

(Translation)

Opinion of the Independent Financial Advisor on Connected Transactions

- 1. Purchase of land in the area of Sena Park Residences Ramindra Project, located on Kanchanaphisek Road, Khanna Yao Sub-District, Khanna Yao District, Bangkok**
- 2. Purchase of land 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**

of



Sena Development Public Company Limited

Prepared by



Advisory Plus Company Limited

March 24, 2020

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Abbreviations

The Company	Sena Development Plc.
Sinsap Thanya	Sinsap Thanya Co., Ltd.
Mrs. Nidda	Mrs. Nidda Churatsakchareon
Sirinthip	Sirinthip Karn Keha Co., Ltd.
Golden Wattle	Golden Wattle Assets Co., Ltd.
BKKPA	Bangkok Property Appraisal Co., Ltd.
TA	T.A. Management Corporation (1999) 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.020/2020

March 24, 2020

Subject Opinion of the Independent Financial Advisor on connected transaction
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. 1/2020 held on February 24, 2020 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 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. 13088 with a total area of 43-1-47 rai or 17,347 square wah, together with the right of servitude over other plots of land of Sinsap Thanya¹ to provide an access to the said purchased land, at a total price of Baht 399,089,419 consisting of land price of Baht 390,307,500 or Baht 22,500 per square wah, which is not higher than the average appraised value by two independent valuers, and interest expense of Baht 8,781,919.

The purchase of land from Sinsap Thanya is deemed as a connected transaction since the said traded land is part of the land specified 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. 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**").

2. Approval for the Company to purchase three plots of land from Golden Wattle Assets Co., Ltd. ("**Golden Wattle**"), 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, with a total area of 45-0-13.78 rai or 18,013.78 square wah at a total price of Baht 450,344,500, details of which are as follows:

¹ Including land under title deeds No. 378, No. 1797 and No. 11410 located in Khanna Yao Sub-District, Khanna Yao District, Bangkok.

- Land under title deed No. 5073 (partial) with a total area of 36-1-95.48 rai or 14,595.48 square wah at a purchase price of Baht 364,887,000 or Baht 25,000 per square wah, which is not higher than the average appraised value by two independent valuers;
- Land under title deed No. 54690 with a total area of 6-3-74.50 rai or 2,774.50 square wah at a purchase price of Baht 69,362,500 or Baht 25,000 per square wah, which is not higher than the average appraised value by two independent valuers; and
- Land under title deed No. 56997 with a total area of 1-2-43.80 rai or 643.80 square wah at a purchase price of Baht 16,095,000 or Baht 25,000 per square wah, which is not higher than the average appraised value by two independent valuers.

Golden Wattle 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 Wattle 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, 2006.² 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 Thanyaluckkpark holds the shares via the said fund). 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**”).³ Later, Golden Wattle accepted a transfer of the land to be purchased by the Company, comprising the three plots of land under title deeds No. 5073, 54690 and 56997, from Mrs. Nidda due to the restructuring of land ownership of Sirinthip. Golden Wattle, 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.

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 Sinsap Thanya as in 1 has the transaction size equal to 6.67% of the net tangible assets (NTA) of the Company and its subsidiaries, and the purchase of land from Golden Wattle as in 2 has the transaction size equal to 7.52% of the NTA of the Company and its subsidiaries. Since the value of each transaction 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, 2019, 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

² See more details of the memorandum of agreement between the Company and Sirinthip dated April 3, 2006 in Item 2.1.6 (1) of this report.

³ 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.

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) (collectively called “**Acquisition or Disposal Notifications**”), the purchase of land from Sinsap Thanya as in 1 has the highest transaction value equal to 2.64% and the purchase of land from Golden Wattle as in 2 has the highest transaction value equal to 2.98%, 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, 2019. 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 5.63%, 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. It 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 this 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, 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 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.

The opinion rendered by the IFA is as follows:

Executive Summary

The Board of Directors' Meeting of the Company No. 1/2020 held on February 24, 2020 resolved to grant approval for the Company to enter into significant transactions as follows:

1. 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 property project for sale, with a total area of 43-1-47 rai or 17,347 square wah, together with the right of servitude to provide an access to the said purchased land, at a total price of Baht 399,089,419 consisting of land price of Baht 390,307,500 or Baht 22,500 per square wah, which is not higher than the average appraised value by two independent valuers, and interest expense of Baht 8,781,919.

2. Purchase of three plots of land from Golden Wattle, 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, with a total area of 45-0-13.78 rai or 18,013.78 square wah at a total price of Baht 450,344,500 or Baht 25,000 per square wah, which is not higher than the average appraised value by two independent valuers.

The purchase of land from Sinsap Thanya is deemed as a connected transaction since the said traded land is part of the land specified 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.

Although Golden Wattle does not have any relationship with the Company, it is a related company of Mrs. Nidda who holds the entire shares of Golden Wattle and also is a shareholder of Sirinthip. The purchase of land from Golden Wattle 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, 2006.⁴ 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 Thanyaluckkpark holds the shares via the said fund). 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 Wattle accepted a transfer of the three plots of land under title deeds No. 5073, 54690 and 56997, from Mrs. Nidda due to the restructuring of land ownership of Sirinthip. Golden Wattle, 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.

The purchase of land from Sinsap Thanya has the transaction size equal to 6.67% of the NTA of the Company and its subsidiaries, and the purchase of land from Golden Wattle has the transaction size equal to 7.52% of the NTA of the Company and its subsidiaries. Since the value of each transaction 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, 2019, 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

⁴ See more details of the memorandum of agreement between the Company and Sirinthip dated April 3, 2006 in Item 2.1.6 (1) of this report.

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 Sinsap Thanya has the highest transaction value equal to 2.64% and the purchase of land from Golden Wattle has the highest transaction value equal to 2.98%, 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, 2019. 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 5.63%, 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. It 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 Sinsap Thanya, located in the area of Sena Park Residences Ramindra Project, will provide the Company with additional land for new horizontal property development. The Company envisions the potential of land in Sena Park Residences Ramindra Project, which is in a prime location. The two projects currently operated by the Company in this area, Sena Park Grand Ramindra and Sena Park Ville Ramindra-Wongwaen offering high-priced single houses and twin houses, have received positive responses from customers. The Company accordingly sees opportunity to develop a continuous project on the purchased land, which will feature townhouses, twin houses and single houses with smaller sizes and lower prices than those of the two existing projects to serve middle-income group, thus enabling the Company to offer products with a wider price range for customers to choose from in the same area. Besides, due to financial institutions' more stringent mortgage lending policy, some customers have become less able to access such loans or could obtain a smaller loan amount. A cheaper residential project will therefore be another right option for them and, at the same time, allow for the Company to better cater to needs of this group 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.

The purchase of land from Sinsap Thanya will enable the Company to achieve its horizontal property development plan and diversify risk from its current real estate business by reducing its reliance on revenues from the vertical projects, notably condominiums which are facing fierce competition and a slowdown. The Company will also benefit from development of a continuous project in the same area as its existing projects, which 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 terms of payment for the land purchase from Sinsap Thanya are considered favorable. The Company is to make a full payment for the land to Sinsap Thanya on the date of registration of ownership transfer, whereby it will pay 50% of the land price in the form of promissory note with aval from a commercial bank or promissory note issued by the Company with one-year maturity at an interest rate of 4.50% p.a. This will enable the Company to enhance its liquidity management under the negotiation that can come up with a condition on interest rate that is considered fair and does not cause the project's rate of return to be lower than that of other projects at the same grade of the Company. Furthermore, by entering into this transaction, the Company will be able to continuously develop a new project so as to grow its revenues and profit in the future and relatively 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 rate of return on investment.

The purchase price of one plot of land from Sinsap Thanya with a total area of 43-1-47 rai or 17,347 square wah at Baht 390,307,500 or Baht 22,500 per square wah is **lower than** the average appraised value by the two independent valuers of Baht 23,000 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. The Company will earn a gross profit margin of 41.85% with the project's net present value in the base case and sensitivity analysis case of Baht 290.50 million and Baht 277.87 million respectively and IRR in the base case and sensitivity analysis case of 44.55% and 35.16% per year respectively, which is higher than the project's weighted average cost of capital and also higher than the estimated average borrowing cost of the project of 5.31% and 4.61% per year respectively. 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.

The entry into the connected transaction to purchase land from Golden Wattle, located in the area of Sena Grand Home Bang Bua Thong – Bang Phun Project, Pathum Thani Province, will provide the Company with additional land for new horizontal property development. The Company envisions the potential of land in Sena Grand Home Bang Bua Thong - Bang Phun Project, which is in a prime location where it has successfully operated five projects consisting of four previous projects (phases 1-4) and phase-5 project which is under development. These projects, offering high-priced single houses and twin houses, have received positive responses from customers. The Company accordingly sees opportunity to develop a continuous project on the purchased land, which will feature townhouses, twin houses and single houses with smaller sizes and lower prices than those of the existing projects to serve middle-income group, thus enabling the Company to offer products with a wider price range for customers to choose from in the same area. Besides, due to financial institutions' more stringent mortgage lending policy, some customers have become less able to access such loans or could obtain a smaller loan amount. A cheaper residential project will therefore be another right option for them and, at the same time, allow for the Company to better cater to needs of this group 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.

The purchase of land from Golden Wattle will enable the Company to achieve its horizontal property development plan and diversify risk from its current real estate business by reducing its reliance on revenues from the vertical projects, notably condominiums which are facing fierce competition and a slowdown. The Company will also benefit from development of a continuous project in the same area as its existing projects, which 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 terms of payment for the land purchase from Golden Wattle are considered favorable. The Company is to make a full payment for the land to Golden Wattle on the date of registration of

ownership transfer, whereby it will pay 70% of the land price in the form of promissory note with aval from a commercial bank or promissory note issued by the Company with one-year maturity and interest-free. This results from negotiation with the seller and will enable the Company to enhance its liquidity management and save interest expenses.

Furthermore, by entering into this transaction, the Company will be able to continuously develop a new project so as to grow its revenues and profit in the future and relatively 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 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.

The purchase price of three plots of land from Golden Wattle with a total area of 45-0-13.78 rai or 18,013.78 square wah at Baht 450,344,500 or Baht 25,000 per square wah is **lower than** the average appraised value by the two independent valuers of Baht 25,500 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 Wattle into a horizontal property project for sale. The Company will earn a gross profit margin of 36.31% with the project's net present value in the base case and sensitivity analysis case of Baht 236.96 million and Baht 223.86 million respectively and IRR in the base case and sensitivity analysis case of 42.59% and 31.83% per year respectively, which is higher than the project's weighted average cost of capital and also higher than the estimated average borrowing cost of the project of 5.31% and 4.61% per year respectively. 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 Wattle, 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 view that the shareholders will benefit from the transactions, which are considered reasonable with fair price 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 Sinsap Thanya 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 Sinsap Thanya, located in the area of Sena Park Residences Ramindra Project, Kanchanaphisek Road, Khanna Yao Sub-District, Khanna Yao District, Bangkok, with a total area of 43-1-47 rai or 17,347 square wah, together with the right of servitude to provide an access to the said purchased land, at a total price of Baht 399,089,419 divided into price of land and right of servitude of Baht 390,307,500 or Baht 22,500 per square wah and interest payable by the Company on promissory note issued for such land payment of Baht 8,781,919.

The purchase of land from Sinsap Thanya is deemed as a connected transaction since the said traded land is part of the land specified 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.

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 ^{1/} of SENA and subsidiaries	=	<u>Baht 399.09 million</u> Baht 5,987.69 million
		6.67%

Note ^{1/} NTA (Net Tangible Asset) = Total assets - Intangible assets - Deferred tax assets - Liabilities - Non-controlling interests

Size of the asset acquisition transaction

Basis of calculation	Formula	Transaction size	
Total value of consideration	$\frac{\text{Value paid}^{1/} * 100\%}{\text{Total assets of SENA}^{2/}}$	=	$\frac{399.09 * 100\%}{15,098.14}$ 2.64%

Note ^{1/} Value paid = Purchase price of land of Baht 390.31 million and interest on promissory note to be paid by the Company to Sinsap Thanya of Baht 8.78 million

^{2/} Total assets of the Company and its subsidiaries according to the consolidated financial statements for the year ended December 31, 2019, 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 6.67% 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 shareholder with a conflict of interest, namely Mr. Theerawat Thanyalakpark who as at August 30, 2019 held 209,765,722 shares or 14.73% 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 2.64%, calculated on the total value of consideration basis according to the

consolidated financial statements of the Company for the year ended December 31, 2019. After aggregating with the land purchase from Golden Wattle and the asset acquisition transactions taking place during the past six months, the total size of the asset acquisition transactions is equal to 5.63%, 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. 1/2020 held on February 24, 2020 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.

1.1.3 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 399,089,419. 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. 13088 with a total area of 43-1-47 rai or 17,347 square wah, together with the right of servitude to provide an access to such land, located in Khanna Yao Sub-District, Khanna Yao District, Bangkok	Sinsap Thanya	<p>Total value of consideration is Baht 399,089,419, divided into price of land of Baht 390,307,500 and interest payable on promissory note of Baht 8,781,919, details of which are as follows:</p> <p>1) The Company will pay a deposit of 20% of the sale and purchase price, equal to Baht 78,061,500, on the signing date of the land sale and purchase agreement.*</p> <p>2) The Company will pay the remaining 80% or Baht 312,246,000 on the date of registration of land ownership transfer,** as detailed below:</p> <p>The first portion of 30% of the sale and purchase price or Baht 117,092,250 will be paid by cashier's cheque; and</p> <p>The second portion of 50% of the sale and purchase price or Baht 195,153,750 will be paid by promissory note with aval from a commercial bank or promissory note issued by the Company to Sinsap Thanya with one-year maturity from the date of land ownership</p>	<p>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:</p> <p>1. Bangkok Property Appraisal Co., Ltd. ("BKKPA") appraised a market value of the land by the market approach at Baht 22,500 per square wah (including land filling cost) or a total of Baht 390,307,500.</p> <p>2. T.A. Management Corporation (1999) Co., Ltd. ("TA") appraised a market value of the land by the market approach at Baht 23,500 per square wah (including land filling cost) or a total of Baht 407,654,500.</p> <p>Therefore, the average appraised value by the two independent valuers is equal to Baht 23,000 per square wah or a total of Baht 398,981,000.</p>

Type of assets	Seller	Value of consideration	Criteria for determining value of consideration
		transfer, with interest rate of 4.50% p.a. or amounting to Baht 8,781,919 payable by cashier's cheque on a quarterly basis until the end of the promissory note's maturity period.	

Note: * The Company will sign the land sale and purchase agreement within two months from the date of obtaining approval for the land purchase from the 2020 Annual General Meeting of Shareholders which will be held on April 24, 2020.

** 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 : Sinsap Thanya Co., Ltd. ("*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 holding 99.60% of the total paid-up shares of Sinsap Thanya (data as at April 30, 2019) 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.

1.1.5 Details of assets being acquired

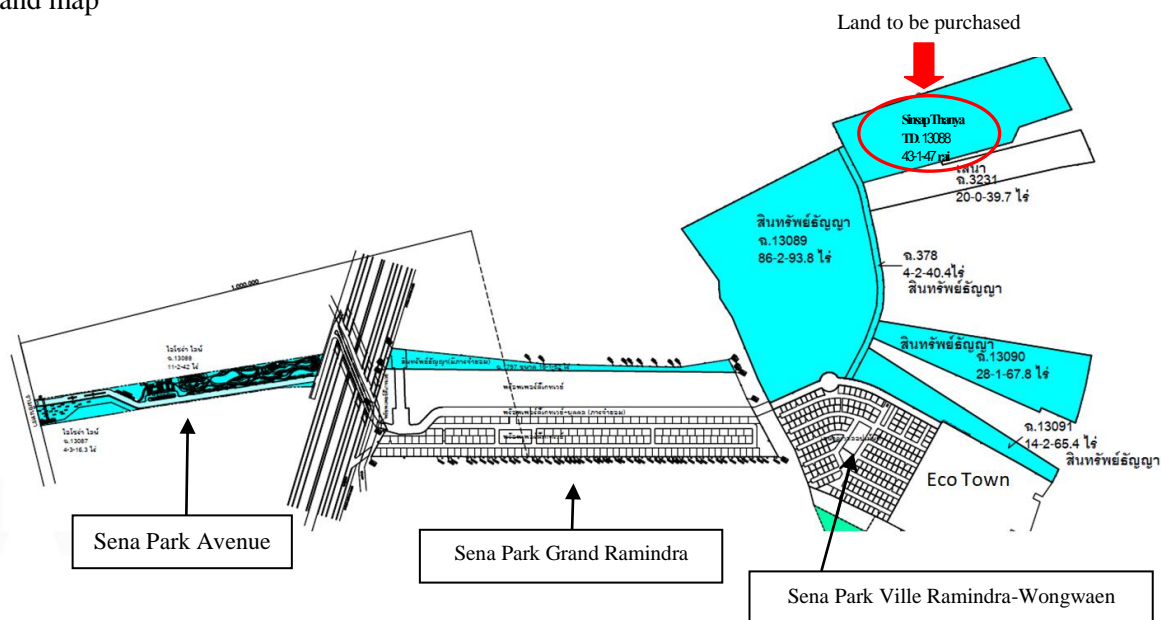
Type of asset	One plot of vacant land with a total area of 43-1-47 rai or 17,347 square wah located in the area of Sena Park Residences Project, Khanna Yao Sub-District, Khanna Yao District, Bangkok, together with the right of servitude to provide an access to such land
Location	The land is located on an unnamed Soi behind Sena Park Grand Ramindra Project, Kanchanaphisek Road, Khanna Yao Sub-District, Khanna Yao District, Bangkok.
Title deed No.	13088
Characteristics of asset	One plot of vacant land with a total area of 17,347 square wah
Details of asset	The asset is one plot of vacant land with a total area of 43-1-47 rai or 17,347 square wah, having rectangular-like shape with one side adjacent to a road. The southern side of about 144.00 meters in width is next to an unnamed Soi (private property), the northern side is about 132.00 meters wide, the eastern side is about 492.00 meters wide, and the western side is about 472.00 meters wide. The land has flat area and has not been improved, with overgrown trees and weeds

	and a pool of water. Currently, the land has not been utilized.												
Owner	Sinsap Thanya												
Encumbrance	<p>The land has been mortgaged as collateral with five persons as follows:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Relationship</th> </tr> </thead> <tbody> <tr> <td>1. Mr. Somboon Thanyalakpark</td> <td>Elder brother of Mr. Theerawat Thanyalakpark</td> </tr> <tr> <td>2. Mr. Jitr Thanyalakpark</td> <td>Elder brother of Mr. Theerawat Thanyalakpark</td> </tr> <tr> <td>3. Mr. Limaeng Sae Lue</td> <td>None</td> </tr> <tr> <td>4. Mr. Ektawee Thanyalakpark</td> <td>Elder brother of Mr. Theerawat Thanyalakpark</td> </tr> <tr> <td>5. Mr. Paramet Thanyalakpark</td> <td>Nephew of Mr. Theerawat Thanyalakpark</td> </tr> </tbody> </table>	Name	Relationship	1. Mr. Somboon Thanyalakpark	Elder brother of Mr. Theerawat Thanyalakpark	2. Mr. Jitr Thanyalakpark	Elder brother of Mr. Theerawat Thanyalakpark	3. Mr. Limaeng Sae Lue	None	4. Mr. Ektawee Thanyalakpark	Elder brother of Mr. Theerawat Thanyalakpark	5. Mr. Paramet Thanyalakpark	Nephew of Mr. Theerawat Thanyalakpark
Name	Relationship												
1. Mr. Somboon Thanyalakpark	Elder brother of Mr. Theerawat Thanyalakpark												
2. Mr. Jitr Thanyalakpark	Elder brother of Mr. Theerawat Thanyalakpark												
3. Mr. Limaeng Sae Lue	None												
4. Mr. Ektawee Thanyalakpark	Elder brother of Mr. Theerawat Thanyalakpark												
5. Mr. Paramet Thanyalakpark	Nephew of Mr. Theerawat Thanyalakpark												
Two SEC-approved independent valuers	<ol style="list-style-type: none"> 1. BKKPA, which appraised the land according to the property appraisal report dated February 26, 2020 2. TA, which appraised the land according to the property appraisal report dated February 11, 2020 												
The right of way to enter and exit the land	Private road												
Purpose of appraisal	For current market value measurement and for public purpose												
Appraised property	One plot of vacant land under title deed No. 13088 with an area of 17,347 square wah												
Initial assumption and condition for appraisal	<p><u>Property appraisal report of BKKPA</u></p> <ol style="list-style-type: none"> 1. BKKPA appraised the land with a belief that the legal rights and limitations of land were correct. By checking the land title documents, it was found that the key contents were identical, unless otherwise specified in the report. However, BKKPA had not verified whether the documents were forged, but believed that the landowner truly possessed the ownership right or legal rights which were saleable and transferable, with no other legal obligation which would affect the land value apart from those specified. 2. According to the appraisal by BKKPA, the appraised value of the land was subject to the condition that the land had a registered right of servitude with respect to walkway, driveway and other facilities for an entrance/exit to a public road. 3. As at the survey date, the land plot under title deed No. 378 already had registered the right of servitude with respect to walkway, driveway, electricity, water supply, telephone, drainage pipe, and other utilities for the land to be purchased, whereas the land plots under title deeds No. 11410, 6389* and 1797 had not yet registered the right of servitude. 4. BKKPA additionally appraised the land value in case of improvement and filling of land in the entire project with a height of about 2.50 meters. <p><u>Note:</u> * The land plot under title deed No. 6389 is owned by Property Gateway Co., Ltd. which is the Company's</p>												

	<p>subsidiary.</p> <p><u>Property appraisal report of TA</u></p> <ol style="list-style-type: none"> 1. Under this land survey and appraisal, TA could not verify the legal rights and limitations of land in all respects. TA thus appraised the land with a belief that the legal rights and limitations of land were correct and the landowner truly possessed the ownership right or legal rights which were saleable and transferable, with no other legal obligation which would affect the land value apart from those specified. 2. TA appraised the land under condition that the land had a legitimate entrance/exit with a registered right of servitude to connect with a public road, being a continuous phase of Sena Park Grand Ramindra Project. 3. TA additionally appraised the land value in case of improvement and filling of land in the entire project with a height of about 2.50 meters.
Nearby public utilities	None
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
Valuation approach	<ol style="list-style-type: none"> 1. BKKPA applied the Market Comparison Approach with Weight Quality Score (WQS) used for variable factor adjustment to measure the asset’s value and the hypothetical development approach to review the appraisal result. 2. TA applied the Market 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.
Government land value appraisal	BKKPA examined the government land value appraisal determined by the Treasury Department for use as a basis for registration of rights and juristic acts, and found that the government land value appraisal for the asset appraised was equal to Baht 3,400 per square wah or a total of Baht 58,979,800.

Appraisal price	Appraisal price of land with a total area of 17,347 square wah				
		BKKPA		TA	
		Appraisal price (Baht/sqw)	Total appraisal price (Baht)	Appraisal price (Baht/sqw)	Total appraisal price (Baht)
	Case 1 Value in current condition	20,000	346,940,000	21,000.00	364,287,000
	Case 2 Value after land filling	22,500	390,307,500	23,500.00	407,654,500

Land map



Source: Sena Development Plc. (concise land image)

Location of asset



Source: Appraisal report of T.A. Management Corporation Co., Ltd.

1.1.6 Summary of agreements relating to the transaction

(1) Memorandum of Agreement (“MOA”) between SENA and Sinsap Thanya Co., Ltd. (“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: http://corpus.bol.co.th)	: <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: 3.																																																											
	<table border="1"> <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 (Khlong 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">Total</td> <td>251</td> <td>1</td> <td>14</td> </tr> </tbody> </table>	No.	Title deed No.	Parcel No.	Dealing file No.	Land area			Rai	Ngan	Sq. wah	Khanna Yao (Khlong 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	Total				251	1	14
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Total				251	1	14																																																						
	Note: *The land under title deed No. 13088 of 43-1-47 rai to be purchased by the Company is a part of the land under title deed No. 378.																																																											

(2) Draft of the land sale and purchase agreement between the Company 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. 13088 located in Khanna Yao Sub-District, Khanna Yao District, Bangkok, with a total area of 43 rai 1 ngan 47 square wah or 17,347 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 an access to the aforementioned land.
Sale and purchase price	:	The total price of land is Baht 399,089,419. 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 22,500/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 20% of the sale and purchase price, equivalent to Baht 78,061,500, 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 80%, equivalent to Baht 312,246,000, on the date of registration of land ownership transfer to the Purchaser, as follows: - The first portion of 30% of the sale and purchase price or Baht 117,092,250 by cashier's cheque; and - The second payment at 50% of the sale and purchase price or Baht 195,153,750 by promissory note with aval from a commercial bank or promissory note issued by the Company to Sinsap Thanya with one-year maturity from the date of land ownership transfer, with interest rate of 4.50% p.a. or amounting to Baht 8,781,919 payable by cashier's cheque on a quarterly basis until the end of the promissory note's maturity period. The registration of land ownership transfer shall be made at Bangkok 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 Purchase has to notify the Seller in writing of the name of transferee at least seven days ahead of the date of transfer. - The Seller agrees to complete the filling of land to be sold and purchased within six months from the date of deposit payment by the Purchaser or such other date as later agreed upon by both parties. - 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 an access to such land.
Tax, fee, and other expenses related to the ownership transfer	:	Both parties agree to pay tax, fee, and other expenses related to the land ownership transfer and the registration of right of servitude to provide an access to such land as follows: 1) Transfer fee shall be borne by the Purchaser and the Seller on a 50:50

		<p>basis.</p> <p>2) Specific business tax or stamp duty shall be borne by the Seller.</p> <p>3) Corporate income tax (deducted at source) shall be borne by the Seller.</p> <p>4) Fee for registration of right of servitude shall be borne by the Seller.</p>
Event of default	:	<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>

1.2 Profile of the Company

Please see a summary of the Company's profile in Attachment 1.

