

(Translation)

**Opinion of the Independent Financial Advisor on Connected Transactions**

- 1. Purchase of land in the area of Sena Grand Home Project, located on Bang Bua Thong - Bang Phun Road, Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province**
- 2. Purchase of land in the area of Sena Park Residences Ramindra Project, located on Kanchanaphisek Road, Khanna Yao Sub-District, Khanna Yao District, Bangkok**

of



**Sena Development Public Company Limited**

Prepared by



**Advisory Plus Company Limited**

March 23, 2021

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

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## Abbreviations

The Company	Sena Development Plc.
Mrs. Nidda	Mrs. Nidda Churatsakchareon
Sirinthip	Sirinthip Karn Keha Co., Ltd.
Golden	Golden Wattle Assets Co., Ltd.
Sinsap Thanya	Sinsap Thanya Co., Ltd.
BKKPA	Bangkok Property Appraisal Co., Ltd.
TAMC	T.A. Management Corporation (1999) Co., Ltd.
TSA	Thai Surveyor and Advisory Co., Ltd.
IFA	Advisory Plus Co., Ltd.
SET	The Stock Exchange of Thailand
SEC	The Office of the Securities and Exchange Commission
Acquisition or Disposal Notifications	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, 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 Acquisition or Disposition of Assets B.E. 2547, dated October 29, 2004, (as amended)
Connected Transaction Notifications	The Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions, dated August 31, 2008, (as amended) and the Notification of the SET Board of Governors Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546, dated November 19, 2003, (as amended)

AP. 007/2021

March 23, 2021

Subject Opinion of the Independent Financial Advisor on connected transactions of Sena Development Plc.

To The Audit Committee and Shareholders  
Sena Development Plc.

The Board of Directors' Meeting of Sena Development Plc. ("**the Company**" or "**SENA**") No. 1/2021 held on February 25, 2021 resolved to grant approval for the Company to enter into significant transactions as follows:

1. Approval for the Company to purchase one plot of land from Golden Wattle Assets Co., Ltd. ("**Golden**"), located in the area of Sena Grand Home Project, Bang Bua Thong - Bang Phun Road, Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province, to develop a property project for sale, under title deed No. 132196 with a total area of 15-1-4.6 rai or 6,104.6 square wah at a total price of Baht 231,974,800 or Baht 38,000 per square wah, which is lower than the average appraised value of two independent valuers.

Golden does not have any relationship with the Company. However, it is wholly owned by Mrs. Nidda Churatsakchareon ("**Mrs. Nidda**") who also is a shareholder of Sirinthip Karn Keha Co., Ltd. ("**Sirinthip**"). The purchase of land from Golden is thus considered a connected transaction because the said purchased land is part of the land under the memorandum of agreement between the Company and Sirinthip dated April 3, 2006.<sup>1</sup> Sirinthip formerly was a related company of the Company since Tun Charoen Co., Ltd., which was the major shareholder of Sirinthip, was a connected person of the Company through shareholding of 51% by Mrs. Srianong Kiratiwaranon (mother of Ms. Kessara Thanyaluckphak) and 49% by Conwest Holding Limited Fund (Ms. Kessara Thanyaluckpark holds the shares via the said fund). By at that time Ms. Kessara Thanyaluckpark was a director, executive and a major shareholder of the Company (Currently holding a director, managing director and a major shareholder of the Company). The said memorandum of agreement was made in order to restrict the rights of Sirinthip to engage in the business of land development or house construction for sale or to purchase additional land or to sell land held by Sirinthip on condition that Sirinthip must first offer to sell the land to the Company at a price not higher than the appraised value by an independent valuer approved by the Office of the Securities and Exchange Commission ("**SEC**").<sup>2</sup> Later, Golden accepted a transfer of the land to be purchased by the Company, comprising

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<sup>1</sup> See more details of the memorandum of agreement between the Company and Sirinthip dated April 3, 2006 in Item 1.1.6 (1) of this report.

<sup>2</sup> The Company disclosed in the Prospectus for Initial Public Offering (IPO) the measures for elimination of a conflict of interest that may arise in the future in order to establish a framework for business operation of land-owning companies which may operate business in competition with the Company. Under such measures, the land held by Sirinthip under the memorandum of agreement must be first offered to the Company at a price not higher than the value appraised by an independent valuer, approved by the SEC, not earlier than six months before the land purchase by the Company.

the plot of land under title deed No. 132196 (being split from title deed No. 5073), from Mrs. Nidda which previously obtained the said land from Sirinthip due to the restructuring of land ownership of Sirinthip. Golden, the ownership transferee, then entered into a memorandum of agreement with the Company on July 3, 2017 to bind and certify the rights existing under the memorandum of agreement between the Company and Sirinthip. However, to comply with the conditions of the said memorandum of agreement and measures to eliminate conflicts of interest of the Company, in entering into the transaction to purchase the lands from Golden, the Company will consider as a transaction with a person who may have conflicts and will comply with the Notification of the connected transaction.

2. Approval for the Company to purchase one plot of land from Sinsap Thanya Co., Ltd. (“**Sinsap Thanya**”), located in the area of Sena Park Residences Ramindra Project, Kanchanaphisek Road, Khanna Yao Sub-District, Khanna Yao District, Bangkok, to develop a property project for sale, under title deed No. 13091 with a total area of 14-2-65.4 rai or 5,865.40 square wah, together with the right of servitude over other plots of land of Sinsap Thanya<sup>3</sup> to provide access to the said purchased land, at a total price of Baht 195,024,550 or Baht 33,250 per square wah, which is lower than the average appraised value of two independent valuers.

The purchase of land from Sinsap Thanya is deemed as a connected transaction since the said traded land is in the original project of Sinsap Thanya (Ram Inthra Road, Km 9) which was included in the memorandum of agreement between the Company and Sinsap Thanya and the Company stated in the Prospectus for Initial Public Offering (IPO) of newly issued shares on July 15, 2009 that the Company shall comply with the measures for elimination of a conflict of interest by applying the rules on connected transactions to this transaction. Therefore, the Company is obligated to abide by the regulations under the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions, dated August 31, 2008, (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand (“**SET**”) Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546, dated November 19, 2003, (as amended) (collectively called “**Connected Transaction Notifications**”).

Therefore, the transactions in 1 and 2 above are considered as connected transactions in the category of assets or services, thus requiring the Company to comply with the Connected Transaction Notifications. The purchase of land from Golden as in 1 has the transaction size equal to 3.47% of the net tangible assets (NTA) of the Company and its subsidiaries, and the purchase of land from Sinsap Thanya as in 2 has the transaction size equal to 2.91% of the NTA of the Company and its subsidiaries. There were no other connected transactions taking place during the past six months; hence, the total size of such two connected transactions is equal to 6.38% of the NTA of the Company and its subsidiaries. Since the said transaction size exceeds 3% of the NTA of the Company and its subsidiaries, calculated according to the Company’s consolidated financial statements for the year ended December 31, 2020, the Company is obligated to disclose information on the transactions to the SET and to seek approval for the connected transactions 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 having the right to vote, excluding votes of the shareholders having an interest therein.

In addition, 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, dated August 31, 2008, (as amended) and the Notification of the SET Board of Governors Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547, dated October 29, 2004, (as amended) (collectively called “**Acquisition or Disposal Notifications**”), the purchase of land from Golden as in 1 has the

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<sup>3</sup> Including land under title deeds No. 378, No. 1797 and No. 11410 located in Sena Park Residences Project, Khanna Yao Sub-District, Khanna Yao District, Bangkok.

highest transaction value equal to 1.29% and the purchase of land from Sinsap Thanya as in 2 has the highest transaction value equal to 1.09%, both being derived from the calculation on a total value of consideration basis according to the Company's consolidated financial statements for the year ended December 31, 2020. After aggregating with the asset acquisition transactions taking place during the past six months, the total size of the asset acquisition transactions is equal to 2.44%, which is less than 15% and accordingly does not fall under the type of transaction as defined in the Acquisition or Disposal Notifications. However, since the transactions are considered as connected transactions, from the calculation of the transaction size under the rules on connected transactions, the Company is obligated to seek approval for the entry into the connected transactions 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 having the right to vote, excluding votes of the shareholders having an interest therein. The Company is also required to appoint an independent financial advisor to provide opinion regarding the transactions to the shareholders to be a basis for their voting decision. As such, the Company is to abide by a higher set of regulations, i.e. to comply with the rules on connected transactions.

In this respect, the Company has appointed Advisory Plus Co., Ltd. as the independent financial advisor ("IFA") to render opinion to the Company's shareholders regarding (1) reasonableness and benefits of the transactions to the listed company, (2) fairness of price and conditions for the transactions, and (3) recommendation as to whether the shareholders should vote for or against the transactions together with reasons thereof.

In providing opinion herein, we have studied information and documents obtained from the Company, including publicly available information such as resolutions of the Board of Directors' meeting of the Company and the Information Memorandum relating to the transactions, annual registration statement (Form 56-1), the auditor's report, financial statements, financial projection and relevant assumptions, property appraisal reports, draft agreements relating to the transactions, data on analysis and forecast of relevant economic and industrial situations, and other related information and documents, as well as information obtained from interviews with the management of the Company, as a basis for the analysis and rendering of opinion on these transactions.

The opinion expressed herein is based on the assumption that all information and documents obtained from the Company and from the interviews with the management of the Company, publicly available information and all other related information are true, correct and complete and have not been significantly changed or amended after being made available to the IFA. The IFA may neither certify nor guarantee the correctness or completeness of such information. Our rendering of opinion is, moreover, based on the economic environment and the information prevailing at the time of conducting this study only. If there is any significant change in these factors from the current status, it may have a material impact on the Company, the entry into the transactions contemplated herein, the IFA's opinion, and the shareholders' voting decision. Therefore, we may not affirm as to whether there will be any potential material impact from such factors on the Company and the shareholders in the future.

The purpose of the opinion provided herein is for the shareholders to use as a basis for consideration and approval of the transactions only. The final decision whether to approve or disapprove the transactions depends primarily on the shareholders' individual judgment. The provision of opinion by the IFA is by no means a guarantee of the success of the transactions and any possible impacts thereof. The IFA shall not be held accountable for any impacts that may arise from the entering into the transactions.

The opinion rendered by the IFA is as follows:

## Executive Summary

The Board of Directors' Meeting of the Company No. 1/2021 held on February 25, 2021 resolved to grant approval for the Company to enter into significant transactions as follows:

1. Purchase of one plot of land from Golden, located in the area of Sena Grand Home Project, Bang Bua Thong - Bang Phun Road, Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province, to develop a property project for sale, under title deed No. 132196 with a total area of 15-1-4.6 rai or 6,104.6 square wah at a total price of Baht 231,974,800 or Baht 38,000 per square wah, which is lower than the average appraised value by two independent valuers.

2. Purchase of one plot of land from Sinsap Thanya, located in the area of Sena Park Residences Ramindra Project, Kanchanaphisek Road, Khanna Yao Sub-District, Khanna Yao District, Bangkok, to develop a property project for sale, under title deed No. 13091 with a total area of 14-2-65.4 rai or 5,865.40 square wah, together with the right of servitude over other plots of land to provide access to the said purchased land, at a total price of Baht 195,024,550 or Baht 33,250 per square wah, which is lower than the average appraised value by two independent valuers.

The purchase of land from Golden and Sinsap Thanya constitutes a connected transaction of the Company. The purchase of land from Golden has the transaction size equal to 3.47% of the NTA of the Company and its subsidiaries, and the purchase of land from Sinsap Thanya has the transaction size equal to 2.91% of the NTA of the Company and its subsidiaries. There were no other connected transactions taking place during the past six months; hence, the total size of such connected transactions is equal to 6.38% of the NTA of the Company and its subsidiaries. Since the said transaction size exceeds 3% of the NTA of the Company and its subsidiaries, calculated according to the Company's consolidated financial statements for the year ended December 31, 2020, the Company is obligated to disclose information on the transactions to the SET and to seek approval for the connected transactions 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 having the right to vote, excluding votes of the shareholders having an interest therein. (See details of the shareholders having an interest in Items 1.1.2 and 2.1.2 of this report.)

In addition, the above transactions are considered the acquisition of assets pursuant to the Acquisition or Disposal Notifications. The purchase of land from Golden has the highest transaction value equal to 1.29% and the purchase of land from Sinsap Thanya has the highest transaction value equal to 1.09%, both being derived from the calculation on a total value of consideration basis according to the Company's consolidated financial statements for the year ended December 31, 2020. After aggregating with the asset acquisition transactions taking place during the past six months, the total size of the asset acquisition transactions is equal to 2.44%, which is less than 15% and accordingly does not fall under the type of transaction as defined in the Acquisition or Disposal Notifications. However, since the transactions are considered as connected transactions, from the calculation of the transaction size under the rules on connected transactions, the Company is obligated to seek approval for the entry into the connected transactions 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 having the right to vote, excluding votes of the shareholders having an interest therein. The Company is also required to appoint an independent financial advisor to provide opinion regarding the transactions to the shareholders to be a basis for their voting decision. As such, the Company is to abide by a higher set of regulations, i.e. to comply with the rules on connected transactions.

**The entry into the connected transaction to purchase land from Golden, located in the area of Sena Grand Home Bang Bua Thong - Bang Phun Project, Pathum Thani Province, will provide the Company with a vacant land for development of a new property project, which will feature a condominium in the brand of Sena Kith Rangsit Station with a total of 1,533 units at a selling price of less than Baht 1 million per unit. The target group will be a large number of low-**

income earners desiring a home of their own, while there is still undersupply of housing at a price level lower than Baht 1 million in such market. A market survey in Bang Phun area shows that almost all of the competitors' projects are condominiums offered at an average selling price above Baht 1 million per unit. The Company therefore sees room for development of a low-priced condominium project on the land to be acquired under this transaction by using price as a selling point.

Furthermore, the land being acquired is in a prime location with potential for residential property development since it is in Bang Phun's prosperous residential area with convenient transportation. The Company itself has amassed experience in continuous development of several phases of Sena Grand Home Project in Bang Phun area over a period of more than 10 years and accordingly has a large base of market data and target groups, thus giving it a competitive advantage in such area. At the same time, the Company will benefit from development of a continuing project in the same area as its existing projects, which will allow the Company to more easily and conveniently manage this project, increase its efficiency in overall project management, and save expenses through pooling of resources. Moreover, the Company will have stronger bargaining power with its contractor, which will help to reduce construction cost. The Company will be able to grow its revenues through such ongoing property development, which will deliver a favorable return to the Company and its shareholders in the future.

However, entering into this transaction will result in the Company incurring incremental debt and interest expenses from loans raised to finance the land purchase and property development. The Company will also bear expenses in a greater amount than revenues earned during the initial period of investment. While construction is still underway or ownership has not yet been transferred to customers, the Company cannot recognize revenues until the construction is completed as per the contract or the ownership and material benefits are transferred to the customers. In addition, the Company is exposed to risk from revenues, costs and expenses failing to meet projections, which could affect the rate of return on investment. Since construction in each phase or of each building of the condominium cannot be gradually invested in or be halted due to any unusual event or economic volatility occurring during such project development, the Company may then be exposed to risk concerned with its cash flow or liquidity management amid the said situation.

The purchase price of land from Golden at Baht 231,974,800 in total or Baht 38,000 per square wah is **lower than** the average appraised value by the two independent valuers of Baht 40,000 per square wah. Therefore, the said **purchase price is considered reasonable**.

The IFA has determined the appropriateness of the investment in development of the land to be purchased from Golden into a condominium project in the brand of Sena Kith Rangsit Station. From our study, the Company will earn a gross profit margin in the base case and the sensitivity analysis case of 31.50% and 27.86% - 31.50% respectively, with the project's net present value in the base case and the sensitivity analysis case of Baht 161.17 million and Baht 121.09 - 154.34 million respectively and IRR in the base case and the sensitivity analysis case of 20.90% per year and 16.96% - 20.16% per year respectively, which is higher than both the project's weighted average cost of capital of 4.91% per year and estimated average borrowing cost of 4.13% per year. Based on these factors, the said investment is considered appropriate and will deliver a satisfactory profit margin and rate of return to the Company.

Moreover, we view that the overall conditions for the transaction are the conditions set forth based on the negotiations between the Company, as the buyer, and Golden, as the seller, by paying attention primarily to the appropriateness and the interest of the Company. All conditions are considered fair and reasonable and will not cause the Company to lose any benefit.

**The entry into the connected transaction to purchase land from Sinsap Thanya**, located in the area of Sena Park Residences Ramindra Project, will provide the Company with an appropriate size of additional land to be combined with its existing adjacent land into a land plot of the size that is suitable for efficient development of a new horizontal property project. The Company envisions the



potential of land in Sena Park Residences Ramindra Project, which is in a prime location with convenient transportation. Currently, there are three projects operated by the Company in this area, comprising 1) Sena Park Grand Ramindra, a single house project priced at Baht 10 million up per unit; 2) Sena Park Ville Ramindra Phase 1, offering single houses and twin houses priced at Baht 6.5 million - Baht 10 million up per unit, both projects of which have been mostly sold with only a small number of unsold units remaining; and 3) Sena Park Village Ramindra, a townhouse, twin house and single house project priced at Baht 3 million – Baht 6 million per unit which is still under construction and expected to launch a pre-sale within 2021. The Company plans to develop the land to be acquired in this transaction into Sena Park Ville Ramindra Phase 2 offering single houses and twin houses priced at Baht 5.85 million – Baht 6.55 million per unit. It will be a continuous project from Phase 1, featuring cheaper and smaller houses but still focusing on space utilization and provision of similar facilities, thus enabling the Company to offer products with a wider price range for customers to choose from in the same area and also to more diversely cater to needs of customers and match their home-buying ability, hence the opportunity for the Company to expand its customer base and reach a broader target audience. Moreover, the Company will benefit from new property development in the area where there already are completely built houses, which will help to build customers' confidence and assist in their decision-making. The Company can also conduct marketing that builds on the existing customer base of Sena Park Ville Ramindra Phase 1 as these customers can help introduce interested buyers of houses in Ram Inthra area, which can serve as another credible public relations source. In addition, the development of a continuous project in the same area as its existing projects will help to enhance flexibility in operations and save some costs and expenses through sharing of resources, leading to a more worthwhile investment, a drop in unit cost, and a higher project rate of return. The Company will be able to continuously develop a new project and grow its revenues and profit in the future, which will deliver a favorable return to its shareholders.

However, entering into this transaction will result in the Company incurring incremental debt and interest expenses from loans raised to finance the land purchase and property development. The Company will also bear expenses in a greater amount than revenues earned during the initial period of investment. While construction is still underway or ownership has not yet been transferred to buyers, the Company cannot recognize revenues until the construction is completed as per the contract or the ownership and material benefits are transferred to the buyers. In addition, the Company is exposed to risk from revenues, costs and expenses failing to meet projections, which could affect the project's rate of return.

The purchase price of land from Sinsap Thanya at Baht 195,024,550 in total or Baht 33,250 per square wah is **lower than** the average appraised value by the two independent valuers of Baht 35,000 per square wah. Therefore, the said **purchase price is considered reasonable**.

The IFA has determined the appropriateness of the investment in development of the land to be purchased from Sinsap Thanya into a horizontal property project for sale. From our study, the Company will earn a gross profit margin in the base case and the sensitivity analysis case of 29.98% and 26.61% - 29.68% respectively, with the project's net present value in the base case and the sensitivity analysis case of Baht 136.01 million and Baht 102.26 - 130.97 million respectively, and IRR in the base case and the sensitivity analysis case of 18.08% per year and 14.75% - 17.54% per year respectively, which is higher than both the project's weighted average cost of capital of 4.91% per year and estimated average borrowing cost of 4.13% per year. Based on these factors, the said investment is considered appropriate and will deliver a satisfactory profit margin and rate of return to the Company.

Moreover, we view that the overall conditions for the transaction are the conditions set forth based on the negotiations between the Company, as the buyer, and Sinsap Thanya, as the seller, by paying attention primarily to the appropriateness and the interest of the Company. All conditions are considered fair and reasonable and will not cause the Company to lose any benefit.

Based on all above rationales, we are of the opinion that the shareholders will benefit from the transactions in land purchase from Golden and Sinsap Thanya, as the transactions are considered reasonable with fair prices and conditions. Therefore, the shareholders are recommended to vote in favor of the entering into the said connected transactions.

However, the purpose of the opinion provided herein is for the shareholders to use as a basis for consideration and approval of the transactions only. The final decision whether to approve or reject the transactions depends primarily on the shareholders' individual judgment. The provision of opinion by the IFA is by no means a guarantee of the success of the transactions and any possible impacts thereof. The IFA shall not be held accountable for any impacts that may arise from the entering into the transactions.

**Transaction 1 Purchase of land from Golden Wattle Assets Co., Ltd.**

**1.1 Nature and details of the transaction**

**1.1.1 Nature of the transaction**

The Company intends to purchase one plot of land from Golden, located in the area of Sena Grand Home Rangsit - Tiwanon Project, Bang Bua Thong - Bang Phun Road, Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province, title deed No. 132196 with a total area of 15-1-4.6 rai or 6,104.6 square wah at a total price of Baht 231,974,800 or Baht 38,000 per square wah, which is lower than the average appraised value of two independent valuers.

Although Golden does not have any relationship with the Company, it is a related company of Mrs. Nidda who holds the entire shares of Golden and also is a shareholder of Sirinthip. The purchase of land from Golden is thus considered a connected transaction because the said purchased land is part of the land under the memorandum of agreement between the Company and Sirinthip dated April 3, 2006.<sup>4</sup> Sirinthip formerly was a related company of the Company since Tun Charoen Co., Ltd., which was the major shareholder of Sirinthip, was a connected person of the Company through shareholding of 51% by Mrs. Srianong Kiratiwaranon (mother of Ms. Kessara Thanyaluckphak) and 49% by Conwest Holding Limited Fund (Ms. Kessara Thanyaluckpark holds the shares via the said fund). By at that time Ms. Kessara Thanyaluckpark was a director, executive and a major shareholder of the Company (Currently holding a director, managing director and a major shareholder of the Company). The said memorandum of agreement was made in order to restrict the rights of Sirinthip to engage in the business of land development or house construction for sale or to purchase additional land or to sell land held by Sirinthip on condition that Sirinthip must first offer to sell the land to the Company at a price not higher than the appraised value by an independent valuer approved by the SEC. Later, Golden accepted a transfer of the plot of land under title deed No. 132196 (being split from title deed No. 5073) from Mrs. Nidda which previously obtained the said land from Sirinthip due to the restructuring of land ownership of Sirinthip. Golden, the ownership transferee, then entered into a memorandum of agreement with the Company on July 3, 2017<sup>5</sup> to bind and certify the rights existing under the memorandum of agreement between the Company and Sirinthip.

However, to comply with the conditions of the said memorandum of agreement and measures to eliminate conflicts of interest of the Company, in entering into the transaction to purchase the lands from Golden, the Company will consider as a transaction with a person who may have conflicts and will comply with the Notification of the connected transaction.

**1.1.2 Type and size of the transaction**

Size of the connected transaction

Basis of calculation	Details of calculation	
<u>Value of consideration paid to connected person</u> NTA <sup>1/</sup> of SENA and subsidiaries	= Baht 231.97 million	3.47%
	Baht 6,688.20 million	

Note<sup>1/</sup> NTA (Net Tangible Asset) = Total assets - Intangible assets - Deferred tax assets - Total liabilities - Non-controlling interests

<sup>4</sup> See more details of the memorandum of agreement made between the Company and Sirinthip dated April 3, 2006 in Item 1.1.6 (1) of this report.

<sup>5</sup> See more details of the memorandum of agreement made between the Company and Golden dated July 3, 2017 in Item 1.1.6 (2) of this report.

