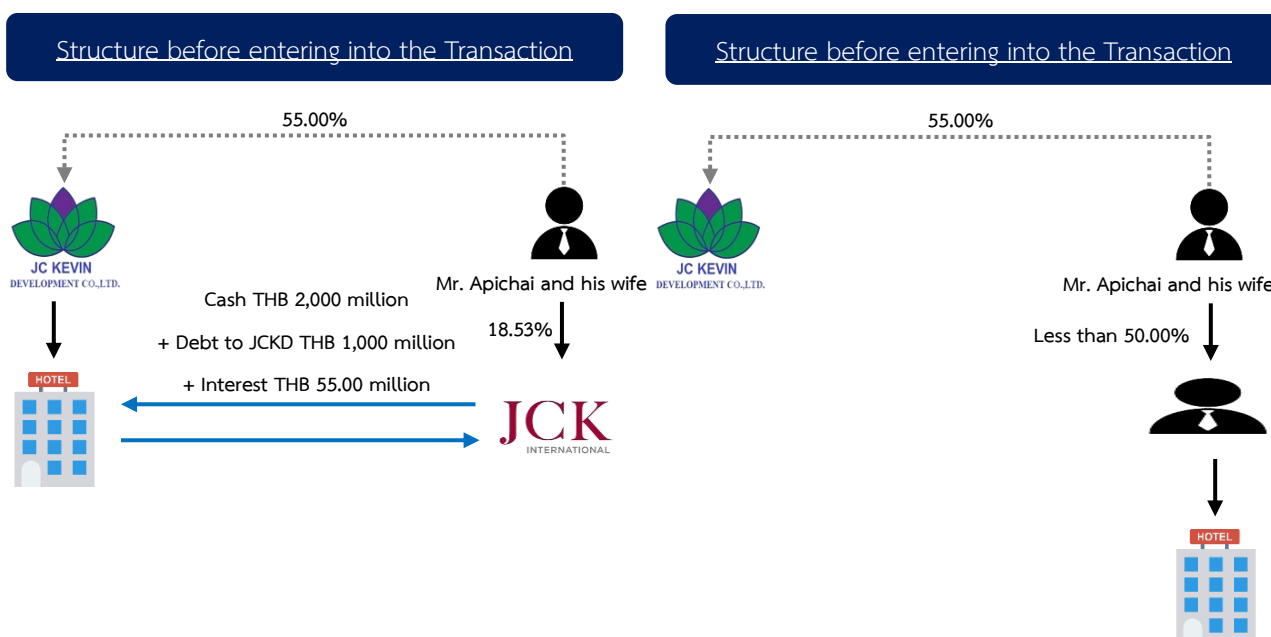


## 2.3 Counterparties and Related Relationships

Buyer	JCK International Public Company Limited (“JCK” or “the Company”) and/or Subsidiary Company (“the Company group”)																																								
Seller	<p>JC Kevin Development Co., Ltd. (“JCKD”)</p> <p>List of shareholders of JCKD as of 10 May 2023 as follows:</p> <table><tr><th>No.</th><th>Name</th><th>No. of shares</th><th>Percent</th></tr><tr><td>1</td><td>Mr. Apichai Taechaubol</td><td>3,125,000</td><td>31.25</td></tr><tr><td>2</td><td>Mrs. Chalida Taechaubol<sup>1/</sup></td><td>2,375,000</td><td>23.75</td></tr><tr><td>3</td><td>Mr. Chotiwit Taechaubol<sup>2/</sup></td><td>750,000</td><td>7.50</td></tr><tr><td>4</td><td>Mr. Krittawat Taechaubol<sup>2/</sup></td><td>750,000</td><td>7.50</td></tr><tr><td>5</td><td>Mr. Akarawin Taechaubol<sup>2/</sup></td><td>750,000</td><td>7.50</td></tr><tr><td>6</td><td>Mr. Athawut Taechaubol<sup>2/</sup></td><td>750,000</td><td>7.50</td></tr><tr><td>7</td><td>Mr. Noppawee Taechaubol<sup>2/</sup></td><td>750,000</td><td>7.50</td></tr><tr><td>8</td><td>Miss Oranat Taechaubol<sup>2/</sup></td><td>750,000</td><td>7.50</td></tr><tr><td></td><td>Total</td><td>10,000,000</td><td>100.00</td></tr></table> <p>Note: 1/ Mr. Apichai Taechaubol’s spouse</p> <p>2/ Mr. Apichai and Mrs. Chalida Taechaubol’s child</p>	No.	Name	No. of shares	Percent	1	Mr. Apichai Taechaubol	3,125,000	31.25	2	Mrs. Chalida Taechaubol <sup>1/</sup>	2,375,000	23.75	3	Mr. Chotiwit Taechaubol <sup>2/</sup>	750,000	7.50	4	Mr. Krittawat Taechaubol <sup>2/</sup>	750,000	7.50	5	Mr. Akarawin Taechaubol <sup>2/</sup>	750,000	7.50	6	Mr. Athawut Taechaubol <sup>2/</sup>	750,000	7.50	7	Mr. Noppawee Taechaubol <sup>2/</sup>	750,000	7.50	8	Miss Oranat Taechaubol <sup>2/</sup>	750,000	7.50		Total	10,000,000	100.00
No.	Name	No. of shares	Percent																																						
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8	Miss Oranat Taechaubol <sup>2/</sup>	750,000	7.50																																						
	Total	10,000,000	100.00																																						
Relationship	<p>Mr. Apichai Teachaubol is major shareholder of the Company, and there are related parties and relatives holding shares in the Company. Details are as follows:</p> <table><tr><th>No.</th><th>Name<sup>1/</sup></th><th>No. of shares</th><th>Percent</th></tr><tr><td>1</td><td>Mr. Apichai Taechaubol</td><td>364,204,456</td><td>10.51</td></tr><tr><td>2</td><td>Mrs. Chalida Taechaubol</td><td>278,079,966</td><td>8.02</td></tr><tr><td>3</td><td>Mr. Krittawat Taechaubol</td><td>44,095,000</td><td>1.27</td></tr><tr><td>4</td><td>Mr. Chotiwit Taechaubol</td><td>36,720,859</td><td>1.06</td></tr><tr><td>5</td><td>Mr. Noppawee Taechaubol</td><td>15,710,800</td><td>0.45</td></tr><tr><td>6</td><td>Miss Waraporn Taechaubol</td><td>2,771,736</td><td>0.08</td></tr><tr><td>7</td><td>Miss Oranat Taechaubol</td><td>2,300,000</td><td>0.07</td></tr><tr><td></td><td>Total</td><td>743,882,817</td><td>21.46</td></tr></table> <p>Note: 1/ Mr. Apichai Taechaubol’s family is a group of shareholders in JCK, as recorded in the Shareholder Register as of 18 May 2566.</p> <p>Mr. Apichai Taechaubol and Mrs. Chalida Taechaubol (related persons) are major shareholders in JCKD. As of 10 May 2023, Mr. Apichai Taechaubol and Mrs. Chalida Taechaubol held 10,000,000<sup>1</sup> shares in JCKD, representing 100.00 percent of the total issued shares of JCKD (according to BorOrJor. 5 of JCKD as of 10 May 2023).</p>	No.	Name <sup>1/</sup>	No. of shares	Percent	1	Mr. Apichai Taechaubol	364,204,456	10.51	2	Mrs. Chalida Taechaubol	278,079,966	8.02	3	Mr. Krittawat Taechaubol	44,095,000	1.27	4	Mr. Chotiwit Taechaubol	36,720,859	1.06	5	Mr. Noppawee Taechaubol	15,710,800	0.45	6	Miss Waraporn Taechaubol	2,771,736	0.08	7	Miss Oranat Taechaubol	2,300,000	0.07		Total	743,882,817	21.46				
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<sup>1</sup> Mr. Apichai Taechaubol directly holds 3,125,000 shares, equivalent to 31.25% of the total issued shares of JCKD and indirectly held through his spouse (Mrs. Chalida Taechaubol) and his children in the amount of 10,000,000 shares, equivalent to 68.75% of JCKD's total issued shares. The total number of issued shares of JCKD (refer to the copy of the list of shareholders (Bor Or Jor. 5) of JCKD)

Shareholding structure information before the transaction and after entering into the transaction appear as follows



## 2.4 Type and size of the transaction

### Acquisition or Disposition of Assets

The Company has calculated the transaction size of the Hotel Investment Transaction under the Notifications on Acquisition or Disposal of Assets. The size of the transaction calculated from the consolidated financial statements of the Company which has been audited by a certified public accountant for the 3-month period ended 31 March 2023, with details of the calculation according to the following criteria:

Guidelines	Calculation Formula	Calculation (THB million)	Size of Transaction (Percent)
NTA basis	$\frac{\text{NTA of assets acquired} \times \text{Proportion acquired} \times 100}{\text{NTA of Company}}$	Not applicable because this is not an acquisition of assets	
Net profit basis	$\frac{\text{Net profit of assets acquired} \times \text{Proportion acquired} \times 100}{\text{Company's net profit}}$	Not applicable because this is not an acquisition of assets	
Total value of consideration basis	$\frac{\text{Total value of consideration} \times 100}{\text{Total assets of the Company}}$	$\frac{3,055.00 \times 100}{8,862.62}$	34.47
Value of securities issued for payment of acquired assets basis	$\frac{\text{No. of shares issued for payment} \times 100}{\text{No. of the Company's issued and paid-up shares}}$	Not applicable because no shares are issued to pay for assets	

The size of Hotel Investment Transaction is equal to 34.47 percent according to the total value of consideration criteria from which the maximum transaction size is obtained. According to the Company's

reviewed consolidated financial statements ended 31 March 2023. In the previous six months, the Company did not execute any asset acquisition transactions.

The Acquisition of Assets from JCKD has the size of such transaction equal to 15 percent or higher but lower than 50 percent and is classified as a Class 2 Transaction according to the Notifications on Acquisition or Disposal.

Therefore, the company is responsible for reporting and disclosing the transaction, with a minimum information, under Schedule (1) pursuant to the Notifications on Acquisition or Disposal and send a circular letter to the shareholders regarding the acquisition and disposition of the Company's assets within 21 days from the date of disclosure of the information of such transaction.

### Connected Transaction

The transaction of acquiring assets from JCKD is considered a connected transaction of the company, according to the announcement of connected transactions. This is due to the fact that there are major shareholders, related parties, and close relatives who hold shares jointly with the company. As of 18 May 2023, the company has related persons to JCKD as follows:

No.	Name <sup>1/</sup>	No. of shares	Percent
1	Mr. Apichai Taechaubol	364,204,456	10.51
2	Mrs. Chalida Taechaubol <sup>2/</sup>	278,079,966	8.02
3	Mr. Krittawat Taechaubol <sup>3/</sup>	44,095,000	1.27
4	Mr. Chotiwit Taechaubol <sup>3/</sup>	36,720,859	1.06
5	Mr. Noppavee Taechaubol <sup>3/</sup>	15,710,800	0.45
6	Miss Waraporn Taechaubol <sup>4/</sup>	2,771,736	0.08
7	Miss Oranut Taechaubol <sup>3/</sup>	2,300,000	0.07
	<b>Total</b>	<b>743,882,817</b>	<b>21.46</b>

Note: 1/ Mr. Apichai Taechaubol's family is a major shareholder in JCK. Information from the shareholder register book as of May 18, 2023.

2/ Mr. Apichai Taechaubol's spouse

3/ Mr. Apichai Taechaubol and Mrs. Chalida Taechaubol's sons

4/ Mr. Apichai Taechaubol's sister

As of May 10, 2023, held 10,000,000<sup>1</sup> shares in JCKD (including related persons), representing 100.00 percent of JCKD's total issued and paid-up capital (according to the list of shareholders (BorOrJor.5) of JCKD). The total value of consideration for the connected transaction is not exceeding THB 3,055.00 million and the maximum size of this transaction is equal to 210.22 percent of the Company's net tangible assets (NTA) (as of 31 March

<sup>1</sup> Mr. Apichai Taechaubol directly holds 3,125,000 shares, equivalent to 31.25% of the total issued shares of JCKD and indirectly held through his spouse (Mrs. Chalida Taechaubol) and his children in the amount of 6,875,000 shares, equivalent to 68.75% of JCKD's total issued shares. The total number of issued shares of JCKD (refer to the copy of the list of shareholders (Bor Or Jor. 5) of JCKD)

2023, the Company's NTA amounted to THB 1,453.26 million), according to its reviewed consolidated financial statements ended 31 March 2023. The details of the calculation of the value of the net tangible assets of the Company can be summarized as follows:

The details of the calculation of the value of the net tangible assets of the Company can be summarized as follows:

Company's Financial Information	(Unit: THB Million)
Total assets	8,862.62
Less: Intangible assets	751.39
Less: Total liabilities	6,535.25
Less: Non-controlling interests	122.73
<b>NTA</b>	<b>1,453.26</b>

Table showing the calculation of size of the connected transaction:

Item	(Unit: THB Million)
The Company's NTA	1,453.26
3% of NTA	43.60
Value of consideration for the connected transaction	3,055.00
Size of the connected transaction as % of NTA (%)	210.22

$$\begin{aligned}
 \text{Transaction size as percent of NTA} &= \frac{\text{Transaction value} \times 100}{\text{NTA}} \\
 &= \frac{3,055.00 \times 100}{1,453.26} \\
 &= 210.22 \text{ percent}
 \end{aligned}$$

In addition, the Company has not entered into any other connected transactions with JCKD or JCKD's related persons during the past 6 months prior to the date on which the Board of Directors of the Company has a resolution to approve the transaction. The size of such transaction is more than 3 percent of the net tangible assets (NTA) of the Company and the value of the transaction is more than THB 20.00 million. The Company is accordingly required to obtain approval from the Board of Directors and to prepare and disclose an information memorandum on the transaction to the SET pursuant to the Notifications on Connected Transactions. It must also obtain an approval from the shareholders' meeting with required affirmative votes of not less than three-fourths of the total number of votes of the shareholders attending the meeting and being entitled to vote, excluding votes of the shareholders having an interest, and must appoint an independent financial advisor (IFA), which must be on the SEC's approved list of financial advisors.

- (1) Disclose information related to the transaction to the SET
- (2) Appoint an IFA to provide opinions on the transaction and performing various related duties as specified in the Connected Transaction Notifications and deliver such opinions to shareholders together with the invitation letter to the shareholders' meeting not less than 14 days in advance. The Company has appointed Avantgarde Capital Company Limited as an independent financial advisor to perform the above-related duties.
- (3) Organize a shareholders' meeting to seek approval for the transaction. This must be approved by a vote of not less than three-fourths of the total number of votes of shareholders attending the meeting and having the right to vote, excluding shareholders who have an interest in this transaction.

## 2.5 Details of Acquired Assets

### 1) General Information of the Seller

Company Name	JC Kevin Development Co., Ltd. ("JCKD")
Business Type	Real estate, hotels, restaurants, and catering
Address	36 Naradhiwas Rajanagarindra Road, Yan Nawa, Sathorn, Bangkok 10120
Establish Date	10 July 1998
Company Registration Number	0105541042321
Authorized Capital	THB 1,000,000,000
Total Number of Shares	10,000,000 shares
Par Value	THB 100.00 per share

### 2) The Board of Directors of JCKD

Table of Board of Directors of JCKD

No.	Name	Position
1	Mr. Apichai Taechaubol	Director
2	Mr. Chotiwit Taechaubol	Director
3	Mr. Athawut Taechaubol	Director
4	Mr. Noppawee Taechaubol	Director

Note: Data of JCKD from Corpus X as of 2 August 2023

### 3) The Shareholders List of JCKD

Table of list of shareholders of JCKD

No.	Name <sup>1/</sup>	No. of shares	Percent
1	Mr. Apichai Taechaubol	3,125,000	31.25
2	Mrs. Chalida Taechaubol <sup>2/</sup>	2,375,000	23.75
3	Mr. Chotiwit Taechaubol	750,000	7.50
4	Mr. Kittawat Taechaubol	750,000	7.50
5	Mr. Akarawin Taechaubol	750,000	7.50
6	Mr. Athawut Taechaubol	750,000	7.50
7	Mr. Noppawee Taechaubol	750,000	7.50
8	Miss Oranat Taechaubol	750,000	7.50
Total		10,000,000	100.00

Note: 1/ Information according to JCKD's BorOrJor. 5 as of 9 May 2023

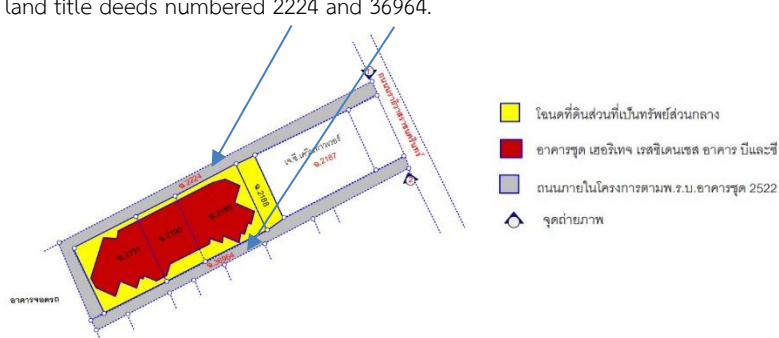
2/ Mrs. Chalida Taechaubol is the wife of Mr. Apichai Taechaubol, who is a connected person pursuant to Section 258

#### 4) History and Nature of JCKD

The Company's main business involves leasing office space and providing facility management services, real estate development, hotels, spas, restaurants, and catering.

#### 5) Hotel Information

After the completion of the acquisition transaction from JCKD, the Company will acquire ownership rights to 318 commercial and residential condominium units, No. 36, 36/301 - 36/617, Floor 1 - 37, within the "Sathorn Heritage Residences" condominium Building B and Building C (partial) under the name of "JC Kevin Sathorn Bangkok Hotel" located at Naradhiwas Rajanagarindra Road, Yan Nawa, Sathorn, Bangkok. As of now, the Hotel has a total of 148 employees, consisting of 4 Executives, 8 Finance personnel, 17 Engineers, 49 Food and Beverage personnel, 17 Front office personnel, 2 Gym personnel, 3 HR personnel, 19 Housekeeping personnel, 1 IT personnel, 6 Laundry personnel, 6 E-commerce personnel, 6 Sales personnel, and 10 Security personnel. JCKD is also a connected person of the Company. The total value is no more than THB 3,055.00 million, with details as follows:

<b>Property Type</b>	Commercial and residential suites, with 318 rooms on a total usable area of 35,438.37 sq. m. and a license to operate hotel business.
<b>Address</b>	36, 36/301 – 36/617, Floor 1 – 37, Sathorn Heritage Residences Building B (Floor 1 – 37, mezzanine) and Building C (partial; Floor 1 – 3, mezzanine) under "JC Kevin Sathorn Bangkok" Naradhiwas Rajanagarindra Road, Yan Nawa, Sathorn, Bangkok 10120. The acquisition of Building C (partial; Floor 1: Lobby, Back of House, Zin Bar, Floor 2: 100 EAST, The Crust Pizza & Bar, Pool garden, spa, Floor 3: Staff canteen, Mezzanine: Banquet Sathorn) will not include condo's gym on 3 <sup>rd</sup> floor (separated from hotel's gym), swimming pool, and corridor connecting the building on 2 <sup>nd</sup> floor – all of which are common area belonging to JCKD.
<b>Public Entrance</b>	<p>The Hotel is not located near public utilities, but it has access to public amenities, specifically the Naradhiwas Rajanagarindra Road, by utilizing the rights granted on land title deeds numbered 2224 and 36964.</p> 
<b>Ownership Characteristics</b>	Freehold
<b>Owner</b>	JC Kevin Development Co., Ltd. ("JCKD")

<b>Obligations</b>	Mortgage as insurance against Bank of Ayudhya PCL, in which the seller will register the redemption of the assets from the existing mortgage before the ownership of the assets is transferred to the Company.	
<b>Facilities</b>	Swimming pool, tennis court, gym, seminar room, restaurant, spa	
<b>Nearby Places</b>	<b>Landmarks</b> <ul style="list-style-type: none"> <li>● St. Louis Hospital ≈ 1.30 km.</li> <li>● BTS Chong Nonsi ≈ 0.95 km.</li> <li>● Bangkok Christian College ≈ 1.45 km.</li> <li>● MRT Lumpini ≈ 2.44 km.</li> <li>● Lumpini Park ≈ 2.50 km.</li> <li>● Central Department Store Silom Complex ≈ 2.00 km.</li> </ul>	<b>Hotels</b> <ul style="list-style-type: none"> <li>● Evergreen Laurel Hotel Bangkok ≈ 1.30 km.</li> <li>● The Narathiwas Hotel &amp; Residence Sathorn ≈ 2.50 km.</li> <li>● The Quarter Saladaeng by UHG ≈ 2.00 km.</li> <li>● Holiday Inn Express Bangkok Sathorn ≈ 1.20 km.</li> </ul>
	<b>Government Offices</b> <ul style="list-style-type: none"> <li>● Consulate of Malta ≈ 1.20 km.</li> <li>● Sathorn District Office ≈ 1.70 km.</li> <li>● Yan Nawa District Office ≈ 3.00 km.</li> </ul>	<b>Office Buildings</b> <ul style="list-style-type: none"> <li>● Sathorn Prime Tower ≈ 0.14 km.</li> <li>● Bangkok City Tower ≈ 0.75 km.</li> <li>● Rajanakarn Tower ≈ 0.80 km.</li> </ul>

Source: Assets Valuation Report of T.A. Management Coporation (1999) Co., Ltd. As of 22 May 2023

In the past, JCKD had engaged Radisson Hotel Group to manage the JC Kevin Sathorn Bangkok Hotel under the name “Radisson Bangkok Sathorn” from 11 November 2009 to 21 November 2010 before engaging Minor International Public Company Limited to take over the management under the name "Anantara Sathorn Bangkok Hotel," which provided completed services under the standard of a 5-star hotel from 21 November 2010 to 20 April 2020. Currently, JCKD is operating the Hotel itself due to the COVID-19 pandemic, which has impacted JCKD's financial status and ability to contract management services, as well as the fact that management contract with Minor International Public Company Limited was set to expire. As a result, JCKD has decided not to renew the management contract in order to reduce expenses.





Map of the Hotel Location

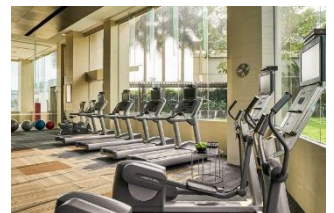
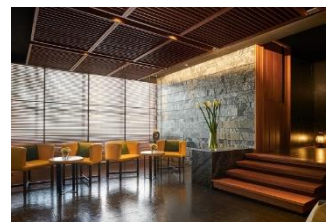


Entrance-Exit of the Hotel





The Hotel Property



Note: The Hotel consists of Floor 1 – 37 and mezzanine of Building B; and Floor 1 – 3 (Partial) and mezzanine of Building C – all of which will belong to JCK after the transaction. However, facilities and building structure such as swimming pool on 2<sup>nd</sup> floor, corridor connecting the building on 2<sup>nd</sup> floor, and condo's gym on 3<sup>rd</sup> floor of building C (separated from hotel's gym), and gym are considered common property that will be shared with the condominium and will become right of use of JCK after the transaction – meaning the ownership will not be transferred.

## 6) The Hotel's Revenue Structure

Revenue Structure	2017		2018		2019		2020		2021		2022		Quarter 1 of 2023 <sup>1/</sup>	
	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent
<b>Revenue</b>														
Revenue from room	267.91	57.76	287.30	58.16	291.84	59.80	50.18	51.76	25.31	63.10	74.99	59.26	46.38	61.17
Occupation rate (percent)	88.00		83.67		85.25		31.26		21.47		39.69		80.67	
Average daily rate (THB)	2,691		3,035		3,026		2,814		1,042		1,670		2,074	
Other revenue from room	26.83	5.78	28.76	5.82	29.19	5.98	5.07	5.23	2.58	6.43	7.50	5.93	4.64	6.12
Revenue from food	104.53	22.54	109.65	22.20	101.38	20.77	22.59	23.31	6.66	16.60	28.91	22.84	16.38	21.61
Revenue from beverage	36.08	7.78	38.89	7.87	36.81	7.54	11.56	11.92	1.19	2.96	6.68	5.28	5.23	6.90
Other revenue from food and beverage	16.43	3.54	16.61	3.36	15.43	3.16	3.88	4.00	0.92	2.29	4.50	3.56	2.67	3.52
Other operating income	8.46	1.82	8.36	1.69	8.38	1.72	1.42	1.47	0.28	0.70	0.92	0.72	0.18	0.24
Miscellaneous income	3.61	0.78	4.37	0.88	4.98	1.02	2.25	2.32	3.17	7.91	3.04	2.40	0.33	0.44
<b>Total Revenue</b>	<b>463.85</b>	<b>100.00</b>	<b>493.93</b>	<b>100.00</b>	<b>488.01</b>	<b>100.00</b>	<b>96.95</b>	<b>100.00</b>	<b>40.11</b>	<b>100.00</b>	<b>126.54</b>	<b>100.00</b>	<b>75.81</b>	<b>100.00</b>

Source: Hotel's income statement from 2017 – 2022 and quarter 1 of 2023

Note: 1/ Hotel's financial statements are internal statements

The Hotel's revenue is divided into 7 categories 1) Revenue from room 2) Other revenue from room 3) Revenue from food 4) Revenue from beverage 5) Other revenue from food and beverage 6) Other operating income and 7) Miscellaneous income



## 7) Financial position and past performance

The IFA has analyzed the performance and financial position of the Hotel from the income statement for the year 2017 – 2022 and quarter 1 of 2023, which is an internal statement derived from the Hotel's trial balance that is also used by the auditor to construct financial statements, and therefore the IFA finds appropriate. The details are as follows:

### ➤ Income Statement of the Hotel from 2017 – 2022 and quarter 1 of 2023

Unit: THB million	2017		2018		2019		2020		2021		2022		Quarter 1 of 2023	
	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent
<b>Revenue</b>														
Revenue from room	267.91	57.76	287.30	58.16	291.84	59.80	50.18	51.76	25.31	63.10	74.99	59.26	46.38	61.17
Other revenue from room	26.83	5.78	28.76	5.82	29.19	5.98	5.07	5.23	2.58	6.43	7.50	5.93	4.64	6.12
Revenue from food	104.53	22.54	109.65	22.20	101.38	20.77	22.59	23.31	6.66	16.60	28.91	22.84	16.38	21.61
Revenue from beverage	36.08	7.78	38.89	7.87	36.81	7.54	11.56	11.92	1.19	2.96	6.68	5.28	5.23	6.90
Other revenue from food and beverage	16.43	3.54	16.61	3.36	15.43	3.16	3.88	4.00	0.92	2.29	4.50	3.56	2.67	3.52
Other operating income	8.46	1.82	8.36	1.69	8.38	1.72	1.42	1.47	0.28	0.70	0.92	0.72	0.18	0.24
Miscellaneous income	3.61	0.78	4.37	0.88	4.98	1.02	2.25	2.32	3.17	7.91	3.04	2.40	0.33	0.44
<b>Total Revenue</b>	<b>463.85</b>	<b>100.00</b>	<b>493.93</b>	<b>100.00</b>	<b>488.01</b>	<b>100.00</b>	<b>96.95</b>	<b>100.00</b>	<b>40.11</b>	<b>100.00</b>	<b>126.54</b>	<b>100.00</b>	<b>75.81</b>	<b>100.00</b>
<b>Expense</b>														
Cost of sales	45.69	9.85	48.21	9.76	45.01	9.22	10.80	11.13	3.38	8.43	12.59	9.95	6.00	7.91
Payroll costs	91.52	19.73	93.71	18.97	94.22	19.31	31.91	32.91	10.78	26.87	19.21	15.18	10.68	14.08
Direct costs	62.46	13.47	65.48	13.26	66.35	13.60	9.65	9.95	2.95	7.36	15.81	12.49	12.75	16.82
Variable overheads	114.94	24.78	116.71	23.63	104.33	21.38	42.48	43.82	23.45	58.46	39.08	30.89	16.58	21.87
Management costs	20.671	4.46	22.695	4.59	23.156	4.74	3.79	3.90	-	-	-	-	-	-
Other expense (non-oper)	3.87	0.83	9.55	1.93	11.14	2.28	12.05	12.43	6.15	15.33	13.47	10.64	3.77	4.97

Unit: THB million	2017		2018		2019		2020		2021		2022		Quarter 1 of 2023	
	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent
Total expense	339.15	73.12	356.35	72.15	344.21	70.53	110.67	114.15	46.71	116.46	100.17	79.16	49.77	65.65
Profit (Loss) before income tax	124.7	26.88	137.58	27.85	143.8	29.47	(13.72)	(118.73)	(6.60)	(16.46)	26.37	20.84	26.04	34.35
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit (Loss) for the year	124.7	26.88	137.58	27.85	143.8	29.47	(13.72)	(118.73)	(6.60)	(16.46)	26.37	20.84	26.04	34.35

Source: Income statement of the Hotel's from the year 2017 – 2022 and quarter 1 of 2023

➤ Key financial ratios

Table of key financial ratios from 2017 – 2022 and quarter 1 of 2023

Key financial ratios	Unit	2017	2018	2019	2020	2021	2022	Quarter 1 of 2023
<b>Profitability ratio</b>								
Gross profit margin <sup>1/</sup>	%	56.95	58.01	57.87	46.00	57.34	62.37	61.19
Operating profit margin	%	26.88	27.85	29.47	(14.15)	(16.46)	20.84	34.35
Net profit margin	%	26.88	27.85	29.47	(14.15)	(16.46)	20.84	34.35

Source: Income statement of the Hotel's from the year 2017 – 2022 and quarter 1 of 2023

Note: 1/ Calculated from total revenue deducted by cost of sales, payroll costs, and direct costs

## Explanation of financial position and performance

### Financial performance

#### Total Revenue

Total revenues during the year 2017 – 2022 were THB 463.85 million, THB 493.93 million, THB 488.01 million, THB 96.95 million, THB 40.11 million, and THB 126.54 million respectively, representing the compound annual decline rate (CADR) between 2017 - 2022 of 22.88 percent

In 2018, the Hotel had total revenue of THB 493.93 million, an increase of THB 30.08 million or 6.48 percent from the year 2017, which was THB 463.85 million, due to an increase in the Hotel's average daily rate (ADR).

In 2019, the Hotel had total revenue of THB 488.01 million, a decrease of THB 5.92 million or 1.20 percent from the year 2018, which was THB 493.93 million, due to a decrease in revenue from food and beverage.

In 2020, the Hotel had total revenue of THB 96.95 million, a decrease of THB 391.06 million or 391.06 percent from the year 2019, which was THB 488.01 million, due to COVID-19 outbreak that resulted in a lockdown policy by the government – causing the Hotel's revenue to decline significantly.

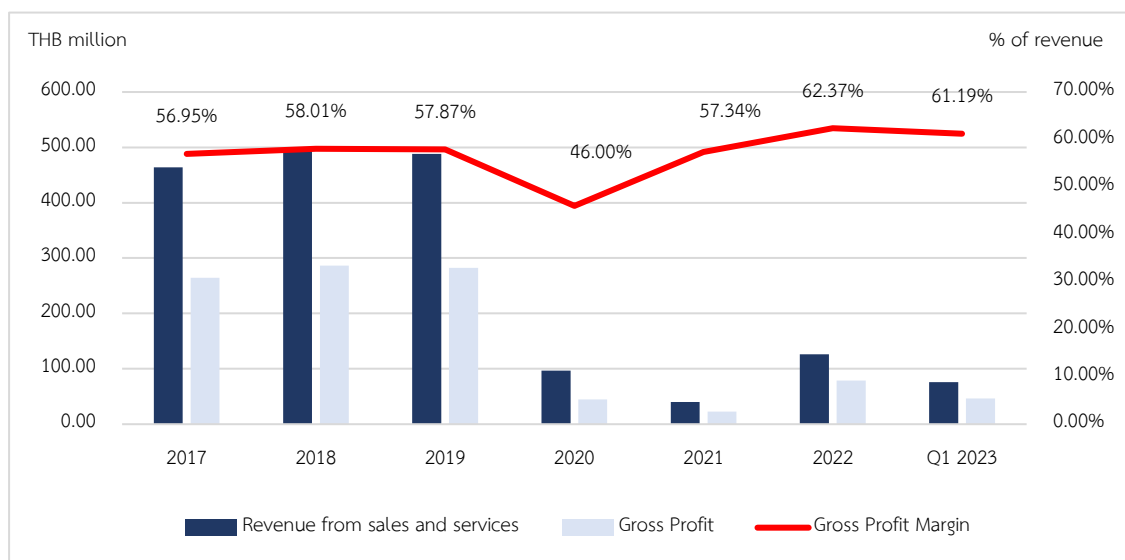
In 2021, the Hotel had total revenue of THB 40.11 million, a decrease of THB 56.84 million or 58.63 percent from the year 2020, which was THB 96.95 million, due to a decrease in revenue – which stayed continuously low throughout the year – as a result of the COVID-19 outbreak.

In 2022, the Hotel had total revenue of THB 126.54 million, an increase of THB 86.43 million or 215.48 percent from the year 2020, which was THB 40.11 million, due to an increase in the number of tourists traveling to Thailand as COVID-19 restrictions was easing out from the improvement in COVID-19 situation.

In quarter 1 of 2023, the Hotel had total revenue of THB 75.81 million due to Thailand fully reopening the border – which resulted in an influx of foreign tourists to the country.

## Gross Profit Margin

Chart of revenue from sales and services, gross profit and gross profit margin of the Hotel for the year 2017 – 2022 and Q1 2023



In 2017 – 2022, the Hotel had a gross profit of THB 264.18 million, THB 286.54 million, THB 282.43 million, THB 44.60 million, THB 23.00 million, and THB 78.92 million respectively or a gross profit margin of 56.95 percent, 58.01 percent, 57.87 percent, 46.00 percent, 57.34 percent, and 62.37 percent respectively.

In 2018, the Hotel's gross profit increased to THB 286.54 million from THB 264.18 million in 2017, an increase of THB 22.36 million or 8.46 percent from the previous year, which corresponds to the increase in revenue from sales and services – with the gross profit margin in 2018 of 58.01 percent, an increase from 2017, which was 56.95 percent.

In 2019, the Hotel's gross profit decreased to THB 282.43 million from THB 286.54 million in 2018, a decrease of THB 4.11 million or 1.43 percent from the previous year, which corresponds to the decrease in total revenue – with the gross profit margin in 2019 of 57.87 percent, a decrease from 2018, which was 58.01 percent.

In 2020, the Hotel's gross profit decreased to THB 44.60 million from THB 282.43 million in 2019, a decrease of THB 237.83 million or 84.21 percent from the previous year, which corresponds to the decrease in total revenue – with the gross profit margin in 2019 of 46.00 percent, a decrease from 2019, which was 57.87 percent.

In 2021, the Hotel's gross profit decreased to THB 23.00 million from THB 44.60 million in 2020, a decrease of THB 21.60 million or 48.43 percent from the previous year, which corresponds to the decrease in revenue from sales and services. However, the gross profit margin in 2021 was 57.34 percent, an increase from 2020, which was 46.00 percent, due to significant cost reductions in the salaries of staff related to rooms, food, and beverages.

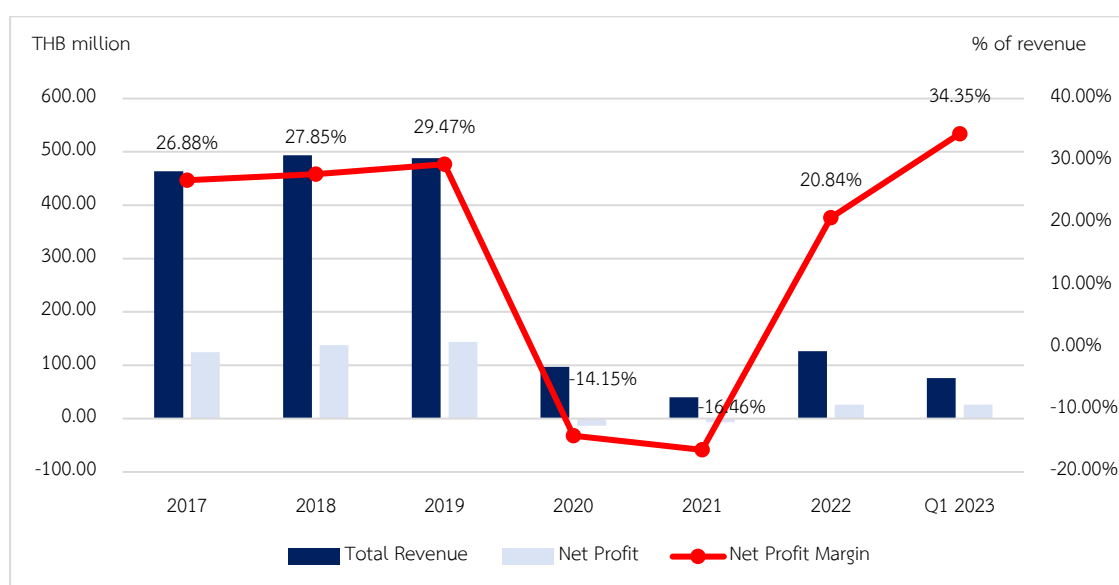
In 2022, the Hotel had a gross profit of THB 78.92 million, an increase from THB 23.00 million in 2021, totaling THB 55.92 million, or a growth rate of 243.16 percent from the previous year, which corresponds to the decrease in revenue from sales and services. The gross profit margin in 2022 was 62.37 percent increase from 2021, which

was 57.34 percent, due to the increase in employee salary costs in a lower proportion than sales and service income.