1.3 Reasonableness of the transaction

1.3.1 Objective and necessity of the transaction

The Company will purchase from Sinsap Thanya a 43-1-47 rai plot of land located in the area of Sena Park Residences Ramindra Project on Kanchanaphisek Road (connecting with Ram Inthra Road, Km. 9), Khanna Yao Sub-District, Khanna Yao District, Bangkok 10230. Sena Park Residences Ramindra Project is operated by the Company, consisting of two horizontal housing projects under the concept that brings nature to modern lifestyle with the Green Smart Design as well as the Sena Solar House concept to convert solar energy into power energy for every home use. They include Sena Park Grand Ramindra Project, a single housing project with 174 units priced at Baht 10 million or higher per unit located at the front of the project; and Sena Park Ville Ramindra-Wongwaen Project, a single and twin housing 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 Project. Both projects have now been completed and partially sold, with some residents already moving in.

In view of the success in the said two housing estate projects in such location coupled with the Company's 2020 business plan to expand its horizontal project portfolio, the Company is thus looking to develop a new project continuing from those existing project in the same location where there is an opportunity and potential to acquire a large piece of land for the new property development. The Company also envisages an opportunity to access the target customers who desire to buy a house at the Baht 3 million – Baht 6 million price level. Based on the database on interested buyers visiting Sena Park Grand Ramindra and Sena Park Ville Ramindra-Wongwaen Projects, it has been found that there are a large number of customers wishing to buy a house at a price not too high

but being unable to afford houses at such two existing projects of the Company because the selling prices exceed their buying power. Besides, due to financial institutions' more stringent mortgage lending policy, some customers have become less able to access such loans. The Company accordingly plans to develop a new project to offer horizontal properties such as townhouses, twin houses and single detached houses of a smaller size and at cheaper prices. This will allow for the Company to have products in various price ranges in the same location to cater to more extensive groups of customers, while at the same time customers will have more buying options and be able to select the one that best suit their income.

In addition, the land to be purchased is on the outskirts of Bangkok where land is still not highly priced and is 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 and Chor2 Road, which is a new road under construction to link between Ram Inthra Road and Nimit Mai Road.

Here are the samples of home types in the new project to be developed on the land to be purchased:



The benefits obtained by the Company from such continuing property development in the same area as Sena Park Residences Ramindra 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 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 and diversify risk from its current real estate business, by reducing its reliance on revenues from the vertical project development, notably condominiums which are facing fierce competition and a slowdown. This is considered a conservative business risk diversification in terms of both construction investment and marketing competition. The Company will also generate more income from such property development and accordingly bring about favorable returns for the Company and its shareholders.

The Company will purchase from Sinsap Thanya a plot of land with a total area of 43-1-47 rai or 17,347 square wah, together with the right of servitude to provide an access to the said land, at a total price of Baht 399,089,419 divided into price of land and right of servitude of Baht 390,307,500.00 or Baht 22,500 per square wah and interest payable by the Company on promissory note issued for such land payment of Baht 8,781,919. When compared with the average appraised value by the two independent valuers of Baht 23,000 per square wah, the purchase price is lower than the average appraised value by around 2.17%. Besides, the Company has received favorable terms of

payment from Sinsap Thanya, as it could issue a promissory note with one-year maturity as partial payment for the land, thus leading to better liquidity management. Interest rate on the promissory note of 4.50% p.a. is considered appropriate and lower than the current cost of borrowing from financial institutions.

1.3.2 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 the current circumstances, land prices have exorbitantly increased and it becomes more difficult to acquire a large adjoining plot of land, particularly in the urban area. The Company therefore needs to be more careful in land purchase and confident in the potential of land in any such area, and must ensure the developed projects could properly address consumer demand.

By entering into this transaction, the Company will be able to increase its land bank for continuous property development, which is its core business. The land to be acquired, covering an area of 43-1-47 rai or 17,347 square wah, is in the same area as its two existing projects, Sena Park Grand Ramindra and Sena Park Ville Ramindra-Wongwaen Projects, located on Kanchanaphisek Road (connecting with Ram Inthra Road, Km. 9), Khanna Yao Sub-District, Khanna Yao District, Bangkok 10230. The land size is suitable for development of a horizontal project, which is consistent with the Company's strategy to focus on property development to serve real demand segment. It plans to develop the said land into a townhouse, twin house and single house project with a total of around 300 housing units, divided into 293 units of townhouses and twin houses with an area of 30-39 square wah per unit and seven units of single houses with an area of about 58 square wah per unit, complete with amenities and facilities such as a public park, a mini-park, a club house, etc. It is expected that the project will be continuously developed over the next three years.

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 Liap Kanchanaphisek 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 more conveniently accessible due to its close proximity to Station 24 Ram Inthra 83 of the Pink Line electric train system and Chor2 Road, which is a new road under construction to link between Ram Inthra Road and Nimit Mai Road. 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 sales volume and a favorable 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 same area as the two existing housing projects of the Company, Sena Park Grand Ramindra and Sena Park Ville Ramindra-Wongwaen Projects, both being under development with a total of 392 units of houses. As at February

25, 2020, construction was around 80%-90% completed and more than 60% of the total number of housing units were sold and transferred to customers. The development of a new project in continuation of the said existing projects but of different sizes and pricing from the existing projects will allow the Company's overall portfolio to have products in various price ranges to more extensively cater to customer needs.

The said land to be newly acquired is adjacent to another piece of land of the Company under title deed No. 3231 with an area of 20-0-39.7 rai. When combining the two plots of land together, the Company will have a larger adjoining plot of land with an aggregate area of 63-1-39.7 rai and, thus, be able to more efficiently develop a property project. In addition, the development of a continuing project located in the same compound as the existing projects will allow the Company to more easily and conveniently manage this project and be able to share resources in project operation such as salespersons and sales office related expenses. Moreover, in developing a larger project in about the same period of time and area as the existing projects, the Company will have stronger bargaining power with the contractor for the price of construction as the contractor could cut down certain fixed cost items such as cost of construction and relocation of worker camp, cost of machinery and equipment removal, etc. Further, it will help to save some investment costs by sharing resources of the existing project such as construction costs of road and public park in front of the project; leading to a more worthwhile investment. Also, it will save fixed cost per unit, such as security guard fee, maintenance cost of public park and road, and public utilities, leading to a drop in unit cost and a higher return and profit.

1.4) Opportunity to expand customer base

The Company will be able to expand its customer base from a greater penetration into middle-income customer segment through the development of a new horizontal housing project continuing from the existing Sena Park Grand Ramindra and Sena Park Ville Ramindra-Wongwaen Projects. In such new project, the Company will develop properties such as townhouses, twin houses, and single houses of a smaller size and at a cheaper price than those existing projects because the Company envisions the potential to reach target customers who prefer to buy a house at a price range of Baht 3 million - Baht 6 million per unit. Based on the competitive edge and the database on interested buyers visiting the existing projects and preferring to buy a house in this location and this favorable environment but unable to afford the highly priced houses of the existing projects, the land acquisition in this transaction will enable the Company to have sufficient land bank for the new housing project development of a smaller size and at a cheaper price per unit to better cater to needs of middle-income group of customers, hence an opportunity for the Company's customer base expansion.

1.5) Diversification of risk in property development business

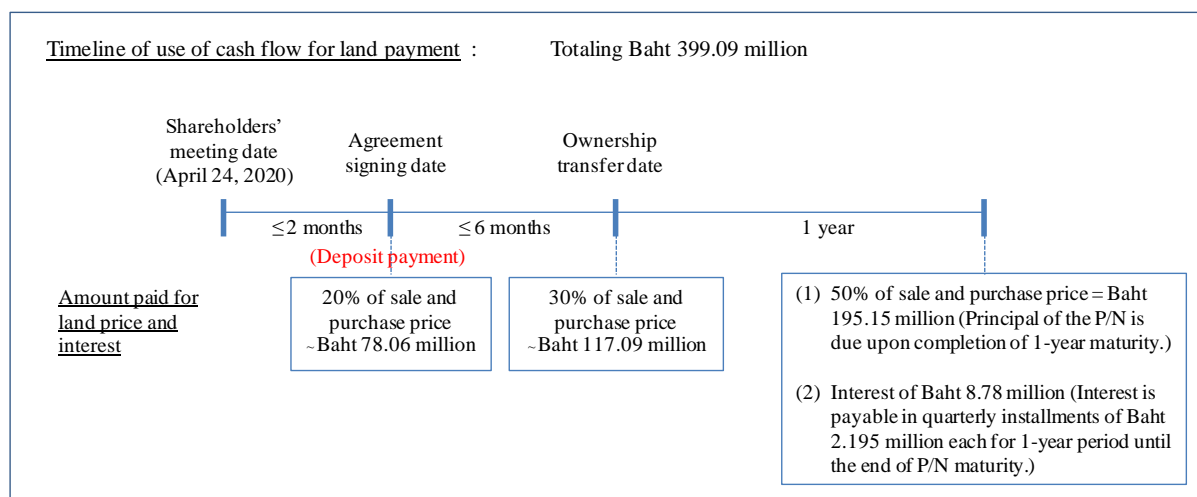
The Company and its subsidiaries generate revenues primarily from residential property development for sale. In 2019, their revenues from sales of real estate projects made up about 71% of total revenues, divided into revenues from sales of vertical projects of approximately 55% of total revenues and revenues from sales of horizontal projects of around 16% of total revenues. The remainder of 29% came from rental and service income, solar revenues, and others.

Nonetheless, the current real estate market, particularly condominium, has been on a downward trend in terms of both local and overseas supply and demand. This is ascribed to the diminishing purchasing power of both buyers with real residential demand and buyers for investment purpose, triggered by various discouraging factors such as the economic slowdown at home and overseas, the baht appreciation, commercial banks' more stringent mortgage lending policy (post finance), etc. The Company places importance not only on self-adjustment according to market condition but also on market research, study of urban development direction, analysis of consumer needs and competitors, and fine-tuning of strategies to properly and efficiently respond to customer needs. In 2020, the Company will continue its strategic focus from 2019 on the real residential demand segment and the horizontal property development at competitive price.

The purchase of land from Sinsap Thanya will enable the Company to achieve its horizontal property development plan and diversify risk from its current real estate business by reducing its reliance on revenues from the vertical projects, notably condominiums 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 is considered a conservative risk diversification in terms of both investment and marketing competition.

1.6) Better liquidity management from favorable terms of payment

The Company will benefit from the terms of payment for the land. Instead of making cash payment in full amount, the Company is allowed to pay the remaining 50% of the sale and purchase price on the date of ownership transfer by promissory note with aval from a commercial bank or promissory note issued by the Company to Sinsap Thanya with a payment period of one year from the ownership transfer date. This will enable the Company to enhance its liquidity management. Moreover, the interest on the promissory note is set at a rate of 4.50% p.a., which is lower than the current loan rate received by the Company from financial institutions (as at February 15, 2020, the average loan rate of the Company was equal to 4.75% p.a.) and also is lower than MLR charged by the four large commercial banks, namely KTB, BBL, KBANK and SCB, in a range of 5.775% - 6.000% p.a. or an average of 5.8875% p.a.



1.7) Opportunity to grow revenues and profit in the future

The Company plans to develop the land to be purchased from Sinsap Thanya into a townhouse, twin house and single house project, with development period from July 2020 to May 2023 and total project value of Baht 1,358.00 million. The project will generate more revenues and profit to the Company in the future, in addition to the existing projects. At present, the Company has not yet recognized revenues from all projects because some projects are still under construction and development. In 2019, total revenues of the Company and its subsidiaries amounted to Baht 5,297.59 million, consisting mainly of revenues from sales of horizontal and vertical projects of Baht 3,769.62 million, revenues from rental and services of Baht 1,272.58 million, revenues from solar business of Baht 98.29 million, and other revenues of Baht 157.10 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 Park Residences Ramindra Project from Sinsap Thanya at a total value of Baht 399,089,419, the Company will place a deposit at 20% of the sale and purchase price or equal to Baht 78,061,500 on the date of land sale and purchase agreement signing (which will take place within two months from the date of obtaining approval from the 2020 Annual General Meeting of Shareholders to be held on April 24, 2020), and will pay the remaining amount of Baht 312,246,000 on the date of 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), divided into the first portion of 30% of the sale and purchase price or equal to Baht 117,092,250 payable by cashier's cheque and the second portion of 50% of the sale and purchase price or equal to Baht 195,153,750 by promissory note with aval from a commercial bank or promissory note issued by the Company with maturity of one year from the date of ownership transfer, with interest rate of 4.50% p.a. or amounting to Baht 8,781,919 payable by cashier's cheque on a quarterly basis until the end of the promissory note's maturity period, thereby leading the Company to incur additional debts. Besides, to finance project development on such land, the Company will have to raise loans from financial institutions in the amount of approximately Baht 265.21 million. As such, the Company and its subsidiaries will incur additional debts and interest expenses (total interest expenses for the project are about Baht 8.37 million, assuming an interest rate of 4.50% p.a.).

As of December 31, 2019, the Company and its subsidiaries recorded total liabilities of Baht 8,596.06 million, shareholders' equity of Baht 6,502.08 million, and debt to equity ratio of 1.32 times.

The purchase of land from Sinsap Thanya, together with the purchase of land from Golden Wattle located in the area of Sena Grand Home Bang Bua Thong – Bang Phun Project and the investment in property development on those land plots, will lead the Company to incur additional debts of roughly Baht 1,120.97 million, comprising loans from financial institutions to fund the purchase of land from Sinsap Thanya and property development thereon in a total amount of about Baht 538.43 million (roughly 70% of the land purchase price plus related construction cost) and loans from financial institutions to fund the purchase of land from Golden Wattle and property development thereon in a total amount of about Baht 582.54 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. As such, the incurrence of additional debts will push the debt to equity ratio up to 1.49 times (based on the projection of additional debts arising from loans and the shareholders' equity as of December 31, 2019). Such increased debts will not cause the debt to equity ratio to exceed 2.50 times as 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 three years (2020 - 2022), the Company will have sufficient cash flow for repayment of debts incurred for such 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.

However, for the interest on promissory note issued to Sinsap Thanya for the land payment, interest incurred during project development in each phase shall be, in terms of accounting treatment, classified as cost of land and, hence, the Company needs not record all such interest as expense.

2.2) *Risk associated with project implementation*

The Company plans to develop the land to be acquired from Sinsap Thanya into a townhouse, twin house and single house project, which will increase the supply of horizontal properties in the same area as the two existing projects of the Company. Nonetheless, the said new project will feature

houses of a smaller size and at a cheaper price, set to be in a range of Baht 4 million – Baht 6 million, than those of the existing projects and will focus on a different target group from that of the existing projects. As such, it will not compete with the existing projects, but will offer more products to serve the unmet demand from consumers who do not have high purchasing power and cannot afford to buy houses in the existing projects 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 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

In the real estate business, while construction is still underway or ownership has not yet been transferred to customers, 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 its customers. Construction of the new project which features townhouses, twin houses and single houses will take about 24 months from July 2020 to June 2022. It is expected that revenue recognition from ownership transfer to customers will begin in January 2021 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.

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 with its connected person, the Company will acquire from Sinsap Thanya a plot of land for property development for sale. Such land is located in the area of Sena Park Residences Ramindra Project and adjacent to the two existing projects under development by the Company, comprising Sena Park Grand Ramindra and Sena Park Ville Ramindra-Wongwaen Projects, thus leading to an optimum benefit from the current construction of road and public park. The Company will also have a chance to expand its customer base to those who desire a home in that area but could not afford to buy one in any of the two existing projects which are too expensive. Given it enters into this type of transaction with a third party, it is evidently difficult to acquire other plot of land from any third party which is of a large size and located in the same area and is suitable for property development according to the Company's business plan.

The Company will gain benefits from such land acquisition in terms of the suitable location with continuous consumer response and the use of land which is adjacent to its two existing projects that have been mostly completed and partly sold and gradually transferred to customers. The environment and scenery inside the projects are deemed shady, beautiful and livable. The two existing projects are sited in front of the land to be purchased by the Company for new property development, thus helping to stimulate customers to decide to buy a house in the new project. Moreover, the continuous project development in the same area as the two existing projects will enable the Company to benefit from the optimum synergy, flexibility in operations, cost saving through resources sharing,

creation of business expansion opportunity, 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 similar 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 44.55% and 35.16% 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 5.31% p.a. and also higher than the average loan interest rate of the project of 4.61% 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 Sinsap Thanya at a total value of Baht 399,089,419. Funding for such land acquisition transaction will come from self-financing and loans from financial institutions. 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, 2019, the Company has cash and cash equivalents of Baht 1,186.69 million and cash flow from EBITDA in 2019 of approximately Baht 1,471.53 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 therefore expected that the Company will have adequate funding 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 43-1-47 rai or 17,347 square wah, located in the area of Sena Park Residences Project, Kanchanaphisek Road, Khanna Yao Sub-District, Khanna Yao District, Bangkok, to develop property project for sale, together with the right of servitude to provide an access to the said purchased land, at a price of Baht 390,307,500, 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. ("TA"), to appraise such land. The appraised price by the two valuers is equal to Baht 22,500 and Baht 23,500 per square wah (including land filling cost) 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	22,500	23,000	22,500	(500)
2. TA	Market Approach	23,500			

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 TA is equal to Baht 22,500 and Baht 23,500 per square wah (including land filling cost) respectively, representing an average of Baht 23,000 per square wah. Therefore, the transaction price for the land acquisition from Sinsap Thanya of Baht 22,500 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. 13088 with an area of 43-1-47 rai or equal to 17,347 square wah, located next to a public canal (Kho Tan Canal) behind Sena Park Grand Ramindra and Sena Park Ville Ramindra-Wongwaen Projects, on Liap Kanchanaphisek Road (Highway 9), Khanna Yao Sub-District, Khanna Yao District, Bangkok.

According to the appraisal reports of the two independent valuers, comprising BKKPA's report dated February 26, 2020 and TA's report dated February 11, 2020, 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	TA
Market Approach	<ul style="list-style-type: none"> - One plot of land under title deed No. 13088 with a total area of 43-1-47 rai or 17,347 square wah - The land is located on an unnamed Soi behind Sena Park Grand Ramindra Project, on Kanchanaphisek Road, Khanna Yao Sub-District, Khanna Yao District, Bangkok. - The land has a rectangular-like shape. 	Sinsap Thanya	Baht 390,307,500 (Baht 22,500/sq. wah) (including land filling cost)	Baht 407,654,500 (Baht 23,500/sq. wah) (including land filling cost)
	Government land value appraisal	Baht 3,400/sq. wah or totaling Baht 58,979,800		

Appraisal by BKKPA

BKKPA appraised the property, which is a vacant land, by the **Market Comparison Approach**.

The market approach is a method used for property valuation through comparison of the appraised item with other plots of land that were actually sold and purchased in nearby areas, based on relevant factors such as location, town plan, land area, and so on. The property value is then analyzed, using appropriate methods such as Sale Adjustment-Grid Method, Weight Quality Score (WQS), etc.

Since some variables of the market data adopted in the appraisal were different from those of the appraised property and would affect the property value, BKKPA therefore employed the weighted quality scores (WQS) in adjustment for factors such as location, transportation, public utilities, optimum land use, physical condition of land, land shape, land use restrictions, and accessibility. 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 five plots of land nearby and

selected three of them which had sale and purchase prices and/or expected sale prices ranging from Baht 15,924 to Baht 32,000 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
Type of property	Vacant land	Vacant land	Vacant land	Vacant land	Vacant land	Vacant land
Location	Unnamed Soi off the road in Sena Park Project	Liap Kanchanaphisek Road	Liap Kanchanaphisek Road	Soi Kanchanaphisek 6/1	Soi Khu Bon 44	Soi Bunya
Land area (rai-ngan-sq. wah)	43-1-47.0 rai (17,347.0 sq. wah)	16-1-13.0 rai (6,513.0 sq. wah)	4-2-09.0 rai (1,809.0 sq. wah)	31-0-32.1 rai (8,432.1 sq. wah)	3-3-50.0 rai (1,550.0 sq. wah)	7-0-51.0 rai (2,851.0 sq. wah)
Land shape	Polygonal	Polygonal	Trapezoid	Trapezoid-like	Rectangular	Polygonal
Frontage x depth (meter)	Frontage: About 144 meters	Frontage: About 150 meters	Frontage: About 50 meters	Frontage: About 100 meters	Frontage: About 182 meters	Frontage: About 24 meters
Land level	Approx. 2.50 meters lower than road level	Approx. 1.50 meters lower than road level	Same as road level	Same as road level	Approx. 1.50 meters lower than road level	Approx. 1.50 meters lower than road level
No. of sides facing a road	1 side	1 side	1 side	1 side	1 side	1 side
Type of road (surface)	Soil	Asphalt	Asphalt	Reinforced concrete	Reinforced concrete	Asphalt
Width/Right of way (meter)	4/14 meters	12/30 meters	6/30 meters	6/8 meters	5/7 meters	5/6 meters
Public utilities	About 500 meters far from public utilities system	Electricity, water supply, and telephone	Electricity, water supply, and telephone	Electricity, water supply, and telephone	Electricity, water supply, and telephone	Electricity, water supply, and telephone
Town plan	Low density residential zone	Low density residential zone	Low density residential zone	Low density residential zone	Low density residential zone	Low density residential zone
Relevant laws	Building Control Act	Building Control Act	Building Control Act	Building Control Act	Building Control Act	Building Control Act
Optimum land use	Residential	Residential	Residential	Residential	Residential	Residential
Development potential	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate
Land price	-	Baht 75,000/sq. wah	Baht 35,000/sq. wah	Total of Baht 134,281,192 or Baht 15,924/sq. wah	Baht 32,000/sq. wah	Baht 20,000/sq. wah
Status	-	Offered for sale	Offered for sale	Sold-purchased (2016)	Offered for sale	Offered for sale
Date of data survey	-	January 2020	January 2020	January 2020	January 2020	January 2020

BKKPA considered all information and selected three plots of land nearby the appraised property, consisting of vacant land on Soi Kanchanaphisek 6/1 (Data 3), vacant land on Soi Khu Bon 44 (Data 4), and vacant land on Soi Bunya (Data 5), for comparison with the appraised property, as follows:

Variables	Comparison of difference between market data and appraised property		
	Data 3	Data 4	Data 5
Location	Similar	Similar	Inferior
Transportation	Superior	Superior	Superior
Public utilities	Superior	Superior	Superior
Optimum land use	Similar	Superior	Inferior
General physical condition	Superior	Superior	Superior
Land shape	Similar	Superior	Inferior
Land use restrictions	Similar	Similar	Similar
Accessibility	Superior	Superior	Similar

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

Compared factor	Scoring (%)	Appraised property	Comparable data		
			Data 3	Data 4	Data 5
Land area (sq. wah)		17,347.0	8,432.1	1,550.0	2,851.0
Location	20	6	6	6	5
Transportation	10	4	6	5	5
Public utilities	10	4	7	7	7
Optimum land use	15	6	6	7	4
General physical condition	15	4	6	5	5
Land shape	10	6	6	7	4
Land use restrictions	10	6	6	6	6
Accessibility	10	5	6	8	5
Total	100	5.20	6.10	6.30	5.05

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 3	Data 4	Data 5
Land area (sq. wah)	17,347.0	8,432.1	1,550.0	2,851.0
Offered selling price/sq. wah	(Baht)	15,924	32,000	20,000
Negotiated price / discount	(%)	30%	-5%	-10%
Net price	(Baht)	20,701	30,400	18,000
Weighted score	5.20	6.10	6.30	5.05
Adjustment ratio	Average	0.85246	0.82540	1.02970
Base price	20,425	17,647	25,092	18,535
Comparable weight	100%	29%	24%	47%
Comparable value	19,876	5,135	6,122	8,619
Market value basis	20,000	(Baht/sq. wah)		
Land filling cost (depth of 2.50 meters)	2,500	(Baht/sq. wah)		
Total appraised value after land filling	22,500	(Baht/sq. wah)		

After adjustment for factors and quality, the land plot of 17,347.0 square wah (43-1-47.0 rai) was appraised at **Baht 20,000 per square wah**, or equal to a total value of **Baht 346,940,000**. In addition, BKKPA appraised the land filling cost with a depth of 2.50 meters at **Baht 2,500 per square wah**, or equal to **Baht 43,367,500**. In sum, BKKPA proposed an appropriate total value of the land after land filling and improvement at **Baht 22,500 per square wah**, or equal to a total value of **Baht 390,307,500**.

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 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. Besides, by comparing with the appraised price derived from the hypothetical development approach which BKKPA used as a basis for reviewing the property value, it is found that the appraised prices from both methods do not significantly differ from each other.

Appraisal by TA

TA 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.