Size of the asset acquisition transaction

Basis of calculation	Formula	Transaction size	
Total value of consideration	$\frac{\text{Value paid}^{1/} * 100\%}{\text{Total assets of SENA}^{2/}}$	= $\frac{231.97 * 100\%}{17,927.06}$	1.29%

Note <sup>1/</sup> Value paid = Purchase price of land to be paid by the Company to Golden of Baht 231.97 million

<sup>2/</sup> Total assets of the Company and its subsidiaries according to the consolidated financial statements for the year ended December 31, 2020, audited by the Company's auditor

The above transaction constitutes a connected transaction pursuant to the Connected Transaction Notifications. The land purchase from Golden has a transaction size equal to 3.47% of the net tangible assets of the Company and its subsidiaries, which is higher than 3% of the net tangible assets of the Company and its subsidiaries. Therefore, the Company is obligated to disclose information on the transaction to the SET and also to seek approval for entering into the connected transaction 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 having the right to vote, excluding the shareholders with a conflict of interest. In this regard, Golden neither has any relationship with the Company nor is the Company's connected person as defined in the Connected Transaction Notifications. Therefore, at the 2021 Annual General Meeting of Shareholders to consider and approve the said transaction, there are not any shareholders who have a conflict of interest and/or are connected persons having no right to cast vote on this agenda item.

In addition, the above transaction is considered as an acquisition of assets in accordance with the Acquisition or Disposal Notifications. The maximum transaction size of the land purchase from Golden is equal to 1.29%, calculated on the total value of consideration basis according to the consolidated financial statements of the Company for the year ended December 31, 2020. After aggregating with the land purchase from Sinsap Thanya and the asset acquisition transactions taking place during the past six months, the total size of the asset acquisition transactions is equal to 2.44%, which is less than 15% and accordingly does not fall under the type of transaction as defined in the Acquisition or Disposal Notifications.

Since the transaction is deemed as a connected transaction, the consideration and approval of the transaction at the Board of Directors' Meeting of the Company No. 1/2021 held on February 25, 2021 rested with the directors who have no conflict of interest therein. In this regard, Golden neither has any relationship with the Company nor is the Company's connected person as defined in the Connected Transaction Notifications. Therefore, at such board meeting to consider and approve the said transaction, there were not any directors who have a conflict of interest and/or are connected persons.

**1.1.3 Value of consideration and criteria for determining value of consideration**

The Company will pay consideration for the land purchase to Golden at a total price of Baht 231,974,800. Payment for such consideration will be partly self-financed and partly covered by loans from financial institutions. Here are the details:

Type of assets	Seller	Value of consideration	Criteria for determining value of consideration
1. One plot of vacant land with a total area of 15-1-4.6 rai or	Golden	Total value of consideration is Baht 231,974,800, details of which are as follows: 1) The Company will pay a	The sale and purchase price of land is set from negotiation between the Company and Golden and is lower than the average

Type of assets	Seller	Value of consideration	Criteria for determining value of consideration
6,104.6 square wah, located in Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province		<p>deposit of 30% of the sale and purchase price, or equal to Baht 69,592,440, on the signing date of the land sale and purchase agreement.*</p> <p>2) The Company will pay the remaining 70% of the sale and purchase price, or equal to Baht 162,382,360 on the date of registration of land ownership transfer.**</p>	<p>appraised value by the two independent valuers approved by the SEC as detailed below:</p> <ol style="list-style-type: none"> <li>1. Bangkok Property Appraisal Co., Ltd. (“BKKPA”) appraised a market value of the land by the market approach at Baht 42,000 per square wah or a total of Baht 256,393,000 (rounded off).</li> <li>2. T.A. Management Corporation (1999) Co., Ltd. (“TAMC”) appraised a market value of the land by the market approach at Baht 38,000 per square wah or a total of Baht 231,974,800.</li> </ol> <p>Therefore, the average appraised value by the two independent valuers is equal to Baht 40,000 per square wah or a total of Baht 244,183,900.</p>

Note: \* The Company will sign the land sale and purchase agreement within one month from the date of obtaining approval for the land purchase from the 2021 Annual General Meeting of Shareholders which will be held on April 23, 2021.

\*\* The Company will transfer the land ownership within six months from the date of signing the land sale and purchase agreement or such other date as mutually agreed upon by both parties.

#### 1.1.4 Connected persons and nature of relationship

- *Relevant parties*

**Purchaser** : SENA

**Seller** : Golden

- *Relationship between the relevant parties and scope of interest of the connected persons*

Although Golden does not have any relationship with the Company, it is a related company of Mrs. Nidda who holds the entire shares of Golden. Mrs. Nidda earlier accepted the land transfer under title deeds No. 132196 (being split from title deed No. 5073), from Sirinthip due to the restructuring of land ownership of Sirinthip. Later, Mrs. Nidda transferred those plots of land to Golden as a payment for Golden shares. On July 3, 2017, Golden, the ownership transferee, entered into a memorandum of agreement with the Company to bind and certify the rights existing under the memorandum of agreement between the Company and Sirinthip dated April 3, 2006.

Sirinthip formerly was a related company of the Company since Tun Charoen Co., Ltd., which was the major shareholder of Sirinthip, was a connected person of the Company through shareholding of 51% by Mrs. Srianong Kiratiwaranon (mother of Ms. Kessara Thanyaluckphak) and 49% by Conwest Holding Limited Fund (Ms. Kessara Thanyaluckphak holds the shares via the said fund). To prevent the conflict of interest, the Company therefore entered into a memorandum of agreement with Sirinthip on April 3, 2006 in order to limit the rights of Sirinthip to acquire additional land, engage in property development project, or sell the land owned by Sirinthip.

Later, the former shareholder of Sirinthip sold and transferred the entire shares to persons unrelated to the Company, namely Mr. Veeravat Limthornbenjaphol, Mrs. Nidda Juratsakcharoen and Mr. Thanabul Wanlopsirinan. The said shareholders of Sirinthip later intended to restructure the ownership of land belonging to Sirinthip and accordingly divided and transferred a part of the land, including the land plots under title deeds No. 132196 (being split from title deed No. 5073), to Mrs. Nidda. Then, Mrs. Nidda transferred the ownership to Golden. Golden, as the transferee, signed a memorandum of agreement with the Company on July 3, 2017. The key details of the rights of the Company to purchase the land of Golden are as follows:

In the event that Golden wishes to sell the said land of the said memorandum of agreement, Golden must first offer to sell the land to the Company at a price not higher than the value appraised by an independent valuer, approved by the SEC, not earlier than six months before the land purchase by the Company. If the Company declines to purchase the land, Golden may then sell the land to a third party at a price not lower than the price offered to the Company.

Details of the land under the memorandum of agreement between the Company and Sirinthip dated April 3, 2006 which is related to the land to be acquired by the Company under this transaction

The Company disclosed in the Prospectus for Initial Public Offering (IPO) on July 15, 2009 the measures for elimination of a conflict of interest that may arise in the future in order to establish a framework for business operation of land-owning companies which may operate business in competition with the Company. Under such measures, the land owned by Sirinthip according to the memorandum of agreement dated April 3, 2006 must be first offered to the Company at a price not higher than the value appraised by an SEC-approved independent valuer not earlier than six months before the land purchase by the Company.

The former shareholder of Sirinthip sold the entire shares to persons unrelated to the Company, namely Mr. Veeravat Limthornbenjaphol, Mrs. Nidda Juratsakcharoen and Mr. Thanabul Wanlopsirinan. These shareholders of Sirinthip later restructured the ownership of land belonging to Sirinthip and accordingly divided and transferred a part of the land to Mrs. Nidda and Golden in June 2017. Mrs. Nidda and Golden, as the transferees, signed a memorandum of agreement with the Company on July 3, 2017 to assume the obligations under the MOA between the Company and Sirinthip. Details of changes in the land ownership under the MOA are as follows:

Details of land under MOA dated April 3, 2006					Details of land as of December 31, 2020					
Title deed No.	Land area*			Owner	Title deed No.	Land area*			Owner	Remark
	Rai	Ngan	Wah			Rai	Ngan	Wah		
5073	54	2	36.0	Sirinthip	5073	0	0	27.6	Golden	Land located under high-voltage transmission lines
					132196 <sup>6/</sup>	15	1	4.6	Golden	<b>The land that the company will buy this time</b>
					132197 <sup>5/</sup>	36	0	32.3	The Company	The land of Sena Village Project (Phase 6)
					98475	3	0	38.4	Golden	Land located under high-voltage transmission lines
28081	22	2	20	Sirinthip	74195 <sup>1/</sup>	0	0	32.0	Resident of Sena Grand Home Phase 4	
					74195 <sup>3/</sup>	0	0	32.6	The Company	Developed land under the ownership of Sena Grand Home Rangsit - Tiwanon Project (Phase 5)
					74195 <sup>4/</sup>	0	3	75.2	The Company	
					98455 <sup>4/</sup>	11	3	4.5	The Company	
					98456 <sup>2/</sup>	8	0	28.8	The Company	
98457 <sup>2/</sup>	1	2	46.9	Mrs. Nidda	Vacant land					
56997	4	0	39.0	Sirinthip	56997 <sup>5/</sup>	1	2	43.8	The Company	The land of Sena Village

Details of land under MOA dated April 3, 2006					Details of land as of December 31, 2020					
Title deed No.	Land area*			Owner	Title deed No.	Land area*			Owner	Remark
	Rai	Ngan	Wah			Rai	Ngan	Wah		
										Project (Phase 6)
					98476	2	1	94.4	Golden	Land located under high-voltage transmission lines
54690	7	2	69.2	Sirinthip	54690 <sup>5/</sup>	6	3	74.5	The Company	The land of Sena Village Project (Phase 6)
					105404	0	2	60.0	Golden	Land located under high-voltage transmission lines
<b>Total</b>	<b>88</b>	<b>3</b>	<b>64.2</b>		<b>Total</b>	<b>88</b>	<b>2</b>	<b>95.6</b>		

Note: \* The land area under the MOA dated April 3, 2006 will increase (decrease) according to the area after actual land survey for a split of title deed.

- <sup>1/</sup> On September 5, 2012, Sirinthip exercised the rights under the MOA to sell 32 square wah of land, which was divided from title deed No. 28081, to a resident of Sena Grand Home Phase 4 who was not a connected person and needed additional piece of land beside his house. As such, the area of land under title deed No. 28081 decreases from 22-2-20 rai or 9,020 square wah as per the MOA to 22-1-88 rai or 8,988 square wah.
- <sup>2/</sup> The Board of Directors' Meeting of the Company No. 5/2017 on August 11, 2017 resolved to grant approval for the Company to purchase 8-0-28.8 rai of land under title deed No. 98456 from Mrs. Nidda.
- <sup>3/</sup> The Board of Directors' Meeting of the Company No. 1/2018 on January 29, 2018 resolved to grant approval for the Company to purchase from Sirinthip a parcel of the land under title deed No. 74195 of 32.60 square wah, which is a part of the 8-0-28.8 rai of land development project under title deed No. 98456 approved by the Board of Directors' Meeting No. 5/2017 on August 11, 2017. The Company will develop such land into a horizontal property, Sena Grand Home Phase 5. The land ownership was already transferred.
- <sup>4/</sup> The 2018 Annual General Meeting of Shareholders on April 26, 2018 resolved to grant approval for the Company to purchase 0-3-75.2 rai of land under title deed No. 74195 from Sirinthip and 11-3-4.5 rai of land under title deed No. 98455 from Mrs. Nidda.
- <sup>5/</sup> The 2020 Annual General Meeting of Shareholders on April 24, 2020 resolved to grant approval for the Company to purchase land, consisting of 36-0-32.3 rai of land under title deed No. 5073 (partial) (Currently, the land title deed number 132197), 6-3-74.5 rai of land under title deed No. 54690, and 1-2-43.8 rai of land under title deed No. 56997.
- <sup>6/</sup> The plot of land 15-1-4.6 rai of land under title deed No. 132196 is the land that the Company will seek approval to purchase from the 2021 Annual General Meeting of Shareholders to be held on April 23, 2021.

The IFA views that the land transfer due to the restructuring of land ownership between Sirinthip and Mrs. Nidda, a shareholder of Sirinthip and Golden which is a connected person of Mrs. Nidda, will not cause the Company to lose any of its existing rights. This is because the entering into a memorandum of agreement with the Company on July 3, 2017 by Mrs. Nidda and Golden, the ownership transferees of land from Sirinthip, is considered the binding and certification of the Company's entire rights existing under the memorandum of agreement between the Company and Sirinthip dated April 3, 2006. The said memorandum of agreement limits the rights of Mrs. Nidda and Golden to acquire additional land, engage in property development project, or sell the land owned by Mrs. Nidda or Golden as mentioned in the memorandum of agreement. In the event that Mrs. Nidda or Golden wishes to sell the land being transferred from Sirinthip, Mrs. Nidda or Golden must first offer to sell the land to the Company at a price not higher than the value appraised by an independent valuer, approved by the SEC, not earlier than six months before the land purchase by the Company.

### 1.1.5 Details of assets being acquired

Type of asset	One plot of vacant land
Location	The land is located in Sena Grand Home Rangsit - Tiwanon Project, Bang Bua Thong - Bang Phun Road (Highway 345), Km. 18+200, Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province.
Title deed No.	132196
Asset being appraised/details of asset	The asset includes one plot of vacant land with a total area of 15-1-4.6 rai or 6,104.6 square wah, having polygonal shape. The southern side is about 40 meters in width fronting Bang Bua Thong - Bang Phun Road (Hwy 345) and about 315 meters adjacent to a road in Sena Grand Home Project, with the depth measured from the south to the north of about 390 meters. The land is a flat area and has already been filled to the road level. Currently, the land remains vacant and has not been utilized.
Owner	Golden
Encumbrance	- None -
Two SEC-approved independent valuers	1. BKKPA, which appraised the land according to the property appraisal report dated February 19, 2021 2. TAMC, which appraised the land according to the property appraisal report dated February 19, 2021
The right of way to enter and exit the land	A main road in front of the land, Bang Bua Thong – Bang Phun Road (Hwy 345), which is a public road with asphalt surface and six traffic lanes, about 18.00 meters in width and right of way of about 60 meters
Purpose of appraisal	For current market value measurement and for public purpose
Nearby public utilities	Electricity, water supply, telephone, drainage pipe, walkway and roadside lighting
Applicable regulations/laws	<u>Town plan</u> The asset is located in the community zone (Pink Zone) pursuant to the Ministerial Regulation for Pathum Thani Town Planning (B.E. 2558), with land use for housing, commercial, agricultural, educational institute, religious institute, government agency, public utility and public facility purposes. <u>Expropriation</u> The asset is not located in the expropriation zone for any of the government's projects.
Government's development project	Red Line electric train (Bang Sue - Rangsit) project (under construction)
Valuation approach	1. BKKPA applied the market comparison approach with weight quality score (WQS) used for variable factor adjustment to measure the asset value and the hypothetical development approach to review the appraisal result. 2. TAMC applied the market approach with weight quality score (WQS) used for variable factor adjustment to measure the asset value and the hypothetical development approach to review the appraisal result.
Government land value appraisal	None, because the land under title deed No. 132196 missed out on the survey
Appraisal price	Appraisal price of land with a total area of 6,104.60 square wah: 1. Land appraisal price by BKKPA according to the report dated February 5, 2021 is equal to <b>Baht 42,000 per square wah or a total of Baht 256,393,000 (rounded off)</b> . 2. Land appraisal price by TAMC according to the report dated February 19, 2021 is equal to <b>Baht 38,000 per square wah or a total of Baht 231,974,800</b> .



Land map



Source: Sena Development Plc.



### 1.1.6 Summary of agreements relating to the transaction

#### (1) Memorandum of Agreement (“MOA”) between SENA and Sirinthip

MOA signing date	:	April 3, 2006																																												
<b>Information on Sirinthip</b>																																														
- Shareholders/Persons with control authority as at the MOA signing date	:	<p><u>Shareholders and shareholding proportion</u>  Tun Charoen Co., Ltd., 99.97%  (Tun Charoen Co., Ltd. is 51% held by Mrs. Srianong Kiratiwaranon (mother of Ms. Kessara Thanyaluckphak) and 49% by Conwest Holding Limited Fund (Ms. Kessara Thanyaluckpark holds the shares via the said fund))</p> <p><u>Director</u>  Mr. Pit Pruksathorn</p>																																												
- Shareholders/Persons with control authority as at April 30, 2019 (source: <a href="http://corpus.bol.co.th">http://corpus.bol.co.th</a> )	:	<p><u>Shareholders and shareholding proportion</u>  Mr. Veeravat Limthornbenjaphol, 99.9769%,  Mrs. Nidda Juratsakcharoen, 0.0192%, and  Mr. Thanabul Wanlopsirinan, 0.0038%</p> <p><u>Director</u>  Mr. Veeravat Limthornbenjaphol</p>																																												
- Type of business	:	Property development																																												
- Past/existing project	:	None																																												
Measures for conflict of interest prevention	:	<p>Key details are as follows:</p> <ol style="list-style-type: none"> <li>Sirinthip will not purchase additional land or engage in land development or house construction for sale or for rent or operate any real estate businesses, whether by itself or through cooperation projects or joint ventures with other developers, other than the existing projects.</li> <li>Sirinthip certifies that it does not own any pieces of land other than the land lots indicated hereunder:</li> </ol> <table border="1" data-bbox="651 1370 1385 1720"> <thead> <tr> <th rowspan="2">No.</th> <th rowspan="2">Title document</th> <th rowspan="2">Title deed No.</th> <th colspan="3">Land area</th> </tr> <tr> <th>Rai</th> <th>Ngan</th> <th>Sq. wah</th> </tr> </thead> <tbody> <tr> <td colspan="6">Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province</td> </tr> <tr> <td>1</td> <td>Title deed</td> <td>5073</td> <td>54</td> <td>2</td> <td>36</td> </tr> <tr> <td>2</td> <td>Title deed</td> <td>28081</td> <td>22</td> <td>2</td> <td>20</td> </tr> <tr> <td rowspan="2">3</td> <td>Title deed</td> <td>56997</td> <td>4</td> <td>0</td> <td>39</td> </tr> <tr> <td>Title deed</td> <td>54690</td> <td>7</td> <td>2</td> <td>69.2</td> </tr> <tr> <td colspan="3"><b>Total</b></td> <td><b>88</b></td> <td><b>3</b></td> <td><b>64.2</b></td> </tr> </tbody> </table> <ol style="list-style-type: none"> <li>In the event that Sirinthip wishes to develop land into a real estate project, it must make an offer solely to the Company to undertake such project development. If the Company declines such offer, Sirinthip has the only right to sell such land and, in this respect, must comply with the conditions under Clause 4.</li> <li>In the event that Sirinthip wishes to sell the land, it must first offer to sell the land to the Company at a price not higher than the value appraised not earlier than six months</li> </ol>	No.	Title document	Title deed No.	Land area			Rai	Ngan	Sq. wah	Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province						1	Title deed	5073	54	2	36	2	Title deed	28081	22	2	20	3	Title deed	56997	4	0	39	Title deed	54690	7	2	69.2	<b>Total</b>			<b>88</b>	<b>3</b>	<b>64.2</b>
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	<p>by an SEC-approved independent valuer. If the Company declines to purchase the land, Sirinthip may then sell the land to a third party at a price not lower than the price offered to the Company.</p> <p>5. The two parties agree never to use human resources and any other assets of the other party for its own benefit.</p>
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**(2) Memorandum of Agreement (“MOA”) made by SENA with Sirinthip and Golden**

MOA signing date	: July 3, 2017																																							
<b>Information on Golden</b>																																								
- Shareholders/Persons with control authority as at April 30, 2019 (Source: <a href="http://corpus.bol.co.th">http://corpus.bol.co.th</a> )	: Mrs. Nidda Juratsakcharoen, 99.9935%; Mr. Thanabul Wanlopsirinan, 0.0032%; and Mr. Veeravat Limthornbenjaphol, 0.0032% <u>Director</u> Mrs. Nidda Juratsakcharoen																																							
- Type of business	: Property development																																							
- Past/existing project	: None																																							
Measures for conflict of interest prevention	: Key details are as follows: <ol style="list-style-type: none"> <li>Golden will not engage in land development or house construction for sale or for rent or operate any real estate businesses, whether by itself or through cooperation projects or joint ventures with other developers, on the following plots of land: <table border="1" data-bbox="651 1111 1385 1420"> <thead> <tr> <th rowspan="2">No.</th> <th rowspan="2">Title document</th> <th rowspan="2">Title deed No.</th> <th colspan="3">Land area</th> </tr> <tr> <th>Rai</th> <th>Ngan</th> <th>Sq. wah</th> </tr> </thead> <tbody> <tr> <td colspan="6">Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province</td> </tr> <tr> <td>1</td> <td>Title deed</td> <td>5073</td> <td>54</td> <td>2</td> <td>36</td> </tr> <tr> <td>2</td> <td>Title deed</td> <td>54690</td> <td>7</td> <td>2</td> <td>69.2</td> </tr> <tr> <td>3</td> <td>Title deed</td> <td>56997</td> <td>4</td> <td>0</td> <td>39</td> </tr> <tr> <td colspan="2"><b>Total</b></td> <td></td> <td><b>66</b></td> <td><b>1</b></td> <td><b>44.2</b></td> </tr> </tbody> </table> </li> <li>In the event that Golden wishes to develop such land into a real estate project, it must make an offer solely to the Company to undertake such project development. If the Company declines such offer, Golden has the only right to sell such land and, in this respect, must comply with the conditions under Clause 3.</li> <li>In the event that Golden wishes to sell the land, it must first offer to sell the land to the Company at a price not higher than the value appraised not earlier than six months by an SEC-approved independent valuer. If the Company declines to purchase the land, Golden may then sell the land to a third party at a price not lower than the price offered to the Company.</li> <li>The two parties agree never to use human resources and any other assets of the other party for its own benefit.</li> </ol>	No.	Title document	Title deed No.	Land area			Rai	Ngan	Sq. wah	Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province						1	Title deed	5073	54	2	36	2	Title deed	54690	7	2	69.2	3	Title deed	56997	4	0	39	<b>Total</b>			<b>66</b>	<b>1</b>	<b>44.2</b>
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<b>Total</b>			<b>66</b>	<b>1</b>	<b>44.2</b>																																			

**(3) Draft of the land sale and purchase agreement between SENA and Golden (Land that the company will enter into this transaction)**

Counterparties	:	Sena Development Plc. (“Purchaser”) Golden Wattle Assets Co., Ltd. (“Seller”)
Condition precedent	:	This agreement shall take effect when the approval for the property purchase under this agreement has been obtained from the shareholders’ meeting of the Purchaser.
Property to be sold and purchased	:	The Seller agrees to sell and the Purchaser agrees to buy land under title deed No. 132196 with a total area of 15-1-4.6 rai or 6,104.6 square wah, located in Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province.
Sale and purchase price	:	The total price of land is Baht 231,974,800. If it appears later that the actual land area is larger or smaller than the area specified in the title deed of land being sold or purchased, the counterparties agree to calculate the price of the increased or decreased land portion at Baht 38,000/square wah and to add or deduct the aforementioned land price by such increased or decreased amount.
Price settlement	:	The Purchaser agrees to settle the sale and purchase price to the Seller under the following terms of payment: 1) Payment at 30% of the sale and purchase price, equivalent to Baht 69,592,440, by cashier’s cheque on the date of signing of the sale and purchase agreement; and 2) Payment of the remaining sale and purchase price at 70%, equivalent to Baht 162,382,360, by cashier’s cheque on the date of registration of land ownership transfer to the Purchaser. The registration of land ownership transfer shall be made at the Land Office within six months from the date of signing of the sale and purchase agreement or within such other date as to be agreed upon by the two parties.
Duties of the Seller	:	- The Seller agrees to undertake the registration of ownership transfer of the land to be sold and purchased that is free of encumbrance to the Purchaser at the Land Office within six months after deposit payment by the Purchaser or such other date as later agreed upon by both parties. - The Seller agrees to complete the mortgage release of the land to be sold and purchased from the mortgagee before the ownership transfer to the Purchaser. - Before transferring the ownership, the Seller agrees for the Purchaser to request the change or addition of the name of the transferee to be other person without any expenses. The Purchaser has to notify the Seller in writing of the name of the transferee at least seven days ahead of the date of transfer.
Tax, fee, and other expenses related to the ownership transfer	:	Both parties agree to pay tax, fee, and other expenses related to the ownership transfer as follows: 1) Transfer fee shall be borne by the Purchaser and the Seller on a 50:50 basis. 2) Specific business tax and/or stamp duty shall be borne by the Seller. 3) Corporate income tax (deducted at source) shall be borne by the Seller.
Event of default	:	In case the Purchaser fails to make payment as per the specified amount and period or fails to comply with any other conditions of this agreement,

	<p>the Seller has the right to terminate the agreement and confiscate any money paid by the Purchaser. The Seller is required to notify the Purchaser in writing to make payment or comply with the agreement within at least 30 days from the date of receipt of the notice. In case the Purchaser fails to make payment or comply with the agreement within the specified period, the Seller may terminate the agreement and confiscate any money paid by the Purchaser. In this regard, the exercise of such right shall not deprive the right of the Seller to claim for any other indemnities.</p> <p>In case the Seller fails to transfer the ownership on the property to be sold and purchased to the Purchaser or fails to comply with any other conditions of this agreement, the Purchaser has the right to terminate the agreement and call for the Seller to return any money received by the Seller under this agreement to the Purchaser, with interest at the rate of 7.5% p.a. of such sum calculated from the date the Seller received the money from the Purchaser until the date the payment is fully made to the Purchaser. In this regard, the exercise of such right shall not deprive the right of the Purchaser to claim for any other indemnities.</p>
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## 1.2 Profile of the Company

Please see a summary of the Company’s profile in the Information Memorandum Regarding Asset Acquisition and Connected Transactions (Account 2) and the Annual Report 2020 of the Company in the form of QR Code enclosed with the notice of this shareholders’ meeting.