As of 31 March 2023, the Hotel had a gross profit of THB 46.39 million or a gross profit margin of 61.19 percent, due to the significant increase in revenue from sales and services during the first quarter of 2023.

### Net Profit Margin

**Chart of total revenue, net profit, and net profit margin of the Hotel  
for the year 2020 – 2022 and Q1 2023**



In 2017 – 2022, the Hotel had a net profit of THB 124.70 million, THB 137.59 million, THB 143.80 million, THB (13.72) million, THB (6.60) million, and THB 26.37 million respectively or net profit margin of 26.88 percent, 27.85 percent, 29.47 percent, (14.15) percent, (16.46) percent, and 20.84 percent respectively.

In 2018, the Hotel had a net profit of THB 137.59 million, an increase from THB 124.70 million in 2017, totaling THB 12.89 million or 10.33 percent from the previous year due to the increase in revenue from room.

In 2019, the Hotel had a net profit of THB 143.80 million, an increase from THB 137.59 million in 2018, totaling THB 6.22 million or 4.52 percent from the previous year due to the decrease in variable expenses such as advertising fees, utilities, and management fees.

In 2020, the Hotel had a net loss of THB 13.72 million, a decrease from a net profit of THB 143.80 million in 2019, totaling THB 157.53 million or 109.54 percent from the previous year due to the significant decrease in revenue from room; meanwhile, expenses didn't come down in an equal manner.

In 2021, the Hotel had a net loss of THB 6.60 million, an increase from a net loss of THB 13.72 million in 2020, totaling THB 7.12 million or 51.90 percent from the previous year due to the decrease in variable expenses such as advertising fees, utilities, and management fees.



In 2022 the Hotel had a net profit of THB 26.37 million, an increase from net loss of THB 6.60 million in 2021, totaling THB 32.97 million or a growth rate of 499.56 percent from the previous year due to the significant increase in revenue of sales and service, while the proportion of cost increase is relatively low.

As of 31 March 2023, the Hotel had a net profit of THB 26.04 million or 34.35 percent due to a significant increase in revenue of sales and services.

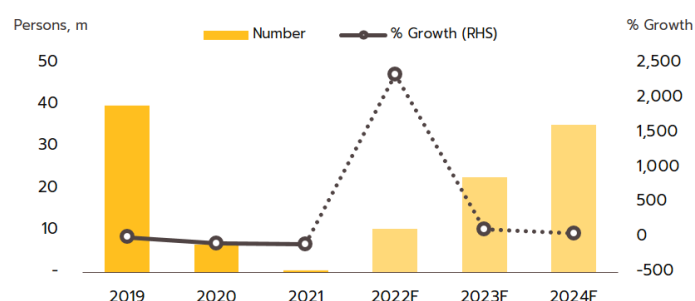
## 8) Industry Overview and Business Outlook

Currently, the hotel industry is showing a positive trend, following the sequence from the year 2022. This is a result of Thailand fully reopening its borders at the end of 2022 and the growth of international tourists, especially Chinese tourists in early 2023. This is due to the cancellation of the Zero-Covid policy and the reopening of China, which is considered the most important customer market in the Thai tourism industry.

According to the analysis of the hotel business trends by Krungsri Research, the economic and industry analysis unit under Bank of Ayudhya PCL, projected that the number of international tourists will recover to levels close to pre-COVID-19 pandemic within the year 2025. This is due to the gradual relaxation of travel restrictions for outbound travel from various countries, particularly China, as well as the allure of Thai tourism, which is considered a top destination choice for travelers. Thailand ranks 4th globally as the most popular international tourist destination, according to the Visa Global Travel Intentions Study conducted in 2021.

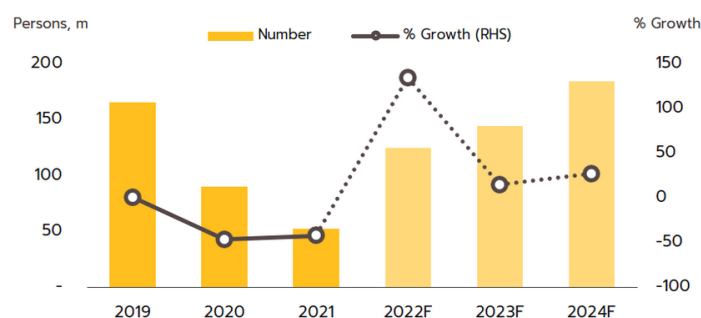
While the number of Thai tourists, who make up the majority of the domestic tourism industry, is expected to recover faster, Krungsri Research predicts that the number of Thai tourists in the year 2024 will surpass pre-COVID-19 levels. This is due to the effectiveness of government-led tourism stimulus measures, the development of infrastructure that enhances the tourism sector, and improved connectivity between major cities and secondary cities through upgraded airports and transportation networks, including rail systems and roads.

Figure 23: Number of Foreign Tourist Arrivals Forecast



Source: MOTS, forecasted by Krungsri Research

Figure 25: Thai Tourists



Source: MOTS, forecasted by Krungsri Research

## 2.6 Value of the Asset acquired and criteria used to determine the value of consideration

The Company determines the value of the consideration thoroughly and with due care. Criteria used to determine the value of consideration for this transaction, totaling no more than THB 3,055.00 million, details are as follows:

The criteria used to determine the value of consideration for the Acquisition of the Asset from JCKD, totaling not more than THB 3,055.00 million, is the price negotiated and mutually agreed between the parties. Based on the appraisal price of 2 independent asset appraisers who are independent asset appraisers approved by the SEC with details as follows:

Valuation Method	Appraised Asset Value (THB million)
<b>1.) Appraised price from South East Asia International Co., Ltd.</b>	
- Method 1 Appraised by market price comparison method	5,132.37
- Method 2 Appraised by market price comparison method (70%) <sup>1</sup>	3,592.66
- Method 3 : Income Approach	3,606.00
<b>2.) Appraised price from T.A. Management Corporation ( 1999 ) Co., Ltd.</b>	
- Method 1 : Appraised by Income Approach	3,919.00
- Method 2 Appraised by market price comparison method (Market Approach)	5,150.62

Remark : 1/ Appraised by the market price comparison method (70%) is the forced sale value by the market price comparison method 70% by the appraiser. Taking into account the market price under the condition that the seller set a trading period that is shorter than the normal period. Considering the location and market conditions of the Asset.

The value of consideration for the Acquisition of the Asset from JCKD doesn't exceed THB 3,055.00 million, which is the price negotiated and mutually agreed between the Company Group and JCKD – by which the 2 independent assets appraisers deem the appropriate appraisal method is the Income Approach, where the transaction value doesn't exceed THB 3,055.00 million, which is lower than the fair value range when compared to the appraised value by 2 independent asset appraisers between THB 3,606.00 – 3,919.00 million.

## 2.7 Sources of funds used to purchase the Assets

The Company will pay consideration for the Hotel with a total value of 3,055.00 million in cash, divided into 3 installments with the details of payment as follows:

- 1) 1st Installment : The Group of the Company will pay THB 1,200.00 million, equivalent to 40.00 percent of the purchase price of the Asset of JCKD, which will be paid no later than September 30, 2023, with the condition that the Group of the Company will receive the right to operate the hotel<sup>1</sup> and be able

<sup>1</sup> Management rights are the rights that the company can operate the hotel business. Ownership is the ownership of the property. But the group of companies can accept the transfer of the hotel business license. Because it is allowed to use the property from the seller who is the owner of the property. The group of companies will accept the transfer of employees from the seller to

to earn the revenue immediately<sup>2</sup> after receive the transfer of hotel license from JCKD and payment of the 1st installment has been completed<sup>3</sup> and the Company will pay with cash from operating cash flow. In this regard, the Group of the Company will receive the transfer of hotel license from JCKD within the date the 1st installment has been paid (or any other date as agreed by the parties in writing to extend the period).

However, if there is no transfer of ownership by March 31, 2024 (or any other date as agreed by the parties in writing to extend the period). JCKD is obligated to return the full amount of the advance payment to the Group of the Company with interest at the rate of 7.5 percent per annum from the date JCKD receives the amount of THB 1,200.00 million within 15 days from the date of termination of the contract. If the payment is not returned according to the contract, The Group of the Company will have the right to file a lawsuit in court to compel JCKD to return the advance payment in accordance with the terms of the contract.

- 2) 2nd Installment : The Group of the Company will pay THB 800.00 million, equivalent to 26.67 percent of the purchase price of the Asset of JCKD. JCKD will proceed to register and transfer full ownership of the Asset to the Group of the Company within the day that the 2nd Installment has been completed, which will be paid no later than March 2024. The Company will pay with the money from the issuance and offering of newly issued ordinary shares to the existing shareholders proportionately (Right Offering). However, in case that the Company is unable to issue and offer all newly issued ordinary shares. The company will consider additional sources of funding from borrowing from financial institutions.
- 3) 3rd Installment : The Group of the Company will pay the remaining amount of THB 1,000.00 million, equivalent to 33.33 percent of the purchase price of the Asset of JCKD. The Group of the Company will pay in installments in cash completely within 5 years from the date of registration of ownership transfer (or within the period that the seller and the Group of the Company have agreed to extend such period further) with an interest rate of 1.00 per year on the outstanding principal that calculated from the date of registration of ownership transfer of the Asset until the date of full payment, as an interest in the

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become employees of the group together with the transfer of the hotel business license. The employees will receive the same rights and welfare as before. For executives and managers, will they be the person that the group of companies has been transferred from the seller or not, requesting information from the group of companies. and the Group is responsible for the expenses incurred from the management of such hotels.

<sup>2</sup> After the 1st installment payment, the Group of the Company will recognize revenue as Net Operating Profit of the Hotel. Then after the 2nd installment payment, which JCKD will register the transfer of the ownership of the assets to the Group of the Company.

<sup>3</sup> After the Group of the Company has paid the 1<sup>st</sup> installment, the Group of the Company will receive the hotel license and the right to manage the hotel. It therefore be able to operate the hotel business and enable the Group of the Company to recognize revenue from operations immediately. The Seller agrees to allow the Group of the Company to use the Asset as soon as the 1<sup>st</sup> installment is paid, thus the Group of the Company can accept the transfer of the hotel license even though the ownership of the Asset has not yet been transferred.

amount not exceeding THB 55.0 million. The Group of the Company will pay the 3rd installment for the first time by December 2024 and the minimum payment amount must not be less than THB 100.00 million per year. The Company will pay with cash from operating cash flow or from borrowing in case that cash flow from operations is not sufficient.

## 2.8 Conditions for the transaction

The Acquisition of the Asset from JCKD requires approval from the shareholders' meeting with required affirmative votes of not less than three-fourths of the total number of votes of the shareholders attending the meeting and being entitled to vote, excluding votes of the shareholders having an interest, as well as to appoint an IFA, which must be on the approved list of financial advisors of the Office of SEC, including the conditions for entering into the transaction. However, such conditions may be changed according to the parties involved to negotiate and agree on further. Such conditions will not be material conditions that may affect the decision of the shareholders to consider and approve the transaction.

Summary of the draft agreement to buy and sell the Asset of JC Kevin Sathorn Bangkok Hotel

Parties	(1) JC Kevin Development Company Limited as the Seller (" <b>the Seller</b> " or " <b>JCKD</b> ") (2) JCK International Public Company Limited or its subsidiaries as the Purchaser (" <b>the Purchaser</b> " or " <b>JCK</b> " or " <b>the Group of the Company</b> ")
Transaction	The Purchaser intends to purchase the Asset, licenses, including assets used by the Seller in the hotel operation from the Seller, to operate the hotel business, JC Kevin Sathorn Bangkok, and the Seller intends to sell the Asset and assets used in hotel operations to the Purchaser according to the terms and conditions of this contract.
Assets	(1) Room no. 36/301 - 36/616 and commercial units, including room no. 36 and 36/617, total 318 units of the "Sathorn Heritage Residences" Building B (Floor 1 – 37, mezzanine) and Building C (partial; Floor 1 – 3, mezzanine) with condominium registration number 3/2555. Located on title deeds no. 2188, 2189, 2190 and 2191, Yannawa Subdistrict, Sathorn District, Bangkok. (as defined below) which is currently used for the operation of JC Kevin Sathorn Bangkok Hotel. The acquisition of Building C (partial; Floor 1: Lobby, Back of House, Zin Bar, Floor 2: 100 EAST, The Crust Pizza & Bar, Pool Garden, spa, Floor 3: Staff canteen, Mezzanine: Banquet Sathorn) will not include condo's gym on 3rd floor (separated from hotel's gym), swimming pool, and corridor connecting the building on 2nd floor – all of which are common area belonging to JCKD. (2) Licenses and assets used by the Seller in the operation of the JC Kevin Sathorn Bangkok Hotel
Registration of transfer of ownership	The Seller agrees to do the followings on the registration date of ownership transfer. 1. Register the redemption of the Asset from existing mortgages with Bank of Ayudhya Public Company Limited under the Mortgage Agreement, with the total of three hundred and eighteen units dated June 14, 2018. 2. Register the transfer of ownership of the Asset.

Ownership registration date	Within March 2024, unless extended or by the written agreement of both parties.
Purchase price and payment	The parties agree on the purchase price of the Asset in the total amount not exceeding THB 3,055.00 million.
Payment terms	<p>The Purchaser agrees to pay the purchase price to the Seller by dividing the payment into 3 parts as follows:</p> <ol style="list-style-type: none"> <li>1) <b>1<sup>st</sup> Installment</b> : The Group of the Company will pay THB 1,200.00 million, equivalent to 40.00% of the purchase price of the Asset of JCKD, which will be paid no later than September 30, 2023. In this regard, the Group of the Company will receive the transfer of the hotel license from JCKD within the date the 1<sup>st</sup> installment has been paid and The Company will pay with cash received from its operating cash flow (or any other date as agreed by the parties in writing to extend the period). However, if there is no transfer of ownership by March 31, 2024 (or any other date as agreed by the parties in writing to extend the period). JCKD is obligated to return the full amount of the advance payment to the Group of the Company with interest at the rate of 7.5% per annum from the date JCKD receives the amount of THB 1,200.00 million within 15 days from the date of termination of the contract. If the payment is not returned according to the contract, The Group of the Company will have the right to file a lawsuit in court to compel JCKD to return the advance payment in accordance with the terms of the contract.</li> <li>2) <b>2<sup>nd</sup> Installment</b> : The Purchaser will pay THB 800.00 million, equivalent to 26.67% of the purchase price of the Asset of JCKD. JCKD will proceed to register and transfer full ownership of the Asset to the Group of the Company within the day that the 2<sup>nd</sup> Installment has been completed, which will be paid no later than March 2024. The Group of the Company will pay in cash with payments received from the Company's operating cash flows and/or Cash payments from additional financing from borrowings from investors or financial institutions and/or pay with money from the issuance and offering of newly issued ordinary shares to existing shareholders in proportion (Right Offering). However, in case that the Company is unable to issue and offer all newly issued ordinary shares. The company will consider additional sources of funding from borrowing from financial institutions.</li> <li>3) <b>3<sup>rd</sup> Installment</b> : The Purchaser will pay the remaining amount of THB 1,000.00 million, equivalent to 33.33% of the purchase price of the Asset of JCKD. The Group of the Company will pay in installments in cash completely within 5 years from the date of registration of ownership transfer (or within the period that the seller and the Group of the Company have agreed to extend such period further) with an interest rate of 1.00 per year on the outstanding principal that calculated from the date of registration of ownership transfer of the Asset until the date of full payment, as an interest in the amount not exceeding THB 55.00 million. The Group of the Company will pay the 3<sup>rd</sup> installment for the first time within December 2024 and the minimum payment amount must not be less than THB 100.00 million per year. The Company will pay with cash received from its</li> </ol>

	operating cash flow or from borrowing in case that cash flow from operations is not sufficient.
Conditions precedent	<ol style="list-style-type: none"> <li>1. The shareholders' meeting of the Purchaser has resolved to approve the acquisition of the Asset by purchasing the Asset from the Seller at the purchase price, the total value is THB 3,055.00 million.</li> <li>2. The representations of the Purchaser are true and correct in all respects on the date of signing this agreement and shall remain true and correct in all respects throughout the period until the date of registration of ownership transfer.</li> <li>3. The representations of the Seller are true and correct in all respects on the date of signing this agreement and shall remain true and correct in all respects throughout the period until the date of registration of ownership transfer.</li> <li>4. The Seller shall not perform any act leading to a change that causes or may cause a material adverse impact on the Asset from the date on which the two parties have signed this agreement until the date of registration of ownership transfer.</li> <li>5. No legal action, prosecution or any act is taken by the governmental agency in order to call for a cessation of the transaction as set out in this agreement, and no incident or act occurs or is caused to occur with grounds for expecting that it will result in a start of legal action or prosecution, which causes a material adverse impact on the Asset or obstructs the execution of the transaction as set out in this agreement.</li> <li>6. No laws, rules and/or regulations are enforced or take effect after the date of signing this agreement, which prohibits the execution of the transaction under this agreement or cause the transaction to violate the said laws, rules and/or regulations.</li> </ol>
Important Seller testimonials	<ol style="list-style-type: none"> <li>1. The Seller is a limited company established and still has a complete legal entity.</li> <li>2. The Seller is the owner of the Asset and assets used in hotel operations, received a hotel business license including other licenses related to the hotel operation according to the law completely and has the right and legal authority to enter into this contract.</li> <li>3. The Seller's board of directors meeting and/or shareholders' meeting (as the case may be) has approved the entry into this contract and has approved the registration of the redemption of the existing mortgaged the Asset with Bank of Ayudhya Public Company Limited, transfer of ownership of the Asset, trading in the part of the purchase price that has not been paid to the Seller in full on the date of ownership transfer registration.</li> <li>4. The Seller is not in the process of legal proceedings, execution, becoming a receiver or bankrupt and/or any other status that prevents the Seller from having the legal right to enter into this contract with the Purchaser.</li> <li>5. On the date of this agreement, the Asset are subject to obligations under the additional mortgage agreement, total of 318 condominiums, dated 14 June 2018 with Bank of Ayudhya Public Company Limited.</li> </ol> <p>In addition to the mortgage burden with Bank of Ayudhya Public Company Limited, the Asset are free from any other encumbrances and do not owe tax payments, land and building tax, any other taxes or any fees related to the Asset. If the government or any agency called for the aforementioned unpaid taxes or fees, the Seller agrees to be responsible for all payments.</p> <ol style="list-style-type: none"> <li>6. From the date of this contract (a) the Seller will not take any action which causes the Asset and assets used in the hotel operation to depreciate or depreciate or cause any</li> </ol>

	<p>encumbrances more on the Asset and (b), the Seller will not enter into an agreement to sell the Asset and assets used in the hotel operation to any person.</p> <p>7. No lawsuits court proceedings (Regardless of any form, including but not limited to bankruptcy proceedings) or any other legal proceedings or any arbitration to the Seller who caused (or may cause) an effect on the Asset, in part or in whole.</p> <p>8. Throughout the period that Mr. Apichai Taechaubol has been a major shareholder of the Purchase and Seller. The Seller agrees not to operate the hotel business or partner or being a major shareholder or being a party to a joint venture with other hotel operators that compete with the Purchaser's business, including not taking any action that competes with the hotel business of the Purchase, whether directly or indirectly Unless it is the business of the seller that has been operating prior to the date of this contract.</p> <p>9. Throughout the period that Mr. Apichai Taechaubol has been a major shareholder of the Purchaser and Seller. The seller agrees to give the Purchaser the right to consider investing in the hotel business that the Seller will invest in first, depending on the investment conditions and/or potential or financial limitations of the buyer while investing.</p>
Important Purchaser Testimonials	<p>1. The Purchaser is a public limited company established and still has a complete and legal juristic person.</p> <p>2. The Purchaser's board of directors meeting and/or shareholders' meeting (as the case may be) has approved entry into this contract.</p> <p>3. The Purchaser is not in the process of legal proceedings, execution, becoming a receiver or bankrupt and/or any other status that prevents the Purchaser from having the legal right to enter into this contract with the Seller.</p> <p>4. The Purchaser certifies that If the Seller is damaged due to the Purchaser's breach of the terms of this contract for any reason whatsoever. The Purchaser will indemnify the Seller for such damages including all expenses related to warnings, demands, legal proceedings or any actions in order to receive full payment of the debt.</p> <p>5. The Purchaser acknowledges that before the Purchaser signs this contract, the Purchaser has carefully examined the property along with the condition of the property and found that the Purchaser can use the property according to the purpose and intent of the Purchaser. The Purchaser therefore intends to enter into this contract.</p>
Breach of contract and termination	<p>In the event that the Purchaser behaves in breach of this contract, including the inability to pay the purchase price to the Seller according to the conditions set forth in Article 3 of this contract within the date of ownership transfer registration or any misunderstanding given to the Seller without force majeure or the fault of the Seller. The Seller has the following rights. (a) Enforce this contract and ask the court to order the Purchaser to comply with this contract and claim damages incurred, or (b) Immediately terminate this contract by giving written notice to the Purchaser and have the right to receive any other money that the Purchaser has paid to the Seller immediately. The Seller has the right to claim any additional damages from the Purchaser due to the termination of this contract as well.</p> <p>In the event that the Seller behaves in breach of this contract, including being unable to register the transfer of property to the Purchaser within the date of registration of the transfer of ownership or breaching any representations given to the Purchaser without being caused by force majeure or the fault of the Purchaser. The Purchaser has the following rights. (a) Enforce</p>



	<p>this contract and ask the court to order the Seller to comply with this contract and claim damages incurred, or (b) Immediately terminate this contract by giving written notice to the Seller. The Seller must return the deposit and/or any money that the Purchaser has paid for the Seller with interest at the rate of 5 (five) per annum from the date on which the Purchaser made the payment to the Seller within 15 (fifteen) days from the effective date of termination of this contract.</p>
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#### Summary of the draft of Non-Competition Agreement

<b>Parties</b>	<ol style="list-style-type: none"> <li>1. JCK International Public Company Limited ("JCK" "Company")</li> <li>2. Mr. Apichai Taechaubol ("Promisor")</li> </ol>
<b>Transaction</b>	<p>As the Company has entered into an asset acquisition transaction by purchasing a condominium under the name of "JC Kevin Hotel Sathorn Bangkok" ("<b>Hotel</b>") from JC Kevin Development Co., Ltd. ("<b>JCKD</b>"), who is a connected person of the Company. The Company must operate in order to prevent the conflict of interest of the Company. Currently, the Company operates the business of industrial land development and the construction of residential condominiums for sale. Including the business of office buildings for rent and management of real estate projects.</p>
<b>Contract essence</b>	<ol style="list-style-type: none"> <li>1. Throughout the period that the Promisor is a major shareholder of the Company, the Promisor agrees not to do business or hire management or become a partner in a partnership or becoming a major shareholder or director of a company (as the case may be) having businesses of the same nature and characteristics or that is in competition with the Company's business including any other similar operations. This includes but is not limited to abstaining from being a director and executive or being a major shareholder in a company or being a partner in any partnership having the same nature and characteristics or that is in competition with the current or future business of the Company. Whether directly or indirectly and whether for his own benefit or that of others and whether to operate manually operated by others or operate in conjunction with others.</li> <li>2. The agreement under item 1. above shall come into effect when the Company and JCKD have completed the hotel purchase transaction.</li> </ol>

### 3. IFA's opinions on reasonableness of the Transaction

#### 3.1 Reasonableness of entering into the Transaction

The Company Group intends to acquire the Assets in "Sathorn Heritage Residence", buildings B and C (partly), under the name "JC Keving Sathorn Bangkok Hotel" ("the Hotel"). The assets include 318 commercial and residential units, numbered 36, 36/301 - 36/617, the 1st to the 37th floor, within the "Sathorn Heritage Residence", building B and C (partly), located on Naradhiwas Rajanagarindra Road, Yan Nawa, Sathorn, Bangkok from JC Kevin Development Company Limited ("JCKD"), which is related persons to the Company Group, with a total value not exceeding THB 3,055.00 million ("**the Asset**") (referred to as "**Hotel Investment Transaction**" or "**Acquisition of Assets from JCKD**") with terms of payment that are beneficial to the Company (please see details in Section 2.2 Transaction Overview). The main objective of this transaction is to expand the Company's business into diverse new ventures, increase opportunities for generating returns, and help diversify the risks in the Company's operations. The Company may also benefit from the potential and increasing value of the Assets's location in the future, besides using the acquired assets as collateral for borrowing. Furthermore, despite being connected transactions, it will cause the Company to have a strategic partnership and have resources that are beneficial to the Company's business operations, enabling the company to generate revenue from managing potentially lucrative assets, reinforcing revenue and profit growth in the long term, and providing appropriate returns to the shareholders in the long term. Under payment conditions, a portion of the amount may be repaid as loans, which will be beneficial for the company's liquidity management. Additionally, there are also repayment conditions that can be repaid gradually at low interest rates.

In addition, when considering the appropriateness of the price. The IFA has compared the transaction price (Value of acquiring the hotel in the amount of 3,055.00 million baht) with the value appraised by independent appraisers. It was found that the transaction price was lower than the value appraised by an independent asset appraiser using the Income Approach method which the IFA deems appropriate because It is a method that takes into account the performance of the hotel. which reflects the value of assets in the future which has a range of appraised prices equal to 3,606.00 - 3,919.00 million baht. It also was found that the transaction price was lower than the appraised price by an independent appraiser in both reports Valuation of assets and both methods of appraisal (*Please consider the details shown in the Section 4.1 Valuation Methods by Independent Appraisers*) In addition, the IFA has evaluated the hotel value by considering various methods to find an appropriate fair value range for entering into such transactions. However, the IFA utilizes DCF method to determine the ability to generate cash flow of the business. And able to reflect future performance under business plans and various assumptions that are reasonable. The IFA has evaluated the fair value range of the Hotel Acquisition Transaction. It was found that it was between 2,899.49 – 3,306.05 million baht (*please consider the details shown in Section 4. Appropriateness of the price*). Therefore, the transaction price was within the fair value range.

Therefore, the IFA has an opinion that the Transaction price is appropriate. Since the transaction price is lower than the appraisal price by an independent appraiser and within the range of the fair value evaluated by the DCF method.

The IFA opined that the acquisition of the aforementioned assets is carried out for the maximum benefit of the company and its shareholders in the long term. Hence, the financial advisor believes that this transaction is rational and reasonable.

### 3.2 Advantages of entering into the Transaction

- 1) The Hotel investment expands the Company's businesses into various new businesses, increasing opportunities for return on investment and helping to diversify the Company's business operations.

Currently, the Company engages in land development for industrial purposes as well as constructing factories and standard warehouses and built to suit customers' needs for sale and lease within the Company's industrial estates, including both industrial estates and other industrial areas. Additionally, the Company is involved in constructing residential condominiums for sale in prime city locations and operating weather-controlled facilities in different provinces as an alternative for customers. The Company also conducts office space rental and property management projects for small and medium-sized office buildings, industrial factories, and warehouses. These businesses have long-term and periodic revenue recognition due to monthly rental payments as per agreements, including the risk that the assets will not be able to generate income for a long time (Extended vacancy) from changes in the shortage of demand or the decrease in long-term rental demand due to economic uncertainty, which differs from the hotel business where the Company invests to expand its operations and allows for risk diversification in the Company's business operations since the hotel business has a shorter revenue recognition cycle (Trip-Based) and a lower trade receivable, resulting in a shorter cash cycle and reduced liquidity risk compared to the Company's main business. Additionally, it generates recurring revenue streams. Furthermore, the hotel business has no long-term commitments or liabilities for customers and has a shorter risk period where assets cannot generate short-term income compared to real estate businesses that have long-term commitments such as purchases or leases.

Investing in the Hotel allows the Company to expand its service offerings and its revenue streams, as the hotel business has higher profit margins compared to other types of real estate businesses due to the hotel industry's ability to set flexible and higher prices during certain periods of the year, driven by market demand, such as various festivals, including the hotel business benefits from the economic recovery after the COVID-19 pandemic. Currently, the spread of the virus has started to ease, and countries have been fully reopening, with strict travel restrictions being lifted, especially in China, which is one of the top tourist markets for Thailand. This market segment is crucial for businesses related to the tourism sector. The Genomics Medical Center, Faculty of Medicine, Ramathibodi Hospital, Mahidol University, has revealed that the World Health Organization declared the end of the COVID-19

emergency on 5 May 2023, although it has not been classified as an endemic disease. Nevertheless, the tourism sector has shown consistent signs of recovery, which positively contributes to the Thai economy. The government has continuously implemented measures to stimulate tourism to revitalize the domestic tourism industry and support the hotel business, which is beneficial for the Company's investment.

- 2) The Hotel is located in the central area of Bangkok which has the potential and opportunity to increase its value in the future.

The Hotel is located in a densely populated, commercial and shopping centers area in the central area of Bangkok and also on the main road, which provides convenient access for travel and is mainly composed of hotels, office buildings, shops, shopping centers, banks, apartment buildings, and government offices (*Details in Section 2.5 Details of Acquired Assets*). In addition, the area will attract many investors who are looking for opportunities to invest in areas with growth potential to expand their businesses and speculate in the future. As a result, the land value of such a location continues to increase due to the high demand in the area.

According to the information on the land appraisal price in Bangkok by the Treasury Department. Most of land price in Bangkok are increasing, in the Sathorn area along Narathiwat Rajanagarindra Road, where the Hotel invested by the Company is located, the land currently has been appraised with 9th highest price between THB 280,000 and THB 600,000 per square meter based on the land appraisal price summary for the accounting period of the fiscal years 2023 - 2026 by the Treasury Department.

Therefore, the Company's investment in the Hotel may benefit the Company from its location in the central area of Bangkok, which has the potential for increased value in the future.

- 3) The Company can utilize tangible assets as collateral for loans.

Due to the financial institution's consideration of the borrower's ability to repay the loan, collateral, or security, is an important factor in assessing creditworthiness. It provides assurance that the financial institution can recover its funds in case the borrower defaults. For instance, the financial institution can seize the collateral and sell it to repay the outstanding debt or hold the guarantor responsible for debt repayment. Additionally, collateral reduces credit risk caused by information asymmetry by securing the borrower's repayment obligations as per the agreement and also compensates the lender for potential losses. Therefore, collateral plays a significant role in evaluating the creditworthiness of the loan.

Therefore, the Company's investment in the Hotel may benefit the Company to seek external funding to facilitate the operation of the business, in the event of a potential loan application from a financial institution.

### 3.3 Disadvantages of entering into the Transaction

#### 1) Obligations to enter into the Transaction

The Company Group will pay for the purchase of the Asset from JCKD in the amount of not exceeding THB 3,000.00 million, together with interest in the amount of not more than THB 55.00 million baht, totaling not exceeding THB 3,055.00 million in cash, divided into the payment of the purchase price as follows:

**1<sup>st</sup> Installment :** The Group of the Company will pay THB 1,200.00 million, equivalent to 40.00 percent of the purchase price of the Asset of JCKD, which will be paid no later than September 30, 2023, with the condition that the Group of the Company will receive the right to operate the hotel<sup>1</sup> and be able to earn the revenue immediately<sup>2</sup> after receive the transfer of hotel license from JCKD and payment of the 1st installment has been completed<sup>3</sup> and the Company will pay with cash from operating cash flow. In this regard, the Group of the Company will receive the transfer of hotel license from JCKD within the date the 1st installment has been paid (or any other date as agreed by the parties in writing to extend the period).

However, if there is no transfer of ownership by March 31, 2024 (or any other date as agreed by the parties in writing to extend the period). JCKD is obligated to return the full amount of the advance payment to the Group of the Company with interest at the rate of 7.5 percent per annum from the date JCKD receives the amount of THB 1,200.00 million within 15 days from the date of termination of the contract. If the payment is not returned according to the contract, The Group of the Company will have the right to file a lawsuit in court to compel JCKD to return the advance payment in accordance with the terms of the contract

<sup>1</sup> Management rights are the rights that the company can operate the hotel business. Ownership is the ownership of the property. But the group of companies can accept the transfer of the hotel business license. Because it is allowed to use the property from the seller who is the owner of the property. The group of companies will accept the transfer of employees from the seller to become employees of the group together with the transfer of the hotel business license. The employees will receive the same rights and welfare as before. For executives and managers, will they be the person that the group of companies has been transferred from the seller or not, requesting information from the group of companies. and the Group is responsible for the expenses incurred from the management of such hotels.

<sup>2</sup> After the 1st installment payment, the Group of the Company will recognize revenue as Net Operating Profit of the Hotel. Then after the 2nd installment payment, which JCKD will register the transfer of the ownership of the assets to the Group of the Company.

<sup>3</sup> After the Group of the Company has paid the 1<sup>st</sup> installment, the Group of the Company will receive the hotel license and the right to manage the hotel. It therefore be able to operate the hotel business and enable the Group of the Company to recognize revenue from operations immediately. The Seller agrees to allow the Group of the Company to use the Asset as soon as the 1<sup>st</sup> installment is paid, thus the Group of the Company can accept the transfer of the hotel license even though the ownership of the Asset has not yet been transferred.

**2<sup>nd</sup> Installment :** The Group of the Company will pay THB 800.00 million, equivalent to 26.67 percent of the purchase price of the Asset of JCKD. JCKD will proceed to register and transfer full ownership of the Asset to the Group of the Company within the day that the 2nd Installment has been completed, which will be paid no later than March 2024. The Company will pay with the money from the issuance and offering of newly issued ordinary shares to the existing shareholders proportionately (Right Offering). However, in case that the Company is unable to issue and offer all newly issued ordinary shares. The company will consider additional sources of funding from borrowing from financial institutions.

**3<sup>rd</sup> Installment :** The Group of the Company will pay the remaining amount of THB 1,000.00 million, equivalent to 33.33 percent of the purchase price of the Asset of JCKD. The Group of the Company will pay in installments in cash completely within 5 years from the date of registration of ownership transfer (or within the period that the seller and the Group of the Company have agreed to extend such period further) with an interest rate of 1.00 per year on the outstanding principal that calculated from the date of registration of ownership transfer of the Asset until the date of full payment, as an interest in the amount not exceeding THB 55.0 million. The Group of the Company will pay the 3rd installment for the first time by December 2024 and the minimum payment amount must not be less than THB 100.00 million per year. The Company will pay with cash from operating cash flow or from borrowing in case that cash flow from operations is not sufficient.

Therefore, the Company Group will have an obligation to repay JCKD with interest from the agreement between the Company Group and JCKD.

2) The impact of the Dilution Effect due to the transaction being a part of the Right Offering

The Board of Directors' meeting of JCK International Public Company Limited ("the Company") No. 7/2023 held on 2 August 2023, resolved to approve the proposal to the Extraordinary General Meeting of Shareholders no. No. 1/2023 of the Company ("EGM") to consider and approve the capital increase, in the amount not exceeding 3,465,833,184 shares with a par value of THB 1.00 per share to be offered to existing shareholders in proportion to their shareholdings (Right Offering) at an allocation ratio of 1 existing ordinary share to 1 newly issued ordinary share at the offering price of THB 0.30 per share, representing the issuance of newly issued ordinary shares in the amount not exceeding THB 1,039,749,955.20.

Therefore, the Company engages in the Transaction, under the condition that all shareholders do not express their commitment to subscribe for additional ordinary shares in proportion to their current shareholding. Mr. Apichai Taechaubol (including related persons) will subscribe for additional ordinary shares in amount of not exceed 2,180,699,999 shares or in the proportion of 62.92 percent of newly issued ordinary shares and will hold shares in the company (including related persons) in the maximum amount not exceeding 2,822,984,421 shares or in the proportion of 49.99 percent of the Company's

issued and paid-up capital after this capital increase. Therefore, the IFA calculates the impact of issuing additional shares not exceeding 3,465,833,184 shares on the Company's shareholders. The calculation includes the impact on Control Dilution, Price Dilution, and EPS dilution.