Since some variables of the market data adopted in the appraisal were different from those of the appraised property and would affect the property value, TA therefore 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, TA surveyed market data on lands nearby and selected four of them which had sale and purchase prices ranging from Baht 18,750 to Baht 40,000 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	Unnamed Soi off the road in Sena Park Project	Soi Kanchanaphisek 5/2	Liap Kanchanaphisek Road	Khlong Sam Wa Road	Soi Hathairat 39
Land area (rai)	43-1-47	4-3-54	4-2-9	40-1-96	8-3-52
Land area (square wah)	17,347	1,954	1,809	16,196	3,552
Land shape	Rectangular-like	Trapezoid	Rectangular	Free form	Rectangular
Frontage x depth	Frontage: About 144 meters	Frontage: About 240.00 meters	Frontage: About 50.00 meters	Frontage: About 29.00 meters	Frontage: About 80.00 meters
Land level	Unfilled, approx. 2.50 meters lower than road level	Filled, approx. 0.50 meter lower than road level	Unfilled, approx. 1.00 meter lower than road level	Unfilled, approx. 1.00 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)	Soil	Concrete, 6.00 meters	Asphalt, 8.00 meters	Reinforced concrete, 18.00 meters	Reinforced concrete, 6.00 meters
Public utilities	None	Electricity, water supply, telephone, and road lighting	Electricity, water supply, telephone, and road lighting	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	Residential	Agricultural	Agricultural	Agricultural	Agricultural

Particulars	Appraised property	Comparable data			
		Data 1	Data 2	Data 3	Data 4
Development potential	Moderate	Fair	Fair	Moderate	Moderate
Land price (Baht/sq. wah)	-	Baht 40,000.00/sq. wah	Total of Baht 67,837,500.00 (Baht 37,500/sq. wah)	Total of Baht 567,000,000.00 (Baht 35,000/sq. wah)	Baht 7,500,00.00/rai (Baht 18,750/sq. wah)
Status	-	Offered for sale	Offered for sale	Offered for sale	Offered for sale
Date of data survey (offered selling price)	-	January 14, 2020	January 14, 2020	January 14, 2020	January 14, 2020

TA considered data on vacant land offered for sale in the areas nearby the appraised property, consisting of vacant land on Soi Kanchanaphisek, vacant land on Liap Kanchanaphisek Road, vacant land on Khlong Sam Wa Road, and vacant land on Soi Hathairat. The derived data compared with the appraised property can be summarized as follows:

- Data 1 Compared with the appraised property, the land in Data 1 is superior in terms of location and environment, but is smaller in size. It is a vacant land, partly filled. All in all, the land in Data 1 has greater potential than the appraised property.
- Data 2 Compared with the appraised property, the land in Data 2 has a better location and environment, but is smaller in size. It is a vacant land, not yet filled. All in all, the land in Data 2 has greater potential than the appraised property.
- Data 3 Compared with the appraised property, the land in Data 3 has a better location and environment and is of about the same size. It is a vacant land, not yet filled. All in all, the land in Data 3 has greater potential than the appraised property.
- Data 4 Compared with the appraised property, the land in Data 4 is superior in terms of location and environment, but is smaller in size. It is a vacant land, not yet filled. All in all, the land in Data 4 has greater potential than the appraised property.

However, all plots of land in the comparable data are merely offered for sale and have not yet received any market response. Taking into account the current economic situation, buyers have stronger bargaining power.

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	5
2. Accessibility	15	8	8	8	6	5
3. Parcel point	10	8	8	8	6	5
4. Shape and size	10	9	9	4	9	5
5. Physical condition	10	8	8	8	8	6
6. Infrastructure	10	8	8	8	8	6
7. Environment	10	8	8	8	7	5
8. Optimum land use	10	8	8	8	8	8
9. Growth potential	5	8	8	8	8	8
Total	100	810	810	760	730	565

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)	40,000.00	37,500.00	35,000.00	18,750.00	
Base price	38,800.00	36,375.00	33,950.00	18,187.50	
Weighted score	810	810	760	730	565
Adjustment ratio	0.6975	0.6975	0.7434	0.7740	1.0000
Adjusted price	27,064.20	25,372.69	25,239.14	14,076.63	
Significance level of comparison	0.20	0.20	0.20	0.40	1.00
Comparable value	5,412.84	5,074.54	5,047.83	5,630.65	21,165.86
Market value of property (Baht/sq. wah)				(rounded off)	21,000.00
Land filling cost for whole project, depth of 2.50 meters (Baht/sq. wah)					2,500.00
Total appraised value					23,500.00

After adjustment for factors and quality, the land plot of 17,347 square wah (43-1-47 rai) was appraised at **Baht 21,000.00 per square wah, or equal to a total value of Baht 364,287,000 (rounded off)**. In addition, TA appraised land filling cost for the whole project with a depth of 2.50 meters at Baht 2,500 per square wah, **or equal to a total of Baht 43,367,500**. In sum, TA proposed an appropriate total value of the land after land filling and improvement at **Baht 23,500 per square wah, or equal to a total value of Baht 407,654,500**.

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 TA 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. Besides, by comparing with the appraised price derived from the residual approach which TA used as a basis for reviewing the appraised property value, it is found that the appraised prices from both methods do not significantly differ from each other.

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

We are of the opinion that land appraisal based on the government appraisal price, determined by the Treasury Department, cannot reflect a true market value of the property. However, the government appraisal value can be used as a minimum benchmark for estimating land value for the purposes of collection of property sale tax, stamp duty and fee for registration of rights and juristic acts. In our opinion, 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 located in the area of Sena Park Residences Project, Kanchanaphisek Road, Khanna Yao Sub-District, Khanna Yao District, Bangkok, for development of a property project for sale in the name of Sena Viva Ramindra Project with a total area of 43-1-47 rai or 17,347 square wah together with the right of servitude to provide an access to such land.

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 projects that are similar to the previous projects 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 Viva Ramindra Project is a horizontal residential project, consisting of 300 units of townhouses, twin houses, and single houses, with a total land area of 10,417 square wah. Each unit has a land area of about 30 - 58 square wah with function area of 87 - 110 square meters. Construction is scheduled to commence in July 2020 and sales will be launched in December 2020. Income recognition will begin in January 2021 (the project period will start in July 2020 and end in May 2023). The Company has prepared a cash flow projection, with a sale and transfer period of about three years 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, at Baht 4.53 million per unit. The average number of units sold is projected at 8 - 11 units per month. Sales will be launched in December 2020. A horizontal project usually is developed and sold in phases, whereby construction is gradually completed with housing units available for sale in each phase. There are a selection of both ready-for-transfer/move-in units and units under gradual construction for customers to choose from.

Here is the forecast of number of housing units sold per month:

	December 2020 - April 2021	May 2021 - November 2022	December 2022	January 2023 - February 2023	March 2023 - May 2023
Average number of housing units sold (unit/month)	11	10	8	10	9

The housing units projected to be sold between December 2020 and December 2022 will consist of townhouses and twin houses and those to be sold in 2023 will include single houses, townhouses and twin houses. There will be a total of seven single houses which, according to the business plan, will be sold towards the end of the project development period, by an average of 1-2 units per month in 2023. In our opinion, the assumption on number of housing units sold per month and the sale period of three years is appropriate and likely viable since it is projected based on the Company's experience in sales and development of horizontal projects of the same grade as the projects currently developed by the Company.

Revenues from sales of housing 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 will begin in January 2021.

We are of the opinion that the assumptions used by the Company for revenues projection, comprising the project period, average number of units sold, construction period, and transfer period, based on the Company's experience in horizontal project development are considered viable on a conservative basis. Moreover, the estimated selling price is considered viable because it is in the market price range of similar residential properties nearby the new project (Sena Viva Ramindra) of the Company, as follows:

No.	Project name	Location	Type of project	Selling price (Baht million)
1	Baan Klang Muang Ramintra	Soi Kanchanaphisek 6/1	Townhouse	4.85
2	Ever City Wongwaen - Chatuchot	Liap Kanchanaphisek Road (Highway 9)	Townhouse	4.27
3	Golden Town Ramintra	Khu Bon Road	Townhouse	4.08
4	Sammakorn Ramindra	Liap Kanchanaphisek Road (Highway 9)	Townhouse	3.95
5	The Passage Ramintra	Liap Kanchanaphisek Road (Highway 9)	Townhouse	3.75
6	Pleno Ramintra	Soi Kanchanaphisek 6/1	Townhouse	3.59
7	Golden Neo Ramintra-Wongwaen	Liap Kanchanaphisek Road (Highway 9)	Twin house	5.02 - 5.67
8	Perfect Place Ramindra-Wongwaen	Liap Kanchanaphisek Road (Highway 9)	Twin house	4.21 - 4.56
9	Centro Wongwaen Ramintra	Soi Kanchanaphisek 4	Single house	4.61

Source: Market price survey by the Company

2) Costs of project

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

- Cost of land with an area of 43-1-47 rai or 17,347 square wah is estimated at Baht 402.99 million, consisting of land to be acquired in this transaction of Baht 390.31 million, interest on promissory note of Baht 8.78 million, and a transfer fee (1.0% of sale and purchase price) of Baht 3.90 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 borne by Sinsap Thanya as the seller.
- Cost of house construction is estimated at Baht 311.43 million with total construction area of 29,541.71 square meters, equivalent to an average construction cost of Baht 10,542.04/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 public utilities and common area construction, consisting of project road, servitude road, club house and juristic person office, public park and mini-park, sample house decoration, and relevant public utilities of the project, is estimated at Baht 67.44 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.
- 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 4 million, comprising project designing fee of Baht 1 million in total or Baht 3,333/unit and housing estate permit, construction permit, survey and title deed separation, and authority contact expenses of Baht 3 million or Baht 10,000/unit.
- Relevant fees are estimated at Baht 3.03 million, comprising front-end fee, promissory note aval fee, and mortgage registration fee.

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 2% of revenues from sales.
- 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 before obtaining land development permit in 2020, land tax will be at 0.30% of land value. After obtaining the permit, land tax will be at 0.03% of value of land and houses for sales. This is based on the Royal Decree on Land and Building Tax Reduction B.E. 2563, i.e. horizontal residential property development shall be eligible for land tax reduction at

the rate of 90% for a maximum period of three years after obtaining the land development permit, or a decrease from tax rate of 0.30% to 0.03%.

- 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 4.50% p.a., based on loan interest rate of financial institution expected by the Company.

Discount rate

The discount rate used for estimating present value of net cash flow of the project is equal to 5.31%, which is derived from the project's weighted average cost of capital (WACC). The formula for WACC calculation is as follows:

Calculation of WACC:

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

$$K_e = \text{Return on equity, equal to 9.10\%}$$

$$K_d = \text{Average cost of borrowing of the project, equal to 4.61\% per year, based on loan interest rate of financial institution of 4.50\% p.a. and front-end fee of 0.25\% of loan amount of the project}$$

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

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

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

$$V = D + E$$

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 three years as of February 14, 2020 (which is consistent with the project period), equal to 0.94% (source: www.thaibma.or.th)

Beta (β)	Variance of SET return compared with closing price of SENA shares over the past three years, equal to 0.945 (source: Bloomberg as of February 14, 2020, the period of 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 1995 to January 2020), equivalent to 9.57%

Present value of net cash flow and IRR

The present value of net cash flow and IRR of Sena Viva Ramindra Project are as shown below:

Unit: Baht	2020	2021	2022	2023
Cash inflow	2,450,000	559,800,000	539,550,000	256,200,000
Cash outflow				
- Cost of land	199,056,825	203,935,669	-	-
- Cost of construction	129,722,090	174,301,963	78,636,760	-
- Designing and permit application fee	2,260,000	720,000	720,000	300,000
- Marketing and administrative expenses and relevant fees	14,465,730	44,187,230	42,734,270	19,835,667
- Income tax	-	-	-	87,751,408
Total cash outflow	345,504,645	423,144,861	122,091,030	107,887,075
Interest expenses x (1- income tax rate)	1,178,202	3,116,248	2,398,955	-
Net cash flow	(341,876,443)	139,771,386	419,857,925	148,312,925
Present value of net cash flow	(335,195,321)	129,313,107	368,850,535	127,534,794
Total present value of net cash flow	290,503,114			
IRR per year	44.55%			

From the above projection for Sena Viva Ramindra Project and using the project's WACC of 5.31% as a discount rate, we have estimated the net present value of free cash flow of the project at Baht 290.50 million with an IRR of 44.55% per year, which is higher than the project's WACC and also higher than the estimated average borrowing cost of the project of 4.61% per year.

Moreover, Sena Viva Ramindra Project is expected to generate a gross profit margin of 41.85%, which is considered favorable and is close to those earned by the Company from its other horizontal projects in a range of 31% - 49%.

Regarding the ongoing Coronavirus Disease 2019 (COVID-19) outbreak in Thailand, the Company predicts that it will unlikely affect the development and sale of this project because construction and sales will be gradually carried out in phases. It is projected that the first phase of housing construction will be finished and sales will be launched in December 2020 onwards, by which time it is believed Thailand should be able to contain the spreading of such disease and the overall situation will likely return to normalcy.

On a conservative basis, however, the IFA has conducted a comparative analysis in the event that the COVID-19 pandemic causes a delay in sales of the project. In a sensitivity analysis case where the projected number of housing units sold in December 2020 – December 2021 (first year of pre-sales) is revised down by 25% or by about three units per month, the end of the project period will then be extended for another five months, or from May 2023 to October 2023, to reflect concerns or

impacts of the COVID-19 spreading which may trigger a slowdown in consumers' residential demand. The project's net present value and IRR in the base case and sensitivity analysis case will become as follows:

Project on land to be purchased from Sinsap Thanya	NPV (Baht million)	IRR (% per year)
<i>Base case</i>	290.50	44.55
<i>Sensitivity analysis case</i> Approx. 25% decrease in the projected number of units sold in first year of pre-sales	277.87	35.16

1.4.2 Fairness 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 390,307,500 or Baht 22,500 per square wah is lower than the appraised price 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 Ramindra 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***

For the total consideration for the land purchase from Sinsap Thanya of Baht 399,089,419, the Company will pay Sinsap Thanya a deposit at 20% of the sale and purchase price, or equal to Baht 78,061,500, on the date of land sale and purchase agreement signing, which will take place within two months from the date of obtaining approval from the 2020 Annual General Meeting of Shareholders, and will pay the remaining 80% of the sale and purchase price, or equal to Baht 312,246,000, 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, divided into the first portion of 30% of the sale and purchase price, or equal to Baht 117,092,250, payable by cashier's cheque and the second portion of 50% of the sale and purchase price, or equal to Baht 195,153,750, by promissory note with aval from a commercial bank or promissory note issued by the Company to Sinsap Thanya with maturity of one year from the date of ownership transfer, with interest rate of 4.50% p.a. or amounting to Baht 8,781,919 payable by cashier's cheque on a quarterly basis until the end of the promissory note's maturity period.

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 date, are the usual practices for land sale and purchase transactions in general. Besides, the payment at 50% of the land

price in the form of promissory note with aval from a commercial bank or promissory note issued by the Company with one-year maturity from the ownership transfer date, with interest rate of 4.50% p.a. payable by cashier's cheque on a quarterly basis until the end of the promissory note's maturity period, will be in line with project development period as planned by the Company. This will enable the Company to enhance its liquidity management and reduce burden in seeking a large amount of funding from other source or from borrowing by other means. However, such 4.50% p.a. interest on the promissory note resulted from negotiation with the seller in the same manner as generally conducted by persons of ordinary common sense with their counterparties, which accordingly may not be compared with the terms and conditions for the promissory note issued to Golden Wattle (in the land purchase under Transaction 2) on an interest-free basis. This is because the sellers in the two transactions are different persons and negotiation was separately made. Such interest rate does not cause the overall return from the project development on the land to be purchased from Sinsap Thanya to be lower than that of other projects of the same grade of the Company. Moreover, the said interest rate is lower than the current loan rate received by the Company from financial institutions (as at February 15, 2020, the average loan rate of the Company was equal to 4.75% p.a.) and also is lower than the average MLR of the four large commercial banks presently equaling 5.8875% p.a.

At the same time, the condition on aval of promissory note from a commercial bank is a normal repayment condition where lender requires strong security. On the date of issuing the said avaled promissory note, the Company will pay aval fee to the bank at a rate of about 0.75% of the amount shown on the promissory note, equal to approximately Baht 1.46 million.

- ***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 arrange for release of mortgage over the land from the mortgagee to be completed before the said transfer of ownership.

Moreover, Sinsap Thanya will register the right of servitude on land plots under title deeds No. 378, No. 1797 and No. 11410 located in Khanna Yao Sub-District, Khanna Yao District, Bangkok, to provide an 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.

- ***Land filling***

Sinsap Thanya will complete the land filling within six months from the date the Company pays a deposit or such other date as to be agreed upon later by the two parties. The IFA views that the said condition will enable the Company to acquire a ready filled land and, therefore, be relieved from additional burden on the land filling such as estimation of amount of soils, negotiation on land filling expenses, land filling supervision, etc. The said land filling period aligns with the project development schedule of the Company. Besides, the land sale and purchase price is inclusive of land filling and is lower than the average appraised value by the independent valuers which measured the land value in a ready filled condition.

- ***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.

1.5 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 additional land for new horizontal property development. The Company envisions the potential of land in Sena Park Residences Ramindra Project, which is in a prime location. The two projects currently operated by the Company in this area, Sena Park Grand Ramindra and Sena Park Ville Ramindra-Wongwaen offering high-priced single houses and twin houses, have received positive responses from customers. The Company accordingly sees opportunity to develop a continuous project on the purchased land, which will feature townhouses, twin houses and single houses with smaller sizes and lower prices than those of the two existing projects to serve middle-income group, thus enabling the Company to offer products with a wider price range for customers to choose from in the same area. Besides, due to financial institutions' more stringent mortgage lending policy, some customers have become less able to access such loans or could obtain a smaller loan amount. A cheaper residential project will therefore be another right option for them and, at the same time, allow for the Company to better cater to needs of this group 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.

The purchase of land from Sinsap Thanya will enable the Company to achieve its horizontal property development plan and diversify risk from its current real estate business by reducing its reliance on revenues from the vertical projects, notably condominiums which are facing fierce competition and a slowdown.

The Company will also benefit from development of a continuous project in the same area as its existing projects, which 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 terms of payment for the land purchase from Sinsap Thanya are considered favorable. The Company is to make a full payment for the land to Sinsap Thanya on the date of registration of ownership transfer, whereby it will pay 50% of the land price in the form of promissory note with aval from a commercial bank or promissory note issued by the Company with one-year maturity at an interest rate of 4.50% p.a. This will enable the Company to enhance its liquidity management under the negotiation that can come up with a condition on interest rate that is considered fair and does not

cause the project's rate of return to be lower than that of other projects at the same grade of the Company.

Furthermore, by entering into this transaction, the Company will be able to continuously develop a new project so as to grow its revenues and profit in the future and relatively 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 sales as 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 one plot of land from Sinsap Thanya with a total area of 43-1-47 rai or 17,347 square wah at Baht 390,307,500 or Baht 22,500 per square wah is **lower than** the average appraised value by the two independent valuers of Baht 23,000 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. The Company will earn a gross profit margin of 41.85% with the project's net present value in the base case and sensitivity analysis case of Baht 290.50 million and Baht 277.87 million respectively and IRR in the base case and sensitivity analysis case of 44.55% and 35.16% per year respectively, which is higher than the project's weighted average cost of capital and also higher than the estimated average borrowing cost of the project of 5.31% and 4.61% per year respectively. 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.

Transaction 2 Purchase of land from Golden Wattle Assets Co., Ltd.

2.1 Nature and details of the transaction

2.1.1 Nature of the transaction

The Company intends to purchase three plots of land from Golden Wattle, 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, with a total area of 45-0-13.78 rai or 18,013.78 square wah at a total price of Baht 450,344,500, details of which are as follows:

- Land under title deed No. 5073 (partial) with a total area of 36-1-95.48 rai or 14,595.48 square wah at a purchase price of Baht 364,887,000 or Baht 25,000 per square wah, which is not higher than the average appraised value by two independent valuers;
- Land under title deed No. 54690 with a total area of 6-3-74.50 rai or 2,774.50 square wah at a purchase price of Baht 69,362,500 or Baht 25,000 per square wah, which is not higher than the average appraised value by two independent valuers; and
- Land under title deed No. 56997 with a total area of 1-2-43.80 rai or 643.80 square wah at a purchase price of Baht 16,095,000 or Baht 25,000 per square wah, which is not higher than the average appraised value by two independent valuers

Although Golden Wattle does not have any relationship with the Company, it is a related company of Mrs. Nidda who holds the entire shares of Golden Wattle and also is a shareholder of Sirinthip. The purchase of land from Golden Wattle 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, 2006.⁵ 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 Thanyaluckkpark holds the shares via the said fund). 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 Wattle accepted a transfer of the three plots of land under title deeds No. 5073, 54690 and 56997, from Mrs. Nidda due to the restructuring of land ownership of Sirinthip. Golden Wattle, the ownership transferee, then entered into a memorandum of agreement with the Company on July 3, 2017⁶ to bind and certify the rights existing under the memorandum of agreement between the Company and Sirinthip.

2.1.2 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>	= Baht 450.34 million	7.52%
NTA ^{1/} of SENA and subsidiaries	Baht 5,987.69 million	

⁵ See more details of the memorandum of agreement made between the Company and Sirinthip dated April 3, 2006 in Item 2.1.6 (1) of this report.

⁶ See more details of the memorandum of agreement made between the Company and Golden Wattle dated July 3, 2017 in Item 2.1.6 (2) of this report.

Note ^{1/} NTA (Net Tangible Asset) = Total assets - Intangible assets - Deferred tax assets - Liabilities - Non-controlling interests

Size of the asset acquisition transaction

Basis of calculation	Formula	Transaction size	
Total value of consideration	$\frac{\text{Value paid}^{1/} * 100\%}{\text{Total assets of SENA}^{2/}}$	= $\frac{450.34 * 100\%}{15,098.14}$	2.98%

Notes ^{1/} Value paid = Purchase price of land to be paid by the Company to Golden Wattle of Baht 450.34 million

^{2/} Total assets of the Company and its subsidiaries according to the consolidated financial statements for the year ended December 31, 2019, audited by the Company's auditor

The above transaction constitutes a connected transaction pursuant to the Connected Transaction Notifications. The land purchase from Golden Wattle has a transaction size equal to 7.52% 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 Wattle neither has any relationship with the Company nor is the Company's connected person as defined in the Connected Transaction Notifications. Therefore, at the 2020 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 Wattle is equal to 2.98%, calculated on the total value of consideration basis according to the consolidated financial statements of the Company for the year ended December 31, 2019. 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 5.63%, 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. 1/2020 held on February 24, 2020 rested with the directors who have no conflict of interest therein. In this regard, Golden Wattle 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.

2.1.3 Value of consideration and criteria for determining value of consideration

The Company will pay consideration for the land purchase to Golden Wattle at a total price of Baht 450,344,500. 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
<p>1. Three plots of vacant land with a total area of 45-0-13.78 rai or 18,013.78 square wah, located in Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province, comprising</p> <p>1.1 Land under title deed No. 5073 (partial) with a total area of 36-1-95.48 rai or 14,595.48 square wah;</p> <p>1.2 Land under title deed No. 54690 with a total area of 6-3-74.50 rai or 2,774.50 square wah; and</p> <p>1.3 Land under title deed No. 56997 with a total area of 1-2-43.80 rai or 643.80 square wah</p>	Golden Wattle	<p>Total value of consideration is Baht 450,344,500, details of which are as follows:</p> <p>1) The Company will pay a deposit of 10% of the sale and purchase price, equal to Baht 45,034,450, on the signing date of the land sale and purchase agreement.*</p> <p>2) The Company will pay the remaining 90% or Baht 405,310,050 on the date of registration of land ownership transfer** as detailed below:</p> <p>The first portion of 20% of the sale and purchase price or Baht 90,068,900 will be paid by cashier's cheque; and</p> <p>The second portion of 70% of the sale and purchase price or Baht 315,241,150 will be paid by promissory note with aval from a commercial bank or promissory note issued by the Company to Golden Wattle with one-year maturity from the date of land ownership transfer.</p>	<p>The sale and purchase price of land is set from negotiation between the Company and Golden Wattle and is lower than the average appraised value by the two independent valuers approved by the SEC as detailed below:</p> <p>1. Bangkok Property Appraisal Co., Ltd. ("BKKPA") appraised a market value of the land by the market approach at Baht 25,000 per square wah or a total of Baht 450,345,000.</p> <p>2. T.A. Management Corporation (1999) Co., Ltd. ("TA") appraised a market value of the land by the market approach at Baht 26,000 per square wah or a total of Baht 468,358,280.</p> <p>Therefore, the average appraised value by the two independent valuers is equal to Baht 25,500 per square wah or a total of Baht 459,351,390.</p>

Note: * The Company will sign the land sale and purchase agreement within two months from the date of obtaining approval for the land purchase from the 2020 Annual General Meeting of Shareholders which will be held on April 24, 2020.

** The Company will transfer the land ownership within three 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 : Golden Wattle Assets Co., Ltd. ("Golden Wattle")

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

Although Golden Wattle does not have any relationship with the Company, it is a related company of Mrs. Nidda who holds the entire shares of Golden Wattle. Mrs. Nidda earlier accepted the land transfer under title deeds No. 5073, 54690 and 56997 from Sirinthip due to the restructuring of land ownership of Sirinthip. Later, Mrs. Nidda transferred those plots of land to Golden Wattle as a payment for Golden Wattle shares. On July 3, 2017, Golden Wattle, 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 Thanyaluckkpark 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. 5073, 54690, and 56997, to Mrs. Nidda. Then, Mrs. Nidda transferred the ownership to Golden Wattle. Golden Wattle, 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 Wattle are as follows:

In the event that Golden Wattle wishes to sell the said land, Golden Wattle 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 Wattle 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 Wattle in June 2017. Mrs. Nidda and Golden Wattle, 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, 2019						
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 ^{5/}	51	2	16.0	Golden Wattle	
					98475	3	0	38.4	Golden Wattle	Land located under high-voltage transmission lines

Details of land under MOA dated April 3, 2006					Details of land as of December 31, 2019					
Title deed No.	Land area			Owner	Title deed No.	Land area			Owner	Remark
	Rai	Ngan	Wah			Rai	Ngan	Wah		
28081	22	2	20	Sirinthip	74195 ^{1/}	0	0	32.0	Resident of Sena Grand Home Phase 4	
					74195 ^{3/}	0	0	32.6	The Company	Developed land under the ownership of Sena Grand Home Rangsit - Tiwanon Project
					74195 ^{4/}	0	3	75.2	The Company	
					98455 ^{2/,4/}	11	3	4.5	The Company	
					98456 ^{2/}	8	0	28.8	The Company	
98457 ^{2/}	1	2	46.9	Mrs. Nidda						
56997	4	0	39.0	Sirinthip	56997 ^{5/}	1	2	43.8	Golden Wattle	
					98476	2	1	94.4	Golden Wattle	Land located under high-voltage transmission lines
54690	7	2	69.2	Sirinthip	54690 ^{5/}	6	3	74.5	Golden Wattle	
					105404	0	2	60.0	Golden Wattle	Land located under high-voltage transmission lines
Total	88	3	64.2		Total	88	3	64.2		

Note:

- 1/ 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.
- 2/ 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, and the 2018 Annual General Meeting of Shareholders on April 26, 2018 resolved to grant approval for the Company to purchase 11-3-4.5 rai of land under title deed No. 98455 from Mrs. Nidda. Therefore, Mrs. Nidda currently owns 1-2-46.9 rai of land under title deed No. 98457 which remains subject to the obligations under the MOA.
- 3/ 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 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.
- 4/ 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.
- 5/ The plots of land that the Company will seek approval to purchase from the 2020 Annual General Meeting of Shareholders to be held on April 24, 2020 consist of 36-1-95.48 rai of land under title deed No. 5073 (partial), 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.