## 1.3 Reasonableness of the transaction

### 1.3.1 Objective and necessity of the transaction

The Company will purchase from Golden a plot of vacant land under title deed No. 132196 with a total area of 15-1-4.6 rai or 6,104.6 square wah, located in Sena Grand Home Project, Bang Bua Thong - Bang Phun Road, Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province. Sena Grand Home is a real estate development project operated by the Company since 2009 until today. It consists of four existing residential projects completely developed during 2009 - 2012, namely Sena Grand Home Phases 1 - 4, offering twin and single houses, and two other projects still under development. One of them is (1) Sena Grand Home Rangsit - Tiwanon Phase 5 which is being developed under a concept of “A house that creates happiness for every family member for a better quality of life.” It offers 88 units of single detached houses at an average price of Baht 6.99 million - Baht 15 million per unit, with a pre-sale launched in September 2009 following which houses have been gradually constructed and sold in sub-phases. Currently, the project is being developed in the first sub-phase, 5.1, offering a total of 37 units of which three have been sold and transferred already (data as at March 4, 2021). The other one is (2) Sena Village, which is Phase 6 of the project, consisting of units of two-storied townhouses, twin houses and single houses at a price level of Baht 3.5 million - Baht 8 million per unit. This project is now under construction and expected to launch a pre-sale within 2021.

The Company will develop the land to be acquired into a condominium project in the brand of Sena Kith Rangsit Station, featuring six 8-storied low-rise residential buildings, the project development will be divided into three phase (two buildings per phase) with a total of 1,533 units for sale, an approximate project value of Baht 1,356.39 million, and a standard unit size of about 26 square meters at an average selling price of less than Baht 1 million per unit. The Company envisions the opportunity to develop a low-priced residential condominium project, considering that there is still an attractive level of demand from low-income earners compared with undersupply of residential properties at a price level below Baht 1 million, especially in Bangkok and its vicinities and other

large cities where land cost is too high for housing property development at such low pricing level. Despite the government's support of cheap housing project development, supply of residential properties at such price level remains very small.

Based on the above reasons, the Company sees this a good opportunity to develop an additional property as a condominium at a price level lower than Baht 1 million per unit on land in Bang Phun area to be acquired this time. The main target group will be low-income earners having no home of their own. They can switch from renting a house, dormitory or apartment to buying a home of their own by paying a home loan installment in the amount that is close to the payment of rent without a sharply increased burden. From a market survey in Bang Phun area by the Company's Marketing Department, it has been found that almost all of the competitors' condominium projects are offered for sale at an average price above Baht 1 million per unit. The Company therefore sees room for development of a low-priced condominium project on the land to be acquired under this transaction by using price as a selling point. Furthermore, the land being acquired is in a prime location with potential for residential property development since it is in a prosperous residential area close to workplaces, educational institutes and facilities such as schools, universities, government offices, temples, hotels, etc., with convenient transportation and proximity to the Red Line electric train (Bang Sue – Rangsit Section) Rangsit Station (about 3.5 kilometers) and the entrance-exit ramps of two expressways (about 5 kilometers), i.e. Bang Khlo - Chaeng Watthana Second Stage Expressway and Utraphimuk Elevated Tollway (Don Mueang Tollway). Therefore, it is likely that the development of a condominium project in the brand of Sena Kith Rangsit Station on the land being acquired will receive positive response from consumers. The land size is suitable for efficient and continuous project development in the long term. This will enable the Company to broaden its customer base in the condominium market at a price level less than Baht 1 million per unit in Bang Phun area where the Company has never offered the property of this type.

Model of Sena Kith Rangsit Station Condominium

### **Sample of condominium project in the brand of Sena Kith Rangsit Station**



Moreover, the Company will benefit from development of a continuing project in the same area as its existing projects, which will allow the Company to more easily and conveniently manage this project, increase its efficiency in overall project management, and save expenses through pooling of resources. The Company will also have stronger bargaining power with its contractor as the Company will have additional project in the same area. This will enable the contractor to reduce certain fixed costs such as cost of construction and relocation of worker camp, cost of machinery removal, etc., hence a drop in construction cost of the Company. The Company will be able to grow its revenues from such property development, which will deliver a favorable return to the Company and its shareholders in the future.

The purchase land price is Baht 231,974,800 in total or Baht 38,000 per square wah, which is about 5% lower than the average appraised value by the two independent valuers of Baht 40,000 per square wah.

### **1.3.2 Advantages and disadvantages of entering into the transaction**

#### **1) Advantages of entering into the transaction**

##### *1.1) Availability of land for consistent project development*

For real estate business, advance procurement of land is deemed crucial for property development planning. In general, land prices have increased annually and it becomes more difficult to acquire a large adjoining plot of land, particularly in the urban area. Therefore, the Company must plan for advance procurement of land that is adequate for long-term property development and must be careful in land purchase and confident in the potential of land in any such area, while ensuring the developed projects could properly address consumer demand.

By entering into the land acquisition from Golden in this transaction, the Company will have additional land for development of a new condominium project at a price level less than Baht 1 million per unit in Bang Phun area where the Company has never offered the property of this type. The Company plans to develop the land to be acquired into a low-rise residential condominium in the brand of Sena Kith Rangsit Station, consisting of six 8-storied buildings with a total of 1,533 units for sale and a total saleable area of 39,858 square meters. The project development will be divided into three phases (two buildings per phase), with construction to be gradually implemented and sale to be launched one phase at a time, thus enabling the Company to continuously develop the project over the next four years.

##### *1.2) Suitable location of the land*

The land to be acquired from Golden is located in Bang Phun area which could be accessed via a main road, Bang Bua Thong - Bang Phun Road. The land location is in a prosperous and emerging area, close to workplaces, educational institutes, facilities and surrounded by housing estates, schools, universities, gas stations, office buildings, condominiums, convenient stores, commercial buildings, government offices, temples, garages, hotels, etc. This area has convenient transportation and is about 3.5 kilometers from the Red Line electric train (Bang Sue – Rangsit Section) Rangsit Station (construction nearly completed and expected to fully open by late 2021) and also close to the entrance-exit ramps of two expressways (about 5 kilometers), i.e. Bang Khlo - Chaeng Watthana Second Stage Expressway and Uttaraphimuk Elevated Tollway (Don Mueang Tollway), as well as Don Mueang Airport. Based on these positive factors of land location, the property development on this land will be able to capture market interest and demand which will deliver sales volume and a satisfactory return to the Company in the future.

##### *1.3) Benefit from a market gap by using price as a selling point*

Presently, there is still a vast demand for cheap housing in the low-income segment, compared with undersupply of residential properties at a price level below Baht 1 million, especially in Bangkok and its vicinities and other large cities where developers do not prefer low-priced housing property development due to the high land cost. Almost all existing condominium projects in Bang Phun area have an average selling price above Baht 1 million. As such, the Company will benefit from development of a condominium project at a price level below Baht 1 million in this area by cashing in on such market gap to offer a low selling price and an appropriate unit size with free furniture as a selling point. Besides, for customers who must borrow a loan to buy a low-priced house, their installment payment to bank will be close to the payment of rent, thus bearing no greater burden while being able to own a house. The Company also has a marketing advantage from its experience in development of 11 condominium projects at a price level below Baht 1 million, hence having a strong



marketing and sale database, together with experience in management and control of cost and period of construction.

*1.4) Benefit from development of a continuous project in the same area as the existing project*

The land to be acquired from Golden is opposite (across a road in the project) Sena Grand Home Tiwanon - Rangsit Project (Phase 5), which is featuring 88 units of single houses at the price of Baht 6.99 million - Baht 15 million per unit. Currently, the project is being developed in the first sub-phase, 5.1, offering a total of 37 units, which was about 85% complete and of which three units have been sold and transferred already (data as at March 4, 2021). The land being acquired has the front next to Bang Bua Thong – Bang Phun Road (Highway 345) and the back next to the Company's land that is being developed into Sena Village Project (Phase 6), which offers 329 units of townhouses, twin houses and single houses at the price of Baht 3.5 million - Baht 8 million and is scheduled to launch a pre-sale around late 2021.

The Company will benefit from development of a continuing project in the same area, which will allow the Company to more easily and conveniently manage the project and be able to share resources in project operation. Moreover, in developing a larger project in about the same period of time and the same area, the Company will have stronger bargaining power for price of construction materials due to a greater purchase volume and also for construction fee of contractor due to a decrease in certain fixed costs of the contractor such as cost of construction or relocation of worker camp, cost of machinery and equipment removal, etc., hence a drop in unit cost of the project and a higher rate of return and profit.

*1.5) Opportunity to expand customer base*

The new property development on the land to be acquired will enable the Company to broaden its customer base in the condominium market at a price level less than Baht 1 million per unit in Bang Phun area where the Company has never offered the property of this type. The target group will be low-income earners who have a distinct demand for home ownership and will not buy a property for either investment or speculation. At present, the number of this target group exceeds the supply of low-priced housing that matches their purchasing power. It is expected that this group of customers will receive financial support from financial institutions under favorable terms and conditions in line with the government's policy to increase opportunities for the people to own a house with a view to improving their quality of life, reducing social disparity, and stimulating economy through the real estate sector.

*1.6) Opportunity to grow revenues and profit in the future*

The purchase of land from Golden is aimed for development of a condominium in the brand of Sena Kith Rangsit Station, with an estimated development period of about four years from May 2021 to April 2025 and an approximate project value of Baht 1,356.39 million. It will feature a low-rise eight-storied condominium project to be developed in three phases, each of two buildings, with a construction period of about one year per phase. Thus, the Company will be able to begin revenue recognition by the time that is not too long, and also to use cash received from sale in the first phase as working capital and for covering construction cost in the next phase. This will generate more revenues and profit to the Company in the future, in addition to the project under development. At present, the Company has not yet recognized revenues from all projects because some projects are still under construction and development. In 2020, total revenues of the Company and its subsidiaries amounted to Baht 4,088.09 million, consisting mainly of revenues from sales of horizontal and vertical projects of Baht 2,888.75 million, revenues from rental and services of Baht 1,131.78 million, revenues from solar business of Baht 67.56 million, and other revenues of Baht 139.56 million, with profit sharing from associated companies and joint ventures of Baht 306.96 million.

## 2) Disadvantages of entering into the transaction

### 2.1) *Incurrence of additional debts and interest expenses*

In acquiring the land located in the area of Sena Grand Home Bang Bua Thong - Bang Phun Project from Golden at a total value of Baht 231,974,800, the Company will place a deposit at 30% of the sale and purchase price or equal to Baht 69,592,440 on the date of land sale and purchase agreement signing (which will take place within one month from the date of obtaining approval from the 2021 Annual General Meeting of Shareholders to be held on April 23, 2021), and will pay the remaining amount (70% of the sale and purchase price) of Baht 162,382,360 on the date of registration of land ownership transfer (which will take place within six months from the date of land sale and purchase agreement signing or such other date as mutually agreed upon by both parties). Funding for entering into this transaction and project development on such land will come from self-financing and loans from financial institutions in a proportion of roughly 30% and 70% of total project investment cost respectively. The entering into this transaction will lead the Company to incur additional debts (arising from loans raised for land acquisition and project development of about Baht 605.71 million) and interest expenses (total interest expenses for the project of about Baht 23.05 million, assuming an interest rate of 4.13% p.a.).

As of December 31, 2020, the Company and its subsidiaries recorded total liabilities of Baht 10,759.66 million, shareholders' equity of Baht 7,167.41 million, and debt to equity ratio of 1.50 times. It is expected that the entering into this transaction with Golden, including the purchase of land from Sinsap Thanya and the investment in property development on those land plots, will lead the Company to incur additional debts of roughly Baht 1,116.94 million, comprising debts incurred from loans from financial institutions for the land purchase from Golden and investment in property development on such land of about Baht 605.71 million (roughly 70% of the land purchase price plus related construction cost) and loans from financial institutions for the land purchase from Sinsap Thanya and investment in property development on such land of about Baht 511.23 million (roughly 70% of the land purchase price plus related construction cost). However, such loans will not be raised entirely at the same time, but will be gradually drawn down according to the project progress and will be repaid according to the payment schedule. Such incremental debts will drive the debt to equity ratio will edge up to 1.66 times (based on the projection of additional debts arising from loans and shareholders' equity as of December 31, 2020). Such increased debts will not cause the Company's debt to equity ratio to exceed 2.50 times, which is the maximum ratio set forth in the financial covenants under the terms and conditions of the Company's debentures and the loan agreements made between the Company and commercial banks. Based on the project's cash flow projection analysis for the next four years from May 2021 to April 2025, the Company will have sufficient cash flow for repayment of debts incurred for such land purchase and project development and be able to maintain the debt to equity ratio as required under the debentures' terms and conditions and the loan agreements with commercial banks.

### 2.2) *Risk associated with project implementation*

The Company plans to develop the land located in the area of Sena Grand Home Bang Bua Thong - Bang Phun Project to be acquired from Golden into a condominium project in the brand of Sena Kith Rangsit Station offering about 1,533 units with a development period of around four years. The Company may then be exposed to risk from such project implementation which may cause sales to fail to meet projections or may incur higher costs and expenses, thus impacting the overall performance and financial position of the Company. The development of Sena Kith Rangsit Station condominium project on the land to be acquired in this transaction will increase supply of condominiums in Bang Phun area. Currently, there are several condominium projects of other developers in the areas close to Sena Kith Rangsit Station with still a large number of units remaining for sale. However, Sena Kith Rangsit Station has a unique selling point when compared with those projects nearby since it will offer condominium units at below Baht 1 million per unit with a lower price per square meter than that of other projects in nearby locations, almost all of which have an

average price above Baht 1 million. Thus, Sena Kith Rangsit Station aims to address the considerable demand for housing in the low-income market segment while there is still undersupply of low-priced residential properties to adequately meet such demand.

The project's success hinges not only on the property itself and project management capability, but also on such other factors as construction cost control, finance cost, construction progress control to avoid project delay, consumers' purchasing power and housing demand, and economic and real estate market situations, some of which are uncontrollable external factors. Given that these factors are not favorable for project development, revenues from sales of the project may fail to meet projections which could affect the project's rate of return.

### *2.3) Excess of expenses over revenues in the initial period of investment*

Construction of the real estate project on the land to be acquired in this transaction will take about four years from May 2021 to April 2025, around 12 months for each phase. While construction is still underway or ownership has not yet been transferred to customers, the Company cannot recognize revenues until the construction is completed as per the contract or the ownership and material benefits are transferred to its customers. It is forecast that revenue recognition from this project in phase 1 will begin in December 2022 onwards. This is not unusual for real estate business in general. Besides, there will be rather high expenses incurred at the initial stage of project implementation, including construction designing fee, advertisement and public relations expenses, and others. Therefore, the project may initially suffer a loss, which will likely affect the Company's performance and financial statements.

However, the aforementioned impacts could be lessened, considering that the Company and its subsidiaries also are developing other projects that have been gradually completed with continuous ownership transfers and income recognition. Thus, the effects on the Company's overall performance will be insignificant.

Moreover, since construction in each phase or of each building of the condominium cannot be gradually invested in or be halted due to any unusual event or economic volatility occurring during such project development, the Company may then be exposed to risk concerned with its cash flow or liquidity management amid the said situation. Nonetheless, this will be a low-rise condominium project with construction period of not over 12 months for each building, which is not a long investment period. The Company will therefore generate cash inflow in the year after transfer of the condominium units that can be used to fund project development in the next phase.

### **1.3.3 Comparison of advantages and disadvantages between entering into the transaction with the connected person and the transaction with a third party, necessity of entering into the transaction with the connected person, and reasons for not entering into the transaction with a third party**

In entering into this transaction, the Company will acquire from Golden a plot of land of 15-1-4.6 rai or 6,104.6 square wah located in Sena Grand Home Bang Bua Thong - Bang Phun Project, Pathum Thani Province, which covers a large area that is available for continuous property development in the future. The Company plans to develop a low-rise condominium project at the price level of below Baht 1 million. The target group will be a large number of low-income earners without a home of their own, while there is still undersupply of housing at a price level lower than Baht 1 million in such market. A market survey in Bang Phun area shows that almost all of other developers' projects are condominiums offered at an average selling price above Baht 1 million per unit. The Company therefore sees room for development of a low-priced condominium project on the land to be acquired under this transaction by using price as a selling point. Having more than 10 years of experience in continuous development of Sena Grand Home Project in Bang Phun area in several phases, coupled with a large database on market and target groups, the Company accordingly has a competitive edge in such location. Moreover, such property development in the area adjoining the

existing project currently developed by the Company will enable the Company to achieve a synergy and lead to a larger project size in that area, economies of scale in construction and sharing of common areas, and cost saving through resources sharing, as well as flexibility in operations, and attractiveness to target groups.

The acquisition of land from Golden as described above will provide an opportunity for the Company to expand its business and grow its assets, revenues and rate of return in the future and have additional land available for consistent project development. In such land purchase from the connected person, the Company may not enter into the transaction with any third party. Besides, the Company has not been approached by any other landowners in order to acquire land in the desired area and similar nature or size to the land to be purchased under this transaction.

Moreover, the land to be acquired by the Company from Golden is bound under the conditions in the memorandum of agreement between the Company and Golden dated July 3, 2017. In the event that Golden wishes to sell the said land, it must first offer to sell the land to the Company at a price not higher than the value appraised by an independent valuer, approved by the SEC, not earlier than six months before the land purchase by the Company. If the Company declines to purchase the land, Golden may then sell the land to a third party at a price not lower than the price offered to the Company. The stipulation of the said condition in the memorandum of agreement will be a measure for elimination of a conflict of interest as well as prevention of other interested buyers to compete with the Company by offering a better price or condition until the Company declines such land purchase right. Furthermore, Golden will not be able to sell this land at a price higher than the price determined under the aforesaid condition. Compared with the entering into transaction with a third party, the Company may encounter risk of competition from other interested buyers, which will lead to a rising land price or a higher selling price than the price determined under the aforesaid condition. Besides, the price of the land acquisition from Golden is lower than the average appraised value by the two independent valuers and is accordingly considered reasonable.

The IFA has identified the appropriateness of the Company's investment in the land to be purchased from Golden into a condominium project in Sena Kith Rangsit Station brand and found that the project will provide IRR in the base case and the sensitivity analysis case of 20.90% per year and 16.96% - 20.16% per year respectively (see more details in Item 1.4.1 (b) 'Assessment of appropriateness of project investment or operation'), which is higher than the project's weighted average cost of capital (WACC) of 4.91% per year and also higher than the average loan interest rate of the project of 4.13% p.a. Based on these factors, the said transaction is considered appropriate and will deliver a satisfactory rate of return to the Company.

#### **1.3.4 Adequacy of financing sources for the acquisition of assets**

The Company will enter into the land acquisition from Golden at a total value of Baht 231,974,800. Funding for such land acquisition transaction will come from self-financing and loans from financial institutions in a proportion of 30% and 70% of total project investment respectively. The Company will offer the land to be acquired as collateral for the loans from financial institutions.

To identify the adequacy of funding sources based on the consolidated financial statements for the year ended December 31, 2020, the Company has cash and cash equivalents of Baht 2,995.70 million and cash flow from earnings before interest, tax, depreciation and amortisation (EBITDA) in 2020 of approximately Baht 1,664.28 million. In addition, the Company is under the negotiation with a financial institution for loan to finance the land acquisition and project development. It is thus expected that the Company will have adequate funding sources for this transaction.

## 1.4 Fairness of price and conditions for the transaction

### 1.4.1 Fairness of land acquisition price

#### (a) Analysis of sale and purchase price vs. appraisal price

The Company will purchase one plot of land with a total area of 15-1-4.6 rai or 6,104.60 square wah, located in Sena Grand Home Project, Bang Bua Thong - Bang Phun Road, Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province, from Golden, which is a connected person of the Company, at a total price of Baht 231,974,800 or Baht 38,000 per square wah, which is lower than the average appraised value by two independent valuers.

The Company assigned two SEC-approved independent valuers, Bangkok Property Appraisal Co., Ltd. (“**BKKPA**”) and T.A. Management Corporation (1999) Co., Ltd. (“**TAMC**”), to appraise such land. The appraised price by the two valuers is equal to Baht 42,000 and Baht 38,000 per square wah respectively, as shown below:

Independent valuer	Appraisal method	Appraised price (Baht/sq. wah)	Average appraised price by two valuers (Baht/sq. wah)	Sale and purchase price (Baht/sq. wah)	Difference between sale and purchase price and average appraised price (Baht/sq. wah)
1. BKKPA	Market approach	42,000	40,000	38,000	(2,000)
2. TAMC	Market approach	38,000			

The IFA is of the opinion that the market price or fair value appraised by the independent valuers by the market approach can be properly used as a reference price to identify the sale and purchase price for the land to be acquired in this transaction and can well reflect the actual value of the appraised property. The appraised price by BKKPA and TAMC is equal to Baht 42,000 and Baht 38,000 per square wah respectively, representing an average of Baht 40,000 per square wah. Therefore, the transaction price for the land acquisition from Golden of Baht 38,000 per square wah, which is lower than the average appraised value by the two independent valuers, **is considered reasonable**.

#### Summary of land appraisal

The asset appraised by the independent valuers is one plot of vacant land under title deed No. 132196 with an area of 15-1-4.6 rai or equal to 6,104.6 square wah located in Sena Grand Home Project, adjacent to Bang Bua Thong - Bang Phun Road (Highway 345), Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province.

According to the appraisal reports of the two independent valuers, comprising BKKPA’s report dated February 19, 2021 and TAMC’s report dated February 19, 2021, prepared for market value measurement and for public purpose, the land appraisal can be summed up as follows:

Appraisal method	Description of appraised asset	Owner	Appraised value by independent valuer	
			BKKPA	TAMC
Market approach	<ul style="list-style-type: none"> <li>- One plot of land under title deed No. 132196 with an area of 15-1-4.6 rai or 6,104.6 square wah</li> <li>- The land is in Sena Grand Home Project, Bang Bua Thong - Bang Phun Road (Highway 345), Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province</li> <li>- It is a vacant land having a polygonal shape.</li> </ul>	Golden	Baht 256,393,000 (rounded off) (Baht 42,000/sq. wah)	Baht 231,974,800 (Baht 38,000/sq. wah)
	<b>Government land value appraisal</b>	None, because the land missed out on the survey		

### Appraisal by BKKPA

BKKPA appraised the property, which is a vacant land, by the **Market Comparison Approach**. This method compared the appraised property with market data in terms of their similarities or differences, based on factors that affected value such as location, town plan, environment, land size, road and public utilities, and so on. The property value is then analyzed, using appropriate methods such as sale adjustment-grid method, weight quality score (WQS), etc.