<b>Control Dilution</b>	Number of newly ordinary shares / (Paid-up ordinary shares + Number of newly ordinary shares) $= 2,180,699,999 / (3,465,833,184 + 2,180,699,999)$ $= 38.62\%$
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<b>Market Price Before the Offering</b>	The weighted average price for the past 15 consecutive business days between 10 July and 31 July 2023, was THB 0.24 per share before the Board of Directors meeting 7/2023, based on the Company's stock trading data from SETSMART of SET.
<b>Market Price After the Offering</b>	$= (\text{Market price} \times \text{Paid-up share}) + (\text{RO offer price} \times \text{Number of shares offered to existing shareholders}) / (\text{Paid-up ordinary shares} + \text{Number of newly ordinary shares})$ $= (0.24 \times 3,465,833,184) + (0.30 \times 2,180,699,999) / (3,465,833,184 + 2,180,699,999)$ $= \text{THB } 0.25 \text{ per share}$
<b>Price Dilution</b>	$= (0.24 - 0.25) / 0.24$ It has no effect on the Company's share price.

<b>EPS before the Offering</b>	$= \text{Net Profit} / \text{Paid-up ordinary shares}$ $= (329,096,229.00) / (3,465,833,184)$ $= \text{THB } (0.09) \text{ per share}$
<b>EPS after the Offering</b>	$= \text{Net Profit}^{2/} / (\text{Paid-up ordinary shares} + \text{Number of newly ordinary shares})$ $= (329,096,229.00) / (3,465,833,184 + 2,180,532,733)$ $= \text{THB } (0.06) \text{ per share}$
<b>EPS Dilution</b>	$= ((0.09) - (0.06)) / (0.09)$ $= 38.62 \text{ percent}$

Note : Profit (loss) attributable to ordinary shareholders of the Company based on the Company's consolidated financial statements audited and reviewed by a certified public accountant between Q1 2022 and Q1 2023, which equals THB (329.10) million

Based on the table, the dilution effect on the proportion of existing shareholders' holdings would be as follows: Control Dilution of existing shareholders will affect by 38.62 percent but there will be effect on the EPS Dilution by 38.62 percent.

In this regard, if the Company engages in the Transaction, under the condition that some shareholders do not express their commitment to subscribe for additional ordinary shares in proportion to their current shareholding. Mr. Apichai Taechaubol (including related persons) will subscribe for additional ordinary shares in maximum amount of not exceed 2,822,855,595 shares or in the proportion of 81.45 percent of newly issued ordinary shares and will hold shares in the company (including related persons) in the maximum amount not exceeding 3,465,140,017 shares or in the proportion of 49.99 percent of the Company's issued and paid-up capital after this capital increase. Therefore, the IFA calculates the impact of issuing additional shares not exceeding 3,465,833,184 shares on the Company's shareholders.

<b>Control Dilution</b>	Number of newly ordinary shares / (Paid-up ordinary shares + Number of newly ordinary shares) $= 3,465,833,184 / (3,465,833,184 + 3,465,833,184)$ $= 50.00$ percent
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<b>Market Price Before the Offering</b>	The weighted average price for the past 15 consecutive business days between 10 July and 31 July 2023, was THB 0.24 per share before the Board of Directors meeting 7/2023, based on the Company's stock trading data from SETSMART of SET.
<b>Market Price After the Offering</b>	$= (\text{Market price} \times \text{Paid-up share}) + (\text{RO offer price} \times \text{Number of shares offered to existing shareholders}) / (\text{Paid-up ordinary shares} + \text{Number of newly ordinary shares})$ $= (0.24 \times 3,465,833,184) + (0.30 \times 3,465,833,184) / (3,465,833,184 + 3,465,833,184)$ $= \text{THB } 0.27$ per share
<b>Price Dilution</b>	$= (0.24 - 0.27) / 0.24$ It has no effect on the Company's share price.

<b>EPS before the Offering</b>	$= \text{Net Profit} / \text{Paid-up ordinary shares}$ $= (329,096,229.00) / (3,465,833,184)$ $= \text{THB } (0.09)$ per share
<b>EPS after the Offering</b>	$= \text{Net Profit}^{2/} / (\text{Paid-up ordinary shares} + \text{Number of newly ordinary shares})$ $= (329,096,229.00) / (3,465,833,184 + 3,465,833,184)$ $= \text{THB } (0.09)$ per share
<b>EPS Dilution</b>	$= ((0.09) - (0.06)) / (0.09)$ $= 50.00$ percent

Based on the table, the dilution effect on the proportion of existing shareholders' holdings would be as follows: Control Dilution of existing shareholders will affect by 50.00 percent but there will be effect on the EPS Dilution by 50.00 percent.

### 3.4 Advantages from entering into the Transaction with connected person comparing to non-connected person

#### 1) Reducing negotiation time for the Transactions

As Mr. Apichai Taechaubol is a director and holds 3,125,000 shares or 31.25 percent of the total issued and outstanding shares of JCKD and serves as the chairman and executive chairman of the Company and holds 364,204,456 shares or 10.51 percent of the total issued and outstanding shares of the Company. Negotiating transactions with related parties offers convenience and expedience compared to negotiations with external parties. This is because there may be less time required for due diligence on the assets. Additionally, conducting transactions with connected person can enhance coordination across various aspects. This is achieved under the relevant terms and conditions outlined in the contractual agreements.

#### 2) Connected person has expertise in business operations, which benefits the Company in the long term.



JCK and the Company have a common major shareholder, which is Mr. Apichai Taechaubol, who has experience and expertise in the real estate business, namely hotel business, real estate trading business and real estate development business from operating such businesses for a long time. The connected transaction enabled the Company to establish strategic partnerships and access beneficial resources that contribute to the successful operation of its business due to a potentially connected person as a major shareholder who has operated the Hotel since the pandemic to generate satisfactory results. The partnership and resources empower the Company to generate revenue through effective asset management, which will contribute to the Company's revenue and profit growth. Additionally, this strengthens the Company's ability to create appropriate returns for shareholders in the long term.

### 3) Repayment conditions with gradual repayment term and low interest rates

The Company Group will pay for the purchase of the Asset from JCKD in the amount of not exceeding THB 3,000.00 million, together with interest in the amount of not more than THB 55.00 million baht, totaling not exceeding THB 3,055.00 million in cash, divided into the payment of the purchase price as follows:

**1<sup>st</sup> Installment :** The Group of the Company will pay THB 1,200.00 million, equivalent to 40.00 percent of the purchase price of the Asset of JCKD, which will be paid no later than September 30, 2023, with the condition that the Group of the Company will receive the right to operate the hotel<sup>1</sup> and be able to earn the revenue immediately<sup>2</sup> after receive the transfer of hotel license from JCKD and payment of the 1st installment has been completed<sup>3</sup> and the Company will pay with cash from operating cash flow. In this regard, the Group of the Company will receive the transfer of hotel license from JCKD within the date the 1st installment has been paid (or any other date as agreed by the parties in writing to extend the period).

<sup>1</sup> Management rights are the rights that the company can operate the hotel business. Ownership is the ownership of the property. But the group of companies can accept the transfer of the hotel business license. Because it is allowed to use the property from the seller who is the owner of the property. The group of companies will accept the transfer of employees from the seller to become employees of the group together with the transfer of the hotel business license. The employees will receive the same rights and welfare as before. For executives and managers, will they be the person that the group of companies has been transferred from the seller or not, requesting information from the group of companies. and the Group is responsible for the expenses incurred from the management of such hotels.

<sup>2</sup> After the 1st installment payment, the Group of the Company will recognize revenue as Net Operating Profit of the Hotel. Then after the 2nd installment payment, which JCKD will register the transfer of the ownership of the assets to the Group of the Company.

<sup>3</sup> After the Group of the Company has paid the 1<sup>st</sup> installment, the Group of the Company will receive the hotel license and the right to manage the hotel. It therefore be able to operate the hotel business and enable the Group of the Company to recognize revenue from operations immediately. The Seller agrees to allow the Group of the Company to use the Asset as soon as the 1<sup>st</sup> installment is paid, thus the Group of the Company can accept the transfer of the hotel license even though the ownership of the Asset has not yet been transferred.

However, if there is no transfer of ownership by March 31, 2024 (or any other date as agreed by the parties in writing to extend the period). JCKD is obligated to return the full amount of the advance payment to the Group of the Company with interest at the rate of 7.5 percent per annum from the date JCKD receives the amount of THB 1,200.00 million within 15 days from the date of termination of the contract. If the payment is not returned according to the contract, The Group of the Company will have the right to file a lawsuit in court to compel JCKD to return the advance payment in accordance with the terms of the contract

**2<sup>nd</sup> Installment :** The Group of the Company will pay THB 800.00 million, equivalent to 26.67 percent of the purchase price of the Asset of JCKD. JCKD will proceed to register and transfer full ownership of the Asset to the Group of the Company within the day that the 2nd Installment has been completed, which will be paid no later than March 2024. The Company will pay with the money from the issuance and offering of newly issued ordinary shares to the existing shareholders proportionately (Right Offering). However, in case that the Company is unable to issue and offer all newly issued ordinary shares. The company will consider additional sources of funding from borrowing from financial institutions.

**3<sup>rd</sup> Installment :** The Group of the Company will pay the remaining amount of THB 1,000.00 million, equivalent to 33.33 percent of the purchase price of the Asset of JCKD. The Group of the Company will pay in installments in cash completely within 5 years from the date of registration of ownership transfer (or within the period that the seller and the Group of the Company have agreed to extend such period further) with an interest rate of 1.00 per year on the outstanding principal that calculated from the date of registration of ownership transfer of the Asset until the date of full payment, as an interest in the amount not exceeding THB 55.0 million. The Group of the Company will pay the 3rd installment for the first time by December 2024 and the minimum payment amount must not be less than THB 100.00 million per year. The Company will pay with cash from operating cash flow or from borrowing in case that cash flow from operations is not sufficient

Therefore, the interest rate is low compared to interest rates on long-term loans and debentures of the Company currently at 7.25 – 7.50 percent and the average minimum loan rate – MLR of domestic banks, equal to 7.94 percent, according to information from the Bank of Thailand as of 2 August 2023. The negotiation with connected person benefits the company in being able to gradually repay the debt and/or may be able to extend the payment period incrementally which resulted in the Company able to manage liquidity and reduce the interest burden from borrowing from third parties.

### 3.5 Disadvantages from entering into the Transaction with connected person comparing to non-connected person

- 1) The Company's obligations on entering into the connected transaction.

The Transaction is regarded as a connected transaction in which the transaction size exceeds 3.00 percent of the Company's NTA and the Transaction value is more than THB 20.00 million. To achieve fairness, orderly, including systematic information to shareholders by disclose information fairly transparency, the Company is bound by the following obligations:

- 1) There must be a Board of Directors Meeting to consider and approve the acquisition of assets and connected transactions of the Company.
- 2) Information must be disclosed according to the information memorandum on the acquisition of assets and connected transactions of the Company to SET.
- 3) There must be an appointment of the Independent Financial Advisor, and
- 4) There must be a shareholders' meeting to consider and approve the Transaction and the resolution of the meeting must receive an affirmative vote of not less than three-fourths of the aggregate votes cast by attending shareholders with voting rights, excluding votes of shareholders having an interest.

Therefore, the Company has more duties and expenses when compared with third parties.

- 2) There may be a conflict of interest.

According to the connected transaction, as a result, the negotiation of various conditions may result in a lack of independence and inability to fully perform the transaction the same way as the one conducted with a third party, since Mr. Apichai Taechaubol is a connected person and a major shareholder of the Company, which is mainly engaged in the development of industrial estates, and JCKD, which engages in the business of office building rental, hotel business, and development and sale of residential condominiums, as well as JCKH, which operates a restaurant business and hotel business. The details are as follows:

#### Hotel business

Currently, JCKD operates one hotel, JC Kevin Sathorn Bangkok Hotel – a 37-floor building with 318 residential units and multiple facilities, such as gym, swimming pool, and restaurant for a total usable area of 35,438.37 sq.m. – which is a 4-star hotel situated in the CBD of Bangkok with a majority of customers being both foreign and Thai businessman that have come to conduct business in Bangkok. In addition, JCKD – which is considered a person under Section 258 of Mr. Apichai Taechaubol – owns another hotel in Ratchadaphisek area. However, the said hotel is in the process of being closed for room renovation and for study of business plans and funding sources for development; therefore, the said hotel is not currently operating any business. However, even if operable, the said hotel will still not compete with JC Kevin Sathorn Bangkok Hotel due to the difference in location each hotel is situated at. Also, the Ratchada area currently focuses more on serving Chinese tourists – of which consists of

over 90 percent – that have come to Bangkok for leisure travel. The customer group is therefore different from that of JC Kevin Sathorn Bangkok Hotel.

Moreover, JCKH – which also has Mr. Apichai Taechaubol as a major shareholder – also indirectly operate the hotel business via its shares in CPT Hotels and Resorts Co., Ltd. (“CPT”), which has a hotel project located along the Kok River, Chiang Rai. It is a 7-storey building hotel with 77-room and a total area of 1-0-29.5 rai that comes with a swimming pool for a total usable area of 3,927 sq.m. This hotel is a hotel that the Company has acquired from another operator and is under development planning. However, this business will also not compete with JC Kevin Sathorn Bangkok Hotel due to the difference in location each hotel is situated at as well as the target customers, since it is located in the rural area of the city of Chiang Rai that is considered a natural area which is great for relaxing. The hotel is popular among both foreign and Thai tourists, especially during festivals and cold weather.

However, after entering into the asset purchase transaction with JCKD, there will be no conflict of interest as currently the two hotels are owned by JCKD, and JCKH do not operate any business that competes with the hotel business of the Group of the Company.

#### Office rental business

Currently, JCKD operates an office rental business called TFD Building, located at No. 18 Soi Sathorn 11 Intersection 9, Yannawa Subdistrict, Sathorn District, which is in the process of being sold to JCKH according to JCKH's announcement on 13 January 2023. The total usable area is 5,206 sq.m. and is of the purpose of renting out to an affiliated company with Mr. Apichai Taechaubol as a shareholder.

On the other hand, the Company has a total of 2 offices for rent: SG Tower – located at 161/1 Soi Mahadlekluang 3, Ratchadamri Road, Lumpini Subdistrict, Pathumwan District – with a total usable area of 12,000 sq.m. and Millennia Tower – located at 62 Lang Suan Road, Pathumwan Subdistrict, Pathumwan District – with a total usable area of 12,681 sq.m. both of which are intended to be rented out to companies that are not related to the affiliated companies in which Mr. Apichai Taechaubol is a shareholder.

However, the office rental business of both companies is located in different areas and therefore has different customer groups. Moreover, the rental price per sq.m. is not the same, meaning there is no conflict, and it is not considered in direct competition with the Company.

#### Condominium business

Currently, JCKD operates 1 condominium, Sathorn Heritage – located at Soi St. Louis 3 Intersection 9, Yannawa Subdistrict, Sathorn District. It is a single building of 38 floors with a total of 180 residential units.

However, the Company has 4 condominium businesses which are:

1. Condo Lake Green Sukhumvit 8 – located in Soi Sukhumvit 8, Khlong Toei Subdistrict, Khlong Toei District – is a 21-storey high-rise condominium with 139 residential units and a starting size of 53.95-102.42 sq m.
2. Condo 59 Heritage – located on Sukhumvit 59 Road, Khlong Toei Nuea Subdistrict, Wattana District – is a high-rise condominium with 12 floors, 2 buildings with 226 residential units and a starting size of 36.00-72.00 sq m.
3. Condo 15 Sukhumvit – located in Soi Sukhumvit 15, Sukhumvit Road, Khlong Toei Nuea Subdistrict, Wattana District – is a 26-storey high-rise condominium with 505 residential units and a starting size of 23.00-197.00 sq m.
4. Condo Artisan Ratchada – located on Thiam Ruam Mit Road, Huai Khwang Subdistrict, Huai Khwang District – is a 32-storey high-rise condominium with 177 residential units and a starting size of 28.00-77.00 sq m.

Both companies' condominium businesses are located in different areas and have different customer groups, by condominium located in the Sathorn area will focus on employee customers who want to live near office buildings. For Sukhumvit and Huai Khwang areas Will focus on foreign customers. However, at present, the Company's condominium in items 1) and 2) are sold out in whole numbers, and items 3) and 4) are no longer sold which there is no sales office. So there is no conflict of interest between JCKD and the Company.

Although JCKD is the owner of another hotel in Ratchadapisek area and JCKH is the owner of a hotel in Chiang Rai, both of which are currently in the process of renovation and do not operate any business, the location of both hotels is situated far away from the Hotel that the Company will enter into the transaction with as well as the fact that each hotel has different target customer groups. Therefore, there will be no conflict of interest after the Company enter into the Transaction as currently the two hotels owned by JCKD and JCKH do not operate any business that competes with the hotel business of the Company Group. Regardless, the Company also has measures to prevent such conflicts as Mr. Apichai Taechaubol will consider granting rights to invest in hotel business to the Company first according to the non-compete agreement according to 1. Non-Competition Agreement between Mr. Apichai Taechaubol and JCK stating that “The Contractor agrees to grant the Company the right to consider investing in the hotel business that JCKD will invest first, depending on the conditions of investment and/or potential or financial constraints of the company while investing” and 2. The purchase and sale agreement between JCKD and the Company states that “As long as Mr. Apichai Taechaubol has been a major shareholder of the Purchase and the Seller. The Seller agrees to give the Purchase the right to consider investing in the hotel business that the Seller will invest in first, depending on the investment conditions and/or the potential or financial constraints of the Purchaser while

investing.”; although, under the investment conditions and/or the financial capability or limitation of each party while making the investment, taking into account the best interests of the Company’s shareholders.

The company has negotiated conditions that are beneficial to the Company and shareholders of the Company. To protect conflict of interest in the future business operation, if there is any new project that may create a conflict of interest between the Company and Mr. Apichai Taechaubol and the related persons under Section 258 of Mr. Apichai Taechaubol in the future (which is not limited to only the current businesses with a possible conflict of interest but shall include any other businesses with a possible conflict of interest that may increase due to the changing business operation condition of the Company, Mr. Apichai Taechaubol and the related persons under Section 258 of Mr. Apichai Taechaubol at the time of making such investment decision), Mr. Apichai Taechaubol JCKD will give the Company the first right to invest in such project according to 1. Non-Competition Agreement between Mr. Apichai Taechaubol and JCK stating that “The contractor agrees to grant the Company the right to consider investing in the hotel business that JCKD will invest in first, depending on the investment conditions and/or potential or financial constraints of the Company at the time of investment.” and 2. between JCKD and the Company stating that “As long as Mr. Apichai Taechaubol was a major shareholder of the buyer and seller, the seller agrees to give the buyer the right to consider investing in the hotel business that the seller will invest in first, depending on the investment conditions and/or the potential or financial constraints of the buyer while investing”; although, under the investment conditions and/or the financial capability or limitation of each party while making the investment, taking into account the best interests of the Company’s shareholders.

In addition, according to the draft agreement to buy and sell the assets, there are conditions throughout the period that Mr. Apichai Taechaubol is still a major shareholder of the Company. JCKD (with Mr. Apichai Taechaubol being a major shareholder) agrees to not operating a hotel business or partner or being a major shareholder or being a party to a contract with other hotel operators that compete with the business of the Company and will not take any action that is in competition with the hotel business of the Company either directly or indirectly. And even though JCKD currently has 1 other hotel property which is in the process of closing down its business and waiting for a project development plan (Renovate), but the said project has different target customers and location from the hotel that the Company will enter into the transaction this time. As a result, they will not compete with the Company in the future.

In this regard, according to the Board of Directors meeting 7/2023, held on 2 August 2023, two interested directors, namely Mr. Apichai Taechaubol and Mr. Kittawat Taechaubol, did not attend the meeting and vote on the agenda to consider and approve the Transaction.

### 3.6 Risks of entering into the Transaction

#### 3.6.1 Before entering into the Transaction

- 1) Risk may occur from the condition precedent that will not be successful or may be delayed.

The Transaction requires approval from the shareholders' meeting with required affirmative votes of not less than three-fourths of the total number of votes of the shareholders attending the meeting and being entitled to vote, excluding votes of the shareholders having an interest, as well as to appoint an IFA, which must be on the approved list of financial advisors of the Office of SEC, including the conditions for entering into the transaction. However, such conditions may be changed according to the parties involved to negotiate and agree on further. Such conditions will not be material conditions that may affect the decision of the shareholders to consider and approve the Transaction. *(Detail in Topic 2.8 Condition of the Transaction)*

Therefore, if the Company is unable to fulfill the condition precedent to enter into the Transaction, the Transaction will not be successful or delayed.

- 2) Risk of the source of funds

As source of fund of the Transaction is come from newly issued ordinary shares, in the amount not exceeding 3,465,833,184 shares with a par value of THB 1.00 per share to be offered to existing shareholders in proportion to their shareholdings (Right Offering) at an allocation ratio of 1 existing ordinary share to 1 newly issued ordinary share at the offering price of THB 0.30 per share, representing the issuance of newly issued ordinary shares in the amount not exceeding THB 1,039,749,955.20.

Therefore, If there are some existing shareholders who do not express their intention to subscribe for ordinary shares under the assumption that Mr. Apichai Taechaubol (including related persons) exercises his right to purchase shares in excess of the amount not exceeding 2,180,532,734 shares or 62.92 percent of the shares issued for offering to the existing shareholders in proportion to their shareholding (Right Offering), the Company may have insufficient cash flow to enter into the Transaction and the Company have to find additional financing through borrowing. This may cause the Transaction to be unsuccessful or delay.

- 3) Risk from losing the advance payment without collateral from JCKD

After the 1st payment of installment of the Company Group to JCKD, if there is no transfer of ownership by 31 March 2024 (or any other date as agreed by the parties in writing to extend the period). JCKD is obligated to return the full amount of the advance payment to the Company Group with interest at the rate of 7.5 percent per annum from the date JCKD receives the amount of THB 1,200.00 million within 15 days from the date of termination of the contract. If the payment is not returned according to the contract, The Company Group will have the right to file a lawsuit

in court to compel JCKD to return the advance payment in accordance with the terms of the contract.

However, the Company Group has no collateral from JCKD to refund the prepayment in accordance with the terms. There is only the right to file a lawsuit in court to compel JCKD. Therefore, if JCKD is unable to return the advance payment to the Company Group. The Company Group therefore has a risk of not receiving the advance payment back, which must follow the process of prosecuting a lawsuit in court only.

### 3.6.2 After entering into the Transaction

#### 1) The volatility in the tourism industry may directly affect the risks of hotel operations.

Due to the hotel business, the main customers are both domestic and foreign tourists, and Thailand mainly relies on tourists from China. In the past year, the global tourism industry has suffered significant consequences from the pandemic, leading to direct repercussions on the Thai hotel industry due to government-imposed travel restrictions. This has resulted in a lack of international tourists entering the country, as well as limitations on domestic travel, such as interprovincial movement restrictions and heightened preventive measures in high-risk areas. The hotel industry has experienced unfavorable business outcomes in the past few years. However, currently, the situation is gradually improving as the pandemic situation is easing and many countries are starting to relax their control measures. This has led to the reopening of borders, allowing tourists to travel again. Consequently, the hotel industry now could grow once more.

However, the hotel business may be affected by other external risk factors that cause volatility in the tourism industry, which the Company cannot control. Examples of such factors include acts of terrorism, natural disasters, internal unrest within the country, and global economic downturns. These impacts can be widespread and may have consequences for future business operations.

#### 2) Risk from business expansion to new businesses

According to the investment in the Hotel, it is an investment in a new business that the Company Group has not operated such a business before. The Company Group may therefore have a risk of investing in the hotel business. However, the Company group will transfer employees from the seller to become an employee of the Company Group. The employees will receive the same rights and welfare as before. Executives and managers are people under the management of the Company Group which has Mr. Apichai Taechaubol as a major shareholder as well as experience and expertise in management. *(Detail in Topic 3.4 Advantages from entering into the Transaction with connected person comparing to non-connected person)*. Therefore, the Company will be



able to reduce the risk of operation, thanks to its competent personnel and employees that can resume operation seamlessly.

#### 4. Appropriateness of the Price

In evaluating the value of the assets involved in the transaction, the IFA consider the appropriateness of hotel acquisition prices according to the valuation methods of two independent appraisers. The details are as follows:

##### 4.1 Valuation Methods by Independent Appraisers

In accordance with the criteria for asset appraisal, the appraiser has considered the professional standards set by the Valuers Association of Thailand and the professional ethics of SEC. The appraisal of the assets in this case has been conducted using criteria to determine and estimate the value of the assets under various conditions and limitations.

Market Value refers to the monetary value that is estimated to be the price at which the asset can be exchanged between buyer and seller on the appraisal date, under the conditions that the buyer and seller have no related interests. The asset has been offered for sale for a reasonable period of time, and both parties have entered into the transaction with full knowledge and without any undue influence. However, it is assumed that complete legal ownership rights can be transferred according to the law. In general market value does not take into consideration the cost, purchase expenses, transaction fees, or any taxes associated with the acquisition.

In selecting the appraisal approach for the Assets, the appraiser has examined and considered various factors related to the Assets being appraised, such as legal rights and specific characteristics of the Assets, suitability for use or development, general market conditions, various constraints, and additional assumptions/special conditions that may be applicable to the appraisal. These factors are important in determining an appropriate appraisal approach that aligns with the intended purpose of the appraisal and leads to a systematic and conclusive opinion of the Assets's value in the final stage of the assessment to establish the market value. The specific details of the appraisal approaches used by both appraisers in this appraisal are as follows:

##### (1) Income Approach

This valuation method is an estimation of the future cash flow changes that occur over a specific period. The total value of assets is equal to the sum of the present value of net cash flows. Then used to calculate the Discount Rate on the valuation date plus the Terminal Value.

##### (2) Market Comparison Approach

This valuation method involves assessing the market value of the Assets by referencing transactional data from the market, which must be sufficient to be used for comparison to determine the market value of that property.

In this regard, the comparable assets must be considered in terms of their similarity or proximity to the Assets being appraised, such as location, urban planning, land size, building size, and building quality,

and then the value of the assets must be analyzed by the appraisers using various appropriate techniques.

The valuation of the hotel was conducted by two Independent Appraisers, T.A. Management Corporation (1999) Co., Ltd. ("TA") and Southeast Asia International Co., Ltd. ("SOUTHEAST") for public purposes, which can be summarized as follows:

1) T.A. Management Corporation (1999) Co., Ltd. ("TA")

(1) Income Approach

Revenue Evaluation Assumption

318 units, includes 8 offices and lobbies (1 <sup>st</sup> floor and mezzanine)	310 units
Average Room Rental Rate <sup>1/</sup>	THB 3,500.00 increases by 3.00% every 3 years
Occupancy Rate <sup>1/</sup>	
Year 1 - 3	70.00 percent
Year 4 - 6	75.00 percent
Year 7 - 9	80.00 percent
Year 10 - 11	85.00 percent
Estimated Revenue	
Revenue from rental	25.00 percent of total revenues
Revenue from food and beverage	50.00 percent of total revenues
Other departments income	50.00 percent of total revenues
Cost of Sales	
Room cost	25.00 percent of revenue from rental
Food and beverage cost	50.00 percent of revenue from food and beverage
Cost from other departments	50.00 percent of other departments income
Operating Expenses	
Operating expense per month	7.00 percent of total revenues
Selling and marketing expenses	2.00 percent of total revenues
Administrative fee	3.00 percent of total revenues
Maintenance fee	2.00 percent of revenue from rental
Fixed Cost	
Insurance premium	0.10 percent of Building value increases by 3.00 percent every 3 years
The reference property value based on the appraisal by the Thai Valuers Association for the year 2020-2021 for condominiums with 36 floors or more	THB 35,000.00 per sq. m.
The total area of the condominium is 35438.37 sq. m.	THB 1,240.34 million
Management Fee	2.00 percent of total revenues
Property Tax	

Commercial use worth more than THB 1,000 – 5,000 million, the appraisal price of a condominium from the Treasury Department is THB 3,664.35 million.	0.60 percent of the appraised value
Reserve fund for major building renovations	2.00 percent of total revenues
Terminal Value at year 10	7.00 percent based on the expected return rate from the sale of the Assets in Year 10, based on market analysis and investor inquiries
Discount Rate (Risk Free Rate + Risk Premium)	10.00 percent
Risk Free Rate	1.50 percent based on the yield of 10–15-year government bonds
Risk Premium	8.50 percent based on the other risks such as management risk, business risk, liquidity risk, and other external factors.

Note: 1/ According to comparable market room rate and occupation rate of assets with the most similar physical characteristics to the Hotel (item 5 -8)

## (2) Market Comparison Approach

### List of Assets used for Comparison

The independent appraiser has selected comparable properties for the purpose of valuing the market value based on the characteristics, location, and room type that closely resemble the Hotel the most, with the details as follows:

Comparison Price Information of Property Valuation				
Details	Item 1	Item 2	Item 3	Item 4
Image				
Property type	Office Building	Condominium	Condominium	Condominium
Location	Condominium Project “Supalai Icon Sathorn”	Condominium Project “Nara 9”	Condominium Project “State Tower”	Condominium Project “State Tower”
No. of floors	18 floors	9 floors	36 floors	28 floors
Approximate area (sq. m.)	54.00 sq. m.	39.00 sq. m.	180.00 sq. m.	174.00 sq. m.
Project Location Road	Sathorn Road (Pavement) 24.00 m.	Naradhiwas Rajanagarindra	Silom Road (Pavement) 18.00 m.	Silom Road (Pavement) 18.00 m.

Comparison Price Information of Property Valuation				
Details	Item 1	Item 2	Item 3	Item 4
		Road (Pavement) 24.00 m.		
Facilities	Parking, elevators, security systems	Parking, elevators, security systems	Parking, elevators, security systems	Parking, elevators, security systems
Building type	Good	Good	Moderate	Moderate
Maintenance	Good	Good	Moderate	Moderate
Interior decoration	Good	Good	Moderate	Moderate
THB price per unit	11,780,000.00	6,700,000.00	27,500,000.00	25,000,000.00
THB price per sq. m.	218,000.00	172,000.00	153,000.00	144,000.00
Condition	Offer for sale	Offer for sale	Offer for sale	Offer for sale
Image	10 December 2022	10 December 2022	10 December 2022	10 December 2022
Property type	Sales agent	Sales agent	Khun Ekachai	Khun Tip
Location	0931209820	0931209820	0965694569	0929889154

Comparison Price Information of Property Valuation				
Details	Item 5	Item 6	Item 7	Item 8
Image				
Name	Sofitel So Bangkok – 5 stars	Pullman Bangkok Hotel G – 5 stars	Le Méridien Bangkok – 5 stars	Eastin Grand Hotel Sathorn – 5 stars
Address	2 North Sathorn Road, Bang Rak, Bang Rak, Bangkok	188 Silom Road, Silom, Bang Rak, Bangkok	40/5 Surawong Road, Bang Rak, Bang Rak, Bangkok	North Sathorn Road, Yannawa, Sathon, Bangkok
No. of units	238 units	469 units	403 units	390 units
THB price per night	4,500.00 – 12,000.00	3,200.00 – 6,000.00	4,300.00 – 10,000.00	3,500.00 – 10,000.00
THB average price per night	4,500.00	3,000.00	4,500.00	3,800.00
Facilities	swimming pool, meeting room, restaurant, pub,	air conditioner, water heater, bed cabinet, kitchen,	air conditioner, water heater, bed cabinet, kitchen,	air conditioner, water heater, furniture, cable,

Comparison Price Information of Property Valuation				
Details	Item 5	Item 6	Item 7	Item 8
	car park, internet, laundry, shop, TV, coffee, tea, refrigerator, water heater, table, mini bar, etc.	internet, parking, shop, laundry, etc.	internet, parking, shop, laundry, etc.	kitchen, swimming pool, shop, laundry, etc.
Occupancy rate	80.00 percent	80.00 percent	80.00 percent	75.00 – 80.00 percent
Target customers	General public	General public	General public	General public
Address/Tel.	02624000	021055728	022328888	022108100

When analyzing market price by considering the physical characteristics of the land, shape, nature, area size, maximum utilization, environment, and location in comparison to the Hotel, the independent appraiser views that item 5 - 8 are physically closest to the property. Therefore, the aforementioned items were used to assess the Hotel's value using the Weighted Quality Score (WQS), which is a method that gives scores for various consideration factors for each comparative item. The score for each factor were then multiplied by the weight of each factor – which differs according to the degree of impact on Hotel's value – to calculate the weighted mean scores of each comparable item and eventually the value of the Hotel. The calculation for area of the 1st floor, 2nd floor and the mezzanine floor is separated from the calculation for area from the 3rd floor onwards, with the details are as follows.

#### 1<sup>st</sup>, 2<sup>nd</sup> floor and mezzanine

Consideration factors	Score (%)	Comparison item				Appraised asset
		1	2	3	4	
Location	20	9	9	7	7	8
Access	15	9	9	7	7	8
Design	10	8	8	7	7	8
Building condition	10	9	9	7	7	8
Size & decoration	15	8	7	6	6	9
Room location	10	8	6	8	7	10
Facilities	10	8	8	6	6	8
Environment	5	9	9	8	8	8
Growth trend	5	9	9	8	8	8
<b>Total</b>	<b>100</b>	<b>855</b>	<b>820</b>	<b>695</b>	<b>685</b>	<b>835</b>

Adjusting factors and quality	Comparison item				Appraised asset
	1	2	3	4	
Asking price (THB/sq.m.)	218,000.00	172,000.00	153,000.00	144,000.00	
Appropriate price	200,000.00	170,000.00	125,000.00	120,000.00	
W.Q.S	855	820	695	685	835
Adjusted ratio	0.9766	1.0183	1.2014	1.2190	1.0000
Adjusted price	195,321.64	173,109.76	150,179.86	146,277.37	
Degree of importance	0.55	0.25	0.10	0.10	1
Comparable value	107,426.90	43,277.44	15,017.99	14,627.74	180,350.06
Market value of Asset (THB/sq.m.)				(Round)	180,000.00

The first and second floor, and mezzanine are calculated by multiplying the appropriate price (THB/sq.m.) of each comparison item with the adjusted ratio, which is a quotient between the asset's W.Q.S and each comparison item's W.Q.S, to get the adjusted price. The price is then multiplied by degree of importance of each comparison item to get comparable value – of which the total will be the market value of the asset at THB 180,000.

### 3<sup>rd</sup> floor onwards

Consideration factors	Score (%)	Comparison item				Appraised asset
		1	2	3	4	
Location	20	9	9	7	7	8
Access	15	9	9	7	7	8
Design	10	8	8	7	7	8
Building condition	10	9	9	7	7	8
Size & decoration	15	8	7	6	6	8
Room's location	10	8	6	8	7	5
Facilities	10	8	8	6	6	8
Environment	5	9	9	8	8	8
Growth trend	5	9	9	8	8	8
<b>Total</b>	<b>100</b>	<b>855</b>	<b>820</b>	<b>695</b>	<b>685</b>	<b>770</b>

Adjusting factors and quality	Comparison item				Appraised asset
	1	2	3	4	
Asking price (THB/sq.m.)	218,000.00	172,000.00	153,000.00	144,000.00	
Appropriate price	200,000.00	170,000.00	125,000.00	120,000.00	
W.Q.S	855	820	695	685	770
Adjusted ratio	0.9006	0.9390	1.1079	1.1241	1.0000
Adjusted price	180,116.96	159,634.15	138,489.21	134,890.51	
Degree of importance	0.15	0.50	0.20	0.15	1
Comparable value	27,017.54	79,817.07	27,697.84	20,233.58	154,766.04
Market value of Asset (THB/sq.m.)				(Round)	155,000.00

The third floor and onwards are calculated by multiplying the appropriate price (THB/sq.m.) of each comparison item with the adjusted ratio, which is a quotient between the asset's W.Q.S and each comparison item's W.Q.S, to get the adjusted price. The price is then multiplied by degree of importance of each comparison item to get comparable value – of which the total will be the market value of the asset at THB 155,000. The independent appraiser also adjusts the market value from floor 4 – 37 up by THB 2,000 per floor.

The IFA believes that the comparison items chosen by the independent appraiser are reasonable, considering the overall physical characteristics, location, and potential of each comparison items closely resembles that of the Hotel and can be used as reference.