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 Wattle 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 Wattle, 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 Wattle to acquire additional land, engage in property development project, or sell the land owned by Mrs. Nidda or Golden Wattle as mentioned in the memorandum of agreement. In the event that Mrs. Nidda or Golden Wattle wishes to sell the land being transferred from Sirinthip, Mrs. Nidda or Golden Wattle 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.

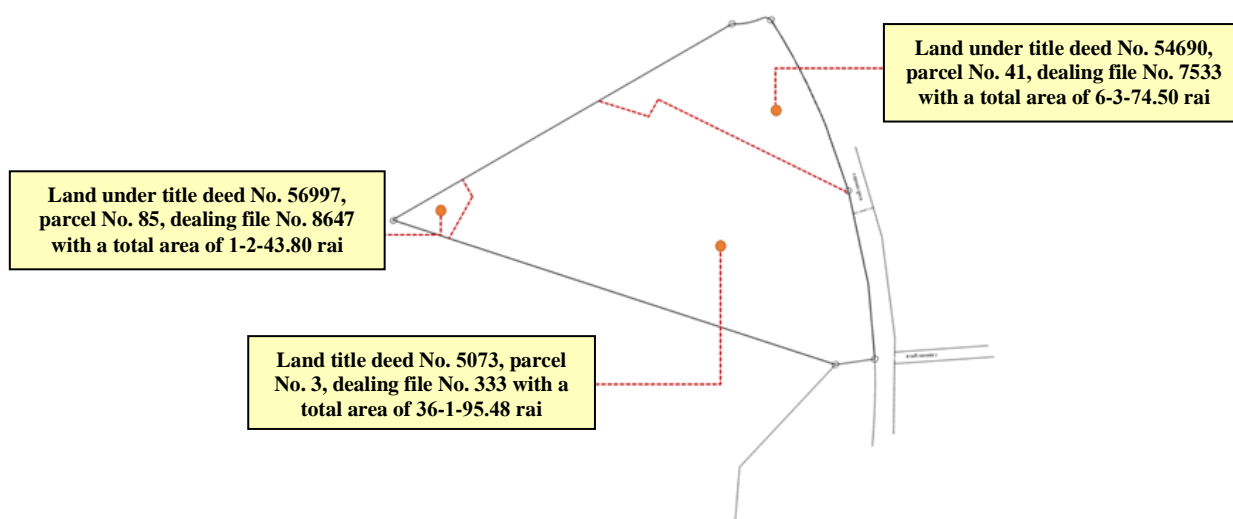
2.1.5 Details of assets being acquired

Type of assets	Three plots of vacant land with a total area of 45-0-13.78 rai or 18,013.78 square wah located in the area of Sena Grand Home Project, Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province															
Location	The assets are located in the area of 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 deeds No.	5073, 54690 and 56997															
Characteristics of assets	<p>Three plots of vacant land with a total area of 18,013.78 square wah</p> <table border="1" data-bbox="660 994 1350 1249"> <thead> <tr> <th>No.</th> <th>Title deed No.</th> <th>Land area (square wah)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>5073 (partial)</td> <td>14,595.48</td> </tr> <tr> <td>2</td> <td>54690</td> <td>2,774.50</td> </tr> <tr> <td>3</td> <td>56997</td> <td>643.80</td> </tr> <tr> <td colspan="2">Total</td> <td>18,013.78</td> </tr> </tbody> </table>	No.	Title deed No.	Land area (square wah)	1	5073 (partial)	14,595.48	2	54690	2,774.50	3	56997	643.80	Total		18,013.78
No.	Title deed No.	Land area (square wah)														
1	5073 (partial)	14,595.48														
2	54690	2,774.50														
3	56997	643.80														
Total		18,013.78														
Details of assets	The assets are three connecting plots of vacant land with a total area of 45-0-13.78 rai or 18,013.78 square wah, having triangular-like shape, three sides of which are adjacent to a road. The eastern side is about 356.00 meters in width fronting the road in Sena Grand Home Project, the northern side is about 36.00 meters wide, and the western side is about 330.00 meters wide, with the average depth of about 343.00 meters. The land has flat area and has already been improved and filled, slightly lower than the road level. Currently, the land has not been utilized.															
Owner	Golden Wattle															
Encumbrance	- None -															
Two SEC-approved independent valuers	<p>1. BKKPA, which appraised the land according to the property appraisal report dated February 26, 2020</p> <p>2. TA, which appraised the land according to the property appraisal report dated January 31, 2020</p>															
The right of way to enter and exit the land	Private road (already registered the right of servitude with respect to walkway, driveway and public utility systems)															
Purpose of appraisal	For current market value measurement and for public purpose															

Appraised properties	<p>Three plots of vacant land with a total area of 18,013.78 square wah</p> <table border="1" data-bbox="678 297 1329 555"> <thead> <tr> <th>No.</th> <th>Title deed No.</th> <th>Land area (sq. wah)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>5073 (partial)</td> <td>14,595.48</td> </tr> <tr> <td>2</td> <td>54690</td> <td>2,774.50</td> </tr> <tr> <td>3</td> <td>56997</td> <td>643.80</td> </tr> <tr> <td colspan="2">Total</td> <td>18,013.78</td> </tr> </tbody> </table>	No.	Title deed No.	Land area (sq. wah)	1	5073 (partial)	14,595.48	2	54690	2,774.50	3	56997	643.80	Total		18,013.78
No.	Title deed No.	Land area (sq. wah)														
1	5073 (partial)	14,595.48														
2	54690	2,774.50														
3	56997	643.80														
Total		18,013.78														
Initial assumption and condition for appraisal	<p><u>Property appraisal report of BKKPA</u></p> <ol style="list-style-type: none"> For land under title deed No. 5073, BKKPA appraised a part of the land with an approximate area of 36-1-95.48 rai or 14,595.48 square wah, based on the employer's information on land area and land shape. BKKPA appraised the land with a belief that the legal rights and limitations of land are correct. By checking the land title documents, it was found that the key contents were identical, unless otherwise specified in the report. However, BKKPA had not verified whether the documents were forged, but believed that the landowner truly possessed the ownership right or legal rights which were saleable and transferable, with no other legal obligation which would affect the land value apart from those specified. <p><u>Property appraisal report of TA</u></p> <ol style="list-style-type: none"> Under this land survey and appraisal, TA could not verify the legal rights and limitations of land in all respects. TA thus appraised the land with a belief that the legal rights and limitations of land are correct and the landowner truly possessed the ownership right or legal rights which were saleable and transferable, with no other legal obligation which would affect the land value apart from those specified. For land under title deed No. 5073, TA appraised a part of the land with an approximate area of 36-1-95.48 rai or 14,595.48 square wah. 															
Nearby public utilities	Electricity, water supply, telephone, drainage pipe, walkway and roadside lighting															
Applicable regulations/laws	<p><u>Town plan</u></p> <p>The assets are 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, commerce, agriculture, educational institute, religious institute, government agency, public utility and public facility purposes.</p> <p><u>Expropriation</u></p> <p>The assets are not located in the expropriation zone for any of the government's projects.</p>															
Government's development projects	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															

	<p>the assets' value and the hypothetical development approach to review the appraisal result.</p> <p>2. TA applied the Market Approach with Weight Quality Score (WQS) used for variable factor adjustment to measure the assets' value and the residual method to review the appraisal result.</p>																									
Government land value appraisal	<p>According to the property appraisal reports of BKKPA and TA, they examined the government land value appraisal determined by the Treasury Department for use as a basis for collecting taxes on sales of properties, registration fees, and stamp duty. They found that the government land value appraisal for the assets appraised was as follows:</p> <table border="1" data-bbox="600 609 1407 981"> <thead> <tr> <th>No.</th> <th>Title deed No.</th> <th>Area (sq. wah)</th> <th>Government land value appraisal (Baht/sq. wah)</th> <th>Total (Baht)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>5073 (partial)</td> <td>14,595.48</td> <td>11,000.00</td> <td>160,550,280</td> </tr> <tr> <td>2</td> <td>54690</td> <td>2,774.50</td> <td>17,500.00</td> <td>48,553,750</td> </tr> <tr> <td>3</td> <td>56997</td> <td>643.80</td> <td>13,500.00</td> <td>8,691,300</td> </tr> <tr> <td></td> <td>Total</td> <td>18,013.78</td> <td>12,090.48 (average)</td> <td>217,795,330</td> </tr> </tbody> </table>	No.	Title deed No.	Area (sq. wah)	Government land value appraisal (Baht/sq. wah)	Total (Baht)	1	5073 (partial)	14,595.48	11,000.00	160,550,280	2	54690	2,774.50	17,500.00	48,553,750	3	56997	643.80	13,500.00	8,691,300		Total	18,013.78	12,090.48 (average)	217,795,330
No.	Title deed No.	Area (sq. wah)	Government land value appraisal (Baht/sq. wah)	Total (Baht)																						
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2	54690	2,774.50	17,500.00	48,553,750																						
3	56997	643.80	13,500.00	8,691,300																						
	Total	18,013.78	12,090.48 (average)	217,795,330																						
Appraisal price	<p>Appraisal price of land with a total area of 18,013.78 square wah:</p> <p>1. Land appraisal price by BKKPA according to the report dated February 26, 2020 is equal to Baht 25,000 per square wah or a total of Baht 450,345,000.</p> <p>2. Land appraisal price by TA according to the report dated January 31, 2020 is equal to Baht 26,000 per square wah or a total of Baht 468,358,280.</p>																									

Land map



Source: Sena Development Plc.



Source: Sena Development Plc.

Location of assets



Source: Appraisal report of T.A. Management Corporation Co., Ltd.

2.1.6 Summary of agreements relating to the transaction

(1) Memorandum of Agreement (“MOA”) between SENA and Sirinthip Karn Keha Co., Ltd. (“Sirinthip”)

MOA signing date	: April 3, 2006																																												
Information on Sirinthip																																													
- Shareholders/Persons with control authority as at the MOA signing date	: <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)) <u>Director</u> Mr. Pit Pruksathorn																																												
- Shareholders/Persons with control authority as at April 30, 2019 (source: http://corpus.bol.co.th)	: <u>Shareholders and shareholding proportion</u> Mr. Veeravat Limthornbenjaphol, 99.9769%, Mrs. Nidda Juratsakcharoen, 0.0192%, and Mr. Thanabul Wanlopsirinan, 0.0038% <u>Director</u> Mr. Veeravat Limthornbenjaphol																																												
- Type of business	: Property development																																												
- Past/existing project	: None																																												
Measures for conflict of interest prevention	: Key details are as follows: 1. 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. 2. Sirinthip certifies that it does not own any pieces of land other than the land lots indicated hereunder: <table border="1" data-bbox="651 1547 1385 1964"> <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">Total</td> <td>88</td> <td>3</td> <td>64.2</td> </tr> </tbody> </table>	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	Total			88	3	64.2
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	<p>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.</p> <p>4. 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 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”) between Sirinthip Karn Keha Co., Ltd. (“Sirinthip”) and Golden Wattle Assets Co., Ltd. (“Golden Wattle”)

MOA signing date	: July 3, 2017																																							
Information on Golden Wattle																																								
- Shareholders/Persons with control authority as at April 30, 2019 (Source: http://corpus.bol.co.th)	: 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"> Golden Wattle 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 1518 1385 1886"> <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="3">Total</td> <td>66</td> <td>1</td> <td>44.2</td> </tr> </tbody> </table> In the event that Golden Wattle 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 Wattle has the only 	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	Total			66	1	44.2
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	<p>right to sell such land and, in this respect, must comply with the conditions under Clause 3.</p> <p>3. In the event that Golden Wattle 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 Wattle may then sell the land to a third party at a price not lower than the price offered to the Company.</p> <p>4. 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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(3) Draft of the land sale and purchase agreement between the Company and Golden Wattle

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	:	<p>The Seller agrees to sell and the Purchaser agrees to buy three plots of land with a total area of 45-0-13.78 rai, located in Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province, as follows:</p> <ol style="list-style-type: none"> 1. Land under title deed No. 5073 (partial), located in Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province, with a total area of 36-1-95.48 rai or 14,595.48 square wah; 2. Land under title deed No. 54690, located in Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province, with a total area of 6-3-74.50 rai or 2,774.50 square wah; and 3. Land under title deed No. 56997, located in Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province, with a total area of 1-2-43.8 rai or 643.80 square wah.
Sale and purchase price	:	<p>The total price of land is Baht 450,344,500.</p> <p>If it appears later that the actual land area is larger or smaller than the area specified in the title deeds of land being sold or purchased, the counterparties agree to calculate the price of the increased or decreased land portion at Baht 25,000/square wah and to add or deduct the aforementioned land price by such increased or decreased amount.</p>
Price settlement	:	<p>The Purchaser agrees to settle the sale and purchase price to the Seller under the following terms of payment:</p> <ol style="list-style-type: none"> 1) Payment at 10% of the sale and purchase price, equivalent to Baht 45,034,450, 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 90%, equivalent to Baht 405,310,050, on the date of registration of land ownership transfer as follows: <ul style="list-style-type: none"> - The first portion of 20% of the sale and purchase price or Baht 90,068,900 by cahsier’s cheque; and

		<p>- The second portion of 70% of the sale and purchase price or Baht 315,241,150 by promissory note with aval from a commercial bank or promissory note issued by the Company to Golden Wattle with one-year maturity from the date of land ownership transfer.</p> <p>The registration of land ownership transfer shall be made at Pathum Thani Land Office within three 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.</p>
Duties of the Seller	:	<ul style="list-style-type: none"> - 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 three 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 transferee at least seven days ahead of the date of transfer. - The Seller agrees to complete the filling of land to be sold and purchased within six months from the date of deposit payment by the Purchaser or such other date as later agreed upon by both parties.
Tax, fee, and other expenses related to the ownership transfer	:	<p>Both parties agree to pay tax, fee, and other expenses related to the ownership transfer as follows:</p> <ol style="list-style-type: none"> 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	:	<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 Attachment 1.

2.3 Reasonableness of the transaction

2.3.1 Objective and necessity of the transaction

The Company will purchase from Golden Wattle three adjoining plots of vacant land with a total area of 45-0-13.78 rai or 18,013.78 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. Sena Grand Home consists of four existing residential projects, namely Sena Grand Home Phases 1 - 4, developed during 2009 - 2012. Those projects are residential projects offering twin and single houses for sale at Baht 3 million - Baht 7 million per unit. Another project, Phase 5, is Sena Grand Home Rangsit - Tiwanon which is currently developed by the Company 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.

The Company will develop the land to be acquired into a horizontal residential project which is in line with its 2020 business plan in a bid to expand the horizontal project portfolio. The Company envisions the potential to develop a project on this land, which is located in the same area as its existing project where there is a potential for developing into a residential project. The Company has successfully developed four existing horizontal residential projects in this location in the brand of Sena Grand Home and has the fifth project still under development which was started in 2018 with pre-sale of the first phase launched in September 2019 which has received good feedback from the customers and interested buyers.

Nonetheless, according to the database of the interested buyers who visited Sena Grand Home Rangsit - Tiwanon Project, a large number of them prefer to buy a house at a medium-to-low price range and could not afford the high price range of this project. Besides, due to financial institutions' more stringent mortgage lending policy, some customers have become less able to access such loans or have obtained a smaller amount of loan. The Company thus plans to develop a new horizontal residential project on the land to be acquired, which is located on the opposite side of Sena Grand Home Rangsit - Tiwanon Project which is currently being offered for sale. The new project will feature altogether 329 units of townhouses, twin houses, and single houses; divided into 321 units of townhouses and twin houses with an area of 29 - 38 square wah per unit at the average price of Baht 3.5 million - Baht 5.2 million per unit, and eight single houses with an area of 72 square wah per unit at the average price of Baht 8 million per unit. This project will enable the Company to serve a larger number of customers in middle-income group, who prefer to buy a house at a price range of Baht 3 million - Baht 5 million per unit, which will result in the customer base expansion. The purchase of this land will enable the Company to diversify risk from its current real estate business, by reducing its reliance on revenues from the vertical project development, notably condominiums which are facing fierce competition and a slowdown. It is considered a conservative business diversification in terms of both construction investment and marketing competition.

The development of a continuing project in the same compound as its existing project 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 as the Company will have additional project in the same area. This will enable the contractor to reduce certain expenses 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. Also, the Company will generate more revenue from real estate development which will lead to a favorable return for the Company and its shareholders in the future.

The Company will acquire three plots of land from Golden Wattle with a total area of 45-0-13.78 rai or 18,013.78 square wah at Baht 450,344,500 or Baht 25,000 per square wah, which is 1.96% lower than the average appraised value by the two independent valuers of Baht 25,500 per square wah. In addition, the Company has received favorable terms of payment from Golden Wattle, as it could issue a promissory note with one-year maturity and interest-free as partial payment for the land, thus leading to better liquidity management.

2.3.2 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 the current circumstances, land prices have exorbitantly increased and it becomes more difficult to acquire a large adjoining plot of land, particularly in the urban area. The Company therefore needs to be more careful in land purchase and confident in the potential of land in any such area, and must ensure the developed projects could properly address consumer demand.

By entering into the land acquisition from Golden Wattle in this transaction, the Company will have additional land bank available for continuous property development. This investment will be made in the core business in which it has years-long expertise and experience. The Company will acquire land in Sena Grand Home Project, Bang Bua Thong - Bang Phun Road, Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province, which is opposite to the currently developed Sena Grand Home Rangsit - Tiwanon Project (Phase 5). The total land area of 45-0-13.78 rai or 18,013.78 square wah is considered suitable for horizontal property development and in line with the Company's strategy which focuses on real demand segment. The Company has a plan to develop the said land into a housing project of altogether 329 units, divided into 321 units of townhouses and twin houses with an area of 29 - 38 square wah per unit and eight single houses with an area of 72 square wah per unit, with common facilities such as public park, mini-park, club house, and so on. It is expected that the project will be continuously developed over the next three years.

1.2) Suitable location of the land

The land to be acquired from Golden Wattle is located in Bang Phun area which could be accessed via a main road named 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, gas stations, office buildings, condominiums, convenient stores, commercial buildings, governmental offices, temples, garages, hotels, etc. This area has convenient transportation and is three kilometers far from the Red Line electric train (Bang Sue - Rangsit) system (under construction) and also close to two expressways, 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 development of a continuous project in the same area as the existing project

The land to be acquired from Golden Wattle is located in the same area as the currently developed Sena Grand Home Rangsit - Tiwanon Project (Phase 5) which features 88 units of houses at the price of Baht 6.99 million - Baht 15 million per unit. The Company launched a pre-sale of the first 37 units in September 2019. Currently (as of February 25, 2020), three units were sold and

transferred to the customers. The development of a new project in continuation of the existing project but of different sizes and price per unit, mostly being townhouses and twin houses at the average price of Baht 3.5 million - Baht 5.2 million per unit, will allow the Company's overall portfolio to have products in various price ranges to more extensively cater to customer needs. In addition, the development of a continuing project located in the same compound as its existing project will allow the Company to more easily and conveniently manage this project and be able to share resources in project operation such as sales staff and sales office related expenses. Moreover, in developing a larger project in the same period of time and area as the existing project, the Company will have stronger bargaining power for price of a greater amount of construction materials and the construction fee of contractor from the decrease in certain fixed costs such as cost of construction and relocation of worker camp, cost of machinery and equipment removal, etc. Further, it will help to save some investment costs by sharing resources of the existing project such as construction costs of road and public park in front of the project, leading to a more worthwhile investment. Also, it will save fixed cost per unit such as security guard fees, maintenance fees for public park and road, and public utilities fees, resulting in a drop in unit cost and a higher return and profit.

1.4) Opportunity to expand customer base

The Company will be able to expand its customer base from a greater penetration into middle-income customer segment through the development of continuous housing project from the currently developed Sena Grand Home Rangsit - Tiwanon Project (Phase 5). The new project will feature townhouses, twin houses and single houses of a smaller size and cheaper price per unit than the previous project because the Company envisions the potential to reach target customers who prefer to buy a house at a price range of Baht 3 million - Baht 5 million per unit. Based on the competitive edge and the database on interested buyers who visited the existing project and prefer to buy a house in this location and this favorable environment but unable to afford the high price range of the existing project, the acquisition of this land will enable the Company to have sufficient land bank for the new housing project development of a smaller size and cheaper price per unit to better cater to needs of middle-income group of customers, hence an opportunity for the Company's customer base expansion.

1.5) Diversification of risk in property development business

The Company and its subsidiaries generate revenues primarily from residential property development for sale. In 2019, their revenues from sales of real estate projects made up about 71% of total revenues, divided into revenues from sales of vertical projects of approximately 55% of total revenues and revenues from sales of horizontal projects of around 16% of total revenues. The remainder of 29% came from rental and service income, solar revenues, and others.

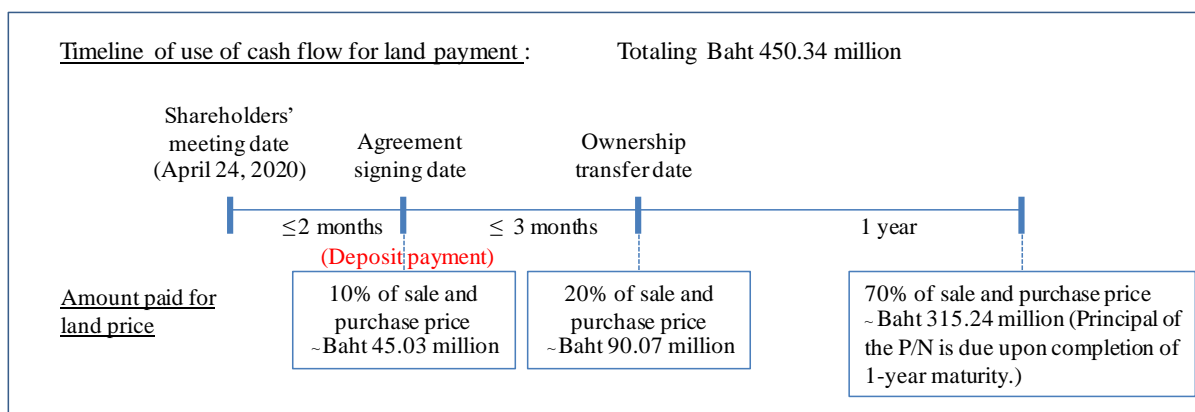
Nonetheless, the current real estate market, particularly condominium, has been on a downward trend in terms of both local and overseas supply and demand. This is ascribed to the diminishing purchasing power of both buyers with real residential demand and buyers for investment purpose, triggered by various discouraging factors such as the economic slowdown at home and overseas, the baht appreciation, commercial banks' more stringent mortgage lending policy (post finance), etc. The Company places importance not only on self-adjustment according to market condition but also on market research, study of urban development direction, analysis of consumer needs and competitors, and fine-tuning of strategies to properly and efficiently respond to customer needs. In 2020, the Company will continue its strategic focus from 2019 on the real residential demand segment and the horizontal property development at competitive price.

The purchase of land from Golden Wattle will enable the Company to achieve its horizontal property development plan and diversify risk from its current real estate business by reducing its reliance on revenues from the vertical projects, notably condominiums 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 is considered a conservative risk diversification in terms of both investment and marketing competition.

1.6) *Better liquidity management from favorable terms of payment*

The Company will benefit from the terms of payment for the land. Instead of making cash payment in full amount upfront, the Company is allowed to pay 70% of the sale and purchase price on the date of ownership transfer by promissory note with aval from a commercial bank or promissory note issued by the Company with maturity of one year from the ownership transfer date and interest-free. This will enable the Company to enhance its liquidity management and save interest expenses over such one-year period, compared with the average loan rate currently received by the Company from financial institutions (as at February 15, 2020) of 4.75% p.a. or the average MLR of large commercial banks (KTB, BBL, KBANK and SCB) of 5.8875% p.a.



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

The purchase of land from Golden Wattle for horizontal residential property development in form of twin houses and townhouses, with expected development period from July 2020 to May 2023 and total project value of Baht 1,326.50 million, 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 2019, total revenues of the Company and its subsidiaries amounted to Baht 5,297.59 million, consisting mainly of revenues from sales of horizontal and vertical projects of Baht 3,769.62 million, revenues from rental and services of Baht 1,272.58 million, revenues from solar business of Baht 98.29 million, and other revenues of Baht 157.10 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 Wattle at a total value of Baht 450,344,500, the Company will place a deposit at 10% of the sale and purchase price or equal to Baht 45,034,450 on the date of land sale and purchase agreement signing (which will take place within two months from the date of obtaining approval from the 2020 Annual General Meeting of Shareholders to be held on April 24, 2020), and will pay the remaining amount of Baht 405,310,050 on the date of ownership transfer (which will take place within three months from the date of land sale and purchase agreement signing or such other date as mutually agreed upon by both parties), divided into the first portion of 20% of the sale and purchase price or equal to Baht 90,068,900 by a cashier's cheque and the second portion of 70% of the purchase price or equal to Baht 315,241,150 by promissory note with aval from a commercial bank or interest-

free promissory note issued by the Company with maturity of one year from the date of ownership transfer. Funding for entering into this transaction and project development 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 582.54 million) and interest expenses (total interest expenses for the project of about Baht 11.17 million, assuming an interest rate of 4.50% p.a.).