BKKPA employed the weighted quality scores (WQS) in adjustment for the difference of market data based on factors such as location, general environment, land size, frontage, land level, land shape, road in front, public utilities, legal restrictions, and suitability of land use or development potential, etc. The variables with a remarkable variance when compared with the appraised property were given a high weighting. Total weighting score of all variables was equal to 100%. Each variable was scored and then multiplied by its weight. The sum of weighted score multiplication of each variable would include the weighted quality scores (WQS).

In appraising the property, BKKPA surveyed market data on six plots of land nearby and selected three of them which had sale and purchase prices and/or offering prices ranging from Baht 40,000 to Baht 70,000 per square wah and had the general physical condition most similar to the appraised property. Details of the comparable market data used for property appraisal are as follows:

Particulars	Appraised property	Comparable data					
		Data 1	Data 2	Data 3	Data 4	Data 5	Data 6
Type of property	Vacant land	Vacant land	Vacant land	Vacant land	Vacant land	Vacant land	Vacant land
Location	Bang Bua Thong - Bang Phun Road (Highway 345)	Bang Bua Thong - Bang Phun Road (Highway 345)	Bang Bua Thong - Bang Phun Road (Highway 345)	Rangsit - Pathum Thani Road (Highway 346)	Rangsit - Pathum Thani Road (Highway 346)	Rangsit - Pathum Thani Road (Highway 346)	Rangsit - Pathum Thani Road (Highway 346)
Land area (rain-gan-sq. wah)	15-1-04.6 rai (6,104.6 sq. wah)	22-3-94.2 rai (9,194.2 sq. wah)	3-1-19.0 rai (1,319.0 sq. wah)	45-2-71.0 rai (18,271.0 sq. wah)	20-1-87.0 rai (8,187.0 sq. wah)	4-2-98.0 rai (1,898.0 sq. wah)	10-0-00.0 rai (4,000.0 sq. wah)
Land shape	Polygonal	Trapezoidal	Rectangular	Trapezoidal	Polygonal	Polygonal	Trapezoidal
Frontage x depth (meter)	Approx. 40 x 390 meters	Approx. 132 x 210 meters	Approx. 32 x 165 meters	Approx. 335 x 200 meters	Approx. 55 x 550 meters	Approx. 50 x 200 meters	Approx. 90 x 100 meters
Land level	Filled, same as road level	Unfilled, approx. 1.00 meter lower than road level	Unfilled, approx. 1.50 meter lower than road level	Unfilled, approx. 1.00 meter lower than road level	Unfilled, approx. 1.00 meter lower than road level	Filled, same as road level	Unfilled, approx. 1.50 meter lower than road level
No. of sides facing a road	2 sides	2 sides	1 side	2 sides	1 side	1 side	1 side

Particulars	Appraised property	Comparable data					
		Data 1	Data 2	Data 3	Data 4	Data 5	Data 6
Type of road (surface)	Asphalt	Asphalt	Asphalt	Asphalt	Reinforced concrete	Reinforced concrete	Reinforced concrete
Width/Right of way (meter)	18/60 meters	18/60 meters	18/60 meters	18/50 meters	6/50 meters	18/50 meters	18/50 meters
Public utilities	Electricity, water supply, telephone and drainage pipe	Electricity, water supply, telephone and drainage pipe	Electricity, water supply, telephone and drainage pipe	Electricity, water supply, telephone and drainage pipe	Electricity, water supply, telephone and drainage pipe	Electricity, water supply, telephone and drainage pipe	Electricity, water supply, telephone and drainage pipe
Town plan	Community area (Pink)	Community area (Pink)	Community area (Pink)	Community area (Pink)	Community area (Pink)	Community area (Pink)	Community area (Pink)
Relevant laws	Building Control Act	Building Control Act	Building Control Act	Building Control Act	Building Control Act	Building Control Act	Building Control Act
Optimum land use*	Residential	Commercial	Commercial	Residential	Residential	Residential	Residential
Development potential	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate
Selling price	-	Total of Baht 643,594,000; or Baht 70,000/sq. wah	Baht 40,000/sq. wah	Baht 40,000/sq. wah	Baht 35,000/sq. wah	Total of Baht 123,370,000; or Baht 65,000/sq. wah	Total of Baht 224,000,000; or Baht 56,000/sq. wah
Status	-	Offered for sale	Offered for sale	Offered for sale	Offered for sale	Offered for sale	Offered for sale
Date of data survey	-	January 2021	January 2021	January 2021	January 2021	January 2021	January 2021

Note \* The appraised property and comparative data located in the town planning area of the community area. (Pink area) land use for residential, commercial and agricultural purposes, which the appraiser considering the optimum land uses from the survey area and considering the surrounding environment.

BKKPA considered relevant information and selected three plots of land nearby the appraised property, consisting of vacant land on Bang Bua Thong - Bang Phun Road (Highway 345) (Data 1 and 2) and vacant land on Rangsit - Pathum Thani Road (Highway 346) (Data 6), for comparison with the appraised property which can be summarized as follows:

Variables	Comparison of difference between market data and appraised property		
	Data 1	Data 2	Data 6
Location	Superior	Similar	Superior
Transportation	Similar	Similar	Similar
Public utilities	Similar	Similar	Similar
Optimum land use	Similar	Similar	Similar
General physical condition	Inferior	Inferior	Inferior
Land shape	Superior	Superior	Superior
Land use restrictions	Similar	Similar	Similar
Accessibility	Similar	Superior	Similar

Here is the weighted quality scores (WQS) table for property value determination:

Compared factor	Scoring (%)	Appraised property	Comparable data		
			Data 1	Data 2	Data 6
Land area (sq. wah)		6,104.6	9,194.2	1,319.0	4,000.0
Location	20%	6	8	6	7
Transportation	10%	7	7	7	7

Compared factor	Scoring (%)	Appraised property	Comparable data		
			Data 1	Data 2	Data 6
Public utilities	10%	7	7	7	7
Optimum land use	15%	6	6	6	6
General physical condition	15%	7	5	4	5
Land shape	15%	5	6	7	6
Land use restrictions	5%	6	6	6	6
Accessibility	10%	6	6	7	6
<b>Total</b>	<b>100%</b>	<b>6.20</b>	<b>6.45</b>	<b>6.15</b>	<b>6.25</b>

Note: Rating scale: 1-2 = Low 3-4 = Fair 5-6 = Moderate 7-8 = Good 9-10 = Excellent

Adjustment for factors and quality	Appraised property	Comparable data		
		Data 1	Data 2	Data 6
Land area (sq. wah)	6,104.6	9,194.2	1,319.0	4,000.0
Offered selling price/sq. wah	(Baht)	70,000	40,000	56,000
Negotiated price/discount	(%)	-20%	-10%	-20%
Net price	(Baht)	56,000	36,000	44,800
Weighted score	6.20	6.45	6.15	6.25
Adjustment ratio	Average	0.96124	1.00813	0.99200
Base price	44,855	53,829	36,293	44,442
Comparable weight	100%	14%	43%	43%
Comparable value	42,334	7,698	15,570	19,066
<b>Market value of property</b>	<b>42,000</b>	<b>(Baht/sq. wah)</b>		

After adjustment for factors and quality, the land of 6,104.6 square wah (15-1-4.6 rai) was appraised at **Baht 42,000 per square wah**, or equal to the total value of Baht 256,393,200, **or equal to (rounded off) Baht 256,393,000.**

***Opinion of the IFA on property appraisal by the independent valuer***

In our opinion, the use of the market approach with weighted quality scores (WQS) for land appraisal by BKKPA is suitable. The appraisal was based on a selection of market data that could diversely reflect value of the appraised property, by focusing on comparable properties that are vacant land located in the areas nearby the appraised property. Upward/downward adjustment was made to the scoring of market data for factors that differ from the appraised property so as to ensure the scores of the market data were properly comparable with those of the appraised property. For example, if the compared properties were close to the main road and the road was wide enough for easy access, a higher score would be given to the compared properties than the appraised property for factors such as location, accessibility and parcel point. After that, the market price was figured out by weighting on the adjusted value and assigning the significance level of comparison to identify value of the appraised property. Such appraisal method is part of the market price assessment process under professional practices adopted by the independent valuer.

**Appraisal by TAMC**

TAMC appraised the property, which is a vacant land, by **the Market Approach**. The market approach is used for appraising property which is land since there are sufficient market data on the same or similar type of properties and prevailing in the same time period available for marketing comparison to serve as a proxy. Value of the properties is adjusted to about the same level based on



their respective physical condition and characteristics.

TAMC employed the weighted quality scores (WQS) in adjustment for factors such as location, accessibility, parcel point, land shape and size, physical condition of land, infrastructure, environment, optimum land use, and growth potential. The variables with a remarkable variance when compared with the appraised property were given a high weighting. Total weighting score of all variables was equal to 100%. Each variable was scored and then multiplied by its weight. The sum of weighted score multiplication of each variable would include the weighted quality scores (WQS).

In appraising the property, TAMC surveyed market data on lands nearby and selected four of them which had sale and purchase prices ranging from Baht 12,000 to Baht 37,500 per square wah and had the general physical condition most similar to the appraised property. Details of the comparable market data used for property appraisal are as follows:

Particulars	Appraised property	Comparable market data			
		Data 1	Data 2	Data 3	Data 4
Type of property	Vacant land	Vacant land	Vacant land	Vacant land	Vacant land
Location	Bang Bua Thong - Bang Phun Road (Highway 345)	Bang Bua Thong - Bang Phun Road (Highway 345)	Bang Bua Thong - Bang Phun Road (Highway 345)	Soi Wat Bang Phun	Next to Soi Un Suk
Land area (rai)	15-1-4.6	45-2-71	5-2-20	1-1-83	1-3-47
Land area (sq. wah)	6,104.6	18,271	2,220	583	747
Land shape	Square-like	Polygonal	Rectangular	Polygonal	Polygonal
Frontage x depth	Frontage: Approx. 320.00 meters	Frontage: Approx. 224.00 meters	Frontage: Approx. 50.00 meters	Frontage: Approx. 50.00 meters	Frontage: Approx. 100.00 meters
Land level	Filled, slightly lower than road level	Same as road level	Same as road level	Unfilled, approx. 0.50 - 1.00 meter lower than road level	Unfilled, approx. 0.50 - 1.00 meter lower than road level
No. of sides facing a road	2 sides	2 sides	1 side	1 side	1 side
Type of road (surface)	Asphalt, 30.00 meters	Asphalt, 30.00 meters	Asphalt, 30.00 meters	Concrete, 8.00 meters	Asphalt, 8.00 meters
Public utilities	Electricity, water supply, telephone, drainage pipe and road lighting	Electricity, water supply, telephone, drainage pipe and road lighting	Electricity, water supply, telephone, drainage pipe and road lighting	Electricity, water supply, telephone, drainage pipe and road lighting	Electricity, water supply, telephone and road lighting
Town plan	Pink Zone / community area	Pink Zone / community area	Pink Zone / community area	Pink Zone / community area	Pink Zone / community area
Optimum land use	Residential and commercial	Residential and commercial	Residential and commercial	Residential and commercial	Residential and commercial
Development potential	Moderate	Moderate	Moderate	Moderate	Moderate
Land price (Baht/sq. wah)	-	37,500.00	35,000.00	25,000.00	12,000.00
Status	-	Offered for sale	Sale and purchase price in early 2017	Offered for sale	Offered for sale
Date of data survey	-	February 4, 2021	February 4, 2021	February 4, 2021	February 4, 2021

TAMC considered data on land offered for sale and sale and purchase prices of vacant land lots in the areas nearby the appraised property, consisting of vacant land on Bang Bua Thong - Bang

Phun Road (Highway 345), vacant land next to Soi Wat Bang Phun, and vacant land next to Soi Un Suk. The derived data compared with the appraised property can be summarized as follows:

Variables	Comparison of difference between market data and appraised property			
	Data 1	Data 2	Data 3	Data 4
Location	Similar	Similar	Inferior	Inferior
Physical condition	Inferior	Inferior	Inferior	Inferior
Road	Similar	Similar	Inferior	Inferior
Public utilities	Similar	Similar	Inferior	Inferior
Environment	Similar	Similar	Inferior	Inferior
Land use	Similar	Similar	Inferior	Inferior
Development potential	Similar	Similar	Inferior	Inferior
Growth potential	Similar	Similar	Inferior	Inferior
Conclusion	Similar	Similar	Inferior	Inferior

However, most plots of land in the comparable data are merely offered for sale and have not yet received any market response. Considering the current economic situation, this seems to be a buyer's market.

Here is the weighted quality scores (WQS) table for property value determination:

Compared factor	Scoring (%)	Comparable data				Appraised property
		1	2	3	4	
1. Location	20	8	7	4	4	8
2. Accessibility	15	7	7	4	3	7
3. Parcel point	10	8	7	4	3	8
4. Shape and size	15	6	8	9	9	8
5. Physical condition	10	6	6	6	6	8
6. Infrastructure	5	7	7	6	6	7
7. Environment	10	8	7	4	5	8
8. Optimum land use	10	7	7	6	6	7
9. Growth potential	5	8	7	6	6	8
<b>Total</b>	<b>100</b>	<b>720</b>	<b>705</b>	<b>535</b>	<b>520</b>	<b>770</b>

Note: Rating scale: 1-2 = Low 3-4 = Fair 5-6 = Moderate 7-8 = Good 9-10 = Excellent

Adjustment for factors and quality	Comparable data				Appraised property
	1	2	3	4	
Offered selling price (Baht/sq. wah)	37,500.00	35,000.00	25,000.00	12,000.00	
Reasonable price	37,000.00	35,000.00	24,000.00	11,000.00	
Weighted score	720	705	535	520	770
Adjustment ratio	1.0694	1.0922	1.4393	1.4808	1.0000
Adjusted price	39,569.44	38,226.95	34,542.06	16,288.46	
Significance level of comparison	0.50	0.40	0.05	0.05	1
Comparable value	19,784.72	15,290.78	1,727.10	814.42	37,617.03
<b>Market value of property (Baht/sq. wah)</b>	<b>(rounded off)</b>				<b>38,000.00</b>

After adjustment for factors and quality, the land of 6,104.6 square wah (15-1-4.6 rai) was appraised at **Baht 38,000 per square wah, or equal to Baht 231,974,800.**

***Opinion of the IFA on property appraisal by the independent valuer***

In our opinion, the use of the market approach with weighted quality scores (WQS) for land appraisal by TAMC is suitable. The appraisal was based on a selection of market data that could diversely reflect value of the appraised property, by focusing on comparable properties that are vacant land located in the areas nearby the appraised property. Upward/downward adjustment was made to the scoring of market data for factors that differ from the appraised property so as to ensure the scores of the market data were properly comparable with those of the appraised property. For example, if the compared properties were close to the main road and the road was wide enough for easy access, a higher score would be given to the compared properties than the appraised property for factors such as location, accessibility and parcel point. After that, the market price was figured out by weighting on the adjusted value and assigning the significance level of comparison to identify value of the appraised property. Such appraisal method is part of the market price assessment process under professional practices adopted by the independent valuer.

***Conclusion of opinion of the IFA on property appraisal by the independent valuers (BKKPA and TAMC)***

We are of the opinion that the use of the market approach for land appraisal by the two independent valuers is suitable. This approach is also suitable for the appraisal of comparable properties which were sold/purchased or offered for sale such as residential property and vacant land, etc. The land was evaluated based on an analysis and comparison with other properties which were similar to the appraised property and were sold/purchased or offered for sale during about the same period of time. Hence, the most updated price was derived by this approach, which could best reflect value of the property in its present condition.

Nonetheless, the difference in appraised value by the two independent valuers resulted from the difference in their assumptions, selected comparable market data, weighted quality scoring, grading of the appraised property and the comparable market data, all of which depend on the viewpoints and judgment of the individual valuers who have primarily adhered to their specialized professional practices.

**(b) Assessment of appropriateness of project investment or operation**

The Company will purchase one plot of land with a total area of 15-1-4.6 rai or 6,104.6 square wah, located in the area of Sena Grand Home Project, Bang Bua Thong - Bang Phun Road, Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province, from Golden for development into a low-rise condominium project in Sena Kith Rangsit Station brand, which will consist of six 8-storied buildings with a total of 1,533 units.

To identify the appropriateness of the Company's investment in the said land acquisition for real estate development, we have studied the project viability by assessing the project's cash flow and gross profit margin compared with those of other similar projects previously operated by the Company.

Cash flow projection of the project has been prepared by the Company based on its sales plans and experience in project operation. However, we have adjusted some assumptions in line with the economic environment and relevant industry situations, together with the interviews with and enquiries of information from the Company's management/officials and the analysis of other property-related information. These assumptions have been established under the present economic circumstance. If there is any material change from the assumptions in the economic condition and other external factors that affect the project operation, the appraised net present value and return of the project will change as well.

Key assumptions used for preparation of financial projection of the project

Sena Kith Rangsit Station is a low-rise condominium project, consisting of six 8-storied buildings with a total of 1,533 units and a total saleable area of 39,858 square meters. The project development will be divided into three phases, starting with investment in land by May 2021 to the end of the project by April 2025. Details of the project development in each phase are as follows:

- a) Phase 1 will consist of two 8-storied buildings with a total of 511 units, a total saleable area of 13,286 square meters, and an average useable area of 26 square meters per unit. Phase 1 will be situated in the furthest part of the land to be purchased from Golden in this transaction. The Company expects that Phase 1 will begin construction in May 2021, launch a pre-sale in December 2021, and start income recognition in December 2022 (Phase 1 will start in May 2021 and end in April 2023).
- b) Phase 2 will consist of two 8-storied buildings with a total of 518 units, a total saleable area of 13,468 square meters, and an average useable area of 26 square meters per unit. Phase 2 will be situated between Phase 1 and Phase 3. The Company expects that Phase 2 will begin construction in December 2022, launch a pre-sale in December 2022, and start income recognition in December 2023 (Phase 2 will start in December 2022 and end in April 2024).
- c) Phase 3 will consist of two 8-storied buildings with a total of 504 units, a total saleable area of 13,104 square meters, and an average useable area of 26 square meters per unit. Phase 3 will be situated next to Bang Bua Thong – Bang Phun Road (Highway 345), in the front part of the land to be purchased from Golden in this transaction. The Company expects that Phase 3 will begin construction in December 2023, launch a pre-sale in December 2023, and start income recognition in December 2024 (Phase 3 will start in December 2023 and end in April 2025).

The Company has prepared cash flow projection of the project for a total project life of about four years, the details of which are as follows:

1) Revenues from sales

The Company has estimated the average selling price based on the business plan, construction design and experience in operation of projects of the same grade. The average number of units sold is projected at 30 units per month. The average selling price per unit for Phase 1 is estimated at Baht 840,000, which will be increased by every 5% upon launching of a new phase, or Phase 2 and Phase 3, representing an average selling price for the whole project (three phases) of Baht 32,308 - 35,769 per square meter or a selling price per unit of lower than Baht 1 million. The Company anticipates that the project will attract and well respond to needs of the target group, which includes low-income individuals desiring to own a house. Besides, almost all condominium projects of other developers being sold currently in Bang Phun area have an average selling price above Baht 1 million. Therefore, this offers a market gap for the Company to develop a low-priced condominium project by using price as a selling point.

Revenues from sales of condominium units are forecast based on payment made by customers in two tranches: (1) down payment at 5% of selling price made on the reservation date, and (2) transfer amount of 95% of selling price payable on the ownership transfer date. According to the projection, transfers in Phase 1, Phase 2 and Phase 3 will begin in December 2022, December 2023 and December 2024 respectively.

We are of the opinion that the assumptions used by the Company for revenues projection, comprising project period, number of units sold, construction period and transfer

period, based on the Company's experience in low-rise condominium project development are considered appropriate according to the projects of the same grade currently operated by the Company and are established on a conservative basis amid the economic slowdown and the persistent COVID-19 pandemic. Moreover, the estimated selling price is considered viable and competitive with other projects in the same location, compared with other similar low-rise condominium project projects which have received positive feedback, based on a market price survey by the Company's Marketing Department, as follows:

No.	Project name	Location	Type of project	Selling price (Baht million)	Selling price/sq. m. (Baht)
1	The Kith Rangsit - Tiwanon	Tiwanon Road (Bang Kradi)	Low-rise condominium	0.97 - 1.04	34,642 - 36,363
2	Monté Rangsit RSU	Na Wong Pracha Phatthana Road	Low-rise condominium	1.27	58,000 - 68,000
3	Ploen Ploen Rangsit - Workpoint 6	Rangsit - Pathum Thani Road	Low-rise condominium	0.93 - 1.10	28,000 - 37,000
4	Plum Condo Phahon Yothin 89	Phahon Yothin Road (Phahon Yothin 89)	Low-rise condominium	0.93 - 0.97	36,000 - 44,000
5	Ploen Ploen Rangsit - Future Park	Rangsit - Nakhon Nayok Road	Low-rise condominium	0.92 - 1.05	34,074 - 36,136
6	Lumpini Township Rangsit - Klong 1	Rangsit - Nakhon Nayok Road	Low-rise condominium	0.95 - 1.24	44,000 - 49,789

Source: The Company's Marketing Department

## 2) Costs of project

Costs of Sena Kith Rangsit Station Project are composed of cost of land, cost of construction of buildings and public utility system, cost of construction of the access road to the project, fee for approval and preparation of an environmental impact assessment (EIA) report, contingency cost, designing and permit application fee, and relevant fees, details of which are as follows:

- Cost of land with an area of 15-1-4.6 rai or 6,104.6 square wah is estimated at Baht 237.34 million, consisting of cost of land to be acquired in this transaction of Baht 231.97 million, land filling cost of Baht 3.05 million and a transfer fee (1.0% of sale and purchase price) of Baht 2.32 million, which, as per the sale and purchase agreement, will be jointly paid by the two parties on a 50:50 basis. Specific business tax and stamp duty will be totally borne by Golden as the seller.
- Cost of construction of buildings and related public utility system is estimated at Baht 638.18 million, comprising cost of construction of buildings, related public utility system such as parking lot, construction of sales office and sample units, interior decoration of common areas and club house, etc. Such cost estimation is based on total construction area of 59,188.91 square meters, equivalent to an average construction cost of Baht 10,700/square meter, which is in line with the cost of construction of low-rise condominium projects of the same grade as the projects currently developed by the Company. Cost of construction of the access road to the project is estimated at Baht 4.86 million, based on the construction cost of Baht 1,000/square meter.
- Fee for approval and preparation of an EIA report is estimated at Baht 6 million.
- Contingency cost is estimated at 1.0% of cost of building construction and cost of public utilities and common area construction, or amounting to Baht 6.33 million.

- Designing and permit application fee is estimated at Baht 16 million, comprising project designing fee of Baht 4.50 million; and fee for construction permit, fee for survey and title deed separation, fee for building utilization permit and for condominium unit ownership document (OrChor.2), and authority contact expenses totaling Baht 11.50 million or an average of Baht 7,500/unit.
- Relevant fees are estimated at Baht 2.22 million, comprising front-end fee, mortgage registration fee and others.