## 2) Southeast Asia International Co., Ltd. ("SOUTHEAST")

### (1) Income Approach

#### Revenue Evaluation Assumption

318 units (6 Function rooms and 1 Lounge)	310 units
Average room rental rate	
Year 1 – 2	THB 1,650.00 per room per night increases by 5.00 percent every year
Year 3 – 6	THB 3,672.00 per room per night increases by 5.00 percent every year
Occupancy rate	
Year 1	40.00 percent
Year 2	70.00 percent
Year 3 – 4	80.00 percent
Year 5 – 31	85.00 percent
Estimated Revenue	
Revenue from rental	65.00 percent of total revenues
Revenue from food and beverage	33.00 percent of total revenues
Other departments income	2.00 percent of total revenues
Cost of sales	
Room cost	24.00 percent of revenue from rental
Food and beverage cost	70.00 percent of revenue from food and beverage
Cost from other departments	50.00 percent of other departments income
Operating Expenses	
Operating expense per month	7.50 percent of total revenues
Selling and marketing expenses	5.00 percent of total revenues
Administrative fee	2.00 percent of total revenues
Maintenance fee	9.00 percent of total revenues
Other Expenses	2.00 percent of total revenues
Fixed Cost	
Insurance Premium	THB 894,000 per year
Property Tax	Based on Land and Building Tax Act of 2019
Discount rate (Capitalization Rate + Growth Rate)	9.00 percent
Capitalization Rate	6.50 percent based on investment return rate from market data for the same type of property
Growth Rate	2.50 percent

## (2) Market Comparison Approach

List of Assets used for Comparison

Comparison Price Information of Property Valuation			
Details	Item 1	Item 2	Item 3
Image			
Property type	Condominium	Condominium	Condominium
Name	Nara 9	Regal Condo	Supalai Icon Sathorn
No. of floors	9 floors	6 floors	18 floors
Approximate area (sq. m.)	39.00 sq. m.	40.00 sq. m.	54.00 sq. m.
Address	Soi Nara 9 Condominium Naradhiwas Rajanagarindra Road	Soi Regal Condo Naradhiwas Rajanagarindra Road	Soi Supalai Icon Sathorn Sathorn Road
Project Location	Reinforced Concrete 6/8 meters wide	Reinforced Concrete 6/8 meters wide	Reinforced Concrete 6/8 meters wide
Facilities	Indoor parking, 4 elevators, swimming pool, gym	Indoor parking, 4 elevators, swimming pool, gym	Indoor parking, 4 elevators, swimming pool, steam room, gym
Building type	Good	Good	Good
Building age	Approximately 8 years	Approximately 8 years	-
Maintenance	Good	Good	Moderate
Interior decoration	Good	Good	ปานกลาง
THB price per unit	6,700,000.00	5,999,999.00	11,780,000.00
THB price per sq. m.	171,795.00	150,000.00	218,148.00
Condition	Offer for sale	Offer for sale	Offer for sale
Date of receipt of information	On the survey date	On the survey date	On the survey date
Seller/Informant	Sales agent	คุณธนพนธ์	Sales agent
Tel.	0931209820	0959656822	0931209820

### List of Assets used for Comparison (continue)

Comparison Price Information of Property Valuation			
Details	Item 4	Item 5	Item 6
Image			
Property type	Condominium	Condominium	Condominium
Name	Anil Sathorn 12	Sathorn Heritage Residences	KnightsBridge Prime Sathorn
No. of floors	11 floors	27 floors	24 floors
Approximate area (sq. m.)	63.00 sq. m.	40.00 sq. m.	37.00 sq. m.
Address	Soi Anil Sathorn 12, Sathorn Road	Soi Sathorn Heritage Residences, Naradhiwas Rajanagarindra Road	KnightsBridge Prime Sathorn, Sathorn Road
Project Location Road	Reinforced Concrete 6/8 meters wide	Parking building, 4 passenger lifts, swimming pool, steam room, gym	Indoor parking, 4 passenger lifts, swimming pool, steam room, gym
Facilities	Indoor parking, 4 elevators, swimming pool, steam room, gym	Indoor parking, 4 elevators, swimming pool, steam room, gym	Indoor parking, 4 elevators, swimming pool, steam room, gym
Building type	Good	Good	Moderate
Building age	-	Approximately 10 years	-
Maintenance	Moderate	Moderate	Moderate
Interior decoration	Moderate	Moderate	Moderate
THB price per unit	15,900,000.00	5,500,000.00	6,100,000.00
THB price per sq. m.	252,380.00	137,500.00	164,865.00
Condition	Offer for sale	Offer for sale	Offer for sale
Date of receipt of information	On the survey date	On the survey date	On the survey date
Seller/Informant	Khun First	Khun Bum	Khun Meow
Tel.	0859455666	0655624646	0644242624

When analyzing market price by considering the physical characteristics of the land, shape, nature, area size, maximum utilization, environment, and location in comparison to the Hotel, the independent appraiser views that items 1, 2, 5, and 6 are physically closest to the property. Therefore, the aforementioned items were used to assess the Hotel's value using the Weighted Quality Score (WQS), which is a method that gives

scores for various consideration factors for each comparative item. The score for each factor were then multiplied by the weight of each factor – which differs according to the degree of impact on Hotel's value – to calculate the weighted mean scores of each comparable item and eventually the value of the Hotel. The calculation for commercial area (1st floor, 2nd floor and the mezzanine) is separated from the calculation for residential area (3rd floor onwards), with the details are as follows;

**Commercial area (1st floor, 2nd floor and the mezzanine)**

Consideration factors	Level	Calculation value		Comparison item				Appraised asset
	Score	Score	Total	1	2	3	4	
Area size (sq.m.)				39.00	40.00	40.00	37.00	6,877.84
Location	15	10	150	8	8	8	8	8
Transportation	10	10	100	7	7	7	8	9
Public utility	10	10	100	7	7	7	8	8
Building layout	5	10	50	8	8	8	8	9
Structure	10	10	100	8	8	8	8	8
Decoration	5	10	50	7	7	7	8	9
Room location	20	10	200	7	6	7	8	9
Room condition	15	10	150	8	7	7	8	9
Usable area	10	10	100	7	7	7	6	8
<b>Total</b>	<b>100</b>		<b>1,000</b>	<b>745</b>	<b>710</b>	<b>730</b>	<b>780</b>	<b>855</b>

Scoring criteria	Unit	Comparison item				Appraised asset
		1	2	3	4	
Asking price	THB/unit	171,795	150,000	137,500	164,865	
Adjusted value ratio	%	85%	85%	97%	97%	
Adjusted value	THB/unit	146,026	127,500	133,375	159,919	
W.Q.S	Point	745	710	730	780	855
Adjusted ratio	Ratio	1.15	1.20	1.17	1.10	1.00
Indicated value	THB/unit	167,587	153,539	156,213	175,296	
Comparability	Rank	0.20	0.10	0.10	0.60	1.00
Comparability	Weighted	20%	10%	10%	60%	100%
Comparable value	THB/unit	33,517	15,354	15,621	105,178	169,670
<b>Market value of Asset (THB/sq.m.)</b>					<b>(Round)</b>	<b>170,000</b>

The commercial area (1st floor, 2nd floor and the mezzanine) are calculated by multiplying the appropriate price (THB/unit) of each comparison item with the adjusted ratio, which is a quotient between the asset's W.Q.S and each comparison item's W.Q.S, to get the adjusted price. The price is then multiplied by degree of importance of each comparison item to get comparable value – of which the total will be the market value of the asset at THB 170,000

### Residential area (3rd floor onwards)

Consideration factors	Level	Calculation value		Consideration factors				Appraised asset
	Score	Score	Total	1	2	3	4	
Area size (sq.m.)				39.00	40.00	40.00	37.00	40.26 – 187.18
Location	15	10	150	8	8	8	8	8
Transportation	10	10	100	7	7	7	8	7
Public utility	10	10	100	7	7	7	8	7
Building layout	5	10	50	8	8	8	8	8
Structure	10	10	100	8	8	8	8	8
Decoration	5	10	50	7	7	7	8	8
Room location	20	10	200	7	6	7	8	6
Room condition	15	10	150	8	7	7	8	7
Usable area	10	10	100	7	7	7	6	7
<b>Total</b>	<b>100</b>	<b>1,000</b>		<b>745</b>	<b>710</b>	<b>730</b>	<b>780</b>	<b>715</b>

Scoring criteria	Unit	Comparison item				Appraised asset
		1	2	3	4	
Asking price	THB/unit	171,795	150,000	137,500	164,865	
Adjusted value ratio	%	85%	85%	97%	97%	
Adjusted value	THB/unit	146,026	127,500	133,375	159,919	
W.Q.S	Point	745	710	730	780	715
Adjusted ratio	Ratio	0.96	1.01	0.98	0.92	1.00
Indicated value	THB/unit	140,146	128,398	130,634	146,592	
Comparability	Rank	0.20	0.40	0.20	0.20	1.00
Comparability	Weighted	20%	40%	20%	20%	100%
Comparable value	THB/unit	28,029	51,359	26,127	29,318	134,834
<b>Market value of Asset (THB/sq.m.)</b>					<b>(Round)</b>	<b>130,000</b>

The residential area (3rd floor onwards) are calculated by multiplying the appropriate price (THB/unit) of each comparison item with the adjusted ratio, which is a quotient between the asset's W.Q.S and each comparison item's W.Q.S, to get the adjusted price. The price is then multiplied by degree of importance of each comparison item to get comparable value – of which the total will be the market value of the asset at THB 130,000. The independent appraiser also adjusts the market value from floor 4 – 37 up by THB 500 per floor.

The IFA believes that the comparison items chosen by the independent appraiser are reasonable, considering the overall physical characteristics, location, and potential of each comparison items closely resembles that of the Hotel and can be used as reference.

## 3) Table of Summary Price Comparison by Independent Appraiser

Table of Price Comparison by Independent Appraiser

No.	Valuation Method	Appraisal Price (THB million)	
		Appraiser No. 1	Appraiser No. 2
		TA <sup>1/</sup>	SOUTHEAST <sup>2/</sup>
1	Income Approach	3,919.00	3,606.00
2	Market Comparison Approach	5,150.62	5,132.37
	Forced sale value 70.00 percent	-	3,592.66

Note: 1/ Assets valuation as of 10 May 2023

2/ Assets valuation as of 29 May 2023

Based on the valuation of the two independent appraisers using the income approach and market comparison approach, with the range of the average fair value of the Hotel using income approach sitting between THB 3,606.00 – 3,919.00 million, which is higher than the Transaction price of THB 3,000.00 million by THB 606.00 – 919.00 million or higher by 20.20 – 30.63 percent of the transaction price. On the other hand, the average fair value of the Hotel using market approach sits between THB 3,592.66 – 5,150.62 million, which is higher than the Transaction price of THB 3,000.00 million by THB 592.66 – 2,150.62 million or higher by 19.75 – 71.68 percent of the transaction price.

## 4.2 Discounted Cash Flow Approach

In assessing the present value of the cash flow (Discounted Cash Flow Approach), the IFA estimates net free cash flow to firm ("FCFF") that the Hotel is expected to receive from the projected operation. FCFF is obtained from the Hotel's future cash flow projection for the period of 15 years from 1 January 2023 – 31 December 2037 under the assumptions that the Hotel will continue its operation under the current economic situation and will use Terminal value to reflect the long-term cash flow. The IFA uses assumptions which are based on public information/document, publicly available news as well as information provided by the Hotel's management – all of which has gone through due diligence by the IFA and found to have no factor that will affect or alter the future operation of the Hotel. However, the IFA has calculated the fair value of the Hotel using the Discounted Cash Flow Approach from 31 March 2023 – 31 December 2037 with details shown as follows:

### (1) Revenue Assumption

The IFA has estimated the Hotel's revenue on condition that the Hotel is a 4 – 4.5 stars hotel according to Agoda and Booking – both of which are internationally recognized booking application, with various type of customers, namely, walk-in customers, direct booking customers, corporate customers, wholesale customers, long-stay customers, and tour customers, as well as multiple selling channels, namely, online, via agency, and hotel website.

The IFA has estimated the Hotel's revenue with assumptions set according to the nature of each type of revenue, which consists of 1) Revenue from room 2) Revenue from food 4) Revenue from beverage 5) Other revenue from food and beverage 6) Other operating income 7) Miscellaneous income with the details as follows:

#### (1.1) Revenue from room

Revenue from room consists of 1) Revenue from room 2) Other revenue from room

- Revenue from room comes from the sales of service of room of different types, which are 1. Premier room & Skyline premier room (39 sqm.) 2. One bedroom suite & skyline one bedroom suite (64 sqm.) and 3. Two bedroom suite & skyline two bedroom suite (121 sqm.), to the customers. The IFA estimates the revenue from room from the product between "number of days operated", "number of rooms", and "revenue per room (REVPAR)" – all of which are detailed as follows:

#### Number of days operated

The IFA sets the number of days operated each year equal to 365 days, due to the fact that hotel generally operates 24 hours a day, continuously everyday without holidays.

### Number of rooms

The number of rooms available for service for each type of room are 1) Premier room & Skyline premier room (39 sqm.) 62 rooms 2) One bedroom suite & skyline one bedroom suite (64 sqm.) 124 rooms and 3) Two bedroom suite & skyline two bedroom suite (121 sqm.) 124 rooms, totaling 310 rooms.

### Revenue per room (REVPAR)

The IFA calculates the revenue per room from the product between the occupancy rate and the average daily rate (ADR) with details as follows:

### Occupancy rate

Between 2020 – 2022, the Hotel's occupancy rate was 31.26 percent, 21.50 percent, and 39.69 percent respectively. However, before the COVID-19 outbreak between 2017 – 2019, the occupancy was 88.00 percent, 83.67 percent, and 85.25 percent respectively. Moreover, the occupancy rate in quarter 1 of 2023 was 80.67 percent.

Therefore, the IFA sets the occupancy rate throughout the year 2023 to equal to 80.67 percent regardless of the fact that quarter 1 of the year was high season with most tourists. This is due to quarter 1 being the time in which China had just opened the border and Chinese tourists had not yet fully recovered. The IFA also predicts that the situation will return to normal after COVID-19 lessen, which according to Krungsri Research – the economic and industry analysis unit under Bank of Ayudhya PCL – the number of foreign and Thai tourists will rebound back to normal level in the year 2024 and 2025 respectively, and therefore sets the occupancy rate in 2024 to equal to the average rate between the year 2023 and 2025 – the year in which the IFA expects the occupancy rate to return to normal at 85.64 percent, which is the 3-year average before the COVID-19 outbreak between 2017 – 2019. The IFA then sets the number to be constant throughout the entirety of the forecast.

### Average daily rate (ADR)

Between 2020 – 2022, the Hotel's average daily rate was THB 2,814.40, THB 1,041.90, and THB 1,669.72 respectively. However, before the COVID-19 outbreak between 2017 – 2019, the average daily rate was THB 2,690.59, THB 3,034.75, and THB 3,025.52 respectively. Moreover, the average daily rate in quarter 1 of 2023 THB 2,073.67.

Therefore, the IFA sets the average daily rate throughout the year 2023 to equal to THB 2,073.67. The IFA also predicts that the situation will return to normal after COVID-19 lessen in 2025 and therefore sets the average daily rate in 2024 to equal to the average rate between the year 2023 and 2025 – the year in which the IFA expects the average daily rate to return to



normal at THB 2,916.95, which is the 3-year average before the COVID-19 outbreak between 2017 – 2019 or at the time when the Hotel was under the management of Minor International Public Company Limited under the former name "Anantara Bangkok Sathorn," which was a 5-star level – since the Hotel under JCKD is a 4 – 4.5 stars according to Agoda and Booking.

Then, the IFA sets the growth rate for the year 2026 and 2027 to 5.93 percent – which is the 3-year CAGR of the average daily rate before the COVID-19 outbreak between 2017 – 2019. For the year 2028 and the remaining year of the forecast, the IFA sets the growth rate to equal to 5.00 percent, which is in accordance to the average daily rate of hotels within central Thailand in the period of 4 – 5 years prior to the year 2019.

Table of revenue from room between 2017 – 2037

	2017A	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
Number of days operated (days)	365	365	365	184	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365	365
Number of rooms (rooms)	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310
Occupancy rate (percent)	88.00	83.67	85.25	31.26	21.47	39.69	80.67	85.64	85.64	85.64	85.64	85.64	85.64	85.64	85.64	85.64	85.64	85.64	85.64	85.64	85.64
Revenue per room (THB)	2,691	3,035	3,026	2,814	1,042	1,670	2,074	2,495	2,917	3,090	3,273	3,437	3,609	3,789	3,979	4,178	4,387	4,606	4,836	5,078	5,332
<i>Growth rate (percent)</i>										5.93	5.93	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Revenue from room (THB million)	267.91	287.30	291.84	50.18	25.31	74.99	189.27	234.78	282.65	299.42	317.18	333.04	349.69	367.18	385.54	404.81	425.06	446.31	468.62	492.05	516.66

- Other revenue from room comes from the service charge from the sales of room. The IFA estimates other revenue from room from the proportion of average other revenue from room to total revenue from the year 2017 – 2019, which is equal to 5.86 percent and projects other revenue from room for the year 2023 - 2037 to use the same ratio of 5.86 percent with the details as follows:

Table of other revenue from room between 2017 – 2037

Unit	2017A	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
Other revenue from room (THB million)	26.83	28.76	29.19	5.07	2.58	7.50	18.94	23.50	28.29	29.97	31.75	33.33	35.00	36.75	38.59	40.52	42.54	44.67	46.90	49.25	51.71
Proportion to total revenue (percent)	5.78	5.82	5.98	5.23	5.78	5.82	5.86	5.86	5.86	5.86	5.86	5.86	5.86	5.86	5.86	5.86	5.86	5.86	5.86	5.86	5.86

- (1.2) Revenue from food comes from all the food-related service within the Hotel. The IFA estimates revenue from food from the proportion of average revenue from food to total revenue from the year 2017 – 2019, which is equal to 21.84 percent and projects revenue from food for the year 2023 - 2037 to use the same ratio of 21.84 with the details as follows:

Table of revenue from food between 2017 – 2037

Unit	2017A	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
Revenue from food (THB million)	104.53	109.65	101.38	22.59	6.66	28.91	70.56	87.52	105.37	111.62	118.24	124.15	130.36	136.88	143.72	150.91	158.45	166.38	174.69	183.43	192.60
Proportion to total revenue (percent)	22.53	22.20	20.77	23.31	15.27	24.21	21.84	21.84	21.84	21.84	21.84	21.84	21.84	21.84	21.84	21.84	21.84	21.84	21.84	21.84	21.84

(1.3) Revenue from beverage comes from all the beverage-related service within the Hotel. The IFA estimates revenue from beverage from the proportion of average revenue from beverage to total revenue from the year 2017 – 2019, which is equal to 7.73 percent and projects revenue from beverage for the year 2023 - 2037 to use the same ratio of 7.73 with the details as follows:

Table of revenue from beverage between 2017 – 2037

Unit	2017A	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
Revenue from beverage (THB million)	36.08	38.89	36.81	11.56	1.19	6.68	24.98	30.99	37.31	39.52	41.87	43.96	46.16	48.47	50.89	53.44	56.11	58.91	61.86	64.95	68.20
Proportion to total revenue (percent)	7.78	7.87	7.54	11.92	2.45	4.50	7.73	7.73	7.73	7.73	7.73	7.73	7.73	7.73	7.73	7.73	7.73	7.73	7.73	7.73	7.73

(1.4) Other revenue from food and beverage comes from the service of food and beverage for events within the Hotel, such as meeting package, snack box, etc. The IFA estimates other revenue from food and beverage from the proportion of average other revenue from food and beverage to total revenue from the year 2017 – 2019, which is equal to 3.36 percent and projects other revenue from food and beverage for the year 2023 - 2037 to use the same ratio of 3.36 with the details as follows:

Table of other revenue from food and beverage between 2017 – 2037

Unit	2017A	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
Other revenue from food and beverage (THB million)	16.43	16.61	15.43	3.88	0.92	4.50	10.84	13.45	16.19	17.15	18.17	19.08	20.03	21.03	22.08	23.19	24.35	25.56	26.84	28.19	29.59
Proportion to total revenue (percent)	3.54	3.36	3.16	4.00	2.12	3.50	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36

(1.5) Other operating income comes from the service that are unrelated to the core-business of the Hotel, such as laundry, telephone, gym, rental, etc. The IFA estimates other operating income from the proportion of average other operating income to total revenue from the year 2017 – 2019, which is equal to 1.74 percent and projects other operating income for the year 2023 - 2037 to use the same ratio of 1.74 with the details as follows:

Table of other operating income between 2017 – 2037

Unit	2017A	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
Other operating income (THB million)	8.46	8.36	8.38	1.42	0.28	0.92	5.64	6.99	8.42	8.92	9.45	9.92	10.42	10.94	11.48	12.06	12.66	13.29	13.96	14.66	15.39
Proportion to total revenue (percent)	1.82	1.69	1.72	1.47	0.64	0.87	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74	1.74

(1.6) Miscellaneous income comes from the service of electricity and water for long-stay guest of the Hotel. The IFA estimates miscellaneous income from the proportion of average miscellaneous income to total revenue from the year 2017 – 2019, which is equal to 0.89 percent and projects miscellaneous income for the year 2023 - 2037 to use the same ratio of 0.89 with the details as follows:

Table of miscellaneous income between 2017 – 2037

Unit	2017A	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
Miscellaneous income (THB million)	3.61	4.37	4.98	2.25	3.17	3.04	2.89	3.58	4.32	4.57	4.84	5.08	5.34	5.61	5.89	6.18	6.49	6.81	7.15	7.51	7.89
Proportion to total revenue (percent)	0.78	0.88	1.02	2.32	7.84	2.92	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89

### (1.7) Summary of revenue

Based on the IFA's revenue estimation mentioned above, the actual revenue between 2017 – 2022 and the revenue projection between 2023 – 2037 can be summarized as follows:

**Table of total revenue between 2017 – 2037**

Unit: THB million	2017A	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
Revenue from room	267.91	287.30	291.84	50.18	25.31	74.99	189.27	234.78	282.65	299.42	317.18	333.04	349.69	367.18	385.54	404.81	425.06	446.31	468.62	492.05	516.66
Other revenue from room	26.83	28.76	29.19	5.07	2.58	7.50	18.94	23.50	28.29	29.97	31.75	33.33	35.00	36.75	38.59	40.52	42.54	44.67	46.90	49.25	51.71
Revenue from food	104.53	109.65	101.38	22.59	6.66	28.91	70.56	87.52	105.37	111.62	118.24	124.15	130.36	136.88	143.72	150.91	158.45	166.38	174.69	183.43	192.60
Revenue from beverage	36.08	38.89	36.81	11.56	1.19	6.68	24.98	30.99	37.31	39.52	41.87	43.96	46.16	48.47	50.89	53.44	56.11	58.91	61.86	64.95	68.20
Other revenue from food and beverage	16.43	16.61	15.43	3.88	0.92	4.50	10.84	13.45	16.19	17.15	18.17	19.08	20.03	21.03	22.08	23.19	24.35	25.56	26.84	28.19	29.59
Other operating income	8.46	8.36	8.38	1.42	0.28	0.92	5.64	6.99	8.42	8.92	9.45	9.92	10.42	10.94	11.48	12.06	12.66	13.29	13.96	14.66	15.39
Miscellaneous income	3.61	4.37	4.98	2.25	3.17	3.04	2.89	3.58	4.32	4.57	4.84	5.08	5.34	5.61	5.89	6.18	6.49	6.81	7.15	7.51	7.89
<b>Total Revenue</b>	<b>463.85</b>	<b>493.93</b>	<b>488.01</b>	<b>96.95</b>	<b>40.11</b>	<b>126.54</b>	<b>323.13</b>	<b>400.81</b>	<b>482.55</b>	<b>511.17</b>	<b>541.50</b>	<b>568.57</b>	<b>597.00</b>	<b>626.85</b>	<b>658.19</b>	<b>691.10</b>	<b>725.66</b>	<b>761.94</b>	<b>800.04</b>	<b>840.04</b>	<b>882.04</b>

## (2) Cost and expense assumption

The IFA has estimated the Hotel's cost and expense with assumptions set according to the nature of each type of cost and expense, which consists of 1) Cost of sales 2) Payroll costs 3) Direct costs 4) Variable overheads 5) Land and building tax 6) Other expense, all of which are detailed as follows:

### (2.1) Cost of sales

Cost of sales consists of 1) Cost of food 2) Cost of beverage 3) Cost of other food and beverage 4) Cost of other operation

- Cost of food. The IFA estimates cost of food from the proportion of average cost of food to revenue from food from the year 2017 – 2029, which is equal to 33.97 percent and projects cost of food for the year 2023 - 2037 to use the same ratio of 33.97 percent with the details as follows:
- Cost of beverage. The IFA estimates cost of beverage from the proportion of average cost of beverage to revenue from beverage from the year 2017 – 2029, which is equal to 25.08 percent and projects cost of beverage for the year 2023 - 2037 to use the same ratio of 25.08 percent with the details as follows:
- Cost of other food and beverage. The IFA estimates cost of other food and beverage from the proportion of average cost of other food and beverage to other revenue from food and beverage from the year 2017 – 2029, which is equal to 2.68 percent and projects cost of other food and beverage for the year 2023 - 2037 to use the same ratio of 2.68 percent with the details as follows:
- Cost of other operation, such as laundry, etc. The IFA estimates cost of other operation from the proportion of average cost of other operation to other operating income from the year 2017 – 2029, which is equal to 9.39 percent and projects cost of other operation for the year 2023 - 2037 to use the same ratio of 9.39 percent with the details as follows:

Table of cost of sales between 2017 – 2037

Unit: THB million	2017A	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
<b>1. Cost of food</b>	<b>35.28</b>	<b>37.15</b>	<b>34.75</b>	<b>7.67</b>	<b>3.04</b>	<b>10.68</b>	<b>23.97</b>	<b>29.73</b>	<b>35.80</b>	<b>37.92</b>	<b>40.17</b>	<b>42.18</b>	<b>44.29</b>	<b>46.50</b>	<b>48.82</b>	<b>51.27</b>	<b>53.83</b>	<b>56.52</b>	<b>59.35</b>	<b>62.31</b>	<b>65.43</b>
Proportion to revenue from food (percent)	33.75	33.88	34.28	33.96	45.59	36.95	33.97	33.97	33.97	33.97	33.97	33.97	33.97	33.97	33.97	33.97	33.97	33.97	33.97	33.97	33.97
<b>2. Cost of beverage</b>	<b>8.88</b>	<b>9.87</b>	<b>9.30</b>	<b>2.94</b>	<b>0.28</b>	<b>1.77</b>	<b>6.27</b>	<b>7.77</b>	<b>9.36</b>	<b>9.91</b>	<b>10.50</b>	<b>11.03</b>	<b>11.58</b>	<b>12.16</b>	<b>12.76</b>	<b>13.40</b>	<b>14.07</b>	<b>14.78</b>	<b>15.52</b>	<b>16.29</b>	<b>17.11</b>
Proportion to revenue from beverage (percent)	24.60	25.38	25.27	25.46	23.57	26.55	25.08	25.08	25.08	25.08	25.08	25.08	25.08	25.08	25.08	25.08	25.08	25.08	25.08	25.08	25.08
<b>3. Cost of other food and beverage</b>	<b>0.78</b>	<b>0.37</b>	<b>0.17</b>	<b>0.06</b>	<b>0.01</b>	<b>0.01</b>	<b>0.29</b>	<b>0.36</b>	<b>0.43</b>	<b>0.46</b>	<b>0.49</b>	<b>0.51</b>	<b>0.54</b>	<b>0.56</b>	<b>0.59</b>	<b>0.62</b>	<b>0.65</b>	<b>0.68</b>	<b>0.72</b>	<b>0.75</b>	<b>0.79</b>
Proportion to other revenue from food and beverage (percent))	4.74	2.22	1.08	1.45	1.47	0.30	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68
<b>4. Cost of other operation</b>	<b>0.75</b>	<b>0.82</b>	<b>0.79</b>	<b>0.12</b>	<b>0.05</b>	<b>0.12</b>	<b>0.53</b>	<b>0.66</b>	<b>0.79</b>	<b>0.84</b>	<b>0.89</b>	<b>0.93</b>	<b>0.98</b>	<b>1.03</b>	<b>1.08</b>	<b>1.13</b>	<b>1.19</b>	<b>1.25</b>	<b>1.31</b>	<b>1.38</b>	<b>1.44</b>
Proportion to other operating income (percent)	8.89	9.84	9.43	8.64	18.92	13.59	9.39	9.39	9.39	9.39	9.39	9.39	9.39	9.39	9.39	9.39	9.39	9.39	9.39	9.39	9.39



## (2.2) Payroll costs

Payroll costs consist of 1) Payroll costs related to room 2) Payroll costs related food and beverage 3) Payroll costs related other operation – all of which are calculated from the 3-year average between 2017 – 2019 and have a proportion similar to those of the actual expenses, with details as follows:

- Payroll costs related to room is salary expense for employees within the department that overlook the service of room. The IFA estimates payroll costs related to room from the proportion of average payroll costs related to room to revenue from room from the year 2017 – 2019, which is equal to 13.38 percent and projects payroll costs related to room for the year 2023 - 2037 to use the same ratio of 13.38 percent with the details as follows:
- Payroll costs related to food and beverage is salary expense for employees within the department that overlook the service of food and beverage. The IFA estimates payroll costs related to food and beverage from the proportion of average payroll costs related to food and beverage to revenue from food and beverage from the year 2017 – 2019, which is equal to 29.43 percent and projects payroll costs related to food and beverage for the year 2023 - 2037 to use the same ratio of 29.43 percent with the details as follows:
- Payroll costs related to other operation is salary expense for employees within the department that overlook other operation within the Hotel. The IFA estimates payroll costs related to other operation from the proportion of average payroll costs related to other operation to revenue from other operation from the year 2017 – 2019, which is equal to 59.13 percent and projects payroll costs related to other operation for the year 2023 - 2037 to use the same ratio of 59.13 percent with the details as follows:

Table of payroll costs between 2017 – 2037

Unit: THB million	2017A	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
1. Payroll costs related to room	40.71	41.12	42.77	14.97	4.62	8.96	27.86	34.56	41.61	44.08	46.69	49.03	51.48	54.05	56.76	59.60	62.58	65.70	68.99	72.44	76.06
Proportion to revenue from room (percent)	13.81	13.01	13.31	27.10	16.56	10.87	13.38	13.38	13.38	13.38	13.38	13.38	13.38	13.38	13.38	13.38	13.38	13.38	13.38	13.38	13.38
2. Payroll costs related to food and beverage	46.10	47.45	46.41	15.49	4.69	8.35	31.31	38.84	46.76	49.53	52.47	55.09	57.85	60.74	63.78	66.96	70.31	73.83	77.52	81.40	85.46
Proportion to revenue from food and beverage (percent)	29.35	28.73	30.21	40.73	53.55	20.83	29.43	29.43	29.43	29.43	29.43	29.43	29.43	29.43	29.43	29.43	29.43	29.43	29.43	29.43	29.43
3. Payroll costs related to other operation	4.71	5.14	5.05	1.44	1.46	1.90	3.33	4.13	4.98	5.27	5.59	5.87	6.16	6.47	6.79	7.13	7.49	7.86	8.25	8.67	9.10
Proportion to other operating income (percent)	55.68	61.48	60.22	101.40	520.62	207.01	59.13	59.13	59.13	59.13	59.13	59.13	59.13	59.13	59.13	59.13	59.13	59.13	59.13	59.13	59.13

### (2.3) Direct costs

Direct costs consist of 1) Direct costs related to room 2) Direct costs related food and beverage  
3) Direct costs related other operation

- Direct costs related to room is direct costs for department that overlook the service of room, such as room decoration and amenities, linen, etc. The IFA estimates direct costs related to room from the proportion of average direct costs related to room to revenue from room from the year 2017 – 2019, which is equal to 16.97 percent and projects direct costs related to room for the year 2023 - 2037 to use the same ratio of 16.97 percent with the details as follows:
- Direct costs related to food and beverage is direct costs for department that overlook the service of food and beverage, such as menu printing, glassware, utensils, etc. The IFA estimates direct costs related to food and beverage from the proportion of average direct costs related to food and beverage to revenue from food and beverage from the year 2017 – 2019, which is equal to 7.01 percent and projects direct costs related to food and beverage for the year 2023 - 2037 to use the same ratio of 7.01 percent with the details as follows:
- Direct costs related to other operation is direct costs for department that overlook other operation within the Hotel, such as transportation, local call, etc. The IFA estimates direct costs related to other operation from the proportion of average direct costs related to other operation to revenue from other operation from the year 2017 – 2019, which is equal to 10.85 percent and projects direct costs related to other operation for the year 2023 - 2037 to use the same ratio of 10.85 percent with the details as follows:

Table of direct costs between 2017 – 2037

Unit: THB million	2017A	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
<b>1. Direct costs related to room</b>	49.39	52.80	55.96	8.31	1.80	13.29	35.33	43.82	52.75	55.88	59.20	62.16	65.27	68.53	71.96	75.55	79.33	83.30	87.46	91.84	96.43
Proportion to revenue from room (percent)	16.76	16.71	17.43	15.04	6.47	16.11	16.97	16.97	16.97	16.97	16.97	16.97	16.97	16.97	16.97	16.97	16.97	16.97	16.97	16.97	16.97
<b>2. Direct costs related to food and beverage</b>	12.19	11.79	9.41	1.39	0.98	2.00	7.46	9.25	11.14	11.80	12.50	13.12	13.78	14.47	15.19	15.95	16.75	17.59	18.47	19.39	20.36
Proportion to revenue from food and beverage (percent)	7.76	7.14	6.13	3.67	11.23	4.99	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01
<b>3. Direct costs related to other operation</b>	0.88	0.88	0.97	(0.05)	0.16	0.52	0.61	0.76	0.91	0.97	1.02	1.08	1.13	1.19	1.25	1.31	1.37	1.44	1.51	1.59	1.67
Proportion to other operating income (percent)	10.40	10.52	11.62	(3.63)	58.59	56.32	10.85	10.85	10.85	10.85	10.85	10.85	10.85	10.85	10.85	10.85	10.85	10.85	10.85	10.85	10.85

#### (2.4) Variable overheads

Variable overheads come from expenses from operation, such as advertisement, water, electricity, etc. The IFA estimates variable overheads from the proportion of average variable overheads to total revenue from the year 2017 – 2019, which is equal to 23.26 percent and projects variable overheads for the year 2023 - 2037 to use the same ratio of 23.26 percent with the details as follows:

**Table of variable overheads between 2017 – 2037**

Unit: THB million	2017A	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
Variable overheads	114.94	116.71	104.33	42.48	23.45	39.08	75.17	93.24	112.25	118.91	125.96	132.26	138.88	145.82	153.11	160.77	168.80	177.24	186.11	195.41	205.18
Proportion to total revenue (percent)	24.78	23.63	21.38	43.82	58.46	30.89	23.26	23.26	23.26	23.26	23.26	23.26	23.26	23.26	23.26	23.26	23.26	23.26	23.26	23.26	23.26

## (2.5) Land and building tax

Land and building tax is an yearly expense levied on the Assets owner according to the value of land and building. The IFA estimates the land and building tax from the product between “value (Appraisal price) of land and building after depreciation” and “tax rate” with details as follows:

Value (Appraisal price) of land and building after depreciation – effective from 13 March 2019 and first implemented on 1 January 2020.

### Land's appraisal price

The IFA calculates the land's appraisal price from the product between the Hotel's title deed “appraisal price per sqm.” according to the Treasury department and the “area size (sqm.)” according to the title deed – which are THB 53,750.00 and 4,660.80 sqm. respectively. The IFA also raises the land's appraisal price by 10.00 percent every 4 years according to the Treasury department.

### Building's appraisal price

The IFA cites the Hotel's appraisal price (Building) from the Treasury department, which is equal to THB 3,664.35 million, and deduct the value with depreciation for each year in accordance to the “หลักเกณฑ์และวิธีการในการกำหนดราคาประเมินทุนทรัพย์ของอสังหาริมทรัพย์ ปี พ.ศ. 2535.” The IFA also raises the building's appraisal price by 10.00 percent every 4 years according to the Treasury department.