As of December 31, 2019, the Company and its subsidiaries recorded total liabilities of Baht 8,596.06 million, shareholders' equity of Baht 6,502.08 million, and debt to equity ratio of 1.32 times. It is expected that the entering into this transaction with Golden Wattle, including the purchase of land located on Ram Inthra Road from Sinsap Thanya and the investment in property development on those land plots, will lead the Company to incur additional debts of roughly Baht 1,120.97 million. 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. The raising of loans from financial institutions for the purchase of land from Golden Wattle in a total amount of around Baht 582.54 million (roughly 70% of the land purchase price plus related construction cost) and loans from financial institutions for the purchase of land from Sinsap Thanya in a total amount of around Baht 538.43 million (roughly 70% of the land purchase price plus related construction cost) will push the debt to equity ratio up to 1.49 times (based on the projection of additional debts arising from loans and shareholders' equity as of December 31, 2019). Such increased debts will not cause its debt to equity ratio to exceed 2.50 times as 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 three years (2020 - 2022), the Company will have sufficient cash flow for repayment of debts incurred for such 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 Wattle into a real estate project, consisting of 329 units of townhouses, twin houses, and single houses, which will increase the supply of horizontal properties in the same area as the project currently developed by the Company. Nonetheless, the said project development will feature a smaller size of houses than the existing project, mostly comprising about 321 units of twin houses and townhouses. This project will focus on customers who prefer to buy a house at a price range of Baht 3 million – Baht 5 million per unit and the selling price of houses in this project is cheaper than the existing project. As such, it will not compete with the existing project currently developed by the Company, but will offer more products to serve the unmet demand from consumers who do not have high purchasing power and cannot afford to buy houses in the existing project 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 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 24 months from July 2020 to June 2022. 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 will begin in January 2021 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

In entering into this transaction, the Company will acquire from Golden Wattle three plots of land in Sena Grand Home Bang Bua Thong - Bang Phun Project, Pathum Thani Province, which consists of Sena Grand Home Phases 1-4 developed during 2009 - 2012 and Sena Grand Home Rangsit - Tiwanon in Phase 5 which is under development. Those projects have proven to be a success and helped to enhance the Company's reputation. The acquisition of land in the area where the Company has years-long expertise and experience in property development and sales, coupled with the availability of database on market and target segment, will lead to the Company's competitive edge in that location. Besides, the acquisition of land located in the same area as the existing project which has a complete road and improved landscape from the entrance to the acquired land, thus making it a nice, shady and livable place, will enable the project to be more attractive to interested buyers in this area. Moreover, the continuous project development in the same area as the existing project currently developed by the Company will enable the Company to achieve optimum synergy, leading to a larger project in the same 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. Compared with a similar transaction made with a third party, it is impossible to acquire a large land lot owned by a third party which is connecting with or in the same area as the existing land of the Company and can be combined into one piece of land for project development.

The acquisition of land from Golden Wattle 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 similar to the land to be purchased under the aforementioned transaction.

Moreover, the land plots to be acquired by the Company from Golden Wattle are bound under the conditions in the memorandum of agreement between the Company and Golden Wattle dated July 3, 2017. In the event that Golden Wattle 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 Wattle 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 Wattle 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 transaction price for the land acquisition from Golden Wattle 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 Golden Wattle and found that the development of a townhouse, twin house and single house project will provide a project's IRR in the base case and the sensitivity analysis case of 42.59% and 31.83% 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 5.31% per year and also higher than the average loan interest rate of the project of 4.61% 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 Golden Wattle at a total value of Baht 450,344,500. Funding for such land acquisition transaction will come from self-financing and loans from financial institutions. The Company will offer those land lots 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, 2019, the Company has cash and cash equivalents of Baht 1,186.69 million and cash flow from EBITDA in 2019 of approximately Baht 1,471.53 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 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 three plots of land with a total area of 45-0-13.78 rai or 18,013.78 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 Wattle, which is a connected person of the Company, at a total price of Baht 450,344,500, which is not higher than the average appraised value by two independent valuers, details of which are as follows:

1. Land under title deed No. 5073 (partial) with a total area of 36-1-95.48 rai or 14,595.48 square wah at a purchase price of Baht 364,887,000 or Baht 25,000 per square wah;
2. Land under title deed No. 54690 with a total area of 6-3-74.50 rai or 2,774.50 square wah at a purchase price of Baht 69,362,500 or Baht 25,000 per square wah; and
3. Land under title deed No. 56997 with a total area of 1-2-43.80 rai or 643.80 square wah at a purchase price of Baht 16,095,000 or Baht 25,000 per square wah.

The Company assigned two SEC-approved independent valuers, Bangkok Property Appraisal Co., Ltd. ("BKKPA") and T.A. Management Corporation (1999) Co., Ltd. ("TA"), to appraise such land. The appraised price by the two valuers is equal to Baht 25,000 and Baht 26,000 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	25,000	25,500	25,000	(500.00)
2. TA	Market Approach	26,000			

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 TA is equal to Baht 25,000 and Baht 26,000 per square wah respectively, representing an average of Baht 25,500 per square wah. Therefore, the transaction price for the land acquisition from Golden Wattle, which is lower than the average appraised value by the two independent valuers, **is considered reasonable.**

Summary of land appraisal

The assets appraised by the independent valuers are three plots of vacant land, comprising land under title deed No. 5073 (partial) with an area of 36-1-95.48 rai or equal to 14,595.48 square wah, land under title deed No. 54690 with an area of 6-3-74.50 rai or equal to 2,774.50 square wah, and land under title deed No. 56997 with an area of 1-2-43.80 rai or equal to 643.80 square wah. The three plots of land are connecting, with one side being next to the road in Sena Grand Home Project, Bang Bua Thong - Bang Phun Road. Such project road is a private road (under right of way) already registered the right of servitude with respect to walkway, driveway, and public utility systems. The land is at Km. 18+200 from 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 26, 2020 and TA's report dated January 31, 2020, prepared for market value measurement and for public purpose, the land appraisal can be summed up as follows:

Appraisal method	Description of appraised assets	Owner	Appraised value by independent valuer	
			BKKPA	TA
Market Approach	<ul style="list-style-type: none"> - Three plots of land under title deeds no. 5073 (partial), 54690 and 56997, with a total area of 45-0-13.78 rai or 18,013.78 square wah - The land is in Sena Grand Home Project, Bang Bua Thong - Bang Phun Road, Km. 18+200 (Highway 345), Bang Phun Sub-District, Mueang Pathum Thani District, Pathum Thani Province. - The assets include three connecting plots of land, having triangular-like shape, two sides of which are adjacent to the road with the frontage adjacent to Sena Grand Home Project's road. The land has flat area and has already been improved and filled, slightly lower than the road level. 	Golden Wattle	Baht 450,345,000 (Baht 25,000/sq. wah)	Baht 468,358,280 (Baht 26,000/sq. wah)

Appraisal method	Description of appraised assets	Owner	Appraised value by independent valuer																					
			BKKPA	TA																				
	Government land value appraisal	Total government land appraised value is Baht 217.80 million.																						
		<table border="1"> <thead> <tr> <th>Title deeds No.</th> <th>Land area (sq. wah)</th> <th>Government land appraised value (Baht/sq. wah)</th> <th>Total (Baht)</th> </tr> </thead> <tbody> <tr> <td>5073 (partial)</td> <td>14,595.48</td> <td>11,000.00</td> <td>160,550,280</td> </tr> <tr> <td>54690</td> <td>2,774.50</td> <td>17,500.00</td> <td>48,553,750</td> </tr> <tr> <td>56997</td> <td>643.80</td> <td>13,500.00</td> <td>8,691,300</td> </tr> <tr> <td>Total</td> <td>18,013.78</td> <td>Avg. 12,090.48</td> <td>217,795,330</td> </tr> </tbody> </table>	Title deeds No.	Land area (sq. wah)	Government land appraised value (Baht/sq. wah)	Total (Baht)	5073 (partial)	14,595.48	11,000.00	160,550,280	54690	2,774.50	17,500.00	48,553,750	56997	643.80	13,500.00	8,691,300	Total	18,013.78	Avg. 12,090.48	217,795,330		
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Total	18,013.78	Avg. 12,090.48	217,795,330																					

Appraisal by BKKPA

BKKPA appraised the property, which is a vacant land, by the **Market Comparison Approach**.

The market approach is a method used for property valuation through comparison of the appraised item with other plots of land that were actually sold and purchased in nearby areas, based on relevant factors such as location, town plan, land area, and so on. The property value is then analyzed, using appropriate methods such as Sale Adjustment-Grid Method, Weight Quality Score (WQS), etc.

Since some variables of the market data adopted in the appraisal were different from those of the appraised property and would affect the property value, BKKPA therefore employed the weighted quality scores (WQS) in adjustment for factors such as location, transportation, public utilities, optimum land use, physical condition of land, land shape, land use restrictions, and accessibility. 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 five plots of land nearby and selected three of them which had sale and purchase prices and/or expected sale prices ranging from Baht 15,000 to Baht 40,000 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
Type of property	Vacant land	Vacant land	Vacant land	Vacant land	Vacant land	Vacant land
Location	Road in Sena Grand Home Project	Bang Bua Thong - Bang Phun Road (Highway 345)	Rangsit - Pathum Thani Road (Highway 346)	Liap Khlong Prem Prachakon Road	Bang Kudi Thong Road	Bang Kadi Sai Nai Road
Land area (raingan-sq. wah)	45-0-13.78 rai (18,013.78 sq. wah)	3-1-19.0 rai (1,319.0 sq. wah)	45-2-71.0 rai (18,271.0 sq. wah)	33-0-00.0 rai (13,200.0 sq. wah)	20-1-32.0 rai (8,132.0 sq. wah)	12-1-89.0 rai (4,989.0 sq. wah)
Land shape	Triangle-like	Rectangular	Polygonal	Rectangular	Polygonal	Polygonal
Frontage x depth (meter)	Frontage: 374 meters	Frontage: 32 meters	Frontage: 335 meters	Frontage: 114 meters	Frontage: 12 meters	Frontage: 73 meters

Particulars	Appraised property	Comparable data				
		Data 1	Data 2	Data 3	Data 4	Data 5
Land level	Approx. 0.30 meter lower than road level	Approx.1.50 meters lower than road level	Approx. 1.00 meter lower than road level	Approx. 1.50 meters lower than road level	Approx. 1.00 meter lower than road level	Approx. 1.00 meter lower than road level
No. of sides facing a road	2 sides	1 side	1 side	1 side	1 side	1 side
Type of road (surface)	Reinforced concrete	Asphalt	Asphalt	Asphalt	Asphalt	Asphalt
Width/Right of way (meter)	12/24 meters	18/60 meters	18/50 meters	6/70 meters	6/12 meters	6/12 meters
Public utilities	Electricity, water supply, telephone, drainage pipe and walkway	Electricity, water supply, telephone, and drainage pipe	Electricity, water supply, telephone, and drainage pipe	Electricity, water supply, and telephone	Electricity, water supply, and telephone	Electricity, water supply, and telephone
Town plan	Community area	Community area	Community area	Community area	Industrial and warehouse	Community area
Relevant laws	Building Control Act	Building Control Act	Building Control Act	Building Control Act	Building Control Act	Building Control Act
Optimum land use	Residential	Commercial	Residential	Residential	Residential	Residential
Development potential	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate
Land price (Baht/sq. wah)	-	Baht 45,000/sq. wah	Baht 40,000/sq. wah	Totaling Baht 231,000,000 or Baht 17,500/sq. wah	Baht 15,000/sq. wah	Baht 12,000/sq. wah
Status	-	Offered for sale	Offered for sale	Offered for sale	Offered for sale	Offered for sale
Date of data survey	-	January 2020	January 2020	January 2020	January 2020	January 2020

BKKPA considered relevant information and selected three plots of land nearby the appraised property, consisting of vacant land on Rangsit - Pathum Thani Road (Highway 346) (Data 2), vacant land on Liap Khlong Prem Prachakon Road (Data 3), and vacant land on Bang Kudi Thong Road (Data 4), for comparison with the appraised property can be summarized as follows:

Variables	Comparison of difference between market data and appraised property		
	Data 2	Data 3	Data 4
Location	Superior	Inferior	Inferior
Transportation	Superior	Inferior	Inferior
Public utilities	Similar	Inferior	Inferior
Optimum land use	Superior	Inferior	Inferior
General physical condition	Inferior	Inferior	Inferior
Land shape	Similar	Similar	Inferior
Land use restrictions	Similar	Similar	Similar
Accessibility	Superior	Inferior	Inferior

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

Compared factor	Scoring (%)	Appraised property	Comparable data		
			Data 2	Data 3	Data 4
Land area (sq. wah)		18,013.8	18,271.0	13,200.0	8,132.0
Location	20	6	8	5	5
Transportation	15	6	7	5	4

Compared factor	Scoring (%)	Appraised property	Comparable data		
			Data 2	Data 3	Data 4
Public utilities	15	7	7	6	6
Optimum land use	15	6	7	5	5
General physical condition	15	7	4	4	5
Land shape	10	5	5	5	4
Land use restrictions	5	6	6	6	6
Accessibility	5	6	8	5	5
Total	100	6.20	6.55	5.05	4.95

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 2	Data 3	Data 4
Land area (sq. wah)	18,013.8	18,271.0	13,200.0	8,132.0
Offered selling price (Baht/sq. wah)	(Baht)	40,000	17,500	15,000
Negotiated price / discount	(%)	-15%	-3%	-3%
Net price	(Baht)	34,000	16,975	14,550
Weighted score	6.20	6.55	5.05	4.95
Adjustment ratio	Average	0.94656	1.22772	1.25253
Base price	23,749	32,183	20,841	18,224
Comparable weight	100%	44%	29%	27%
Comparable value	25,072	14,032	6,065	4,975
Market value of property	25,000	(Baht/sq. wah)		

After adjustment for factors and quality, the three plots of land totaling 18,013.78 square wah (45-0-13.78 rai) were appraised at **Baht 25,000 per square wah**, or equal to the total value of Baht 450,344,500, **rounded off to Baht 450,345,000**.

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. Besides, by comparing with the appraised price derived from the hypothetical development approach which BKKPA used as a basis for reviewing the property value, it is found that the appraised prices from both methods do not significantly differ from each other.

Appraisal by TA

TA 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.

Since some variables of the market data adopted in the appraisal were different from those of the appraised property and would affect the property value, TA therefore 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, TA surveyed market data on lands nearby and selected four of them which had sale and purchase prices ranging from Baht 11,250 to Baht 40,000 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	Bang Bua Thong - Bang Phun Road (Highway 345)	Bang Bua Thong - Bang Phun Road (Highway 345)	Rangsit - Pathum Thani Road (Highway 345)	Liap Khlong Prem Prachakon Road	Soi Un Suk
Land area (rai)	45-0-13.78	5-5-20	45-0-0	33-0-0	21-0-0
Land area (square wah)	18,013.78	2,220	18,000	13,200	8,400
Land shape	Triangle-like	Rectangular	Polygonal	Polygonal	Polygonal
Frontage x depth	Frontage: 356.00 meters	Frontage: 50.00 meters	Frontage: 330.00 meters	Frontage: 80.00 meters	Frontage: 100.00 meters
Land level	Slightly lower than road level	Same as road level	Unfilled, approx. 0.80 - 1.00 meter lower than road level	Unfilled, approx. 0.80 - 1.00 meter lower than road level	Unfilled, approx. 0.80 - 1.00 meter lower than road level
No. of sides facing a road	2 sides	1 side	1 side	1 side	1 side
Type of road (surface)	Reinforced concrete, 12.00 meters	Asphalt, 40.00 meters	Asphalt, 40.00 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	Residential and commercial	Residential and commercial	Residential and commercial	Residential and commercial

Particulars	Appraised property	Comparable data			
		Data 1	Data 2	Data 3	Data 4
Development potential	Moderate	Moderate	Moderate	Moderate	Moderate
Land price (Baht/sq. wah)	-	35,000.00	40,000.00	17,500.00	11,250.00
Status	-	Sale and purchase price at the beginning of 2017	Offered for sale	Offered for sale	Offered for sale
Date of data survey (offered selling price)	-	January 13, 2020	January 13, 2020	January 13, 2020	January 13, 2020

TA 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 on Rangsit - Pathum Thani Road (Highway 345), vacant land on Liap Khlong Prem Prachakon Road, and vacant land on 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	Superior	Superior	Similar	Inferior
Physical condition	Similar	Similar	Inferior	Inferior
Road	Superior	Superior	Similar	Inferior
Public utilities	Similar	Similar	Similar	Inferior
Environment	Similar	Similar	Similar	Inferior
Land use	Similar	Similar	Similar	Inferior
Development potential	Similar	Similar	Similar	Inferior
Growth potential	Similar	Similar	Similar	Inferior
Conclusion	Superior	Superior	Similar	Inferior

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

Compared factor	Scoring (%)	Comparable data				Appraised property
		Data 1	Data 2	Data 3	Data 4	
1. Location	10	8	8	7	5	7
2. Accessibility	10	8	8	7	5	7
3. Parcel point	10	8	8	7	5	7
4. Shape and size	30	6	7	6	6	6
5. Physical condition	10	5	5	5	5	7
6. Infrastructure	10	7	7	6	5	7
7. Environment	10	6	6	6	5	7
8. Optimum land use	5	7	7	6	5	7
9. Growth potential	5	7	7	6	5	7
Total	100	670	700	620	530	670

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
	Data 1	Data 2	Data 3	Data 4	
Offered selling price (Baht/sq. wah)	35,000.00	40,000.00	17,500.00	11,250.00	
Reasonable price	35,000.00	38,000.00	16,625.00	10,687.50	
Weighted score	670	700	620	530	670
Adjustment ratio	1.0000	0.9571	1.0806	1.2642	1.0000
Adjusted price	35,000.00	37,137.14	18,343.95	13,795.05	
Significance level of comparison	0.25	0.25	0.25	0.25	1
Comparable value	8,750.00	9,284.29	4,585.99	3,448.76	26,069.04
Market value of property (Baht/sq. wah)				(rounded off)	26,000.00

After adjustment for factors and quality, the three plots of land totaling 18,013.78 square wah (45-0-13.78 rai) were appraised at **Baht 26,000 per square wah, or equal to Baht 468,358,280.**

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 TA 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. Besides, by comparing with the appraised price derived from the residual approach which TA used as a basis for reviewing the appraised property value, it is found that the appraised prices from both methods do not significantly differ from each other.

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

We are of the opinion that land appraisal based on the government appraisal price, determined by the Treasury Department, cannot reflect a true market value of the property. However, the government appraisal value can be used as a minimum benchmark for estimating land value for the purposes of collection of property sale tax, stamp duty and fee for registration of rights and juristic acts. In our opinion, 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 three plots of land, 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, with a total area of 45-0-13.78 rai or 18,013.78 square wah from Golden Wattle for development into a real estate project for sale in the name of Sena Village Project.

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 projects that are similar to the previous projects 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 Village Project is a horizontal residential project, consisting of 329 units of two-storied townhouses, twin houses, and single houses, with a total land area of 11,303 square wah. Each unit has a land area of about 30 - 58 square wah with function area of 87 - 110 square meters. Construction is scheduled to commence in July 2020 and sales will be launched in December 2020. Income recognition will begin in January 2021 (the project period will start in July 2020 and end in May 2023). The Company has prepared a cash flow projection to estimate cash inflow-outflow of the project, with a sale and transfer period of about three years 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, at Baht 4.61 million per unit. The average number of units sold is projected at 8 - 12 units per month. Sales will be launched in December 2020. A horizontal project usually is developed and sold in phases, whereby construction is gradually completed with housing units available for sale in each phase. There are a selection of both ready-for-transfer/move-in units and units under gradual construction for customers to choose from.

Here is the forecast of number of housing units sold per month:

	December 2020 - December 2021	January 2022 - May 2022	June - December 2022	January 2023 - April 2023	May 2023
Average number of housing units sold (unit/month)	12	11	10	10	8

The housing units projected to be sold between December 2020 and December 2022 will consist of townhouses and twin houses and those to be sold in 2023 will include single houses, townhouses and twin houses. There will be a total of eight single houses which, according to the business plan, will be sold towards the end of the project development period, by an average of 1-2 units per month in 2023. In our opinion, the assumption on number of housing

units sold per month and the sale period of three years is appropriate and likely viable since it is projected based on the Company's experience in sales and development of horizontal projects of the same grade as the projects currently developed by the Company.

Revenues from sales of housing 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 will begin in January 2021.

We are of the opinion that the assumptions used by the Company for revenues projection, comprising project period, average number of units sold, construction period, and transfer period, based on the Company's experience in horizontal project development are considered viable on a conservative basis. Moreover, the estimated selling price is considered viable because it is in the market price range of similar residential properties nearby the new project of the Company, as follows:

No.	Project name	Location	Type of project	Selling price (Baht million)
1	Verve Bang Poon	Tiwanon (Bang Kadi) Road	Townhouse	3.8
2	Siri Place	Rangsit - Pathum Thani Road	Townhouse	2.79 - 3.49
3	Pruksa Ville	Rangsit - Pathum Thani Road	Townhouse	2.3 - 2.7
4	Modi Villa	Rangsit - Pathum Thani Road	Townhouse	3.29
5	Perfect Park	Rangsit - Pathum Thani Road	Twin house	3.99
6	Venue Bang Poon	Tiwanon (Bang Kadi) Road	Twin house	3.99
7	Supalai Garden Ville	Rangsit - Nakhon Nayok Road	Twin house	3.70
8	J Villa	Rangsit - Nakhon Nayok Road	Twin house	3.99

Source: Market price survey by the Company

2) Costs of project

Costs of Sena Village Project are composed of cost of land, cost of house construction, cost of public utilities and common area construction, contingency cost, designing and permit application fee, and relevant fees, details of which are as follows:

- Cost of land with an area of 45-0-13.78 rai or 18,013.78 square wah is estimated at Baht 454.85 million, consisting of land to be acquired in this transaction of Baht 450.34 million and a transfer fee (1.0% of sale and purchase price) of Baht 4.50 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/or stamp duty will be borne by Golden Wattle as the seller.
- Cost of house construction is estimated at Baht 343.47 million with total construction area of 32,522.82 square meters, equivalent to an average construction cost of Baht 10,560.97/square meter, which is in line with the cost of construction of horizontal projects of the same grade as the projects currently developed by the Company.
- Cost of public utilities and common area construction, consisting of project road, club house and juristic person office, public park and mini-park, sample house decoration, and relevant public utilities of the project, is estimated at Baht 38.38 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.

- Contingency cost is estimated at 1% of cost of house construction and cost of public utilities and common area construction.
- Designing and permit application fee is estimated at Baht 4.29 million, comprising project designing fee of Baht 1 million in total or Baht 3,040/unit; and housing estate permit, construction permit, survey and title deed separation, and authority contact expenses of Baht 3.29 million or Baht 10,000/unit.
- Relevant fees are estimated at Baht 4.83 million, comprising front-end fee, promissory note aval fee, and mortgage registration fee.

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 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 2% of revenues from sales.
- 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 before obtaining land development permit in 2020, land tax will be at 0.30% of land value. After obtaining the permit, land tax will be at 0.03% of land value and house for sales. This is based on the Royal Decree on Land and Building Tax Reduction B.E. 2563, i.e. horizontal residential property development shall be eligible for land tax reduction at the rate of 90% for a maximum period of three years after obtaining the land development permit, or a decrease from tax rate of 0.30% to 0.03%.
- 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 project which incurs 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 1 million 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 4.50% p.a., based on loan interest rate of financial institution expected by the Company.

Discount rate

The discount rate used for estimating present value of net cash flow of the project is equal to 5.31%, which is derived from the project's weighted average cost of capital (WACC). The formula for WACC calculation is as follows:

Calculation of WACC:

$$WACC = K_e(E/V) + K_d(1-t)(D/V)$$

$$K_e = \text{Return on equity, equal to 9.10\%}$$

$$K_d = \text{Average cost of borrowing of the project, equal to 4.61\% per year, based on loan interest rate of financial institution of 4.50\% p.a. and front-end fee of 0.25\% of loan amount of the project}$$

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

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

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

$$V = D + E$$

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 three years as of February 14, 2020 (which is consistent with the project period), equal to 0.94% (source: www.thaibma.or.th)

Beta (β) Variance of SET return compared with closing price of SENA shares over the past three years, equal to 0.945 (source: Bloomberg as of February 14, 2020, 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 1995 to January 2020), equivalent to 9.57%

Present value of net cash flow and IRR

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

Unit: Baht	2020	2021	2022	2023
Cash inflow	2,400,000	576,000,000	510,100,000	238,000,000
Cash outflow				
- Cost of land	139,606,795	315,241,150	-	-
- Cost of construction	115,802,568	183,145,601	86,726,847	-
- Designing and permit application fee	2,325,676	812,824	812,824	338,676
- Marketing and administrative expenses and relevant fees	14,031,017	45,111,876	40,786,035	18,636,042
Income tax	-	-	-	70,390,399
Total cash outflow	271,766,057	544,311,450	128,325,706	89,365,117
Interest expenses x (1- income tax rate)	842,722	4,328,227	3,765,112	-
Net cash flow	(268,523,335)	36,016,777	385,539,407	148,634,883
Present value of net cash flow	(262,869,944)	33,321,851	338,701,279	127,811,647
Total present value of net cash flow	236,964,833			
IRR per year	42.59%			

From the above projection for Sena Village Project and using the project's WACC of 5.31% as a discount rate, we have estimated the net present value of free cash flow of the project at Baht 236.96 million with an IRR of 42.59% per year, which is higher than the project's WACC and also higher than the estimated average borrowing cost of the project of 4.61% per year.