### 3) Selling and administrative expenses

Selling and administrative expenses are mostly estimated in percentage of revenues from sales, while expenses payable to the concerned authorities are set based on the rate specified by such authorities, details of which are as follows:

- Marketing, sales and advertisement expenses are estimated at 1.5% of revenues from sales, based on the Company's experience in management of low-rise condominium projects and in line with expense projection for real estate projects in general.
- Sales promotion expenses are estimated at 3.0% of revenues from sales, based on the Company's project sales promotion policy.
- Cost of loose furniture provided for free such as tables, chairs, sofas, etc. of Baht 38.33 million is estimated from the average cost of free items per unit of Baht 25,000 for a total of 1,533 units, according to the Company's forecast based on its experience in previous project management.
- Specific business tax is estimated at 3.30% of selling price and transfer fee at 1% of selling price. Specific business tax will be borne by the Company and transfer fee will be jointly borne by the Company and the buyer on a 50:50 basis.
- Land and building tax is estimated according to the rate determined in the Land and Building Tax Act B.E. 2562. The Company forecasts that after obtaining land development permit in 2022, it will be subject to land and building tax at a rate of 0.30% of value of land and houses for sales, according to the Royal Decree on Land and Building Tax Reduction B.E. 2563.
- Project expenses, consisting of expenses related to sales staff, etc., are estimated at Baht 250,000 per month throughout the project period, according to the Company's forecast based on its experience in previous project management. Regarding common facilities, the new project needs to share the facilities expenses with the existing project which incurs management expenses such as security guards, common facilities, etc., which are estimated at Baht 50,000 per month throughout the project period.
- Juristic person establishment expense is estimated at Baht 500,000 and public utilities maintenance expense is assumed at 7% of cost of public utilities and common facilities construction, based on the notification of the Central Land Allocation Committee of the Department of Lands.

### 4) Income tax

Corporate income tax is set to be 20% of pre-tax profit.

5) Interest expenses

Interest rate on loans raised to fund project development is estimated at 4.00% p.a., based on loan interest rate of financial institutions expected by the Company. In addition, there will be a front-end fee of 0.25% of the total loans to finance the project.

Discount rate

The discount rate used for estimating present value of net cash flow of the project is equal to 4.91%, which is derived from the project's weighted average cost of capital (WACC). The formula for WACC calculation is as follows:

Calculation of WACC:

$$\text{WACC} = K_e(E/V) + K_d(1-t)(D/V)$$

$$K_e = \text{Return on equity, equal to 8.67\%}$$

$$K_d = \text{Average cost of borrowing of the project, equal to 4.13\% p.a., based on loan interest rate of financial institution of 4.00\% p.a. and front-end fee of 0.25\% of loan amount of the project}$$

$$t = \text{Corporate income tax, equal to 20\%}$$

$$E/V = \text{Percentage of financing that is equity, equal to 30\% based on the expected equity financing for project development}$$

$$D/V = \text{Percentage of financing that is debt, equal to 70\% based on the expected debt financing for project development}$$

$$V = D + E$$

Calculation of  $K_e$ :

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

Where: Risk free rate ( $R_f$ ) Based on bid yield on government bond with remaining maturity of four years as of February 23, 2021 (which is consistent with the project period), equal to 0.84% (source: [www.thaibma.or.th](http://www.thaibma.or.th))

Beta ( $\beta$ ) Variance of SET return compared with closing price of SENA shares over the past three years, equal to 0.904 (source: Bloomberg as of February 19, 2021, which is consistent with the investment condition of the Company's shares)

$R_m$  Average rate of return on the SET over the past 25 years, which is a period that could reflect investment condition in different time periods better than shorter-term data (source: SET data from 1996 to January 2021), equivalent to 9.50%

### Present value of net cash flow and IRR

The present value of net cash flow and IRR of Sena Kith Rangsit Station Project are as shown below:

<b>Unit: Baht</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Cash inflow</b>	<b>1,260,000</b>	<b>176,047,500</b>	<b>438,735,000</b>	<b>466,462,500</b>	<b>273,885,000</b>
<b>Cash outflow</b>					
- Cost of land	237,346,848	-	-	-	-
- Cost of construction	28,626,237	213,269,961	213,736,084	194,880,283	-
- Designing and permit application fee	4,456,500	5,154,000	5,301,000	870,000	216,000
- Marketing and administrative expenses and relevant fees	3,752,009	35,519,678	58,976,155	60,077,798	24,170,806
- Income tax	-	-	11,022,777	18,041,971	20,332,409
<b>Total cash outflow</b>	<b>274,181,594</b>	<b>253,943,639</b>	<b>289,036,017</b>	<b>273,870,051</b>	<b>44,719,215</b>
Interest expenses x (1- income tax rate)	866,039	7,462,118	5,809,878	4,087,967	214,679
<b>Net cash flow</b>	<b>(272,055,555)</b>	<b>(70,434,021)</b>	<b>155,508,862</b>	<b>196,680,416</b>	<b>229,380,464</b>
Present value of net cash flow	(266,677,647)	(65,277,066)	137,377,750	165,617,219	190,132,732
<b>Total present value of net cash flow</b>	<b>161,172,987</b>				
<b>IRR per year</b>	<b>20.90%</b>				

From the above projection for SENA Kith Rangsit Station Project and using the project's WACC of 4.91% as a discount rate, we have estimated the net present value of free cash flow of the project at Baht 161.17 million with an IRR of 20.90% per year, which is higher than the project's WACC and also higher than the estimated average borrowing cost of the project of 4.13% per year.

Moreover, SENA Kith Rangsit Station Project is expected to generate a gross profit margin of 31.50%, which is considered favorable and is close to those earned by the Company from its other low-rise condominium projects in a range of 28% - 34%.

In the present circumstances where Thailand has been hit hard by the economic slowdown and the COVID-19 outbreak which have led to a slowdown in the real estate market in terms of new project launch or consumers' weakening purchasing power. However, the Company predicts that these situations will getting better due to the offering the COVID-19 vaccine to people in Thailand and daily counts of COVID-19 report cases has declined. From such positive factors, it will instill confidence among people and real estate business, and it will unlikely affect the development and sales of this project because construction and sales will be gradually carried out in three phases. According to its business plan, the Company will launch a pre-sale of the first phase in December 2021 onwards.

However, with the present economic environment that has not recovery from economic slowdown. The IFA has an additional study on a conservative basis, conducted to a sensitivity analysis on changes to factors that may affect the financial projection ("sensitivity analysis case") by adjusting some assumptions that will likely has a negative impact to the financial projection, consists of decreasing in the projected number of monthly units sold and decreasing in the projected total revenues and increasing in the estimated project development cost. These factors will affect to the project's gross profit margin, net present value (NPV) and internal rate of return (IRR) as follows:

- 1) A decrease in the projected number of units sold from 30 units per month in the base case to 25 units and 20 units per month, which will prolong the project life by another four months and nine months, from originally the end of the project in April 2025 to August 2025 and January 2026 respectively, and will result in changes in the project's gross profit margin, net present value (NPV) and internal rate of return (IRR) as follows:



Project on land to be purchased from Golden	Gross profit margin (% GP)	NPV (Baht million)	IRR (% per year)
<b>Base case</b>	<b>31.50</b>	<b>161.17</b>	<b>20.90</b>
Sensitivity analysis case			
Decrease in number of units sold by 5 units/month throughout the project life	31.50	154.34	19.59
Decrease in number of units sold by 10 units/month throughout the project life	31.45	147.08	18.39

- 2) A decrease in the projected total revenues of 1.5% and 3.0% from the base case and an increase in the estimated project development cost of 1.5% and 3.0% from the base case, which will result in the project's gross profit margin, NPV and IRR in the base case versus the sensitivity analysis case as follows:

Gross profit margin (% GP)	Base case	Sensitivity analysis case	
		Decrease in total revenues of 1.5%	Decrease in total revenues of 3.0%
<b>Base case</b>	<b>31.50</b>	30.46	29.38
Sensitivity analysis case			
Increase in project development cost of 1.5%	30.76	29.71	28.62
Increase in project development cost of 3.0%	30.03	28.96	27.86

NPV (Baht million)	Base case	Sensitivity analysis case	
		Decrease in total revenues of 1.5%	Decrease in total revenues of 3.0%
<b>Base case</b>	<b>161.17</b>	148.30	135.43
Sensitivity analysis case			
Increase in project development cost of 1.5%	154.00	141.13	128.26
Increase in project development cost of 3.0%	146.83	133.96	121.09

IRR (% per year)	Base case	Sensitivity analysis case	
		Decrease in total revenues of 1.5%	Decrease in total revenues of 3.0%
<b>Base case</b>	<b>20.90</b>	19.68	18.45
Sensitivity analysis case			
Increase in project development cost of 1.5%	20.16	18.94	17.71
Increase in project development cost of 3.0%	19.41	18.19	16.96

From above sensitivity analysis, the project will earn a gross profit margin of 27.86% - 31.50% with the projects net present value of Baht 121.09 - 154.34 million and IRR of 16.96% - 20.16% per year.

#### **1.4.2 Appropriateness of conditions for the transaction**

The significant conditions agreed upon for the acquisition of land from the connected person of the Company are as described below:

- Sale and purchase price

The purchase price of land from Golden in a total amount of Baht 231,974,800 or Baht 38,000 per square wah is lower than the appraised value by the two independent valuers.

The IFA is of the opinion that the sale and purchase price, which is lower than the average appraised value by the two independent valuers, is comply with the memorandum of agreement made between the Company and Golden and is beneficial for the project development, resulting in a reasonable cost of land and a good return from such investment to the Company.

- Terms of payment

The Company will pay Golden a deposit of 30% of the sale and purchase price, or equal to Baht 69,592,440, on the date of land sale and purchase agreement signing, which will take place within one month from the date of obtaining approval from the 2021 Annual General Meeting of Shareholders, and will pay the remaining 70% of the sale and purchase price, or equal to Baht 162,382,360, on the date of registration of land ownership transfer, which will take place within six months from the date of land sale and purchase agreement signing or within such other date as mutually agreed upon by both parties.

The IFA views that such payment terms, requiring a deposit payment to be made on the agreement signing date and the remaining payment on the ownership transfer registration date, are the usual practices for land sale and purchase transactions in general and will not put the Company at a disadvantage.

- Expenses on land ownership transfer

The land ownership transfer fee will be jointly paid by the Company and Golden, as the seller, on a 50:50 basis, whereas specific business tax or stamp duty and corporate income tax (deducted at source) will be totally borne by the seller. The IFA is of the opinion that there is no law specifying whether the seller or the buyer shall be responsible for the transfer fee, but it depends on mutual agreement between the two parties. The ownership transfer fee is equal to 1% of the appraised value or the sale and purchase price, whichever is higher. However, the agreement between the Company and the seller to jointly pay the transfer fee on a 50:50 basis is a usual practice for land sale and purchase and will not put the Company at a disadvantage.

We further view that the overall conditions for the transaction are concluded from negotiations between the Company, as the buyer, and Golden, as the seller who is the connected person of the Company, taking into account the appropriateness and benefits for the Company. The conditions are also considered fair and will not cause the Company to lose any benefits. Most of the conditions are the usual practices for land sale and purchase transactions in general.

#### **1.5 Conclusion of the IFA's opinion**

The entry into the connected transaction to purchase land from Golden, located in the area of Sena Grand Home Bang Bua Thong - Bang Phun Project, Pathum Thani Province, will provide the Company with a vacant land for development of a new property project, which will feature a condominium in the brand of Sena Kith Rangsit Station with a total of 1,533 units at a selling price of less than Baht 1 million per unit. The target group will be a large number of low-income earners desiring a home of their own, while there is still undersupply of housing at a price level lower than

Baht 1 million in such market. A market survey in Bang Phun area shows that almost all of the competitors' projects are condominiums offered at an average selling price above Baht 1 million per unit. The Company therefore sees room for development of a low-priced condominium project on the land to be acquired under this transaction by using price as a selling point.

Furthermore, the land being acquired is in a prime location with potential for residential property development since it is in Bang Phun's prosperous residential area with convenient transportation. The Company itself has amassed experience in continuous development of several phases of Sena Grand Home Project in Bang Phun area over a period of more than 10 years and accordingly has a large base of market data and target groups, thus giving it a competitive advantage in such area. At the same time, the Company will benefit from development of a continuing project in the same area as its existing projects, which will allow the Company to more easily and conveniently manage this project, increase its efficiency in overall project management, and save expenses through pooling of resources. Moreover, the Company will have stronger bargaining power with its contractor, which will help to reduce construction cost. The Company will be able to grow its revenues through such ongoing property development, which will deliver a favorable return to the Company and its shareholders in the future.

However, entering into this transaction will result in the Company incurring incremental debt and interest expenses from loans raised to finance the land purchase and property development. The Company will also bear expenses in a greater amount than revenues earned during the initial period of investment. While construction is still underway or ownership has not yet been transferred to customers, the Company cannot recognize revenues until the construction is completed as per the contract or the ownership and material benefits are transferred to the customers. In addition, the Company is exposed to risk from revenues, costs and expenses failing to meet projections, which could affect the rate of return on investment. Since construction in each phase or of each building of the condominium cannot be gradually invested in or be halted due to any unusual event or economic volatility occurring during such project development, the Company may then be exposed to risk concerned with its cash flow or liquidity management amid the said situation.

The purchase price of land from Golden at Baht 231,974,800 in total or Baht 38,000 per square wah is **lower than** the average appraised value by the two independent valuers of Baht 40,000 per square wah. Therefore, the said **purchase price is considered reasonable**.

The IFA has determined the appropriateness of the investment in development of the land to be purchased from Golden into a condominium project in the brand of Sena Kith Rangsit Station. From our study, the Company will earn a gross profit margin in the base case and the sensitivity analysis case of 31.50% and 27.86% - 31.50% respectively, with the project's net present value in the base case and the sensitivity analysis case of Baht 161.17 million and Baht 121.09 - 154.34 million respectively and IRR in the base case and the sensitivity analysis case of 20.90% per year and 16.96% - 20.16% per year respectively, which is higher than both the project's weighted average cost of capital of 4.91% per year and estimated average borrowing cost of 4.13% per year. Based on these factors, the said investment is considered appropriate and will deliver a satisfactory profit margin and rate of return to the Company.

Moreover, we view that the overall conditions for the transaction are the conditions set forth based on the negotiations between the Company, as the buyer, and Golden, as the seller, by paying attention primarily to the appropriateness and the interest of the Company. All conditions are considered fair and reasonable and will not cause the Company to lose any benefit.

**Transaction 2 Purchase of land from Sinsap Thanya Co., Ltd.**
**2.1 Nature and details of the transaction**
**2.1.1 Nature of the transaction**

The Company intends to purchase one plot of land from Sinsap Thanya, located in Sena Park Residences Ramindra Project, Kanchanaphisek Road, Khanna Yao Sub-District, Khanna Yao District, Bangkok, with a total area of 14-2-65.4 rai or 5,865.40 square wah, together with the right of servitude to provide access to the said purchased land, at a total price of Baht 195,024,550 or Baht 33,250 per square wah.

The purchase of land from Sinsap Thanya is deemed as a connected transaction since the said traded land is in the original project of Sinsap Thanya (Ram Inthra Road, Km 9) which was included in the memorandum of agreement between the Company and Sinsap Thanya. The Company stated in the Prospectus for Initial Public Offering (IPO) of newly issued shares on July 15, 2009 that the Company shall comply with the measures for elimination of a conflict of interest by applying the rules on connected transactions to this transaction.

**2.1.2 Type and size of the transaction**
Size of the connected transaction

Basis of calculation	Details of calculation	
Value of consideration paid to connected person NTA <sup>1/</sup> of SENA and subsidiaries	=	Baht 195.02 million Baht 6,688.20 million
		2.91%

Note <sup>1/</sup> NTA (Net Tangible Asset) = Total assets - Intangible assets - Deferred tax assets - Total liabilities - Non-controlling interests

Size of the asset acquisition transaction

Basis of calculation	Formula	Transaction size	
Total value of consideration	$\frac{\text{Value paid}^{1/} * 100\%}{\text{Total assets of SENA}^{2/}}$	=	$\frac{195.02 * 100\%}{17,927.06}$ 1.09%

Note <sup>1/</sup> Value paid = Purchase price of land to be paid by the Company to Sinsap Thanya of Baht 195.02 million

<sup>2/</sup> Total assets of the Company and its subsidiaries according to the consolidated financial statements for the year ended December 31, 2020, audited by the Company's auditor

The above transaction constitutes a connected transaction pursuant to the Connected Transaction Notifications. The land purchase from Sinsap Thanya has a transaction size equal to 2.91% of the net tangible assets of the Company and its subsidiaries, which is higher than 0.03% but does not exceed 3% of the net tangible assets of the Company and its subsidiaries. However, after aggregating with the other connected transaction, the land purchase from Golden, with no other connected transactions taking place during the past six months, the total size of the connected transactions is equal to 6.38% of the net tangible assets of the Company and its subsidiaries, which exceeds 3% of the net tangible assets of the Company and its subsidiaries. Therefore, the Company is obligated to disclose information on the transaction to the SET and also to seek approval for entering into the connected transaction 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 having the right to vote, excluding the shareholder with a conflict of interest, namely Mr. Theerawat

Thanyalakpark who as at August 28, 2020 held 224,739,122 shares or 15.79% of the total number of paid-up shares of the Company.

In addition, the above transaction is considered as an acquisition of assets in accordance with the Acquisition or Disposal Notifications. The maximum transaction size of the land purchase from Sinsap Thanya is equal to 1.09%, calculated on the total value of consideration basis according to the consolidated financial statements of the Company for the year ended December 31, 2020. After aggregating with the land purchase from Golden and the asset acquisition transactions taking place during the past six months, the total size of the asset acquisition transactions is equal to 2.44%, which is less than 15% and accordingly does not fall under the type of transaction as defined in the Acquisition or Disposal Notifications.

Since the transaction is deemed as a connected transaction, the consideration and approval of the transaction at the Board of Directors' Meeting of the Company No. 1/2021 held on February 25, 2021 rested with the directors who have no conflict of interest therein. The director having a conflict of interest and not being entitled to cast vote on the agenda item regarding the land purchase from Sinsap Thanya was Mr. Theerawat Thanyalakpark who, due to his interest in and/or connection with the said transaction, accordingly was absent from the Board of Directors' Meeting on the agenda item to consider and approve the land purchase from Sinsap Thanya.

### 2.1.3 Value of consideration and criteria for determining value of consideration

The Company will pay consideration for the land purchase to Sinsap Thanya at a total price of Baht 195,024,550. Payment for such consideration will be partly self-financed and partly covered by loans from financial institutions. Here are the details:

Type of assets	Seller	Value of consideration	Criteria for determining value of consideration
1. One plot of vacant land under title deed No. 13091 with a total area of 14-2-65.4 rai or 5,865.40 square wah, together with the right of servitude to provide access to such land, located in Khanna Yao Sub-District, Khanna Yao District, Bangkok	Sinsap Thanya	Total value of consideration is Baht 195,024,550, details of which are as follows: 1) The Company will pay a deposit of 30% of the sale and purchase price, or equal to Baht 58,507,365, on the signing date of the land sale and purchase agreement.* 2) The Company will pay the remaining 70% of the sale and purchase price, or equal to Baht 136,517,185 on the date of registration of land ownership transfer.**	The sale and purchase price of land is set from negotiation between the Company and Sinsap Thanya and is lower than the average appraised value by the two independent valuers approved by the SEC, as detailed below: 1. Thai Surveyor and Advisory Co., Ltd. ("TSA") appraised a market value of the land by the market approach at Baht 35,000 per square wah or a total of Baht 205,300,000 (rounded off). 2. T.A. Management Corporation (1999) Co., Ltd. ("TAMC") appraised a market value of the land by the market approach at Baht 35,000 per square wah or a total of Baht 205,289,000. Therefore, the average appraised value by the two independent valuers is equal to Baht 35,000 per square wah or a total of Baht 205,294,500.

Note: \* The Company will sign the land sale and purchase agreement within one month from the date of obtaining approval for the land purchase from the 2021 Annual General Meeting of Shareholders which will be held on April 23, 2021.

\*\* The Company will transfer the land ownership within six months from the date of signing the land sale and purchase agreement or such other date as mutually agreed upon by both parties.

## 2.1.4 Connected persons and nature of relationship

- *Relevant parties*

**Purchaser :** SENA

**Seller :** Sinsap Thanya

- *Relationship between the relevant parties and scope of interest of the connected persons*

Sinsap Thanya is a company owned by a relative of Mr. Theerawat Thanyalakpark who is the director (Director and Chief Executive Officer of the Company) and major shareholder of the Company. In this respect, Mrs. Pariyasitha Srithananand, who is the director and major shareholder of Sinsap Thanya, holding 99.60% of the total paid-up shares of Sinsap Thanya (data as at April 30, 2020) and has control power in Sinsap Thanya, is a connected person of the director and major shareholder of the Company since she is elder sister-in-law of Mr. Theerawat Thanyalakpark, the Company's director and major shareholder. A memorandum of agreement was entered into between the Company and Sinsap Thanya, dated October 1, 2008, aiming to prevent a conflict of interest between them.

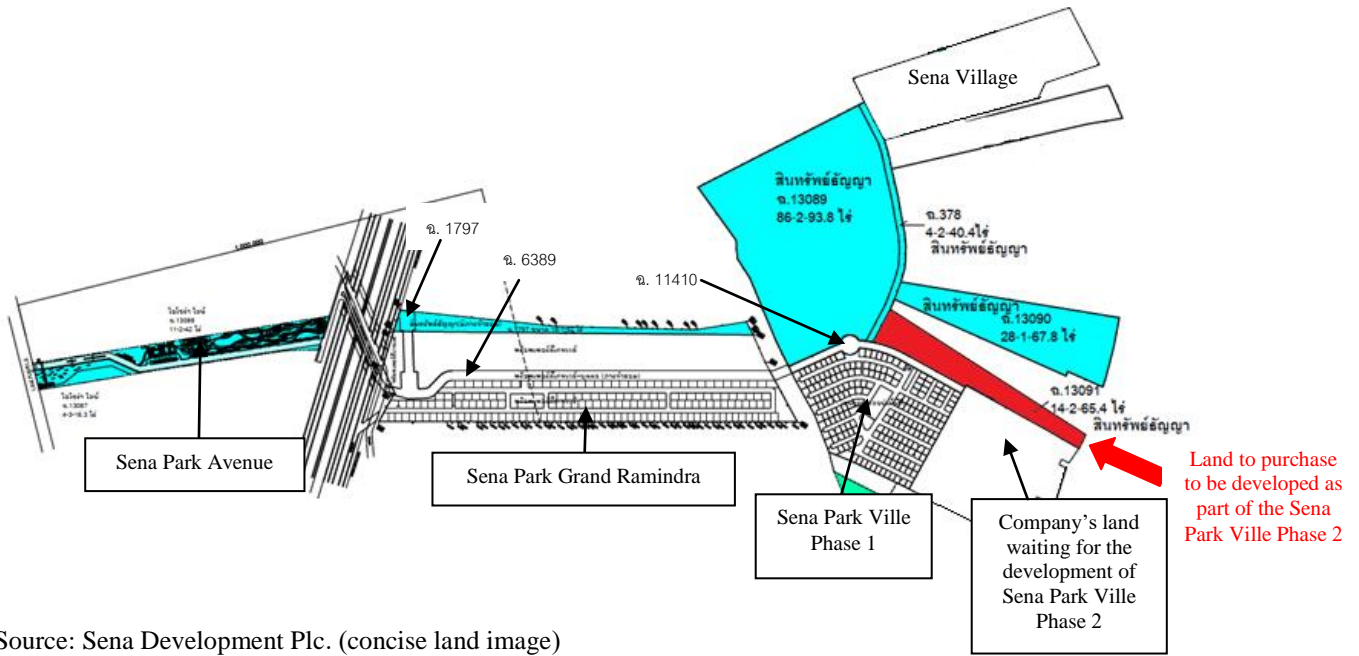
## 2.1.5 Details of assets being acquired

Type of asset	One plot of vacant land
Location	The land is located on Soi in Sena Project, Kanchanaphisek Road, Khanna Yao Sub-District, Khanna Yao District, Bangkok.
Title deed No.	13091
Asset being appraised/details of asset	The asset is one plot of vacant land with a total area of 14-2-65.4 rai or 5,865.40 square wah, having polygonal shape with the southern side adjacent to a road. The land is a flat area and has been filled to the same level as the road. Currently, the land remains vacant and ready for use, but has not yet been utilized.
Owner	Sinsap Thanya
Encumbrance	None
Two SEC-approved independent valuers	1. TSA, which appraised the land according to the property appraisal report dated February 15, 2021 2. TAMC, which appraised the land according to the property appraisal report dated February 19, 2021
The right of way to enter and exit the land	Soi in Sena Project serves as the right of way. Since it is a private property, the land title deeds No. 378, 1797, 6389 and 11410 must be registered for the right of servitude with respect to walkway, driveway and public utility systems for the land title deed No. 13091 (Appraised land) before performing any juristic act in order to provide access to a public road.
Purpose of appraisal	For market value measurement and for public purpose
Conditions for appraisal	<u>Property appraisal report of TSA</u> 1. The appraised value of the land in the report was under the assumption that the land had a registered right of servitude without any problem concerning its entrance/exit to a public road. 2. The land title deeds No. 1797, 6389 and 11410 in the same sub-district and district must be registered for the right of servitude with respect to walkway, driveway and public utility systems for the land title deed of the appraised property before performing any

	<p>juristic act.</p> <p><u>Property appraisal report of TAMC</u></p> <p>1. The appraised value of the land was under the assumption that the land had a registered right of servitude with respect to walkway, driveway and public utility systems from the land title deed No. 6389<sup>6</sup>. As for the land title deeds No. 11410 and 1797<sup>6</sup>, their owner is the same person as that of the appraised property. Thus, if the owner of any of such land is changed, such land must be registered for the right of servitude for the appraised property so that there will be no problem concerning access to the property.</p>
Nearby public utilities	Electricity, water supply, telephone, drainage pipe and road passing the front of the property, which is a private roadway with a reinforced concrete surface, 12.00 meters wide
Applicable regulations/laws	<p><u>Town plan</u></p> <p>The asset is located in the “Yellow Zone” (Yor. 3-25), which is designated for land use in the “Low Density Residential” category pursuant to the Ministerial Regulation for Bangkok Metropolitan Town Planning.</p> <p><u>Expropriation</u></p> <p>The asset is not located in the expropriation zone of any government authorities.</p>
Government’s development projects	Pink Line electric train (Khae Rai – Min Buri) project, currently still under construction, expected to be complete and open by 2022
Valuation approach	<p>1. TSA applied the market comparison approach with weight quality score (WQS) used for variable factor adjustment to measure the asset’s value and the residual method to review the appraisal result.</p> <p>2. TAMC applied the market approach with weight quality score (WQS) used for variable factor adjustment to measure the asset’s value and the hypothetical development method to review the appraisal result.</p>
Government land value appraisal	None, because the land under title deed No. 13091 missed out on the survey
Appraisal price	<p>Appraisal price of land with a total area of 5,865.40 square wah:</p> <p>1. Land appraisal price by TSA according to the report dated February 15, 2021 is equal to <b>Baht 35,000 per square wah or a total of Baht 205,300,000 (rounded off)</b>.</p> <p>2. Land appraisal price by TAMC according to the report dated February 19, 2021 is equal to <b>Baht 35,000 per square wah or a total of Baht 205,289,000</b>.</p>

<sup>6</sup> The land title deed No. 6389 is owned by Property Gateway Co., Ltd. which is the Company’s subsidiary and the land title deeds No. 11410 and 1797 the seller agrees to register the right of servitude for the land to be sold and purchased in order to provide access to such land on the date of registration of land ownership transfer.