The details are as follows:

Unit: THB million	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
Land's appraisal price	250.52	250.52	250.52	250.52	275.57	275.57	275.57	275.57	303.13	303.13	303.13	303.13	333.44	333.44	333.44
Growth rate (percent)		-	-	-	10.00	-	-	-	10.00	-	-	-	10.00	-	-
Building's appraisal price after depreciation	3,004.77	2,931.48	2,858.20	2,784.91	2,982.78	2,638.33	2,565.05	2,491.76	2,660.32	2,345.19	2,271.90	2,198.61	2,337.86	2,052.04	1,978.75
Growth rate (percent)		-	-	-	10.00	-	-	-	10.00	-	-	-	10.00	-	-
Total appraisal price of land and building	3,255.29	3,182.00	3,108.71	3,035.43	3,258.35	2,913.90	2,840.62	2,767.33	2,963.45	2,648.31	2,575.03	2,501.74	2,671.30	2,385.48	2,312.19

### Tax rate

The IFA cite the progressive tax rate for land with commercial use from Land and Building Tax Act B.E. 2562 (2019) with the details as follows:

Value of land and buildings (THB million)	Tax rate (percent)
0 – 50	0.30
> 50 – 200	0.40
> 200 – 1,000	0.50
> 1,000 – 5,000	0.60
> 5,000	0.70

### (2.6) Other expense

Other expense consists of expenses that are unrelated to Hotel's operation, such as insurance, exchange rate expense, and property tax. However, property tax was then replaced with land and building tax; therefore, the IFA separates property tax expense off from other expense when estimating other expenses in the future. The IFA estimates other expense from the proportion of average other expense to total revenue from the year 2017 – 2029, which is equal to 0.63 percent and projects other expense for the year 2023 - 2037 to use the same ratio of 0.63 percent with the details as follows:

Table of other expense between 2017 – 2037

Unit: THB million	2017A	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
Property tax	0.43	7.52	7.52	3.26 <sup>1/</sup>	0.61 <sup>1/</sup>	5.60 <sup>1/</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expense after deducting property tax	3.44	2.03	3.62	8.80	5.54	7.87	2.04	2.53	3.04	3.22	3.42	3.59	3.77	3.95	4.15	4.36	4.58	4.81	5.05	5.30	5.56
Proportion to total revenue (percent)	0.74	0.41	0.74	9.07	13.82	6.22	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63
Total other expense	3.87	9.55	11.14	12.05	6.15	13.47	2.04	2.53	3.04	3.22	3.42	3.59	3.77	3.95	4.15	4.36	4.58	4.81	5.05	5.30	5.56

Note: 1/ Tax from the year 2020 – 2022 were land and building tax

## (2.7) Summary of expense

Based on the IFA's expense estimation mentioned above, the actual expense between 2017 – 2022 and the expense projection between 2023 – 2037 can be summarized as follows:

**Table of total expense between 2017 – 2037**

Unit: THB million	2017A	2018A	2019A	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
Cost of sales	45.69	48.21	45.01	10.80	3.38	12.59	31.06	38.52	46.38	49.13	52.04	54.64	57.38	60.25	63.26	66.42	69.74	73.23	76.89	80.74	84.77
Payroll costs	91.52	93.71	94.22	31.90	10.78	19.21	62.51	77.53	93.35	98.88	104.75	109.99	115.49	121.26	127.32	133.69	140.37	147.39	154.76	162.50	170.62
Direct costs	62.46	65.48	66.35	9.65	2.95	15.81	43.39	53.83	64.80	68.65	72.72	76.36	80.18	84.18	88.39	92.81	97.45	102.33	107.44	112.81	118.46
Variable overheads	114.94	116.71	104.33	42.48	23.45	39.08	75.17	93.24	112.25	118.91	125.96	132.26	138.88	145.82	153.11	160.77	168.80	177.24	186.11	195.41	205.18
Land and building tax <sup>1/</sup>	-	-	-	-	-	-	18.28 <sup>2/</sup>	17.84	17.40	16.96	18.30	16.23	15.79	15.35	16.53	14.64	14.20	13.76	14.78	13.06	12.62
Other expense (non-operating)	3.87	9.55	11.14	12.05	6.15	13.47	2.04	2.53	3.04	3.22	3.42	3.59	3.77	3.95	4.15	4.36	4.58	4.81	5.05	5.30	5.56
<b>Total expense</b>	<b>339.15</b>	<b>356.35</b>	<b>344.21</b>	<b>110.67</b>	<b>46.71</b>	<b>100.17</b>	<b>232.44</b>	<b>283.49</b>	<b>337.23</b>	<b>355.76</b>	<b>377.19</b>	<b>393.07</b>	<b>411.47</b>	<b>430.82</b>	<b>452.77</b>	<b>472.69</b>	<b>495.15</b>	<b>518.76</b>	<b>545.03</b>	<b>569.82</b>	<b>597.22</b>

Note: 1/ In the past, tax was already recorded within other expense and therefore does not appear separately on the table

2/ Land and building tax decreases due to depreciation of building in each year



### (3) Depreciation and Amortization

The IFA determines that the depreciation and amortization of the Hotel's assets be calculated as a fixed rate on a straight-line basis, with the useful life each particular asset being calculated differently.

**Table of depreciation and amortization**

Asset	Average residual life period (year)
Building	37
Decoration and equipment	10

Source: IFA's estimation

The details of the depreciation and amortization of each type of assets are as follows:

**Table of depreciation and amortization of the Hotel**

Asset	Average useful life period (year)
Building	50
Decoration and equipment	10

Source: IFA's estimation

### (4) Corporate income tax

Since the Hotel is registered as a corporate and operates in Thailand, the Hotel is therefore subjected to corporate income tax of 20.00 percent by the Revenue Department. The IFA estimates corporate income tax of the Hotel at 20.00 percent.

### (5) Capital Expenditure

The IFA estimates the Hotel's investment in the years 2023 – 2037. The estimation is based on cost of maintaining the old assets to be in working condition (Maintenance CAPEX) according to the interviews with management and historical data after adjusting for inflation at 2.00 percent, which the IFA deems reasonable. However, if there were any future investment for growth (Expansionary CAPEX) to get the Hotel back to 5-star, it may result in change in revenue and cost. The IFA therefore estimates CAPEX based on current operation, with details are as follows:

**Table of capital expenditure from 2023 – 2037**

Unit: THB million	2020A	2021A	2022A	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
Total CAPEX	-	-	-	31.75	27.60	27.60	27.60	27.60	27.60	27.60	27.60	27.60	27.60	27.60	27.60	27.60	27.60	27.60

## (6) Discount Rate

To determine the discount rate used in calculating the present value of net cash flows, the IFA uses the Weighted Average Cost of Capital (WACC) ratio of the Hotel, which is the average between the cost of equity (Cost of Equity – “Ke”) and the interest rate from borrowing (Cost of Debt – “Kd”) that is adjusted with tax benefits from interest payments at the proportion of shareholders' equity (“We”) and debt (“Wd”). The following formula is as follows:

### WACC Calculation

$$\text{WACC} = \text{Ke} \times \text{We} + \text{Kd} \times (1 - t) \times \text{Wd}$$

Whereas

Ke = Return on equity equals to 6.25 percent.

Kd = The interest rate of the Hotel equals to 4.45 percent, according to the median of the Effective interest rate of comparable companies that operate a hotel business and have comparable asset values, since the debt financed in this Hotel's acquisition has an interest rate that is lower than normal due to internal agreements and therefore is not appropriate to use.

Company <sup>1/</sup>	Effective interest rate (percent)
ROYAL ORCHID HOTEL (THAILAND) PCL	324.60
GRANDE ASSET HOTELS AND PROPERTY PCL	12.00
ASIA HOTEL PCL	5.70
VERANDA RESORT PCL	3.20
OHTL PCL	3.00
SHANGRI-LA HOTEL PCL	0.00
<b>Median</b>	<b>4.45</b>

Source: Information from Bloomberg Terminal

Note: 1/ Companies with asset value comparable to the Hotel

2/ The use of median eliminate outlier by calculating the average between 5.70 and 3.20

T = Corporate income tax, which is set to be equal to 20.00 percent.

We = Equity proportion equal to 66.67 percent based on the proportion of equity (cash) used in the transaction.

Wd = Interest-bearing debt equal to 33.33 percent based on the proportion of debt used in the transaction.

### Ke Calculation

The IFA therefore calculates the rate of return on equity (Ke) based on

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

### Whereas

**Risk Free Rate (Rf)** Based on the 15-year long-term government bond interest rate as of 2 August 2023 from website Thai BMA, which is equal to 2.87. The IFA uses the 15-year long-term government bond since it reflects the business cycle.

**Market Return (Rm)** Based on data from the return on investment in the Stock Exchange of Thailand (SET Total Return Index: TRI Index) from SET website for the past 15 years (from July 2008 – August 2023) equal to 8.91.

**Levered Beta ( $\beta$ )** Leveraged Beta of companies that operate the same or similar business to the Hotel with the business of providing accommodation services to tourists or guests, including food and beverages service according to customer requirements. The IFA will uses the average Leveraged Beta over the past 15 years (data from Bloomberg Terminal) to calculate the return on equity (Ke), which is equal to 0.56. The IFA chooses companies that operate the same business in order to reduce the impact of different financial structures. It takes into account the leveraged beta and the financial structure of each company by improving it to be unlevered Beta, of which formula is calculated as follows:  $\text{Unlevered Beta} = \text{Bl} / (1 + (1 - t)(D/E))$ . The details are as follows:

Company	15Y Beta (Time)	D/E (Time)	Tax (Percent)	Unlevered Beta <sup>1/</sup> (Time)
SHANGRI-LA HOTEL PCL	0.50	0.00	35.33	0.50
ROYAL ORCHID HOTEL (THAILAND) PCL	0.47	0.04	-	0.45
ASIA HOTEL PCL	0.59	0.41	-	0.42
VERANDA RESORT PCL	0.69	1.05	24.71	0.38
GRANDE ASSET HOTELS AND PROPERTY PCL	0.76	2.00	-	0.25
OHTL PCL	0.49	1.05	-	0.17
Median				0.40 <sup>2/</sup>

Note: 1/ Unlevered Beta is calculated to reduce the impact of different capital structure of each company

2/ The use of median eliminate outlier by calculating the average between 0.42 and 0.38

The median of the comparable companies' Unlevered Beta is equal to 0.40. And since the Hotel has a portion of debt from the partly-leveraged transaction, the IFA has calculated the Unlevered Beta to Levered Beta to reflect the financial structure of the Hotel (The formula is as follows: Levered Beta =  $0.40 (1 + (1 - 20.00\%)(50.00\%))$  equals to 0.56

Therefore

$$K_e = 2.87 + [0.56 \times (8.91 - 2.88)] = 6.25\%$$

The IFA calculates the Weighted Average Cost of Capital (WACC) based on the Hotel's capital structure, which is equal to 5.35 percent, with details as follows:

$$\begin{aligned} \text{WACC} &= (6.25\% \times 66.67\%) + [4.45\% \times (1.00 - 20.00\%) \times 33.33 \text{ percent}] \\ &= 5.35\% \end{aligned}$$

## (7) Summary of the Hotel's financial projection

The IFA has summarized the financial projection of the Hotel. The details are as follows:

Table of the Hotel's financial projection

Unit: THB Million	2020A	2021A	2022A	2023F <sup>1/</sup>	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F
EBIT x (1- Tax Rate)	(16.94)	(6.60)	21.10	39.34	71.55	91.70	97.48	102.25	110.44	116.02	121.94	126.92	134.72	144.30	153.95	162.92	174.58	185.75
Changes in working capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	32.77	30.66	25.11	18.84	27.88	30.70	33.57	36.50	37.46	40.50	43.61	46.78	50.02	50.14	50.74	51.36	51.99	52.63
Cash from operating activities	15.83	24.06	46.21	58.18	99.43	122.40	131.05	138.74	147.89	156.52	165.55	173.70	184.73	194.43	204.69	214.28	226.57	238.38
CAPEX	(4.00)	-	(4.14)	(23.81)	(27.60)	(28.15)	(28.71)	(29.29)	(29.87)	(30.47)	(31.08)	(31.70)	(32.33)	(32.98)	(33.64)	(34.31)	(35.00)	(35.70)
Cash from investing activities	(4.00)	-	(4.14)	(23.81)	(27.60)	(28.15)	(28.71)	(29.29)	(29.87)	(30.47)	(31.08)	(31.70)	(32.33)	(32.98)	(33.64)	(34.31)	(35.00)	(35.70)
Net cash flow	11.83	24.06	42.07	34.37	71.84	94.25	102.33	109.46	118.02	126.05	134.47	142.00	152.40	161.45	171.05	179.97	191.57	202.68
Discount rate (Discount Factor)	-	-	-	0.96	0.91	0.87	0.82	0.78	0.74	0.70	0.67	0.63	0.60	0.57	0.54	0.51	0.49	0.46
Present value of net cash flow	-	-	-	33.05 <sup>2/</sup>	65.57	81.66	84.16	85.44	87.44	88.65	89.77	89.97	91.66	92.17	92.69	92.56	93.53	93.92
Terminal Value <sup>3/</sup>																		6,165.50
Present value of terminal value																		2,857.06

Source: IFA's estimation

Note: 1/ The IFA calculates the cash flow from 1 April 2023 onwards

2/ Calculated from free cash flow from 1 April 2023, which is equal to THB 32.33 million, by discounting with the discount factor of 0.9623

3/ The IFA believes that the long-term growth rate referenced from the long-term inflation rate is reasonable, since it reflects the expenses and income of the population of the people in that country, which reflects the long-term growth trend of the hotel business.

The IFA estimates the terminal value because it is believed that the business will continue to operate after the projection period. The projection after 15 years may be difficult because the business operation may change according to the situation, with a growing economy and a business plan that changes with technology trends, the IFA uses the present value to calculate the present value of each year's cash flows to reflect the ongoing business value after the estimate period. The terminal value is the cash flow value after the projection period. The formula for calculating is as follows:

Table of Terminal value

Terminal Value	=	$FCFF \times (1 + G) / (WACC - G) = \text{THB } 6,165.50 \text{ million}$
Normalized FCFF	=	The cash flow value in 2037 is equal to THB 202.68 million
G – Terminal Growth Rate	=	The rate of increase in cash flow per year Going Concern Basis is set to equal 2.00 <sup>1/</sup> percent per annum, based on average headline inflation in the range of 1.00 - 3.00 percent based on the Bank's medium-term 2023 monetary policy target of Thailand
WACC	=	Weighted average cost rate of investment equal to 5.35 percent

Note: 1/ The IFA considers that the use of inflation rate as a terminal growth rate is reasonable because it reflects the growth of revenue and expenses of the population. Moreover, the inflation rate also reflects Cost-Push Pricing and Transfer Pricing

Table of the Hotel's value calculation

Unit: THB Million	As of 31 March 2023
Present value of the Hotel's net cash flows from 2023 – 2037	1,262.24
Present value of the Hotel's net cash flows as of last year	2,857.06
<b>Enterprise Value as of 31 March 2023<sup>1/</sup></b>	<b>4,119.30</b>
Discount for Lack of Marketability (DLOM) <sup>2/</sup>	25.00%
<b>The Hotel's enterprise value after DLOM</b>	<b>3,089.48</b>

Note: 1/ Calculated from free cash flow from 1 April 2023 by multiplying the Hotel's enterprise value as of 31 March 2023 by the WACC and set  $n = 0.75$

2/ Discount for asset not listed in stock exchange which has lower liquidity than listed asset and based on the article "Private Company Valuation" published by Aswath Damodaran which sits between 20.00 – 30.00 percent. The IFA uses the median.

#### (8) Sensitivity analysis of the Enterprise value of the Hotel

The IFA has conducted a sensitivity analysis on (1) the discount rate and (2) the terminal growth rate by increasing and decreasing both of these factors by 3.0 percent because it is an important factor that directly affects the valuation of the business. The change interval of +/- 3.0 percent reflects the sensitivity of the key factors of the assumptions determined by the IFA. This transition period is a period of sensitivity that is possible such as change in interest rates, inflation, Thailand economy, and other factors. The results can be summarized as the following assumptions:

Table of Sensitivity Analysis

Changing factors	Changing range
Weighted Average Cost of capital (WACC)	+/- 3.0% (WACC is 5.09% – 5.41%)
Long-term growth rate (Terminal Growth)	+/- 3.0% (Terminal Growth is 1.94% – 2.06%)

Based on the aforementioned sensitivity analysis. The results of the analysis of the sensitivity of the value of Enterprise value of the Hotel as summarized below

Table of the value of the Hotel's Enterprise value

Changing factors		WACC				
		-3.0%	-1.5%	Base	+1.5%	-3.0%
Terminal Growth	-3.0%	3,216.79	3,131.65	3,050.57	2,973.27	2,899.49
	-1.5%	3,238.48	3,152.09	3,069.85	2,991.48	2,916.71
	Base	3,260.58	3,172.90	3,089.48	3,010.00	2,934.22
	+1.5%	3,283.10	3,194.10	3,109.46	3,028.86	2,952.03
	+3.0%	3,306.05	3,215.70	3,129.80	3,048.05	2,970.15

Source: The IFA's estimation

From the table above, it can be seen that, after running a sensitivity analysis, the enterprise value of the Hotel is in the range of THB 2,899.49 – 3,306.05 million. The present value of net cash flows is a method that reflects the business plan, profitability, and growth trends as well as future returns for shareholders. This is an estimate based on the Hotel's income and expenses, which sits on the assumptions that the IFA deems reasonable. Thus, the valuation by this method reflects the appropriate value of the Hotel. However, when comparing the Hotel's enterprise value with the transaction price of THB 3,000 million, it can be seen that the transaction price sits in the enterprise value range appraised by the IFA.

## (9) Summary of the fair valuation of the Hotel

The IFA has evaluated the Hotel's enterprise value using the aforementioned methods which can be summarized as follows:

Valuation approach	Transaction value (THB million)	Details
1. Valuation by independent appraiser (Income approach)	3,606.00 – 3,919.00	Appraisal methods used by independent appraisers that are deemed appropriate is an Income Approach, which is based on the professional standards of the Association of Valuers of Thailand and professional ethical standards for asset valuation in Thailand of the Securities and Exchange Commission (SEC) for the estimation of the value of assets in current conditions. <u>The IFA considers that the appraisal method by an independent appraiser is appropriate.</u>
2. Discounted cash flow approach (DCF)	2,899.49 – 3,306.05	DCF is a method that reflects the business plan, profitability, and growth trend, as well as returns for shareholders in the future – which is estimated from the income and expenses of the hotel on the assumptions that the IFA deems reasonable. <u>The IFA is of the opinion that this method is appropriate for valuing a hotel. However, the IFA has adjusted additional assumptions from the appraisal method by the independent appraiser in item 1 to reflect the current economic situation based on the DCF approach.</u>



## 5. Whitewash

The IFA opinions that the Whitewash of the Company is deemed appropriate. This conclusion takes into account a thorough evaluation of several significant factors, including the potential advantages, disadvantages, and risks associated with engaging in the aforementioned transaction.

### 5.1 Characteristics and details of the transaction

The Board of Directors' meeting of JCK International Public Company Limited ("the Company") No. 7/2023 held on 2 August 2023, resolved to approve the proposal to the Extraordinary General Meeting of Shareholders no. No. 1/2023 of the Company ("EGM") to consider and approve the capital increase in the amount not exceeding 3,465,833,184 shares with a par value of THB 1.00 per share to be offered to existing shareholders in proportion to their shareholdings (Right Offering) at an allocation ratio of 1 existing ordinary share to 1 newly issued ordinary share at the offering price of THB 0.30 per share<sup>1</sup>, representing the issuance of newly issued ordinary shares in the amount not exceeding THB 1,039,749,955.20.

Since the Company has accumulated losses shown in the financial statements ending 31 March 2023, the Company is able to set the offering price of the newly issued ordinary shares of the Company lower than the par value of the Company upon approval from the shareholders' meeting, according to Section 52 of the Public Companies Act, which must not be less than THB 0.01 per share (as stipulated in Section 52 of the Public Limited Companies Act, any company having been in operation for not less than one year, if suffering a loss, may offer its shares for sale at a price lower than the registered value, but must obtain an approval from the shareholders' meeting and determine a definite discount rate).

The shareholders may subscribe for the newly issued ordinary shares in excess of their rights at the ratio specified above (Oversubscription) where the existing shareholders who subscribe for shares in excess of the rights will receive the allocation of shares subscribed more than their rights only if there are shares remaining from the allocation to the existing shareholders of the Company, which has already subscribed to all rights. In the allocation of new ordinary shares to the existing shareholders of the Company in proportion to their respective shareholdings (Right Offering), in the event that there are shares remaining from the allocation to the existing shareholders of the Company according to the shareholding ratio in the first round, the Company will allocate the remaining to the shareholders who oversubscribe their rights in proportion to their shareholdings in the same price as the shares that have been allocated according to their rights. Details are as follow:

1. In the event that there are shares remaining from the allocation to the existing shareholders of the Company according to the shareholding ratio in the first round, more than or equals to the shares that the existing

<sup>1</sup> The Board of Directors has determined the price for offering of newly issued ordinary shares is equal to THB 0.30 per share, which is lower than the conversion price of the convertible debentures issued and offered to AO Fund that calculated from 17 May 2022 to 12 May 2023, the average conversion price of AO Fund is THB 0.389 per share. And when calculating the conversion price from the beginning of 2023 to 12 May 2023, the average conversion price of AO Fund is THB 0.287 per share. the Company do not want to inferior of newly issued ordinary shares price due to the conversion price of AO Fund. Therefore, the Board of Directors has considered the offering price of newly issued ordinary shares at THB 0.30 per share in order to offer the newly issued ordinary shares close to the market price AO Fund exercises the right to convert.

shareholders who oversubscribe their rights in proportion to their shareholdings, the Company will allocate the remaining shares to all those who oversubscribe and pay for all such shares according to the amount of oversubscription notifications.

2. In the event that there are shares remaining from the allocation to the existing shareholders of the Company according to the shareholding ratio in the first round, less than the shares that the existing shareholders who oversubscribe their rights in proportion to their shareholdings, the Company will allocate the remaining shares to the shareholders who oversubscribe their rights as follows:

- Allocate according to the proportion of existing shareholders who oversubscribe their rights in proportion to their shareholdings by taking the proportion of each of the existing shares of those who oversubscribe their rights multiplied by the number of shares remaining, resulting in the number of shares that each of the shareholders who oversubscribe will have the right to be allocated. In this regard, the number of shares to be allocated will not exceed the number of shares that each shareholder has subscribed and paid for the subscription.
- In the case that there are remaining shares after the allocation, the allocation will be made to those who oversubscribe their rights and still have not received the allocation in full according to the original shareholding ratio of those who oversubscribe their rights, by taking the proportion of each of the existing shares of those who oversubscribe their rights multiplied by the number of shares remaining, resulting in the number of shares that each of the shareholders who oversubscribe will have the right to be allocated. The number of shares to be allocated will not exceed the number of shares that each shareholder has subscribed and paid for the subscription. In this regard, the shares will be allocated to those who oversubscribe their rights under this method until there are no shares remaining from the allocation.

In the event that, there are shares remaining from the allocation to the shareholders, according to the shareholding proportion and allocation to shareholders who subscribe more than their rights in offering for sale at the same time or at different times. The Company may offer to sell the remaining shares at the same time or at different times to the existing shareholders of the Company, according to the shareholding proportion with above details, and/or the Company will proceed to propose the reduction of the registered capital by cutting off the shares that have not been allocated to the shareholders' meeting.

The allocation of shares to the existing shareholders of the Company that oversubscribe their rights in any case, it must not cause any shareholder (including persons under Section 258 of the Securities and Exchange Act B.E. 2535 (including amendments) of such shareholder) to hold shares of the Company in the following manner:

- In the manner that crosses the tender offer point as specified in the Notification TorChor. 12/2554 (except that such shareholder has been exempted from making a tender offer for all securities of the business as specified in the Notification TorChor. 12/2554) or

- In a manner that violates the foreign shareholding restrictions as specified in the Company's regulations.

Allocation of newly issued ordinary shares to existing shareholders in proportion to their shareholdings (Right Offering) as detailed above. However, if after the allocation of newly issued ordinary shares to existing shareholders in proportion to their shareholdings (Right Offering), Mr. Apichai Taechaubol (including related persons) holds shares in the Company in the proportion that crosses the mandatory tender offer requirement threshold prescribed in the Notification TorChor. 12/2554. Mr. Apichai Taechaubol has an intention to apply for a waiver of the requirement to make a tender offer for all securities of the Company by virtue of the resolution of the shareholders' meeting (Whitewash), which will seek approval from the Company's shareholders at the same time as the issuance, offering and allocation of newly issued ordinary shares to existing shareholders in proportion to their shareholdings (Right Offering) this time.

#### 1) Characteristics of related securities and securities offered for disposal to the Applicant

Mr. Apichai Taechaubol ("the Applicant") has informed his intention to subscribe for the newly issued ordinary shares in proportion to his holding and oversubscribe according to his rights in accordance with the criteria specified above. Mr. Apichai Taechaubol (including related persons) may hold shares in the Company in the proportion that crosses the mandatory tender offer requirement threshold prescribed in the Notification No. TorChor. 12/2554 (Shareholding proportion reaching or crossing 25.00 percent of the total number of shares with voting rights of the Company). However, it must not exceed 50.00 percent of the total number of shares with voting rights of the Company (After the capital increase for the issuance and allocation of newly issued ordinary shares to the existing shareholders in proportion to their shareholdings (Right Offering)).

#### 2) General Information of the Applicant

<b>Name</b>	Mr. Apichai Taechaubol
<b>Age</b>	67 years old
<b>Education</b>	<ul style="list-style-type: none"> <li>- Honorary Degree of Master of Business Administration in Department of General Management Ramkhamhaeng University</li> <li>- Master's degree in political science, Ramkhamhaeng University</li> <li>- Bachelor's degree in business administration, North Central University, Arizona, U.S.A.</li> <li>- Bachelor's degree in political science Ramkhamhaeng University</li> </ul>
<b>Professional Training</b>	<ul style="list-style-type: none"> <li>- DAP, Class 39/2005</li> <li>- Chairman 2000 Program</li> <li>- CGI, Class 3/2015</li> </ul>
<b>Relationship with the Company</b>	Chairman, Executive Chairman, and major shareholder of the Company, and there are related parties and relatives holding shares in the Company. Details are as follows:

	No.	Name <sup>1/</sup>	No. of shares	Percent
	1	Mr. Apichai Taechaubol	364,204,456	10.51
	2	Mrs. Chalida Taechaubol <sup>2/</sup>	278,079,966	8.02
	3	Mr. Krittawat Taechaubol <sup>3/</sup>	44,095,000	1.27
	4	Mr. Chotiwit Taechaubol <sup>3/</sup>	36,720,859	1.06
	5	Mr. Noppawee Taechaubol <sup>3/</sup>	15,710,800	0.45
	6	Miss Waraporn Taechaubol <sup>4/</sup>	2,771,736	0.08
	7	Miss Oranat Taechaubol <sup>3/</sup>	2,300,000	0.07
		Total	743,882,817	21.46
Note: 1/ Mr. Apichai Taechaubol's family is a group of shareholders in JCK, as recorded in the Shareholder Register as of 18 May 2566.				
2/ Spouse of Mr. Apichai Taechaubol				
3/ Children of Mr. Apichai Taechaubol and Mrs. Chalida Taechaubol				
4/ Sister of of Mr. Apichai Taechaubol				
Working experience in the past 5 years	Current position in the Company			
	14 Dec 22 – Present	Director, Chairman and Executive Chairman		
	14 Mar 18 - 31 Aug 22	Director, Chairman and Executive Chairman		
	20 Mar 12 - 14 Mar 18	Director, Vice Chairman and Executive Chairman		
	Note: *Mr. Apichai Taechaubol resigned from the positions of Director, Chairman, and Executive Chairman on 31 August 2022, and was appointed back to the positions of Director, Chairman, and Executive Chairman according to the the Board of Directors' meeting 11th/2022 held on 14 December 2022.			
	Director position in another listed company			
	16 Jan 17 – Present	Chairman and Executive Committee Chairman JCK Hospitality Public Company Limited		
	16 Jan 17 – 31 Aug 22	Chairman and Executive Committee Chairman JCK Hospitality Public Company Limited		
	2017 – Present	Director BGY & TFD Properties Co., Ltd.		
	Director position in non-listed company			
	2019 – Present	Director AP Prime Property Co., Ltd.		
	2011 – Present	Director and Executive Chairman J.C. Kevin Development Co., Ltd.		
	2010 – Present	Director Fine Two Asset Co., Ltd.		
	2004 – Present	Director and Executive Chairman JC Kevin Food and Beverage Co., Ltd.		
	19 Oct 18 – Present	Director High Active Consultant Communication Co., Ltd.		
	30 May 16 – Present	Director Lobster Power Co., Ltd.		

	15 Oct 15 – Present	Director Rim Nam Bangpakong Co., Ltd.
	2019 – 31 Aug 22	Director Ratchadamri Real Estate Co., Ltd.
	2015 – 31 Aug 2	Chairman TFD Real Estate Management Co., Ltd.
	Dec 60 – 18 Jul 22	Chairman JCK Utilities Co., Ltd.
	5 Mar 61 - 1 Feb 22	Director Akara Hospitality Co., Ltd.
	16 Aug 61 – 20 Oct 21	Director Akara Holding Co., Ltd.
	19 Nov 61 – 20	Director JCK Ratchada Hotel Co., Ltd.
	19 Nov 61 – 20	Director Citi Vibe Co., Ltd.

### 3) General Information of the Issuer

*Detail in Appendix 1*

## 5.2 IFA's Opinion on the Whitewash

### 1) Opinion Policy and management plan offered by the Applicant

	Policy and management plan of the Company	Opinion of the Board of Directors and Independent Financial Advisor
1	<p><u>Objectives of business operation</u></p> <p>Real estate development, type of land, and construction of a standard factory in TFD Industrial Estate and various industrial estates for sale or rent, providing asset management services in the type of office buildings and SME, ready-made factories with office buildings for rent, residential (condominium) for sale, including operating hotels, restaurants, bowling alleys, cinemas and other theaters. resorts, sport fields, swimming pools, with the policy to make the acquired hotel business one of the core businesses of the Company. Applicant has no plans or policies to change the original objectives of the Company to be any different from the present.</p>	<p><u>The Board of Directors</u></p> <p>There will be no material impact on the nature of the business operations of the Company.</p> <p><u>The Independent Financial Advisor</u></p> <p>According to the Company's disclosure of the plan to utilize the increased capital for purchasing assets from JCKD, the Company aims to expand and diversify its business risks into potential future growth areas, which will enable the Company to generate revenue and profits from the operational performance of the Hotel business.</p> <p>The IFA opined that the Company's operation will not be affected because the Applicant, who is a major shareholder and holds positions as a director, chairman of the board, and CEO of the Company, has no plan or policy to change objectives, organizational structure, management plan, or the policy to dispose of core assets used in the Company's operations or subsidiaries significantly. As the Applicant is a major shareholder and has held positions as a director, chairman of the board, and CEO of the Company since before the whitewash of the Mandatory Tender Offer and will continue to manage the Company's operations even after increasing their shareholding through the issuance of additional ordinary shares exceeding the rights in this instance.</p>
2	<p><u>Change of organization structure, management plan, and staff recruitment</u></p> <p>The Applicant has no plan or policy to change the Company's organization structure or management plan. However, upon acquiring JCKD's assets, the Company plans to manage the Hotel instead of JCKD and transfer various licenses to the Company, including hiring the former staff of JC Kevin Sathorn Bangkok Hotel to operate the Hotel after the acquisition transaction of assets from JCKD completed.</p> <p>However, if it is necessary to enhance efficiency and competitiveness in the Company's business operations, the Applicant may consider reviewing and adjusting the organizational and financial management structures of the Company to align with the changing business conditions and financial status of the Company, considering the significant benefits that would accrue to the Company. If these changes represent a significant change from what was specified in the current request for the Whitewash, the Applicant will request approval from the Company's Board of Directors and shareholder</p>	<p>In addition, the transfer of employees from JCKD, including executives and the manager who are under the management of the Company Group will benefit the operation of the Hotel and benefit the Company Group to be able to operate the business continuously.</p> <p>However, if the Applicant intends to appoint additional executives and/or make changes to the management or personnel of the Company, as deemed appropriate, the Applicant may consider reviewing and adjusting the organizational and</p>

	Policy and management plan of the Company	Opinion of the Board of Directors and Independent Financial Advisor
	meeting, as required by the Company's regulations, criteria, and relevant laws.	financial management structure of the Company to align with the changing business conditions and financial position of the Company over time. Both the Applicant and the Company must adhere to relevant regulations and the Company's policies established by the board of directors and/or shareholder meetings. Additionally, it is important to maintain a governance framework for the board of directors, management, and personnel in accordance with good corporate governance principles to benefit the Company and shareholders.
3	<p><u>Plan for disposal of core assets of the Company or of its Subsidiaries</u></p> <p>The Applicant has no plan to materially dispose any core assets of the Company or its Subsidiaries.</p> <p>However, if the Company disposes of its assets, the Applicant will ensure that the Company complies with the rules and regulations of the SEC and the SET and other related regulations.</p>	
4	<p><u>Plan for financial restructuring</u></p> <p>The Applicant has no policy to change the Company's financial structure. However, after the issuance of new ordinary shares of THB 1,039,749,955.20, the company's shareholders' equity will increase to THB 3,367,122,955.20. (Based on financial statements as of 31 March 2020), while liabilities increased from THB 6,535,245,000 to THB 7,590,245,000 (From the outstanding payment for the purchase of assets from JCKD in the amount of THB 1,055 million in the last installment.), resulting in a decrease in debt to equity ratio from 2.81 times to 2.25 times. Only in this regard will the exemption applicant determine the company's capital structure based on the net debt to equity ratio. Not more than 3 times.</p>	<p><u>The Board of Directors</u></p> <p>Considering additional sources of funding to support growth and align with the relevant business plans of the Company group is a common business practice.</p> <p><u>The Independent Financial Advisor</u></p> <p>The IFA opined that the Transaction may affect the shareholding ratio of existing shareholders due to the issuance of newly issued ordinary shares as part of the source of funds for entering into the Transaction (<i>Details in Section 3.3 Disadvantages of entering into the transaction</i>) and if there is insufficient source of fund in the future, it may affect the Company Group to borrow from financial institutions which will result in a higher debt to equity ratio. In this regard, the Applicant, as director, may consider seeking additional sources of funding to support growth and align with the relevant business plans of the Company group. This is a common business practice to ensure that the business operates in a manner consistent with standard business practices.</p> <p>In this regard, the Applicant should carefully consider the feasibility and cost-effectiveness of any additional investment to ensure maximum benefits for both the Company and shareholders. Additionally, both the Applicant and the Company must adhere to relevant regulations and the Company's policies established by the board of directors and/or shareholder meetings.</p>
5	<p><u>Dividend payment policy</u></p> <p>The Applicant has no policy to materially change the Company's dividend policy and will pay attention</p>	<p><u>The Board of Directors</u></p> <p>There will be no material impact on the nature of the business operations of the Company.</p>

	Policy and management plan of the Company	Opinion of the Board of Directors and Independent Financial Advisor
	<p>primarily to the Company's performance, business expansion plan, and the shareholders' returns in the long term.</p>	<p><u>The Independent Financial Advisor</u></p> <p>The IFA opined that the Company will not be affected in terms of its business model because the Applicant has no plan or policy to change the Company's dividend payment policy. However, the Applicant may consider reviewing and adjusting the organizational and financial management structures of the Company to align with the changing business conditions and financial position of the Company over time. Both the Applicant and the Company must operate within relevant regulations and policies, as decided in meetings of the board of directors and/or shareholders.</p>
6	<p><u>Related transactions</u></p> <p>If the said acquisition of newly issued shares, once completed, will cause the related transactions between the Company and the Applicant, the Related Persons under Section 258 of the Applicant, the concert parties of the Applicant, or the Related Persons under Section 258 of the concert parties to increase or to change significantly from the current status, the Company will implement the following management plan.</p> <p>Currently, the Applicant and the Related Persons under Section 258 of the Applicant have entered into the following related transactions with the Company:</p> <p>6. <u>Entertainment fees: The Company has used JCKD's restaurants, hotels receptions and meeting rooms for board meetings and shareholders' meetings.</u></p> <p><u>The details of the related transactions are as follows:</u></p> <p><u>Year 2020 : THB 0.30 million</u></p> <p><u>Year 2021 : THB - million</u></p> <p><u>Year 2022 : THB - million</u></p> <p>However, JCKD charges a service fee at the price charged to general customers. The Audit Committee was of the opinion that it was a reasonable transaction and facilitated JCK in hosting receptions and meetings.</p>	<p><u>The Board of Directors</u></p> <p>The Applicant has no plan or policy to significantly change the Company's connected transaction policies in the future. Therefore, it will not have any impact on the policies after the Applicant becomes a shareholder of the Company; the Applicant will continue to operate in accordance with the Company's transaction policies, taking into account the maximum benefits for the Company and shareholders, which are similar to normal transactions conducted with external parties where the Company follows the Securities and Exchange Act and SET regulations.</p> <p><u>Independent Financial Advisor</u></p> <p>The IFA opined that the current transaction between the Company and the Applicant for the entertainment fees, rental of office space and services within the building from JCKD, advance deposit, other payables which are the transaction that has independent and mutually agreed upon conditions for payment with integrity in business trade, as well as the transaction in which the Applicant acts as a guarantor for the Company's loans, are undertaken to support the Company's operations and ensure continuity. This transaction is beneficial for the Company.</p> <p>In this regard, the Applicant is a major shareholder, director, and executive of the Company, which is a listed Company in SET prior to the increase in</p>



	Policy and management plan of the Company	Opinion of the Board of Directors and Independent Financial Advisor
	<p>7. <u>Office rental fee</u> : The Company rents office space and provides services in the office building from JCKD. The Company has considered renting office space from JCKD on the 2nd floor and the 4th - 6th floor with a total area of 1,695.44 sq.m. to be used as a location for JCK's head office because it is a new building with enough rental space for operate the office. And the office rental rate is comparable to the nearby office buildings. with rental rates and the service fee is 805,334 baht per month, with the condition of paying the rent in advance throughout the 3-year lease period. The company will receive a 9% discount on the rental per year, which the company agrees to pay in advance and get a discount according to the conditions.</p> <p><u>The details of the related transactions are as follows:</u></p> <p>Year 2020: THB 8.33 million</p> <p>Year 2021: THB 10.06 million</p> <p>Year 2022 : THB 9.53 million</p> <p>However, the company has considered renting the office building space from JC Kevin because it is a new building with enough rental space to meet demand and office rental rates are comparable rates with nearby office buildings. The audit committee had an opinion that it was a reasonable transaction.</p> <p>8. Building rental fee : (classified as right-of-use assets from adopting the Thai Financial Reporting Standard No. 16 for the first time)</p> <p><u>The details of the related transactions are as follows:</u></p> <p>Year 2020: THB 14.57 million</p> <p>Year 2021: THB 6.25 million</p> <p>Year 2022 : THB 26.28 million</p> <p>The audit committee had an opinion that it was a reasonable transaction.</p> <p>9. Advance deposit<sup>1/</sup></p>	<p>ordinary shares in the Company's capital in this instance. Both the Applicant and the Company have complied with the policies, regulations, and approval processes of SET and SEC to avoid conflicts of interest in transactions between the Company and its subsidiaries, affiliated companies, and/or persons who may have a conflict of interest.</p> <p>However, if there are more transactions between the Applicant and the Company in the future, both the Applicant and the Company are still obligated to comply with the policies and procedures for their connected transactions, which include compliance with the Securities and Exchange Act and SET regulations, including disclosure requirements or operations related to connected transactions and the acquisition or disposal of the Company's assets.</p>

	Policy and management plan of the Company	Opinion of the Board of Directors and Independent Financial Advisor
	<p><u>The details of the related transactions are as follows:</u></p> <p>Year 2020: THB 5.02 million</p> <p>Year 2021: THB 5.02 million</p> <p>Year 2022 : THB 5.49 million</p> <p>The audit committee had an opinion that it was a reasonable transaction.</p> <p>10. Other payables<sup>2/</sup></p> <p><u>The details of the related transactions are as follows:</u></p> <p>Year 2020 : THB 0.98 million</p> <p>Year 2021 : THB 0.45 million</p> <p>Year 2022 : THB 0.35 million</p> <p>The audit committee had an opinion that it was a reasonable transaction.</p> <p><u>Mr. Apichai Taechaubol guarantees loans for the Company and its subsidiaries for credit limit THB 1,600 million.<sup>3/</sup></u> This guarantee is in accordance with the loan conditions of financial institutions. The loans are used as working capital for business operations, for land acquisition and project construction of JCK and its subsidiaries which are beneficial to the business of JCK and its subsidiaries without charge. The audit committee had an opinion that it was a reasonable transaction. After the acquisition of newly issued shares, the Applicant has no plan to materially change the Company's policy on future related transactions. In case there is any related transaction taking place in the future after the Applicant has become the Company's shareholder, the Applicant will ensure that the Company's Board of Directors continues to abide by the Company's policy on related party transactions, taking into account the best interests of the Company and its shareholders in the same manner as the transactions executed on an arm's-length basis by the Company with any third party,</p>	

	Policy and management plan of the Company	Opinion of the Board of Directors and Independent Financial Advisor
	and to comply with the law on securities and exchange and the SET's regulations, including the rules on information disclosure or other acts relating to the connected transactions and the acquisition or disposal of assets of the Company.	