Moreover, Sena Village Project is expected to generate a gross profit margin of 36.31%, which is considered favorable and is close to those earned by the Company from its other horizontal projects in a range of 31% - 49%.

Regarding the ongoing Coronavirus Disease 2019 (COVID-19) outbreak in Thailand, the Company predicts that it will unlikely affect the development and sale of this project because construction and sales will be gradually carried out in phases. It is projected that the first phase of housing construction will be finished and sales will be launched in December 2020 onwards, by which time it is believed Thailand should be able to contain the spreading of such disease and the overall situation will likely return to normalcy.

On a conservative basis, however, the IFA has conducted a comparative analysis in the event that the COVID-19 pandemic causes a delay in sales of the project. In a sensitivity analysis case where the projected number of housing units sold in December 2020 – December 2021 (first year of pre-sales) is revised down by 25% or by about three units per month, the end of the project period will then be extended for another five months, or from May 2023 to October 2023, to reflect concerns or impacts of the COVID-19 spreading which may trigger a slowdown in consumers' residential demand. The project's net present value and IRR in the base case and sensitivity analysis case will become as follows:

Project on land to be purchased from Golden Wattle	NPV (Baht million)	IRR (% per year)
<i>Base case</i>	236.96	42.59
<i>Sensitivity analysis case</i> Approx. 25% decrease in the projected number of units sold in first year of pre-sales	223.86	31.83

2.4.2 Fairness 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 Wattle in a total amount of Baht 450,344,500 or Baht 25,000 per square wah is lower than the appraised price 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 in line with the memorandum of agreement made between the Company and Golden Wattle 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 Wattle a deposit of 10% of the sale and purchase price, or equal to Baht 45,034,450, on the date of land sale and purchase agreement signing, which will take place within two months from the date of obtaining approval from the 2020 Annual General Meeting of Shareholders, and will pay the remaining 90% of the sale and purchase price, or equal to Baht 405,310,050, on the date of registration of land ownership transfer, divided into the first portion of 20% of the sale and purchase price, or equal to Baht 90,068,900, payable by cashier's cheque and the second portion of 70% of the sale and purchase price, or equal to Baht 315,241,150, by promissory note with aval from a commercial bank or promissory note issued by the Company to Golden Wattle with one-year maturity after ownership transfer which will take place within three months from the agreement signing date 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. Besides, the payment at 70% of the land price in the form of promissory note with aval from a commercial bank or promissory note issued by the Company with one-year maturity and interest-free resulted from negotiation with the seller in the same manner as generally conducted by persons of ordinary common sense with their counterparties. The promissory note's maturity period will be in line with project development period as planned by the Company. This will enable the Company to enhance its liquidity management and reduce burden in seeking a large amount of funding from other source or from borrowing by other means.

Moreover, the condition on aval of promissory note from a commercial bank is a normal repayment condition where lender requires strong security. On the date of issuing the said avaled promissory note, the Company will pay aval fee to the bank at a rate of about 0.75% of the amount shown on the promissory note, equal to approximately Baht 2.36 million.

- *Land filling*

Golden Wattle will complete the land filling within six months after the date the Company pays a deposit or such other date as to be agreed upon later by the two parties. The IFA views that the said condition will enable the Company to acquire a ready filled land and, therefore, be relieved from additional burden on the land filling such as estimation of amount of soils, negotiation on land filling expenses, land filling supervision, etc. The said land filling period aligns with the project development schedule of the Company. Besides, the land sale and purchase price is inclusive of land filling and is lower than the average appraised value by the independent valuers which measured the land value in a ready filled condition.

- Expenses on land ownership transfer

The land ownership transfer fee will be jointly paid by the Company and Golden Wattle, 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 Wattle, 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.

2.5 Conclusion of the IFA's opinion

The entry into the connected transaction to purchase land from Golden Wattle, located in the area of Sena Grand Home Bang Bua Thong – Bang Phun Project, Pathum Thani Province, will provide the Company with additional land for new horizontal property development. The Company envisions the potential of land in Sena Grand Home Bang Bua Thong – Bang Phun Project, which is in a prime location where it has successfully operated five projects consisting of four previous projects (phases 1-4) and phase-5 project which is under development. These projects, offering high-priced single houses and twin houses, have received positive responses from customers. The Company accordingly sees opportunity to develop a continuous project on the purchased land, which will feature townhouses, twin houses and single houses with smaller sizes and lower prices than those of the existing projects to serve middle-income group, thus enabling the Company to offer products with a wider price range for customers to choose from in the same area. Besides, due to financial institutions' more stringent mortgage lending policy, some customers have become less able to access such loans or could obtain a smaller loan amount. A cheaper residential project will therefore be another right option for them and, at the same time, allow for the Company to better cater to needs of this group 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.

The purchase of land from Golden Wattle will enable the Company to achieve its horizontal property development plan and diversify risk from its current real estate business by reducing its reliance on revenues from the vertical projects, notably condominiums which are facing fierce competition and a slowdown.

The Company will also benefit from development of a continuous project in the same area as its existing projects, which 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 terms of payment for the land purchase from Golden Wattle are considered favorable. The Company is to make a full payment for the land to Golden Wattle on the date of registration of ownership transfer, whereby it will pay 70% of the land price in the form of promissory note with one-year maturity and interest-free. This results from negotiation with the seller and will enable the Company to enhance its liquidity management and save interest expenses.

Furthermore, by entering into this transaction, the Company will be able to continuously develop a new project so as to grow its revenues and profit in the future and relatively 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 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.

The purchase price of three plots of land from Golden Wattle with a total area of 45-0-13.78 rai or 18,013.78 square wah at Baht 450,344,500 or Baht 25,000 per square wah is lower than the average appraised value by the two independent valuers. 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 Wattle into a horizontal property project for sale. The Company will earn a gross profit margin of 36.31% with the project's net present value in the base case and sensitivity analysis case of Baht 236.96 million and Baht 223.86 million respectively and IRR in the base case and sensitivity analysis case of 42.59% and 31.83% per year respectively, which is higher than the project's weighted average cost of capital and also higher than the estimated average borrowing cost of the project of 5.31% and 4.61% per year respectively. 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 Wattle, 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

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 additional land for new horizontal property development. The Company envisions the potential of land in Sena Park Residences Ramindra Project, which is in a prime location. The two projects currently operated by the Company in this area, Sena Park Grand Ramindra and Sena Park Ville Ramindra-Wongwaen offering high-priced single houses and twin houses, have received positive responses from customers. The Company accordingly sees opportunity to develop a continuous project on the purchased land, which will feature townhouses, twin houses and single houses with smaller sizes and lower prices than those of the two existing projects to serve middle-income group, thus enabling the Company to offer products with a wider price range for customers to choose from in the same area. Besides, due to financial institutions' more stringent mortgage lending policy, some customers have become less able to access such loans or could obtain a smaller loan amount. A cheaper residential project will therefore be another right option for them and, at the same time, allow for the Company to better cater to needs of this group 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.

The purchase of land from Sinsap Thanya will enable the Company to achieve its horizontal property development plan and diversify risk from its current real estate business by reducing its reliance on revenues from the vertical projects, notably condominiums which are facing fierce competition and a slowdown. The Company will also benefit from development of a continuous project in the same area as its existing projects, which 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 terms of payment for the land purchase from Sinsap Thanya are considered favorable. The Company is to make a full payment for the land to Sinsap Thanya on the date of registration of ownership transfer, whereby it will pay 50% of the land price in the form of promissory note with aval from a commercial bank or promissory note issued by the Company with one-year maturity at an interest rate of 4.50% p.a. This will enable the Company to enhance its liquidity management under the negotiation that can come up with a condition on interest rate that is considered fair and does not cause the project's rate of return to be lower than that of other projects at the same grade of the Company. Furthermore, by entering into this transaction, the Company will be able to continuously develop a new project so as to grow its revenues and profit in the future and relatively 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 rate of return on investment.

The purchase price of one plot of land from Sinsap Thanya with a total area of 43-1-47 rai or 17,347 square wah at Baht 390,307,500 or Baht 22,500 per square wah is lower than the average appraised value by the two independent valuers of Baht 23,000 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. The Company will earn a gross profit margin of 41.85% with the project's net present value in the base case and sensitivity analysis case of Baht 290.50 million and Baht 277.87 million respectively and IRR in the base case

and sensitivity analysis case of 44.55% and 35.16% per year respectively, which is higher than the project's weighted average cost of capital and also higher than the estimated average borrowing cost of the project of 5.31% and 4.61% per year respectively. 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.

The entry into the connected transaction to purchase land from Golden Wattle, located in the area of Sena Grand Home Bang Bua Thong – Bang Phun Project, Pathum Thani Province, will provide the Company with additional land for new horizontal property development. The Company envisions the potential of land in Sena Grand Home Bang Bua Thong – Bang Phun Project, which is in a prime location where it has successfully operated five projects consisting of four previous projects (phases 1-4) and phase-5 project which is under development. These projects, offering high-priced single houses and twin houses, have received positive responses from customers. The Company accordingly sees opportunity to develop a continuous project on the purchased land, which will feature townhouses, twin houses and single houses with smaller sizes and lower prices than those of the existing projects to serve middle-income group, thus enabling the Company to offer products with a wider price range for customers to choose from in the same area. Besides, due to financial institutions' more stringent mortgage lending policy, some customers have become less able to access such loans or could obtain a smaller loan amount. A cheaper residential project will therefore be another right option for them and, at the same time, allow for the Company to better cater to needs of this group 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.

The purchase of land from Golden Wattle will enable the Company to achieve its horizontal property development plan and diversify risk from its current real estate business by reducing its reliance on revenues from the vertical projects, notably condominiums which are facing fierce competition and a slowdown. The Company will also benefit from development of a continuous project in the same area as its existing projects, which 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 terms of payment for the land purchase from Golden Wattle are considered favorable. The Company is to make a full payment for the land to Golden Wattle on the date of registration of ownership transfer, whereby it will pay 70% of the land price in the form of promissory note with aval from a commercial bank or promissory note issued by the Company with one-year maturity and interest-free. This will enable the Company to enhance its liquidity management and save interest expenses.

Furthermore, by entering into this transaction, the Company will be able to continuously develop a new project so as to grow its revenues and profit in the future and relatively 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 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.

The purchase price of three plots of land from Golden Wattle with a total area of 45-0-13.78 rai or 18,013.78 square wah at Baht 450,344,500 or Baht 25,000 per square wah is lower than the average appraised value by the two independent valuers of Baht 25,500 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 Wattle into a horizontal property project for sale in the name of Sena Village Project. The Company will earn a gross profit margin of 36.31% with the project's net present value in the base case and sensitivity analysis case of Baht 236.96 million and Baht 223.86 million respectively and IRR in the base case and sensitivity analysis case of 42.59% and 31.83% per year respectively, which is higher than the project's weighted average cost of capital and also higher than the estimated average borrowing cost of the project of 5.31% and 4.61% per year respectively. 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 Wattle, 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 view that the shareholders will benefit from the two transactions, 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 the 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

Attachment 1 Profile of the Company

1. Background

Sena Development Plc. (“the Company” or “SENA”), formerly Krungthep Keha Group Co., Ltd., was established on May 11, 1993 by Mr. Theerawat Thanyalakpark who started the business originally in distribution and installation of wooden construction materials before entering the residential real estate development business. The Company firstly was a developer of townhouses, the first project of which was Sena 84 Project developed in 1984. It later embarked on other types of housing projects, comprising single house, duplex house, condominium and commercial building, and has continuously developed new projects.

In 2009, SENA was converted into a public limited company and conducted an initial public offering on July 29, 2009 to mobilize funds for development of its various real estate projects. The Company has consistently expanded both its core business, the real estate development targeting at low-end to mid-end markets, and the rental and services business to generate recurring income which will help to strengthen its financial position.

In 2015, the Company diversified into the solar energy business by acquiring ordinary shares in Sena Solar Energy Co., Ltd. (formerly T.T. Renewable Energy Co., Ltd.) under a joint venture with B. Grimm Power Plc. to operate a 46.5 MW solar farm project, which started commercial operation in December 2015 and recognized full-year revenues in 2016. Moreover, the Company invested in Eight Solar Co., Ltd. (formerly Wattanasuk Engineering Co., Ltd.) to engage in supply and installation of solar panels and equipment. In 2015, the Company expanded to the rental and services business by investing in Aspiration One Co., Ltd. (25% owned by the Company) through a joint venture with AIRA Property Co., Ltd. (holding 60%) and Sangfah Construction Co., Ltd. (holding 15%), to operate the office building for rent business in Ratchathewi intersection area. The project commenced construction in 2016 and is expected to be completed and launched in 2020.

In 2016, the Company launched the SENA Solar House Project to respond to the clean energy and eco-friendly trend and also to build upon its solar energy business. Moreover, the Company expanded the real estate development business by entering a joint venture with Hankyu Realty Co., Ltd., which is a leading Japanese residential developer, to enhance its competitiveness, knowledge and strength. The joint venture agreement between the Company and Hankyu Realty was signed on December 5, 2016 with an objective to expand its revenue base in real estate development business, strengthen the competitive edge, and enhance knowledge on technology and way of management to further develop the organization.

In 2017, the Company launched a plan to develop an application for maximizing customer satisfaction in energy conservation and time-saving in addition to boosting the effectiveness and comprehensiveness of the application in order to meet customer needs consistently with changes in the digital age.

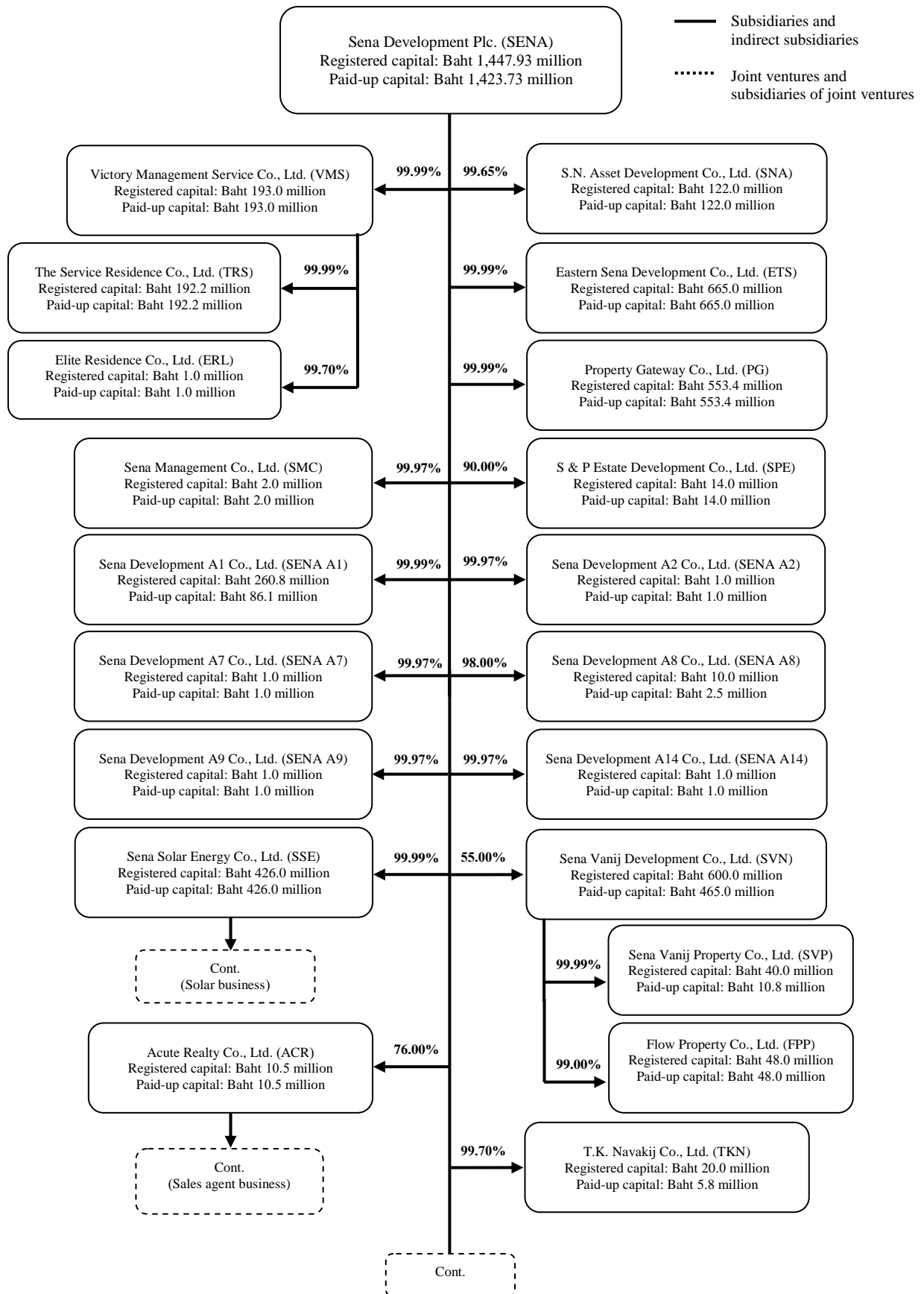
In 2018, the Company continues firmly committed to the development of products and services aimed at maximum customer satisfaction combined with business alliances with both familiar Thai companies and companies from abroad with expertise in various fields to help support business capacity and competitiveness, as well as expand the Company’s revenue base on a continual basis. Thus, the Company was able to launch nine new projects valued at around Baht 20,644 million in 2018.

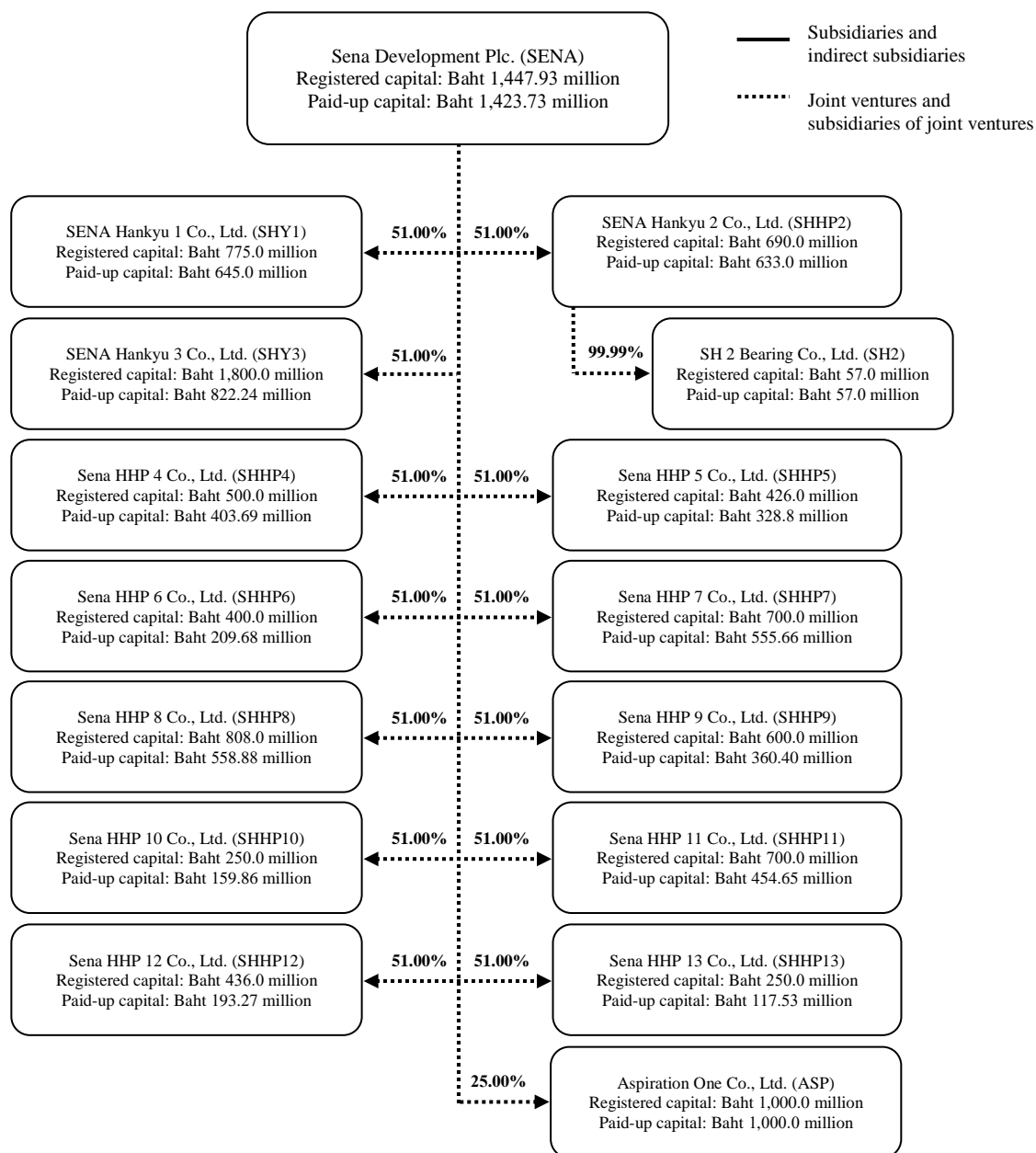
In 2019, the Company continued with its business expansion and adherence to the customer-centric policy. This could be reflected in its vision, mission and operational philosophy, taking pride in offering quality products and enabling low- to modest-income earners to own a house that is worth their money. Moreover, giving importance to helping its residents save expenses and preserving the environment, the Company introduced a solar house project to ensure the optimum benefit. It also

initiated the “Share Our Dream Housing Project” as a CSR program for social contribution. In 2019, the Company launched a total of 11 new projects worth approximately Baht 10,172 million in total, thereby bringing in total revenues of Baht 5,140.49 million.

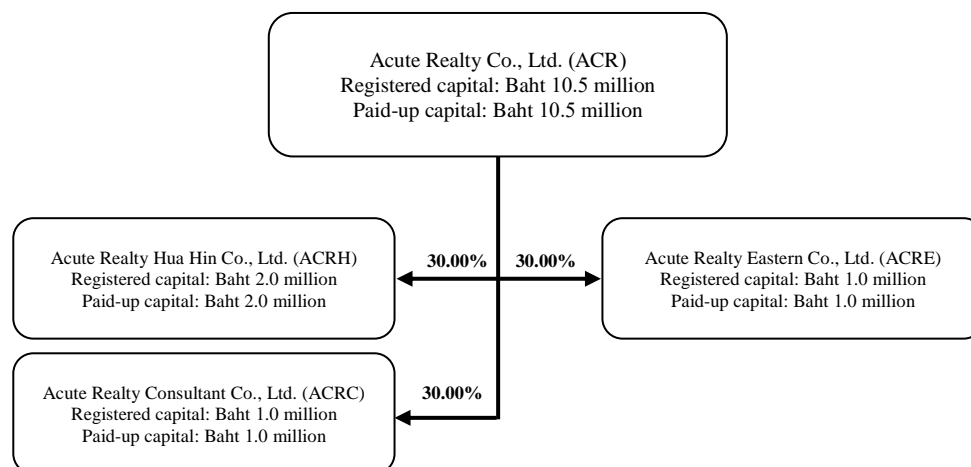
As of December 31, 2019, the Company had a registered capital of Baht 1,447.93 million and a paid-up capital of Baht 1,423.73 million, divided into 1,423.73 million common shares with a par value of Baht 1 per share.

SENA's shareholding structure (as at December 31, 2019)

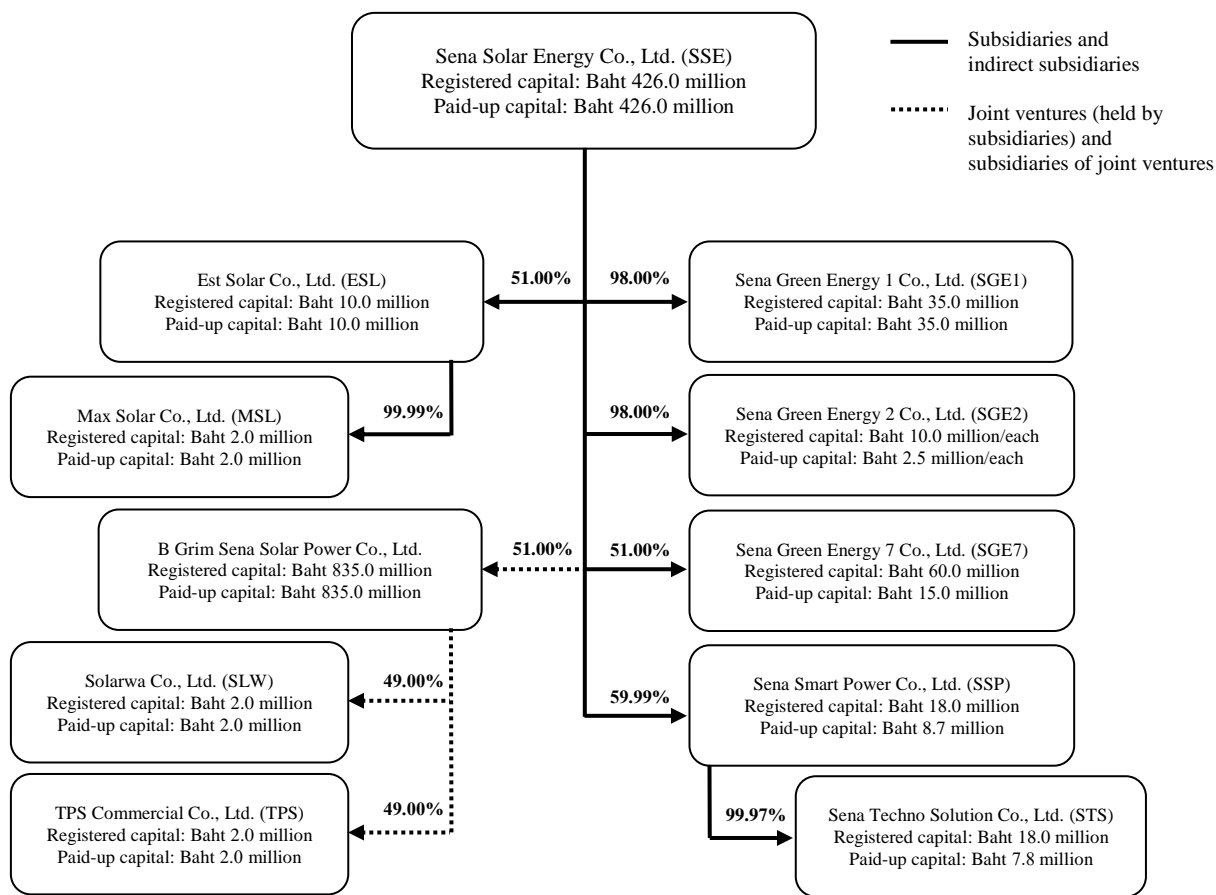




Sales agent business



Solar business



2. Business overview

The Company has engaged in the real estate development for sale and for rent and integrated residential services business, having 30 subsidiaries, 14 joint venture companies, 3 joint ventures indirectly held by subsidiaries, and one subsidiary company of a joint venture, as at December 31, 2019. The businesses of the Company and its subsidiaries can be divided into three types: (1) residential real estate development for sale business, including a total of 40 projects under their management with a total value of approximately Baht 23,617 million, (2) rental and services business, and (3) solar business.