Land map



Source: Sena Development Plc. (concise land image)





## 2.1.6 Summary of agreements relating to the transaction

### (1) Memorandum of Agreement (“MOA”) between SENA and Sinsap Thanya

MOA signing date	: October 1, 2008																																																											
Information on Sinsap Thanya																																																												
Shareholders/Persons with control authority as at the MOA signing date	: <u>Shareholders and shareholding proportion</u> Mrs. Pariyasitha Srithananand, 99.5996%; Mr. Paramet Thanyalakpark, 0.4000%; and Mr. Anirut Namthaisong, 0.0004%  <u>Director</u> Mrs. Pariyasitha Srithananand																																																											
Shareholders/Persons with control authority as at April 30, 2019 (source: <a href="http://corpus.bol.co.th">http://corpus.bol.co.th</a> )	: <u>Shareholders and shareholding proportion</u> Mrs. Pariyasitha Srithananand, 99.5996%; Mr. Paramet Thanyalakpark, 0.4000%; and Mr. Anirut Namthaisong, 0.0004%  <u>Director</u> Mrs. Pariyasitha Srithananand																																																											
Type of business	: Property development																																																											
Past/existing projects	: Sinsap Thanya is the owner of land in Sena Grand Home Project Phases 1 - 4																																																											
Measures for conflict of interest prevention	: Key details are as follows:  1. Sinsap Thanya will not purchase additional land or engage in land development or house construction for sale or for rent or operate any real estate businesses, whether by itself or through cooperation projects or joint ventures with other developers, other than the existing projects operated by Sinsap Thanya.  2. Sinsap Thanya certifies that it does not own any pieces of land other than the land lots indicated hereunder:  <table border="1" data-bbox="616 1357 1402 1693"> <thead> <tr> <th rowspan="2">No.</th> <th rowspan="2">Title deed No.</th> <th rowspan="2">Parcel No.</th> <th rowspan="2">Dealing file No.</th> <th colspan="3">Land area</th> </tr> <tr> <th>Rai</th> <th>Ngan</th> <th>Sq. wah</th> </tr> </thead> <tbody> <tr> <td colspan="7">Khanna Yao (Khleng Kret) Sub-District, Khanna Yao District, Bangkok</td> </tr> <tr> <td>1</td> <td>378*</td> <td>1986</td> <td>135</td> <td>231</td> <td>0</td> <td>98</td> </tr> <tr> <td>2</td> <td>1797</td> <td>3120</td> <td>22</td> <td>18</td> <td>2</td> <td>16</td> </tr> <tr> <td>3</td> <td>127806</td> <td>36</td> <td>1979</td> <td>0</td> <td>2</td> <td>0</td> </tr> <tr> <td>4</td> <td>127807</td> <td>37</td> <td>1980</td> <td>0</td> <td>2</td> <td>0</td> </tr> <tr> <td>5</td> <td>127808</td> <td>38</td> <td>1981</td> <td>0</td> <td>2</td> <td>0</td> </tr> <tr> <td colspan="4"><b>Total</b></td> <td><b>251</b></td> <td><b>1</b></td> <td><b>14</b></td> </tr> </tbody> </table>	No.	Title deed No.	Parcel No.	Dealing file No.	Land area			Rai	Ngan	Sq. wah	Khanna Yao (Khleng Kret) Sub-District, Khanna Yao District, Bangkok							1	378*	1986	135	231	0	98	2	1797	3120	22	18	2	16	3	127806	36	1979	0	2	0	4	127807	37	1980	0	2	0	5	127808	38	1981	0	2	0	<b>Total</b>				<b>251</b>	<b>1</b>	<b>14</b>
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<b>Total</b>				<b>251</b>	<b>1</b>	<b>14</b>																																																						
<p><u>Note:</u> *The land under title deed No. 13091 of 14-2-65.4 rai to be purchased by the Company is a part of the land under title deed No. 378.</p>																																																												

**(2) Draft of the land sale and purchase agreement between SENA and Sinsap Thanya**

Counterparties	:	Sena Development Plc. (“Purchaser”) Sinsap Thanya Co., Ltd. (“Seller”)
Condition precedent	:	This agreement shall take effect when the approval for the property purchase under this agreement has been obtained from the shareholders’ meeting of the Purchaser.
Property to be sold and purchased	:	The Seller agrees to sell and the Purchaser agrees to buy one plot of land under title deed No. 13091 located in Khanna Yao Sub-District, Khanna Yao District, Bangkok, with a total area of 14 rai 2 ngan 65.4 square wah or 5,865.40 square wah, together with the right of servitude on land under title deeds No. 378, 1797 and 11410 located in Khanna Yao Sub-District, Khanna Yao District, Bangkok, to provide access to the aforementioned land.
Sale and purchase price	:	The total price of land is Baht 195,024,550. If it appears later that the actual land area is larger or smaller than the area specified in the title deed of land being sold or purchased, the counterparties agree to calculate the price of the increased or decreased land portion at Baht 33,250/square wah and to add or deduct the aforementioned land price by such increased or decreased amount.
Price settlement	:	The Purchaser agrees to settle the sale and purchase price to the Seller under the following terms of payment: 1) Payment at 30% of the sale and purchase price, equivalent to Baht 58,507,365, by cashier’s cheque on the date of signing of the sale and purchase agreement; and 2) Payment of the remaining sale and purchase price at 70% of the sale and purchase price, equivalent to Baht 136,517,185, by cashier’s cheque on the date of registration of land ownership transfer to the Purchaser. The registration of land ownership transfer shall be made at the Bangkok Metropolitan Land Office within six months from the date of signing of the sale and purchase agreement or within such other date as to be agreed upon by the two parties.
Duties of the Seller	:	<ul style="list-style-type: none"> <li>- The Seller agrees to undertake the registration of ownership transfer of the land to be sold and purchased that is free of encumbrance to the Purchaser at the Land Office within six months after deposit payment by the Purchaser or such other date as later agreed upon by both parties.</li> <li>- The Seller agrees to complete the mortgage release of the land to be sold and purchased from the mortgagee before the ownership transfer to the Purchaser.</li> <li>- Before transferring the ownership, the Seller agrees for the Purchaser to request the change or addition of the name of the transferee to be other person without any expenses. The Purchase has to notify the Seller in writing of the name of transferee at least seven days ahead of the date of transfer.</li> <li>- On the date of registration of land ownership transfer, the Seller agrees to register the right of servitude on land plots under title deed No. 378 parcel No. 1986; title deed No. 1797 parcel no. 3120; and title deed No. 11410 parcel No. 102, located in Khanna Yao Sub-District, Khanna Yao District, Bangkok, for the land to be sold and purchased in order to provide access to such land.</li> </ul>
Tax, fee, and other	:	Both parties agree to pay tax, fee, and other expenses related to the land

<p>expenses related to the ownership transfer</p>	<p>ownership transfer and the registration of right of servitude to provide access to such land as follows:</p> <ol style="list-style-type: none"> <li>1) Transfer fee shall be borne by the Purchaser and the Seller on a 50:50 basis.</li> <li>2) Specific business tax or stamp duty shall be borne by the Seller.</li> <li>3) Corporate income tax (deducted at source) shall be borne by the Seller.</li> <li>4) Fee for registration of right of servitude shall be borne by the Seller.</li> </ol>
<p>Event of default</p>	<p>:</p> <p>In case the Purchaser fails to make payment as per the specified amount and period or fails to comply with any other conditions of this agreement, the Seller has the right to terminate the agreement and confiscate any money paid by the Purchaser. The Seller is required to notify the Purchaser in writing to make payment or comply with the agreement within at least 30 days from the date of receipt of the notice. In case the Purchaser fails to make payment or comply with the agreement within the specified period, the Seller may terminate the agreement and confiscate any money paid by the Purchaser. In this regard, the exercise of such right shall not deprive the right of the Seller to claim for any other indemnities.</p> <p>In case the Seller fails to transfer the ownership on the property to be sold and purchased to the Purchaser or fails to comply with any other conditions of this agreement, the Purchaser has the right to terminate the agreement and call for the Seller to return any money received by the Seller under this agreement to the Purchaser, with interest at the rate of 7.5% p.a. of such sum calculated from the date the Seller received the money from the Purchaser until the date the payment is fully made to the Purchaser. In this regard, the exercise of such right shall not deprive the right of the Purchaser to claim for any other indemnities.</p>

## 2.2 Profile of the Company

Please see a summary of the Company's profile in the Information Memorandum Regarding Asset Acquisition and Connected Transactions (Account 2) and the Annual Report 2020 of the Company in the form of QR Code enclosed with the notice of this shareholders' meeting.

## 2.3 Reasonableness of the transaction

### 2.3.1 Objective and necessity of the transaction

The Company will purchase from Sinsap Thanya a plot of land under title deed No. 13091 with a total area of 14-2-65.4 rai, located in the area of Sena Park Residences Ramindra Km. 9 Project, on Kanchanaphisek Road (connecting with Ram Inthra Road, Km. 9), Khanna Yao Sub-District, Khanna Yao District, Bangkok. Its objective is to combine such land with its existing adjacent land of 21-2-65.6 rai into one large plot of land of approximately 36-1-31 rai for development of Sena Park Ville Ramindra Phase 2 as a continuing project from Sena Park Ville Ramindra Phase 1, which is currently under development by the Company.

Sena Park Residences Ramindra Km. 9 Project has been operated by the Company since 2013 up to the present. It consists of three horizontal residential projects: 1) Sena Park Grand Ramindra, a single house project with 174 units priced at Baht 10 million or higher per unit located at the front of the project; 2) Sena Park Ville Ramindra Phase 1, a single house and twin house project with 218 units priced at Baht 6.5 million - Baht 10 million or higher per unit located in the inner area next to Sena Park Grand Ramindra, both projects of which have now been completed and around 80% sold,

with a small number of units remaining for sale; and 3) Sena Village, a townhouse, twin house and single house project with 300 units priced at Baht 3 million - Baht 6 million, located in the furthest part of the land, currently still under construction and expected to launch a pre-sale within 2021.

Sena Park Ville Ramindra Phase 2 that will be developed on the land to be acquired in this transaction will feature single houses and twin houses priced at Baht 5.85 million – Baht 6.55 million per unit, which have an approximate project value of Baht 1,145.15 million. Like Phase 1, this project will have the design and development concept of “SENA Solar House,” by converting solar energy, a clean energy that can never be depleted, into power energy for every home use and also applying solar energy in the common areas to help save residents’ expenses and reduce global warming.

In view of the successful operation of Sena Park Grand Ramindra and Sena Park Ville Ramindra Phase 1 in Ram Inthra Km. 9 area, the Company is thus looking to develop Sena Park Ville Ramindra Phase 2 as a continuing project from those existing projects which are expected to be sold out and closed by 2021. By entering into this transaction, the Company will acquire an additional plot of land that is adjacent to its existing land (the new land is at the back of Sena Park Ville Ramindra Phase 1) and can be combined into one large plot for development of Sena Park Ville Ramindra Phase 2 which will be sold at a cheaper price than Phase 1 due to the smaller unit size, while still focusing on space utilization and provision of similar facilities. The Company will benefit from development of a continuous project in the same location and can offer products with a wider price range for customers to choose from in the same area and also to reach a broader target audience with diverse needs and purchasing power. Moreover, the new property development in the area where there already are completely built houses in other surrounding projects will allow for customers who visit the project to enjoy the atmosphere of a completed housing estate and see actual houses in those existing projects, which will help to build customers’ confidence and assist in their decision-making. The Company can also leverage the existing customer base of Sena Park Ville Ramindra Phase 1 as these customers can help introduce interested buyers of houses in Ram Inthra area, which can serve as another credible public relations source.

In addition, the land to be purchased is in the suburban residential area suitable for development of a housing estate that will likely be attractive to consumers. The land is in a conveniently accessible area close to numerous workplaces and facilities such as shopping centers, educational institutes, hospitals, amusement parks, golf courses, etc. In the future, it will be more conveniently accessible due to its close proximity to Station 24 Ram Inthra 83 of the Pink Line electric train system, which is scheduled to open in late 2022.

### **Samples of home types in Sena Park Ville Ramindra Phase 2**



The benefits obtained by the Company from such continuing property development in the same area as Sena Park Residences Project, which consists of several housing estates operated by the Company, include the ability to more easily and conveniently manage the project, enhancement of efficiency in overall project management, and cost saving from resources sharing. Moreover, the Company will gain more bargaining power with the contractor, considering that there will be

additional large-scale project in the same area which will relatively help to cut down some fixed cost items for the contractor such as cost of construction and relocation of worker camp, cost of machinery removal, etc., hence a drop in construction cost of the Company. Further, the development of a continuing project will lead the investment in construction of road and public park in front of the project to become more worthwhile and help to reduce some fixed costs as they could be shared between the existing and the new projects, including security guard fee, utilities fee for common areas, public park maintenance expense, and others.

By acquiring the land from Sinsap Thanya, the Company will be able to develop a horizontal project as planned, with risk diversification and well-balanced investment between horizontal and vertical property development. Investment in a low-rise property is more flexible and adaptable than a high-rise property because, in the former case, the Company can change and gradually invest in construction for the benefit of cash and liquidity management under an economic condition that may become volatile in the future. Moreover, the Company will generate more income from such new property development and accordingly bring about favorable returns for the Company and its shareholders.

The purchase price of the land together with the right of servitude to provide access to such land is Baht 195,024,550 in total or Baht 33,250 per square wah, which is about 5% lower than the average appraised value by the two independent valuers of Baht 35,000 per square wah.

### **2.3.2 Advantages and disadvantages of entering into the transaction**

#### **1) Advantages of entering into the transaction**

##### *1.1) Availability of land for continuous project development*

For real estate business, advance procurement of land is deemed crucial for property development planning. In general, land prices have increased annually and it becomes more difficult to acquire a large adjoining plot of land, particularly in the urban area. Therefore, the Company must plan for advance procurement of land that is adequate for long-term property development and must be careful in land purchase and confident in the potential of land in any such area, while ensuring the developed projects could properly address consumer demand.

By entering into this transaction, the Company will acquire an appropriate size of additional vacant land in the area of Sena Park Residences Ramindra Km. 9 Project to be combined with its existing adjacent land of 21-2-65.6 rai into a land plot of about 36-1-31 rai the size of which is suitable for efficient development of a new horizontal property project, i.e. Sena Park Ville Ramindra Phase 2. The Company plans for construction and pre-sale launch of this project in a way that is consistent with and continuous from Sena Park Grand Ramindra and Sena Park Ville Ramindra Phase 1, which currently have only a small number of houses remaining for sale and are expected to be sold out and closed by 2021.

##### *1.2) Suitable location of the land*

The land to be purchased from Sinsap Thanya is in the Ram Inthra Km. 9 area which is a good location with potential for residential property development due to its convenient transportation and close proximity to workplaces and numerous facilities. The land is close to Kanchanaphisek Frontage Road and is conveniently accessible to Ram Inthra Road, Km. 9, by taking the shortcut through "Sena Park Avenue," a greenery area of more than 10 rai under the Company's management and allowing for a 24-hours passage. The land also is close to several facilities, including Dusit Technology School, Wat Khu Bon School, Pracharat School, Satit Pattana School, Bodindecha (Sing Singhaseni) 2 School, Fashion Island Shopping Mall, The Promenade Shopping Mall – Ram Inthra, Big C Market - Ram Inthra, Synphaet Hospital, Nopparat Rajathanee Hospital, Phyathai Nawamin Hospital, Panya Indra Golf Course, Safari World open zoo, Siam Amazing Park, Khu Bon Temple, Khanna Yao Police Station, etc. In the future, it will be even more conveniently accessible since it is

about 1.5 kilometers from Station 24 Ram Inthra 83 of the Pink Line electric train system, which is scheduled to open within 2022. With such location and positive factors, the property development on the said land will be able to capture market interest and demand and is expected to deliver favorable sales volume and return to the Company in the future.

*1.3) Benefit from development of a continuous project in the same area as the existing projects*

The land to be acquired from Sinsap Thanya is located in the area of Sena Park Residences Project, which consists of two completely constructed with most of the houses already sold with a large number of residents living in these housing estates (not yet sold out) which operated by the Company, namely 1) Sena Park Grand Ramindra and 2) Sena Park Ville Ramindra Phase 1. As at March 4, 2021, both projects together have about 80 units remaining for sale, out of the total 392 units. There is also another project under construction and planned to open within 2021, i.e. Sena Village, which will offer 300 units of townhouses, twin houses and single houses priced at Baht 3 million - Baht 6 million per unit, located at the furthest part of Sena Park Residences Project. Thus, when combined with the new project to be developed on the land being acquired in this transaction into a housing estate priced at Baht 5.88 million – Baht 6.55 million per unit, the projects developed by the Company can offer a variety of products such as townhomes, twin houses and single houses at a wider price range of Baht 3 million - Baht 12 million per unit. This will give the Company an opportunity to reach a broader target audience with diverse needs and purchasing power and more extensively respond to their demand.

The benefits obtained by the Company from such continuing property development in the same area include the ability to more easily and conveniently manage the project and sharing of resources in all project operations such as salesforce compensation and sales office expenses. Moreover, the Company will gain more bargaining power with the contractor, considering that the development of larger-sized projects in about the same period and the same area will help the contractor cut down on some fixed cost items such as cost of construction and relocation of worker camp, cost of machinery and equipment removal, etc. Further, the Company can save cost of investment in some items that were already invested in the existing projects which will lead the investment to become more worthwhile, including cost of construction of road and public park in front of the project, and can also save some fixed unit costs such as security guard fee, public park and road maintenance expense, utilities fee, and others. This will enable the Company to lower the project's unit cost and obtain a higher rate of return and profit.

*1.4) Opportunity to expand customer base*

In such land purchase for development of Sena Park Ville Ramindra Phase 2, the Company can conduct marketing that builds on the existing customer base of Sena Park Ville Ramindra Phase 1. The Company will continue to concentrate on the middle- to high-income target groups similar to the existing project, but will offer houses at a lower price and still focus on space utilization and provision of similar facilities. The average selling price will be in a range of Baht 5.85 million - Baht 6.55 million per unit, which will enable the Company to address needs of the group of customers who are unable to afford the highly priced houses in its existing project. Hence, the Company can broaden its customer base to support its future growth by offering products in a wider price range to fulfill the market demand.

*1.5) Diversification of risk in real estate business*

The Company and its subsidiaries generate revenues primarily from residential property development for sale. In 2020, their revenues from sales of real estate projects made up about 68% of total revenues, divided into revenues from sales of vertical projects of approximately 50% of total revenues and revenues from sales of horizontal projects of around 18% of total revenues. The remainder of 32% came from rental and service income, solar revenues, and others.

Nonetheless, the current real estate market, particularly condominium, has been highly competitive and on a downward trend in terms of both supply and demand at home and overseas. This is ascribed to fallout from the economic downturn and the COVID-19 pandemic, leading to a sharp decline in purchasing power. The purchase of land from Sinsap Thanya will enable the Company to develop horizontal property so as to expand its income ratio from horizontal projects and diversify risk from its current real estate business by reducing its reliance on revenues from the vertical projects, which are facing fierce competition and a slowdown. Besides, the investment in vertical property which is a large building is capital-intensive and time-consuming, whereas the investment in horizontal property development can be gradually made in phases and most of the customers buy the property for residential purpose rather than for speculative investment. Therefore, such business operation can lead to risk diversification on a conservative basis in terms of both investment and marketing competition.

#### *1.6) Opportunity to grow revenues and profit in the future*

The Company plans to develop the land to be purchased from Sinsap Thanya into a twin house and single house project, with development period from around May 2021 to September 2024 and total project value of approximately Baht 1,145.15 million. Such project development will enable the Company to generate more revenues and profit in the future, in addition to the existing projects under development. At present, the Company has not yet recognized revenues from all projects because some projects are still under construction and development. In 2020, the Company and its subsidiaries earned revenues from sales of properties of Baht 2,888.75 million, revenues from rental and services of Baht 1,131.78 million, revenues from solar business of Baht 67.56 million, and other revenues of Baht 139.56 million, with profit sharing from associated companies and joint ventures of Baht 306.96 million.

### **2) Disadvantages of entering into the transaction**

#### *2.1) Incurrence of additional debts and interest expenses*

In acquiring the land from Sinsap Thanya at a total value of Baht 195,024,550, the Company will place a deposit at 30% of the sale and purchase price or equal to Baht 58,507,365 on the date of land sale and purchase agreement signing (which will take place within one month from the date of obtaining approval from the 2021 Annual General Meeting of Shareholders to be held on April 23, 2021), and will pay the remaining 70% of the sale and purchase price or equal to Baht 136,517,185 on the date of registration of land ownership transfer (within six months from the date of land sale and purchase agreement signing or such other date as mutually agreed upon by both parties). As for funding sources, about 70% of total project investment cost will be covered by loans from financial institutions and the remainder by self-financing. Such borrowing will lead the Company to incur additional debts. The estimated amount of loans to be raised for investment in construction and development of such project is about Baht 511.23 million, which will result in additional interest expenses of about Baht 15.19 million, assuming an interest rate of 4.13% p.a.