Note: 1/ Advance deposit is the item that the Company paid to JCKD according to the lease agreement.

2/ Other payables are the items that the Company went to a restaurant of JCKD

3/ There is no fee charged between such guarantees.

- 2) All voting rights that the Applicant will have after the acquisition of securities and that will be able to get more in the future without being obligated to make a tender offer for all securities of the business. In this offering, the requesting shareholder is proposing to sell 3,465,833,184 ordinary shares with a par value of THB 1.00 each to existing shareholders through a Right Offering ("RO") at an allocation ratio of 1 existing ordinary share to 1 newly issued ordinary share at a price of THB 0.30 per share. The total value of the newly issued shares will be 1,039,749,955.20 Baht. The number of shares remaining from the exercise of the right to subscribe for newly issued shares of the existing shareholders will only be offered to the Applicant and other existing shareholders who oversubscribe at the same price as offered to the existing shareholders under the Right Offering. This proposal assumes that no other existing shareholders will exercise their rights to purchase additional shares in this offering, which the Applicant (including related persons) may hold shares in the Company, which could trigger a Mandatory Tender Offer according to the announcement of TorJor. 12/2554 (The shareholding reaches or exceeds 25.00 percent of the total voting shares of the company). However, it must not be more than 50.00 percent of the total number of shares with voting rights in the Company. (After the capital increase for the issuance and allocation of newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering))

In the event that other existing shareholders do not exercise their rights to partially subscribe for additional shares in this capital increase that the Applicant has a maximum shareholding of up to 50.00 percent of the total issued shares and total voting rights of the Company. which is considered a significant shareholding proportion.

The Applicant will be a shareholder who can significantly exercise Majority Control even though they may not have the majority of votes to control resolutions at shareholder meetings that require a majority vote (resolutions requiring more than half of the total votes) or special resolutions (resolutions requiring at least three out of four votes of the total votes at shareholder meetings).

However, the Applicant can exercise the right of veto in some matters where the company's laws or regulations require a threshold of at least three out of four votes of the total votes at shareholder

meetings. For example, matters such as requesting approval for increasing capital, reducing capital, not having to make a tender offer for all securities of the business, conducting or disposing of significant transactions, connected transactions according to the SET announcement, and issuing and offering convertible debentures.

In addition, if the shareholders' meeting of the company approves a whitewash resolution, allowing the applicant request to make a tender offer for all securities of the business, and the applicant has already received the accommodation payment for the shares, then the Applicant will not be able to acquire shares of the Company again because the Applicant may have a shareholding percentage that would trigger a Mandatory Tender Offer at 50.00 percent of the total number of issued shares of the Company.

### 3) Potential impact to existing shareholders of the Company

In the event that other existing shareholders do not exercise their rights to subscribe for additional shares in this capital increase, the applicant (including related parties) will have the opportunity to exercise their right to subscribe for additional shares of the existing shareholders and oversubscribe, and the total shareholding of the applicant is limited to a maximum of 50.00 percent of the total issued shares and voting rights of the Company. In the event that there are shares remaining after the shareholders waive their rights to reserve and other shareholders exercise their rights to reserve on their behalf (Oversubscribe) under the assumption that the Company can offer all newly issued ordinary shares at this time, the effects on shareholders from the issuance and offering of newly issued ordinary shares to the Applicant 3,465,833,184 shares can be summarized as follows:

Impact on shareholders	Calculation method
1. Control Dilution	$= (\text{Number of ordinary shares offered for RO}) / (\text{paid-up share} + \text{Number of ordinary shares offered for RO})$ $= 3,465,833,184 / (3,465,833,184 + 3,465,833,184)$ $= 50.00 \text{ percent}$
2. Price Dilution	$= (\text{Market price before the offering}^{1/} - \text{Market price after the offering}^{2/}) / \text{Market price before the offering}$ $= (0.24 - 0.27) / 0.24$ <p>It has no effect on the Company's share price</p>
3. Earnings Per Share Dilution	$= (\text{EPS before the Offering}^{3/} - \text{EPS after the Offering}^{4/}) / \text{EPS before the Offering}$ <p>It has no effect on the earnings per share dilution</p>

#### Remark:

1/ 15 business days weighted average market price between 10 July – 31 July 2023

2/ Market price after the offering =

$$\frac{(\text{Market price} \times \text{Paid-up share}) + (\text{RO offer price} \times \text{Number of shares offered to existing shareholders})}{\text{Paid-up share} + \text{Number of shares offered to existing shareholders}}$$

Paid-up share + Number of shares offered to existing shareholders

Net profit (loss) (most recent 4 quarters ended 31 March 2023) = THB (329,096,229.00)

3/ EPS before the Offering =  $(329,096,229.00) / 3,465,833,184$  = THB (0.0950) per share

4/ EPS after the Offering =  $(329,096,229.00) / (3,465,833,184 + 3,465,833,184)$  = THB (0.0475) per share

The offering of newly issued ordinary shares by the Company, assuming that the applicant has been fully allocated all shares without other existing shareholders exercising their rights, will result in a reduction of ownership and voting rights for other existing shareholders by 50.00 percent.

According to the aforementioned assumption, the changes in the shareholding percentage of other shareholders in the company will result in a significant reduction in their control. In other words, minority shareholders will find it more challenging to gather enough votes to control resolutions at shareholders' meetings. In the scenario where all shareholders exercise their rights to subscribe for additional shares in full, no shareholder will experience any dilution of their voting rights (Control Dilution) due to the capital increase in this instance.

However, all shareholders will not be affected by the decrease in the stock price resulting from the issuance of new common shares for sale to existing shareholders (Right Offering) at a price of 0.30 Baht per share, which is higher than the average weighted market price of the stock traded on SET in the 15 trading days before the Company's Board of Directors meeting on 2 August 2023. The resolution was passed to propose to the Extraordinary General Meeting of Shareholders on 1 July 2023, at an average price of THB 0.22 per share.

For this capital increase, all shareholders will not be affected by earnings dilution because the company has had a net loss from its operations for the past 12 months. However, if the Company has net profit, there will be effect on the EPS Dilution.

#### 4) Effects that may occur to the Company

The Company expects that the entire process of newly issued ordinary shares and received the proceed can be completed by March ,2024. The process includes acquisition of securities for which a waiver is requested. The Company will utilize the proceed for entering into the transaction. If the investment is successful, it will result in the Company having the opportunity to receive increased returns from such an investment. In the event that there is remaining capital after the investment, the Company will have funds available for debt repayment and/or working capital within the Company and/or used as capital in expansion of the Company's investment and business in the future. The Company will take into account the best interests of the Company and shareholders of the Company. Moreover, the Applicant has no plan or policy to change objectives, organizational structure, management plan, or the policy to dispose of core assets used in the Company's operations or subsidiaries significantly. As the Applicant is a major shareholder and has held positions as a director, chairman of the board, and CEO of the Company since before the whitewash of the Mandatory Tender Offer and will continue to manage the Company's operations even after increasing their shareholding through the issuance of additional ordinary shares exceeding the rights in this instance.

In part of the plan for financial restructuring to support the Company's growth, this is a common business practice to ensure that the business operates in a manner consistent with standard business

practices. The Company may consider looking for additional sources of funding. However, the Applicant should carefully consider the feasibility and cost-effectiveness of any additional investment to ensure maximum benefits for both the Company and shareholders.

After the Applicant oversubscribes for the newly issued ordinary shares not exceeding 50.00 percent of the total number of shares with voting rights of the Company, the Company will be able to raise funds within a short period of time. The Company will have sufficient funds to pay for the Transaction. If the investment is successful, it will result in the Company having the opportunity to receive increased returns from such an investment. In the event that there is remaining capital after the investment, the Company will have funds available for debt repayment and/or working capital within the Company and/or used as capital in expansion of the Company's investment and business in the future.

- 5) Risks that may occur in case of not approving the request for a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash)

- (1) The Company may not be able to raise funds as planned.

In case the shareholders do not approve the request for a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash) at this time will make the Company having a chance that the capital increase will not be received as planned. As other shareholders exercise their rights to purchase shares less than 2,691,048,912 shares or 77.65 percent of the shares issued for offering to the existing shareholders in proportion to their shareholding (Right Offering) this time, this may result in a delay of the Transaction which will affect the operating results of the business in the future.

However, if the Company does not issue newly ordinary shares, the Company will continue to operate as usual. The Company's shareholders continue to have the chance to receive returns from their investment which will be in accordance with the Company's performance at that time.

- (2) The Company may need to find new funding sources.

If the Company cannot raise funds as its planned, the Company may need to find new funding sources, such as borrowing from investors or financial institutions, raising funds from private placement, issuing warrants to purchase additional shares and issuing debentures, etc. The process to find new source of fund may take a time to negotiate. along with preparing other additional information in accordance with necessary criteria and conditions so that the Company may postpone the Transaction and have the burden of increasing process costs or fees or more process such as process of placement of collateral and/or additional obligations. All of these will result in the Company's operation.

## 6) Conditions of Whitewash

According to the Board of Directors' Meeting of JCK International Public Company Limited ("the Company") No. 7/2023 held on 2 August 2023, the related agendas of the request for a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash) are determined as follow:

- Agenda 3 To consider and approve the Company or its subsidiaries by entering into the acquisition asset and the connected transaction by entering into the asset acquisition transaction by investing in JC Kevin Sathorn Bangkok Hotel
- Agenda 4 To consider and approve the increase of the Company's registered capital and the amendment of Clause 4 of the Company's Memorandum of Association to be in line with the increase of the Company's registered capital
- Agenda 5 To consider and approve the allocation of newly issued ordinary shares of the Company, to offer to existing shareholders in proportion to their shareholdings (Right Offering)
- Agenda 6 To consider and approve the allocation of newly issued ordinary shares of the Company, to support the issuance and allocation of capital increase shares under General Mandate
- Agenda 7 To consider and approve the request for a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash)

In this regard, since Agenda 3 – 5 are related and conditional upon each other, therefore, if any agenda is not approved by the Extraordinary General Meeting of Shareholders No. 1/2023, other agendas will not be considered, which are related and conditional upon each other and it shall be considered that the agenda related and conditional upon each other that has already been approved shall be cancelled. Except for Agenda 4, which is a related agenda and is a mutual condition with Agenda 6, it will not be canceled if Agenda 6 is approved by the Extraordinary General Meeting of Shareholders No. 1/2023.

However, the define Agenda 7 as a non-related agenda since if the meeting does not approve the Applicant of the request for a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash), the Company still intends to enter into the Transaction, capital increase and allocation of newly issued ordinary shares according to Agenda 3 - 5.

The related agendas are to ensure that the Company will be able to raise fund from the capital increase to be issued and offered to the existing shareholders in proportion to their shareholding (Right Offering) sufficient to meet the needs of funds for entering into the Transaction. Therefore, the Company has determined that all shareholders are able to oversubscribe. In this regard, the Applicant's intention to oversubscribe for newly

issued ordinary shares (including relevant person) will ensure that the Company will receive proceed in amount of the company's investment plan.

The Applicant's oversubscribe (including relevant person) results in the Applicant to request for a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash) according to agenda 7 that result from the allocation of newly issued ordinary shares of the Company, to offer to existing shareholders in proportion to their shareholdings (Right Offering) according to agenda 5. Therefore, the Company's shareholders must consider voting on the capital increase agenda and other related agendas at the same time.

In this regard, if there is no related agenda, the Company's shareholders will be independent and flexibility in considering each agenda separately. However, there is a risk of unsuccessful fundraising and/or there may be uncertainty of the proceed that can be raised this time which will make the Company need to find new funding sources or use loans to expand investments. The Company must obtain an approval from the shareholders' meeting with required affirmative votes of not less than three-fourths of the total number of votes of the shareholders attending the meeting and being entitled to vote, excluding votes cast by the Related Persons under Section 258 of the Applicant or the concert parties of the Applicant, and the Related Persons under Section 258 of the foregoing persons from the Extraordinary General Meeting of Shareholders No. 1/2023 on 31 August 2023.

### **5.3 Advantages of approving the whitewash of Mandatory Tender Offer of the company in accordance with the resolution of the shareholders' meeting**

- 1) The approval of the request for a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash) is a part of support the Transaction.

A waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash) to the Applicant to entering into the Transaction will benefit to the Company as the Company can utilize the entire proceed from the Allocation of newly issued ordinary shares, in the amount not exceeding 3,465,833,184 shares with a par value of THB 1.00 per share to be offered to existing shareholders in proportion to their shareholdings (Right Offering) at an allocation ratio of 1 existing ordinary share to 1 newly issued ordinary share at the offering price of THB 0.30 per share, representing the issuance of newly issued ordinary shares in the amount not exceeding THB 1,039,749,955.20 to entering into the Transaction. This will reduce the burden of external financing and the obligation to pay interest that will occur in the future for the payment of the Transaction if some shareholders do not subscribe. The Applicant (including related persons) may subscribe for the newly issued ordinary shares in excess of their rights at the ratio specified above in the Company in the proportion that crosses the mandatory tender offer requirement threshold prescribed in the Notification No. TorChor. 12/2554 (Shareholding proportion reaching or crossing 25.00 percent of the total number of shares with voting rights of the Company). However, it must not exceed 50.00 percent of the total



number of shares with voting rights of the Company (After the capital increase for the issuance and allocation of newly issued ordinary shares to the existing shareholders in proportion to their shareholdings (Right Offering))

Therefore, the approval of the request for a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash) is a part of support the Transaction to be success.

- 2) The Company will have a strategic partnership without losing all control over the business.

A waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash) to the Applicant to entering into the Transaction will lead the Company to have experienced strategic partnership with beneficial resource for business expansion without losing all control over the business. After the approval of the request for a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash), the Applicant (including related person) will hold ordinary shares not exceeding 50.00 percent of the total number of shares with voting rights of the Company (After the capital increase for the issuance and allocation of newly issued ordinary shares to the existing shareholders in proportion to their shareholdings (Right Offering)). The existing shareholders of the Company will still be able to maintain control of more than half of the voting rights of all ordinary shares after the issuance of such newly issued ordinary shares of the Company.

#### **5.4 Disadvantages of approving the whitewash of Mandatory Tender Offer of the company in accordance with the resolution of the shareholders' meeting**

- 1) The loss of opportunity that shareholders may incur from the Mandatory Tender Offer of the company

If the Applicant (including related persons) obtains approval for the whitewash of the Mandatory Tender Offer, the existing shareholders of the company will lose the opportunity to exercise their rights to sell common shares of the company in proportion to the Applicant's obligation to make a Mandatory Tender Offer. The Mandatory Tender Offer may have a price higher than the market price of the company's common shares during that period. However, the Mandatory Tender Offer Price must not be lower than the highest price at which the requesting party has acquired shares within the previous 90 days.

- 2) The Applicant (including related persons) will be a major shareholder holding more than 25.00 percent of the Company

If the Applicant has obtained approval for the whitewash of the Mandatory Tender Offer, the applicant's (including related persons) shareholding will reach or exceed 25.00% but not exceed 50.00 percent of the total voting rights of the company (after the issuance and allocation of additional common shares to existing shareholders under the Right Offering).

Therefore, if the Company has an extraordinary shareholders' meeting that requires a resolution by a majority of more than three-fourths of the total number of shares present and entitled to vote in important matters, such as acquiring or disposing of businesses, mergers, connected transactions, acquiring or disposing of significant assets, appointing others to manage the Company's business, etc., it may be necessary for the Applicant (including related persons) to obtain approval. Additionally, the Applicant (including related parties) may also have the right to dissent or disagree during such meetings, which could result in the resolution not being approved at the shareholders' meeting.

**5.5 The Risk of requesting the Whitewash from making the Mandatory Tender Offer of the Company, utilizing the Whitewash resolution at the shareholders' meeting.**

1) The risk of not being approved by the shareholders' meeting

The Whitewash of the Mandatory Tender Offer of the Company, according to SorKor No. 29/2018, must be approved at the shareholders' meeting by a vote of not less than three-fourths of the total number of shares of the attending shareholders with voting rights. However, the votes of persons who do not have the right to vote for the approval of the request for the Whitewash, namely persons under Section 258, Concert Party, and persons under Section 258 of the Concert Party of the Applicant.

## 6. Summary of Opinion of the Independent Financial Advisor

The Board of Directors' Meeting of JCK International Public Company Limited ("the Company" or "JCK") No. 7/2023 held on August 2, 2023, resolved to approve to propose to the Extraordinary General Meeting of Shareholders No. 1/2023 ("EGM") to consider and approve the Company or its subsidiaries (collectively referred to as the "Group of the Company") to enter into the acquisition of asset in the "Sathorn Heritage Residences" condominium building B, C (partial) under the name "JC Kevin Sathorn Bangkok Hotel" ("the Hotel"). This acquisition is the purchase of 318 commercial and residential condominiums, no. 36, 36/301 – 36/617, 1st – 37th floors, within the "Sathorn Heritage Residences" building B, C (partial) under the name "JC Kevin Sathorn Bangkok Hotel", which is at Narathiwas Rajanagarindra Road, Yannawa Subdistrict, Sathorn District, Bangkok, from JC Kevin Development Co., Ltd. ("JCKD") which is a connected person of the Company Group, equivalent to a total value not exceeding THB 3,055.00 million ("the Asset") (referred to as "Hotel Investment Transaction" or "Acquisition of Assets from JCKD"). The Acquisition of the Asset from JCKD is regarded as an asset acquisition transaction of the Company or its subsidiaries pursuant to the Notifications on Acquisition or Disposal. The size of such transaction is equal to 34.47 percent according to the total value of consideration criteria from which the maximum transaction size is obtained (total value of consideration of not exceeding THB 3,055.00 million), from which the maximum transaction size is obtained, according to the Company's reviewed consolidated financial statements ended 31 March 2023. In the previous six months, the Company did not execute any asset acquisition transactions.

In addition, the Acquisition of The Asset from JCKD constitutes a connected transaction of the Company pursuant to the Notifications on Connected Transactions. This is because JCKD and the Company have a mutual major shareholder, namely Mr. Apichai Taechaubol (including related persons), who held shares in the Company and JCKD. The total value of consideration for the connected transaction is not exceeding THB 3,055.00 million and the maximum size of this transaction is equal to 210.22 percent of the Company's net tangible assets (NTA) (as of 31 March 2023, the Company's NTA amounted to THB 1,453.26 million), according to its reviewed consolidated financial statements ended 31 March 2023. During the previous six months, the Company did not enter into any connected transactions. Therefore, the size of the Acquisition of the Asset from JCKD is greater than 3 percent of the Company's NTA and the transaction value is more than THB 20.00 million. The Company is accordingly required to obtain approval from the Board of Directors and to prepare and disclose an information memorandum on the transaction to the SET pursuant to the Notifications on Connected Transactions. It must also obtain an approval from the shareholders' meeting with required affirmative votes of not less than three-fourths of the total number of votes of the shareholders attending the meeting and being entitled to vote, excluding votes of the shareholders having an interest, and must appoint an independent financial advisor (IFA), which must be on the SEC's approved list of financial advisors.

Furthermore, The Board of Directors' Meeting of JCK International Public Company Limited ("the Company" or "JCK") No. 7/2023 held on August 2, 2023, resolved to approve to propose to the Extraordinary General

Meeting of Shareholders No. 1/2023 (“EGM”) to consider approving the Allocation of newly issued ordinary shares, in the amount not exceeding 3,465,833,184 shares with a par value of THB 1.00 per share to be offered to existing shareholders in proportion to their shareholdings (Right Offering) at an allocation ratio of 1 existing ordinary share to 1 newly issued ordinary share at the offering price of THB 0.30 per share, representing the issuance of newly issued ordinary shares in the amount not exceeding THB 1,039,749,955.20. Which the shareholders may subscribe for the newly issued ordinary shares in excess of their rights at the ratio specified above (Oversubscription) where the existing shareholders who subscribe for shares in excess of the rights will receive the allocation of shares subscribed more than their rights only if there are shares remaining from the allocation to the existing shareholders of the Company, which has already subscribed to all rights. In the allocation of new ordinary shares to the existing shareholders of the Company in proportion to their respective shareholding (Right Offering), in the event that there are shares remaining from the allocation to the existing shareholders of the Company according to the shareholding ratio in the first round, the Company will allocate the remaining to the shareholders who oversubscribe their rights in proportion to their shareholdings in the same price as the shares that have been allocated according to their rights. However, if after the allocation of newly issued ordinary shares to existing shareholders in proportion to their shareholdings (Right Offering), Mr. Apichai Taechaubol (including related persons) holds shares in the Company in the proportion that crosses the mandatory tender offer requirement threshold prescribed in the Notification TorChor. 12/2554. Mr. Apichai Taechaubol has an intention to apply for a waiver of the requirement to make a tender offer for all securities of the Company by virtue of the resolution of the shareholders' meeting (Whitewash), which will seek approval from the Company's shareholders at the same time as the issuance, offering and allocation of newly issued ordinary shares to existing shareholders in proportion to their shareholdings (Right Offering) this time.

However, Mr. Apichai Taechaubol has informed his intention to subscribe for the newly issued ordinary shares in proportion to his holding and oversubscribe according to his rights in accordance with the criteria specified above. Mr. Apichai Taechaubol (including related persons) may hold shares in the Company in the proportion that crosses the mandatory tender offer requirement threshold prescribed in the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 (Shareholding proportion reaching or crossing 25.00 percent of the total number of shares with voting rights of the Company). However, it must not exceed 50.00 percent of the total number of shares with voting rights of the Company (After the capital increase for the issuance and allocation of newly issued ordinary shares to the existing shareholders in proportion to their shareholdings (Right Offering)).

In considering the reasonableness of this transaction, Avantgarde Capital Company Limited as an independent financial advisor has analyzed the objectives of the transaction. Analysis of operational capability by considering historical data from annual financial statements in the past 3 years, estimation data obtained from management interviews. Including information, news that is disclosed to the public. To analyze the advantages and disadvantages of entering into the hotel investment transaction of the Company, which has the following advantages. It is an expansion of the company's business to a variety of new businesses that increase

the chances of generating returns and help diversify the risks in the business operations of the Company which the Company's investment In such hotels, the Company may benefit from the potential location and have the opportunity to increase the value in the future. The acquired tangible assets can also be used as collateral for the loan if the Company Lack of financial liquidity. Under the current assumptions of the hotel, this does not include the renovation of the hotel after the Company acquired the Hotel which may attract more customers and increase the number of occupants as well as may cause the Company can adjust room rates to increase which is an opportunity in the positive aspect of the value of the hotel (Upside). At the same time, the investment in the Company's hotels has disadvantages which are having an obligation to repay JCKD's debt with interest from the agreement between the group of companies and JCKD to enter into an investment transaction. However, such debt repayment conditions can be gradually paid with low interest rates as shown details in Section 2.2 *Overview of the transaction*. And even though the transaction is a connected transaction, such transactions will cause the Company to have strategic partnerships and have resources that are beneficial to the Company's business operations which will make the company able to generate income from potential asset management operations. This will strengthen the growth of revenue and profit for the company and be able to create suitable returns for shareholders in the long run under the terms of payment that can be paid in installments in the form of loans which is beneficial to the Company in terms of liquidity management. In addition, there is a repayment term that can be gradually paid with such a low interest rate that the Company will use the source of funds from the Company's operating cash flow and/or from the issuance and offering of newly issued ordinary shares to existing shareholders in proportion (Right Offering), which is sufficient to pay for the investment in the hotel transaction.

For the other conditions for entering into the transactions, which are that the group of companies will receive the right to manage the Hotel and can receive income immediately after the 1st installment payment is completed. The buyer will receive a hotel business license transfer from the seller within the 1st payment date and JCKD will register the transfer of ownership of the asset to the group of companies within the date that the group of companies has already paid the second installment. The IFA opines that it is appropriate because even though the company will pay compensation in the 1st installment, which is less than half of the value of acquiring the hotel, but the company or group of companies can receive income immediately with the right to manage the Hotel and own the license from the payment date onwards. Then the ownership of the assets will be transferred within the 2nd payment date, which is appropriate since the total amount of the 1st and 2nd payment has already exceeded half of the value of acquiring the hotel. Also the seller (JCKD) agreed not to operate a hotel business or be partner or a shareholder or as a party to contracts with other hotel operators Including not taking any action that competes with the hotel business of the buyer (group of companies) either directly or indirectly. And even though JCKD currently has 1 hotel property which is under construction but there are different target customers and the location from the Hotel's. As a result, they did not compete in business.

Therefore, the IFA has an opinion on the acquisition of the Hotel that it was done for the best interest of the Company and shareholders in long term. Therefore, the IFA is has opinion that **the transaction and the conditions of the transaction are reasonable.**

For the appropriateness in terms of price, the IFA has compared the transaction price (Value of acquiring the hotel in the amount of 3,055.00 million baht) with the value appraised by independent appraisers. It was found that the transaction price was lower than the value appraised by an independent asset appraiser using the Income Approach method which the IFA deems appropriate because It is a method that takes into account the performance of the hotel. which reflects the value of assets in the future which has a range of appraised prices equal to 3,606.00 - 3,919.00 million baht. It also was found that the transaction price was lower than the appraised price by an independent appraiser in both reports Valuation of assets and both methods of appraisal (*Please consider the details shown in the Section 4.1 Valuation Methods by Independent Appraisers*) In addition, the IFA has evaluated the hotel value by considering various methods to find an appropriate fair value range for entering into such transactions. However, the IFA utilizes DCF method to determine the ability to generate cash flow of the business. And able to reflect future performance under business plans and various assumptions that are reasonable. The IFA has evaluated the fair value range of the Hotel Acquisition Transaction. It was found that it was between 2,899.49 – 3,306.05 million baht (*Please consider the details shown in Section 4. Appropriateness of the price*). Therefore, the transaction price was within the fair value range.

Therefore, the IFA has an opinion that **the Transaction price is appropriate.** Since the transaction price is lower than the appraisal price by an independent appraiser and within the range of the fair value evaluated by the DCF method.

In addition, in requesting a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting, The IFA analyzed by considering various important factors including advantages, disadvantages and risks of entering into the transaction. which entering into such transaction is beneficial to the Company such as being one of the steps that support successful transaction which will be beneficial to the company because the company will be able to use the proceeds received from this capital increase from the allocation of newly issued ordinary shares, either once or several times, in the amount not exceeding 3,465,833,184 shares to be offered to the existing shareholders in proportion to their shareholding (Right Offering) at the offering price of 0.30 baht per share, representing the issuance of newly issued ordinary shares in the amount not exceeding 1,039,749,955.20 baht (or about 1,039.75 million baht) The Company will be able to use the cash from the issuance and offering of newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering) to pay for all of the consideration for entering into the Asset Acquisition Transaction from JCKD, which reduce the burden of external financing and the obligation to pay interest that will occur in the future and will make the company have business partners (Strategic Partnership) with experience and have resources that are beneficial to the business expansion of the Company, whereby the Company will not lose all control over the business due to the waiver of the approval of the tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting As a

result, the applicant was granted a waiver from making a tender offer for all ordinary shares of the Company. As a result, the requester (including related persons) holding shares in the Company in the proportion of less than 50.00 percent of the total number of shares with voting rights of the Company. Although there are disadvantages such as loss of opportunities for shareholders to receive from making a tender offer for all securities of the business and that the applicant (Including related persons) will be a major shareholder holding more than 25.00 percent of the Company's shares still has a plan to continue doing business as before and seek opportunities to invest in other businesses which can help diversify risks for the Company. and create more returns in the long term for the Company and shareholders which may create the value of the business higher than the current value. The person requesting a waiver also is a major shareholder and directors of the Company who have been in business for a long time who is not a shareholder who seeks to speculate in the Company in the short term, and he will subscribe for newly issued ordinary shares in the proportion of less than 50.00 percent of the total number of shares with voting rights of the Company. (After the capital increase for the issuance and allocation of newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering)), the Company will still be able to maintain control over half of the voting rights of the ordinary shares of the Company. In addition, in the event that the shareholders do not approve the request for a waiver from making a tender offer for all securities of the business by virtue of the resolution of this shareholders' meeting, there will be a risk that the Company which is a chance that the capital increase will not be received as planned which may cause the Company need to find additional sources of funding and may cause the Company's plan to enter into the asset purchase transaction from JCKD may be postponed. This may affect the performance of the business in the future.

Therefore, the IFA has an opinion that the application for a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting (Whitewash) was for the benefit of the Company and shareholders and is appropriate. Therefore, the shareholders should vote to approve the waiver of making a tender offer for all securities of the Company by virtue of the resolution of this shareholders' meeting.

Therefore, when considering the reasonableness of the transaction and the appropriateness of the transaction price, The IFA has an opinion that the acquisition of the hotel transaction is appropriate and the shareholders should approve the transaction. And the IFA has an opinion that the Application for a waiver from making a tender offer for all securities of the business by virtue of the resolution of the shareholders' meeting is appropriate and beneficial to the Company. Therefore, the shareholders should vote to approve the waiver of making a tender offer for all securities of the Company by virtue of the resolution of the shareholders' meeting. Shareholders should consider the information, opinions and details in preparing the opinion of the Independent Financial Advisor mentioned above including the advantages and disadvantages of entering into this transaction should also be considered. However, the decision to approve or disapprove this transaction is mainly at the discretion of the shareholders.

The IFA certified that the IFA carefully considered and provided financial opinions in accordance with the professional standard by taking into account the best interest of the shareholders.

The Independent Financial Advisor

Avantgarde Capital Co., Ltd.

- Signed -

(Mr. Worawas Wassanont)

Supervisor

- Signed -

(Mr. Worawas Wassanont)

Managing Director



## 7. Appendix 1 Business overview of JCK International Public Company Limited

### 1. JCK International Public Company Limited's general information

<b>Company Name</b>	JCK International Public Company Limited ("The Company")		
<b>Head Office Address</b>	No. 18, Soi Sathorn 11 Yeak 9, TFD Building, Yannawa, Sathorn, Bangkok 10120		
<b>Business Type</b>	Real estate development, type of land, and construction of a standard factory in TFD Industrial Estate and various industrial estates for sale or rent, providing asset management services in the type of office buildings and SME, ready-made factories with office buildings for rent, residential (condominium) for sale		
<b>Registration Number</b>	0107537000475		
<b>Website</b>	<a href="http://www.jck.international/">http://www.jck.international/</a>		
<b>Registered Capital</b>	THB 5,065,400,946.00		
<b>Paid-up Capital</b>	THB 3,298,459,214.00		
<b>Par Value</b>	THB 1.00		
<b>Board of Directors</b>	<b>No.</b>	<b>Name</b>	<b>Position</b>
	1	Mr. Apichai Taechaubol	Chairman, Executive Chairman
	2	Mr. Anukul Ubonnuch	Vice Chairman, Managing Director
	3	Mrs. Rachanee Siwawej	Director
	4	Mr. Kuo - Chan Tseng	Director
	5	Mr. Kittawat Taechaubol	Director
	6	Miss Siriporn Tamenant	Director
	7	Mr. Gumpol Tiyarat	Independent Director, Audit Committee, Chairman
	8	Mr. Tawil Praisont	Independent Director, Audit Committee
	9	Mr. Varnadharma Kanchanasuvarna	Independent Director, Audit Committee

Source: SET Website as of 7 June 2023

## 2. The Company's background

JCK International Public Company Limited ("the Company") (formerly known as Thai Factory Development Public Company Limited), established on 11 November 2520. The Company and its subsidiaries engage in the business of land development and construction of standard factories and warehouses for sale and rent which located in the Company's own industrial estates including in other industrial estates and industrial parks. In addition, the Company also operate a residential condominium construction for sale located in the middle of the city and resorts in the provinces as an alternative to customers including operating office building for rent and also engage the job of real estate project management of the type of office building and SME size industrial factories and warehouses. Moreover, the Company has also expanded its services to cover the business of REITs for investment in real estate and leasehold rights which has been approved by the Office of the Securities and Exchange Commission (SEC) to be the REIT manager on 20 December 2016. Moreover, the Company engaged in stock trading on the Stock Exchange of Thailand (SET) on 15 May 1991. As of 26 June 2023, the Company has a registered capital of THB 5,065,400,946.00, with a paid-up capital of THB 3,465,833,184.00. This capital is divided into 3,465,833,184 ordinary shares, each with a par value of THB 1.00.