(1) Residential real estate development for sale business

- The Company operates the horizontal and vertical residential real estate development for sale and the rental and services business. As at December 31, 2019, it had a total of 34 projects for sale under its management, comprising 15 horizontal projects in the name of Sena Park Grand, Sena Grand Home, Sena Park Ville, Sena Ville, Sena Village, Sena Viva, Sena Town, and Sena Eco Town; 19 condominium projects in the name of PITI, Niche Pride, Niche Mono, SENA AZU, Niche ID, The Kith Plus, The Kith, and The Kith Lite; 9 joint venture projects (JV); and one property for rent project in the name of Sena Fest Community Mall.
- SNA engages in residential property development for sale and for rent. It has one project for sale under its management, namely The Kith Tiwanon, and one project for rent, namely Sena Warehouse Sukhumvit 50.
- SPE engages in residential property development for sale.

- PG (formerly S.A. Asset Co., Ltd.) engages in residential property development for sale, with one project under management, namely Sena Park Grand.
- SENA A1, SENA A2, SENA A7, SENA A8, SENA A9, and SENA A14 engage in residential property development for sale.
- SVN (formerly Proud Vanij Co., Ltd.) engages in residential property development for sale, having investment in SVP and FPP.
- SVP engages in residential property development for sale.
- FPP engages in residential property development for sale.
- TKN is a residential construction contractor.
- SHY1 (joint venture) engages in residential property development for sale.
- SHY2 (joint venture) engages in residential property development for sale, having one project under management, Niche Mono Sukhumvit-Bearing.
- SH2 (joint venture's subsidiary) engages in residential property development for sale.
- SHY3 (joint venture) engages in residential property development for sale, having one project under management, PITI Ekkamai.
- SHHP4 (joint venture) engages in residential property development for sale, having one project under management, Niche Mono Mega Space Bangna.
- SHHP5 (joint venture) engages in residential property development for sale, having one project under management, Niche Mono Charoen Nakhon.
- SHHP6 (joint venture) engages in residential property development for sale, having one project under management, PITI Bangchak.
- SHHP7 (joint venture) engages in residential property development for sale, having one project under management, Niche Mono Ramkhamhaeng.
- SHHP8 (joint venture) engages in residential property development for sale.
- SHHP9 (joint venture) engages in residential property development for sale.
- SHHP10 (joint venture) engages in residential property development for sale.
- SHHP11 (joint venture) engages in residential property development for sale.
- SHHP12 (joint venture) engages in residential property development for sale.
- SHHP13 (joint venture) engages in residential property development for sale.

(2) Rental and services business

- VMS provides juristic person management services and/or property project management services, having investment in TRS and ELR.
- TSR (formerly Victory Asset Management Co., Ltd.) operates the rental and services business and provides living agent services for second-hand houses and condominium units of the Company and its subsidiaries and projects of other companies. The apartments for rent under its management are Sena House Phaholyothin 30 and Sena House Lamlukka Klong 2 in Pathum Thani Province.
- ELR provides juristic person management services and/or property project management services.

- ETS (formerly T. Treasury Holding Co., Ltd.) operates the golf course rental and services business, with one project under management, namely Pattaya Country Club & Resort.
- SMC engages in real estate management and trading service business, having two projects under management, Niche Mono Sukhumvit-Bearing and Niche Pride Taopoon Interchange.
- ACR is the agent for sale and rent of second-hand houses and condominiums of the Company, its subsidiaries and other companies, having investment in ACRE, ACRH, and ACRC.
- ACRE, ACRH, and ACRC are the agents for sale and rent of second-hand houses and condominiums of the Company, its subsidiaries and other companies.
- ASP (joint venture) is a joint venture between the Company, holding 25%, Aira Property Co., Ltd., holding 60%, and Sangfah Construction Co., Ltd., holding 15% of its paid-up capital, to operate the office building for rent business in Ratchathewi intersection area.

(3) Solar business

- SSE engages in solar energy production and distribution business.
- ESL engages in solar business by supplying construction materials and equipment, and solar panels.
- MSL engages in solar business by providing engineering, procurement, and construction services related to solar energy.
- SGE1 and SGE2 engage in power production and distribution.
- SGE7 provides rental services of tools, machinery and equipment for power production.
- SSP and STS engage in power production and distribution.
- B.Grimm SSP (joint venture indirectly held through subsidiary company) engages in the solar business. It is a joint venture between Sena Solar Energy Co., Ltd., holding 51.0% of the paid-up capital, and B. Grimm Power Plc., holding 49.0%. B. Grimm Sena Solar Power Co., Ltd. has invested in SLW and TPS.
- SLW engages in the solar business by operating a solar farm project in Nakhon Pathom Province.
- TPS engages in the solar business by operating a solar farm project in Saraburi Province.

■ Revenue structure of the Company and its subsidiaries in 2017 - 2019:

Type of revenues	2017		2018		2019	
	Baht million	%	Baht million	%	Baht million	%
1. Revenues from sales of real estate:						
- Horizontal: single house, townhome and commercial building	1,454.2	27.85	968.3	17.48	873.6	16.49
- Vertical: condominium	3,081.0	59.01	3,566.0	64.37	2,896.0	54.67
Total revenues from sales of real estate	4,535.2	86.86	4,534.3	81.85	3,769.6	71.16
2. Revenues from rental and services	347.4	6.65	766.7	13.84	1,272.6	24.02
3. Revenues from solar business	278.4	5.33	54.5	0.99	98.3	1.86
4. Other revenues	60.2	1.15	184.1	3.32	157.1	2.97
Total revenues	5,221.2	100.00	5,539.6	100.00	5,297.6	100.00

■ Board of Directors and shareholders

■ The Board of Directors of the Company, according to the affidavit as of December 11, 2019, is composed of 12 members as follows:

	Name	Position
1.	Mr. Vichien Ratanabirabongse	Board Chairman and Independent Director
2.	Mr. Chaiyos Hemarajata	Independent Director and Audit Committee Chairman
3.	Mr. Kamol Thammanichanond	Independent Director and Audit Committee Member
4.	Mr. Pramote Chotimongkol	Independent Director and Audit Committee Member
5.	Mrs. Duangphorn Sucharittanuwat	Independent Director and Audit Committee Member
6.	Pol. Gen. Achirawit Supanphesat	Independent Director
7.	Mr. Samma Kitsin	Independent Director
8.	Mr. Theerawat Thanyalakpark	Director and Chief Executive Officer
9.	Miss Benyalak Thanyalakpark	Director and Deputy Chief Executive Officer
10.	Miss Kessara Thanyalakpark	Director and Deputy Chief Executive Officer
11.	Mrs. Weraporn Chaisiriyasawat	Director and Deputy Chief Executive Officer
12.	Miss Umaporn Thanyalakpark	Director

Authorized signatories: Any two of the directors, namely Mr. Theerawat Thanyalakpark, Miss Benyalak Thanyalakpark, Miss Umaporn Thanyalakpark and Miss Kessara Thanyalakpark, are authorized to co-sign with the Company's seal affixed.

■ *Shareholders*

As at August 30, 2019 (the latest closing date of shareholder register book), the Company had a registered capital of Baht 1,447,925,638 and an issued and paid-up capital of Baht 1,423,727,420, divided into 1,423,727,420 ordinary shares with a par value of Baht 1.00 per share. Details of the shareholders are as follows:

	Name	No. of shares (shares)	As % of total shares (%)
1.	Thanyalakpark Group ^{1/}		
	1. Mr. Theerawat Thanyalakpark	209,765,722	14.73
	2. Miss Kessara Thanyalakpark	202,765,278	14.24
	3. Miss Umaporn Thanyalakpark	162,524,871	11.42
	4. Miss Sriwarat Thanyalakpark	130,118,549	9.14
	5. Miss Chatpailin Thanyalakpark	1,258,202	0.09
	6. Miss Siwanan Thanyalakpark	1,209,067	0.08
	7. Mr. Boonchai Thanyalakpark	944,025	0.07
	8. Mr. Chartchai Thanyalakpark	225,350	0.02
	9. Mr. Paramate Thanyalakpark	1	0.00
	10. Mr. Narathip Thanyalakpark	1	0.00
	11. Miss Benyalak Thanyalakpark	1	0.00
	12. Miss Panisa Thanyalakpark	1	0.00
	13. Miss Nichanand Thanyalakpark	1	0.00
	14. 2 nd Lt. Designate Kittisak Thanyalakpark	1	0.00
	15. Mr. Nattayuth Thanyalakpark	1	0.00

	Name	No. of shares (shares)	As % of total shares (%)
	16. Mr. Sakda Thanyalakpark	1	0.00
	17. Miss Natchaya Thanyalakpark	1	0.00
	Total of Thanyalakpark Group	708,811,073	49.79
2.	Mrs. Supaporn Chanseriwitthaya	129,000,000	9.06
3.	Mrs. Jindachaya Denpaisal	56,555,821	3.97
4.	Mr. Nattachart Kamsiritrakul	31,300,000	2.20
5.	Mrs. Srianong Kiratiwaranon	21,225,000	1.49
6.	Mr. Chatchawal Eurareetham	19,738,808	1.39
7.	Mr. Kiattisak Trairungtasana	19,492,817	1.37
8.	Mr. Piphat Setthalikhit	18,800,000	1.32
9.	Thai NVDR Co., Ltd.	18,499,859	1.30
10.	Mr. Abhisit Phanpruek	13,000,000	0.91
	Total of 10 major shareholders	1,036,423,378	72.80
11.	Other shareholders	387,304,042	27.20
	Total	1,423,727,420	100.00

Note: ^{1/} The purpose of the above grouping is to show the group of shareholders by family name and it does not mean that the persons in the same group are classified as persons under Section 258 of the Securities and Exchange Act or are deemed as a concert party.

■ Summary of operating results and financial position

Table illustrating consolidated financial position and operating results of the Company and its subsidiaries for 2017 - 2019

Consolidated statements of financial position	As at December 31					
	2017		2018		2019	
	Baht million	%	Baht million	%	Baht million	%
Assets						
Current assets						
Cash and cash equivalents	847.31	7.89	739.60	5.40	1,186.69	7.86
Current investments	4.34	0.04	4.48	0.03	1.56	0.01
Trade and other current receivables	745.98	6.95	1,047.68	7.65	476.28	3.15
Short-term loans	-	-	425.85	3.11	9.12	0.06
Inventories-net	6,372.16	59.37	7,726.50	56.41	8,052.21	53.33
Current income tax assets	0.32	0.00	3.43	0.03	3.30	0.02
Current portion of financial lease receivables	-	-	0.04	0.00	0.57	0.00
Total current assets	7,970.11	74.26	9,947.58	72.62	9,729.73	64.44
Non-current assets						
Investments in associates and joint ventures	951.49	8.87	1,601.99	11.70	3,196.38	21.17
Pledged deposits at banks	76.29	0.71	110.00	0.80	132.03	0.87
Trade and other non-current receivables	21.97	0.20	28.49	0.21	28.79	0.19
Investment properties-net	746.74	6.96	814.14	5.94	806.56	5.34
Property, plant and equipment- net	945.65	8.81	1,039.19	7.59	1,005.93	6.66
Leasehold rights	-	-	1.22	0.01	1.16	0.01
Goodwill	6.50	0.06	12.36	0.09	12.36	0.08
Intangible assets	0.59	0.01	18.39	0.13	25.22	0.17

Consolidated statements of financial position	As at December 31					
	2017		2018		2019	
	Baht million	%	Baht million	%	Baht million	%
Deferred income tax assets	13.12	0.12	22.04	0.16	52.16	0.35
Financial lease receivables	-	-	5.29	0.04	11.01	0.07
Other non-current assets	-	-	96.81	0.71	96.81	0.64
Total non-current assets	2,762.35	25.74	3,749.92	27.38	5,368.41	35.56
Total assets	10,732.45	100.00	13,697.50	100.00	15,098.14	100.00
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	1,230.03	11.46	1,267.06	9.25	1,479.35	9.80
Trade and other current payables	1,191.19	11.10	1,077.45	7.87	1,147.68	7.60
Current portion of long-term liabilities	877.00	8.17	1,451.25	10.59	959.38	6.35
Short-term loans	41.26	0.38	0.74	0.01	5.71	0.04
Income tax payable	145.17	1.35	117.18	0.86	157.48	1.04
Estimated current liabilities	0.56	0.01	1.12	0.01	0.99	0.01
Total current liabilities	3,485.22	32.47	3,914.80	28.58	3,750.59	24.84
Non-current liabilities						
Long-term loans	2,405.00	22.41	3,754.84	27.41	4,675.37	30.97
Trade and other non-current payables	26.40	0.25	25.81	0.19	58.44	0.39
Deferred income tax liabilities	15.40	0.14	67.27	0.49	62.47	0.41
Estimated non-current liabilities - employee benefits	21.52	0.20	31.39	0.23	47.99	0.32
Estimated non-current liabilities	0.81	0.01	0.29	0.00	1.20	0.01
Total non-current liabilities	2,469.12	23.01	3,879.60	28.32	4,845.47	32.09
Total liabilities	5,954.34	55.48	7,794.40	56.90	8,596.06	56.93
Shareholders' equity						
Registered share capital	1,242.48		1,446.15		1,147.93	
Issued and paid-up share capital	1,214.44	11.32	1,420.89	10.37	1,423.73	9.43
Effect of business combination under common control	72.01	0.67	72.01	0.53	72.01	0.48
Premium on share capital	526.08	4.90	539.86	3.94	552.19	3.66
Retained earnings						
Appropriated						
Legal reserve	124.25	1.16	144.62	1.06	144.79	0.96
Share-based payment	33.02	0.31	44.80	0.33	24.89	0.16
Unappropriated	2,750.34	25.63	3,264.16	23.83	3,863.12	25.59
Other components of shareholders' equity	4.73	0.04	-	-	-	-
Total shareholders' equity of parent	4,724.88	44.02	5,486.34	40.05	6,080.73	40.27
Non-controlling interests	53.24	0.50	416.76	3.04	421.35	2.79
Total shareholders' equity	4,778.11	44.52	5,903.10	43.10	6,502.08	43.07
Total liabilities and shareholders' equity	10,732.45	100.00	13,697.50	100.00	15,098.14	100.00

Consolidated statements of comprehensive income	For the year ended December 31					
	2017		2018		2019	
	Baht million	%	Baht million	%	Baht million	%
Revenues from sales	4,535.23	86.86	4,534.28	81.85	3,769.62	71.16
Revenues from rental and services	347.39	6.65	766.68	13.84	1,272.57	24.02
Revenues from solar business	278.43	5.33	54.51	0.98	98.29	1.86
Other revenues	60.19	1.15	184.08	3.32	157.10	2.97
Total revenues	5,221.24	100.00	5,539.55	100.00	5,297.58	100.00
Costs of sales	2,760.63	52.87	2,425.48	43.78	2,029.62	38.31
Costs of rental and services	176.12	3.37	349.07	6.30	435.83	8.23
Costs of solar business	188.11	3.60	59.09	1.07	72.25	1.36
Total costs of sales	3,124.86	59.85	2,833.64	51.15	2,537.70	47.90
Profit before expenses	2,096.37	40.15	2,705.91	48.85	2,759.88	52.10
Selling expenses	595.36	11.40	626.24	11.30	758.86	14.32
Administrative expenses	383.34	7.34	499.78	9.02	529.35	9.99
Other expenses	18.26	0.35	21.09	0.38	21.14	0.40
Total expenses	996.97	19.09	1,147.11	20.71	1,309.35	24.72
Profit before finance costs, share of profit (loss) from investments in associates and joint ventures, and income tax	1,099.41	21.06	1,558.80	28.14	1,450.53	27.38
Finance costs	57.05	1.09	99.96	1.80	191.36	3.61
Share of profit (loss) from investments in associates and joint ventures	(41.57)	(0.80)	(222.22)	(4.01)	(76.88)	(1.45)
Profit (loss) before income tax	1,000.79	19.17	1,236.62	22.32	1,182.29	22.32
Income tax revenue (expense)	226.56	4.34	305.75	5.52	290.71	5.49
Profit (loss) for the year	774.23	14.83	930.87	16.80	891.58	16.83
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Profit (loss) from remeasurement of defined employee benefits	2.54		-		(2.25)	
Other components of other comprehensive income	0.74		-		-	
Including items that will not be reclassified subsequently to profit or loss	3.28		-		(2.25)	
Other comprehensive income for the year-net of tax	3.28		-		(2.25)	
Total comprehensive income for the year	777.51		930.87		889.33	
Profit attributable to:						
Equity holders of parent	742.49		939.61		890.05	
Non-controlling interests	31.74		(8.74)		1.53	
Net profit (loss) for the year	774.23		930.87		891.58	
Basic earnings per share (Baht/share)						
Profit (loss) from continuing operations (Baht/share)	0.6262		0.7015		0.6258	
Weighted average number of ordinary shares (shares)	1,185.73		1,339.52		1,422.25	

Consolidated statements of cash flow

Unit: Baht million	2017	2018	2019
Net cash provided by (used in) operating activities	119.19	(1,206.01)	1,806.53
Net cash provided by (used in) investing activities	(509.22)	(325.24)	(1,557.26)
Net cash provided by (used in) financing activities	966.77	1,423.84	307.85
Net increase in cash and cash equivalents	576.74	(107.41)	557.12
Cash and cash equivalents at beginning of year	270.55	847.31	739.60
Decrease in cash flow arising from losing control of subsidiaries	-	(0.30)	(110.03)
Cash and cash equivalents of subsidiaries as at purchase date	0.01	-	-
Cash and cash equivalents at end of year	847.31	739.60	1,186.69

Note: The consolidated financial statements for 2017 - 2019 were audited by Mr. Jadesada Hungsapruak, CPA Registration No.3759, auditor of Karin Audit Co., Ltd. and approved by the Office of the Securities and Exchange Commission.

Key financial ratios

Financial ratios	2017	2018	2019
<u>Liquidity Ratio</u>			
Current ratio (time)	2.29	2.54	2.59
Quick ratio (time)	0.46	0.46	0.44
Cash flow liquidity ratio (time)	0.04	(0.33)	0.47
Accounts receivable turnover ratio (time)	60.04	55.92	31.15
Average collection period (day)	6.00	6.44	11.56
Inventory turnover ratio (time)	0.76	0.51	0.38
Average selling period (day)	476.13	699.61	940.79
Accounts payable turnover ratio (time)	3.73	2.50	2.28
Average repayment period (day)	96.64	144.11	157.83
Cash cycle (day)	385.48	561.94	794.52
<u>Profitability Ratio</u>			
Gross profit margin (%)	39.45	47.09	50.63
Operating profit margin (%)	21.06	28.14	27.38
Cash to operating profit ratio (%)	10.84	(77.37)	124.54
Net profit margin (%)	14.22	16.96	16.80
Return on equity (%)	16.96	18.40	15.39
<u>Efficiency Ratio</u>			
Return on assets (%)	8.43	7.62	6.19
Return on fixed assets (%)	49.98	59.59	53.98
Asset turnover (time)	0.57	0.45	0.37
<u>Financial Policy Ratio</u>			
Debt to equity ratio (time)	1.25	1.32	1.32
Interest coverage ratio (time)	5.20	(7.70)	11.97
Commitment coverage ratio (time)	0.01	(0.14)	0.15
Dividend payout (%)	38.36	41.26	39.93
<u>Per share information</u>			

Financial ratios	2017	2018	2019
Book value per share (Baht/share)	3.93	4.15	4.57
Number of shares (million shares)	1,214.44	1,420.89	1,423.73

▪ *Analysis of operating results and financial position*

Operating results in 2017 - 2019

Revenues

The Company and its subsidiaries recorded total revenues in 2017 - 2019 of Baht 5,221.2 million, Baht 5,539.6 million and Baht 5,297.6 million respectively which increased/(decreased) by Baht 318.4 million and Baht (242.0) million or 6.1% and (4.4)% in 2018 and 2019 respectively. The revenues primarily came from sales of horizontal and vertical residential real estates, rental and services, and solar business. Major revenue from sales of horizontal and vertical residences accounted for 86.9%, 81.9%, and 71.2% of total revenues respectively.

Revenues from sales

The Company and its subsidiaries recorded revenues from sales in 2017 - 2019 of Baht 4,535.2 million, Baht 4,534.3 million and Baht 3,769.6 million respectively, which decreased by Baht 0.9 million or 0.1% in 2018 and Baht 764.7 million or 16.9% in 2019. Such sales revenues consisted of revenues from sales of horizontal projects of Baht 1,454.2 million, Baht 968.3 million and Baht 873.6 million and revenues from sales of vertical projects of Baht 3,081.0 million, Baht 3,566.0 million and Baht 2,896.0 million in 2017 - 2019 respectively.

Revenues from sales in 2018 decreased by Baht 0.9 million YoY. Nonetheless, the Company's gross profit from sales of residential projects increased by 18.8% YoY from the efficient cost management. Major revenues from sales of residential projects categorized by business brand are: 1,339 units of The Niche ID brand totaling Baht 3,078.1 million; 341 units of The Kith brand totaling Baht 456.5 million; and in the form of single houses, townhomes, and commercial buildings, consisting of 32 units under the brand Sena Park Ville totaling Baht 181.2 million, 19 units under the brand Sena Park Grand totaling Baht 180.2 million, 22 units under the brand Sena Ville totaling Baht 102.4 million; 18 units of Shophouse and Avenue totaling Baht 129.5 million. In late 2018, the Company acquired shares in Proud Vanij Co., Ltd. in order to expand the investment in property development business of the Company, as well as to expand and support the horizontal property development projects in the provinces. Therefore, in the last quarter of 2018, the Company recorded additional revenues from the transferred units in the horizontal property development projects in the provinces totaling Baht 49.7 million, revenues from 18 units of other types of properties totaling Baht 49.2 million, and revenues from land disposal of Baht 307.5 million.

Revenues from sales in 2019 decreased by Baht 764.7 million YoY. Major revenues from sales of residential projects categorized by business brand are: 1,144 units of The Niche ID brand totaling Baht 2,491.1 million; 261 units of The Kith brand totaling Baht 404.9 million; and in the form of single houses, townhomes and commercial buildings, consisting of 27 units under the brand Sena Park Ville totaling Baht 181.9 million, six units under the brand Sena Park Grand totaling Baht 58.3 million, 16 units under the brand Sena Ville totaling Baht 80.0 million; two units under the brand Sena Grand Home totaling Baht 16.3 million, and one unit of Baan Resort Pattaya totaling 1.1 million; 54 units of Shophouse and Avenue totaling Baht 374.5 million, three units in Prae Ma Pon project totaling Baht 7.2 million, and 74 units under the brand Sena Vanij totaling Baht 153.3 million.

Revenues from rental and services

Revenues from rental and services of the Company and its subsidiaries in 2017 - 2019 amounted to Baht 347.4 million, Baht 766.7 million and Baht 1,272.6 million respectively, rocketing by Baht 419.3 million or 120.7% in 2018 and Baht 505.9 million or 66.0% in 2019.

The increase in revenues from rental and services in 2018 stemmed primarily from an increase in revenues from golf course and agent services. Revenues from rental and services were composed of revenues from apartment rental and services of Baht 14.3 million, revenues from juristic person management service of Baht 35.2 million, revenues from warehouse rental of Baht 28.1 million, revenues from Sena Fest Community Mall of Baht 80.7 million, revenues from golf course services of Baht 98.1 million, revenues from project management services of Baht 489.2 million, revenues from land rental of Baht 0.4 million, and revenues from rental of solar equipment of Baht 0.5 million. In the middle of 2018, the Company acquired a stake in Acute Realty Co., Ltd. (ACR), a real estate broker and advisor, in order to develop the competency and efficiency in comprehensive real estate sales and marketing management. ACR has numerous systems and investors, together with various advertising channels, which will enhance business opportunities, generating revenues of Baht 19.8 million.