As of December 31, 2020, the Company and its subsidiaries recorded total liabilities of Baht 10,759.66 million, shareholders' equity of Baht 7,167.41 million, and debt to equity ratio of 1.50 times. It is expected that the land acquisition from Sinsap Thanya, including the purchase of land from Golden and the investment in property development on those land plots, will lead the Company to incur additional debts of roughly Baht 1,116.94 million, comprising loans from financial institutions for the land purchase from Sinsap Thanya and investment in property development on such land of about Baht 511.23 million (roughly 70% of the land purchase price plus related construction cost) and loans from financial institutions for the land purchase from Golden and investment in property development on such land of about Baht 605.71 million (roughly 70% of the land purchase price plus related construction cost). However, such loans will not be raised entirely at the same time, but will be gradually drawn down and gradually repaid according to the payment schedule. Such incremental debts will drive the debt to equity ratio up to 1.66 times (based on the projection of additional debts



arising from loans and shareholders' equity as of December 31, 2020). Nonetheless, the increased debt burden will not cause the Company's debt to equity ratio to exceed 2.50 times, which is the maximum ratio set forth in the financial covenants under the terms and conditions of the Company's debentures and the loan agreements made between the Company and commercial banks. Based on the project's cash flow projection analysis for the next four years (2021 – 2025), the Company will have sufficient cash flow for repayment of debts incurred for such land purchase and project development and be able to maintain the debt to equity ratio as required under the debentures' terms and conditions and the loan agreements with commercial banks.

## *2.2) Risk associated with project implementation*

The Company plans to develop a twin house and single house project on the land to be acquired from Sinsap Thanya, which will increase the supply of horizontal residential properties in the same area as the three existing projects currently operated by the Company. The Company may then be exposed to risk from such project implementation which may cause sales to fail to meet projections or may incur higher costs and expenses, thus impacting the overall performance and financial position of the Company. The project's success hinges not only on the property itself and project management capability, but also on such other factors as construction cost control, finance cost, construction progress control to avoid project delay, consumers' purchasing power and housing demand, and economic and real estate market situations, some of which are external factors beyond the management's control. Given that these factors are not favorable for project development, revenues from sales of the project may fail to meet projections which could affect the project's rate of return.

## *2.3) Excess of expenses over revenues in the initial period of investment*

In the real estate business, while construction is still underway or ownership has not yet been transferred to buyers, the Company cannot recognize revenues from sales until the construction is completed as per the contract or the ownership and material benefits are transferred to buyers. For the new project which features twin houses, investment in land will start in May 2021 and construction will take about 24 months from around July 2021 to June 2023. It is expected that revenue recognition from ownership transfer to customers will begin in February 2022 onwards, which is not unusual for real estate business in general. Besides, there will be rather high expenses incurred at the initial stage of project implementation, including construction designing fee, advertisement and public relations expenses, and others. Therefore, the project may initially suffer a loss, which will likely affect the Company's performance and financial statements.

However, the aforementioned impacts could be lessened, considering that the Company and its subsidiaries also are developing other projects that have been gradually completed with continuous ownership transfers and income recognition, thus creating insignificant effects on the Company's overall performance.

### **2.3.3 Comparison of advantages and disadvantages between entering into the transaction with the connected person and the transaction with a third party, necessity of entering into the transaction with the connected person, and reasons for not entering into the transaction with a third party**

By entering into this transaction with the connected person, the Company will acquire an appropriate size of land to be combined with its existing adjacent land into a land plot of the size that is suitable for efficient development of a new horizontal property which will be a continuous project from the current phase that has only a small number of houses remaining for sale. Such land is located in Sena Park Residences Ramindra where the Company has already operated three projects. Two of these existing projects are sited in front of the land to be purchased by the Company, namely Sena Park Grand Ramindra and Sena Park Ville Ramindra Phase 1, which have been completely constructed with most of the houses already sold. There are a large number of residents living in these estates, thus resulting in the shady, beautiful and livable environment and scenery through which the

access to the land being acquired passes, which will help to stimulate customers to decide to buy a house in the new project. Moreover, the continuous project development in the same area as the existing projects currently operated by the Company will enable the Company to benefit from the synergy, flexibility in operations, and cost saving through resources sharing. Meanwhile, compared with the transaction with a third party, it is apparently difficult to acquire other plot of land of the third party that is in the same area suitable for continuous property development according to the Company's business plan.

The land purchase from Sinsap Thanya will provide an opportunity for business expansion, increase in asset size, revenues and rate of return in the future, and availability of land for consistent project development in the future. In such land purchase from the connected person, the Company may not enter into the transaction with any third party. Besides, the Company has not been approached by any other landowners in order to acquire land in such desired area and similar in nature and size to the land to be purchased in this transaction.

The price of this connected transaction is lower than the average appraised value by the two independent valuers and is accordingly considered reasonable. The IFA has determined the rate of return from property development on the land to be acquired from Sinsap Thanya and found that the development of a townhouse, twin house and single house project on such land will provide a project's IRR in the base case and sensitivity analysis case of 18.08% per year and 14.75 - 17.54% per year respectively (see more details in Item 2.4.1 (b) Assessment of appropriateness of project investment or operation), which is higher than the project's weighted average cost of capital (WACC) of 4.91% per year and also higher than the average loan interest rate of the project of 4.13% p.a. Based on these factors, the said transaction is considered appropriate and will deliver a satisfactory rate of return to the Company.

#### **2.3.4 Adequacy of financing sources for the acquisition of assets**

The Company will enter into the land acquisition from Sinsap Thanya at a total value of Baht 195,024,550. Funding for such land acquisition transaction will come from self-financing and loans from financial institutions in a proportion of 30% and 70% of total project investment respectively. The Company will offer the land to be acquired as collateral for the loans from financial institutions.

To identify the adequacy of funding sources for such land purchase based on the consolidated financial statements for the year ended December 31, 2020, the Company has cash and cash equivalents of Baht 2,995.70 million and cash flow from earnings before interest, tax, depreciation and amortisation (EBITDA) in 2020 of approximately Baht 1,664.28 million. In addition, the Company is under the negotiation with a financial institution for loan to finance the land acquisition and project development. It is thus expected that the Company will have adequate funding sources for this transaction.

### **2.4 Fairness of price and conditions for the transaction**

#### **2.4.1 Fairness of land acquisition price**

##### **(a) Analysis of sale and purchase price vs. appraisal price**

The Company will purchase one plot of land with a total area of 14-2-65.4 rai or 5,865.40 square wah, located in Sena Park Residences Project, Kanchanaphisek Road, Khanna Yao Sub-District, Khanna Yao District, Bangkok, together with the right of servitude to provide access to the said purchased land for development of a horizontal residential property, at a land purchase price of Baht 195,024,550, which is lower than the average appraised value by two independent valuers.

The Company assigned two SEC-approved independent valuers, Thai Surveyor and Advisory Co., Ltd. ("TSA") and T.A. Management Corporation (1999) Co., Ltd. ("TAMC"), to

appraise such land. The appraised price by the two valuers is equal to Baht 35,000 and Baht 35,000 per square wah respectively, as shown below:

Independent valuer	Appraisal method	Appraised price (Baht/sq. wah)	Average appraised price by two valuers (Baht/sq. wah)	Sale and purchase price (Baht/sq. wah)	Difference between sale and purchase price and average appraised price (Baht/sq. wah)
1. TSA	Market approach	35,000	35,000	33,250	(1,750)
2. TAMC	Market approach	35,000			

The IFA is of the opinion that the market price or fair value appraised by the independent valuers by the market approach can be properly used as a reference price to identify the sale and purchase price for the land to be acquired in this transaction and can well reflect the actual value of the appraised property. The appraised price by TSA and TAMC is equal to Baht 35,000 and Baht 35,000 per square wah respectively, representing an average of Baht 35,000 per square wah. Therefore, the transaction price for the land acquisition from Sinsap Thanya of Baht 33,250 per square wah, which is lower than the average appraised value by the two independent valuers, **is considered reasonable**.

### Summary of land appraisal

The asset appraised by the independent valuers is a plot of vacant land under title deed No. 13091 with an area of 14-2-65.4 rai or equal to 5,865.4 square wah, located in Sena Park Residences Project, beside and behind Sena Park Ville Ramindra Project Phase 1, on Kanchanaphisek Road (Highway 9), Khanna Yao Sub-District, Khanna Yao District, Bangkok.

According to the appraisal reports of the two independent valuers, comprising TSA's report dated February 15, 2021 and TAMC's report dated February 19, 2021, prepared for market value measurement and for public purpose, the land appraisal can be summed up as follows:

Appraisal method	Description of appraised asset	Owner	Appraised value by independent valuer	
			TSA	TAMC
Market approach	<ul style="list-style-type: none"> <li>- One plot of land under title deed No. 13091 with a total area of 14-2-65.4 rai or 5,865.4 square wah</li> <li>- The land is located on Soi in Sena Park Residences Project, beside and behind Sena Park Ville Ramindra-Wongwaen Project Phase 1, on Kanchanaphisek Road, Khanna Yao Sub-District, Khanna Yao District, Bangkok.</li> <li>- It is a vacant land having a polygonal shape.</li> </ul>	Sinsap Thanya	Baht 205,300,000 (rounded off) (Baht 35,000/sq. wah)	Baht 205,289,000 (Baht 35,000/sq. wah)
	<b>Government land value appraisal</b>	None, because the land missed out on the survey		

### Appraisal by TSA

TSA appraised the property, which is a vacant land, by the **market comparison approach**. This method compared the appraised property with market data in terms of their similarities or differences, based on factors that affected value such as location, town plan, environment, land size, road and public utilities, and so on. The property value is then analyzed, using appropriate methods

such as sale adjustment-grid method, weight quality score (WQS), etc.

TSA employed the weighted quality scores (WQS) in adjustment for the difference of market data based on factors such as location, general environment, land size, frontage, land level, land shape, road in front, public utilities, legal restrictions, and suitability of land use or development potential, etc. The variables with a remarkable variance when compared with the appraised property were given a high weighting. Total weighting score of all variables was equal to 100%. Each variable was scored and then multiplied by its weight. The sum of weighted score multiplication of each variable would include the weighted quality scores (WQS).

In appraising the property, TSA surveyed market data on four plots of land nearby and selected three of them which had sale and purchase prices and/or offering prices ranging from Baht 28,000 to Baht 43,000 per square wah and had the general physical condition most similar to the appraised property. Details of the comparable market data used for property appraisal are as follows:

Particulars	Appraised property	Comparable data			
		Data 1	Data 2	Data 3	Data 4
Type of property	Vacant land	Vacant land	Vacant land	Vacant land	Vacant land
Location	Soi in Sena Project	Soi Khu Bon 13	Soi Khu Bon 31 Yaek 2	Soi Ram Inthra 62	Soi Ram Inthra 52
Coordinates	13.842557 / 100.683823	13.847804 / 100.661067	13.853692 / 100.670499	13.824386 / 100.670474	13.834539 / 100.663706
Land area (rai-ngan-sq. wah)	14-2-65.4 rai (5,865.4 sq. wah)	8-0-49.0 rai (3,249.0 sq. wah)	4-0-08.0 rai (1,608.0 sq. wah)	8-0-0.0 rai (3,200.0 sq. wah)	2-2-00.0 rai (1,000.0 sq. wah)
Land shape	Polygonal	Rectangular-like	Polygonal	Rectangular-like	Rectangular
Frontage	255.00 meters	85.00 meters	10.00 meters	129.00 meters	6.00 meters
Land level	Same as road level	Same as road level	Same as road level	0.50 meter lower than road level	Same as road level
No. of sides facing a road	1 side	1 side	1 side	1 side	1 side
Type of road surface	Reinforced concrete	Reinforced concrete	Asphalt	Asphalt	Reinforced concrete
Width	12.00 meters	6.00 meters	6.00 meters	6.00 meters	6.00 meters
Environment	Residential	Residential	Residential/Agricultural	Residential	Residential/Agricultural
Public utilities	Electricity/water supply/telephone	Electricity/water supply/telephone	Electricity/water supply/telephone	Electricity/water supply/telephone	Electricity/water supply/telephone
Town plan	Yellow Zone	Orange Zone	Yellow Zone	Orange Zone	Red Zone
Current land use	Vacant	Vacant	Vacant	Vacant	Vacant
Optimum land use	Residential	Residential	Residential	Residential	Residential
Development potential	Moderate	Moderate	Moderate	Moderate	Moderate
Price (per sq. wah)		Baht 28,000	Baht 41,000	Baht 43,000	Baht 60,000
Status		Offered for sale	Offered for sale	Offered for sale	Offered for sale
Date		February 1, 2021	February 1, 2021	February 1, 2021	February 1, 2021

TSA considered all information and selected three plots of land nearby the appraised property, consisting of vacant land on Soi Khu Bon 13 (Data 1), vacant land on Soi Khu Bon 31 Yaek 2 (Data 2), and vacant land on Soi Ram Inthra 62 (Data 3), for comparison with the appraised property, as follows:

Variables	Comparison of difference between market data and appraised property		
	Data 1	Data 2	Data 3
General location	Inferior	Similar	Similar
General environment	Inferior	Inferior	Superior
Land size	Smaller	Smaller	Smaller
Frontage	Similar	Narrower	Wider
Land level	Similar	Similar	Inferior
Land shape	Superior	Superior	Superior
Road passing in front of property	Inferior	Inferior	Inferior
Public utilities	Similar	Inferior	Similar
Legal restrictions	Superior	Similar	Superior
Land use	Similar	Similar	Superior

Here is the weighted quality scores (WQS) table for property value determination:

Particulars	Property	Data 1	Data 2	Data 3		
Land						
Area (sq. wah)	5,865.4	3,249.0	1,608.0	3,200.0		
Offered selling price (Baht/sq. wah)		28,000	41,000	43,000		
Negotiated price (Baht)		-1,000	-8,000	-8,000		
Initially adjusted price (Baht)		27,000	33,000	35,000		
Comparison and quality scoring						
	Weighting	Full scores	Property	Data 1	Data 2	Data 3
General location	20.00%	10	7   1.40	5   1.00	7   1.40	7   1.40
General environment	20.00%	10	7   1.40	4   0.80	6   1.20	8   1.60
Land size	5.00%	10	4   0.20	6   0.30	8   0.40	6   0.30
Frontage	5.00%	10	6   0.30	6   0.30	2   0.10	8   0.40
Land level	5.00%	10	6   0.30	6   0.30	6   0.30	4   0.20
Land shape	5.00%	10	5   0.25	7   0.35	7   0.35	8   0.40
Road passing in front of property	20.00%	10	8   1.60	5   1.00	5   1.00	5   1.00
Public utilities	5.00%	10	7   0.35	7   0.35	6   0.30	7   0.35
Legal restrictions	5.00%	10	6   0.30	7   0.35	6   0.30	7   0.35
Land use/development potential	10.00%	10	6   0.60	6   0.60	6   0.60	7   0.70
<b>Weighted score</b>	<b>100.00%</b>	<b>10.00</b>	<b>6.70</b>	<b>5.35</b>	<b>5.95</b>	<b>6.70</b>
<b>Score ratio vs. property</b>			<b>1.000</b>	<b>1.2523</b>	<b>1.1261</b>	<b>1.0000</b>
<b>Adjusted price</b>				<b>33,813</b>	<b>37,160</b>	<b>35,000</b>
<b>Appraisal weight</b>	<b>100.00%</b>			<b>17.86%</b>	<b>32.14%</b>	<b>50.00%</b>
<b>Weighted value</b>				<b>6,038</b>	<b>11,944</b>	<b>17,500</b>
<b>Appraised land value</b>					<b>Baht 35,482</b>	
<b>Net value</b>					<b>Baht 35,000</b>	
<b>Total appraised land value</b>					<b>Baht 205,289,000</b>	
					<b>(rounded up)</b>	<b>Baht 205,300,000</b>

Note: Figures in the above table are calculated and rounded off in Excel.

After adjustment for factors and quality, the land plot of 5,865.4 square wah (14-2-65.4 rai) was appraised at **Baht 35,000 per square wah**, or equal to a total value of Baht 205,289,000 or **(rounded up) Baht 205,300,000**.

***Opinion of the IFA on property appraisal by the independent valuer***

In our opinion, the use of the market approach with weighted quality scores (WQS) for land appraisal by TSA is suitable. The appraisal was based on a selection of market data that could diversely reflect value of the appraised property, by focusing on comparable properties that are vacant land located in the areas nearby the appraised property and selecting land plots that are on a Soi and not adjacent to the main road, which is similar to the appraised property. Upward/downward adjustment was made to the scoring of market data for factors that differ from the appraised property so as to ensure the scores of the market data were properly comparable with those of the appraised property. For example, if the compared properties were close to the main road and the road was wide enough for easy access, a higher score would be given to the compared properties than the appraised property for factors such as location, accessibility and parcel point. After that, the market price was figured out by weighting on the adjusted value and assigning the significance level of comparison to identify value of the appraised property. Such appraisal method is part of the market price assessment process under professional practices adopted by the independent valuer.

**Appraisal by TAMC**

TAMC appraised the property, which is a vacant land, by **the market approach**. The market approach is used for appraising property which is land since there are sufficient market data on the same or similar type of properties and prevailing in the same time period available for marketing comparison to serve as a proxy. Value of the properties is adjusted to about the same level based on their respective physical condition and characteristics.

TAMC employed the weighted quality scores (WQS) in adjustment for factors such as location, accessibility, parcel point, land shape and size, physical condition of land, infrastructure, environment, optimum land use, and growth potential. The variables with a remarkable variance when compared with the appraised property were given a high weighting. Total weighting score of all variables was equal to 100%. Each variable was scored and then multiplied by its weight. The sum of weighted score multiplication of each variable would include the weighted quality scores (WQS).

In appraising the property, TAMC surveyed market data on lands nearby and selected four of them which had sale and purchase prices ranging from Baht 37,500 to Baht 65,000 per square wah and had the general physical condition most similar to the appraised property. Details of the comparable market data used for property appraisal are as follows:

Particulars	Appraised property	Comparable market data			
		Data 1	Data 2	Data 3	Data 4
Type of property	Vacant land	Vacant land	Vacant land	Vacant land	Vacant land
Location	Soi in Sena Park Grand Ramindra Project	Soi Kanchanaphisek 4	Chatuchot Road	Soi Kanchanaphisek 5/2	Kanchanaphisek Frontage Road
Land area (rai)	14-2-65.4	1-0-81	2-0-00	4-3-54	4-2-9
Land area (sq. wah)	5,865.4	481	800	1,954	1,809
Land shape	Rectangular-like	Rectangular	Rectangular	Trapezoidal	Rectangular
Frontage x depth (meter)	Frontage: Approx. 144 meters	Frontage: Approx. 40.00 meters	Frontage: Approx. 45.00 meters	Frontage: Approx. 240.00 meters	Frontage: Approx. 50.00 meters

Particulars	Appraised property	Comparable market data			
		Data 1	Data 2	Data 3	Data 4
Land level	Same as road level	Approx. 0.50 meter higher than road level	Same as road level	Filled, approx. 0.20 meter lower than road level	Unfilled, approx. 1.00 meter lower than road level
No. of sides facing a road	1 side	1 side	1 side	1 side	1 side
Type of road (surface)	Concrete	Concrete, 12.00 meters	Asphalt, 8.00 meters	Concrete, 6.00 meters	Asphalt, 8.00 meters
Public utilities	Electricity, water supply, telephone, and road lighting	Electricity, water supply and telephone	Electricity, water supply and telephone	Electricity, water supply, telephone, and road lighting	Electricity, water supply, telephone, and road lighting
Town plan	Yellow Zone / Low density residential	Yellow Zone / Low density residential	Yellow Zone / Low density residential	Yellow Zone / Low density residential	Yellow Zone / Low density residential
Optimum land use	Housing estate	Commercial	Residential	Agricultural	Agricultural
Development potential	Moderate	Good	Good	Fair	Fair
Land price (Baht/sq. wah)	-	Baht 65,000.00/sq. wah	Baht 47,000/sq. wah	Baht 40,000.00/sq. wah	Baht 37,500/sq. wah
Status	-	Offered for sale	Offered for sale	Offered for sale	Offered for sale
Date of data survey	-	February 4, 2021	February 4, 2021	February 4, 2021	February 4, 2021

TAMC considered data on vacant land offered for sale in the areas nearby the appraised property, consisting of vacant land on Soi Kanchanaphisek 4, vacant land on Chatuchot Road, vacant land on Soi Kanchanaphisek 5/2, and vacant land on Kanchanaphisek Frontage Road. The derived data compared with the appraised property can be summarized as follows:

Compared factor	Comparison of difference between market data and appraised property			
	Data 1	Data 2	Data 3	Data 4
Location	Superior	Superior	Superior	Superior
Physical condition	Inferior	Inferior	Inferior	Inferior
Road	Superior	Superior	Superior	Superior
Public utilities	Superior	Superior	Superior	Superior
Environment	Superior	Superior	Superior	Superior
Land use	Superior	Superior	Superior	Superior
Development potential	Superior	Superior	Superior	Superior
Growth potential	Superior	Superior	Superior	Superior
<b>Conclusion</b>	<b>Superior</b>	<b>Superior</b>	<b>Superior</b>	<b>Superior</b>

However, most plots of land in the comparable data are merely offered for sale and have not yet received any market response. Considering the current economic situation, this seems to be a buyer's market.

Here is the weighted quality scores (WQS) table for property value determination:

Compared factor	Scoring (%)	Comparable data				Appraised property
		1	2	3	4	
1. Location	20	8	8	8	7	7
2. Accessibility	15	8	8	8	6	6
3. Parcel point	10	8	8	8	6	7
4. Shape and size	10	9	9	4	9	5
5. Physical condition	10	8	8	8	8	7
6. Infrastructure	10	8	8	8	8	7
7. Environment	10	8	7	7	7	8
8. Optimum land use	10	7	7	7	7	6
9. Growth potential	5	7	7	7	7	6
<b>Total</b>	<b>100</b>	<b>795</b>	<b>785</b>	<b>735</b>	<b>715</b>	<b>660</b>

Note: Rating scale: 1-2 = Low 3-4 = Fair 5-6 = Moderate 7-8 = Good 9-10 = Excellent

Adjustment for factors and quality	Comparable data				Appraised property
	1	2	3	4	
Offered selling price (Baht/sq.wah)	65,000.00	47,000.00	40,000.00	37,500.00	
Base price	58,000.00	40,000.00	38,000.00	36,000.00	
Weighted score	795	785	735	715	660
Adjustment ratio	0.8302	0.8408	0.8980	0.9231	1.0000
Adjusted price	48,150.94	33,630.57	34,122.45	33,230.77	
Significance level of comparison	0.10	0.30	0.30	0.30	
Comparable value	4,815.09	10,089.17	10,236.73	9,969.23	35,110.23
<b>Market value of property (Baht/sq. wah)</b>	<b>(rounded off)</b>				<b>35,000.00</b>

After adjustment for factors and quality, the land plot of 5,865.4 square wah (14-2-65.4 rai) was appraised at **Baht 35,000.00 per square wah, or equal to a total value of Baht 205,289,000.**

***Opinion of the IFA on property appraisal by the independent valuer***

In our opinion, the use of the market approach with weighted quality scores (WQS) for land appraisal by TAMC is suitable. The appraisal was based on a selection of market data that could diversely reflect value of the appraised property, by focusing on comparable properties that are vacant land located in the areas nearby the appraised property. Upward/downward adjustment was made to the scoring of market data for factors that differ from the appraised property so as to ensure the scores of the market data were properly comparable with those of the appraised property. For example, if the compared properties were close to the main road and the road was wide enough for easy access, a higher score would be given to the compared properties than the appraised property for factors such as location, accessibility and parcel point. After that, the market price was figured out by weighting on the adjusted value and assigning the significance level of comparison to identify value of the appraised property. Such appraisal method is part of the market price assessment process under professional practices adopted by the independent valuer.