Major changes and developments of the Company since year 2017 until year 2022 can be summarized as follows:

Year	Significant developments
2017	<ul style="list-style-type: none"> <li>In June, the Company has established BGY &amp; TFD Property Co., Ltd with registered capital of THB 1.00 million, by Crown Development Co., Ltd., a joint venture company with Beauty Honor Enterprise Co., Ltd. in the proportion of 51:49 respectively.</li> </ul>
2018	<ul style="list-style-type: none"> <li>In April, the Annual General Meeting of shareholders resolved to change the Company name and the securities symbol from the original Thai Factory Development Public Company Limited and the securities symbol of "TFD" to JCK International Public Company Limited with the securities symbol "JCK".</li> <li>In November, the Company had sold the investment in Barnsley Warehouse Limited which the Company had recognized revenue from sale of this investment in 2018.</li> </ul>
2019	<ul style="list-style-type: none"> <li>In July, the Company has entered into the lease agreement on the Ratchaphatsadu land (state property) in the Special Economic Development Zone in Nakhon Phanom Province with total area of approximately 1,335 rai, 2 ngan, 28.1 square wa for a period of 50 years to create opportunities and support the expansion of real estate development and /or industrial estates.</li> <li>The Company sold its investment in Bognor Regis Warehouse Limited in which the Company has already realized gains from sale of its investment in subsidiaries in the third quarter of the year 2019.</li> </ul>
2020	<ul style="list-style-type: none"> <li>In January, the Company has registered the establishment of a subsidiary, Ratchadumri Real Estate Company Limited with an initial registered capital of THB 1.00 million to support the expansion of related businesses.</li> </ul>
2021	<ul style="list-style-type: none"> <li>In October, the Board of Directors meeting has approved an investment plan in real estate business in the northern region and the signing of a joint operation contract. On 28 October 2021, the Company has signed a joint operation agreement in the proportion of 51 percent.</li> </ul>

Year	Significant developments
	<ul style="list-style-type: none"> <li>In December, the Company purchased ordinary shares of SG Land Co., Ltd (a subsidiary of the Company) in the amount of 0.03 percent by paying the amount of investment of THB 45,000, resulting in an increase in the shareholding ratio from 49.91 percent to 49.94 percent.</li> </ul>
2022	<ul style="list-style-type: none"> <li>In May, the Board of Directors passed a resolution to enter into lease agreements and service contracts for the rental of office space in the TFD building for use by the Company and its subsidiaries with JC Queen Development Limited, a related legal entity. The transaction size was approximately 1.95 percent of the Company's net tangible assets as of 31 March 2022, as disclosed in the consolidated financial statements. The Company immediately reported the transaction on the Stock Exchange of Thailand (SET) once it occurred.</li> </ul>

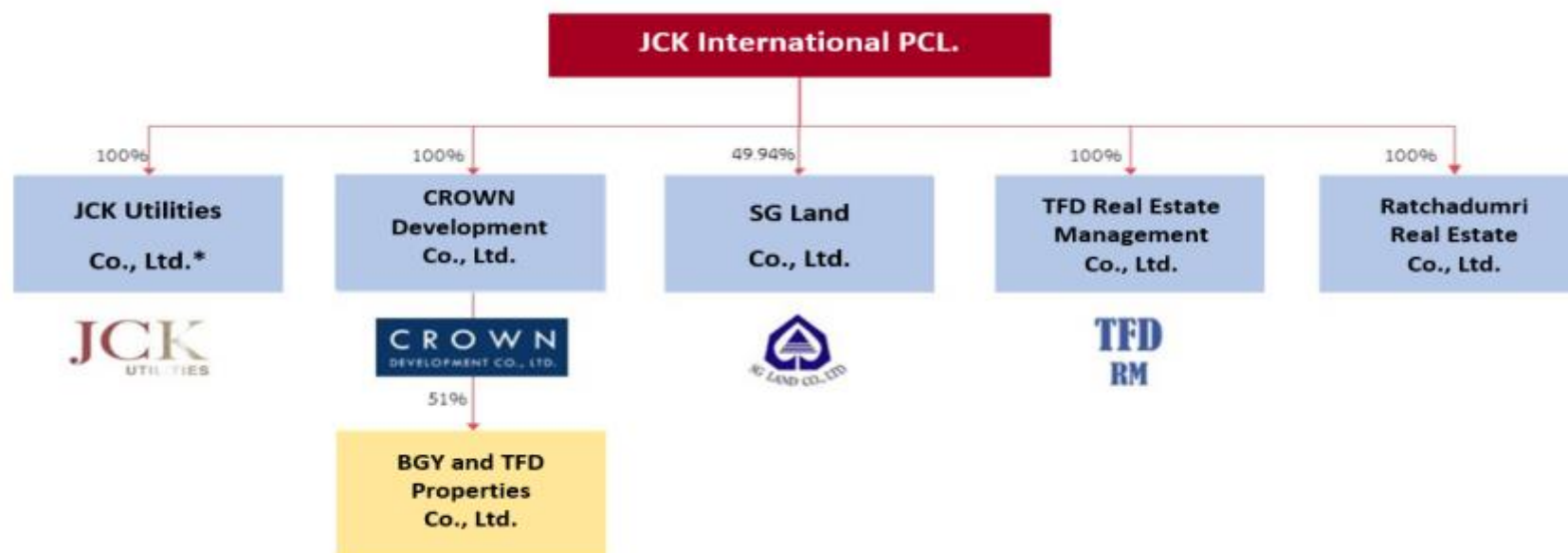
### 3. List of the Company's shareholders

Table of the Company's top 10 major shareholders

No.	Name	Number of shares	Percentage
1	Mr. Apichai Taechaubol	364,204,456.00	10.51
2	Mrs. Chalida Taechaubol	278,079,966.00	8.02
3	Thai NVDR Company Limited	130,615,738.00	3.77
4	Miss Wanida Dantritos	96,300,000.00	2.78
5	Mr. KUO-CHAN TSENG	75,900,000.00	2.19
7	Thailand Securities Depository Co., Ltd. (TSD)	69,564,113.00	2.01
6	Miss Sumalee Ongcharit	69,068,000.00	1.99
8	MR. KUAN-SHUN TSENG	61,800,000.00	1.78
9	MR. KUAN-PING TSENG	61,800,000.00	1.78
10	Mrs. Kultiva Chotiwijitrat	57,470,813.00	1.66

Source: From Shareholder's Register Book of the Company as of 18 May 2023

#### 4. The Company's structure



Source: The Company's annual report year 2022

## 5. The Company's nature of products

The Company and subsidiaries develop properties in a variety of shapes and forms, as of 31 December 2022 can be classified into six main business groups as follows: 1) Industrial estate 2) Standard factory/warehouse 3) Real estate development (residential - condominium) 4) Office building for rent 5) Property management service 6) Managing Real Estate Investment Trust (REIT), details as follows:

### 1) Industrial estate

In 2007, the Company set up the TFD Industrial Estate at Bangpakong District, Chachoengsao Province, to develop land, set up basic infrastructure and build standard factory buildings. The Company signed a joint-operation contract with the Industrial Estate Authority of Thailand (IEAT) and provided for Thai and foreign investors lands for rent in two zones; namely, General Zone and Free Zone. Target groups of customers were businesses in the auto part industry, electronics and manufacturing industry not generating pollution. To facilitate investors, the Company chose the site located not so far from Bangkok along the Motorway at Km 43 next to an exit into the Chachoengsao-Chonburi Highway. The site is flanked with convenient highways and not prone to flood which makes it extremely ideal to build factories and warehouses as a logistics center. Thanks to the site's competitive advantage as it's no more than 20 minutes from the Suvarnabhumi Airport and no more than 40 minutes from the Laem Chabang Deep Sea Port plus its close proximity to Bangkok, Thailand's capital, the location has become a very highly potential one. Most of the Company's customers are invested in electronic parts and auto part industries. In addition, the government plans to develop areas in Chachoengsao, Chonburi and Rayong as the Special Economic Zone. Known as the Eastern Economic Corridor (EEC), the megaproject will be connected with the country's western corridor. It is expecting that the government is going to invest around THB 300 billion to develop basic infrastructure and provide tax privileges to support investment in this area, which in return should attract more than THB 1.9 trillion worth of investment in 10 basic industries touted as Thailand's new engine of growth. The EEC is anticipated to become the country's main investment hub, which should benefit TFD's project area because it will boost the project's sales opportunity. As of 31 December 2022, the TFD Industrial Estate had two operation phases as follows;

#### - TFD Industrial Estate 1

The project has total area of 304.22 rai where salable area is 231.58 rai. Of this, 74.58 rai are in Free Zone and 156.85 rai are in General Zone. Since 2011, the Company has recognized incomes from the project both from the sales of vacant land and sales of land with the completed factory buildings. Currently, there was available for sale of 1.57 Rai.

## - TFD Industrial Estate 2

The Company plans to expand the areas in the TFD Industrial Estate II, which located next to the TFD Industrial Estate I. The Company had purchased approximately 1,980 rai of vacant lands for the development, some part of lands was approved for the change to use for industrial purpose (purple zone) in December 2015. On November 10, 2016, the Company and The Industrial Estate Authority of Thailand (IEAT) entered into a joint operation contract where IEAT approved and allowed the Company to establish the TFD Industrial Estate Phase II. The Company also received the approval of the Environmental Impact Assessment (EIA) report on 26 July 2017.

The Company has received the approval of the land allocation on 2 March 2018 and the title deed can be issued successfully. The total area of the project is approximately 833.26 Rai with the available of sales area is 619.10 Rai. Currently, the Company has completed the development and construction of the main infrastructure of the project by 80.00 percent. At the end of 2022, the Company has salable area which already transferred the ownership of 83.06 Rai and still in backlog of 182.91 Rai, so the remain available area for sale of 340.13 Rai.

In addition, the Company is now studying the possibility and design to expand the project, which is the development of industrial real estate, commercial real estate and the accommodation to support the investment. Currently, the Company has land awaiting for development (outside the settlement) of 1,216.56 Rai, of which 210.38 rai is pending for transfer of ownership in this year 2023.

## - Project One Nakhon Phanom

The One Nakhon Phanom Project is a new project of the company located in the area of Special Economic Development Zone in Art-Samart Sub-district, Mueang Nakhon Phanom District, Nakhon Phanom Province on the land of approximately 1,335 rai, 2 ngan and 28.1 square wah. The Company has foreseen the potential and growth opportunities of Nakhon Phanom province as a major tourist and border trade city of the country. Therefore, the Company had decided to enter into the land lease agreement with the Treasury Department on 15 July 2019 for a period of 50 years in order to develop a commercial project which combines with an industrial estate and/or distribution center.

Since this project is located in the area of Special Economic Development Zone, the Company will receive the tax benefit from the Board of Investment as same as the projects in the Eastern Economic Corridor (EEC) including other privileges such as subleasing the land or providing other benefits, the ownership of the building belongs to the tenant or sub-tenant including not being enforced by Town Planning Act and the Public-Private Partnership Act. In addition, this project uses lower initial investment when compared to the purchasing of large-sized land plot to develop the project, as it is also difficult to procure the large adjoining

plot of land because of the higher investment and also time demand comparative to the leasing. The Company then considered that the investment in this leasehold rights will assist to create opportunities and support the expansion of industrial estate and real estate development, which is the Company's core business in the long run. The Company has the idea to develop the project as a commercial project combined with industrial estates and / or distribution centers to support each part and utilize the area with maximum efficiency. The Company is currently in the stage of conducting additional study on the possibility of the project and also procuring project partners.

## 2) Standard factory/warehouse building

The Company's business is to build standard ready-built factories and warehouses for sales in industrial estates and industrial zones at various locations to offer to investors where commuting conveniences, transport, communications, infrastructure, safety and appropriate surrounding environment are taken into consideration. Besides, factories are built both in the industrial zones and at free-trade zone as required by investors.

### - Domestic Standard factory/warehouse building

The Domestic standard completed factory is typically offered as a one-floor building with mezzanine floor for use as office in varying sizes from **1,000** square meters to **10,000** square meters. The factory is built at a fenced-in site to also include a security guard's house and parking space. The factory floor can accommodate **3** metric tons per square meter and **5** metric tons per square meter. Investors are able to various options to such as purchase or lease of warehouses or with a right to buy them later. The rental term of most lease agreements that the Company has signed with customers is **3** years with an option for renewal. The customer is required to deposit **3 – 6** months payment.

The following table features information of completed factory buildings and occupancy rate of the Company.

Completed factory building	Number of factory buildings at the beginning of period	Number of factory buildings sold	Number of factory buildings at end of period		Average annual occupancy rate
			With tenants	No tenants	
Year 2015					
Number (buildings)	13	-	4	9	-
Area (square meters)	66,485.00	-	8,610.00	58,325.00	12.95
Year 2016					
Number (buildings)	34	-	8.50	25.50	-

Completed factory building	Number of factory buildings at the beginning of period	Number of factory buildings sold	Number of factory buildings at end of period		Average annual occupancy rate
			With tenants	No tenants	
Area (square meters)	105,601.00	-	20,390.00	85,211.00	19.31
<u>Year 2017</u>					
Number (buildings)	34	2	14	18	-
Area (square meters)	105,601.00	3,450.00	29,230.00	72,921.00	27.68
<u>Year 2018</u>					
Number (buildings)	32	1	15.50	15.50	-
Area (square meters)	102,151.00	1,980.00	30,555.00	69,616.00	29.91
<u>Year 2019</u>					
Number (buildings)	31	2	13.50	15.50	-
Area (square meters)	100,171.00	2,800.00	35,980.00	61,391.00	37.72
<u>Year 2020</u>					
Number (buildings)	29	1	15	13	-
Area (square meters)	97,371.00	1,980.00	36,145.00	59,246.00	37.89
<u>Year 2021</u>					
Number (buildings)	28	1	17	10	-
Area (square meters)	95,391.00	1,000.00	38,145.00	56,246.00	39.99
<u>Year 2022</u>					
Number (buildings)	27	-	24	3	-
Area (square meters)	94,391.00	-	87,035.00	7,356.00	92.21

As of 31 December 2022, the Company has standard ready-built factories and warehouses altogether 27 units which can be divided as follows:

- The standard ready-built factories located in Laem Chabang of 5 units with total rental space of 8,910 sq.m. Currently there are 5 tenants.



- 8 ready-built factories in the TFD Industrial Estate at Tha Sa-an, Chachoengsao Province (the Green Park 1 Project) totaling 57,575 square meters of sales and rental space (an average of 3,625 - 7,750 square meter of space per structure). 8 tenant already rent.
- The factories and ready-built warehouses at Bangsaothong Samutprakan province (The Project Green Park 2 and 3) in total 21 units, 2 units were sold in 2018, 1 unit was sold in 2019 and 2 units were sold in 2020, so now there are 14 units available for rent with total rental space of 27,906 square meters which now there are 11 tenants renting of which the total rental of 20,550 square meters.

In addition, on November 1, 2021, the Company entered into a land lease agreement, Bangsaothong District, Samut Prakan Province. The lease term is 30 years with the objective of leasing land for development and construction of factories, warehouses, warehouses for rent in Green Park 4. The Company also provides construction services for warehouses and factories according to the designs that customers want as an alternative to the investors in many forms, such as purchase of land with factories or renting land with factories or give permission to buy later, etc.

**Table showing the proportion of the rental space which the lease term will be expired comparing to total rental space of the Company as of 31 December 2022**

Year that lease term will be expired	Total area which will be due (sq.m.)	Proportion of the due rental space compared to total area (percent)
2565	10,675.00	27.99
2566	4,960.00	13.00
2567	20,530.00	53.82
2570	1,980.00	5.19
<b>Total</b>	<b>38,145.00</b>	<b>100.00</b>

### 3) Real estate development (residential - condominium)

The Company started developing two residential condominium projects for the first time; namely, the Lakegreen Apartment Project and the 59 Heritage Project and the Harbour View Residence. At present, the Company has 5 ongoing projects as follows:

- The 15 Sukhumvit Residence Project

Situated between Soi 13 and Soi 15 on Sukhumvit Road, the 2-3-73 rai project is a 2 5-floor reinforced concrete tower bought by the company in 2 0 1 0 . The total project value is Baht 3,7 1 6 million. The project's total useable area is 59,113 square meters of which 31,659 square meters are sellable areas. There are 505 units for sales of which 4 9 2 units are residential condominium and 13 units are for commercial purpose. At present, there remains only 8 unit which the value of THB 490.71 million which 2 of them are unit for rent.



- The Colonial Kao Tao Hua Hin Project

A residential condominium, the project is located at Kao Tao, Tambon Paknam Pran, Pranburi District, Prachuab Kiri Khan Province, in the 9-0-42 rai of land, with a total value of around Baht 3,375 million. The Company has already completed the construction of the 3-storey office building which was used as a sales office. The construction of a condominium building in December 2014 was temporarily suspended since the project was involved in a lawsuit. Finally, at present, the Supreme Administrative Court has reversed the judgment of the Court of First Instance to be dismissed and the case is final, which now the Company is in the process of considering the further action plans.



- The Mahadlek Residences

The residential project consists of one 41-storey building located in a 1-3-28 rai of land in Soi Mahadlek Luang 2, Rajdamri Road. The land owned by Vajiravudh College. The lease term is 30 years from the due construction period (which according to the contract requires that the construction period of the project be 5 years from the day it has been approved by Bangkok Metropolitan Administration (BMA) to build the project) or from the day the construction is finished, whichever is earlier.

The Mahadlek Residences Project's Environmental Impact Assessment Report (EIA report) was already approved by the Office of Natural Resources and Environmental Policy and Planning (ONEP) on June 10, 2014 and also received the building construction permit on June 1, 2016. However, at present the Company has temporarily delayed the investment in this project because the lawsuit has been filed against the Administrative Court regarding the accusation of the Approval of EIA Report and the permission of construction were not proper. The Court then ordered the temporary suspension of the construction and on September 14, 2017, the Central

Administrative Court judged revoking of the project's EIA report which thereafter the Company has appealed the order. On September 26, 2019, the Central Administrative Court has adjudicated to revoke the project's building construction permit, with retroactive effect from the date of the issuance of the said permit. The Company has already submitted an appeal against said judgment to the Supreme Administrative Court on October 24, 2019 and is now pending on the outcome of the trial.



- The Artisan Ratchada Project

The Residential Condominium located in soi Thiamruammit, Huai Kwang Sub-district, Huai Kwang District, Bangkok with the total area of 8-1-27.4 Rai to develop as a residential condominium for sale, consists of 4 buildings of 34-storeys, totalling 1,393 units. The total salable area is approximately 68,618 square meters while the total usable area is approximately 128,000 square meters. Total sale revenue is Baht 6,300 million. The Company has entered into a joint venture agreement with Beauty Honour Enterprises Limited ("BH") for the purpose of establishment of BGY & TFD Properties Co., Ltd ("BGY&TFD") to be a developer for the Project Artisan Ratchada, with the structure of shareholdings between CROWN and BH at 51:49. Currently, the construction is finish and the Company start to recognized the revenue in the second quarter of the year 2020. As of 31 December 2022, there are already sold approximately THB 5,496.00 million or accounted for 99.06 percent of the total project value. The ownership of 1,380 units has already been transferred, with a value of approximately THB 5,170.00 million and the remaining balance awaiting transfer (Backlog) THB 105.00 million.



- The Chiang Rai Project according to the joint operation contract

On 28 October 2021, the Company entered into a joint operation agreement with an unrelated group of company (Chiang Rai Group), which this real estate projects have a value with a net worth of approximately THB 650 million, with the Company holding 51 percent of the assets. The real estate projects

with joint operations have 10 projects, which is considered a new source of income that will create stability for the Company in the future and diversification of the Company's business investment to the new markets in Chiang Rai area which has growth rate and expansion rate (assessed before being affected by the pandemic of COVID-19), especially tourism business and trading business along the borderline. As a result, people in this area have high purchasing power. As of 31 December 2022, the Company has paid THB 208.00 million, with the remaining balance of THB 128.00 million. The Company is now studying the marketing analysis for real estate development for its investment and also the clear feasibility study as well as a plan to find the investors with potential both in terms of capital fund and marketing to join the investment.

#### 4) Office building for rent

In 2008, the Company jointly invested in the office for rent business via SG in which it holds 49.91 percent shares where SG has invested in the right to lease the land and the SG Tower 1 office building as well as the right to sub-lease the land and The Millennia office building (SG Tower 2) located in Soi Mahadlek Luang 3, Rajdamri Road, and Langsuan Road for a total rentable area of 26,846.18 square meters. Both the land and the SG Tower 1 are owned by Vajiravudh College (the lessor) while the ownership of the land where the Millennia Office Building is located is held by GF Holding Co., Ltd. (the sub-lessor). The ownership of the Millennia building itself, however, is held by SG which will belong to GF Holding Co., Ltd. when the lease term is due in 2025. The Company meanwhile manages the two office buildings for rent. Details are as follows:

##### (1) SG Tower 1

The building is located on the 2-3-85 rai of land at No. 161/1 Soi Mahadlek Luang 3, Rajdamri Road, Kwaeng Lumpini, Pathumwan District, Bangkok. SG Tower 1 is a 19-storey office tower plus two stories of underground parking space offering of common areas and 8,108 square meters of parking space (for 220 cars). As of 31 December 2022, 72.37 percent of the tower's total rentable areas were rented. The building has an average rent income of THB 6.03 million per month.

##### (2) The Millennia (SG Tower 2)

The building which is located at 62 Langsuan Road, Kwaeng Lumpini, Pathumwan District, Bangkok is situated on the 1-3-22 rai of land and houses one 26-storey office building plus one underground and 9,870 square meters of parking space (to accommodate 220 cars). As of 31 December 2022, 66.73 percent of the tower's total areas were rented. The building has an average rent income of THB 4.87 million per month.

Most of the rental terms of lease agreements and its customers are 3 years with 3 months of security deposit.

The following table features the Company's office buildings which under operation as of 31 December 2022

Office building	Location	Nature	Total rental areas (sq. m.)	Rent area under lease agreements (sq. m.)	Remaining rent areas (sq. m.)	Occupancy rate (percent)
SG Tower 1	161/1 Soi Mahadlek Luang 3, Rajdamri Road, Kwaeng Lumpini, Pathumwan District, Bangkok	One 19-storey office tower plus two stories of underground parking space	15,022.84	10,871.41	4,151.43	72.37

Office building	Location	Nature	Total rental areas (sq. m.)	Rent area under lease agreements (sq. m.)	Remaining rent areas (sq. m.)	Occupancy rate (percent)
The Millennia	62 Langsuan Road, Kwaeng Lumpini, Pathumwan District, Bangkok	One 26-storey office building plus one underground parking space	11,941.50	7,968.04	3,973.46	66.73
<b>Grand total</b>			<b>26,964.34</b>	<b>18,839.45</b>	<b>8,124.89</b>	<b>69.87</b>

#### 5) Property management service

The Company started selling land and factory buildings to the TIF1 Property Fund for the first time in 2005 before selling additional assets to the TIF1 Property Fund and the M-II Property Fund again in 2007, 2012 and 2013. Aside from selling land, factory and warehouse buildings, the Company has been appointed as a property manager of the property funds as well as property manager of SG's office buildings for rent in return for management fees summarized as follows:

#### Remuneration from asset management in TIF1 Property Fund and M-II Property Fund

- Property management fees and additional premiums
- Brokerage fees for securing new tenants
- Brokerage fees for contract renewal
- Brokerage fees in case of property sales or transfer of property leasehold (excluding sales of property-to-property manager or persons within the group of property manager)

As of 31 December 2022, the following are properties managed by the Company:

- (1) The TIF1 Fund is a property fund consisting of freehold assets which mainly invests in land and Factory buildings located in industrial estates. The TIF1's properties include 26 factories located in each of the following sites:

Industrial estate/industrial zone	Location	Types of service	Areas (sq. m.)	Number of units (units)
1. The Hi-Tech Industrial Estate	Ayutthaya	Land+Factory	17,247	12
2. The Bangpa-in Industrial Estate	Ayutthaya	Land+Factory	1,980	1
3. The Navanakorn Industrial Estate	PathumThani	Land+Factory	2,310	1
4. The Amata Nakorn Industrial Estate	Chonburi	Land+Factory	9,150	7

Industrial estate/industrial zone	Location	Types of service	Areas (sq. m.)	Number of units (units)
5. The Bangkadi Industrial Estate	PathumThani	Land+Factory	10,611	3
6. The TFD Industrial Estate 1	Chachoengsao	Land+Factory	3,240	2
<b>Grand total</b>			<b>44,538</b>	<b>26</b>

- (2) The M-II Fund is a property fund of freehold and leasehold assets which mainly invests in properties and the rights to lease property. The M-II's properties include 35 factories and 17 warehouses located in each of the following sites:

Industrial estate/industrial zone	Location	Types of service	Types of ownership	Areas (sq. m.)	Number of units (units)
1. The Navanakorn Industrial Estate	PathumThani	Land+Factory	Freehold	1,080.00	1
2. The TFD Industrial Estate 1	Chachoengsao	Land+Factory	Freehold	27,810.00	16
3. The Laem Chabang Industrial Estate	Chonburi	Land+Factory	Freehold+Leasehold <sup>1/</sup>	19,350.00	18
4. The Kingkaew Warehouse	SamutPrakan	Land+ Warehouse	Freehold+Leasehold <sup>2/</sup>	15,034.10	17
<b>Grand total</b>				<b>63,274.10</b>	<b>52</b>

Note: 1/ The asset type of factories are freehold properties while the lands are leasehold properties. The lease rights of land (28-0-66.09 rai) will expire in the year 2042 and the sub-lease of the land (1-0-80 rai) expired in 2018, which the Fund has already executed to expand the term of lease agreement to be expired on 17 December 2042.

2/ Warehouses are freehold properties while lands are leasehold properties. The right to lease the land (25-1-96 rai) is to be expired in 2036.

- (3) SG's office buildings for rent which consist of 2 office buildings connected to each other between Soi Mahadlekluang 3, Rajdamri Road and Langsuan Road. Details are as follows:

Office buildings for rent	Rentable area (sq. m.)	Type of assets	Ownership of the assets
1. SG Tower 1	15,022.84	Right to lease the land and office building (expired in 2023)	Vajiravudh College
2. The Millennia	11,941.50	Right to sub-lease the land and office building (expired in 2025)	JF Holding Co., Ltd.
<b>Total</b>	<b>26,964.34</b>		

- 6) Management of trusts for investment in real estate and leasehold (TFDRM)

TFD Real Estate Management (TFDRM) conducts its business as the Trust manager for investment in real estate and leasehold. As of December 20, 2016, TFDRM has been approved by the SEC to be the Trustee for Property Investment in real estate. Currently, TFDRM is undergoing to run the feasibility study and to acquire assets in order to set up a trust fund to invest in real estate and leasehold rights.

## 1. Target groups of customers for the Company's businesses

### 1) Industrial estate

Target groups of customers for the Company's industrial estate business are supporting industry and major operators who have already bought vacant land in the TFD Industrial Estate. Major target groups of customers are small and medium-sized enterprises (SMEs) which do not generate pollution and, however, look for transportation convenience. This refers especially to electronics and auto part manufacturers.

### 2) Standard factory building/warehouse building

Target groups of customers in the completed factory and warehouse for rent business are small and medium-sized enterprises (SME) as well as Thai and foreign operators wishing to restrict their investment risk during the initial investment phase.

### 3) Real estate development (residential - condominium)

Target groups of customers in the residential building project of both the Company are medium-income earners who eye for a condominium in the heart of the city close to sky train and those wishing to have the second home for weekend retreat.

### 4) Office building for rent

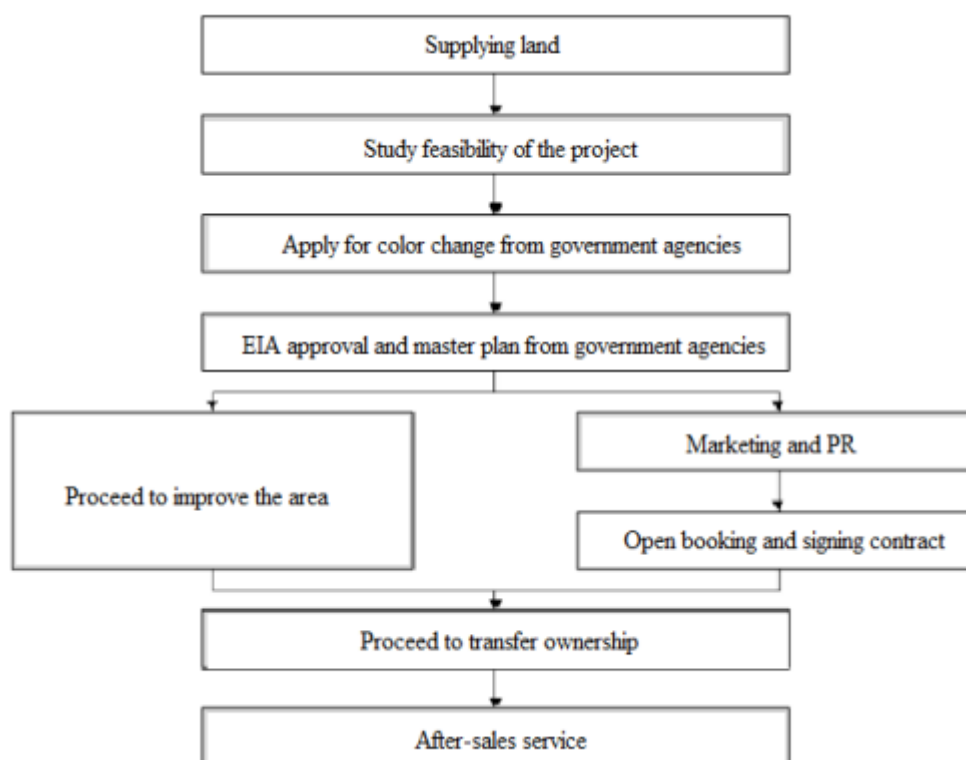
Target groups of customers are Thai and foreign operators wishing to secure an office in the Central Business District (CBD). The Company's main group of customers is foreign business introduced to the Company by word-of-mouth.

## 2. Product or Service procurement

### 1) Industrial estate

The Company has spent 3-5 years duration to develop land for the project TFD Industrial Estate phase 1. Such time does not include the time in process of asking for permission from related authorities which is the key factor to the time duration. Another factor is season as it is very hard to develop in the rainy season. The main materials and services in developing land to set up Industrial estate comprises of land, contractor, project designer or planner and construction materials such as cement and steel etc. The contractor that the Group Company has assigned to do the construction part for the project will also responsible to procure such materials. In brief, the process of the Company's industrial estate development can be summarized as in the flow-chart below:





The main materials and services in developing land to set up Industrial estate comprises of land, contractor, project designer or planner and construction materials such as cement and steel etc. The contractor that the Company has assigned to do the construction part for the project will also responsible to procure such materials.

## 2) Standard ready-built factory / warehouse

The Company has spent 6-7 months duration to build the standard ready built factory and warehouse which also exclude the time spent on permission from related authorities. The duration of time for building depends on the time spent on permission from related authorities and also the season as it is hard to build in the rainy season, same factors as the case to develop the industrial estate.

The main materials and services in building the standard ready built factory and warehouse consists of land, contractor, project designer or planner and construction materials, the same ingredients as used to develop land for the industrial estate. The contractor that the Company has assigned to do the construction part for the project will also responsible to procure such construction materials.

3) Real estate development (residential - condominium)

The Company have spent 2.5-3 years, developing and build the Condominium, not taking in to account the time in process of asking for permission from related authorities. The time used in building each condominium project will depend mainly on the size of the project.

Main materials in building Condominium project are land, contractor, Project designer and construction materials such as Precast concrete, glass and aluminum etc. The contractor that the Company has assigned to do the construction will also responsible to procure such construction materials.

4) Office building

The Company also operate the office building for rent, by co-operate with the partnership, Schubert Holdings Plc., Ltd, to take over SG Company which owns 2 office buildings. After such investment, the Company also acts as the project management company.

### 3. Structure of incomes of the Company and subsidiaries

Type of Income	Year 2020		Year 2021		Year 2022		1 <sup>st</sup> quarter of year 2023	
	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent
Land and factory building business								
Sales incomes	87.50	21.07	213.84	37.34	380.09	59.62	299.24	80.40
Rent and service incomes	81.05	19.51	91.14	15.92	83.70	13.13	20.62	5.54
Office space for rent business								
Rent and service incomes	174.95	42.12	157.60	27.52	147.28	23.10	34.17	9.18
Residential condominium business	43.89	10.57	45.47	7.94	-	-	-	-
Other incomes	27.94	6.73	64.59	11.28	26.44	4.15	18.58	4.99
<b>Total incomes</b>	<b>415.33</b>	<b>100.00</b>	<b>572.64</b>	<b>100.00</b>	<b>637.51</b>	<b>100.00</b>	<b>372.17<sup>1/</sup></b>	<b>100.00</b>

Note: 1/ After adjusting and eliminations, the total amount is THB 0.43 million.

### 4. Financial position and past performance of the Company

The summary of consolidated financial statements in 2020 – 2022 and quarter 1 of 2023 which have been reviewed by EY Office Company Limited as follow:

#### ➤ Financial Position of the Company in 2020 – 2022 and quarter 1 of 2023

Financial Position	31 December 2020		31 December 2021		31 December 2022		31 March 2023	
	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent
<b>Assets</b>								
Cash and cash equivalents	14.73	0.17	75.52	0.86	56.96	0.64	63.51	0.72
Trade and other receivables	145.51	1.72	145.94	1.66	184.84	2.08	205.13	2.31
Short-term loans to related parties and interest receivable	7.18	0.08	7.18	0.08	7.18	0.08	-	-
Project development costs	5,858.14	69.25	5,883.39	66.99	5,788.06	65.20	5,737.14	64.73
Deposit for purchase of land	148.99	1.76	177.02	2.02	258.88	2.92	314.63	3.55
Cost to obtain contracts with customer	23.25	0.27	-	-	-	-	-	-
Other current financial assets	0.98	0.01	2.26	0.03	1.48	0.02	1.49	0.02
Other current assets	22.17	0.26	26.75	0.30	30.51	0.34	31.87	0.36
<b>Total current assets</b>	<b>6,220.95</b>	<b>73.54</b>	<b>6,318.05</b>	<b>71.94</b>	<b>6,327.90</b>	<b>71.28</b>	<b>6,353.78</b>	<b>71.69</b>
Restricted bank deposits	30.58	0.36	30.78	0.35	23.93	0.27	23.87	0.27
Other non-current financial assets	123.45	1.46	133.81	1.52	185.18	2.09	186.91	2.11
Investment in joint venture	263.77	3.12	343.71	3.91	422.25	4.76	391.22	4.41

Financial Position	31 December 2020		31 December 2021		31 December 2022		31 March 2023	
	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent
Investment properties	902.11	10.66	973.24	11.08	848.43	9.56	825.66	9.32
Equipment	44.14	0.52	180.42	2.05	248.24	2.80	248.62	2.81
Right-of-use assets	567.48	6.71	538.08	6.13	546.53	6.16	540.90	6.10
Deferred tax assets	246.86	2.92	205.58	2.34	210.83	2.37	210.48	2.37
Income tax receivable	48.07	0.57	44.74	0.51	41.52	0.47	46.91	0.53
Other non-current assets	12.18	0.14	13.90	0.16	22.79	0.26	34.28	0.39
Total non-current assets	2,238.65	26.46	2,464.27	28.06	2,549.70	28.72	2,508.84	28.31
<b>Total assets</b>	<b>8,459.59</b>	<b>100.00</b>	<b>8,782.32</b>	<b>100.00</b>	<b>8,877.59</b>	<b>100.00</b>	<b>8,862.62</b>	<b>100.00</b>
<b>Liabilities</b>								
Short-term loans	412.10	4.87	404.87	4.61	278.06	3.13	262.18	2.96
Trade and other payables	218.67	2.58	240.92	2.74	278.41	3.14	259.95	2.93
Advance received from customers	126.04	1.49	150.83	1.72	128.78	1.45	433.27	4.89
Short-term loans from related parties and interest payable	8.00	0.09	177.55	2.02	412.12	4.64	433.26	4.89
Current portion of debentures	2,118.81	25.05	731.38	8.33	2,000.99	22.54	1,704.47	19.23
Current portion of long-term loans	442.44	5.23	972.47	11.07	904.67	10.19	847.31	9.56
Current portion of long-term loans from related party and interest payable	45.00	0.53	0.72	0.01	0.72	0.01	0.72	0.01
Current portion of lease liabilities	36.27	0.43	89.79	1.02	72.40	0.82	71.64	0.81
Income tax payable	2.62	0.03	0.60	0.01	-	-	-	-
Other current liabilities	62.65	0.74	94.00	1.07	70.26	0.79	59.08	0.67
Total current liabilities	3,472.59	41.05	2,863.15	32.60	4,146.41	46.71	4,071.87	45.94
Debentures, net of current portion	1,489.00	17.60	2,769.46	31.53	1,465.84	16.51	1,739.12	19.62
Long-term loans, net of current portion	748.34	8.85	339.20	3.86	221.73	2.50	-	-
Long-term loans from related party and interest payable, net of current portion	4.72	0.06	-	-	-	-	-	-
Lease liabilities, net of current portion	531.81	6.29	625.00	7.12	620.64	6.99	626.18	7.07
Deposit received	67.91	0.80	72.10	0.82	70.42	0.79	81.92	0.92
Provisions for long-term employee benefits	33.29	0.39	40.14	0.46	11.16	0.13	11.59	0.13
Other non-current liabilities	3.39	0.04	3.91	0.04	4.35	0.05	4.57	0.05

Financial Position	31 December 2020		31 December 2021		31 December 2022		31 March 2023	
	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent
Total non-current liabilities	2,878.45	34.03	3,849.82	43.84	2,394.14	26.97	2,463.37	27.80
<b>Total liabilities</b>	<b>6,351.04</b>	<b>75.08</b>	<b>6,712.96</b>	<b>76.44</b>	<b>6,540.55</b>	<b>73.67</b>	<b>6,535.25</b>	<b>73.74</b>
<b>Shareholders' equity</b>								
Share capital								
Registered capital	3,220.55	38.07	4,438.81	50.54	5,065.40	57.06	5,065.40	57.15
Issued and fully paid-up capital	2,147.03	25.38	2,302.75	26.22	3,305.65	37.24	3,406.36	38.44
Share premium	1,818.64	21.50	1,842.97	20.99	1,384.65	15.60	1,313.27	14.82
Advanced received for shares	-	-	-	-	29.33	0.33	-	-
Retained earnings								
Appropriated								
Statutory reserve	50.66	0.60	50.66	0.58	50.66	0.57	50.66	0.57
Unappropriated	(1,859.40)	(21.98)	(2,083.92)	(23.73)	(2,349.04)	(26.46)	(2,361.50)	-26.65
Other components of shareholders' equity	(206.91)	(2.45)	(198.62)	(2.26)	(205.52)	(2.32)	(204.14)	-2.30
Equity attributable to owners of the Company	1,950.02	23.05	1,913.84	21.79	2,215.72	24.96	2,204.64	24.88
Non-controlling interests of the subsidiary	158.54	1.87	155.51	1.77	121.32	1.37	122.73	1.38
Total shareholders' equity	2,108.55	24.92	2,069.36	23.56	2,337.05	26.33	2,327.37	26.26
<b>Total liabilities and shareholders' equity</b>	<b>8,459.59</b>	<b>100.00</b>	<b>8,782.32</b>	<b>100.00</b>	<b>8,877.59</b>	<b>100.00</b>	<b>8,862.62</b>	<b>100.00</b>

Source: Consolidated financial statements in 2020 – 2022 and quarter 1 of 2023

➤ Income Statement of the Company from 2020 – 2022 and quarter 1 of 2023

Income Statement	Year 2020		Year 2021		Year 2022		1 <sup>st</sup> quarter of year 2023	
	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent
<b>Revenues</b>								
Revenue from sale	131.39	31.64	259.31	45.28	380.09	59.58	299.24	80.40
Revenue from rental and services	256.00	61.64	248.74	43.44	230.98	36.21	54.36	14.61
Gain on sales of investment properties	-	-	7.78	1.36	-	-	-	-
Other income	27.94	6.73	56.80	9.92	26.85	4.21	18.58	4.99
<b>Total revenues</b>	<b>415.33</b>	<b>100.00</b>	<b>572.63</b>	<b>100.00</b>	<b>637.92</b>	<b>100.00</b>	<b>372.17</b>	<b>100.00</b>
<b>Expenses</b>								
Cost of sales	99.92	24.06	176.95	30.90	172.89	27.10	140.50	37.75
Cost of rental and services	153.41	36.94	151.71	26.49	185.56	29.09	43.70	11.74

Income Statement	Year 2020		Year 2021		Year 2022		1 <sup>st</sup> quarter of year 2023	
	THB million	Percent	THB million	Percent	THB million	Percent	THB million	Percent
Selling expenses	27.32	6.58	51.94	9.07	26.87	4.21	17.34	4.66
Administrative expenses	198.43 <sup>1/</sup>	47.78	193.83	33.85	189.89	29.77	49.66	13.34
<b>Total expenses</b>	<b>479.08</b>	<b>115.35</b>	<b>574.43</b>	<b>100.31</b>	<b>575.21</b>	<b>90.17</b>	<b>251.20</b>	<b>67.50</b>
<b>Profit (loss) from operating activities</b>	<b>(63.75)</b>	<b>(15.35)</b>	<b>(1.80)</b>	<b>(0.31)</b>	<b>62.71</b>	<b>9.83</b>	<b>120.97</b>	<b>32.50</b>
Share of profit (loss) from investment in joint venture	143.47	34.54	238.01	41.57	78.55	12.31	(31.04)	(8.34)
Finance cost	(386.04)	(92.95)	(401.72)	(70.15)	(412.47)	(64.66)	(100.42)	(26.98)
<b>Profit (loss) before income tax</b>	<b>(306.32)</b>	<b>(73.75)</b>	<b>(165.51)</b>	<b>(28.90)</b>	<b>(271.21)</b>	<b>(42.52)</b>	<b>(10.48)</b>	<b>(2.82)</b>
Income tax benefits (expenses)	16.37	3.94	(47.01)	(8.21)	(0.79)	(0.12)	(0.58)	(0.15)
<b>Profit (loss) for the period</b>	<b>(289.95)</b>	<b>(69.81)</b>	<b>(212.52)</b>	<b>(37.11)</b>	<b>(272.01)</b>	<b>(42.64)</b>	<b>(11.06)</b>	<b>(2.97)</b>

Source: Income Statement of the Company from 2020 – 2022 and quarter 1 of 2023

Note: 1/ Due to the economic slowdown and the impact of the COVID-19 pandemic in the year 2020, customers postponed the transfer of ownership for the Artisan Ratchada project and deferred the transfer of land ownership for the TFD2 industrial estate due to travel restrictions entering Thailand, which required a 14-day quarantine. This led to investors delaying contract agreements, resulting in lower revenues compared to the ongoing management expenses. Despite the pandemic situation of COVID-19, the Company maintained the same number of employees.