Revenues from rental and services in 2019 went up from the previous year mainly from an increase in revenues from project management services for six additional projects, combined with seven projects in 2018, thus resulting in a total of 13 projects. Revenues from rental and services were composed of revenues from apartment rental and services of Baht 13.8 million, revenues from juristic person management service of Baht 39.0 million, revenues from warehouse rental of Baht 26.8 million, revenues from Sena Fest Community Mall of Baht 74.0 million, revenues from golf course services of Baht 98.0 million, revenues from project management services of Baht 969.3 million, revenues from land rental of Baht 3.7 million, revenues from rental of solar equipment of Baht 0.7 million, and revenues from agent services of Baht 41.6 million. In the middle of 2019, the Company expanded its business by establishing a subsidiary to engage in construction business and accordingly generated revenues from this business of Baht 5.8 million.

Revenues from solar business

Revenues from solar business in 2017 - 2019 amounted to Baht 278.4 million, Baht 54.5 million, and Baht 98.3 million, which increased/(decreased) by Baht (223.9) million and Baht 43.8 million or (80.4)% and 80.3% in 2018 and 2019 respectively. The YoY decrease in revenues from solar business in 2018 was because the Company engaged in a large solar installation project for Homepro in 2017. Nonetheless, the Company recorded greater revenues from solar business in 2019 than 2018, resulting from the negotiation and agreement on the sales and installation services of equipment for rooftop solar energy production (solar roof) with Index Living Mall Plc. and the recognition of profit sharing from a business in which the Company invested of Baht 50.5 million.

Costs of sales

Costs of sales were comprised of costs of sales of residences, costs of apartment for rent projects, costs of sales of Sena Fest Community Mall Project, costs of sales of golf course business, and costs of sales of solar business. The Company and its subsidiaries recorded costs of sales of Baht 3,124.9 million, Baht 2,833.6 million and Baht 2,537.7 million in 2017 - 2019 respectively, representing 60.5%, 52.9% and 49.4% of revenues from sales and services, with a gross profit margin of 39.5%, 47.1% and 50.6% in 2017 - 2019 respectively. Average cost of sales in 2017 - 2019 continuously dropped from previous years because of the Company's greater efficiency cost management.

Costs of distribution and administrative expenses

In 2017 - 2019, costs of distribution and administrative expenses of the Company and its subsidiaries amounted to Baht 997.0 million, Baht 1,147.1 million and Baht 1,309.4 million respectively, rising by Baht 150.1 million or 15.1% in 2018 and Baht 162.2 million or 14.1% in 2019. The proportion of costs of distribution and administrative expenses to total revenues was equal to 19.1%, 20.7% and 24.7% in 2017 - 2019 respectively.

Costs of distribution and administrative expenses in 2018 increased from the previous year largely from the rising transfer fee and specific business tax for the property transferred in that year. In 2018, moreover, the Company expanded the property development with a total of 34 projects on hand, increasing from 25 projects in the previous year. Therefore, advertising media and public relations were conducted to stimulate sales, leading to revenue recognition in 2019. Human resources and administrative expenses also went up in line with continuous business expansion.

The YoY increase in costs of distribution and administrative expenses in 2019 was mainly driven by an increase in cost of sales promotion premium gifts and promotional discount given to customers to boost the transfer in 2019. Also, the Company expanded its property development and accordingly conducted advertising media and public relations to stimulate sales, leading to revenue recognition in 2019. Human resources and administrative expenses also went up in line with continuous business expansion.

Financial position as at December 31, 2017 - 2019

The Company and its subsidiaries recorded total assets as at the end of 2017 - 2019 of Baht 10,732.5 million, Baht 13,697.5 million, and Baht 15,098.1 million respectively, increasing by Baht 2,965.0 million or 27.6% as at the end of 2018 and Baht 1,400.6 million or 10.2% as at year-end 2019. The major assets were inventories-net, consisting of land held for development, land used for project development, land development cost, land and club house, public utilities, cost of construction, management fee, borrowing cost, expenses for contacting with government agencies, and other expenses. Inventories were expressed in a net amount after deduction of the portion transferred to costs of sales and allowance for impairment.

The YoY growth in total assets at the end of 2018 was mainly due to an increase in current assets which included inventories and land bank for new project development totaling Baht 1,354.3 million, short-term loans to joint ventures of Baht 425.9 million, and trade accounts receivable of Baht 301.7 million. Non-current assets increased resulting from investment of Baht 650.5 million in Hankyu Hanshin Properties Corporation to develop additional condominium projects. The Company also rented an office and bought additional office equipment totaling Baht 93.5 million to accommodate the business expansion.

Total assets at the end of 2019 increased YoY mainly due to a decrease in current assets of Baht 217.9 million from receipt of loan repayment of trade accounts receivable of Baht 571.4 million. Besides, the Company granted loans to joint ventures in 2019 for use as working capital totaling Baht 2,205 million and received loan repayment of Baht 2,624.2 million from the joint ventures. As the Company additionally developed six projects, coupled with the existing projects on hand, the inventories went up by Baht 325.7 million. Non-current assets surged by Baht 1,618.5 million from investment in Hankyu Hanshin Properties Corporation to develop six additional condominium projects: 1) Niche Pride Ratchada-Thapra, 2) Niche Mono Rama 9, 3) Niche Pride Somdet Chaophraya, 4) Niche Mono Chaeng Wattana Phase 1, 5) Niche Pride Bang Pho, and 6) Niche Mono Itsaraphap.

The Company and its subsidiaries recorded total liabilities as of year-end 2017 - 2019 in an amount of Baht 5,954.3 million, Baht 7,794.4 million, and Baht 8,596.1 million respectively, which increased by Baht 1,840.1 million and 801.7 million or 30.9% and 10.3% in 2018 and 2019

respectively. Most of total liabilities were current liabilities which amounted to Baht 3,485.2 million, Baht 3,914.8 million, and Baht 3,750.6 million, representing 58.5%, 50.2%, and 43.6% of total liabilities in 2017 - 2019 respectively. Non-current liabilities were recorded at Baht 2,469.1 million, Baht 3,879.6 million, and Baht 4,845.7 million, representing 41.5%, 49.8%, and 56.4% of total liabilities in 2017 - 2019 respectively.

Total liabilities at the end of 2018 went up YoY mainly due to an increase in current liabilities of Baht 429.6 million from current portion of debentures of Baht 1,446.0 million, debenture redemption of Baht 800.00 million, repayment of loan for land financing of Baht 75.0 million. At the same time, non-current liabilities went up by Baht 1,410.5 million from long-term borrowings by issuing additional debentures of Baht 2,245.0 million. The Company could maintain the debt to equity ratio at 1.3: 1 at year-end 2018, which did not exceed 1.5: 1.

Total liabilities at the end of 2019 went up YoY because the Company required a source of fund, by issuing promissory notes, bills of exchange, and debentures, to accommodate business expansion and development of projects on hand as well as to meet working capital requirement. The debt to equity ratio as of year-end 2019 was 1.3 times. Total shareholders' equity of the Company and its subsidiaries as at the end of 2017 - 2019 amounted to Baht 4,778.1 million, Baht 5,903.1 million, and Baht 6,502.1 million respectively, up by Baht 1,125.0 million and Baht 599.0 million or 23.5% and 10.2% in 2018 and 2019 respectively. The Company and its subsidiaries recorded higher shareholders' equity as at the end of 2018, resulting from an increase in paid-up capital of Baht 206.4 million, retained earnings of Baht 546.0 million, and non-controlling interests of Baht 363.5 million from shareholding of 55% in Proud Vanij Co., Ltd. to invest in horizontal property development projects in the provinces. As at year-end 2019, shareholders' equity increased from the recognition of net profit for 2019 of Baht 891.6 million, net of dividend payment of Baht 347.0 million.

3. Relevant industry situation

Overview of real estate business

Real estate business plays a crucial role in the economic system as it relates to various industries such as construction, construction materials, labor, financial sector, etc. The Fiscal Policy Office, Ministry of Finance, forecasts Thai GDP growth for 2019 at 2.5% (information as at January 29, 2020), decelerating from 2018's growth of 4.1%. This is due to the slowdown in foreign market demand, resulting from the sluggish economic condition of trade partners and declining world trade volume as triggered by the trade war between USA and China. Export value is expected to shrink by 2.7%. Meanwhile, number of foreign visitors to Thailand reached 39.8 million persons in 2019, up 4.2% from 2018, driven by the extension of free Visa of Arrival scheme. It is expected further that the growth in private sector consumption and investment will continue the momentum, propelled by the economic stimulation measure in the second half of 2019, particularly the Chim Shop Chai campaign to boost the public spending. On the side of domestic economic stability, headline inflation in 2019 stayed at a low level of 0.7%, down from 2018 due to a decreasing trend of world crude oil prices.

The Fiscal Policy Office forecasts that Thai economic in 2020 will be on an upward trend, expanding from 2019 to 2.8% (forecast ranges from 2.3% to 3.3%), in line with ongoing growth in private investment as buoyed by the fiscal and monetary measures to boost local investment in 2020. Besides, the transportation infrastructure investment of state-owned enterprises and public private partnership (PPP) in infrastructure investment will enhance the confidence and boost domestic investment of private sector. Moreover, export sector will gradually recover in tandem with the potential growth in trade partners' economies, coupled with the expected recovery in global trade. Public and private spending is forecasted to witness continuous expansion. Regarding Thai economic stability, it is expected that headline inflation rate in 2020 will be at 0.8% (forecast ranges from 0.3% to 1.3%) which edged up marginally from 2019 in line with a recovery in domestic demand.

In 2014 - 2019, the Land and House Price Indexes, comprising Land and Single House Price Index, Land and Townhouse Price Index, Condominium Price Index, and Vacant Land Price Index, constructed by the Bank of Thailand based on commercial banks' database on loans secured by residential properties, have been on a rise. In 2019, Land and Single House Price Index, Land and Townhouse Price Index, and Condominium Price Index, continued to increase from 2018 whereas Vacant Land Price Index was slightly lower than 2018. Land and Single House Price Index in 2014 - 2019 was at 125.9%, 128.5%, 130.4%, 131.1%, 138.6%, and 144.1% respectively. Land and Townhouse Price Index in 2014 - 2019 was at 129.5%, 134.4%, 137.2%, 141.2%, 149.5, and 156.5% respectively. Condominium Price Index in 2014 - 2019 was at 143.9%, 155.4%, 165.2%, 169.7%, 180.9%, and 182.3% respectively. Vacant Land Price Index in 2014 - 2019 was at 141.4%, 157.3%, 170.1%, 168.7%, 173.7%, and 172.9% respectively.

Table showing number of residences newly registered in Bangkok and its vicinities and the Land and House Price Index, Land and Townhouse Price Index, Condominium Price Index and Land Price Index in 2014 - 2019

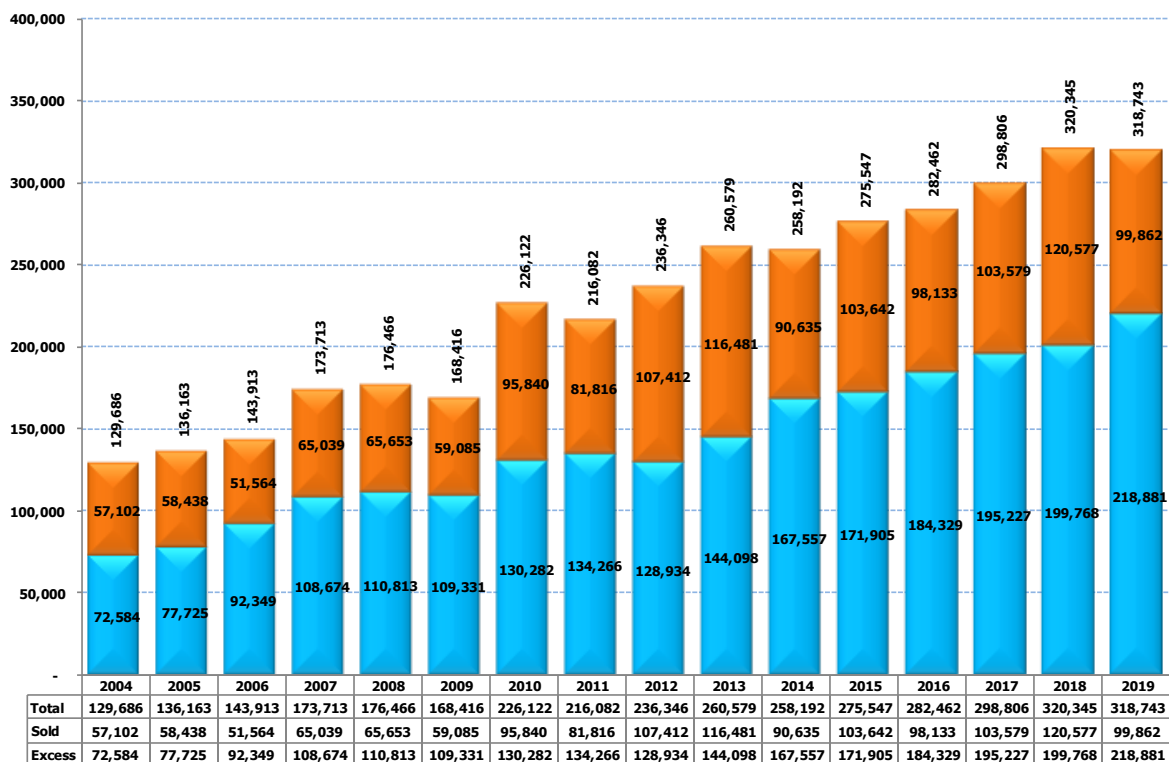
Unit: Property unit	2014	2015	2016	2017	2018	2019
Housing estate	33,935	33,827	31,742	30,978	37,715	38,251
Flat and condominium	75,058	67,628	72,886	63,319	73,121	53,163
Owner-built house	24,446	22,375	21,915	20,206	19,999	20,243
Total	133,439	123,830	126,543	114,503	130,835	111,657
Land and House Price Index	125.9	128.5	130.4	131.1	138.6	144.1
Land and Townhouse Price Index	129.5	134.4	137.2	141.2	149.5	156.5
Condominium Price Index	143.9	155.4	165.2	169.7	180.9	182.3
Land Price Index	141.4	157.3	170.1	168.7	173.7	172.9

Source: Bank of Thailand

Residential real estate industry situation

Based on the report of Agency for Real Estate Affairs Co., Ltd. (“AREA”) on the overview of residential properties in Bangkok and its vicinities in 2019, a total of 480 new projects were launched, which increased from 457 projects in 2018 by 23 projects or 5%. The total value of new projects was Baht 476,911 million, a drop of Baht 88,900 million or 16% from Baht 565,811 million in 2018. The average selling price per unit in residential market in 2019 was Baht 4.0 million, decreasing by 11% from Baht 4.5 million in 2018. The number of new units sold in 2019 totaled 118,975 units, down by 5% from 125,118 new units sold in 2018. As for the cumulative supply at the end of 2019, there was an excess supply of 218,881 units, rising by 10% from 199,768 units at the end of 2018.

Chart illustrating number of units sold and excess supply of residences in 2004 - 2019



Source: Agency for Real Estate Affairs Co., Ltd.

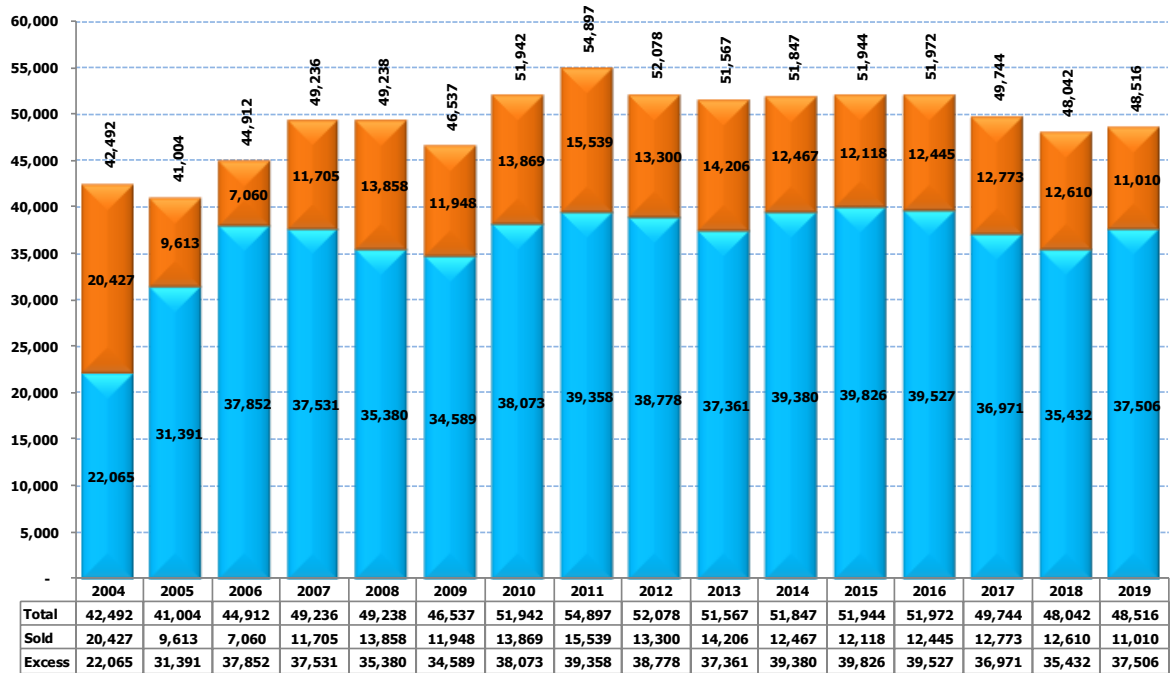
Note: Total supply (number of residences ready for sale) is the excess supply of the previous year and number of supply newly launched each year. Number of units sold is the number of residences sold in each year. Excess supply is the number of residences waiting for sale in each year which includes single house, twin house, townhouse, condominium, commercial building, and developed land.

The residential real estate development can be divided into two types, i.e. horizontal property (single house, twin house and townhouse) and vertical property (condominium).

Horizontal property (single house and townhouse)

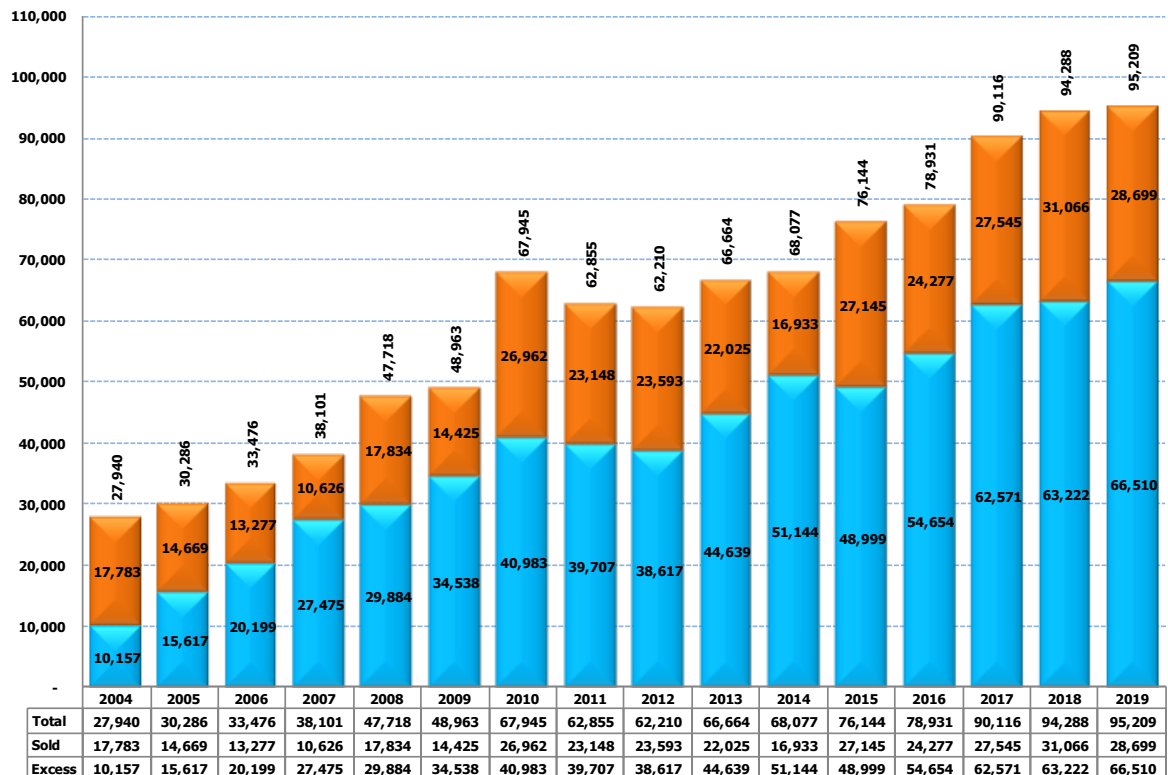
The horizontal property development in 2019 was comprised of single house and townhouse. Total number of single houses sold was 11,010 units, while the total number of townhouses sold was 28,699 units. Total number of new units launched in 2019 included 13,084 units of single houses and 31,987 units of townhouses. The cumulative excess supply of single houses in 2019 was 37,506 units, rising by 6% from 35,432 units at year-end 2018, while the cumulative excess supply of townhouses was 66,510 units, increasing 5% from 63,222 units at the end of 2018.

Chart illustrating total number of single houses available for sale and number of units sold in 2004 - 2019



Source: Agency for Real Estate Affairs Co., Ltd.

Chart illustrating total number of townhouses available for sale and number of units sold in 2004 - 2019

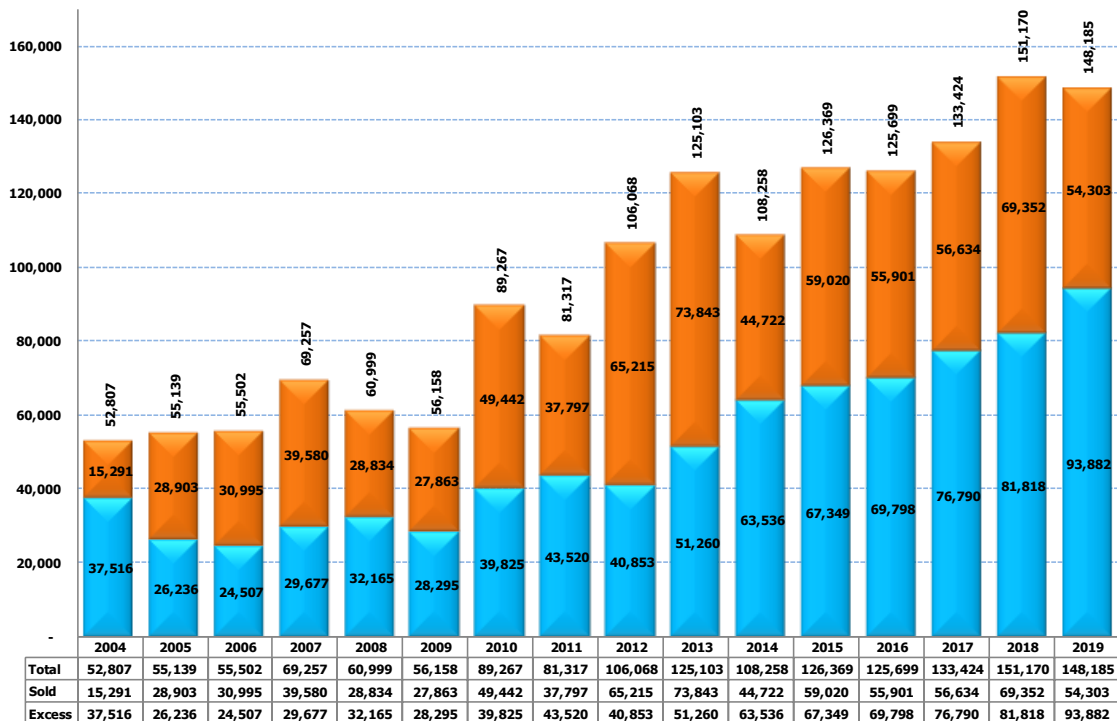


Source: Agency for Real Estate Affairs Co., Ltd.

Vertical property (condominium)

In 2019, vertical property, i.e. condominium, remained the best-selling type of property with the highest number of units offered for sale. There were a total of 66,367 units available for sale, a total of 54,303 units sold, and cumulative excess supply of 93,882 units, which increased by 15% from 81,818 units as at the end of 2018.

Chart illustrating total number of condominium units available for sale and number of units sold in 2004 - 2019



Source: Agency for Real Estate Affairs Co., Ltd.

For the real estate industry outlook in 2020, AREA forecasts that the number of residential project launches in Bangkok and its vicinities will not be lower than that of 2019. The industry will be boosted by the relaxation of credit underwriting standard for real estate industry by the Bank of Thailand in terms of loan to value (LTV) to encourage people to more easily own the first house, together with other property stimulation measures introduced by the government. These factors will result in continuous growth in residential supply.

Furthermore, such residential market trend is consistent with the report on the Q4/2019 residential real estate market update for Bangkok and its vicinities and the 2020 outlook (information as at February 27, 2020) prepared by the Real Estate Information Center (REIC), which reveals that, thanks to the declining interest rate trend, the government’s stimulus measures and the Bank of Thailand’s relaxed LTV regulation, the number of newly launched residential projects in Bangkok and its vicinities will grow by 12.5% in 2020 relative to 2019. Developers will focus their investments more in horizontal properties than in vertical projects such as condominiums. Horizontal projects will likely expand by 16.1% and condominium projects by 9.7% compared with 2019. However, the adverse impacts of economic slowdown and the novel coronavirus (COVID-19) pandemic will hinder growth in both demand and supply. It is forecast for 2020 that demand for residential ownership transfers in Bangkok and its vicinities will shrink by 4.1% and 3.9% from 2019 in terms of number of units and value respectively. Extension of new mortgage loans across the country is expected to drop 2.8% from 2019, while supply of residences completely built and newly registered in Bangkok and its vicinities will likely decrease 0.3% versus 2019.