***Conclusion of opinion of the IFA on property appraisal by the independent valuers (TSA and TAMC)***

We are of the opinion that the use of the market approach for land appraisal by the two independent valuers is suitable. This approach is also suitable for the appraisal of comparable properties which were sold/purchased or offered for sale such as residential property and vacant land, etc. The land was evaluated based on an analysis and comparison with other properties which were similar to the appraised property and were sold/purchased or offered for sale during about the same period of time. Hence, the most updated price was derived by this approach, which could best reflect value of the property in its present condition.

Nonetheless, the difference in appraised value by the two independent valuers resulted from the difference in their assumptions, selected comparable market data, weighted quality scoring, grading of the appraised property and the comparable market data, all of which depend on the viewpoints and judgment of the individual valuers who have primarily adhered to their specialized professional practices.

**(b) Assessment of appropriateness of project investment or operation**

The Company will purchase from Sinsap Thanya a plot of land of 14-2-65.4 rai located in the area of Sena Park Residences Ramindra Km. 9 Project. Its objective is to combine such land with its existing adjacent land of 21-2-65.6 rai into one large plot of land of approximately 36-1-31 rai or 14,531 square wah for development of Sena Park Ville Ramindra Phase 2 which will feature 193 units of single houses and twin houses priced at Baht 5.85 million – Baht 6.55 million per unit, designed and developed under the SENA Solar House concept.

To identify the appropriateness of the Company's investment in the said land acquisition for real estate development, we have studied the project viability by assessing the project's cash flow and gross profit margin compared with those of other similar projects previously operated by the Company.

Cash flow projection of the project has been prepared by the Company based on its sales plans and experience in project operation. However, we have adjusted some assumptions in line with the economic environment and relevant industry situations, together with the interviews with and enquiries of information from the Company's management/officials and the analysis of other property-related information. These assumptions have been established under the present economic circumstance. If there is any material change from the assumptions in the economic condition and other external factors that affect the project operation, the appraised net present value and return of the project will change as well.

Key assumptions used for preparation of financial projection of the project

Sena Park Ville Ramindra Phase 2 is a horizontal residential property project, consisting of 193 units of twin houses and single houses with a total saleable area of 8,685.80 square meters, a land area per unit of 39.70 - 79.40 square wah, and a useable area per unit of 159.10 - 317.67 square meters. Under the project development plan, investment in land will begin in May 2021, construction will start in July 2021, pre-sale will be launched in December 2021, and income recognition will commence in February 2022 (the project will start in May 2021 and end in September 2024). The Company has prepared cash flow projection of the project with a sales and transfer period of about three years and three months from the start of construction.

1) Revenues from sales

The Company has estimated the average selling price based on the business plan, construction design and experience in operation of projects of the same grade. The average

selling price is estimated at Baht 5.93 million per unit and the average number of units sold is projected at 6 units per month. Pre-sale will be launched in December 2021. A horizontal project is typically developed and sold in sub-phases, whereby construction is gradually completed with housing units available for sale in each sub-phase. There are a selection of both ready-for-transfer/move-in units and units under gradual construction for customers to choose from as desired.

Revenues from sales of houses are forecast based on payment made by customers in two tranches: (1) down payment at 5% of selling price made on the reservation date, and (2) transfer amount of 95% of selling price payable on the ownership transfer date. According to the projection, transfers will begin in February 2022.

We are of the opinion that the assumptions used by the Company for revenues projection, comprising project period, number of units sold, construction period and transfer period, based on information on development of other horizontal projects of the same grade and the Company's experience, are considered appropriate and are established on a conservative basis amid the economic slowdown and the persistent COVID-19 pandemic. Moreover, the estimated selling price is considered viable and competitive with other projects in the same location, compared with other similar low-rise condominium project projects which have received positive feedback, based on a market price survey by the Company's Marketing Department, as follows:

No.	Project name	Location	Type of project	Selling price (Baht million)
1	Golden Neo 2 Ramindra - Wongwaen	Kanchanaphisek Frontage Road (Highway 9)	Twin house	5.84 - 6.69
2	Grande Pleno Ramintra - Wongwaen	Kanchanaphisek Frontage Road (Highway 9)	Twin house	5.79
3	Baan Klang Muang Ramintra 83 Station	Kanchanaphisek Frontage Road (Highway 9)	Twin house	7.95
4	Perfect Place Ramindra - Wongwaen	Kanchanaphisek Frontage Road (Highway 9)	Single house	4.79 - 8.59
5	Casa Ville Wongwaen - Ramintra	Soi Kanchanaphisek 4, O Ngoen Sub-District	Single house	4.99 - 8.5
6	Chaiyaphruek Ramindra Expressway - Chatuchot	Kanchanaphisek Frontage Road (Highway 9)	Single house	5.69 - 9
7	Grand Britania Wongwaen Ramintra	Kanchanaphisek Frontage Road (Highway 9)	Single house	6.5 - 9
8	Centro Wongwaen - Chatuchot	Soi Wongsakon 1, Sam Wa West Sub-District	Single house	5.54 - 9

Source: The Company's Marketing Department

## 2) Costs of project

Costs of Sena Park Ville Ramindra Project Phase 2 are composed of cost of land, cost of house construction, cost of public utilities and common area construction, cost of solar cells, contingency cost, designing and permit application fee, and relevant fees, details of which are as follows:

- Cost of land with an area of 36-1-31 rai or 14,531 square wah is estimated at Baht 324.65 million, consisting of price of land to be acquired in this transaction of Baht 195.02 million, cost of the Company's land with an area of 21-2-65.6 rai or 8,665.6

square wah of Baht 129.63 million, land filling cost of Baht 14.53 million, and a transfer fee (1.0% of sale and purchase price of land to be acquired in this transaction) of Baht 1.95 million, which, as per the sale and purchase agreement, will be jointly paid by the two parties on a 50:50 basis. Specific business tax, stamp duty, and fee for registration of right of servitude will be totally borne by Sinsap Thanya as the seller.

- Cost of house construction is estimated at Baht 346.52 million with total construction area of 24,966 square meters, equivalent to an average construction cost of Baht 13,880/square meter, which is in line with cost of construction of horizontal projects of the same grade as the projects currently developed by the Company.
- Cost of construction of public utilities and common areas, consisting of road, club house and swimming pool, public park, housing estate fence, sample house decoration, and relevant public utilities of the project, is estimated at Baht 59.15 million, based on the area as per project design and cost of development per square meter or lump-sum cost. Cost of public utilities and common area construction is projected according to cost of development per square meter or lump-sum cost of horizontal projects of the same grade as the projects currently developed by the Company.
- Cost of solar cells is estimated at Baht 28.95 million or an average of Baht 150,000/unit.
- Contingency cost is estimated at 1.0% of cost of house construction and cost of public utilities and common area construction.
- Designing and permit application fee is estimated at Baht 5.33 million, comprising project designing fee of Baht 1 million in total or Baht 5,181/unit, housing estate permit, construction permit, survey and title deed separation, and authority contact expenses of Baht 1.93 million or Baht 10,000/unit, and construction staff salary of Baht 2.40 million or an average of Baht 100,000/month.
- Relevant fees are estimated at Baht 1.52 million, comprising front-end fee, mortgage registration fee and others.

### 3) Selling and administrative expenses

Selling and administrative expenses are mostly estimated in percentage of revenues from sales. Expenses payable to the concerned authorities are set based on the rate specified by such authorities, details of which are as follows:

- Marketing, sales and advertisement expenses are estimated at 1.5% of revenues from sales, based on the Company's experience in management of housing estate projects and in line with expense projection for real estate projects in general.
- Sales promotion expenses are estimated at 3.0% of revenues from sales, based on the Company's project sales promotion policy.
- Specific business tax is estimated at 3.30% of selling price and transfer fee at 1% of selling price. Specific business tax will be borne by the Company and transfer fee will be jointly borne by the Company and the buyer on a 50:50 basis.
- Land and building tax is estimated according to the rate determined in the Land and Building Tax Act B.E. 2562. The Company forecasts that after obtaining land development permit in 2022, it will be subject to land and building tax at a rate of

0.30% of value of land and houses for sales, according to the Royal Decree on Land and Building Tax Reduction B.E. 2563.

- Project expenses, consisting of expenses related to sales staff, etc., are estimated at Baht 100,000 per month throughout the project period, based on the Company's experience in the previous project management. Regarding common facilities, the new project needs to share the facilities expenses with the existing projects which incur management expenses such as security guards, gardening, common facilities, etc., which are estimated at Baht 50,000 per month throughout the project period.
- Juristic person establishment expense is estimated at Baht 500,000 and public utilities maintenance expense is assumed at 7% of cost of public utilities and common facilities construction, based on the notification of the Central Land Allocation Committee of the Department of Lands.

4) Income tax

Corporate income tax is set to be 20% of pre-tax profit.

5) Interest expenses

Interest rate on loans raised to fund project development is estimated at 4.00% p.a., based on loan interest rate of financial institutions expected by the Company. In addition, there will be a front-end fee of 0.25% of the total loans to finance the project.

Discount rate

The discount rate used for estimating present value of net cash flow of the project is equal to 4.91%, which is derived from the project's weighted average cost of capital (WACC). The formula for WACC calculation is as follows:

Calculation of WACC:

$$\text{WACC} = K_e(E/V) + K_d(1-t)(D/V)$$

$$K_e = \text{Return on equity, equal to 8.67\%}$$

$$K_d = \text{Average cost of borrowing of the project, equal to 4.13\% p.a., based on loan interest rate of financial institution of 4.00\% p.a. and front-end fee of 0.25\% of loan amount of the project}$$

$$t = \text{Corporate income tax, equal to 20\%}$$

$$E/V = \text{Percentage of financing that is equity, equal to 30\% based on the expected equity financing for project development}$$

$$D/V = \text{Percentage of financing that is debt, equal to 70\% based on the expected debt financing for project development}$$

$$V = D + E$$

Calculation of Ke:

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

Where: Risk free rate (Rf) Based on bid yield on government bond with remaining maturity of four years as of February 23, 2021 (which is consistent with the project period), equal to 0.84% (source: www.thaibma.or.th)

Beta ( $\beta$ ) Variance of SET return compared with closing price of SENA shares over the past three years, equal to 0.904 (source: Bloomberg as of February 19, 2021, which is consistent with the investment condition of the Company's shares)

Rm Average rate of return on the SET over the past 25 years, which is a period that could reflect investment condition in different time periods better than shorter-term data (source: SET data from 1996 to January 2021), equivalent to 9.50%

#### Present value of net cash flow and IRR

The present value of net cash flow and IRR of Sena Park Ville Ramindra Phase 2 are as shown below:

Unit: Baht	2021	2022	2023	2024
<b>Cash inflow</b>	<b>1,780,026</b>	<b>427,206,218</b>	<b>427,206,218</b>	<b>288,957,539</b>
<b>Cash outflow</b>				
- Cost of land	341,137,225	-	-	-
- Cost of construction	118,740,847	223,145,974	96,786,705	-
- Designing and permit application fee	2,415,425	1,605,300	1,005,300	303,975
- Marketing and administrative expenses and relevant fees	3,216,588	42,749,777	47,192,817	28,072,874
- Income tax	-	-	-	44,716,871
<b>Total cash outflow</b>	<b>465,510,086</b>	<b>267,501,050</b>	<b>144,984,823</b>	<b>73,093,721</b>
Interest expenses x (1- income tax rate)	1,609,721	8,248,818	2,295,729	-
<b>Net cash flow</b>	<b>(462,120,338)</b>	<b>167,953,985</b>	<b>284,517,124</b>	<b>215,863,818</b>
Present value of net cash flow	(454,964,591)	155,656,929	251,344,662	183,974,184
<b>Total present value of net cash flow</b>	<b>136,011,183</b>			
<b>IRR per year</b>	<b>18.08%</b>			

From the above projection for Sena Park Ville Ramindra Phase 2 and using the project's WACC of 4.91% as a discount rate, we have estimated the net present value of free cash flow of the project at Baht 136.01 million with an IRR of 18.08% per year, which is higher than the project's WACC and also higher than the estimated average borrowing cost of the project of 4.13% per year.

Moreover, Sena Park Ville Ramindra Phase 2 is expected to generate a gross profit margin approximately of 30%, which is considered favorable and is comply with the Company's gross profit margin from its other horizontal property projects in a range of 30% - 37%.

In the present circumstances where Thailand has been hit hard by the economic slowdown and the COVID-19 outbreak which have led to a slowdown in the real estate market in terms of new project launch or consumers' weakening purchasing power. However, the Company predicts that these situations will getting better due to the offering the COVID-19 vaccine to people in Thailand

and daily counts of COVID-19 report cases has declined. From such positive factors, it will instill confidence among people and real estate business, and it will unlikely affect the development and sales of this project because construction and sales will be gradually carried out in sub-phases. It is projected that the Company will complete house construction in sub-phase 1 and launch sales in December 2021 onwards, by which time it is expected that Thailand will be able to handle the COVID-19 situation and the economic condition and real estate market will recover.

However, for conservative projection, the IFA has analyzed the impacts on the Company from the economic slowdown and the COVID-19 pandemic that may cause the sales period to be delayed, the sales revenues to fail to meet projections, and the project development cost to overrun. The IFA has carried out a sensitivity analysis case as follows:

- 1) A decrease in the projected number of units sold by 1 unit per month throughout the sales period, or by about 16.67%, to 5 units per month, which will prolong the project life by another six months, from originally the end of the project in September 2024 to March 2025, and will result in changes in the project's gross profit margin, net present value (NPV) and internal rate of return (IRR) in the base case versus the sensitivity analysis case as follows:

Project on land to be purchased from Sinsap Thanya	Gross profit margin (% GP)	NPV (Baht million)	IRR (% per year)
<b>Base case</b>	<b>29.98</b>	<b>136.01</b>	<b>18.08</b>
Sensitivity analysis case			
Decrease in number of units sold by 1 unit/month throughout the project life	29.68	126.61	15.35

- 2) A decrease in the projected total revenues of 1.5% and 3.0% from the base case and an increase in the estimated project development cost of 1.5% and 3.0% from the base case, which will result in the project's gross profit margin, NPV and IRR in the base case versus the sensitivity analysis case as follows:

Gross profit margin (% GP)	Base case	Sensitivity analysis case	
		Decrease in total revenues of 1.5%	Decrease in total revenues of 3.0%
<b>Base case</b>	<b>29.98</b>	28.91	27.87
Sensitivity analysis case			
Increase in project development cost of 1.5%	29.40	28.32	27.21
Increase in project development cost of 3.0%	28.82	27.73	26.61

NPV (Baht million)	Base case	Sensitivity analysis case	
		Decrease in total revenues of 1.5%	Decrease in total revenues of 3.0%
<b>Base case</b>	<b>136.01</b>	124.18	112.34
Sensitivity analysis case			
Increase in project development cost of 1.5%	130.97	119.14	107.30
Increase in project development cost of 3.0%	125.93	114.10	102.26

IRR (% per year)	Base case	Sensitivity analysis case	
		Decrease in total revenues of 1.5%	Decrease in total revenues of 3.0%
Base case	18.08	16.94	15.81
Sensitivity analysis case Increase in project development cost of 1.5%	17.54	16.41	15.28
Increase in project development cost of 3.0%	17.01	15.88	14.75

From above sensitivity analysis, the project will earn a gross profit margin of 26.61% - 29.68% with the projects net present value of Baht 102.26 - 130.97 million and IRR of 14.75% - 17.54% per year.

## 2.4.2 Appropriateness of conditions for the transaction

The significant conditions agreed upon for the acquisition of land from the connected person of the Company are as described below:

- Sale and purchase price

The purchase price of land from Sinsap Thanya in a total amount of Baht 195,024,550 or Baht 33,250 per square wah is lower than the appraised value by the two independent valuers.

The IFA is of the opinion that the conditions regarding sale and purchase price, which is lower than the average appraised value by the two independent valuers, are favorable for the Company. The benefits from continuing property development in the same area as Sena Park Residences Project include the ability to more easily and conveniently manage the project, enhancement of efficiency in overall project management, and cost saving from resources sharing. Moreover, the Company will gain more bargaining power with the contractor, considering that there will be two large-scale projects in the same area which will relatively help to cut down some fixed cost items for the contractor. This will enhance the newly developed project's competitive edge in terms of pricing and lowered all-in costs when compared with the purchase of land for property development in other area. Besides, the Company will obtain a favorable return from such investment.

- Terms of payment

The total consideration for the land purchase from Sinsap Thanya is Baht 195,024,550. The Company will pay Sinsap Thanya a deposit of 30% of the sale and purchase price, or equal to Baht 58,507,365, on the date of land sale and purchase agreement signing, which will take place within one month from the date of obtaining approval from the 2021 Annual General Meeting of Shareholders, and will pay the remaining 70% of the sale and purchase price, or equal to Baht 136,517,185, on the date of registration of land ownership transfer, which will take place within six months from the date of land sale and purchase agreement signing or within such other date as mutually agreed upon by both parties.

The IFA views that such payment terms, requiring a deposit payment to be made on the agreement signing date and the remaining payment on the ownership transfer registration date, are the usual practices for land sale and purchase transactions in general.

- Commitment and right of servitude

Sinsap Thanya will register a transfer of ownership over the land to be sold and purchased to the Company, free of any encumbrance, and will register the right of servitude on land plots under title deeds No. 378, 1797 and 11410 located in Khanna Yao Sub-District, Khanna Yao District, Bangkok, to provide access to the public road for the land to be sold and purchased. Sinsap Thanya will complete the registration of the right of servitude before the registration of land ownership transfer.

The IFA is of the opinion that the release of encumbrance or mortgage over the land to be sold and purchased is a condition required of Sinsap Thanya to fulfill before the said land ownership transfer. In purchasing the land from Sinsap Thanya, the Company will receive the right of servitude over other land plots also owned by Sinsap Thanya for construction of a road as entrance/exit of the Company's project, which is deemed crucial for its property development on the land to be sold and purchased. The Company will improve those land plots with right of servitude into a private road to ensure privacy and safety for its residents.

- Expenses on land ownership transfer

The land ownership transfer fee will be jointly paid by the Company and Sinsap Thanya, as the seller, on a 50:50 basis, whereas specific business tax or stamp duty, corporate income tax (deducted at source) and fee for registration of right of servitude will be totally borne by the seller. The IFA is of the opinion that there is no law specifying whether the seller or the buyer shall be responsible for the transfer fee, but it depends on mutual agreement between the two parties. The ownership transfer fee is equal to 1% of the appraised value or the sale and purchase price, whichever is higher. However, the agreement between the Company and the seller to jointly pay the transfer fee on a 50:50 basis is a usual practice for land sale and purchase and will not put the Company at a disadvantage.

We further view that the overall conditions for the transaction are concluded from negotiations between the Company, as the buyer, and Sinsap Thanya, as the seller who is the connected person of the Company. They are considered the trade terms and conditions set out in the same manner as those agreed upon by persons of ordinary common sense with their counterparties in the same situation and with bargaining power that is free from any influence. The price and conditions are also considered fair and will not cause the Company to lose any benefits. Most of the conditions are the general practices for execution of land sale and purchase agreements.

## **2.5 Conclusion of the IFA's opinion**

The entry into the connected transaction to purchase land from Sinsap Thanya, located in the area of Sena Park Residences Ramindra Project, will provide the Company with an appropriate size of additional land to be combined with its existing adjacent land into a land plot of the size that is suitable for efficient development of a new horizontal property project. The Company envisions the potential of land in Sena Park Residences Ramindra Project, which is in a prime location with convenient transportation. Currently, there are three projects operated by the Company in this area, comprising 1) Sena Park Grand Ramindra, a single house project priced at Baht 10 million up per unit; 2) Sena Park Ville Ramindra Phase 1, offering single houses and twin houses priced at Baht 6.5 million – Baht 10 million up per unit, both projects of which have been mostly sold with only a small number of unsold units remaining; and 3) Sena Park Village Ramindra, a townhouse, twin house and single house project priced at Baht 3 million - Baht 6 million per unit which is still under construction and expected to launch a pre-sale within 2021. The Company plans to develop the land to be acquired in this transaction into Sena Park Ville Ramindra Phase 2 offering single houses and twin houses priced at Baht 5.85 million – Baht 6.55 million per unit. It will be a continuous project from Phase 1, featuring cheaper and smaller houses but still focusing on space utilization and provision of similar facilities, thus enabling the Company to offer products with a wider price range for customers to



choose from in the same area and also to more diversely cater to needs of customers and match their home-buying ability, hence the opportunity for the Company to expand its customer base and reach a broader target audience. Moreover, the Company will benefit from new property development in the area where there already are completely built houses, which will help to build customers' confidence and assist in their decision-making. The Company can also conduct marketing that builds on the existing customer base of Sena Park Ville Ramindra Phase 1 as these customers can help introduce interested buyers of houses in Ram Inthra area, which can serve as another credible public relations source. In addition, the development of a continuous project in the same area as its existing projects will help to enhance flexibility in operations and save some costs and expenses through sharing of resources, leading to a more worthwhile investment, a drop in unit cost, and a higher project rate of return. The Company will be able to continuously develop a new project and grow its revenues and profit in the future, which will deliver a favorable return to its shareholders.

However, entering into this transaction will result in the Company incurring incremental debt and interest expenses from loans raised to finance the land purchase and property development. The Company will also bear expenses in a greater amount than revenues earned during the initial period of investment. While construction is still underway or ownership has not yet been transferred to buyers, the Company cannot recognize revenues until the construction is completed as per the contract or the ownership and material benefits are transferred to the buyers. In addition, the Company is exposed to risk from revenues, costs and expenses failing to meet projections, which could affect the project's rate of return.

The purchase price of land from Sinsap Thanya at Baht 195,024,550 in total or Baht 33,250 per square wah is **lower than** the average appraised value by the two independent valuers of Baht 35,000 per square wah. Therefore, the said **purchase price is considered reasonable**.

The IFA has determined the appropriateness of the investment in development of the land to be purchased from Sinsap Thanya into a horizontal property project for sale. From our study, the Company will earn a gross profit margin in the base case and the sensitivity analysis case of 29.98% and 26.61% - 29.68% respectively, with the project's net present value in the base case and the sensitivity analysis case of Baht 136.01 million and Baht 102.26 - 130.97 million respectively, and IRR in the base case and the sensitivity analysis case of 18.08% per year and 14.75% - 17.54% per year respectively, which is higher than both the project's weighted average cost of capital of 4.91% per year and estimated average borrowing cost of 4.13% per year. Based on these factors, the said investment is considered appropriate and will deliver a satisfactory profit margin and rate of return to the Company.

Moreover, we view that the overall conditions for the transaction are the conditions set forth based on the negotiations between the Company, as the buyer, and Sinsap Thanya, as the seller, by paying attention primarily to the appropriateness and the interest of the Company. All conditions are considered fair and reasonable and will not cause the Company to lose any benefit.

### Summary of the Independent Financial Advisor's opinion

Based on all above rationales, we view that both the Company and the shareholders will benefit from the transactions in land acquisition from Golden and Sinsap Thanya, which are considered reasonable with fair price and conditions. Therefore, the shareholders are recommended to vote in favor of the entering into the said asset acquisition and connected transactions.

However, the purpose of the opinion provided herein is for the shareholders to use as a basis for consideration and approval of the transactions only. The final decision whether to approve or reject the transactions depends primarily on the shareholders' individual judgment. The provision of opinion by the IFA is by no means a guarantee of the success of the transactions and any possible impacts thereof. The IFA shall not be held accountable for any impacts that may arise from the entering into such transactions.

We hereby certify that we have expressed opinion with due care and under professional standards by focusing primarily on the interest of the shareholders.

Yours sincerely,

Advisory Plus Company Limited

- *Nisaporn Rerkaram* -  
(Mrs. Nisaporn Rerkaram)  
Managing Director

- *Sumalee Tantayaporn* -  
(Miss Sumalee Tantayaporn)  
Supervisor