### ➤ Key financial ratios

Table of the Company's financial ratios for the year 2020 - 2022 and the first quarter of year 2023

Key financial ratios	Unit	Year 2020	Year 2021	Year 2022	1 <sup>st</sup> quarter of year 2023
<b>Liquidity ratio</b>					
Current ratio	times	1.79	2.21	1.53	1.56
Account receivable turnover	times	12.65	13.22	5.35	3.28
Collection period	days	28.85	27.60	68.21	111.28
Inventory turnover	times	-	-	-	-
Inventory storage period	days	-	-	-	-
Account payable turnover	times	1.27	1.43	1.38	1.49
Repayment period	days	288.50	255.21	264.41	244.80
<b>Profitability ratio</b>					
Gross margin	percent	34.61	35.31	41.34	47.91
Operating profit margin	percent	(23.67)	(13.07)	5.87	32.50
Net profit margin	percent	(69.81)	(37.11)	(42.64)	(2.97)
<b>Operating efficiency ratio</b>					

Key financial ratios	Unit	Year 2020	Year 2021	Year 2022	1 <sup>st</sup> quarter of year 2023
Return on Assets	percent	(3.47)	(2.47)	(3.08)	(3.73)
Return on Equity	percent	(14.63)	(11.62)	(13.07)	(13.89)
<b>Financial policy ratio</b>					
Debt to Equity Ratio	times	3.01	3.24	2.80	2.81
Interest Coverage Ratio	times	0.51	0.75	0.69	0.10

Source: Calculated with the Company's consolidated financial statements for the year 2020 - 2022 and the first quarter of year 2023

## Description of operating results and financial position

### Financial Performance

#### Total Revenue

Total revenues during the year 2020 – 2022 were THB 415.33 million, THB 572.63 million and THB 637.51 million, respectively, representing the compound annual growth rate (CAGR) between 2020 - 2022, equal to 23.89 percent.

In 2021, the Company had total revenue of THB 572.63 million, an increase of THB 157.30 million or 37.87 percent from the year 2020, which was THB 415.33 million. This was due to the Company's revenue from land and factory sales, which amounted to THB 213.84 million in 2021, a significant increase compared to the same period in 2020, which was THB 87.50 million, representing a growth rate of 144.39 percent. This increase was mainly attributed to the revenue generated from the sale of a 30-rai land project known as "TEFD2," which had a total value of THB 213.84 million in 2021.

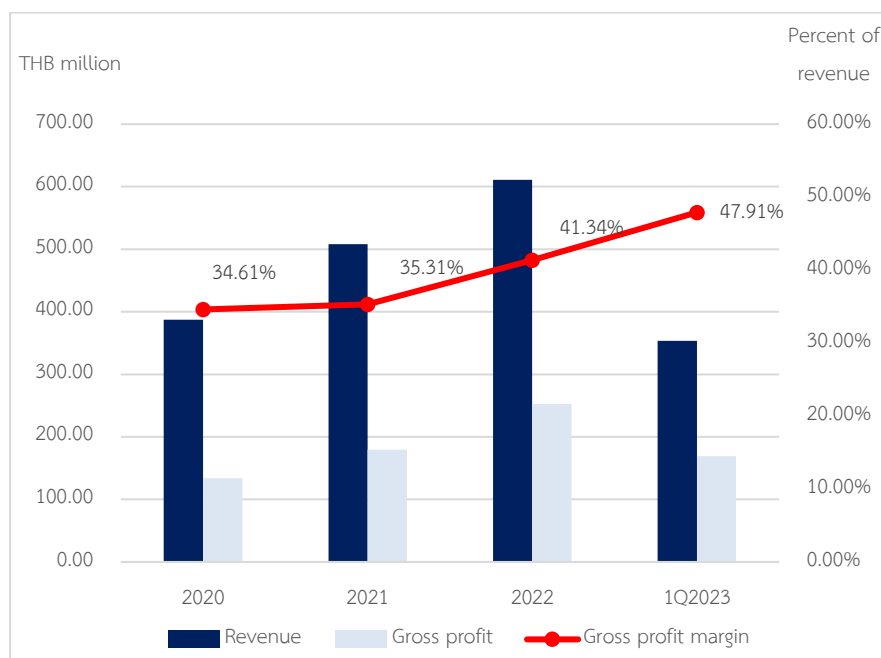
In 2022, the Company had total revenue of THB 637.51 million, an increase of THB 64.88 million or 11.33 percent from the year 2021, which was THB 572.63 million. This was due to the Company's revenue from land and factory sales, which amounted to THB 380.09 million in 2022, a significant increase compared to the same period in 2021, which was THB 166.25 million, representing a growth rate of 77.74 percent. This increase was mainly attributed to the revenue generated from the sale of a 40.43-rai land project known as "TEFD2 Industrial Estate," which had a total value of THB 380.09 million in 2022.

As of 31 March 2023, the Company had total revenue of THB 372.17 million, an increase of THB 16.80 million or 4.72 percent from the same quarter of the previous year, which was THB 355.37 million. This was due to the growth in revenue from land sales.



### Gross profit margin

#### Revenue from sales and services, Gross Profit and Gross Profit Margin Chart of the Company for the year 2020 - 2022 and the first quarter of year 2023



In 2020 – 2022, the Company had gross profit of THB 134.06 million, THB 179.39 million and THB 252.62 million, respectively, or the gross profit margin of 34.61 percent, 35.31 and 41.34 percent, respectively.

In 2021, the Company had gross profit of THB 179.39 million, representing a gross profit margin of 35.31 percent, an increase of THB 45.33 million or 33.82 percent from 2020 which was THB 134.06 million, with a gross profit margin of 34.61 percent. The Company's gross profit margin increased when compared to the same period of the previous year due to a significant increase in revenue from industrial estate land sales, while revenue from condominium and warehouse sales decreased slightly.

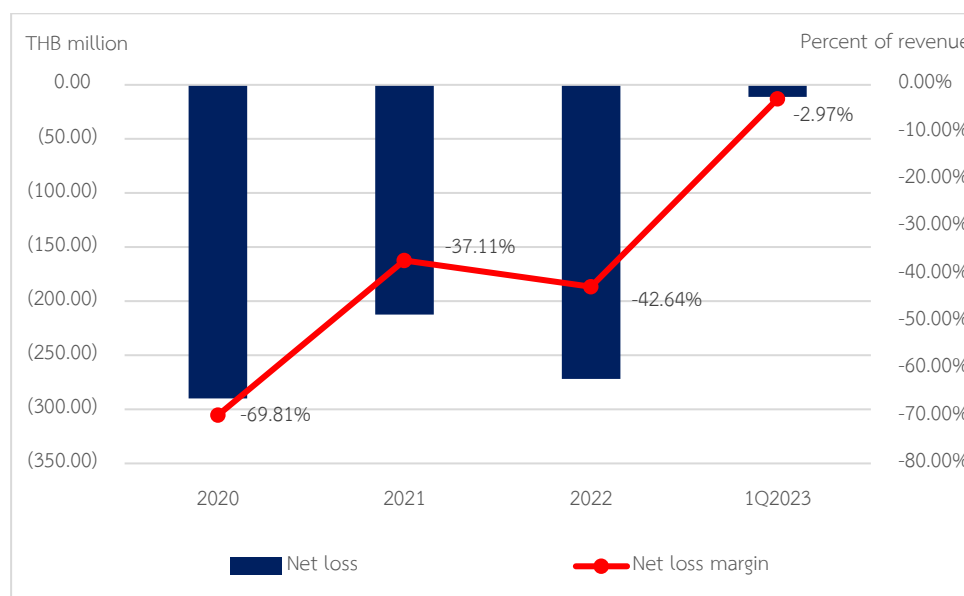
In 2022, the Company had gross profit of THB 252.62 million, representing a gross profit margin of 41.34 percent, an increase of THB 73.23 million or 40.82 percent from 2021 which was THB 179.39 million, with a gross profit margin of 35.31 percent. The Company's gross profit margin increased when compared to the same period of the previous year due to a significant increase in revenue from the sale of condominiums and warehouses. Additionally, there was revenue from the sale of industrial estate land covering an area of 30 rai, with an estimated value of approximately THB 230.00 million. However, in 2022, the Company had industrial estate land, TEFD2, which was sold and pending transfer, covering an area of 188.67 rai, with a total value of THB 1,627.81 million.

As of 31 March 2023, the Company had gross profit of THB 169.40 million, representing a gross profit margin of 47.91 percent, a decrease of THB 3.50 million or 2.03 percent from the same quarter of the previous year, which

was THB 172.90 million. This due to the increase in the cost of sales and the cost of leasing and services, which corresponded to the increase in sales.

### Profit margin

**Net Profit (Loss) and Net Profit (Loss) Margin Chart of the Company for the year 2020 - 2022 and the first quarter of year 2023**



In 2020 – 2022, the Company had a net loss of THB 289.95 million, THB 212.52 million and THB 272.01 million, respectively, or a net loss margin of 69.81 percent, 37.11 percent, and 42.64 percent, respectively, representing the compound annual deduction rate (CADR) between 2020 - 2022, equal to 3.14 percent.

In 2021, the Company had net loss of THB 212.52 million, representing a net loss margin of 37.11 percent, a decrease of THB 77.43 million or 26.71 percent from 2020 which was THB 289.95 million, with a net loss margin of 69.81 percent. This was due to the profit generated from increased land sales in 2021 and the Company started recognizing profit sharing from 'The Artisan Ratchada' project, which commenced transferring ownership to customers starting from the second quarter of 2020.

In 2022, the Company had net loss of THB 272.01 million, representing a net loss margin of 42.64 percent, an increase of THB 59.49 million or 27.99 percent from 2021 which was THB 212.52 million, with a net loss margin of 37.11 percent. This was due to the higher sales of land and a decrease in the proportion of revenue recognition from high-profit condominium projects.

As of 31 March 2023, the Company had net loss of THB 11.06 million, representing a net loss margin of 2.97 percent, a decrease of THB 57.09 million or 124.02 percent from the same quarter of the previous year, which had net profit of THB 46.04 million. This due to the Company recognizing losses in joint venture operations.

## Statement of Financial Position

### Assets

As of 31 December 2021, the Company had total assets of THB 8,782.32 million, an increase of THB 322.73 million or 3.81 percent from 31 December 2020, which was THB 8,459.59 million. Due to significant changes in assets as follows: 1) Cash and cash equivalents. This was due to the Company receiving cash inflows from the issuance of convertible bond shares. 2) Project development costs. This was due to the increase in assets mainly driven by the ongoing development of the TFD 2 Industrial Estate project. The Company had been expediting the development of key infrastructure components, ensuring that over 80.00 percent of the public utilities are completed. This strategic move aims to enhance investor confidence and attract further investments into the project. 3) Investment properties. This was due to the Company had leased out more warehouses and factories to new tenants, resulting in increased rental income.

As of 31 December 2022, the Company had total assets of THB 8,877.59 million, an increase of THB 95.27 million or 1.08 percent from 31 December 2021, which was THB 8,782.32 million. This was due to the recording of construction works for public utilities infrastructure on lands within the TFD 2 Industrial Estate and the inclusion of deferred expenses related to joint operation contracts, particularly the Chiang Rai project.

As of 31 March 2023, the Company had total assets of THB 8,862.62 million, a decrease of THB 14.98 million or 0.17 percent from 31 December 2022, which was THB 8,877.59 million. Due to significant changes in assets as follows: 1) Project development costs 2) Investment in joint venture.

### Liabilities

As of 31 December 2021, the Company had total liabilities of THB 6,712.96 million, an increase of THB 361.92 million or 5.70 percent from 31 December 2020, which was THB 6,351.04 million. This was due to the rise in long-term borrowings from financial institutions.

As of 31 December 2022, the Company had total liabilities of THB 6,540.55 million, a decrease of THB 172.42 million or 2.57 percent from 31 December 2021, which was THB 6,712.96 million. This was due to the repayment of borrowings from financial institutions and the early recognition of future revenue from land sales, as well as payments to construction contractors during the period.

As of 31 March 2023, the Company had total liabilities of THB 6,535.25 million, a decrease of THB 5.30 million or 0.08 percent from 31 December 2022, which was THB 6,540.55 million. Due to significant changes in liabilities as follows: 1) Debentures, due to the Company's repayment of debentures 2) Long-term loans, as the Company made repayments of long-term loans.

### Shareholders' equity

As of 31 December 2021, the Company had total shareholders' equity of THB 2,069.36 million, a decrease of THB 39.19 million or 1.86 percent from 31 December 2020, which was THB 2,108.55 million. This was due to the net loss during the past year.

As of 31 December 2022, the Company had total shareholders' equity of THB 2,337.05 million, an increase of THB 267.69 million or 12.94 percent from 31 December 2021, which was THB 2,069.36 million. This was due to the issuance of new ordinary shares and the conversion of convertible preferred shares into ordinary shares during the year.

As of 31 March 2023, the Company had total shareholders' equity of THB 2,327.37 million, a decrease of THB 9.67 million or 0.41 percent from 31 December 2022, which was THB 2,337.05 million. This was due to the utilization of the conversion right of convertible preferred shares into ordinary shares during the period, resulting in the conversion of approximately THB 32.00 million worth of convertible preferred shares into 100.71 million ordinary shares, which led to a reduction in the surplus value of ordinary shares. Additionally, there was a net loss in the first quarter of the year 2023.

## 5. Overview of the industry and business trends

### 1) Industrial Estate

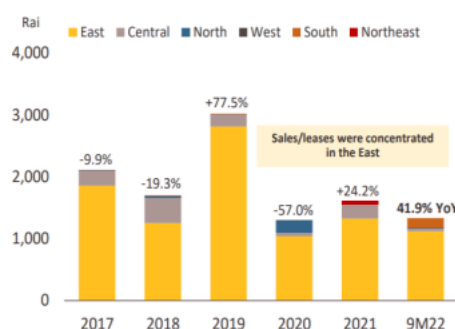
The government plans to develop special economic zone throughout the country especially the provinces along the borderline that are connected to neighboring countries by the friendship bridge and the economic corridor linking the eastern and western part. All special economic zones will comprise of commercial, residential and industrial areas which will be an important factor affecting the industrial estate market in the country and in the future.

The Industrial Estate Authority of Thailand (IEAT) together with Thai and Japanese business alliances have signed the Memorandum of Corporation (MOC) in a project to study development guidelines "Industrial real estate which lead to Carbon Neutral" (Carbon Neutral Industrial Estate) in the Map Ta Phut area. This is in line with the Thailand's goal of becoming a low-carbon society through bio-economic activities, circular economy and green economy, to raise the standard of the industrial estate by developing industrial estate 4.0 prototypes in the Eastern Economic Corridor – Eastern Special Development Zone (EEC – ESDZ) including the Small Park Industrial Estate which will rely on sustainable design with beautiful architecture and technology and are environmentally friendly. This is to raise up the quality and standard of working life in industrial estates. Thailand 4.0 combines the capabilities of production technology with the information technology to show Thailand's potential to revolutionize the country's economic structure and competitiveness under the attractive policies to induce the increase of foreign investment in large industries by integrating cyber network and real-world production, networking in the form of internet of Things (IoT) which is immensely beneficial to production lines and processes in factories.

In addition, the Industrial Estate Authority of Thailand (IEAT) has entered into joint venture with the group of Chinese investors and financial institutions in Thailand to operate under China's One Belt One Road policy by cooperating in finding potential partners and investors to invest in industrial estate in the Special Economic Zone (SEZ) and various industrial estates which will result in fully integrated connections and support the IEAT to be the center of industrial development, trade and investment in the region.

The selling price of land in industrial estates and industrial parks depends on the location, distance from transportation systems, fundamental infrastructure and the distributor group. The selling price of land located in industrial estates in Bangkok is the highest area as it is a transportation hub which includes both the port and airport. The second and third place are Chachoengsao and Rayong provinces, respectively. The land prices vary greatly in Bangkok and Chachoengsao because there are many industrial estates located near Bangkok while the other industrial estates are located further away such as land prices in industrial estates located in Prachinburi and Saraburi are cheaper because it is located far from Bangkok and the port.

Four industrial estates have been newly established with a total area of 6,305 rai, 3 of which are located in the eastern region, totaling area of 5,656 rai (90.00 percent of the total area of the newly established industrial estates) Sales and rental area of land in the industrial estates totaled 3,022 rai with the area in the eastern region is 2,812 rai ( 93.00 percent of total land for sale and lease), an increase of 124.60 percent reflecting the potential of the eastern region that still attracts most of the investors compared to other regions. At the end of 2020, the cumulative sales and lease of industrial estates across the country totaled 123,861 rai, representing an occupancy rate of 76.40 percent, decrease from 77.50 percent in 2019.



Source: REIC

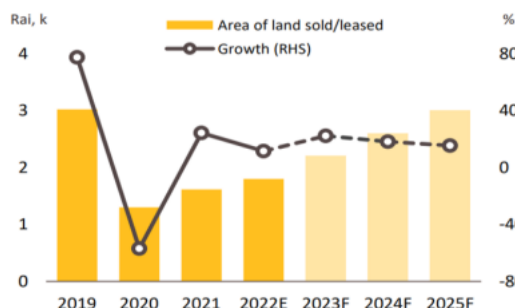
Sales / Rent of industrial estates



Note: OR = Occupancy rate  
Sources : REIC

Cumulative amount of supply and the industrial estate area for sale / rent

During 2021-2023, the industrial estates business is likely to grow after a sharp contraction in 2020. It is expected that sales and rental of land in industrial estates over the next three years will grow by an average of 20 percent per year at 1,500, 1,900 and 2,300 rai accordingly (Reference from Krungsri Research Center, 2021)



Sources : REIC, forecast by Krungsri Research

### Forecast of sales / rental area in the industrial estate

The government sector has measures to stimulate investment and increase tax privileges to attract investors and amending some regulations to facilitate the business to help attract more foreign investors such as the BOI investment Promotion Act provided a corporate tax exemption for up to 13 years (from 8 years) and a 50.00 percent tax deduction for an additional 5 years, as well as other incentives to reduce the impact of the COVID-19 pandemic such as extending the time of tax reimbursement, Land and Buildings Tax Cuts Set to reduce taxes at a 90% for the year 2021 taxation.

Competition condition within the industrial estate business is also classified as moderate because there are few operators and is a business that requires a lot of investment fund. The direct competitors of the Company are industrial estates in the same location which comprises of 5 industrial estates, namely Gateway City Industrial Estate, Wellgrow Industrial Estate, Amata Nakorn Industrial Estate, Asia Industrial Estate and T-Park Industrial Estate. However, from the location of TFD industrial Estate which is considered a strategic point and creates a competitive advantage for the Company. As a result, the Company has quite high competitiveness and can be a leader in price setting (Price Maker) in industrial estates located nearby.

Industrial estate business in 2022 tends to recover in line with the economic direction with an accelerated growth trend, which will support demand for buying or renting land. The operators have plans to develop industrial estates in the form of Small Park which are modern in terms of production technology, transportation systems, communication systems, energy systems, as well as to develop the industrial estates that are environmentally friendly to support future industries. Industrial estates in the eastern region have potential to grow more prominent than in other areas from the benefits from the fundamental infrastructure investment to support the EEC projects in 3 provinces, namely Chonburi, Rayong, and Chachoengsao which will attract the attention of both Thai and foreign investors.

In addition, the government sector has also pushed for the industrial development policies after the COVID-19 situation that the industrial sector must adjust its direction to cope with the changes by focusing

on promoting domestic production to create a supply chain, promoting the production and exporting of high potential products in the New S-Curve, coupled with the government's promotion measures to stimulate and restore investment in manufacturing businesses such as the electric automotive industry. At the same time, the government has the main goal of promoting Thailand as a center of trading, investment, and an important production base of the world. These are all key positives in attracting more investments in the near future.

## 2) Standard factories/ warehouses

The development of industrial estates generally starts with the development of industrial land, fundamental infrastructure on the industrial land and sale of land to industrial investors to construct the factories or warehouses. However, operators may choose the option of renting a factory or warehouse instead of building it themselves in order to decrease the initial investment and reduce the risks from various uncertainties that may occur. The renting of such factories and warehouses allows the tenants to enjoy the convenience of receiving a full range of services from those industrial estates. In addition, the standard factory and warehouse business also allow the foreign investors to invest in manufacturing base in the country without holding ownership in factories and warehouses.

The supply of standard factory and warehouse for rent can be divided into two main categories as follows: supply from the factory and warehouse developers on their own industrial land plots which the factory and warehouse developers will be the same person as the owner of the industrial estate. The second type is the supply from the developers of factories and warehouses on industrial land which they purchased or leased from the industrial land owners such as the companies that operate factories and warehouses for rent on land that purchased from the landlords in the industrial estates in various locations. The demand for standard factories and warehouses for rent will come from the operators who do not want to own factory and warehouse as assets to reduce the initial investment of the project and for flexibility in business operations. Moreover, Thailand is a good choice for foreign entrepreneurs to invest due to the location which is considered as the center of Asia, skilled workers including various rules and regulations that supports the foreign investment which result in increase in demand for factory and warehouse rentals.

The competition situations in the standard factory/warehouse business is still in the medium level because there are few operators and this business requires a lot of investment value same as the industrial estate business. Moreover, most of the entrepreneurs and investors who need factories and warehouses for rent will already have a target location that can support their business. The direct competitors of the Company in this business are various industrial estates located in the same location and also provide standard factories and warehouses for rent. From the location of TFD Industrial Estates which is considered a strategic point and creates a competitive advantage for the group Company resulting in the Company having a high competitive potential and can be a leader in pricing (Price Maker) in the business of standard factories / warehouses located in nearby locations.

As for the overview of factories, warehouses and distribution centers for rent, it has grown continually in contradiction with the economic trend due to the positive impact of the COVID-19 crisis which accelerate the growth in the e-commerce business online trading worth up to THB 4-5 hundred billion which is



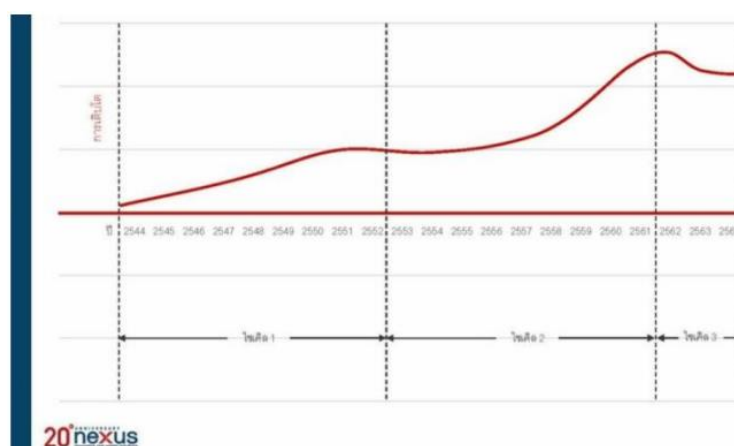
an important factor supporting the warehouse business from the need for storage space and distribution of products increase in multiply. On the other hand, the risk of closing the country, lockdown the travel and transport causing the trend to relocate the base of both domestic and foreign manufacturers want to move closer to the consumer, thus results in the occupancy rate of rental space significantly increase in the Thai warehouse and factory market. At present, the total area has been used up to 6.099 million square meters from the total area across the country of 6.963 million square meters, representing 87.60 percent. In the first half of 2021, the director of research and communications, the research firms and real estate consultancy revealed that there are more than 150,000 square meters of new lease contracts.

On the other hand, major developers are still looking for land to develop to factories and warehouses for next year especially the area in Samut Prakarn, Ayutthaya and in the EEC area. After the progress of EEC infrastructure projects such as the high-speed rail project connecting the airport and the development of U-Tapao Airport, all these progresses have a positive effect on the industrial business group. These factors can attract investors to invest in the country because it is a strategic area of Thailand.

Warehouse business that is in operation as of 30 November 2021 : there are 1,240 companies, accounting for 0.15 percent of the business that is in operation and has a capital value of THB 20,417.62 million or equivalent to 0.11 percent of the total business operating in Thailand. Overall performance of the warehouse business is a business that has continuously growth in revenues. The increase in total revenue growth in 2018 - 2020 are 2.79 percent and 22.37 percent respectively. The warehouse business trend has continued to grow continuously in value. This can be reflected from the value of the e-commerce business in Thailand especially in the area of Bangkok and surrounding areas that support the e-commerce business and the Eastern Special Economic Zone in accordance with the government's industrial area promotion policy (Reference from the Department of Business Development, 2021)

### 3) Real Estate Development (Residential building – condominium)

The real estate market in year 2021 is considered the year that the market has slowed down due to several factors such as the prolonged of COVID epidemic, causing several business sectors to be affected and cannot recover. Thus, directly affect the purchasing power of consumers including high level of household debt. This allows consumers to take longer time to make real estate purchase decision. During 2019-2021, the condominium market contracted significantly due to the impact of economic factors and the COVID-19 pandemic which makes the consumers more conscious to spend money and reducing spending on luxury goods. In the past 3 years, the supply increased only 80,100 units. In 2021, only 16,800 units of new condominiums opened which was the lowest value during the past 12 years.



### The growth of condominium market in Bangkok during the past 20 years

Condominium market trends in 2022, the market will gradually move back to growth. The market price level will not increase much as there are new condominium developments that penetrate the condominium budget target groups. The condominium market remains more stable, the increase in price will reflect real demand even more. In 2022, it is expected that the condominium market in Bangkok will have new project launch at least 30,000 units and supply will grow in 2 main market which first groups are condominiums in the middle of the city, caused by the need for a second home near the working place, school or when the older want to move into the city for convenience in travel, maintaining a compact, safer and more comfortable housing. The second group is the city condo market caused by the expansion of the city and various BTS/MRT including the demand of consumers who want to live near the BTS for the convenience of traveling and working.

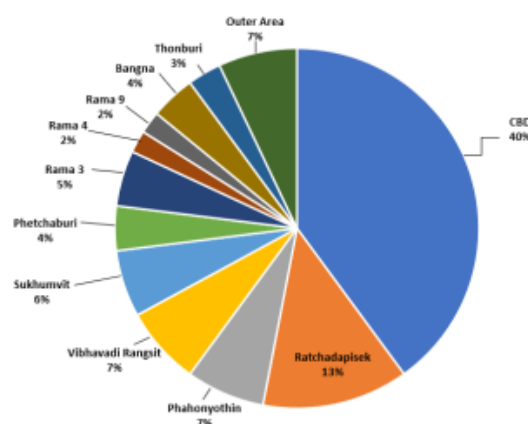
In addition, the government has public measures that facilitate the purchase of real estate, such as reducing the transfer fee, mortgage fees for real estate not exceeding THB 3.00 million including the relaxation of the mortgage control measures (Loan-to-Value : LTV) of the Bank of Thailand which support the buyers and investors to help stimulate the real estate market. Moreover, the relaxing of the epidemic control measures, better vaccine distribution and the economic situation which is likely to recover. However, there are many challenges to be faced such as the epidemic of COVID-19 which is still unsolved, household debt, the strictness in considering mortgage loans of financial institutions including political uncertainty.

The president of the Real Estate Association looks at the outlook for the year 2022 that housing estates and condominiums show a sign of 10.00 - 15.00 percent recovery rate since the previous year the condominium market was decrease by 30.00 percent. For the price in 2022, in terms of price competition may not be as intense as in 2020 - 2021 because the existing stocks is less resulting in less pressure. In addition, in term of price of the condominiums tend to increase because the project development costs are more expensive. It is estimated that the residential price will increase by 3.00 - 5.00 percent.

#### 4) Office building for rent

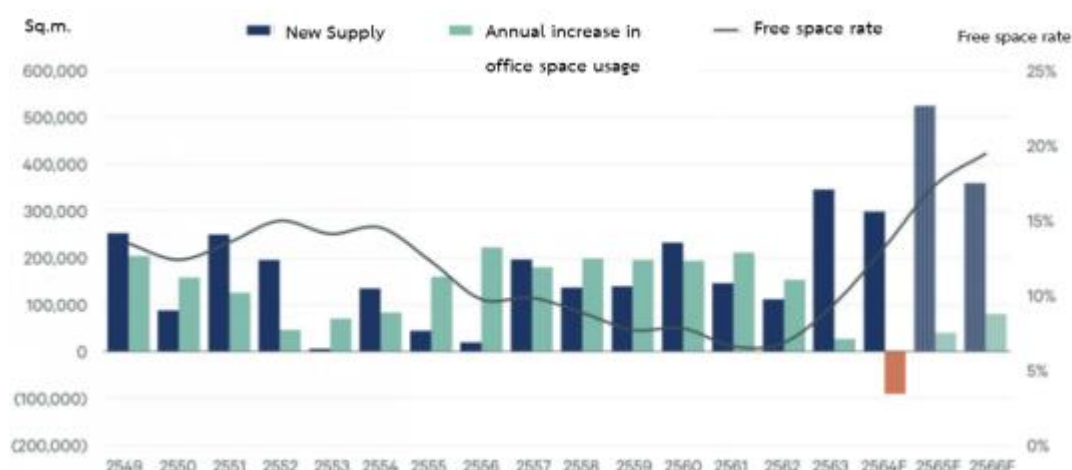
Most of the office buildings for rent in Thailand are located in Bangkok and Bangkok Metropolitan Region (BMR) accounting for 80% of the total office building construction across the country. It is concentrated in the Central Business District of Bangkok ("CBD") and is in the area of the location of the office buildings, leading shopping center, high-ends hotel and residences in the center of the convenient and fast transportation with the electric train system (BTS and MRT) and expressways which connect the outer area with the CBD area such as Silom, Sathorn, Ploenchit, Wireless Road, Asoke and early Sukhumvit area (to Sukhumvit Soi 24). However, the CBD area is limited by the low availability of land and high prices. This is a major obstacle to the development of office buildings for rent. Thus, the development of the electric train system and transportation routes are the factors that encourages most of the new office buildings to spread out to areas outside the CBD such as Ratchadaphisek, Phaholyothin, Vibhavadi Rangsit, Chaengwattana and Bangna etc.

The Central Business District (CBD) is the area with the most office buildings in Bangkok for approximately 40% of the total office space in Bangkok. The following areas are areas along Ratchadaphisek Road (outside the CBD) with approximately 13%, other areas accounting for less than 50.00 percent of Bangkok's total office space. Other areas besides the 2 abovementioned areas are the areas that previously had office buildings before Bangkok had a BTS route to open, which in fact it's the same as the buildings in the area of CBD and Ratchadaphisek because most of the office buildings in Bangkok were completed before the BTS opened for service.



#### Cumulative office building space in Bangkok classified by location

For the office rental market, there should be a clearer approach to implementing a hybrid working model in the workplace to ensure the efficient operation, cost control and can maintain the employee contribution and engagement with the organization.



### New Supply - Increased office space usage and the vacancy rate of the office building market in Bangkok

In addition, the standards in the areas of environmental, social and environmental governance (ESG) will become increasingly important. As the multinational companies have set the Carbon Neutrality target or net zero greenhouse gas emissions reductions from the year 2030 onwards, the changes in utilization of office building area will make many old office buildings not suitable for the modern workplace as well as retain and attract talented employees. With the number of new office building projects that added into the market continuously, many old office buildings in Bangkok that has not been renovated or refurbished will become obsolete buildings.

However, the situation in the office building for rent market continues to be interesting because in the next 5 years there will be new supply coming into the market approximately 1.8 million square meters from the development of many beautiful plots of land in the heart of the city including other zones around Bangkok. It has been announced that the development of office buildings continuously. From a large supply to gradually enter into the market, this will result in the bargaining power of the renters will increase more than ever before in the future. When including with the situation of the economy in 2022, which is expected that there will be a slow recovery and in the future there is a tendency for the use of land to decrease in the long term from the entering into the aging society that the number of people of working age may decrease. Such all these factors may result in rental rates continue to shrink.

However, as many companies have announced plans to return to more offices by the end of 2021 but remain cautious as the infection rates remain high and still have to keep an eye on the result of the latest opening of the country will have an impact especially in the next 3 years, the market could be more balance in 2025 if supply levels are adjusted and many old and obsolete buildings are taken off the market.